THE IMPLEMENTATION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IN LIBERIA: ANALYSIS OF THE BENEFITS AND CHALLENGES

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ABSTRACT

This study evaluates the main factors influencing the implementation of International Public Sector Accounting Standards (IPSAS) in Liberia. The study adopted a survey design to collect data using a five-point Likert scale questionnaire administered on a sample of 100 Accountants, and internal and external auditors selected from public accounting and audit firms, the General Auditing Commission, government departments and related public sector entities within the Montserrado County of the Republic of Liberia. The research data was analysed using descriptive statistics, and the hypotheses were formulated and tested using analysis of variance (ANOVA) at a 5% significance level. The results show that IPSAS application in Liberia improves the quality and reliability of government accounting information, aligns government financial accounting with best international standards, stimulates Public-Private sectors partnerships, and increases government accountability and transparency within the Liberian economy. The results also show that lack of IPSAS experts, conflict between IPSAS and existing laws, and high cost of transition from existing accounting practices to IPSAS represent threats to realising the full benefits of IPSAS. Hence, the paper calls for political buy-in through moral suasion among government officials. High level of political commitment is expected to ease stakeholders' efforts at removing the associated bottlenecks to IPSAS implementation.

Keywords: Benefits, Challenges, Implementation, International Public Sector Accounting Standards (IPSAS).

INTRODUCTION

International Public Sector Accounting Standards (IPSAS) has become a worldwide revolution in government accounting reforms. Many national and international governmental organisations have started implementing accounting reforms to align with IPSAS. The main reason for this insurgency is the demand for increased transparency and accountability over the management of the financial affairs of governments and international governmental organisations (Chan, 2006; Christiaens, Vanhee, Manes-Rossi, Aversano, & Van Cauwenberge, 2015; Navarro Galera & Rodríguez Bolívar, 2007; Tickell, 2010). Before this revolution, most government institutions in emerging economies relied significantly on Generally Accepted Accounting Principles (GAAP) as the principal approach to accounting for the use of public funds. Until recently, the government of Liberia totally depended on GAAP in accounting for the use of public funds, largely due to the perceived convenience and costliness in using GAAP. However, GAAP has neither been able to uphold the level of transparency and accountability expected of it within the public sector nor harmonise international trade and commerce between emerging nations and the developed world (Ijeoma & Oghoghomeh, 2014). Consequently, emerging countries reliance on GAAP puts at risk, the sustainability of public sector entities and the chance of success of international trade and commerce with other global partners.

For example, most of the financial crises witnessed in less developed countries were partly attributed to practitioners' inability to apply GAAP intended to eliminate waste, curtail excessive spending, handle poor service delivery and improve accountability and transparency of public sector entities (Babatunde, 2017; Nkwagu et al., 2016). Nkwagu et al. (2016) and Babatunde (2017) also ascribed the occurrence of the 2007 global financial crisis, the 2008-2009 meltdown of the financial markets, and the 2009 - 2012 European debt crises to the non-existence of internationally recognized public sector accounting reporting frameworks. These and other reasons persuaded the International Federation of Accountants (IFAC) through its International Public Sector Accounting Standards Board (IPSASB) to introduce and continue to impress upon national governments and international governmental organisations to adopt and implement IPSAS. IPSAS adoption therefore is intended to result in a number of benefits including increased level of transparency and accountability in the management of public funds, harmonisation of international trade and commerce between the emerging counties and development partners.

Additionally, IPSAS adoption and implementation seeks to align governments reporting formats with best accounting practices through the application of credible and independent accounting standards (Harun, 2007; Nkwagu et al., 2016). Alignment of government reporting requirements with best practices is a catalytic agent for the attainment of national development objectives in many countries including Liberia where support from development partners represents the major source of funding. Multilateral institutions such as the African Development Bank, Asian Development Bank, the World Bank, the International Monetary Fund (IMF) and the United Nations (UN) are the principal providers of financial resourceS to most developing countries. All of these multilateral institutions have endorsed the application of IPSAS in accounting for resources they provide (Chan, 2006; Babatunde, 2017). Therefore, the implementation of IPSAS is expected to serve as a catalyst to drive increased inflow of foreign aid and foreign direct investment arising from a more accurate and fair reporting of government financial performance, fiscal and cash flows positions.

