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Exploring the impact of institutional pressures and internal dynamic capabilities on the full implementation of International Public Sector Accounting Standards (IPSAS) in Low Income Countries (LICs): A comparative study of Uganda and Zimbabwe

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Title

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Abstract

IPSAS as an accounting innovation is gaining acceptance and taking root in many jurisdictions around the globe. This has not spared the Low-Income Countries as they embrace IPSAS for a myriad of reasons. The level and slow pace of implementation in LIC has however remained a point of concern. The purpose of this study therefore is to explore the impact external pressures and internal dynamic capabilities have had on the slow pace of IPSAS implementation. While prior literature has tended to concentrate more on the impact of isomorphic forces from the institutional theory in understanding IPSAS implementation, this study combines the institutional theory with the dynamic capabilities theory in exploring how the presence/absence of internal capabilities impacts IPSAS implementation. We employ qualitative research methods in the form of semi-structured interviews with government accountants. The findings show an unbalanced interplay between external institutional pressures and internal dynamic capabilities in both Uganda and Zimbabwe. The absence of adequate internal dynamic capabilities in the form of sensing, connecting, and shaping capabilities to a large extent slowed down the implementation process of IPSAS in the countries under study as internal dynamics were not doing enough to complement external pressures. The study advances a theoretical framework combining the institutional and dynamic capability theory to explain IPSAS implementation in LICs. Through this framework the study suggests that there should be a positive interplay between external institutional pressures and internal dynamic capabilities to enable the successful implementation of IPSAS in LICs.

Keywords

IPSAS, Public sector, Institutional pressures, Dynamic capabilities, Low-income countries

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Elvis Mukogo **Edgar Asiimwe**

List of Acronyms

ACCA	Association of Chartered Certified Accountants
ADB	Asian Development Bank
AU	African Union
EU	European Union
ICAZ	Institute of Chartered Accountants of Zimbabwe
ICPAU	Institute of Certified Public Accountants of Uganda
IFAC	International Federation of Accountants
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
LICs	Low Income Countries
NPM	New Public Management.
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act

Contents

1. Introduction

The chapter presents the introduction to the topic by providing an insight into the background of the study and the problem statement. Additionally, the chapter will present the research purpose and the subsequent research questions as well as the scope of this study. This is intended to give the reader an understanding of the rationale for the study thereby providing a clear justification for and intended benefits of undertaking the study.

1.1 Background to the study

The socio-economic development of countries worldwide is largely dependent on a well-managed public sector that can provide public services aligned to the needs of their citizens and prudently handle its fiscal resources (Broadbent & Guthrie, 2008). In other words, the public sector is a vehicle through which governments use public resources to provide public goods and services. Therefore, citizens and other stakeholders are interested in the information provided by government financial statements, hence it is important that governments provide information about their financial performance so that common needs of users are met, and the citizens can hold their respective governments to account (Budding et al., 2015).

Furthermore, the occurrence of incidents such as the global financial crisis highlighted the deficiencies of public finance frameworks across the globe and emphasised the greater need for increased accountability and transparency in government financial reporting. During the global financial crisis, financial information from cash-based financial reports proved insufficient to prevent sovereign liquidity crises (Acca, 2017). As a result, countries have embraced public sector reform programs such as the New Public Management (NPM) based on accrual accounting, which are critical in enhancing public management and decision making in institutions of government (Christiaens et al., 2015). Furthermore, the cornerstone and enabler of public sector reforms has been described as the transition from the traditional cash-based accounting system to the accrual-based accounting system (Budding et al., 2015; Christiaens et al., 2015).

It is therefore evident that financial reporting is an important foundation of good fiscal management and decision making and a means for stakeholders to hold governments accountable. Hence, a rising number of governments have shifted from cash accounting to accrual accounting to promote transparency, accountability, and better-informed fiscal decision-making (OECD, 2017). However, unlike the private sector where financial reporting has been harmonised using the International Financial Reporting Standards (IFRS), the public sector still lags behind due to the application of different regulations which govern public management functions in each respective jurisdiction. Most countries have developed their own accrual based national standards influenced by relevant institutional and environmental factors. Hence, this has resulted in a lack of comparability and harmonisation in public sector reporting (Brusca & Martínez, 2016).

It is for this reason that the International Public Sector Accounting Standards (IPSAS) have become a reference and a catalyst for the harmonisation of public sector accounting systems globally (Brusca & Martínez, 2016; Christiaens et al., 2015). The IPSAS board over the years has developed and advocated for the implementation of IPSAS by public sector organisations worldwide (IPSASB, 2021). IPSAS are a set of accounting standards issued by the IPSAS Board for use by public entities in the preparation of financial statements. These standards are based on the IFRS used in the private sector. The adoption of IPSAS in the public sector has the potential to fundamentally alter the practice of accounting and financial reporting in the sector, much like IFRS has done in the private sector (Acca, 2017).

IPSAS can as well contribute to the development of strong and viable organisations and economies by enhancing transparency, accountability, and comparability of financial reporting (IPSASB, 2021). Furthermore, the IPSAS have been hailed as a multi-purpose response to the needs of different users of public accounts, to enhance transparency, reliability as well as facilitating the consolidation of financial statements in the public sector. Additionally, the implementation of IPSAS enables comparability of financial statements, benchmarking as well as providing a basis for creditors and other providers of finance to assess the financial health of these public entities (Polzer et al., 2020).

Although beneficial, the impact of IPSAS has been limited with only a few countries having fully adopted IPSAS. Different countries have taken a variety of approaches to implementing IPSAS, and are at various stages of implementation (Acca, 2017). Furthermore, the adoption processes have also varied among countries taking the forms of full implementation, partial adoption and non-adoption (Sellami & Gafsi, 2018) and in some cases adaptation of IPSAS to national standards (Polzer et al., 2020). In Low income countries defined by the World Bank as those countries with a Gross National Income of $1,046 or less per capita (World Bank, 2019), a different trend has been witnessed in terms of adoption and implementation of IPSAS, where in most cases governments of LICs have been pressured to adopt IPSAS by external institutions such as World Bank, IMF, UN etc (Polzer et al., 2021). IPSAS have been promoted in LICs on the basis that these countries will actually benefit more from IPSAS than developed countries (Schmidthuber et al., 2020), however many LICs have experienced problems implementing these standards due to differing national traditions, need to maintain sovereignty and the high costs of implementation (Polzer et al., 2021).

Other challenges in implementation in LICs have been attributed to the capacity to understand the technical elements of IPSAS and how to apply them to suit local context hence most implementation in LICs is more rhetoric as the implementation has been more as a commitment than in practice (Gómez-Villegas et al., 2020). In the cases of Uganda and Zimbabwe such rhetoric can also be identified in the manner in which these countries have gone about this process. Zimbabwe's IPSAS adoption was undertaken in 2012 but the implementation is expected to be completed in 2026 while Uganda adopted IPSAS in 2006 but hopes to undertake full implementation by 2026, marking (14) years and (20) years of implementation respectively (IFAC, 2022). Such a time lag in adoption and implementation could as well represent a big rhetoric in terms of commitment and practice as well as representation of major challenges and obstacles they are facing in trying to implement IPSAS.

However, this occurrence in LICs can be viewed from the perspective that IPSAS implementation does not exist in a separate silo but is largely dependent on the policy positions adopted by different governments for their public sectors (Sellami & Gafsi, 2018). Whilst innovation is needed in policymaking to determine success in the public sector, the success of policies in the sector is largely determined by the capacity to quickly adapt to change. Hence the success of IPSAS reform is largely dependent on the existence of both organisational and individual dynamic capabilities (Kattel, 2022). This therefore makes dynamic capabilities in the public sector key and critical in driving change and ensuring adaptability of the public sector to demands for change occasioned by reporting requirements due to IPSAS reform (Pablo, 2007). Dynamic capabilities are viewed as organisational and strategic routines which enable organisations to utilise internal resources strategically (Pablo, 2007) and empower renewal of operational capabilities thus improving performances (Piening, 2013). In the lenses of the public sector, dynamic capabilities entail a composition of leadership, organisational and learning capabilities which determine how public sector organisations sense new opportunities, provide direction of required change, manage its processes and the ability to learn and change (Kattel, 2022). Therefore, when it comes to the dynamic capabilities of the public sector, the concern is not about what good or bad routines are but how dynamic capabilities play a role in changing and renewing organisational routines in order to adapt and allow for change (Kattel, 2022).

1.2 Problematization

International Public Sector Accounting Standards (IPSAS) entail a recent movement of government accounting practices from the cash to accrual-based concept of accounting. It is largely driven by the New Public Management (NPM) reforms that sought to revolutionise government accounting to improve comparability, accountability, transparency, and resource allocation within the public sector (Sellami & Gafsi, 2018). NPM systems have revolutionised the public sector as they demand financial information that is more relevant, highly comparable and that can be very significant in decision making (Galera & Rodríguez, 2011).

IPSAS adoption and implementation however is not uniform across the globe. Many countries and jurisdictions have not embraced the standards at all, others have customised the standards to suit their unique legal and institutional circumstances while many others are at different levels of adoption and implementation (Oulasvirta, 2014). Christiaens et al, (2015) in their study of IPSAS implementation find significant differences in the adoption rate for the European context, Latin America, Africa, and Asia supported by unique circumstances.

Polzer et al (2020) noted a big difference in the trends of implementation in developed countries versus developing countries. Developed countries with big budgets and more funding have taken approaches different from developing countries, however even developed countries have adopted IPSAS differently amongst themselves creating a lot of heterogeneity (Brusca & Martínez, 2016; Galera & Rodríguez, 2011; Polzer et al., 2020). Therefore, if each country is to adopt IPSAS according to their own institutional and environmental factors, the intended objective of bringing homogeneity in public sector accounting will be defeated hence the need for more research to understand this huge disparity in the IPSAS adoption among countries (Christiaens et al., 2015; Polzer et al., 2020)

IPSAS adoption in Low Income Countries (LICs) is particularly unique considering the motivations driving its adoption and implementation. Mnfi and Gafsi (2020) find Uganda and Burundi’s disclosures under IPSAS very low in their analysis of central government accounting disclosure under International Public Sector Accounting Standards (IPSAS). Transparency International (2017) reported Sub-Saharan Africa as being one of the worst performing regions in as far as corruption and non-disclosure of information was concerned. Additionally, (Tanjey, 2016; Polzer et al., 2020) posits that IPSAS implementation in Sub-Saharan Africa was hampered by lack of political will, inconsistencies in legal frameworks, and the prevalence of corruption among other factors. Sellami & Gafsi, (2019) also posit that most governments in LICs have significant differences and challenges in implementation and compliance with IPSAS due to country specific factors including the legal framework, political support, level of economic development and quality of public management among others. This is despite the efforts by the World Bank, International Monetary Fund, and International Donors to expedite total compliance with IPSAS (Galera & Rodríguez, 2011). These occurrences have been attributed to the principle-led nature of IPSAS implementation and the absence of mandatory binding rules and penalties. This lack of enforceability leaves the implementation of IPSAS at the discretion of national accounting standards setters (Galera & Rodríguez, 2011, Tawiah, 2021).

Given that the objective of the IPSAS is to provide some homogeneity in public sector reporting to foster accountability and transparency whilst meeting the needs of various users of government financial reports (Christiaens et al., 2015; Galera & Rodríguez, 2011), the level of variations between countries and in particular the gap between LICs and developed countries is problematic. Research done by (Polzer et al., 2020; Schmidthuber et al., 2020) tries to explain the variation between developed and low-income countries and noted that developed countries have experienced a set of barriers different from low income countries when it comes to the adoption and implementation of IPSAS. More developed countries have responded efficiently to the changes brought by the NPM reform. This has been supplemented by bigger budgets and more capacities in their public sectors whilst most of their challenges have been attributed to technical implementation, path dependency and need to preserve national standards and scepticism on the actual usefulness of the IPSAS (Polzer et al., 2020; Oulasvirta, 2014; Schmidthuber et al., 2020).

On the other hand, for developing and LICs most challenges have been associated with a lack of capacities in the public sector from shortage of skills, technological capacity, resource capacity, funding and institutional capabilities (Polzer et al., 2020; Polzer et al., 2021; Schmidthuber et al., 2020). Furthermore, there is also a view among scholars that IPSAS were designed in the context of developed countries and it is not guaranteed that they always fit the context of developing and LICs given their differences in terms of both organisational and individual capacities required to implement them and country specific contexts (Hopper et al., 2017). The approach taken to promote IPSAS in LICs has been criticised for assuming that reporting frameworks such as IPSAS and accounting practices developed in the context of developed countries with a history and long tradition of good governance can automatically be transferred to LICs which have different settings at large (Fahmid et al., 2020). This approach has tended to ignore other factors such as indigenous circumstances, orientation to development needs and active participation of LICs in the formulation of IPSAS resulting in the failures to implement IPSAS (Hopper et al., 2017).

Furthermore, questions have also been raised about the capacities in LICs to implement accounting innovations such as IPSAS designed more in the context of developed countries as well as the orientation of LICs to the development needs brought about by IPSAS reforms (Fahmid et al., 2020; Hopper et al., 2017). Therefore, making the issue of dynamic capabilities very key to the success of IPSAS implementation in LICs given the view that it is an innovation which has been designed in the context of other settings outside of the LICs, but which is being promoted in LICs through different isomorphic pressures (Schmidthuber et al., 2020). Given this context it is important that more research attempts to understand if LICs have the dynamic capabilities needed to enable them to deal with the pressure of change coming from an innovation such as IPSAS designed more out of the context of their settings.

