

Importance of adoption and Implementation of IPSAS in Cyprus: An empirical study

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Abstract: Idea: The International Public Sector Accounting Standards (IPSAS) are the latest solution purported in raising accountability and transparency of public-sector drivers of economic growth. There exist two types of approaches; the cash-based approach and the accrual-based approach. Adopting Cash-based IPSAS has made Cyprus citizens -who act as taxpayers- to have trust in the government. The primary objective of the study is to identify the steps of adoption, the benefits and the challenges that Cyprus encountered in adoption and implementation. This acts as guidelines to the Lebanese government which is in the process of implementing the same.

Data: The research uses a quantitative research technique -where a survey of 200 accountants and stakeholders is preferred- as the method of collecting data.

What's new: The research gives a general outlay of the IPSASs concept, the steps and finally the impacts of implementation of IPSAS in Cyprus?

Tools: The survey results are analyzed using the Statistical Package for the Social Sciences software (SPSS).

So what: The research findings outline the challenges that the Cyprus republic faced and the perception of the participants towards different approaches of IPSAS.

Contribution: A set of necessary recommendations are garnered in the conclusion part that if embraced will help other governments to implement IPSAS more easily.

Keywords: IPSASs; IPSAS implementation; financial workers; Cyprus; adoption of IPSASs.

1. Introduction

According to the principles of agency theory, organizations dealing with funds and properties that can be equated to monetary forms are obliged to provide a proper account on how funds and properties are utilized (Pozzoli & Ranucci, 2013). The organization shareholders, stakeholders and the members of the public often call for higher levels of accountability and transparency in areas of fiscal spending (Kalulu, 2015). The study performed by the World Bank in 1992 found out that there is a strong relationship between the good governance and high level of performance, hence the need to ensure that appropriate accounting methods are deployed in organizations. The outcome of the study by the World Bank in 1992 led to the introduction of the International Public Sector Accounting Standards (IPSASs). The purpose of IPSASs was to improve the management and the control of resources in the public sector through appropriate reporting of financial statements (Pozzoli & Ranucci, 2013). Accountability and transparency are the key indicators that are foremost brought along by IPSAS and can be relied upon to maintain trust and honesty in handling public funds in both public and private organizations (Aliyu & Balaraba, 2014). The organization management often emphasizes the challenges pertaining to corruption, non-accountability and funds misappropriation.

The International Public Sector Accounting Standards Board (IPSASB) focuses on the accounting and financial reporting needs of national, regional and local governments, related governmental agencies, and the constituencies they serve. The International Public Sector Accounting Standards (IPSAS) are the latest solution purported in raising accountability and transparency of public-sector drivers of economic growth. IPSASs are as well giving more precise judgments on financial reports and hence clear choices and effective decision making. Cyprus is one of the countries that has adopted a cash-based IPSAS approach which focuses on the realization of revenues after they have been received and not earned.

Numerous legislations and strategies exist to ensure accountability and transparency in public funds utilization, as a result of IPSAS introduction, there has been a remarkable fall of cases filed against misappropriation of funds (Gourwinkel, 2016). Moreover, Cyprus is reported to exhibit low influx of remittance rates of less than 5% from various organizations agencies as estimated by the World Bank (Rogosic & Palos,

2017). Embezzlement of both public and private funds operations including the money laundering and cyber money thefts exponentially decreased in 2015 after the adoption of IPSAS in 2014. The rate at which the financial and operations activities of the Cyprus government organizations and private organizations are reported has shown a lot of improvement since then and hence IPSAS can be viewed as a legislative provision accredited to provide a transparent and accurate financial overview of governments and listed organizations across the globe by deploying accrual accounting as opposed to cash accounting.

The full adoption of IPSASs in the public sector has the potential of radically changing the accounting and financial reporting practices, hence the ability to eliminate corruption cases in the public sector (Majzoub & Aga, 2015).

Different countries have taken different approaches to adopt IPSASs in their financial systems. Some countries have wholly embraced the IPSASs provisions while other countries -such as Lebanon -have slightly modified the standards. As such, the level of success with the standards greatly varies from one country to another with other countries failing to realize the significance of the standards totally. The adoption of IPSASs has gained momentum across the world hence no country should be left out. The common goal while implementing IPSASs guidelines is to ensure transparency and accountability in government and private financial reporting (Baboojee, 2011). The guidelines are highly significant after the studies have indicated that IPSASs has the potential of drastically reducing the malpractices in accounting and financial reporting systems (Adamu & Ahmed, 2014).