The adoption and implementation of IPSAS contributes towards improving government accountability. Tickell (2010) credits the increasing rate of IPSAS adoption among NGOs and national governments to the desire for better accountability over the management of public funds. Besides, Ijeoma and Oghoghomeh (2014) urge governments of emerging nations to adopt IPSAS as the benchmark for justifying the use of public financial resources since both IPSAS and International Financial Reporting Standards (IFRS) are based on a similar set of conceptual frameworks.

As part of the efforts to improve the public financial management system, the Government of Liberia decided to adopt the Cash Basis IPSAS in 2009 with a view to transitioning to full accrual basis IPSAS in the shortest possible time. This decision was driven by the desire to bring more transparency, fiscal probity and accountability into the management of public funds. The decision to adopt the Cash Basis IPSAS was accelerated by the global appeal associated with IPSAS adoption evidenced by the massive support for IPSAS adoption by Liberia's development partners. The decision was considered timely and in the right direction at the time as it was going to facilitate the implementation of the Integrated Financial Management Information System (IFMIS) which was the flagship PFM reform programme being rolled out by the then government. Consequently, on November 19, 2009, through the Ministry of Finance (now the

Ministry of Finance and Development Planning) the government took the giant step by formally announcing the adoption of the Cash Basis IPSAS as the standard for the preparation of its financial statements. The Cash Basis IPSAS has since become the official accounting standard for reporting all central government financial transactions of the Government of Liberia with the view to achieving the perceived benefits. The then Minister of Finance, Honourable Augustine Ngafuan, in formally announcing the adoption of the Cash Basis IPSAS for reporting all government of Liberia financial transactions proclaimed the Government's long-term goal of implementing the accrual basis IPSAS. The Minister intimated that the Cash Basis IPSAS should be applied to prepare government of Liberia's financial statements starting from the fiscal year July 1, 2009, to June 30, 2010, and that the Country will migrate to the accrual basis IPSASs over a five-year period to further enhance greater transparency, fiscal responsibility, and accountability. The question that needs to be answered is whether the adoption of the Cash Basis IPSAS by the Government of Liberia has yielded the intended benefits, and what obstacles exist, if any, that challenge the implementation of the Cash Basis IPSAS adopted by the Government of Liberia.

The objectives of this study therefore are: to determine whether the government of Liberia has realised the intended benefits associated with IPSAS implementation; and whether there exist factors that significantly impede the implementation of the Cash Basis IPSAS adopted by the Government of Liberia. To accomplish the above mentioned objectives two research questions and hypotheses were formulated to guide the study:

1. Has the adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia yielded the intended benefits for Liberia?
2. Are there challenges that have impeded the implementation of the Cash Basis International Public Sector Accounting Standard adopted by the Government of Liberia?

The paper is premised on the following hypotheses:

$H0_1$: The Adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia has not significantly yielded the intended benefits for Liberia.

$H0_2$: Challenges associated with the adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia do not significantly impede its implementation in Liberia.

The results from this study are expected to achieve the following outcomes:

1. To restore confidence in the public sector financial reporting system in Liberia considering the government's efforts through PFM reforms in general and accounting reforms in particular aimed at ensuring high-quality, consistent, credible, transparent, accountable and harmonised financial reporting system.
2. To afford PFM practitioners and scholars in Liberia the opportunity to appreciate the factors that threaten governments' efforts to promote transparent and accountable governance.
3. To serve as a reference point for practitioners in IPSAS implementation in other developing countries with similar characteristics as Liberia.
4. To offer a methodological basis to researchers in conducting evaluation studies that assess the success or otherwise of reform implementation.
5. The findings from the study would contribute to the current body of knowledge in accounting, public financial management, economics, and other related fields. Development partners, lenders, non-governmental organizations, and rating agencies will equally appreciate governments' efforts to achieving IPSAS compliance.

This study is focused on assessing the perceived gains recorded and challenges confronting the government of Liberia in its efforts to implement the Cash Basis IPSAS. The study used accountants, internal and external auditors of the major public accounting and audit firms in Liberia, staff of the General Auditing Commission, government departments and related public sector entities in Liberia as subjects. These subjects are most suited for the study given that they represent the practitioners at the forefront in the implementation of the Cash Basis IPSAS in the country.