Limited research on the influence of dynamic capabilities on IPSAS reform also gives more relevance to this study. Despite some research having focused on the challenges and obstacles of IPSAS in LICs and Emerging Economies, most studies have focused on issues related ordinary capabilities of LICs to fund the costs of IPSAS implementation, and availability of human capital skills (Polzer et al., 2020; Polzer et al., 2021; Schmidthuber et al., 2020). This has led to limited research with a dedicated focus on exploring dynamic capabilities in the context of LICs. Given the view that IPSAS have been designed in the context of western countries (Polzer et al., 2021) with more developed dynamic capacities, it is critical for research to study the relevance of these capabilities in LICs to the implementation of IPSAS.

Dynamic capabilities in the public sector have been credited for facilitating continuous renewal in the public sector at both individual and organisational level, such capability for renewal and change enables strategies of innovation and prepares public sectors for demands for change which now characterise both its internal and external environments (Kattel, 2022; Pablo, 2007; Piening, 2013). Hence the one size fits all approach which has been taken thus far and which assumes IPSAS to be automatically applicable in LICs (Fahmid et al., 2020) may need to be altered to take along the contexts of LICs (Hopper et al., 2017), this includes at the core of it a focus on dynamic capabilities in the respective public sectors. The use of the country cases of Uganda and Zimbabwe allows for more detailed qualitative research into the contexts of these countries which will theoretically and practically contribute towards understanding the role of institutional pressures and dynamic capabilities on IPSAS implementation in LICs.

1.3 Research Purpose

The purpose of this study is to explore the impact of external institutional pressures and the internal dynamic capabilities in the public sectors of Uganda and Zimbabwe on the full implementation of IPSAS. Furthermore, the study also aims to explore the steps being taken by these respective countries in developing the necessary internal dynamic capabilities needed to facilitate the successful implementation of IPSAS.

1.4 Disposition

Chapter 1 Introduction: This is the first chapter of the study which is aimed at providing a background into the research area. This chapter allows the reader to have an insight and familiarise with the topic, at the same time detailing the importance of the study. The chapter starts with the background and problematization which form the basis of this research and concludes with the research purpose.

Chapter 2 Literature review and Theoretical framework:

In this chapter the researchers present a systematic literature review of the topic and provide the reader with a better understanding of the main concepts of IPSAS, its adoption and implementation together with the concept of dynamic capabilities in the public sector. This is intended to explore existing literature on dynamic capabilities and IPSAS implementation in LICs and provides the foundation upon which the study is based. This chapter also provides the theoretical framework underlying this study by discussing both the institutional and dynamic capability theory as well as the justification for combining these two theories.

Chapter 3 Methodology: This chapter provides an insight into the empirical data collection process and how empirical data has been analysed together with the philosophical positions the researchers have taken. The chapter will present the research approach and design, data collection methods, methods of analysis and will conclude by discussing the reliability and trustworthiness of the study.

Chapter 4 Analysis: In this chapter the researchers will present the empirical findings and analysis of the empirical data gathered from the interviews

Chapter 5 Discussion and Conclusion: In the last chapter the researchers will discuss the overall findings of this study using the theories and literature presented in chapters two and three. The chapter will also aim to answer the research questions presented in chapter one and the contribution made by this study before concluding with key reflections made over this study.

2. Literature review and theoretical framework

This section will present a systematic review of the literature around the topic. In doing so this section will attempt to explain different main concepts about public sector accounting and the emergence of IPSAS and the trends which have evolved thus far using existing literature. The chapter will also explain the institutional and dynamic capability theories used for this study and the reasoning behind combining these two theories. These theories are apt as institutional theory is credited with driving the IPSAS adoption in LICs while dynamic capabilities theory which seeks to study how organisations reconfigure their internal resources to adapt to external changes will aid in understanding of LICs capability to adapt to change and innovation.

2.1 Cash based vs Accrual based accounting in the public sector

Until recently the cash based accounting system had been used extensively for reporting in the public sectors of most governments across the globe as the fiscal policy decision making models in use required reporting based on cash revenues and expenditures (Bergmann, 2012). However, the evolution of NPM practices have influenced the purging of cash based accounting systems in favour of accrual based accounting systems (Caperchione, 2006). The main reason attributable to the reform from cash to accrual based accounting has been that cash accounting systems have been blamed for not providing relevant and sufficient financial information for the transparency, decision making and accountability of the public sector (Caperchione, 2006). Furthermore, the accountability and nature of reporting which the private sector has exhibited under accrual accounting has pushed accrual accounting reform in the public sector in an effort to emulate private sector practices (Bergmann, 2012).

IFAC describes cash based accounting as an accounting system which recognises transactions and other events only when cash is received or paid. Financial reports under cash basis should include cash raised during the period, the purposes to which cash was applied and the balances available at the reporting date. Conversely, accrual basis accounting is described as that in which transactions and other events are recognised when they occur irrespective of when cash or its equivalent is paid or received (IFAC, 2017).

While the use of cash based accounting is permitted and is in use in some jurisdictions, accrual based accounting is most encouraged owing to the cash based accounting's non disclosure of liabilities due to their reporting framework (KPMG. n.d). This is in a bid to improve transparency and improve financial management and a complete view of public entities' financial health. With accrual accounting gaining momentum in public sector accounting, questions have arisen as regards its relevance (Eulner & Waldabauer, 2018). The ease of understanding and application of cash accounting, widespread use, and the low cost implication on staff training and Information Technology made cash accounting ideal (Eulner & Waldabauer, 2018). It has however been argued that cash accounting pays attention to the public's short term economic position thus a shift to accrual accounting would ensure that public managers would equally consider long term financial planning. It is further argued that accrual accounting will cure the shortcomings of short term cash accounting such as short term planning that does not account for future obligations, absence of information on utilisation of assets resulting in obsolete infrastructure and increasing debt owing to excessive but unreported public borrowing. Accrual accounting in the public sector would therefore aid informed decision making, provide transparency, and international comparability. Accrual accounting thus has become the standard of accounting with pressures across the globe calling for standardisation through accounting regulations, pressure groups among other mechanisms (Lapsley et al., 2009).

This evident spread of accrual accounting in the public sector has however proved hard as questions have arisen as to the treatment of certain accounting issues as well as the widespread political tolerance for cash based accounting (Bergmann, 2012). Accrual based accounting has been accused of taking a universal approach by equating the private sector environment with the public sector environment whereas in actual fact the public sector is considered heterogeneous and cannot be treated as one for accounting purposes (Barton, 1999). Furthermore, the Accrual based accounting has been deemed very complex to understand for decision making considering the majority of decisions in the public sector are taken by politicians (Paulsson, 2006). Additionally, there is fear that Accrual accounting tends to erode or reduce the presence of cash or liquidity information which is critical for decision making in the public sector, which has led to some views that the inclusion of more cash information in accrual accounting might lead to more acceptance for this system in the public sector (Kober et al., 2010).

2.2 Public sector reform agenda and emergence of IPSAS

For more than two decades, public sector accounting across the globe has been the subject of intense reform in several countries. Although most reforms have been essentially a product of the path adopted by individual countries with regard to the timing, scope and implementation of decisions, this shift has been recognised as a steady movement towards a common vision and shared goal (Brusca et al., 2015). As alluded to in the previous section the influence of NPM practices and principles of good governance have been the major sources of reform in the public sector (Brusca & Martínez, 2016). The influence of principles of good governance which are premised on integrity, openness and accountability have led to a more open culture of good governance in the public sector leading to the reform of accounting systems in many countries (Brusca & Martínez, 2016). Accounting systems in many countries have experienced a shift from traditional cash based accounting to more accrual based accounting in a bid to enhance accountability and transparency as well as restore the confidence of citizens and other stakeholders in the role and function of the state (Bergmann, 2012).

However, the need to hold on to national standards and the importance of the public sector to the sovereignty of different countries have played a part in hampering harmonisation in the public sector despite the push for reform, and hence many public sector reforms taken across the globe have remained country specific (Kvaal & Nobes, 2012). Most countries have developed their own accrual based national standards and are influenced by relevant institutional and environmental factors. Hence, this has resulted in a lack of comparability and harmonisation in public sector reporting (Brusca & Martínez, 2016). Therefore, as a result, two sets of challenges to harmonisation have been experienced, one associated with vertical harmonisation which is concerned with comparison of public sector accounting between two different governments and countries and the other associated with horizontal harmonisation which concerns comparison between different levels of governments within the same country as well as with state owned enterprises and private sector within the same country (Brusca et al., 2015).

The calls for international harmonisation in the public sector mentioned above and the awareness of the harmonisation that has been experienced in the private sector with the introduction of IFRS led then to the proposal for a set of international accounting standards specifically for the public sector (Benito et al., 2007). The key player has been and is still the IPSASB which was originally formed in 1986 as the Public Sector Committee of the IFAC but in 2004, became an independent affiliate of IFAC entrusted with establishing and guiding the continuous development of IPSAS which are aimed at enhancing the quality of financial reporting in the public sector as well as being the tool for international harmonisation in public sector accounting (Brusca et al., 2015).

Due to the fact that the public sector represents the sovereignty of every nation, the adoption and acceptance of IPSAS has been met with much resistance as countries prefer to keep traditional national standards (Benito et al., 2007). On the other hand IPSAS have remained non compulsory with the IPSASB only promoting their use for public sector accounting across the globe (Brusca et al., 2015). However the IPSAS have been endorsed with a variety of multilateral organisations having adopted them for use, among these organisations are the OECD, EU Commission, AU Commission, NATO, UN etc, resulting in a mimetic effect across different countries (Grossi & Soverchia, 2011). Furthemore, several lateral institutions such as the World bank, IMF and ADB have invested resources and promoted the use of IPSAS particularly in developing countries (Christiaens et al., 2015).

2.3 Objectives and scope of IPSAS

As referred to in the previous section, IPSAS are a set of standards issued by the IPSASB designed and intended for use in the public sector by governments and public sector entities around the world in their financial reporting (Bergmann, 2012). The major objectives of IPSAS are the international harmonisation of public sector accounting as well as the enhancement of transparency and reliability of public accounts (Bellanca & Vandernoot, 2014). Furthermore, Chan (2006) also argues that another objective of IPSAS is to steer socio-economic development of countries as public sector institutional capacity is a prerequisite for development hence the public sector can only be capacitated enough through government accounting reform under IPSAS. Therefore, it is the sole mandate of the IPSASB to continuously focus on the financial reporting needs of various sectors of government, agencies and public sector entities so as to promote benchmarks and guidance for the use of IPSAS as well as facilitating the exchange of information between different accounting professionals in the public sector (Benito et al., 2007).

Furthermore, due to the complexity and the diverse and sovereign nature of the public sector it is also important to understand the scope of IPSAS. Firstly, the IPSAS are meant for use in any public sector around the world, however IPSASB do not have the mandate to enforce the use of the standards the adoption of IPSAS remains the prerogative of each sovereign country (Christiaens et al., 2015). IPSAS do not also apply to Government Business Enterprises (GBEs), though these entities may be owned and controlled by the government they are deemed to trade and function more in the private sector environment hence IFRS is more relevant for such types of entities (Bergmann, 2009). According to Christiaens et al (2010) it is also important to note that though IPSAS have been designed for the public sector, the IPSASB has sat out not to reinvent the wheel in formulating them. The board believes that the pinnacle objective of financial reporting is the same for both the private and public sector therefore most IPSAS have been developed from IFRS. However new standards have been developed for public sector specific issues which are non-existent in the private sector, for instance the issues of non exchange revenues and heritage assets (Christiaens et al., 2010).

2.4 Benefits and Challenges of IPSAS

There still exists a debate about the benefits of IPSAS adoption and implementation. This could partly be attributed to differences in the reasons that drive actual adoption and whether the adopting entities expected any tangible benefits to begin with (Pawan Adhikari et al., 2015). ACCA (2017) advances benefits that would accrue due to IPSAS adoption. Among them are increased accountability and transparency as governments will give a full picture of what they own and owe to others, as well as what they receive in terms of revenue and what is allocated, better decision making due to full knowledge of policy implications, improved efficiency and consistent application due to standardisation, a sound financial management, broader economic and social benefits due to access to funding and the professionalisation and access to talent, government stability and international comparability.

While consensus is yet to be achieved, a number of benefits have been advanced. Gomez et al. (2019) in their study of IPSAS based consolidation in Portugal and Spain conclude that IPSAS based financial information was a tool of accountability for public resources that governments control and could be useful for decision-making. Owing to the accrual based reporting on liabilities, it is equally believed that IPSAS would aid in the control of public debt and the levels of public expenditure.

IPSAS implementation however has challenges to it such as the definition of public sector entities and the homogenisation of accounting treatments with controlled entities in cases where consolidation is necessary (Gomez et al. 2019). This is exacerbated by the voluntary adoption requirements of IPSAS in some jurisdictions and the resultant differences in both the adoption as well as the level of implementation of IPSAS. Whitefield & Savvas (2016) in their study of IPSAS implementation by UN in Kenya conclude that technological challenges, the financial cost required to achieve implementation and the perceived negative usefulness of IPSAS compliant financial statements have slowed adoption and implementation of IPSAS.

Owing to the voluntary nature of adoption and implementation, the drivers and barriers experienced, as well as country specific circumstances and levels of development, differences remain as to what benefits and challenges IPSAS adoption entails.

2.5 IPSAS adoption and Implementation in Uganda and Zimbabwe

The public sector in Zimbabwe comprises the central government, local government, and State-owned enterprises (ICAZ, 2009). The public sector accounting is governed by the Public Finance Management Act (Chapter 22:19) of the constitution of Zimbabwe. This act stipulates that financial statements of public entities be prepared according to either IFRS for entities which operate as companies or on a customised cash accounting basis (IFAC, 2021).