Cyprus in the year 2014 opted to adopt and implement cash based IPSASs and forego the accrual-based IPSASs. This was led to the main beneficial factor that was prevalent in the economy at the time of adoption. The cash-based system initially considered as being more appropriate for the public sector, the emphasis was on compliance with rules and regulations. One of the results of this system is the budget out-turn report looked upon as a basic part of the usual financial statements in the public sector. Cyprus, therefore, considered Cash-based IPSAS in the formulation of its budget (van & Reichard, 2018).

However recently Cyprus is in the process of adopting the accrual-based standards considering the advantages of the same that surpasses the advantages of a cash-based accounting approach. Some of the advantages that Cyprus is considering are; under the accrual method, transactions are counted when the order is made, the item is delivered, or the services occur, regardless of when the money for them (receivables) is actually received or paid. In other words, income is counted when the sale occurs, and expenses are counted when are received the goods or services. The advantages and disadvantages of accrual basis accounting are the follow: accrual accounting measures current income more accurately than the cash method. This means that the balance sheet is a more accurate estimate of financial position (value). Accurate, current information makes it easier to predict future income and financial position (Sigitet *al.*, 2018)

However easy it may seem, Cyprus has faced a lot of challenges in the implementation of cash based IPSAS approach especially following public and institutional rigidity in the economy. In their report, Adamu & Ahmed (2014) suggest that while some countries in the Middle East and Eastern Mediterranean have adopted IPSAS, some local companies and private organizations are yet using methods of financial reporting that truly fits their needs and hence bringing rigidity to change.

This brings the objective of the study which will be to identify steps of adoption, the benefits and the challenges encountered in adoption and implementation of IPSASs to the Cyprus government. Cyprus has been chosen for this study as its information is readily available and also the political ties between Lebanon and Cyprus are well established. This adoption of cash based IPSASs will help Lebanon – which is in the process of implementation – to elicit lessons that will help the financial strategists in coming up with the best approach and steps that will not only be cost effective but also of maximal social benefit. The specific objectives will include to assess the impacts of implementation of IPSASs on accounting systems in Lebanon as a lesson from Cyprus and to determine the acceptability of staff to comply with the IPSASs requirements in managing accounting systems in Lebanon.

2. Literature review

The implementation of IPSASs in Asian countries including Lebanon is facing a lot of challenges. According to the report by Ryan, Guthrie & Day (2008), Lebanon is using the IPSASs system however in a much weaker form. Therefore, there is a need to strengthen the strategies put in place to monitor IPSASs implementation in Lebanon. The strategies can be improved through collaboration with the competent authorities such as the International Public Sector Accounting Standards Board (IPSASB) to train accountants and financial managers in Lebanon. The training will improve the efficiency of the staff using the IPSASs guidelines (Barton, 2009). Lebanese accountants have also been experiencing challenges with IPSASs implementation, such as difficulties in valuing particular asset types, incomplete or absence or inaccurate records to determine the opening balance and complex financial instruments. In order to reduce the corruption

incidences and funds misappropriation in Lebanon, IPSASs was introduced as the functional unit for holistic reporting of all financial transactions and positions (Adejola, 2012).

Lebanon has been characterised largely by the banking sector, with just ten listed companies. This means that the economy is reliant on financial markets and good accounting practices. Cyprus adoption of IPSAS is a plus to the Lebanese government as it is in the process of adopting and implementing (Country Reports – Lebanon, 2018). The study, therefore, seeks to identify the steps, the benefits, and challenges of implementation of IPSASs in Cyprus. This will in return help the Lebanese government to elicit lessons that may help in the process of implementation. The major key things and their relation to Cyprus and financial workers are discussed below in their respective categories.

2.1. IPSAS concept

A tentative agreement was reached to deploy an initiated financial management reform programs that would attract foreign direct investments in multiple countries (Adejola, 2012). Adopting IPSAS as part of the broader reform programs was highly welcomed by most nations hence encouraging countries across the world to make financial statements concerning the adoption of standards based on cash IPSASs or the accrual IPSASs (Jayasinghe *et al.*, 2015). This was facilitated by the need for greater accountability and transparency in government institutions handling funds and resources was heightened by the global financial crisis which led to reduced resources available for both the government and private sector.