The rest of the study is structured as follows: the next section presents the literature review on the IPSAS framework, its perceived benefits, and challenges in transitioning to IPSAS by national governments. Next is the description of the research design, presentation and analysis of results. The paper ends with the research conclusions and recommendations to guide policy decisions on an effective transition to IPSAS.

THEORETICAL AND LITERATURE REVIEW

The accounting literature is replete with a number of research findings suggesting public clamour for improved government transparency and accountability in the use of public funds in many countries across the globe (Chan, 2006; Guthrie, Olson, & Humphrey, 1999; Transparency International, 2016). Chen (2012) posits that the incidents of institutional fraud and irregularities are mainly false financial reporting, inflated revenues, assets embezzlement, and irregular transactions; and maintains that these have been on the increase globally, thus, providing reason for the need for adopting more suitable accounting standards capable of curtailing such menace. The emphasis on transparent and accountable governance is especially critical in developing countries where corruption is more endemic (Atuilik, Adafula, & Asare, 2016; Babatunde, 2017; Transparency International, 2016). These incidences have generated series of debates and subsequent development of various theories in public financial management.

One of such important theories around which this study revolves is the New Public Management (NPM) theory. Alonso, Clifton, and Díaz-Fuentes (2015) asserted that "there is broad consensus that NPM involves the attempt to implement management ideas from business and the private sector into the public services" (p. 4). Pollitt (1995) outlines the elements of NPM to include: techniques of cost management and cost containments; breaking up bureaucratic public sector institutions into smaller agencies; decentralization of power, authority and responsibility to smaller units or to units closer down to the local levels; introduction of competitive market based approaches; setting performance targets for staff to achieve; increasing reliance on contract based employments as opposed to permanent employment; and an increasing emphasis on service quality. Hood (1995) suggested that much of NPM reforms in the 1980s centered on the introduction of private sector type accounting and financial management system into the public sector aimed at improving public accountability. This might have urged Liberia planned migration to accrual basis IPSAS in the immediate future. Hood (1991) further intimated that NPM has a connotation of the following doctrines: hands on professional management of the public sector; application of explicit standards of performance measurement in public administration; increased emphasis on output controls in public administration; a shift to greater competition in the public sector; and an emphasis on increased financial discipline and prudent use of financial resources.

NPM has, however, not been without criticisms. Hood (1995) asserted the following challenges: The NPM approach is over hyped; NPM does not automatically lead to lower cost of running government as is claimed; NPM rather than promote the public good, leads to particularistic advantage for privileged bureaucrats; also, NPM is not as universally applicable as is claimed. According to Cortes (2006) and Onatuyeh et al. (2013), the NPM theory is focused largely on achieving efficiency, fiscal discipline, performance measurement, accountability and transparency in public governance. Proper application of NPM is expected to lead to improved decision-making in public sector institutions through the use of better decision- making techniques (Mack, & Ryan, 2006). Thus, appropriate application of NPM reforms by an emerging country such as Liberia is expected to eliminate waste, poor service delivery, inefficiency, and overspending that is currently pervasive in most public sector institutions. The consensus, therefore, is that most public sector accounting reforms introduced in many countries are in tandem with the NPM theory (Harun, 2007).

Governments usually use accounting systems as a means for providing accountability to citizens. Chan (2003) argued that effective government accounting systems lead to improved government accountability as these accounting systems provide the platform for the generation of financial reports for assessing government's ability to meet its responsibilities and thereby help attract funding to itself. Barton (2005) and Guthrie (1998) report that a number of governments are relying on private sector style financial reporting systems to build their accounting systems following the introduction of NPM. It is appropriate to point out that this phenomenon is not necessarily right because there are clear differences between private sector and public sector institutions thereby calling for differences in accounting systems. After their extensive review of the literature, Broadbent and Guthrie (1992) drew attention to a number of questions yet to be answered with respect to the application of NPM concepts in the field of accounting. such questions include: Why did a "new" accounting develop, what is its significance and what are the forces producing it? How are these "new" accountings maintained and their influence enhanced? How are these "new" accountings linked to the promotion and acceptance into practice of other management, organizing and structuring technologies into the public sector? What consequences have been observed and how can these changing accountings be theorized?" (p. 25).