In 2012, the government of Zimbabwe adopted the use of the IPSAS for its public sector accounting starting with the adoption and implementation of the cash basis IPSAS. However, implementation has been non-uniform with some public entities having started using IPSAS while others have not (IFAC, 2021). The government in 2019 announced the launch of the program Migration to accrual based IPSAS to be implemented in phases and full implementation expected by 2025. Hence, IPSAS adoption for the country remains partial adoption (IFAC, 2021; TAS, 2022)

On the other hand, the public sector of Uganda consists of central and local government as well as regulatory bodies and state-owned enterprises. Public sector accounting is regulated by both the Public Finance Management Act (2015) and the Accountants Act (2003). The Accountants Act (2003) empowers and mandates the Institute of Certified Public Accountants of Uganda (ICPAU) to issue guidelines on public sector accounting standards as well as, authorise and adopt standards to be used in the preparation of financial statements by public entities (ICPAU, 2019).

The ICPAU has reported that all the IPSAS have been adopted without modifications for use in public sector accounting in Uganda. However, the government is currently implementing a modified accrual-based accounting as a transition process towards full IPSAS implementation. To show its commitment, the government has started implementing a 5-year phased implementation of full IPSAS beginning 2021 and earmarked full compliance for 2026. Hence, the current state is still in partial adoption of IPSAS (ICPAU, 2021; IFAC, 2021).

2.6 The trends of IPSAS adoption and implementation in Low Income countries

The course of adoption and implementation of IPSAS in LICs has been quite peculiar and of interest to several researchers who have come out with diverse findings and also used different theories and methods to analyse IPSAS adoption and implementation in LICs. The dominant view for most literature has been that IPSAS adoption and implementation has been problematic in LICs (Polzer et al., 2020; Schmidthuber et al., 2020), the major reason advanced for this problem has been the view that IPSAS as an accounting solution has been designed more in the context of western developed countries which does not suit the context of most LICs (Hopper et al, 2017). Efforts to persuade LICs to implement IPSAS have been lower than in developed countries, LICs have generally had a limited say about decisions on IPSAS adoption compared to developed countries. LICs have had lesser discretion on IPSAS implementation as the reform has largely been driven by external stakeholders such as donors and internal institutions whose interests might be different from the country concerned (Polzer et al., 2021). In view of these findings, Harun et al. (2020) posit that international agencies ought to consult central and local governments to ensure that introduction of reporting guidelines from developed nations are redesigned to accommodate the capacities and needs of recipient nations. Additionally, (Baskerville & Grossi, 2019) posit that standard setters ought to reserve some flexibility to allow for the incorporation of local peculiarities in global standards to ease the adoption and implementation of IPSAS. in the same vein, Adhikari et al. (2015) conclude that claims of IPSAS gaining popularity and widespread use among LICs was contentious and posit that there is need to identify good accounting practices for LICs as opposed to forcing symbolic acceptance of IPSAS on them.

This lack of discretion and participation in decision making concerning IPSAS have partly been blamed for the problematic situations LICs find themselves in where most attempts to implement IPSAS have stalled at the implementation stage (Adhikari et al., 2019;Polzer et al., 2020). Although other studies seem to disagree with that notion, blaming the problematic implementation of IPSAS in LICs on poor governance mechanisms which result in a lack of foresight, planning and non efficient strategic approaches (Adhikari & Jayasinghe, 2017), questions have been raised as to the capabilities of LICs to implement IPSAS designed more in the context of developed countries (Harun et al., 2020). Adhikari et al. (2015) posit that information seeking processes are guided by existing knowledge. However, such accounting knowledge is often limited in LICs and the systems are less developed thereby weakening the capacity to capitalise on accounting innovations such as IPSAS.

In South Asian countries lack of training and education of public accountants has affected the implementation of IPSAS as there are broad challenges in understanding the technical uncertainties that come with the use of IPSAS (Polzer et al., 2020). Whilst technical challenges and a lack of knowledge capacities to implement IPSAS have also been observed in Africa and Latin America (Brusca et al., 2016; Polzer et al., 2020). In most Asian pacific countries the process has even stalled because of a lack of resource capacity (Gomez-Villegas., 2020) to roll out a plan and approach for the reform, for instance Nepal announced adoption of IPSAS at a time when it was still having challenges to meet the requirements of a simple cash accounting system pointing to a very critical issue of capacity in the public sectors of LICs (Adhikari & Mellemvik, 2015). As a result, in most cases because of external pressures most LICs have adopted IPSAS as more in rhetoric than actual practice in order to gain international legitimacy (Gómez-Villegas et al., 2020).

Despite research noting a capacity problem to implement IPSAS in LICs some progress has been made in some countries with the promotion of the use of the Cash basis IPSAS for first time adopters (Adhikari & Mellemvik, 2015).However in some cases, effort has been aimed at adapting IPSAS to local standards as opposed to full adoption of IPSAS and a myth that accrual accounting wouldn't be possible without first complying with cash basis IPSAS (Adhikari & Mellemvik, 2015). Adhikari & Jayasinghe (2017) posit that government accountants due to their powerful positions have dictated government accounting routines and have led resistance to externally propagated reforms which in turn has slowed the progress of IPSAS reform in many LICs. Furthermore, the capabilities of LICs to lay a solid foundation for the successful implementation of IPSAS in their public sector has again been questioned with doubts arising over the ability of LICs to sense the need to seek knowledge about reform innovations (Polzer et al., 2021). The information seeking capabilities are essential in laying a good foundation for smooth implementation as they have an effect of capacitating the LICs but they largely depend on the available knowledge on accrual accounting and the accounting systems, these have been observed to be very limited in LICs and the accounting systems less developed (Adhikari et al., 2015)

IPSAS adoption and implementation in LICs has largely been observed to be a political process where multiple actors are involved hence the implementation of IPSAS has been heavily contested (Polzer et al., 2021). Lack of political will has been noted in most LICs as politicians have preferred the simplicity of the cash based systems and in some instances the issues of enhanced accountability and transparency not doing enough to persuade the motive of politicians (Schmidthuber et al., 2020). The lack of political will has been prevalent in most LICs to the extent that slight progress witnessed in terms of IPSAS implementation has been attributed more to coercive pressures (Hopper et al, 2017). The loan conditions attached to credit or donor funds by institutions such as IMF and World Bank has been attributed for most reform due to the dependency of most LICs on these resources as a result IPSAS reform in LICs has largely been due to coercive pressures than mimetic tendencies (Polzer et al., 2021).

For instance, Harun et al (2020) in their study of IPSAS institutionalisation in Indonesia conclude that IPSAS adoption was demanded by International Financial authorities (World Bank and IMF) and triggered less by technocrats with a view of following practice from other countries. This however included over reliance on external actors to aid implementation resulting in a rise in implementation costs at the expense of requisite public spending and non reliance on IPSAS based reports in decision making. Pawan Adhikari et al (2015) also argues that the widespread popularity and success of IPSAS in LICs is contentious, more rhetoric than reality as LICs accept reforms under pressure from donors and do not necessarily appreciate the value of IPSAS while the lack of cooperation between government and professional accountants in Nepal in particular impacts implementation negatively.

The decisions to adopt and implement IPSAS have been criticised to have been more top down approaches from politicians in parliaments or the executive down to the public sector without proper consultation or participation of other relevant stakeholders such as epistemic communities or those charged with implementing reforms (Polzer et al., 2021). This in turn has spillover effects as reform is accused of not taking along country specific factors resulting in its unpopularity and lack of appetite for actual implementation (Polzer et al., 2021). For instance, evidence from Bangladesh pointed to the adoption of the Cash basis IPSAS without the consultation of professional accounting bodies,the same was reported in Indonesia (Boolaky et al., 2020; Polzer et al., 2021).

The persuasion and decision making stages concerning IPSAS in LICs have been reported to have been much easier than the actual implementation stage which has been marred by a plethora of challenges and obstacles (Polzer et al., 2021). Implementation has been identified to be more than just a mere application of IPSAS but a lot is needed to sustain implementation of IPSAS in the public sectors of LICs. Firstly, the need for knowledge transfer has been an issue as some actors would push for reinvention of the wheel to satisfy some country specific factors (Baskerville & Grossi, 2019). However, in most cases LICs have had challenges in terms of resources needed for training and skills transfer as well as acquiring the necessary technology needed for this type of innovation (Gomez-Villegas., 2020).

Furthermore, it is also noted that IPSAS reforms at the implementation stage seem to be driven by similar factors despite the differences in the stages of implementation of various LICs. In addition, the barriers to implementation seem to cut across different countries. These in turn have different consequences for the countries in question which ultimately explains the differences in the speeds of implementation (Polzer et al., 2020). While pro-innovation bias and the training of government accountants drove the adoption of IPSAS in South Asia, the failure by professional accountants to define accounting boundaries stalled the implementation of IPSAS in that region (Adhikari et al., 2021). The issue of IPSAS only being published in English has affected implementation in non english speaking countries as some meaning has been deemed to be lost in translation (Polzer et al., 2020).

Lastly on the findings, despite the intended benefits which have been attached to IPSAS such as enhanced accountability, more transparency, better decision making and improved efficiencies in the public sector, existing literature has also noted some unintended consequences of IPSAS implementation in LICs such as increased corruption and even more non accountability (Polzer et al., 2020). In Africa IPSAS reforms were reported to have weakened accountability systems thus enhancing the culture of patronage and corruption in that region (Hopper et al, 2017). More decoupling has also been reported in Africa, for instance Bakre et al (2017) reported the manipulation of IPSAS 17 to continue the use of historical costs in valuation of Property Plant and Equipment thus benefiting politicians in the process, whilst Tanzania resource constraints and pressures from donors resulted in government manipulating the compliance of governments accounts to IPSAS when there were not (Goddard et al., 2016)

Theoretically, a series of theories were applied to the studies under the current review in equal measure. However, institutional theory (eg. Adhikari & Mellemvik., 2015; Harun et al., 2020; Hopper et al. 2017; Baskerville & Grossi 2019; Gomez-Villegas et al.,2020; Boolaky et al., 2020) was most applied to the understanding of drivers for adoption in LICs. Diffusion theory (eg. Adhikari et al, 2015; Adhikari et al. 2021) was also used to explore the process of incorporating IPSAS into daily accounting practice from knowledge seeking to confirmation or rejection.

The New Public Management (Sellami & Gafsi., 2020; Babatunde, 2017) was also used to explain the public sector management change process that was applied in equal measure. On the other hand, Gomez-Villegas et al., (2020) make use of the Actor Network Theory (ANT) to advance the idea that "*innovations are a product of a network of heterogeneous entities, in which actors form alliances and engage different actors to strengthen the alliances*" (Gomez-Villegas et al., 2020). It is therefore believed that this network for the adoption of IPSAS exists in order to legitimise and make IPSAS a point of reference. Therefore, the alliances between multinational financial institutions, standard setting bodies and national standard setters exist solely to advance the legitimation cause for IPSAS.

Further to this, most studies under review (eg. Adhikari & Mellemvik., 2015; Harun et al., 2020; Hopper et al. 2017; Baskerville & Grossi 2019; Gomez-Villegas et al.,2020; Adhikari et al, 2015; Adhikari et al. 2021) applied qualitative methods as opposed to quantitative methods. Document analysis and semi-structured interviews were the most used qualitative methods to obtain their data for review. This mainly involved the review of accounting rules and regulations as well as financial reports where available (Adhikari & Mellemvik., 2015; Boolaky et al., 2020). Additionally, semi structured interviews conducted with government and professional accountants (Harun et al., 2020). This was augmented by interviews undertaken at variable points in time as well as involving different levels of hierarchy, experience, exposure and levels of education (Pawan Adhikari et al., 2015).

2.7 Theoretical framework

This section will discuss the theories which have been used in this study to explore the challenges and obstacles of IPSAS implementation in LICs. The stance taken by the researchers is that the public sectors of LICs do not merely arrive at the IPSAS implementation stage but the issue of IPSAS adoption and implementation is an on-going socio-economic process (Argento et al., 2018) hence the institutional and dynamic capabilities theories are used to explain this process. The institutional theory is credited for best explaining the adoption and implementation of IPSAS in LICs. It is therefore the opinion of the researchers that an understanding of the factors behind adoption, especially country specific factors and especially their strength can provide an insight into the challenges that are faced on the implementation journey.

In the same light, dynamic capabilities theory has been considered a great choice for the study due to the innovative aspect of IPSAS adoption in public sector accounting. Innovations thrive in environments that are receptive to change and possess the abilities to embrace and act upon the changes to attain the desired results. As dynamic capabilities theory (Teece, 1997) seeks to review institutions' ability to integrate, build and reconfigure competences in changing environments, dynamic capabilities theory is apt in explaining how the existence or absence of these abilities have influenced the implementation of IPSAS in LICs.

2.7.1 Institutional theory

According to Christiaens et al (2015) the development of a standard public sector accounting framework across the globe depends much on a lot of institutional factors such as legal systems, norms and values existing in every sovereign country. The more flexible these institutional factors are the higher the success of reform, hence the success that has been witnessed towards IPSAS implementation in countries with much more flexible legislative systems (Christiaens et al., 2015). Additionally, Dillard et al (2004) as cited by Amran & Hanifa (2011) argue that institutional theory studies how organisations interact with their environment, the impact of societal expectations on the organisation and how these expectations shape the culture and practices of these institutions or organisations. Therefore, for the purpose of this study this theory is very important in attempting to explain why institutions are implementing IPSAS and what influences this reform, including the occurrence of obstacles and challenges which tend to impact on the progress of such implementation. Since the reform through IPSAS is seen as a socio-economic and political process characterised by obstacles and challenges, it's important to use the institutional theory to explain how and why the IPSAS reform is happening (Argento et al., 2018).