IPSAS are issued by the International Public Sector Accounting Standards Board (IPSASB) which is a non-dependent accounting organ of International Federation of Accountants. These standards conform to the International Financial Reporting Standards and are categorized by their two approaches. One is the cash-based IPSAS approach, which focuses on the balances of cash and the fluctuations. The second approach is an accrual based IPSAS which focuses on revenue recognition after it has been earned and not after it has been received (Baboojee, 2011). Cash or the accrual IPSASs may as well refer to accounting standards that are applied by state agencies, local government, and even national government.

IPSAS standards are widely used by intergovernmental organizations or institutions though they do not apply to government business enterprises. IPSAS aim to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability and is based on the International Financial Reporting Standards that are issued by the International Accounting Standards Board (Rogosik & Palos, 2017).

Cyprus opted to adopt and implement cash based IPSASs and forego the accrual-based IPSASs. However recently Cyprus is in the process of adopting the accrual-based standards considering the advantages of the same that surpasses the advantages of a cash-based accounting approach (“The need for International Public Sector Accounting Standards - Accountants in Cyprus/Cyprus Accountants Portal”, 2019).

2.2. Steps of adoption

The first step towards adoption is through creating public awareness to the accountants and the general public at large. Through that, the Cyprus government was able to gain support from the citizen who acted as the taxpayers and who needed some trust from the government. The government would convince the members of the public how the adoption of IPSAS would bring along accountability and transparency in financial reporting and hence inducing courage to the general public regarding adoption. The government as well made the accountants aware of the reporting changes which reduced mental rigidity and incorporate dynamicity in terms of their perceptions and actions (Varnava & Clarke, 2014).

Secondly, the government used public training to all workers in financial institutions and incorporated skills on how to work according to IPSAS standards. The government organized open seminars and conferences for all the workers and stakeholders in financial institutions to incorporate them with skills that will help them adapt to the changes in financial reporting at the short run and be able to progress effectively. The government would as well present the advantages of adopting IPSAS which gave the accountants and the stakeholders’ confidence in the approach. Furthermore, a cash-based IPSAS was practically self-appealing as straight records of cash inflow and outflow was seen and hence giving confidence to the students (Varnava & Clarke, 2014).

Lastly, Cyprus allocated capital that will facilitate a shift from the already existing accounting approach to IPSAS based accounting standards. As a step towards the change, Cyprus made capital available to facilitate the shift towards an IPSASs guided economy. This was a major move as the capital facilitated major activities such as training which required major investments (Varnava & Clarke, 2014).

Some of the benefits and challenges of adoption are as discussed below.

2.2.1. Benefits of IPSAS adoption to Cyprus Government

The study conducted by Rogosik & Palos (2017) on the IPSASs implementation in European nations indicates that IPSASs adoption provides significant and common advantages. The key benefits of IPSASs pointed out by Sour (2012) include greater accountability and transparency, better decision making, improved decision making, and data consistency and application. The financial statements prepared using the IPSASs guidelines capture all income and expenditure as well as owns and owes hence the ability to track the movement of funds easily. Thus, it becomes easy to curb frauds and corruption cases (Argento *et al.*, 2009).

Karamanou (2017) suggests that IPSAS implementation leads to better decision making. IPSAS implementation in Cyprus made the country realize its financial positions and effects of policies such as high tax rates to the citizens. By knowing these financial positions of the economy, the investors are able to get equipped on the sectors of the economy that are more productive than the others as well as making good public decisions about some entities in the economy. The investors are as well informed on the perfect times when they should take risks and invest in the economy following observation of trends in the financial positions reported in different time intervals or periods (Criban and Nistor, 2016).

The adoption of IPSAS in Cyprus has led to improved professionalism of finance and accounting across the public sector. This adoption influences the capitalization of new entrants into the Cyprus accounting sectors by ensuring that the economy becomes a hotbed of vibrant accountant professionalism. Furthermore, more standardized processes are being used which enhance data analysis and make accounting a desirable career destination choice of Cyprus accountants (Albu, 2013).