The Institute of Chartered Accountants of Ghana (2010) explained Public sector accounting as a system established for gathering, recording, classifying and summarizing fiscal and financial transactions of government activities into information to users connected with public institutions. This implies that good public sector financial statements must be of a general purpose in nature satisfying the information needs of its frequent users. Cash Basis IPSAS compliant financial statements currently implemented by Liberia (with the view to migrating to accrual basis) are also considered to be general purpose financial statement because it seeks to protect the public interest against abuse of state resources, especially, cash resources by public sector officials. As mentioned by Legenkova (2016), the primary objective of general purpose financial statements is to provide the information needs of users of financial statements that are not well placed to demand reports tailored to their specific needs from government.

It is well established that public interest is best served if public sector financial information generated for users is readily understandable, relevant, reliable, and comparable to other public sector information produced elsewhere. This is only feasible where government financial statements are prepared in compliance with IPSAS as the basis of preparation will be consistent for all adopting governments (Legenkova, 2016; Mack & Ryan, 2006). Accordingly, the adoption of IPSAS, which is an NPM move is intended to aid the preparation and presentation of standardized and comparable financial information across the entire area of the public sector in a given country and for a number of countries of the world. This buttresses the assertion that IPSAS represents the most suitable form of reporting in respect of the use of public funds (Brown, 2013). It is for these reasons that accounting regulatory bodies the world over have endorsed the adoption of IPSAS by governments for the preparation and presentation of their financial statements (Chinedu et al., 2016). Given the appealing nature of IPSAS globally, it is not surprising that the adoption of IPSAS has become a major reform instrument used by most developing countries for signalling to the rest of the world that they are ready to use benchmarked standards in financial reporting, hence helping most of these developing countries to attract development partners.

As a result, some developing nations have adopted IPSAS in partial fulfilment of the pursuit of public sector accounting reforms often included as conditionalities for accessing financial assistance from bilateral and multilateral development partners (Babatunde, 2017; Legenkova, 2016). In other instances, some countries regardless of their political and economic arrangements have been encouraged to harmonise their national standards with IPSAS (IFAC, 2017). Accordingly, IPSAS has become the de facto international benchmark for evaluating government accounting practices worldwide. For these reasons, KPMG (2013) claimed that IPSAS deserves special attention from accounting policy-makers, practitioners and scholars in every country.

A significant and direct link can therefore be seen between IPSAS compliance and the quality of financial information a nation makes available to user groups of public sector financial statements. According to Bellanca and Vandernoot (2014), IPSAS compliance rate has a direct impact on the attributes that government financial statements display. Bellanca and Vandernoot (2014) are of the view that those countries with better IPSAS compliance rate often demonstrate better government policy decision-making, better resource allocation, great transparency, and increased accountability among government officials compared to countries without IPSAS compliance. Some of the possible reasons that explain this trend as suggested by Bellanca and Vandernoot (2014) include enforcement of effective functioning budgetary surveillance system that ensures the provision of consistent, clear, and concise accounting information. The adoption and attainment of full IPSAS compliance level will ultimately boost comparability of financial statements published by public sector entities, thereby facilitating transparent and accountable governance. The benefits that have been claimed for IPSAS implementation can be summarised as follows: IPSAS aligns government accounting with best accounting practices through the application of credible, independent accounting standards; improves internal controls and transparency with respect to assets and liabilities; promotes Public Private Partnerships due to better accountability and transparency of the public sector; makes available comprehensive information about costs that will better support results based management; improves consistency and comparability of financial statements; and promotes cross border investments thereby enhancing the flow of foreign Direct Investments (Atuilik, 2017; Atuilik, Adufula & Asare, 2016). This study assesses whether or not the implementation of the Cash Basis IPSAS by the Government of Liberia has actually delivered these intended perceived benefits.