Many countries across the globe have witnessed changes in their public sector accounting systems through regulation which has favoured and legitimised the adoption and implementation of IPSAS or IPSAS related standards (Brusca et al., 2013). These public sector reforms have been attributed to the legitimization and later diffusion of IPSAS which has seen many countries either adopting the direct use of IPSAS or formulating country specific rules and standards which follow the IPSAS framework (Brusca & Martínez, 2016). The rationale behind the diffusion of IPSAS is best explained through the institutional theory which attributes the changes in government reporting systems to the concepts of institutional isomorphism and institutional logistics (Argento et al., 2018). These two theoretical concepts allow for the analysis of why and how governments are changing to implement IPSAS under the influence of country specific mechanisms (Argento et al., 2018).

IPSAS reform has been described as a form of accounting innovation designed to modernise and standardise the public sector. As a result, IPSAS have gained international reference as a benchmark for public financial reporting because of their advocacy for accrual accounting which results in more meaningful financial reporting in the public sector (Benito et al., 2007). This has been augmented by endorsements IPSAS have received from several multilateral organisations such as the OECD, NATO, EU Commission, AU Commission and UN who have been pioneers in implementing these standards (Brusca et al., 2016). IPSAS have therefore gained legitimacy across the globe as a reference for public sector accounting reform, and through the process of diffusion and imitation and as a response to institutional pressures many countries have turned to IPSAS to increase their legitimacy (Christiaens et al., 2015).

The first component under the institutional theory which best explains this occurrence is that of institutional isomorphisms. Institutional isomorphism explains why organisations end up being similar in terms of structure, dominant thinking, and process. Institutional pressures for the adoption of IPSAS may result in similar organisational practices as organisations mirror each other in a bid to increase their legitimacy (Argento et al., 2018). IPSAS innovation is viewed to be a result of external influences from institutions and global dynamics, hence it becomes some sort of myth that institutions adopt to secure legitimacy, gain resources, and survive therefore the IPSAS adoption process can be attributed to different forces of institutional isomorphisms which can be coercive, mimetic and normative (Gómez-Villegas et al., 2020).

Coercive isomorphism arises out of pressure exerted by stakeholders on which an organisation normally relies for resources and survival, these pressures result in alteration of organisational practices as organisations attempt to address the socio economic and political concerns of these stakeholders (Amran & Hanifa, 2011). Furthermore, coercive pressures are normally political in nature and may come in the form of rules and legal requirements (Argento et al., 2018). Organisations such as OECD, NATO, UN, and EU Commission have already adopted and legitimised IPSAS as a reference for public sector accounting (Brusca et al., 2016). Hence other organisations such as the World Bank, International Monetary Fund, and regional lenders such as the African Development Bank in the African context have been pressuring governments of LICs to adopt IPSAS as a precondition to access resources and given that these countries are majorly resource dependent on such external organisations, this could represent some form of coercive isomorphism (Polzer et al., 2020).

On the other hand, mimetic isomorphism arises out of organisations imitating the culture and practices of other organisations which are deemed legitimate and successful to increase their own legitimacy and acceptance (DiMaggio & Powell., 1983) and this is largely responsible for the homogeneity in the public sector institutions (Polzer et al., 2020). Again, in this case the legitimisation of IPSAS by multilateral organisations such as EU Commission, AU Commission, UN, OECD, and NATO will result in a diffusion of the practice as other countries attempt to embrace IPSAS as a reference for their public sectors reporting (Gómez-Villegas et al., 2020). The EU has already started to formulate what are known as European Public Sector Accounting Standards (EPSAS) based on IPSAS for use in member states of the EU as a mimetic approach based on how IPSAS have been endorsed globally (Christiaens et al., 2015).

The last isomorphic is normative isomorphism which is a result of those pressures emanating from the influence of social groups and professional bodies promoting the adoption of certain institutional practices (Boolaky et al., 2019). Boolaky et al (2019) further posit that normative isomorphism seeks to achieve a collective value set and conformity of thought and deed through professionalisation. Professionalisation therefore becomes an avenue through which conformity to IPSAS is mandated. In other words, the pressures are driven by professional bodies within specific fields. In the case of IPSAS adoption the knowledge and views about IPSAS among professional accountants and those charged with governance in public sectors of different countries plays a key role through normative isomorphism on the route taken by that country towards IPSAS implementation (Boolaky et al., 2019).

However institutional isomorphic pressures may also result in opposite unintended negative outcomes due to an overdrive to obtain legitimacy and this occurrence is known as decoupling (Goddard et al., 2016). Decoupling refers to the practice of institutions displaying external practices that convince the public about the legitimacy of an institution while internal practice does not conform to the adopted practices (Meyer & Rowan., 1977). As such, institutions could respond to external pressures through ceremonial adoption without undergoing actual implementation resulting in gaps between formal structure and actual work (Meyer & Rowan., 1977). For instance, Polzer et al (2020) reported decoupling between actual practice and what is being presented about IPSAS adoption in most African countries, most countries because of coercive isomorphism and in attempt to meet the demands of lenders such as IMF and World Bank ended up with decoupling. In Tanzania government financial statements were reported to have been prepared and compliant with IPSAS when they were not in an attempt to obtain legitimacy by the government, hence this decoupling becomes a major barrier to the actual full implementation of IPSAS (Goddard et al., 2016).

Though isomorphic pressures drive change in organisational practices, structure, process and thinking, they are not sufficient to ensure complete and immediate IPSAS reform if the internal dynamics of the specific country are ignored. According to Christiaens et al (2010) because of different country specific requirements IPSAS adoption has tended to be different among countries with some countries adopting directly and some indirectly by adapting the standards to local requirements. Therefore, it has been noted that adoption of IPSAS requires a favourable reception in a specific country in order to influence modification of government reporting systems in the country. Hence, the importance of the interplay between external isomorphic pressures and country specific internal forces (Argento et al., 2018).

Having explained the above, institutional theory is therefore an ideal theory in our study as it advances and explains the rationale behind organisational innovation, especially in public sector management and equally could explain how institutions interact and influence each other. The institutional theory advances institutional isomorphism that explains forces which are external to any specific country that result in institutional pressures which through coercive, mimetic, and normative isomorphism result in organisations resembling each other (Argento et al., 2018). However, these external forces are insufficient to cause complete and immediate change hence they should work hand in hand with country specific internal forces. Therefore, country specific forces occur at a macro level where the belief system determines rules and norms in a given country. Therefore, a neat interplay of the external and internal country specific forces results in a more successful IPSAS reform for any specific country (Argento et al., 2018) and this model will be used as a basis in this study.

2.7.2 Dynamic capability theory

The dynamic capability theory is borrowed from private sector practices originally intended to explain how firms can combine dynamic capabilities and good strategy to obtain optimum enterprise performance in competitive fast changing global markets. Hence the focus of the theory is centred on the managerial, entrepreneurial and leadership skills of the executive management of firms and their ability to design and implement routines necessary to adjust to changing business environments and thus shaping their survival in the future (Teece, 2014).

The theory has also been conceptualised in the context of the public sector to explain the importance of dynamic capabilities in the public sector given that the sector now operates in a highly changing environment as well and coupled by the public and citizens at large being more knowledgeable of their needs and demanding high levels of enterprise performance from the public sector (Kattel, 2022). Additionally, the constant changes in public sector management occasioned by the shift to New Public Management (NPM), especially the introduction of IPSAS as a tool to enhance transparency and resource allocation among others, requires an enabling environment to facilitate these changes to achieve the intended impact (Kattel & Mazuccato, 2018). This environment constitutes the ability to assess the need for change, make adjustments as necessary to achieve the intended goals as well as proper implementation of the necessary practices. This set of processes, position and path needed to influence the necessary routines capable of sensing and seizing opportunities for change and adaptation is what makes strong dynamic capabilities (Kattel & Mazuccato, 2018;Teece, 2014).

The dynamic capabilities theory according to Tecce et al (1997) conceptualise dynamic capabilities as "*the ability of an organisation and its management to integrate, build and reconfigure internal and external competences to address rapidly changing environments*". For public actors, these could include or be a result of sovereign control over specific territory, skilled labourforce, ability to raise and deploy finances and the adaptive capacity of the state in light of policy changes. Piening (2013), avers that "*dynamic capabilities are bundles of interrelated routines usually resulting from path dependency which enable organisations to renew their operational capabilities to achieve improved performance*". This description could mean the existence of abilities embedded within organisational practices that guide the adopted practice. These could be at the managerial or organisational level according to Gullmark (2021).

The dynamic capabilities framework is viewed as a resource based approach premised on the ability of an organisation's processes (internal and external) to sense, seize and transform opportunities and the capability to utilise resources to optimise performance in constantly changing environments (Teece, 2014). According to Tecce et al (1997) the key building blocks for dynamic capabilities in an organisation can best be explained under the three blocks of processes, positions and paths. Organisational processes are viewed as the means through which the strategy of an organisation is transformed into the day to day routines therefore, dynamic capabilities depend on the managerial and leadership skills of top management to design, implement and modify these routines. Organisations with superior dynamic capabilities are able to design, implement and modify these routines to suit changing environments as well as to shape their external environment (Tecce et al., 1997;Teece, 2014).

On the other hand, the position of an organisation relates to its resources, this includes but not limited to its assets but other resources such as human capital and knowledge base. The underlying point is that an organisation is defined by how it deploys its resources; however organisations with dynamic capabilities are able to create unique assets such as technology and know-how. These are tacit in nature and can be created, deployed and modified to manage changing environments and effect transformations by influencing and adding value to other common resources (Tecce et al., 1997;Teece, 2014).

The last block to explain dynamic capabilities is that of paths which merely refers to strategy and the path or strategy for an organisation must relate and link up with the processes (routines), the position (resources) and capabilities (Teece, 2014). Under the dynamic capability framework strategy should have consistency, coherence and be innovative, whilst it is basically shaped by the history of the organisation, strategy should have the ability to influence the future of the organisation. In the end the dynamic capabilities and strategy of the organisation will determine its performance and survival (Teece, 2014).

Therefore, having explained all the above, the dynamic capabilities of an organisation can be simplified into three clusters of managerial activities namely sensing, seizing and transformation (Kattel, 2022; Teece, 2014). Sensing activities involve the identification and assessment of opportunities at both local and international levels, seizing activities will then seek to mobilise resources to enable the organisation to capture value from these opportunities, whilst transformation activities enable continues renewal within the organisation to enable the organisation to continuously adjust to ever changing environment (Kattel, 2022; Teece, 2014).

2.7.3 Dynamic capabilities in the public sector

Though the dynamic capabilities theory has been mostly used to explain trends in the private sector which is characterised by competition and survival within the global markets, dynamic capabilities in the public sector have also began to take some importance due to the demand for public sectors to have the capacities and capabilities to react to crises, implement and transform existing policies and practices in the best interests of the public (Kattel, 2022). Furthermore, the public sector also faces renewed pressure to be more effective and efficient hence public managers are incorporating the managerial practices and innovations of the private sector to optimise organisational performance in the public sector. However, this also proves to be a daunting task considering the political pressure, multiple stakeholders and conflicting goals which characterise the public sector (Piening, 2013). Moreover, because of the absence of competition in the public sector and its perpetual nature there is less incentive for transformation hence the reason why most public sectors face difficulties in adapting to change as many a times they are found wanting in terms of innovations and dynamic capabilities (Kattel & Mazuccato, 2018; Piening, 2013).

Therefore, in order to enable organisational change in the public sector it is critical that dynamic capabilities are developed within the public sector, moreover given that the public sector now even faces more intense environmental change, dynamic capabilities are being viewed as a critical key success factor to the survival of the public sector (Kattel, 2022; Piening, 2013). Dynamic capabilities are closely linked to strategy in the public sector since strategic approach is heavily reliant on a specific set of processes and routines that allows public sector organisations to continuously adapt to change. In short, dynamic capabilities enable public sector managers to continually renew existing policy and practice, make ongoing adjustments to the allocation of resources and build new thinking which can transform the public sector (Pablo, 2007).

Furthermore, to be able to create a better understanding of dynamic capabilities in the public sector and how they influence organisational performance it is critical to understand how these dynamic capabilities are developed, identified and assessed in the context of the public sector. According to Pablo (2007), dynamic capabilities are identified in the way public sector organisations are able to respond to external forces exerted on them by the external environment. Dynamic capabilities are therefore catalysts of how public sector organisations enrol strategic responses to external pressures faced with limited resources. Dynamic capabilities, therefore, infers looking inside the organisation and mobilising competences in order to survive, improve and thrive (Pablo, 2007). For instance, the demand for accountability and transparency in the public sector has placed the need for reform necessitated by IPSAS on the public sector hence dynamic capabilities are needed to influence strategic responses to this external demand. These dynamic capabilities can be through internal routines such as learning through experimenting, development of strong trusting relationships within the organisation, integrating and combining skills and knowledge as well as deploying a supportive style of leadership which encourages initiative and innovation within the organisation (Pablo, 2007).

To consolidate the above Kattel (2022) proposed a model with analytical building blocks to best conceptualise dynamic capabilities in the context of the public sector which we will use as a basis for this study. The model by Kattel (2022) is premised on the understanding that the dynamic capabilities in the public sector are the organisational routines of managerial and organisational capability renewal. Dynamic capabilities are aimed at renewing existing routines and policies in order to enhance organisational performance hence the sources of dynamic capabilities in the public sector reside in both managerial and organisational routines (Kattel, 2022).

