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## International Public Sector Accounting Standard adoption and compliance: implications on accounting transparency and quality in Jordan public sector

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**Abstract:** In order to evaluate the adoption and compliance with worldwide public sector accounting standards as well as their effects on accounting transparency and quality in the Jordanian public sector, research was undertaken. The study's population comprised all 250 Jordan's Ministry of Finance, employees. The research used a survey approach; 152 participants were randomly chosen from the pool. The respondents' responses were elicited using a standard questionnaire. Simple percentages and t-test analysis were used to gather and analyse the data. It was determined that the public sector's adoption of the international public sector accounting system would result in more open data, improve government accountability, and foster a better and more thorough decision-making process. The decision-makers, public sector accountants, the Jordan Ministry of Finance, and the Jordanian public sector are among the many parties to which this research is anticipated to be helpful. It was suggested that the government and authorities ensure that professional accountants have access to training facilities and materials on the idea of international public sector accounting and related concerns.

**Keywords:** public sector; accounting; standard; adoption; improvement; transparency and quality; Jordan Ministry of Finance; Jordan.

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## **1 Introduction**

The government's involvement in responsible governance is often at the centre of discussions about government accountability and the financial soundness of government-related enterprises. Several nations have revamped their approaches to financial management in light of the growing need for public fund management (Adhikari et al., 2015). Thus, International Public Sector Accounting Standards (IPSAS), the equivalent of International Financial Reporting Standards (IFRS) in the private sector, have gradually gained traction in the public sector over the last ten years. According to Ijeoma and Oghoghomeh (2014), worldwide public sector accounting (PSA) oversees financial accounting procedures for government sectors except for for-profit public companies (Ahmad, 2019). More than 40 government sectors have implemented the updated standards worldwide (ACCA, 2018). The ability of the standards to provide a more transparent and accurate financial overview of companies listed on the stock exchange justifies their application in the public sector, with the result being a fundamental shift in the way financial reporting is done and simple comparability (Brusca et al., 2016).

More significantly, the execution of cooperative international development initiatives and the need for globalisation require comparable and equivalent financial accounting standards (Wang and Miraji, 2018). This is because how the rules are applied and practised – via cash-basis or accrual-based financial disclosure varies widely across countries (Khan et al., 2023). In every nation, public sector organisations are responsible for providing services to the general populace and are expected to guarantee equitable resource allocation. Taxes from other industries fund them since they are held by the government (Kara, 2012). The collection, documentation, grouping, and summarising of financial reports and statements of all financial events occurring in these institutions are all part of the accounting operations of these companies. The public and other linked customers are then informed of the financial reports and statements transparently and responsibly (Kara, 2012). According to Ocoró et al. (2023), international public-sector accounting is the standard for reporting public-sector accounting. International standards make it easier for governments, non-profits, and businesses to get the same financial and statistical information. This allows for better decision-making at the highest levels of the organisation and contributes to the goal of continuous development.

The phrase 'public sector' refers to the area of a country's economy devoted to providing fundamental services to its people within the framework of a governmental organisation. With a concentration on cash receipts and outlays on the cash or modified cash accounting basis, government sector accounting developed over time. Therefore, government income is only recorded and accounted for when cash is received, and government expenditure is only incurred when cash is paid, regardless of the accounting period in which the benefit is received or the service is given. Therefore, it follows that the price tag on the government's purchase of fixed assets is treated the same way as any other expense. As a result, they are deducted from expenditures for the period they were incurred.

Alan and Susan (2007) noted that the pace of change influencing the public sector management field shows no signs of slowing down, particularly with the seeming thinning of international borders. Governments all around the globe are thus always looking for methods to enhance their public financial management systems. Therefore,

using the possibilities presented by globalisation, such as grants, access to foreign funding, worldwide markets for local goods, and cooperation, is a must for public sector managers. In contrast to earlier years, when countries were only concerned with defining financial reporting standards in their designated regions, it is crucial to develop consistent financial reporting standards to capitalise on those mentioned earlier.