Nonetheless, the adoption and effective implementation of IPSAS is predicated on the presence of certain conditions and requirements. Firstly, there should be high-level government support for the implementation of IPSAS to be achieved (Babatunde, 2017;

Felix, 2016). Tickell (2010) explained that an effective implementation of IPSAS is based on factors such as the level of skill of the existing accounting personnel, the rate of labour turnover, the level of investment in technology and type of capital equipment used in reporting public sector reporting information. Tickell (2010, p.71) argued that migrations to and use of accrual accounting method does usually result in greater transparency and accountability in the public sector entities. He however identified existence of capacity gap in the public sector compared to that of the private sector as the main bane towards achieving full IPSAS compliance in most countries. This argument by Tickell (2010) highlights the need for thorough training, re-training, and retention of accounting staff in public sector institutions. It also reinforces the need for series of seminars and workshops to raise public awareness, educate and train various practitioners to guarantee a smooth transition to IPSAS.

Despite the obvious need for training, IPSAS training is viewed as expensive projects which many governments are either unable or unwilling to undertake especially given that there exist so many competing developmental needs. The high cost of training coupled with high labour turnover rate in government makes investments in IPSAS capacity building efforts even less attractive. In Nigeria, poor conditions of service make it difficult to attract qualified personnel required for IPSAS implementation and neither has it always been easy retaining the services of staff trained internally (Aderemi, 2013; Akhidime, 2010; Akhidime & Ekiomado, 2014; Ijeoma & Oghoghomeh, 2014; Isenmila & Aderemi, 2013). This means that government policies must not only be aimed at attracting or training IPSAS experts but should also be targeted at improving conditions that will results in staff retention within the public sector intuitions.

It has also been suggested that successful IPSAS implementation largely depends on a reliable government financial management information system exists (Atuilik, Adafula, & Asare, 2016; Omolehinwa & Naiyeju, 2015). However, financial conversion cost is documented as one of the leading factors hampering the attainment of this objective. According to Mhaka (2014), statutory bodies and regulators usually require funding to train professional accountants, regulators, and preparers of public sector financial statements in order to ensure a smooth transition to a fully operational IPSAS regime. Even so, the financial outlay including consultancy costs, information technology needs, and enterprise resource planning (ERP) implementation costs are often too huge that most developing nations are unwilling to bear (Irvine & Lucas, 2006). For example, Zimbabwe had to grapple with the shortage of professional accountants, regulators, and auditors in the public sector during the implementation of IPSAS because of the huge cost involved in providing training (Martins, 2011). The challenges presented as impediments against successful IPSSAS implementation can thus be summarised as follows: IPSAS is too complicated; there is a shortage of professionals with IPSAS expertise to support implementation; lack of local expertise with IPSAS knowledge; significant additional cost of implementation; conflict with local laws; differences in implementation process and strategy; and lack of clear implementation guidelines (Atuilik, 2017; Atuilik, Adufula & Asare, 2016). This study assesses whether any of these perceived challenges did actually impede the implementation of IPSAS in Liberia.

Notwithstanding the perceived challenges in IPSAS implementation, IFAC has been resolute in propagating IPSAS adoption through its member bodies. Regardless of the efforts by IFAC, the actual journey to IPSAS implementation is still deemed to be very slow especially in developing countries. It is reported that most emerging countries such as Nigeria that adopted IPSAS for its perceived benefits are still static in execution due to many practical implementation issues (Babatunde, 2017). Equally, IFAC (2017) attributed slow direct adoption of IPSAS in many of the Organisation for Economic Co-operation and Development (OECD) countries to serious issues including technical, cultural, and absence of personnel with essential skills. Given the prevailing circumstances, only the Cayman Islands and Anguilla within the Caribbean enclave currently qualify as IPSAS compliant nation (Babatunde, 2017). Studies further suggest that the majority of countries in the Caribbean region still struggle to comprehend the actual IPSAS requirements, with all the few governments that purport to have adopted IPSAS rather applying other standards that were inconsistent with IPSAS (Adhemar, 2006; Babatunde, 2017). The import of these findings is that governments must be prepared to tackle potential threats to IPSAS implementation by investing in both human and material resources in order to achieve full compliance rate.