Based on the above, these routines were grouped into three sets of organisational and managerial dynamic capabilities, The first one being sense-making routines which involves the analytical information gathering and processing practices that support new learning and evaluation including the evaluation of inputs, internal performance and output within an organisation (Kattel, 2022). The second one is connecting routines that support new networks and coalitions aimed at building and rebuilding legitimacy and in the process achieve buy-in for new innovations (Kattel, 2022). The third one is shaping routines which are routines which help to design, implement and provide resources to support new innovations within an organisation or policy area thus consolidating newfound solutions into the mainstream long term policy or management practice (Kattel, 2022).

Applying this to IPSAS reform and owing to the innovative nature of accrual-based accounting in the public sector, it is imperative that the routines in place are flexible enough to allow for reconfiguration to suit the changing reporting requirements. For instance, sense making dynamic capabilities should capture, analyse and evaluate the efficiency and effectiveness of existing public sector accounting models such as the cash basis accounting further evaluating them against the need for more accountability and transparency. Connecting capabilities should be able to create synergies with external stakeholders such as IMF, IPSASB and World Bank to support the implementation of new innovations such as IPSAS in the public sector. Whilst shaping capabilities should enable the public sector to sustain the implementation of new accounting innovations such as IPSAS by promoting its use and enforcing it as a reference point in public sector accounting.

Therefore, dynamic capabilities theory is very useful in explaining the IPSAS implementation process in the public sector as it diagnoses the abilities inherent in organisational practices that enable the implementation of an accounting innovation such as IPSAS. The authors believe that dynamic capabilities theory will ably illuminate the study of IPSAS implementation in their countries of study.

2.8 Theoretical Model

The research model as shown in **figure one** will be used as the basis for this study.

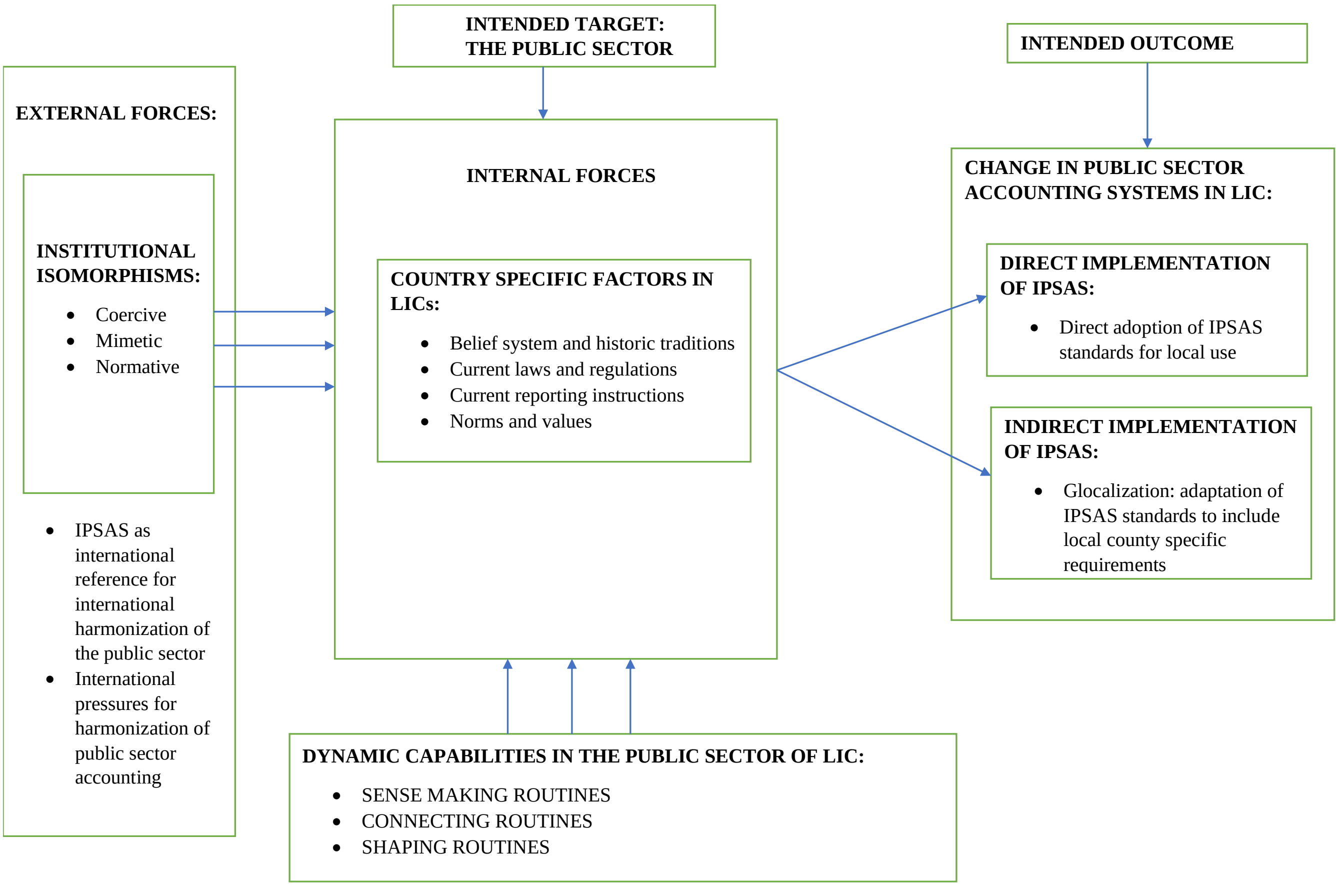


Figure 1: Theoretical model analysing the change in public sector accounting in LICs and the obstacles and challenges that come with IPSAS reform.

This model combines the institutional and dynamic capabilities theories in trying to explain the diffusion of IPSAS and the obstacles and challenges that comes with it in the context of a low-income country. The model is premised on the understanding that the public sector does not merely arrive at the implementation stage of IPSAS, but this implementation is a result of a reform process in the public sector, therefore it is important as part of the study to firstly understand how and why IPSAS reform is happening. As a result, the model combines the institutional theory with the dynamic capability theory to depict IPSAS reform as a political, socio-economic process which requires a successful interplay between external institutional forces and internal forces of dynamic capabilities and country specific requirements in the given public sector in order to arrive at the intended outcome of public sector accounting reform through IPSAS.

In this model the catalyst for the development of IPSAS is the state of the public sector globally which is viewed as lagging behind. There is an agenda to reform the public sector so that it becomes more harmonised, becomes more open, transparent, and accountable in order to restore the confidence of the citizens in their governments. The IPSASB is at the centre stage and develops IPSAS which are seen as refreshing in bringing reform to the public sector. More institutions such as the IMF, World Bank, EU, OECD etc legitimise the use of IPSAS and pour in resources to promote the use of IPSAS in the public sector. Because of the legitimacy these standards carry and how several institutions are promoting their use, the Institutional theory comes in handy to explain through institutional isomorphisms why countries and public sector organisations have started to implement IPSAS. Through coercive, mimetic, and normative isomorphic factors many countries have adopted IPSAS for use in their public sectors, in particular public sectors of LICs. These isomorphic factors could be coercive as with the cases with providers of resources and donors in LICs demanding IPSAS adoption as a precondition to access finance. Others could be mimetic with LICs seeking legitimacy by imitating the practice of the west and it could also be through the professionalism of normative factors. External barriers could also exist through path dependency, decoupling, or a lack of isomorphic factors such as normative which are to do with the influence of professional and academic bodies in a given country.

However, isomorphic pressures are only viewed as external forces and are not sufficient to cause immediate change in government reporting systems of countries in the absence of good interplay with internal forces. Therefore, this brings into play country specific forces described in the model which are internal to the specific country and influence that country's ability to adapt to the external isomorphic pressures of change. It is important that country specific elements are more receptive to the new idea of IPSAS in order for reform to be successful. This receptivity of innovation coupled with the ability to easily adapt to change is very important in influencing and reinforcing change in local country settings.

However, even if there is a positive interplay between external and internal country specific forces, successful IPSAS reform will still depend on the dynamic capabilities of the public sectors of LICS. All these factors mentioned above through the institutional theory are all external to the actual public sectors of LICs and the question which has arisen through this study concerns the internal environment of the public sector which brings into question the level of dynamic capabilities of the public sectors of LICs to sense, seize and transform this opportunity internally in order to transform their public sector through IPSAS reform. Hence the dynamic capabilities theory is used to explain the concept of dynamic capabilities in the public sector and tries to explore the abilities required to renew internal routines within the public sectors of LICs so that the public sectors are able to sense, connect and shape their environment given the pressure to reform and change.

Sense making capabilities deal with routines which place the public sector in a position to be able to be aware and sense opportunities to take advantage of. These may include continuous and experiential learning, decentralisation of decision making, HR practices with emphasis on talent identification, reward systems based on ability, performance and team work as opposed to seniority as well as wage structures based on skills accumulation rather than productivity. Sense making capabilities may also be technical in terms of adopting new technologies such as big data. Connecting capabilities relate to routines which connect the public sector with the outside world, these may include the relationship of the public sector with professional accounting institutions, academic research institutions, private public partnerships as well as exchange programs with other advanced and well-developed public sectors. Lastly, shaping routines will enable whatever transformation experienced to be sustained and continuously renewed to accommodate the ever-changing environment. These routines may include research and development and training. This model will therefore be used as an underlying basis for this research.

Therefore, these capabilities determine how innovative the public ought to be in terms of both service delivery and policy making and faced with pressure to reform, the ability to reach the intended outcome of a fully transformed public sector which is more transparent and accountable through IPSAS implementation. Hence developing dynamic capabilities and incorporating country specific elements prepares the internal ground for external institutional pressures to influence transformation, therefore such as positive interplay between external and internal forces as represented in the figure 1 is critical for the successful implementation of IPSAS.

3. Methodology

In this chapter we provide an insight into the empirical data collection process and how empirical data has been analysed together with the philosophical positions the researchers have taken. The chapter will present the research approach and design, data collection methods, methods of analysis and will conclude by discussing the reliability and trustworthiness of the study

3.1 Research philosophy

Bell et al (2019) posit that for research to make an impact, it should have philosophical assumptions that guide the researchers' view of reality. These assumptions then determine how theory is used and the subsequent choice of methodology, hence the researchers' perception of reality is an important pillar in ensuring that the objective of the study is achieved. This is augmented by Johnston (2014) who says that research is a knowledge generation process which is based on an evaluation of what is known, and how it is known, hence making the researchers' position critical in determining research design.

The individual stance adopted by the researchers therefore form the basis or a starting point for all research and this stance is determined by how the nature of reality, which is the ontology, and how reality is known, which is the epistemology is viewed in the mind of the researcher (Bell et al., 2019; Saunders et al., 2015). Subsequently the ontological and epistemological assumptions adopted will then influence the way the research is conducted which in other words is the choice of methodology (Johnston , 2014; Saunders et al., 2015).

As a result, Bell et al (2019) advances two ontological assumptions namely the objectivist and social constructionism. The objectivist ontology advances the view that reality exists independently, external to the researcher and is capable of objective measurement. Whilst on the other hand Social constructionism advances the view that reality is subjective and is subject to individual interpretation and reality is a result of how social actors attach meanings to it hence reality is socially constructed (Saunders et al., 2015). This therefore implies that the ontological position which the researcher assumes determines what reality they want to understand through that research as well as how that reality is known, which is the epistemology (Johnston , 2014). Social constructionism is thus preferred for this study over the objectivist because the subject of IPSAS is a policy issue largely dependent on the social actions of individuals and what they view to be sufficient or not in the context of their organisational mix hence it is very subjective and a matter of perception.

Depending on the ontological positions assumed by the researcher two epistemological assumptions can also be advanced namely the positivist epistemology used to study objective reality external to the researcher and interpretive epistemology which is used to study behaviour based on interpretation of the subject's perspective (Bell et al., 2019). The positivist epistemology is linked with objectivist ontology. This view follows the assumption that reality is objective and independent of the perceptions of social actors hence it is associated with objective measurement of reality (Bryman & Bell.,2015). On the other hand the interpretivism epistemology is linked to the constructionist ontology and follows the assumption that reality is not independent of social actors but subjective to the interpretations of individuals hence reality can only be known by understanding human behaviour (Bryman & Bell.,2015).

The interpretivism opposes the positivist approach by advancing the view that knowledge does not objectively exist in a vacuum but is dependent on the actions of social actors. Hence, in order to understand what reality is, there is a need to understand and interpret the actions of individuals and how they give meaning to reality (Bell et al., 2019; Bryman & Bell.,2015). As a result, interpretivism has been preferred for this study as again the issue of IPSAS does not independently exist but it is something socially constructed hence to know the nature of reality around this subject requires understanding and interpretation of the actions of social actors.

3.2 Research approach

As referred to by Johnston (2014), the researchers ontological position informs the epistemological stances which then determine the choice of methodology that would best achieve the desired results. Based on these assumptions, this study has assumed the ontological position of subjectivism which is linked to the interpretivist epistemological position (Bryman & Bell.,2015). These philosophical assumptions taken by the researchers were used to determine the best research approach for this study. According to Bell et al (2019) two main approaches can be used depending on the philosophical position taken by the researcher. These research approaches include the inductive and the deductive approaches. The purpose of the two approaches is generally the same which is to generate knowledge and add to existing theory however the difference is the direction which each approach assumes (Eisenhardt & Graebner, 2007).