Financial statements (FSs) created in accordance with the global standards will be comprehensive and deliver the same information to users everywhere. According to Ijeoma and Oghoghomeh (2014), countries around the world have historically defined and established regional norms of financial reporting. But globalisation has led to ever-increasing cooperation, international trade, and commerce between nations; thus, there is an urgent need for increased uniformity in the standards governing FSs to ensure that these statements remain understandable and provide the same information to users worldwide. PSA and financial reporting needs have been a driving force behind international efforts to develop universal accounting standards. As corporations around the world adopt IFRS, governments are aligning with those standards as well.

In November 2014, the government of Jordan adopted globally accepted accounting practices. These followed monetary and economic changes that opened up international trade. Jordan has to restructure economically and institutionally to meet international norms. By making this adjustment, PSA in Jordan will be able to more easily conform to international norms while contributing to the development of accounting theory and practice as a whole. The public's confidence in FSs will increase, and unusual occurrences in financial reports will decrease. The Jordanian government's creative switch to accrual accounting was well-praised. Even with its economic difficulties, Jordan must seize this opportunity. Al-Kharabsheh took the initiative to modernise Jordan's accounting system by adopting international PSA in 2021. Since 1986, when the IFAC Public Sector Committee became the International PSA Board (Polzer and Grossi, 2021), international PSA has improved.

Government contracts and inflows are reported in line with international PSA. The international PSA industry has recently increased its partnerships with scholarly and expert groups (Jensen, 2020). Better public financial management is a goal of governments everywhere. So, public sector managers should take advantage of globalisation's benefits, such as access to international finance, recognition for international collaboration, and global distribution channels for locally produced commodities. In order to reap the benefits mentioned above, financial reporting requirements need to be unified globally, unlike in previous decades when governments mostly focused on regulating the industry within their borders. All investors and creditors can access the same data thanks to uniform FSs. According to Ijeoma and Oghoghomeh (2014), there have been shifts in how different nations regulate financial reporting. Yet, since globalisation has increased cross-border collaboration, international commerce, and economic activity, FSs must become more standardised to continue being clear to end users.

Several recent studies, including those by Al-Saadi (2017), Alyan (2018), Brusca and Martinez (2016) and Ijeoma and Oghoghomeh (2014), have all advocated for Jordan to adopt international PSA to enhance precision and facilitate international comparability of PSA. However, Srinivas et al. (2023) pointed out that others have questioned if the accrual accounting technique would deliver the openness, accountability, and improved accounting information. This scepticism stems from previous efforts to enhance Jordan's failed public sector financial reporting system. Corruption, massive waste of human and

natural resources, and deteriorating economic infrastructure result from a lack of responsibility from Jordan's public workers for government finances. It's normal for people to lie, steal, and flee with their money and skills. It is unclear if these problems can be resolved using standard accounting methods.

Nevertheless, research by Christiaens et al. (2013) and Alshujairi (2014) shows that international public-sector accounting enhances the credibility of financial reporting. Nevertheless, they relied on data aggregated from a select group of wealthy countries, excluding or minimising the effects of corruption, lack of budget transparency, unemployment, and low standards in countries such as Jordan. No academic studies have examined how international PSA affects the management of balance sheets in Jordan. Thus, studies have limitations. Financial reporting in Jordan is examined to see whether it may be improved by adopting and using international public-sector accounting.

## **2 Literature reviews**

### *2.1 Global perspective of the public sector*

The public sector comprises government and publicly held businesses (Bergmann, 2009). In most countries, power is split between the national and lower levels of government. There is no longer any on-site government employment. When private industry faces challenges, the people elect representatives to make decisions about public welfare and other issues. These initiatives are not funded by product sales but rather by taxation. Nweze (2013) defines PSA as the process through which government entities and entities under government control record, summarise, analyse, communicate, and understand their financial transactions. All transactions involving the receipt, custody, and disbursement of public funds are reflected there. In light of the foregoing, the researcher aimed to adopt Nweze's (2013) concept.