METHODOLOGY

The paper used the purposive sampling technique to select the respondents for the study. The respondents consist of accountants and auditors from public accounting and audit firms, personnel of the General Auditing Commission, and staff of accounting departments of various government ministries within the Montserrado County, the Republic of Liberia. Purposive sampling technique was adopted to ensure that persons with the necessary experience or insight into IPSAS implementation were selected for the study. This sampling technique was similarly relied on by Boateng et al. (2014) to select participants (accountants and auditors) with relevant experience in the workings of firms listed on Ghana Stock Exchange market in their assessment of the rationale, benefits and challenges on International Financial Reporting Standards (IFRS) Adoption in Ghana.

Montserrado County which is the focus of the research is situated north-western of the West African nation of Liberia. The researchers choose Montserrado County because it provides the largest markets in the entire Liberia economy (Market Review Liberia, 2007). Most importantly, all the practicing firms, ministries and the General Auditing Commission have their head offices, and core staff (equipped with the relevant provisions and operations of IPSAS) headquartered in this County.

The main elements of the population comprise of accountants and auditors (internal and external). A five-point Likert scale questionnaire instrument outlined with points of strongly agree, agree, unsure, disagree, and strongly disagree was adopted for the study. The research instrument used to formulate the content of the research was concise and straightforward and followed a similar design by previous researchers (Ijeoma & Oghoghomeh, 2014 and Yin, 2003). The content of the research instrument was validated by a Senior Lecturer of accounting thus ensuring that instrument measures the variables it purports to investigate.

The designed questionnaire comprises of three (3) primary segments. The first section covered the demographic data of each research participant. The second and third segments of the survey were respectively designed to offer information for investigating the questions about the benefits and common challenges associated with IPSAS implementation in Liberia. In addition to the closed-ended questions outlined in the second and third segments, open spaces were provided for any additional comments from the research participants. In all, a sample of hundred (100) was drawn from the population size of hundred and fifty (150) based on the Taro Yamane sample size determination method at 95% confidence level (see Taro, 1967). The reliability test was carried out utilizing Cronbach's alpha test. A Cronbach's alpha of .76 was recorded, and this is higher than the conventional standard of 0.70.

Therefore, the investigation is highly reliable. The next section provides analyses of responses using both descriptive statistics and analysis of variance (ANOVA).

ANALYSIS AND DISCUSSION OF RESULT

Data generated from the questionnaire were analysed using descriptive statistics in Tables 1 to 5. Tables 1 shows the breakdown of responses obtained from the respondents.

Table 1. *Responses to Research Questionnaire*

Respondents Function	Number distributed	Number returned	Number invalid	Valid number used	Percentage of returned	Percentage of valid returned
Accountants	67	58	3	55	87%	95%
Auditors	33	30	2	28	91%	93%
Total	100	88	5	83	-	-

Source: Field Survey 2017

From table 1, it can be observed that out of the 100 questionnaires administered 88 were returned. Of the returned questionnaires, 58 were from accountants and 30 from auditors representing 87% and 91% of distributed questionnaire respectively. Out of the total number returned by accountants and auditors, 95% and 93% respectively were considered valid and were used to conduct the analysis. While 5 of the returned questionnaires (i.e., 6% of returned survey questionnaires) were incomplete and therefore classified as invalid.

Table 2. *Mean Scores of Respondents on the Extent to which Adoption of IPSAS Result in Identifiable Benefits.*

S/N	Identifiable Benefits	Strongly Agree	Agree	Unsure	Disagree	Strongly Agree	Mean
1	IPSAS aligns government accounting with best accounting practices through the application of credible, independent accounting standards.	36	40	7	0	0	4.35
2	IPSAS improves internal control over the receipts and disbursement of cash resources.	22	50	10	1	0	4.12
3	IPSAS promotes Public Private Partnership due to better accountability and transparency of public sector.	21	45	12	4	1	3.98
4	IPSAS makes available comprehensive information about costs that will better support results-based management.	23	48	9	3	0	4.10
5	IPSAS improves consistency and comparability of financial statements.	42	35	6	0	0	4.43
6	IPSAS promotes cross border investment thereby enhancing the flow of foreign Direct Investment.	19	33	26	5	0	3.80
7	IPSAS facilitates the flow of aid and assistance from foreign	20	49	13	1	0	4.06
	Grand Mean						4.12