Finally, IPSAS adoption in Cyprus has improved the country's International comparability. Speaking of one language in accounting has brought along international comparability in the public sectors as well as strengthening through uniformity. This has as well made the government look more stable through a good investment climate, job vacancies and recording of higher incomes (Josediton *et al.*, 2015)

2.2.2 Challenges encountered in implementing IPSAS

The level of knowledge on the IPSASs guidelines differs across the public sector entities, the political class and the academicians accustomed to cash accounting principles. Adejola (2012) suggests that the degree of awareness of IPSAS varies across every jurisdiction. This causes some barriers as institutions and people who are yet to gain knowledge on IPSAS exhibit Institution and personal rigidity as they don't want to change to the current standards of accounting. Bringing such people and institutions into the light of IPSAS in Cyprus was a road map that required great devotion and time and hence challenging IPSAS implementation in the country.

Krambia & Zopiatis (2011) suggest that in order to implement IPSAS, all the stakeholders and workers in financial institutions need to have a knowledge base in the area. In Cyprus, by the time of implementation, not all workers had relevant skills regarding IPSAS. Government laying them off and employing new workers would not have been economically possible as that would be more cost intensive but rather, the government had to equip the existing ones with skills that will enable them to move as per the requirements of the IPSAS. This was not only time consuming but also cost intensive as such training was conducted across both private and public sectors at the cost of the government.

In conclusion, the challenges facing the implementation of IPSASs can be classified into stakeholder engagement challenges, legal and structural transformational challenges, change management issues, skills capacity, the cost of implementation, the technological and infrastructural challenges, implementation approaches adopted by the nations and the external supports as illustrated above. (Adamu & Ahmed, 2014).

3. Methodology

The study was performed in Cyprus among accountants and other financial stakeholders. A sample size of 200 participants was selected randomly-irrespective of the institution-but with a gender sensitivity of 50-50 selection among accountants and stakeholders practising in Cyprus. In this case, the stakeholder comprises any other person that is working with an accounting firm. The participants were obtained through the online filling of the questionnaire-with the help of a friend working as an accountant in Cyprus, who disseminated them to fellow workmates and stakeholders. The results were combined irrespective of the working status and without any incidences of biases. The sample size data was calculated using the following formula from a chi-square test to show the independence of IPSAS adoption and implementation in relation to gender and the results shown that there is no relationship of IPSAS implementation with gender.

$$\chi^2 = \sum \frac{(o_{ij} - e_{ij})^2}{e_{ij}}$$

Where;

e_{ij} is an expected frequency;

oi is a marginal column frequency;

oj is a marginal row frequency;

N is the total sample size

The study assumed a cross-section quantitative study design where the primary data was collected using a Likert five scale semi-structured questionnaire. The five Likert Scales deployed in the questionnaire were strongly disagree (5), Disagree (4), Undecided (3), Agree (2) and strongly agree (1). The questionnaire used in the study was divided into three sections. Section one entailed pre-qualifying information to prove that the participants actually worked with financial institutions, section two composed demographic data about the study participant and their perceptions towards IPSASs and section three entailed queries on the use of IPSASs in Cyprus. The reason to use a questionnaire is that it covers a large sample at a very low cost.

However, the questionnaire is also disadvantageous in that it may have a low response rate, a situation whereby some of the respondents may not be willing to fill the questionnaires. Secondly, questionnaires may bring along uncontentious and dishonest replies where the target population may give wrong responses regarding the topic questions. Finally, the questionnaires lack personalization hence hidden agendas that may be expressed through facial gestures and expressions may not be simple to realize. However, in our case, the response from the questionnaire was obtained, sampled and recorded. The sample allows collecting response from a smaller group of accountants and stakeholders that truly represents the bigger part of the population working in Cyprus republic accounting sector. The primary data gathered was entered into and analysed using the Statistical Package for Social Science (SPSS). Descriptive statistics were used to analyse the data and a chi-square test applied.

As said earlier, data from 200 participants were collected from accountants and stakeholders who worked in or had a contribution in financial institutions in Cyprus. In this case, a financial institution may be regarded as a banking or any institution that provides services as intermediaries of financial markets. The data was first analysed in terms of gender, where males and female responses were grouped and tallied, then age, where age range of five years was used and finally the occupancy where the participants were grouped into two; the accountants, and other stakeholders. To ensure that the participation was not biased, the number of males was equated to the number of females for the study as shown in table 1 below. Classifying the respondents as per their ages gave the majority an age bracket of 30 to 35 years followed by 35 to 40 years as shown in table 2 below. Around 150 participants of the survey were accountants at any level in the financial institution which dictated to around 75% of the total while the rest 50 participants were stakeholders which stood at 25% as shown in table 3 below.