### *2.2 Meaning of international PSA*

According to Nweze (2013), public-sector accounting aids government agencies in monitoring, analysing, reporting, and comprehending their financial resources. All these deals include money from the government. Inspections for the Common Good Guidelines established by the *International PSA Board* are mandatory for all governments across the globe (Akinleye and Alaran-Ajewole, 2018). Financial reports from the government are governed by international public-sector accounting. The organisation uses both cash and accrual methods. Governments can more reliably manage public funds, ensure that officials are accountable for taxpayer dollars, run efficient operations, and assess the effectiveness with the help of *international PSA* (Duenya et al., 2017). Income and expenses are tracked in the same accounting period as cash is received and disbursed in cash-based systems (Benito et al., 2007).

### *2.3 Jordan's compliance with international PSA*

International PSA is widely used in Jordan and other developing nations. There would be no objections from any global financial and accounting reporting organisations to this norm. According to Priscila et al. (2023), the government is dragging its feet on

mandating an international PSA-compliant chart of accounts and complete FS. Delayed 2013s cash-basis implementation due to fears about using international public-sector accounting. No country has adopted the cash basis because of the time required to integrate government business divisions, ministries, and parastatals and prepare consolidated FSs for all regulated enterprises. While using international PSA, several governments have used accrual accounting.

#### *2.4 International PSA adoption and accounting discretion*

Modern governments and businesses must be open and answerable to their citizens to work well. The taxpayers, lenders, donors, and other stakeholders will hold public officials responsible when they are not transparent and accountable. Governments are obligated to protect consumers and investors in international PSA services, according to IFA. Organisations across the globe implement international PSA reporting standards. It improves accountability and promotes good governance. The onus is on the authorised officer to provide evidence that the task was done and that all records are reliable, impartial, and factual (2010). According to Srinivas et al. (2023), accountability means accepting responsibility for one's acts and explaining them. Openness on all levels: national, monetary, and administrative. According to Ocoró et al. (2023), responsible spending involves disclosing information about past or planned expenditures to influential people. These managers of firm resources are aware of accountability standards and understand the need to hold employees to them. Government employees have a responsibility to act openly while handling taxpayer funds. When it comes to public money, duties come with accountability.

#### *2.5 IPSAS implementation issue*

Venkateswaran and Viktor (2023) call attention to a few problems with IPSAS's rollout, such as: possibility of harm adopting IPSAS requires a thorough and involved process of managing change. While there are many long-term and medium-term benefits, there are also some immediate expenses and issues that need to be addressed by the top executives of the various organisations involved.

#### *2.6 Change management*

Every company will incur costs of some kind as a result of adopting IPSAS. Experience in the Member States reveals that revamping public accounting systems represents a huge upheaval both in the adoption of new practises and in human dimensions, let alone the financial resources necessary, the European Commission said in a 2002 communication.

#### *2.7 Political aspect*

The requirement to publish consolidated FSs in which an entity consolidates all the businesses it controls is the most politically contentious part of IPSAS 6 Consolidated and Separate Financial Statements (36). Several significant questions arise from the potential implementation of this provision.

## 2.8 Challenges of international PSA adoption

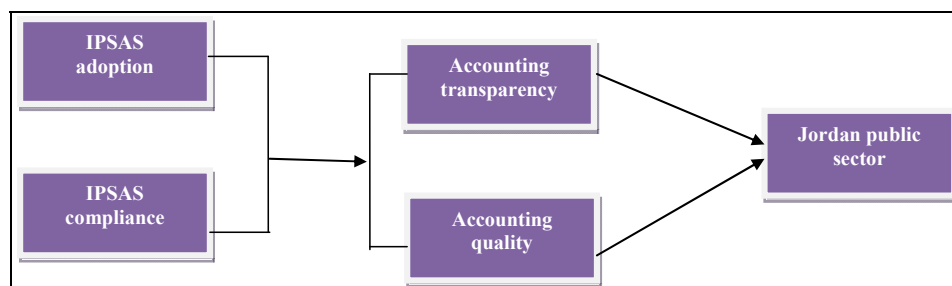
Indeed, even the most reliable systems have their quirks. Adoption and transition processes, as described by Otunla (2014), are challenging because they require the seamless integration of fiscal reports from the three levels of government into a single chart of accounts. For international PSA to be implemented, essential adjustments must be made to enable legislation and the degree of expertise and experience of relevant employees. The use of computer systems and programs is essential for automation. Staff in the accounting department is retrained with the help of current accounting textbooks. Automation of corporate processes, central leadership, and adaptability to change are all critical. International PSA education is required in every management accounting program for accountants. Mandatory continuing education hours in ethics and professional responsibility the need for international PSA experts means that the field must generate its practitioners. Users of international public-sector accounting who work with resources will have access to this knowledge.