Source: Field Survey 2017

In Table 2, the study employs mean statistics to assess how far each research variable is, compared to the mass responses. The results show that respondents agreed that the adoption of IPSAS by the government of Liberia leads to identifiable benefits with mean scores of 4.35, 4.12, 3.98, 4.10, 4.43, 3.8, and 4.06 on items 1,2,3,4,5,6,7 respectively. The results in Table 2, item 5, further show that the mean score of 4.43 for improved consistency and comparability of financial statements factor, recorded the highest mean among all the variables tested. Item 5 is closely followed by item 1 with a mean score of 4.35, confirming that IPSAS implementation has helped the government of Liberia align its accounting practices with international standards that are more credible and less subjective. However, foreign direct investment and private-public partnership with mean scores of 3.8 and 3.98

were perceived to be the least factors (benefits) IPSAS implementation could contribute to the nation.

Table 3. *Mean Scores of Respondents on the Challenges Impeding the Implementation of IPSAS in Liberia*

S/N	Identifiable Challenges	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree	Mean
8	IPSAS is too sophisticated to understand.	7	12	15	37	12	2.58
9	Shortage of professionals with IPSAS knowledge	27	35	14	7	0	3.99
10	Lack of local experts with IPSAS knowledge	18	32	17	16	0	3.63
11	IPSAS implementation results in additional costs	17	32	20	13	1	3.61
12	IPSAS conflicts with local laws	7	33	20	21	2	3.27
13	Differences in IPSAS implementation process & strategy	2	35	24	20	2	3.18
14	IPSAS lacks clear guidance	4	6	18	41	14	2.34
	Grand Mean						3.23

Source: Field Survey 2017

The results presented in Table 3 show that the respondents agreed with items 9, 10, 11 and 12 with mean scores of 3.99, 3.63, 3.66 and 3.27 respectively. Respondents were, however, in disagreement with the assertion that IPSAS is too sophisticated or lacks clear guidance for implementers. These items (8 and 14) recorded mean scores of 2.58 and 2.34 respectively, far below the average means score of 3.23. In other words, respondents disagreed that lack of clear guidance is an identifiable challenge hampering the implementation of IPSAS in Liberia. They also disagreed with the assertion that IPSAS was too sophisticated to understand or apply by persons working in public sector entities in Liberia. Besides, the majority of the respondents as depicted by item 13 with means score of 3.18, either disagreed or were uncertain of any current conflict between IPSAS implementation process and strategy.

In answering the first research question, “Has the adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia yielded the intended benefits for Liberia?” the following hypothesis was tested through ANOVA:

H_0: $\mu1=\mu2...=\mu k$

H_A: $\mu1\neq\mu2…=\mu k$

H_{01}: The Adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia has not significantly yielded the intended benefits for Liberia.

At the significance Level (α): 0.05, the results produced using ANOVA are displayed in Table 4.

Table 4. *ANOVA: Interaction between IPSAS Adoption and Identifiable Benefits*

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Treatment Between Groups	23.359725	6	3.8932874	7.4629436	1.03E-07	2.114359
Within Groups	299.44578	574	0.5216825			
Total	322.80551	580				

Source: Empirical Analysis of Data, 2017

The result in Table 4 showed P < 0.0001, suggestive of rejection of the null hypothesis. An F value of 7.4629 with a p-value of 0.0000 confirms the statistical significance of this model. As a result, the alternate hypothesis which states that the Adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia has not significantly yielded the intended benefits for Liberia was accepted.

In short, the result confirms the assertion that the application of IPSAS enhances greater government accountability and transparency (Bellannca & Vandernoot, 2014; Transparency International, 2016). The results further supports the argument that proper implementation of IPSAS helps to improve the quality and reliability of accounting and reporting systems within government institutions (Brown, 2013). The results similarly confirm the assertion that private-public sector partnership is enhanced once a country adopts and comply with IPSAS provisions due to better-harmonised and comparable information (Babatunde, 2017; IFAC, 2017; Nkwagu et al., 2016).

To answer the second research question, "Are there any noticeable challenges that impede the implementation of International Public Sector Accounting Standards in Liberia?" the following hypothesis was tested utilizing ANOVA:

H_{02}: $\mu 1=\mu 2...=\mu k$

H_{A2}: $\mu 1\neq\mu 2...=\mu k$

H_{02}: Challenges associated with the adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia do not significantly impede its implementation in Liberia.