The deductive approach is more concerned with the development of a hypothesis using an existing theory and then designing a strategy to test that hypothesis against the theory, therefore with this approach conclusions are deducted from already known theory and it is generally associated with the objectivism ontology, positivist epistemology and quantitative methodology (Bryman & Bell., 2015; Bell et al., 2019). On the other hand the inductive approach begins with observations about the nature of reality which then develops into a pattern of observations and theories are proposed in the end to explain and provide a meaning to these patterns. This approach is mainly associated with the subjectivism ontology, interpretivist epistemology and qualitative methodology (Bryman & Bell., 2015; Bell et al., 2019).

The deductive approach is more useful when trying to measure, define or look for relationships between two or more concepts whilst on the other hand the inductive approach is more useful when trying to understand the behaviour underlying a concept through observation of patterns around it (Eisenhardt & Graebner, 2007). As a result this study will adopt the inductive approach as it is more concerned about understanding the patterns that exist and influence the concept of IPSAS adoption, the concept of IPSAS adoption is largely dependent on social actors hence this approach will allow the researchers to understand how individuals attach meaning to it and use theories in the end to explain the meaning of the observations made. Furthermore, the research approach adopted will also determine the choice of methodology and the nature of the empirical findings, hence this approach allows the study to rely on qualitative methodology which is best placed to give the best results when the nature of the research is built around the interpretivist epistemology (Bell et al., 2019). Through qualitative methodology this study will be able to rely on qualitative techniques such as interviews in gathering empirical data, such techniques are best suited to help the understanding and interpreting actions and meanings attached to reality by social actors (Bryman & Bell., 2015)

3.3 Choice of methodology

As previously explained, ontological and epistemological positions inform the choice of methodology that would best achieve the desired results. Based on these assumptions, a choice can then be made to either employ qualitative or quantitative research methodologies (Bryman & Bell.,2015). For this study the subjectivism and interpretivist ontological and epistemological positions adopted are associated with qualitative research methodology and given that quantitative methodology is more suitable when trying to measure or find relationships within concepts, this study will use the qualitative method more suitable to understand and interpret how reality is constructed (Bell et al., 2019; Bryman & Bell.,2015).

Furthermore, according to Denscombe (2010), the choice of methodology is premised on the question of which one of the qualitative or quantitative methods is more suited to answer the research questions. Quantitative research is generally used to test and confirm assumptions using statistical methods and thus develop generalised facts about a particular concept; some common methods under quantitative research include experiments, observations and surveys (Bell et al., 2019; Bryman & Bell.,2015). On the other hand qualitative research is generally used to understand concepts and interpret behaviour around a concept, this helps to have more in depth understanding on a topic which is not well understood and the common methods used include interviews and content analysis (Bell et al., 2019; Bryman & Bell.,2015).

This study therefore uses qualitative methodology as it is focused on understanding the challenges and obstacles of IPSAS adoption which is largely subjective and dependent on the social actions of individuals who attach meaning to it. The objective of this study is not to measure or find a relationship or association between concepts hence the quantitative methods are not best suited. Otherwise, this study seeks to understand and interpret the challenges and obstacles of IPSAS adoption and implementation to provide an in-depth understanding on the topic hence the choice of qualitative methodology.

3.4 Data collection methods

As discussed in the previous section and also considering the purpose of this study, the qualitative method has been used. The qualitative method consists of a wide range of data collection methods which may include interviews, focus groups, observations and content analysis. All these data collection techniques are good in their own merits when best chosen to suit the purpose of the study (Yilmaz, 2013). As a result, since the purpose of this study is to explore and analyse the opinions and experiences of public sector officials in relation to dynamic capabilities as an obstacle to the implementation of IPSAS in their respective countries, face to face interviews were considered to be the most appropriate data collection method suiting this purpose.

Interviews were chosen to be more appropriate for the purpose of this study because they enabled the researchers to seek feedback from the public sector officials of the respective countries as well as analyse their perceptions in an interactive process. This is because interviews are described as more efficient with studies seeking to analyse the opinion and perceptions of individuals and furthermore, they allow for an interactive process where the researcher is more in control of the direction and narrative of the process (Saunders et al., 2009). Furthermore, this study also used semi-structured interviews which facilitated the asking of follow up questions and additionally the questions were structured in broad themes which allows a logical flow of the questions and a much more relaxed interview for the interviewee (Bryman & Bell.,2015). The choice of semi structured interviews was also motivated by the aim capture unique individualised attributes, knowledge and experience, remove the rigidity and lack of clarity that may come up with structured questionnaires (Bryman & Bell.,2015), it was important for the purpose of this study to be able to understand the perception and opinions expressed by the respondents hence the interactive nature of semi structured interviews was the most appropriate because it would allow for clarity and follow up questions where necessary.

3.4.1 Conduct of interviews

As previously discussed, this study utilised semi structured interviews to collect its empirical data and to show respect and uphold the ethics underlying this study, all respondents were informed of the confidential nature of the interview and that it was acceptable to decline to answer specific questions they were not willing to indulge on. This is considered an important aspect of the ethical considerations researchers should take before conducting interviews (Rubin & Rubin, 2005). The interview process consisted of three phases namely the pre interview phase, the interview phase, and the post interview phase. The pre interview phase involved formulation of the interview guide and contacting the respondents and setting up convenient dates and times as well the best mode for the interview. In setting up the interview guide attached as appendix A, focus was put into questions which would assist in answering the research aim of the study.

The interview guide was formulated using the thematic approach, this is because this approach allows for a logical flow of the questions bundling related questions together, this helps in creating a logical conversation with the respondent without going back and forth as well as allowing for relevant and instant follow up questions to be raised where necessary (Bryman & Bell.,2015). To ensure more quality control both researchers came up with separate questions under the agreed themes then combined and eliminated other questions viewed not to be meeting the threshold. Special attention was made to ensure the guide had few relevant questions. According to Bryman and Bell (2015) too many questions pose a risk of a shift of the focus from that of listening to an attempt to ask all the questions which might affect the quality of the data collected.

The interview phase consisted of ten (10) interviews being conducted with public sector officials from both Uganda and Zimbabwe. Five officials were from Uganda whilst the other 5 officials were from Zimbabwe. All interviews were held virtually via zoom as all the respondents indicated they were comfortable with this mode for the interview process. The lengths of the interviews varied from 25 minutes to 55 minutes. The interviews were conducted in English as all the respondents had full knowledge of the language and also recorded and the recordings used to transcribe the data into separate transcripts for each respondent. Details pertaining to the respondents and the interviews conducted are detailed in the Table 1 below:

Respondent	**Country**	**Ministry/ Affiliation**	**Role**	**Experience (Years)**	**Interview date**	**Interview duration (minutes)**
U1	Uganda	Office of the Auditor General	Audit Manager	8	04/05/22	43
U2	Uganda	Professional Board & National standard setter	Member of National Standard Setting Board	11	13/05/22	51
U3	Uganda	State Owned Enterprise	Chief Financial Officer	10	14/05/22	35
U4	Uganda	Office of the Accountant General	Senior Accounts Reviewer	5	17/05/22	38
U5	Uganda	Ministry of Local Government	Junior Accountant	4	18/05/22	42
Z1	Zimbabwe	Ministry of Finance	Deputy Director	18	09/05/22	53
Z2	Zimbabwe	Professional Board	Independent consultancy to	6	06/05/22	25

			Government			
Z3	Zimbabwe	Office of the Auditor General	Audit Manager	12	11/05/22	45
Z4	Zimbabwe	Ministry of Energy	Accountant	10	16/05/22	38
Z5	Zimbabwe	Local Authority	Assistant Accountant	7	16/05/22	32

Table 1: Summary of interviews conducted

The last phase of the interviews which is the post interview phase then involved the transcribing of all the recordings. These transcripts formed the basis for data analysis which involved analysing the data collected into broader themes.

3.4.2 Sample selection

According to Bell et al (2019) when conducting research, it's impossible to collect data from the entire population therefore a sample is used. The sample is described as a subset of the entire population and the process of selecting a sample should be well done to avoid interviewing the wrong people and losing time (Bryman & Bell., 2015). Therefore, because of the nature of this study the purposive sampling technique was used, purposive sampling is described as judgement sampling where the researchers use their judgement and expertise to determine a sample which is most useful to achieve the purposes of the study. Purposive sampling narrows down on the aims of the study and allows the researchers to focus and gain detailed knowledge about a specific topic where the population is very specific (Byman, 2018). This study intends to gain specific knowledge about obstacles and challenges of IPSAS in LICs using cases of Uganda and Zimbabwe therefore the target population is very specific and made of government accountants and government affiliated technical staff, who happen to have the primary specific knowledge about the implementation of IPSAS in their respective countries. Primary data about IPSAS implementation in the two countries is very specific and lies within the pool of government accountants and affiliated technical staff in the respective countries hence the choice to use purposive sampling.

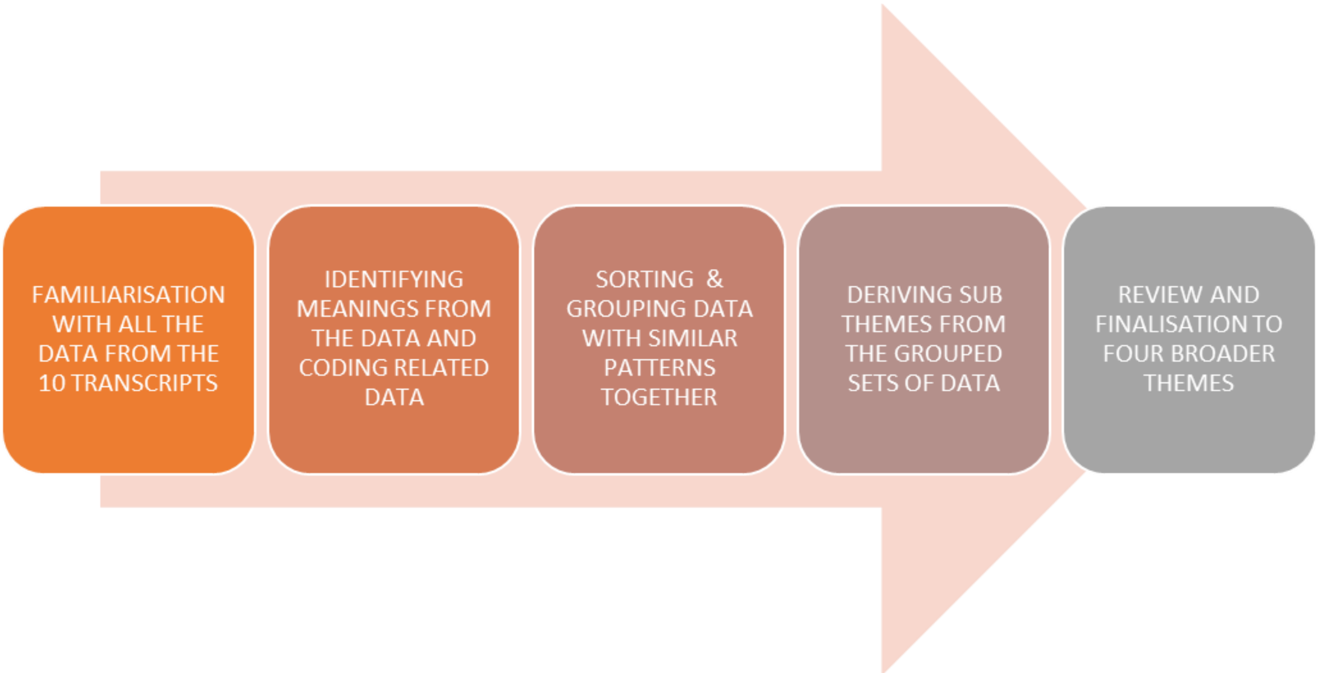
Because of the diversity of the public sectors of the two countries comprising central government, local governments and State owned enterprises the sample was purposefully selected to represent the entire public sector to allow for more reliable and valid data hence it consisted (3) officials from the central government, (2) from the local government, (1) from SOEs, (2) from the Auditor General's Office who happens to be the auditor of all public sector organisations in both countries and (2) from professional boards. To further ensure the reliability and validity of the data collected the criteria of the sample included both top and middle and lower management in the public sector, (5) officials were from top management whilst the other (5) were from middle and lower management. To manage sensitivity of the public sector information due to the sovereign nature of both countries and in order to encourage participation the respondents were assured that their data would remain private and anonymous (Byman, 2018). The detailed summary of the sample participants was previously depicted in table 1 in the previous section.

3.4 Data analysis

Saunders et al (2016) posit that data unless analysed and processed is of no use. Therefore, thematic analysis was employed in the analysis of the data obtained through interviews in order to derive meaning and answer the research question. Thematic analysis according to Braun and Clarke (2016) is the process of identifying, analysing, and reporting patterns within data in order to arrive at conclusions, it is also flexible in nature and can be arrived at in different ways. Furthermore, because this study has taken the interpretive stance, thematic analysis as an analytical method enabled related patterns of data to be identified and bundled into broader themes which ensured an enhanced analysis against theories (Braun & Clarke., 2016).

Therefore, we used thematic analysis for analysing data collected from the interviews and the data was sourced from semi-structured interviews with officials knowledgeable in public sector accounting in Uganda and Zimbabwe. The data obtained from the 10 different interviews would be of no use unless it is processed to derive meaning (Saunders et al., 2016). Once data from the 10 interviews was obtained, transcripts were generated using the Otter application which resulted in a large pool of textual data. Effort was then undertaken to organise this data through a review of textual data generated whilst listening to the audio recordings in order to capture both the non-verbal sentiments as well as pick out information that was not correctly transcribed by the Otter application.