## 3 Framework for conceptual and theoretical

### 3.1 Conceptual framework

There is a process of conceptual framework has been in Figure 1.

**Figure 1** Conceptual model of the study (see online version for colours)



Source: Researcher's view (2023)

### 3.2 Theoretical framework

#### 3.2.1 Principal-agent theory of public accountability

In 1972, Ross and Mitnick each independently developed agency theory. This has also been recorded elsewhere. Venkateswaran and Viktor (2023) and Ocoró et al. (2023) are credited by Efobi and Bwala (2013) as the catalysts for popularising the agent-principal relationship in their respective seminar works (1976). The term 'agency theory' has come to describe this perspective. The 'primary' and 'providers of capital', the taxpayers, conflict with the 'agents' and 'managers' of capital, the public officials, who are entrusted with maximising the value of taxpayer money. Agents are motivated by their self-interest. The various agencies have come to a consensus that there is a problem.

Because of this, people are demanding to know more about the financial status of their elected officials. If given a chance, managers will make the most of their resources, according to the stewardship idea.

Officials or elected officials, as to why governments at all levels need to conduct audits, what factors into the prices that governments charge for auditing their operations? As accountants (the ‘agents’) in an agency system have access to performance data that business owners (the ‘principals’) do not, they have incentives to act in a way that is detrimental to the principals’ financial well-being. This view maintains that citizens may learn about government spending decisions through their elected representatives. The public can ask government agencies questions regarding the information in their stewardship accounts. In other words, elected officials (the agents) often put their own needs ahead of those of the people who elected them (the principals).

### *3.2.2 Review of studies*

International PSA adoption in Jordan is analysed by Kuragayala (2023) to evaluate methods used by the public sector in Jordan. Using SPSS and other statistical methods, the study’s objectives were met. Based on their findings, the researchers suggest that the Jordanian public sector work more closely with the relevant authorities, improve monitoring, and keep up to date with international PSA revisions to fully implement international PSA.

Srinivas et al. (2023) examined whether IFRS adoption would improve the FSs of Nairobi County deposit-accepting SACCOs. His study described 34 SACCOs in Nairobi County. Linear regression and mean rating assessed the study’s data. IFRS makes financial reporting more comparable to other firms using the same accounting standards. IFRS simplifies financial reporting and disclosures. By implementing IFRS, international PSAs increase government financial openness and confidence. The quality of financial data would improve analysis and judgment.

Due to corruption, accrual accounting understates government funds and raises debt in underdeveloped countries. Government budget reports are untrustworthy. In Ijeoma and Oghoghomeh (2014) ‘International public sector accounting and state government financial reporting in Nigeria’, the research investigated whether Nigerian state governments’ use of international PSA improved budget reporting dependability, transparency, and accuracy. This study explores how international PSA affects Nigerian states’ financial reports’ credibility, correctness, and openness. This study suggests that Nigerians would benefit from more accurate and transparent financial reporting if state governments embraced international public-sector accounting. Internal control and outcome-focused financial management may use international PSA to enhance Jordan’s public sector. International PSA may help public and commercial organisations standardise service delivery. Jordan needs political officeholders, residents, and project partners to commit to transparency, openness, and accountability in public financial management to become one of the world’s 20 most developed countries by 2030. If the public sector adopted international PSA, Jordan might have a single financial reporting system at all three levels.

## 4 Methodology

### 4.1 Area of the study

The area of this study is the Ministry of Finance, Amman, Jordan.

### 4.2 Research design

An exposé-facto methodology was used for this investigation. This study design was considered adequate since it aimed to examine the impact of the variable associated with the study.

### 4.3 Population of the study

The study population was made of All 250 employees in the Jordanian Ministry of Finance served as the study's population, a figure adapted from Al Shraah et al.'s (2022) and Abu-Rumman and Qawasmeh (2021) points out. It can be thought of as either a finite or an endless number of people. The term 'target population' is used to describe the specific group of people who will be analysed. The population that can be reached is called 'accessible'. A finite population is one whose size or number is unknown or would be difficult to ascertain.