The results produced based on ANOVA are displayed in Tables 5.

Table 5. ANOVA: Interaction between IPSAS Adoption and Identifiable Challenges

Source of Variation	*SS*	*df*	*MS*	*F*	*P-value*	*F crit*
Treatment Between Groups	174.68503	6	29.114171	28.453625	7.85982E-30	2.11435911
Within Groups	587.3253	574	1.0232148			
Total	762.01033	580				

Source: Empirical Analysis of Data, 2017

The result in Table 5 showed $P < 0.0001$; this suggests the rejection of the null hypothesis. An F value of 28.4536 with a p-value equivalent of 0.0000 confirms the statistical significance of this model. Therefore, we accept the alternate hypothesis which states that challenges associated with the adoption of the Cash Basis International Public Sector Accounting Standard by the Government of Liberia do significantly impede its implementation in Liberia. The results corroborate the earlier findings that IPSAS success is dependent on the availability of expertise (Babatunde, 2017), accessibility to financial resources to cater for transitional costs (Nkwagu et al., 2016), and progressive harmonisation of national standards with the international standards (Ijeoma & Oghoghomeh (2014).

CONCLUSIONS AND RECOMMENDATIONS

This research sought to assess the benefits for implementing the Cash Basis IPSAS by the Government of Liberia. The study also uncovered the major threats to IPSAS implementation in the country. The paper has expanded the existing literature on perceived benefits of IPSAS adoption and the risks to its implementation in developing countries such as Liberia. Additionally, the methodology adopted to obtain the empirical evidence is scholarly, as such it is recommended for future use by scholars and practitioners alike.

The results revealed that IPSAS adoption improves the quality and reliability of government accounting information, aligns government financial accounting with international standards, increases government accountability and transparency, and stimulates private-public sectors partnership within the economy. There is need to address challenges such as, non-availability of sufficient number of IPSAS experts, conflict between IPSAS and existing laws, and the high cost of transitioning from existing GAAP to IPSAS as these were found to be threats to achieving the benefits associated with IPSAS implementation.

Based on the above findings the following recommendations are considered useful for the consideration of policy makers, PFM practitioners and accounting scholars:

1. Policy makers should take the necessary steps to court political buy-in from the highest echelons of key stakeholders including the executive branch of government to the legislative branch and regulators of accounting practice in Liberia. This will ensure that there is concerted effort to facilitate IPSAS implementation in Liberia.
2. The findings that the adoption of the Cash Basis IPSAS does actually deliver the intended benefits should provide more impetus and encouragement to the Ministry of Finance and Economic Planning and the Liberian Institute of Certified Public Accountants to renew sustained efforts at migrating from the Cash Basis IPSAS as was planned to the more superior Accrual Basis IPSASs. The Government of Liberia had originally planned to migrate from the Cash Basis IPSAS five years from 2010. This period has long lapsed without visible evidence of clear preparations towards such migration.
3. The government through the Ministry of Finance and Economic Planning should also show increased commitment to providing continuous training opportunities for accounting staff and put in place schemes for the retention of trained accounting personnel who have responsibility for generating public sector accounting information.
4. The findings should also provide comfort to the legislative body to be prepared to embark on legislative amendments to align the legal framework of financial reporting within the public sector of Liberia with the reporting requirements of IPSAS achieve consistency between IPSAS as adopted by the Government of Liberia and the legal requirements for financial reporting in Liberia.
5. The Professional Accountancy Organisation in Liberia should take a leading role and exert more regulatory authority to support the transition to accrual IPSAS in the light of evidence of the benefits offered by IPSAS adoption.
6. The findings should also provide comfort to Liberia’s developments partners not to get weary in providing support towards public sector accounting reform. The evidence is that such support, which has greatly facilitated the adoption of the Cash Basis IPSAS does actually translate in to meaningful results for the citizenry in the form of improved transparency and accountability over public funds which should lead to high quality service delivery.
7. Universities and professional accounting bodies in the country should design their educational and training curricula to provide IPSAS implementation skills. These bodies must endeavor to increase the IPSAS awareness and intensify measures that ensure compliance with the relevant requirements in all their dealings.

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