Table1. Data classification as per the gender

	Frequency	Valid Percentage	Cumulative Percentage
Female	100	50.0	50.0
Male	100	50.0	
Total	200	100.0	100.0

(Source: Author's own research)

Table 2. Classification of respondents by their ages

	Frequency	Valid Percentage	Cumulative Percentage
20-25 years	20	10.0	10.0
26-30 years	20	10.0	20.0
31-35 years	64	32.0	52.0
36- 40 years	48	24.0	76.0
41-45 years	24	12.0	88.0
46-50 years	16	8.0	96.0
51 years and above	8	4.0	
Total	200	100	100.0

(Source: Author's own research)

Table 3. Classification as per occupancy

Participants	Frequency	Valid Percentage	Cumulative Percentage
Accountants	150	75.0	75.0
Other Stakeholders	50	25.0	
Total	200	100.0	100.0

(Source: Author's own research)

4. Results and discussions

To test the familiarity of IPSAS in Cyprus, most of the respondents confirmed knowing the cash-based IPSASs. Only 3% of the total respondents were not able to tell what IPSAS was. The researchers classified them in the category of those who were mentally rigid and did not bother getting deeper into understanding the accounting standards as the sample size focused on the accounting sector and all the participants chosen were accountants and stakeholders. The results are as shown in table 4 below.

Table 4. Number of respondents aware of International Public Sector Accounting Standards and their respective percentage proportions

	FREQUENCY	VALID PERCENTAGE	CUMULATIVE PERCENTAGE
Valid			
Yes	194	97.0	97.0
No	6	3.0	
Total	200	100.0	100.0

(Source: Author’s own research)

The research findings have indicated that the challenges facing the deployment of IPSASs in Cyprus included lack of comprehensive understanding of IPSASs requirements that applies in accounting practices. This includes its objective to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability. Also, there is a lack of prior experience with the IPSASs and hence little knowledge on the same or knowledge in the hands of the few who may not stand to teach the whole state about the same, slow legal and structural transformation, difficulty in deciding on the implementation approach and finally high cost of IPSASs implementation and poor integration of the technology that challenges the flow of financial information (Rogosic & Palos, 2017).

The findings in tables 5 to 16 show that more than 50% of the respondents agree that IPSASs implementation is associated with high cost. The findings are in agreement with what was reported by Adamu & Ahmed (2014) that the resources required to roll out IPSASs fully are quite expensive. The results in the table as well shown that more than 70% of the respondents believe that there is an opportunity for staff training. Additionally, more than 75% believe that lack of training reduces confidence and willingness of people to adopt IPSAS principle. However, this does not give them an option as it is a countrywide move of adoption. 55% of the total respondents disagree with the notion that the public sector is flexible enough to adapt to changes required by the IPSAS implementation. 21% remain neutral while the rest agree that public sector is flexible to changes. Over 50% of the respondents believe that government structure, low level of technology, lack of complimentary technical factors and high costs are major challenges towards IPSASs implementation. On the other hand, just slightly above 30% of respondents believe that the benefits of implementation surpass the implementation costs. 41% decide to stay neutral on the notion that the government recognizes transparency and accountability. Over 50% of respondents say disagree that they have prior experience in using IPSAS and lack a comprehensive understanding of IPSAS requirements. Finally, 60% of the respondents suggest that there is no policy that supports IPSAS implementation while 28% decide to be neutral. Just 12% oppose that by denying the notion aforementioned.

Table 5. Opportunities for staff training and recruitment in IPSAS

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
There are opportunities for staff training and recruitment in IPSAS.	20	28	52	68	32
	10.0	14.0	26.0	34.0	16.0

(Source: Author’s own research)

Table 6. Lack of IPSAS-related training reduces confidence and willingness to adopt IPSAS principles results

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
The lack of IPSAS-related training reduces confidence and willingness to adopt IPSAS principles.	2	8	22	124	44
	1.0	4.0	11.0	62.0	22.0

(Source: Author’s own research)

Table 7. Flexibility of the public sector to adapt to changes required by the IPSAS implementation.