**Table 1** Population frame

<i>Selected public sector</i>	<i>Population</i>
Jordan Securities Commission	70
Amman Stock Exchange (2021)	200
Jordanian Royal Medical Service	170
Jordan Free and Development Zones Group	501
Jordan Industrial Estates Company	705
<i>Total</i>	<i>1,646</i>

### 4.4 Sample and sampling methods

The sample size for the research was 152 staff from the selected sectors. This data came from the sample size Table 1 that Al Shraah et al. (2013) created. According to Li et al. (2022), it is possible to calculate sample size using the Krejcie and Morgan table. This frees up the researcher's time from having to do individual studies within the sample.

### 4.5 Research instrument

A questionnaire was used by the researcher in this study. The questionnaires used to collect data featured sections on both the independent and dependent variables. Both dependent and independent variables were measured using the equipment. The study employed a modified version of the Li et al. (2017) scale. There were two parts to the survey: A and B. Respondents' individual information was collected in section A. The constructions of the independent variables were evaluated in part B.

#### 4.6 *Validation of the research instrument*

Accounting and international PSA experts validated the research instrument. The questionnaire was written for the respondent's comprehension. The two research instruments were given to be validated. The goal was to guarantee that all research questions were adequately covered by the questionnaire and were written at a level of detail that was accessible to the target audience. Finally, the validation process aimed to establish the reliability and validity of the instrument. The final verdict was that the instruments were reliable enough to use.

#### 4.7 *Reliability of the instrument*

To assess the accuracy of the tools, the study author used a Pearson product moment correlation (PPMC) analysis. Twenty non-study employees were recruited at random from the workplaces in the research region to participate in the pilot study. A dependability coefficient of 0.91 was calculated from the data we gathered and analysed. This result demonstrated the instrument's dependability. Items with at least two experts' approval were approved (Sekaran and Bougie, 2016) (Table 2).

**Table 2** Cronbach alpha reliability index

<i>Variables</i>	<i>N of items</i>	<i>Mean</i>	<i>Std. deviation</i>	<i>Reliability index</i>	<i>Remark</i>
91.07	2	91.07	8.690	0.91	Significant

#### 4.8 *Administration of the instrument*

After getting approval from the Ministry of Finance to present a letter of introduction, the questionnaire was administered to the sampled respondent. The questionnaire was handed out in person and returned immediately after completion. This strategy was implemented so that time was used efficiently, and duplicate questionnaires were not lost. All the disseminated copies were eventually gathered together for further study.

### 5 **Method of data analysis**

Simple percentage, mean rating and t-test analysis was used to determine the data's significance level.

#### 5.1 *Data analyses*

Research question 1 What are the implications of international PSA adoption and compliance with accounting transparency in Jordan's public sector?

Table 3 shows that, from the point of view of the people in the research sample, adopting and following international PSA has a big effect on how transparent accounting is in the Jordanian public sector. The index had a mean of 3.13 and a standard deviation of 1.41. Table 1 shows that the statement "one aspect of the growth of an open economy is the widespread compliance of accounting formats" has the highest mean (3.33). In contrast,

“the adoption of international public sector accounting helps enhance accountability and thus improves governance in the public sector” has the lowest mean (1.47 and 1.30). Thus, adopting international PSA will promote transparency, availability and correct disclosure of financial information, such as audited financial reports from a corporation in the Jordanian public sector.

**Table 3** Percentage analysis of implications of international PSA adoption and compliance on accounting transparency in Jordan’s public sector

<i>No.</i>	<i>Items</i>	<i>X</i>	<i>SD</i>	<i>Decision</i>
1	Decisions are made more quickly via the use of international public-sector accounting	3.02	1.34	Agree
2	The adoption and compliance of international public sector accounting make it possible for the public sector to be run better	2.96	1.30	Agree
3	The Ministry of Finance uses international public-sector accounting to meet the needs of foreign investors	3.45	1.47	Agree
4	International public sector accounting has made it easier for Jordan to get investment from outside the country	2.88	1.53	Agree
5	One aspect of the growth of an open economy is the widespread compliance with accounting formats	3.33	1.41	Agree
6	<i>Overall index</i>	<i>3.13</i>	<i>1.41</i>	<i>Agree</i>

Notes: X = mean; SD = standard deviation; N: 152.