Once the transcripts were finalised, we conducted a 5-stage analytical process guided by the framework of Braun and Clarke (2016). The first stage involved familiarisation with all the data collected by understanding the overall meanings of the data. This was then followed by the coding process where we assigned codes to data extracts derived from the transcripts sorting data extracts with similar meanings together. In the next stage themes were derived from the grouped sets of data which were then narrowed down to four broader themes. These themes were organised around capabilities necessary to drive IPSAS implementation at individual as well as organisational levels. The visualisation of the data analysis process is depicted in the **figure 2** below.



Source: Adopted from (Braun & Clarke, 2016)

3.5 Trustworthiness and Reliability

The quality of qualitative research is assessed by its trustworthiness (Bryman & Bell, 2015). Lincoln & Guba (1985) propose four criteria with which to evaluate the quality of research i.e. the credibility, transferability, dependability and the ability to be confirmed by objective means. Given the subjective nature of qualitative research, the researchers interviewed professional accountants who have both professional qualifications and are therefore knowledgeable in IPSAS and are bound by codes of ethics in order to ensure that credible data would be obtained.

Owing to qualitative research concerning itself more with the depth of a respondent's views as opposed to the applicability of the findings to a wider population, the researchers cannot assure the reader that the findings are applicable to other wider contexts. In light of this, the researchers have justified the sample selection and provided ample information about the public sectors of the countries under study in order to aid the reader assess the transferability of the findings to other contexts of their choice. Dependability as an aspect of quality research was taken into consideration. Dependability entails the consistency and reliability of research findings aided by the documentation of the research procedures (Moon et al., 2016). The researchers are confident that the findings are dependable as a structured interview guide was used. There were however some inconsistencies within the interview process as questions within the guide had to be reframed where necessary to capture the interviewee's unique experiences and circumstances and accommodate the different conversational techniques. Therefore, the dependability of this research may not be satisfactory to some researchers owing to the need to reframe some questions to capture interviewees' unique circumstances. Lincoln & Guba (1985) equally list confirmability as a good quality of research. Confirmability entails the confidence that the findings are based on interviewees' answering and are free from bias of the researchers. Our analysis and findings were based on the interviewees' own words that were said verbatim during both the interviews and confirmed with follow up questions. Therefore, we do confirm that the findings presented are free from the researchers' own biases.

4. Analysis

This chapter presents an analysis of the findings from the ten interviews which were conducted during the data collection process, as indicated in the previous chapter these findings have been analysed thematically under four broad themes consisting of sub themes derived from the data collected. The first theme analyses data related to the state of the public sector and external forces behind IPSAS reform. The second theme analyses data related to dynamic capabilities at individual level, whilst the third theme analyses data related to dynamic capabilities at organisational level then the last theme will conclude by analysing data related to steps being taken to develop required dynamic capabilities.

Evidence from the data collected showed that the public sectors of the two countries under study did not have the necessary dynamic capabilities both at individual and organisational level to enable successful implementation of IPSAS. The findings also showed similar patterns in both countries with coercive isomorphic pressures being singled out the most as the force behind IPSAS reform in the two countries and IPSAS implementation was more to external pressures than it was from an internal drive. The findings further show that most dynamic capabilities are lacking at the organisational level hence directly affecting the individual level. However, the evidence from the findings also shows some positive steps though very slow, beginning to be initiated in both countries to try and build capacities necessary to support the implementation of IPSAS. The next section will present a more detailed analysis of these findings under the themes discussed earlier.

4.1 State of the public sector and external forces behind IPSAS reform

The findings revealed that public sector accounting in both countries was still to a larger extent following the cash basis but very varied between central and local government as well as State owned enterprises. The accounting frameworks used in both governments were still largely controlled by acts of parliament which provided guidance for the reporting in public entities and government. These acts together with the present accounting rules were largely formulated on the background of cash basis accounting. Therefore, in both countries most regulations, procedures and guidelines for public sector reporting were still largely following the cash basis despite the adoption of IPSAS which is largely accrual based. In Uganda there was a varied application with central and local government still on modified accrual whilst some state-owned entities have begun to use IPSAS. This is consolidated by these statements cited by the respondents during the interviews. Respondent U1 from Uganda gives an overview by saying;

"Currently, we're using standards developed by the Accountant General and the basis of accounting used right now is accrual modified. It used to be cash basis; we have been modifying it a bit. It moved to modified cash now it is modified accrual accounting. whereby Some aspects are reported on accrual as others are left into cash. Precisely it's just revenue and expenditure that is recorded on accrual. The rest of the items are recorded on a cash basis. You find that most of the assets are expensed at acquisition, which is still a cash basis of accounting. Okay we record debt, revenues, and receivables but the most but other assets like investments and the like but are supposed to be recorded on accrual are not recorded because there is a roadmap towards IPSAS accounting where for the entire accrual accounting."

This is also consolidated by respondent U3 who also gives another overview by saying;

"Currently, as government we do the modified accrual. Where we largely do cash, largely because the government budget is cash in nature, it's a cash budget. So, likening it to cash but then the modified accrual comes in when we are trying to recognise our receivables. So that is where the modified accrual that the government is using comes into play. So as a government, it's really modified accrual. But the government is promising that in the near future, we will be fully IPSAS. Now, as entities within the government, there are some of us who have gone ahead to implement it besides the guidelines of government to use the modified accrual. But of course, of course, the modified accrual is largely cash in nature. But as few entities like ourselves NMS I think are one of those that have really gone into full IPSAS we largely do the IPSAS."

In Zimbabwe it was also varied with the central government on full cash basis, some local authorities on IPSAS and accrual whilst state owned entities used IFRS. This is seen in the following response from respondent Z1 who gives a very broad overview of what it is happening in Zimbabwe;

"So in terms of the central government we were claiming that we were on IPSAS cash basis but we were not per say following these standards as per the requirements and the dictates, for the central government I would want to call it just a receipts and payments that we have been accounting for whereby we just call the ministries to produce a return on revenues received and payments incurred or assets purchased etc, for what we have received and what all they've paid on And we did not have a balance sheet in central government. So, we were sort of writing off assets as an on purchase. All we had was just a register which is a list of various assets that we had, which was very difficult to also account for if they go missing or if it's something that is for the central government. For state owned enterprises they are on IFRS. And then the local authorities because we have two tiers or levels of local authorities with what those urban local authorities grouped and the rural authorities, those are the ones that are decentralised deep down into the districts. Yes, so most of them were using accrual accounting for reporting."

The findings of this research further reveal the existence of public sector reforms in both countries largely being driven by IPSAS. The evidence shows that the adoption of IPSAS reforms in both countries has been largely driven by coercive isomorphic pressures from institutional organisations such as UN, IMF, IFAC and World Bank who have been reported in some cases to be even funding and partnering with the governments of both countries to enable IPSAS implementation. Furthermore, these findings also show that public sector accounting reforms in both countries were driven more by external forces than internal forces. These forces mainly in form of coercive isomorphic pressures largely influenced the outward show of compliance in a bid to enhance legitimacy but rarely influenced the internal capabilities necessary for the successful implementation of these changes. In the case of Uganda, it was reported that coercive pressures were responsible for the decision to adopt IPSAS. Quoting U1 on the reason for IPSAS adoption;

"Largely, it (IPSAS) is driven by the external pressure logics given by the external pressures. Ugandans. Okay. We did a framework review. And we found that really the framework is not fit for the environment because there's, there's always changing things here and there"

The pressure from external parties driving adoption is also supported by the assertions of respondent U3 who points at the lack of will by some responsible parties to fully embrace IPSAS implementation despite having adopted it earlier. These further cements the assertion that external coercive isomorphic pressures were responsible for IPSAS adoption for legitimacy reasons. U3 asserts;

"I think we are very comfortable. We are very comfortable staying where we are no wonder, we are taking very, very small steps. The steps are really, really not what you would expect, I think would have gone faster. I think our big people are rather sceptical (about the need for IPSAS)."

In Zimbabwe, it can also be revealed from the evidence that the IPSAS reform in the country has largely been due to external isomorphic pressure rather than it is an internal initiative and it's also very similar to the Ugandan case where coercive isomorphism has largely been the key factor. IPSAS is being adopted to align more with the expectations of external stakeholders than to align it more with the context of the country. For instance, respondent Z point to little effort being done to look at the institutional logic and determine how best IPSAS can be applied locally due to the program being largely driven by external stakeholders with different interests;

"The implementation of IPSAS was being funded by the Word Bank and the Africa Development Bank who have their own interests I guess but well, so the resources are there, but my worry is if the resources are being used

appropriately and if this team has the necessary authority and autonomy to steer this program. Lastly whilst all these effort is being made as we have discussed nothing has been done to amend some laws to facilitate adoption of accrual based IPSAS, like I said before the PFMA act requires that we account as ministries for the cash we have used, the laws around the vote in the budget require that we also base our reports on cash so how do we migrate to accrual basis IPSAS when the relevant laws force us to go Cash basis it doesn't really work, there is need for harmonisation of the laws and practices in government if IPSAS is to work, so perhaps those in charge of policy and the politicians in the legislature have to assist the cause for now that has not happened"

Furthermore, another respondent also expressed that the country also feels it should be at a level as other countries implementing IPSAS and has forced the countries to also mimic what is happening in other neighbouring countries. This respondent Z1 had this to say;

Yes, remember as a government we also have for us and remember in Africa, we are trying to come up with one system whereby we should be able to compare how governments are faring in terms of executing their reporting. But if each and every government is using its own reporting framework, it will be very difficult to see how to compare Zimbabwe and South Africa, Zimbabwe, and Zambia, or even Nigeria or any other country in the world. So, through the Eastern and Southern Africa Association of Accountant Generals, they also agreed that they should take this approach of IPSAS as that's why you find in various countries, they are at various stages of IPSAS, but basically most of them are going the IPSAS Route and we are also trying to copy what other countries like South Africa have done in terms of the phased approach"

Therefore, it was evident from the finding that the countries have committed to the implementation of IPSAS but neither country has really started to implement IPSAS on a full scale as most government agencies in both countries were still on the cash accounting. However, IPSAS reform was largely found to be driven by coercive isomorphic pressures from multilateral organisations such as World Bank and International Monetary Fund which in the process was failing to incorporate a lot of country specific elements of both countries, this had led to steps beginning to be taken to incorporate the country contexts in order to enable the successful implementation of IPSAS.

4.2 Dynamic capabilities at the individual level

The findings revealed that the public sectors of both countries did not have the necessary dynamic capabilities to manage the changes demanded by a shift to IPSAS at the individual level. The individual level basically focused on the individuals themselves, that is the pool of government accountants at different levels of government who are supposed to implement the IPSAS framework for the public sector accounting practices of their respective countries. Results from the interviews produced very similar patterns for both countries where there was a dynamic capability gap at an individual level emanating from limited knowledge and skills about IPSAS within government accountants, reduced receptivity and resistance to change among government accountants as well as a clear pattern of lack of motivation and sense of belonging to be in government. All these findings are discussed in detail under each sub theme starting with the next section.

4.2.1 Knowledge and skills in the public sector

In order to assess the knowledge and skills capacity within government accountants to sense, shape and transform public sector accounting through IPSAS implementation in the respective countries, three questions covering key major human resource aspects of knowledge and skills, recruitment and retention of requisite skills and continuous training and development were asked to the respondents. In both countries there was consensus that a knowledge and skills gap existed within government accountants which had a huge bearing on the successful implementation of IPSAS in the two countries. Furthermore, the findings also reveal that this knowledge and skills gap limited the continuous learning among government accounts which is required to sustain the ever changing and evolving nature of the IPSAS framework. For instance, respondent U3 articulated how there was a knowledge gap because of how the IPSAS was entirely new to the public sector of Uganda by saying that;

"No, we don't have the necessary knowledge and skills for this, I would like to say there is a knowledge gap when it comes to IPSAS because I think largely because of the reporting that has been happening because not many of us are exposed or exposed to IPSAS. So, there is a knowledge gap there. We are not really skilled enough. Yes."

Furthermore, respondent U2 from Uganda also reiterated the same by explaining how the cash accounting previously used limited the government accountants to only basic qualifications and with the coming of the IPSAS government now finds itself with a pool of accountants without the necessary knowledge and skills set needed to sense the changes demanded by IPSAS. Respondent U2 had this to say;

"Of the certified public accountants, we have in this country, more than 60% are working in the private sector, because in government there is limited accounting, government is purely about the income and expenditure. Because there is limited accounting, the qualifications required to hold a government office before were actually basic qualifications, you needed to have a diploma to be an accountant in government. It is only until the Accountants Act of 2013 came into force that we now require heads of finance and Internal Audit to be certified public accountants. So that has been a big challenge that we have few qualified accountants in the public sector in Uganda. That is one of the reasons as to why we have not fully implemented IPSAS."