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
The public sector is flexible enough to adapt to changes required by the IPSAS implementation.	30	80	42	34	14
	15.0	40.0	21.0	17.0	7.0

(Source: Author's own research)

Table 8. Effect of fixed and hierarchal structure of government agencies on the IPSAS implementation standings

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
The fixed and hierarchal structure of government agencies challenges the IPSAS implementation.	0	22	26	122	30
	0.0	11.0	13.0	61.0	15.0

(Source: Author's own research)

Table 9. Effect of poor integration of technology on the flow of financial information and the adoption of IPSAS

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
Poor integration of technology challenges the flow of financial information and the adoption of IPSAS	0	48	28	82	42
	0.0	24.0	14.0	41.0	21.0

(Source: Author's own research)

Table 10. Supply of technical resources to adopt IPSAS

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
My organization lacks technical resources to adopt IPSAS.	2	24	22	110	42
	1.0	12.0	11.0	55.0	21.0

(Source: Author's own research)

Table 11. Association between IPSAS implementation and high costs

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
The IPSAS implementation is associated with high costs.	50	22	28	72	28
	25.0	11.0	14.0	36.0	14.0

(Source: Author's own research)

Table 12. Benefits and implementation costs associated with IPSAS

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)
The benefits associated with IPSAS overweigh implementation costs.	12	34	90	54	10
	6.0	17.0	45.0	27.0	5.0

(Source: Author's own research)

Table 13. Existence of policy supporting or promoting use of IPSAS

	5	4	3	2	1
	F	F	F	F	F
	(%)	(%)	(%)	(%)	(%)

There is no policy supporting or promoting the IPSAS use.	0 0.0	24 12.0	56 28.0	96 48.0	24 12.0
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(Source: Author's own research)

Table 14. Recognition by the government of the values of accountability and transparency

	5 F (%)	4 F (%)	3 F (%)	2 F (%)	1 F (%)
The government recognizes the values of accountability and transparency.	30 15.0	52 26.0	82 41.0	20 10.0	16 8.0

(Source: Author's own research)

Table 15. Prior experience of accountants in using IPSAS for creating financial statements

	5 F (%)	4 F (%)	3 F (%)	2 F (%)	1 F (%)
I have prior experience in using IPSAS in creating financial statements.	48 24.0	90 45.0	12 6.0	36 18.0	14 7.0

(Source: Author's own research)

Table 16. Comprehensive understanding of IPSAS requirements by accountants when applied to the accounting practice

	5 F (%)	4 F (%)	3 F (%)	2 F (%)	1 F (%)
I lack a comprehensive understanding of IPSAS requirements when applied to the accounting practice.	20 10.0	58 29.0	28 14.0	74 37.0	20 10.0

(Source: Author's own research)

5. Conclusion

The study sought to find out the steps, the benefits, and challenges that Cyprus faced while adopting cash based IPSASs and the lessons that Lebanon can elicit from Cyprus as it is in the process of adopting the standards. The study revealed that there are two types of approaches which are the cash and accrual based approaches. Though all the approaches have their advantages and disadvantages, Cyprus adopted cash based IPSAS but is in the process of changing to accrual based IPSASs.

Adoption of IPSAS has been a major contribution to the growth of the Cyprus economy. This is a good inference to deduct for the Lebanese government. However, despite how easy it may seem, the research has outlined some of the major steps that the Lebanese government can use in the preparation of IPSAS adoption. These steps include high costs of transition as well as creating public awareness to avoid major complications in implementation. The Lebanese government, for example, can make the public be aware of IPSAS standards through introduction into the learning curriculum at high school or tertiary levels. This will not only ease the process of implementation but also prepare learners mentally such that things like personal and institutional rigidity are taken down.

However, despite the many advantages of IPSAS, the Lebanese government should be ready to face and overcome challenges that may affect implementation. This will be facilitated by laying down strategies that specifically favours the adoption of IPSASs. Such strategies include setting up cash reserves that will enhance the smooth flow of activities and also curb any niche that maybe along the way towards implementation.

The IPSASs guidelines should be incorporated as part of a training program for students undertaking accounting and finance courses in both colleges and universities. This will enhance understanding of the IPSASs concept and its significance and ability to embrace the guidelines.

Additionally, the government should set aside enough funds to support the implementation of the IPSASs in all financial organizations and government agencies in Lebanon as a way of relieving the organizations from the cost burdens that they might be incurred in the process of implementation.

Finally, the government should strengthen the auditing firms across Lebanon to ensure that they are complying with IPSASs provisions. Auditing organizations that fail to comply with IPSASs guidelines should be deregistered or suspended from operating in Lebanon and those already in operation, their licenses should not be renewed at whatever cost. Any malpractices that might be partaken by some of the organizations should be highly penalized before deregistration of those concerned organizations.

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