Research question 2 What are the implications of international PSA adoption and compliance on accounting quality in Jordan’s public sector?

**Table 4** Percentage analysis of implications of international PSA adoption and compliance on accounting quality in Jordan’s public sector

<i>Items</i>	<i>X</i>	<i>SD</i>	<i>Decision</i>
Increasing government financial openness and quality of accounting reports are two main benefits of adopting international public sector accounting	3.69	1.38	Agree
The current accounting system, which follows international public sector accounting, makes reports and financial statements free of mistakes.	3.08	1.56	Agree
The Ministry of Finance is getting private companies to help them apply international public sector accounting to increase productivity	3.23	1.58	Agree
International public sector accounting compliance enhances brand value	3.13	1.50	Agree
Using international public sector accounting will make it easier to compare financial data than before	2.64	1.54	Agree
<i>Overall index</i>	<i>3.16</i>	<i>1.51</i>	<i>Agree</i>

Notes: X = mean; SD = standard deviation; N: 152.

Adopting and adhering to international PSA have a statistically positive influence on accounting quality in the Jordanian public sector, as shown by Table 3’s overall index score of 3.16 with a standard deviation of 1.51. With a mean of 3.69 and a standard deviation of 1.68, question item 1, which claims that “increasing government financial

openness and quality of accounting reports are two main benefits of adopting international public sector accounting”, came first. In contrast, question item 5 claims that “by using international public sector accounting, it will be easier to compare financial data than it was before” came in second place. Thus, compliance and adoption of international PSA will properly reflect the company’s current operating performance, aid in forecasting future performance, and aids in determining firm value. Table 4 clearly illustrates the major impacts that international PSA adoption and compliance will have on the standard of accounting in the Jordanian public sector.

## 5.2 Hypothesis testing

**Hypothesis 1** There is no significant effect of international PSA adoption and compliance on accounting transparency and quality in Jordan’s public sector

**Table 5** t-test analysis of international PSA adoption and compliance on accounting transparency and quality in Jordan’s public sector

	<i>Test value = 0</i>				
	<i>T</i>	<i>df</i>	<i>Sig.</i> <i>(two-tailed)</i>	<i>Mean</i> <i>difference</i>	<i>95% confidence</i>
					<i>interval of the</i> <i>difference</i>
					<i>Lower</i> <i>Upper</i>
Accounting transparency and quality in Jordan’s public sector	49.036	151	0.000	15.658	15.03 16.29

Note: \*significant at 0.05 level; *df* = 150; *N* = 152; critical *t*-value = 1.96.

The calculated *t*-value is shown in the fourth Table 5 (49.036). Using the *t*-test for independent samples with 150 degrees of freedom, we compared this result to the crucial *t*-value (1.96).  $T (49.036) > t (49.02)$ ; hence the hypothesis is false (1.96). In light of this, we might say that the outcome was noteworthy. International PSA adoption and compliance significantly affect accounting transparency and quality in Jordan’s public sector. Public financial management is a goal of governments everywhere, including Jordan. PSA takes advantage of globalisation’s benefits by ensuring that financial reporting requirements are unified globally, unlike in previous decades when governments mostly focused on regulating the industry within their own country.

## 5.3 Hypothesis testing

**Hypothesis 2** There is no significant effect of international PSA adoption and compliance on accounting quality in Jordan’s public sector.

The calculated *t*-value is shown in Table 6 (46.07). Using the *t*-test for independent samples with 150 degrees of freedom, we compared the obtained *t*-value to the crucial *t*-value (1.96). Hence, this is a really important finding. Transparency and accuracy in the public sector’s financial reporting are greatly aided by Jordan’s acceptance and implementation of international PSA. Adopting and complying with the international PSA in Jordan’s public sector seems to properly represent operational performance,

predict future performance, and assess business value. Investors, creditors, and customers may better understand the company's financial standing.

**Table 6** t-test analysis of international PSA adoption and compliance on accounting quality in Jordan's public sector

	<i>Test value = 0</i>					
	<i>t</i>	<i>df</i>	<i>Sig.</i> <i>(two-tailed)</i>	<i>Mean</i> <i>difference</i>	<i>95% confidence</i> <i>interval of the</i> <i>difference</i>	
					<i>Lower</i>	<i>Upper</i>
Accounting quality in Jordan's public sector	46.074	151	0.000	15.803	15.12	16.48

Note: \*significant at 0.05 level; *df* = 150; *N* = 152; critical *t*-value = 1.96.

## 6 Discussion and finding

Table 6 shows a statistically significant result since the *t*-value of 49.03 obtained from the data analysis is larger than the critical *t*-value of 1.96 at the 0.05 level with 152 degrees of freedom. This indicates that the adoption and compliance with IPSAS has improved the quality and openness of Jordan's public sector's financial reporting. Since the calculated *t*-value (46.07) was larger than the crucial *t*-value (1.96 at the 0.05 level with 152 degrees of freedom), the results of the study may be shown in Table 6. This indicates that the quality of Jordan's PSA has improved as a result of the country's adoption and compliance with international standards for PSA.

The significance of the study was in agreement with the work of Brusca et al. (2016), who state that the IPSAS is a set of high-quality international accounting rules that aim to improve management, financial newsgathering communication, and transparency while lowering the risk of corruption. The promises to communicate openly and thank people on time have nothing to do with each other. As a result of international PSA, openness and communication about money issues in the public sector are expected to improve. Polzer and Grossi (2021) say that problems with political, financial, and public accountability can be fixed with growth-located accounting. Riccardo says that accrual-based accounting builds trust by letting private entities like international PSA act honestly.

The IPSAS rule that, if followed, leads to reliable, complete, and quick financial reports (Benito et al., 2007). The IPSAS, which provide accurate and thorough information, contribute to an improvement in public confidence in the administration of honest finances and the fight against adulteration (Priscila et al., 2023). Both parties' cash and growth accounting are based on information obtained via other means. The IPSAS were developed to assist governments in enhancing public financial management, responsibility for resident service, operational proficiency, and procedural outcomes.

In order to keep track of when a service begins and ends, cash-located arrangements monitor the transactions that take place in the unchangeable accounting period. According to Ijeoma and Oghoghomeh (2014), there has been an evolution in the methods that nations use to acquire information about their economies. Even though globalisation has unquestionably improved cross-border partnerships, worldwide

commerce, and business-related activity, it has also increased the requirement for standardised economic news gathering for it to remain approachable to purchasers. This is because globalisation has increased the amount of business activity across borders. For globalisation to proceed, this is a prerequisite that must be met.

## 7 Conclusions

According to this study based on agency theory, adopting and adhering to international PSA impact the Jordanian public sector's accounting transparency and quality. Adopting it might aid in addressing the nation's economic imbalance, combating corruption, and lowering the nation's dependency on aid from outside. These issues have a significant negative influence on Jordan's public sector credibility as well as economic growth. To be more precise, the accounting system used by the Jordanian government has not sufficiently addressed these serious issues. Hence, adopting the international PSA system by the public sector will result in more open data, more government accountability, and improved decision-making. This study is original because it adds to the body of knowledge already available regarding the benefits of adopting international PSA in a wider and more practical context. The options now available are extremely limited. So, this study may be useful to decision-makers, public sector accountants, the Jordan Ministry of Finance, and the Jordanian public sector. The present study utilises the agency theory to elucidate the applicability of international public-sector accounting for enhanced public-sector accounting reform in a novel set in Jordan.

### 7.1 Recommendations

- The government and authorities should ensure that professional accountants can access training facilities and materials about international PSA and related issues.
- Sticking to the international PSA timeframe should be required, and those who do not should get the right punishments.
- Jordan's professional accounting organisations should provide international public-sector accounting training at a lower rate.
- When monitoring the international PSA implementation schedule, the government, Jordan's Central Bank, and other regulatory agencies should ensure a moral environment and business openness.

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