In Zimbabwe the same dilemma was also reported by the respondents who also noted the lack of skills and knowledge about IPSAS in government was one of the major reasons the government was not coping with the change being caused by the adoption of IPSAS. Therefore, it also meant that in Zimbabwe there was also a dynamic capability gap in terms of the knowledge and skills required. Respondent Z1 estimated that only 30% of accountants within government were well acquitted with IPSAS knowledge and skills;

"Well, I would say in my own opinion, not everyone has an idea of IPSAS here in government, but at least if I were to give a percentage, I would say at least 30% We have an idea of what IPSAS is and how it should be done in terms of implementation, and so forth"

Respondent from an entity in Zimbabwe which has been implementing IPSAS for the last 2 years also noted how difficult the change has been considering the skills set available;

"It has been very hard to understand the application of IPSAS, so we had to work with consultancy from Ernest and Young our previous auditors to try have a grip because IPSAS changes everything from actually how we recognize transactions which also needs change of set up in the systems we use and a whole training of personnel right down the line considering that most people here seem not qualified enough to understand this. It's a good concept but which has been imposed by treasury without proper planning on our side because we realise it's not just a framework but has a lot of aspects involved"

Furthermore Respondents reported that although IPSAS had been adopted, prior planning in terms of aligning the training at degree and professional level to also include IPSAS had not been done hence in both countries a shortage of skills owing to the absence of IPSAS specific training in training institutions and this coupled by public sector recruitment that does not prioritise technical skills, many government accountants ended up having no justification for continuous renewal of skills and knowledge. As captured by Respondents U1;

"The requirement for being hired as an accountant in Uganda is just finishing your bachelor's degree in finance, accounting, which doesn't give you the best knowledge of the framework itself. And you'll find that a majority people in the local governments just have a bachelor's degree and they're doing these accounts"

Respondent U2 responded to the same question as follows;

"*The qualifications required to hold a government office before were actually basic qualifications, you needed to have a diploma to be an accountant in government."*

Furthermore, Respondent Z2 answered by saying*;*

"No, the skills level in government is very low but it also should be noted that Most Qualifications in Zimbabwe, especially at tertiary level, do not cover a lot of IPSAS ground, the teaching is more based on IFRS. What this has

done is that most people working within the public sector then have a more IFRS view and not IPSAS. There is also limited literature on IPSAS in Zimbabwe"

Whilst Respondent Z4 also reiterated the lack of planning to integrate public sector accounting to both academic and professional qualifications as this facilitates continuous learning, renewal and skills developments by government accountants

"Another thing this IPSAS thing is being started at the top level without really looking at its implementability, for instance academic institutions here in Zimbabwe at degree level do not offer courses on IPSAS its generally IFRS related but then they say IPSAS is derived from IFRS but you find out that it has its own criteria in some aspects different from IFRS so how do you expect this training to work, I think we need to look into a lot of things from the academic side to professional side if IPSAS is going to work in this country"

Given the responses above and a further analysis of the responses acquired, it was observed that knowledge of IPSAS was limited mostly in central government and at the levels where the actual reporting is ought to be undertaken in both countries. This points to a deficiency in skills and knowledge of technical accounting as well as the ability to understand the unique nature of IPSAS. Therefore, this knowledge and skills gap among the public accountants who are supposed to implement IPSAS, shape and transform public sector accounting in both countries is affecting their ability to learn this new phenomenon. It was noted that learning IPSAS is a dynamic process of knowledge creation based on the knowledge and skills set already present therefore the existence of this knowledge and skills gap evidenced through the findings limited the level of necessary dynamic capabilities required to transform public sector accounting in the respective countries.

4.2.2 Receptivity to Accounting Innovation.

Our engagements further revealed that most government accountants in the two countries both at the lower level as well as at the decision-making level were very reluctant to embrace the changes introduced by IPSAS. This was majorly attributed to path dependency in particular the preference for cash accounting, which was found easy to implement, the alignment of cash accounting to the budget cycle as well as budget aligned reporting, they are accustomed to. As a result, many accountants did not appreciate or find the justification for a change in reporting and therefore were hesitant to embrace the change at a personal level. Respondent U1 had this to say about receptivity to accounting innovation.

"*But people are really rigid. I would say they don't want to change their mind". "There are people who really don't feel like they should adopt IPSAS framework or the accrual-based accounting"*

Respondent U1 further had this to say about receptivity;

"But they also people / capacity and also people who are really forcing, trying to delay (implementation)"

These submissions point not only to reluctance and unwillingness by staff to embrace the reporting changes but also a pushback to try and delay the implementation of IPSAS across the board. This push back at the individual level was suggested to be emanating from fears by some accountants that firstly they would fail to cope with the rigorous demands of this new framework and secondly that this then posed a risk to the jobs as the government could recruit more skilled people who would end up bypassing them. Respondent Z4 from the response give below confirms the presence of some of these fears and resistance within government accountants.

"Accountants in government are not really enthusiastic about this IPSAS because of the demands for more training or education and also a risk that some people with more knowledge and skills may come and replace them"

Furthermore both respondents Z4 and Z1 confirm that government has tried to implement some sort of change management workshops to allay fears of accountants in government implying that the government in Zimbabwe has taken note of this resistance to change on the part of individuals in government and how it is impacting on building capacities able to IPSAS in government. Respondent Z4 had this to say;

"From my own experience I see that the Government has facilitated various workshops on IPSAS implementation but also began with a Change Management workshop to ensure that any fears are allayed"

Whilst respondent Z1 confirmed this by saying;

"So, generally, when the government launched IPSAS, it was meant to be public, and we had a few awareness workshops to persuade the buy- in within the government. And then to try and promote it to accountants in government a number of central government guys, most of them were actually requested and persuaded to undertake take free certification"

Hence analysis of the data we collected from the interviews showed low levels of receptivity to IPSAS which affected the buy-in at an individual level. It was further noted that in order to build the necessary capacities needed to enable IPSAS implementation, government accountants in both countries needed to be more receptive to the changes being forwarded through IPSAS and take steps individually to compliment whatever effort the government was trying to make at an organisation level. However, this was not the case and was affecting the development of those dynamic capabilities needed for the implementation of IPSAS in both countries.

4.2.3 Innovation and motivation of government accountants

The evidence from the findings showed that dynamic capabilities to facilitate IPSAS implementation were also limited at an individual level because of a lack of motivation, initiative, and innovation at personal level in government. These findings were common in both countries and revealed that government accountants generally lacked the personal motivation and initiative to push themselves to be more innovative. Some respondents indicated that it seemed like accountants in government were comfortable with how things were, and a very limited number were more innovative in terms of equipping, upskilling and capacitating themselves to be able to handle this change which will soon sweep through the public sector. Respondents noted that accountants in government needed to have a certain degree of motivation and initiative in terms of aiding their personal development so as to complement government efforts however this was not the case as findings suggested very low levels of morale in government. The findings further revealed that individually there was low morale in the public sector due to organisational factors such as poor remuneration and a top-bottom culture which in turn causes a skills flight and lack of belonging. Hence initiative and innovative practices necessary to adapt to changes being brought by IPSAS were also very minimal.

Respondent Z4 lamented that in Zimbabwe the public sector seemed to value seniority more than it valued accumulation of skills and knowledge so this acted as a demotivating factor for people who seeked personal development because there would be no reward or recognition for it at work;

"There is an element of seniority in the public sector where more focus is on how senior you are than how skilled you are, so I guess such an environment fails to attract young talent so in the end the average ages of employees in the public sector is so high, so sometimes these new things like IPSAS, technology they also need the younger generation fresh with expert knowledge to be involved in government or for the current crop of accountants to take initiatives to learn. Here the public sector is viewed as one for the older guys, younger more qualified accountants prefer the private sector or going abroad to South Africa or Europe because of the low incomes in government and also the lack of space for growth and involvement for younger more qualified accountants so that really affects the levels of motivation in the public sector"

Additionally respondent Z5 also alluded that there was low motivation and initiative as accountants feel less belonging and hence it affects their level of innovation on a personal level to adapt to changes such as IPSAS;

"Government especially central government here is not an employer of first choice people get in and leave because of the poor organisation and remuneration so to be really motivated to develop knowledge specifically for government only is not really beneficial for let's say an accountant who is looking somewhere like the private sector for greener pastures"

In Uganda respondent U3 laments the laid back culture within government accountants and wanting to stay in the comfort zone

"Accountants in government are not very enthusiastic about IPSAS, they are not, they're not very willing to go into it, then because of the nature of how the government does its operations. Government, like we all know, is a bit laid back. So, the officials who work in government, especially the central government are a bit laid back, are not people that are willing and really motivated to learn new things or motivated to adapt to new ways of doing things. So, implementation of IPSAS takes that nature as well as it needs officials to be more motivated to learn it, because of the laid-back attitude of officials and the lack of motivation, they are not willing, in my opinion, people are not willing to go into IPSAS"

Whilst another respondent (Z4) also pointed to how the structure and atmosphere in the public sector of Zimbabwe in general was not really inclusive to keep personnel well motivated and aid that sense of belonging which leads to employees feeling the need for growth and personal development. The respondent had this to say;

"Thirdly in order to keep qualified people on board the atmosphere in government should be inclusive and should encourage growth otherwise without that we can't expect qualified people to stay and unfortunately our public sector currently is not providing such atmosphere, the structures need to be revamped"

From the responses given and further analysis of the responses we received from the interviews there was evidence in both countries that it seemed there was a disconnection between the individuals in government, in particular the accountants who are supposed to implement IPSAS and the government itself. Individuals in government were not motivated enough to buy in to the program of IPSAS that both governments are trying to implement for several reasons such as poor remuneration, lack of inclusivity and growth hence individuals did not have this level of belonging to embrace innovation hence on a personal level no initiatives were being taken by accountants to either develop themselves or look for innovative ways to capacitate themselves and be ready to take on IPSAS. This in turn overly affected the renewal and transformation needed for the IPSAS implementation to succeed in the two countries.

4.3 Dynamic capabilities at the organisational level

The findings from the interviews conducted revealed that there were not enough dynamic capabilities at the organisational level in both countries to enable the implementation of IPSAS. The findings also revealed similar patterns at the organisational level in both countries and that the deficiencies of dynamic capabilities at the organisational level were largely affecting the development of dynamic capabilities at the individual level. Furthermore, at the organisational level the focus of the findings were more on the macro organisational aspects in the public sectors of the two countries which were summarised into sub themes of recruitment & retention practices in the public sector, connectivity and synergies of the public sector, laws and policy alignment with IPSAS as well as the training and research for innovation in the public sector. The details of the findings will be expanded and explained more within these sub themes beginning with the next section.

4.3.1 Recruitment and Retention of Public Accountants

While the information derived from the respondents points to governments in Uganda and Zimbabwe moving towards recruitment of accountants with requisite knowledge and the promotion of staff based on technical accounting competences, the respondents further assert that many of the current, long serving and low level accounting staff do not have the requisite technical accounting capabilities. This is attributed to recruitment practices that did not emphasise technical knowledge as a requisite for employment. Evidence from the findings showed that the recruitment and retention practices in the public sectors of both countries affected the capacity of the governments to be more dynamic to changes. This was so because firstly the recruitment practices and processes in government were not attracting the right talent needed to support innovations such as IPSAS. Secondly there was not enough retention of qualified accountants in government, and a host of reasons pertaining to the remuneration and incentive structure in government as well as a lack of the provision of a more inclusive environment with room for creativity were cited.

Respondent U1 had this to say about recruitment at Central government levels compared to local government accounting level;

"You'll find in some agencies in the central government, people are really, really well versed with the framework and really implement it. Basically, because they really hire the very best of people and they pay them very, very well when it comes to local government there are significant challenges. The requirement for being hired as an

accountant in Uganda is just finishing your bachelor's degree in finance, accounting, which doesn't give you the best knowledge of the framework itself"

Respondent U1 further asserts that;

"Some of them are really not even educated with an accounting background, but you find yourself that they are the ones being employed because the local government sector in a local city in a village setting whereby the salaries paid are really low and the calibre of people are not up there"

And in Zimbabwe another respondent (Z2) also pointed that recruitment in government did not attract the best talent in the country and the evidence was seen in the brain drain government is currently experiencing;

"No, I do not think we have many qualified people keen to work in the public sector. There is a lot of brain drain there when it comes to the best talent."

Recruitment and retention challenges were exacerbated by the remuneration offered by the government in comparison with the private sector. As a result, the government not only attracts the less competent but continuously loses them to the private sector. Respondent U2 had this to say about the Ugandan context;

"*Of course, recruiting is a challenge in Uganda, and retaining these competent accountants. Even if for example, in Uganda the government is a bad payer, you find that the government does not offer competitive salaries, for example, you find an accountant in government and is way, way below one what an accountant in the private sector earns. We have a challenge of high turnover in government. They cannot retain competent accountants. They can't retain competent accountants"*

The similar problem of retaining key qualified staff was also noted in the context of Zimbabwe where it was noted that the structures within government did not support any retention efforts the government was trying to make. For instance, respondent Z4 had this to say;

"Secondly the lower remuneration as compared to other sectors causes a skills flight and it becomes difficult to retain that pool of qualified staff. Thirdly, in order to keep qualified people on board the atmosphere in government should be inclusive and should encourage growth. Otherwise without that we can't expect qualified people to stay long and unfortunately our public sector currently is not providing that atmosphere, the structures may need to be revamped"

Furthermore, there was now also a general view among qualified accountants within Zimbabwe who felt the public sector was no longer an employer of choice, such lack of goodwill and trust with the public sector among its own citizens acted as a no confidence vote on the ability of the human resource practices of government to recruit and retain the right skills to enable

IPSAS implementation. This general view is confirmed with the responses received from respondents Z3 and Z5 respectively;

"Government has become a training ground as most experienced and qualified members leave civil service for greener pastures. Poor remuneration is the major challenger in government and most accountants feel less motivated hence are always looking for greener pastures and it results in a very high turnover of employees in government. So even if training and upskilling is done, retaining the skills is important and at the moment it's not the case."

Furthermore, respondent Z5 also confirmed by saying;

"Government especially central government here is not an employer of first choice people get in and leave because of the poor organisation and remuneration so attracting good talent and keeping it very difficult"

Therefore, these assertions and further analysis of the information gathered from the interviews all point to deficiencies in organisational dynamic capabilities pertaining to the ability of the public sectors of both countries to recruit technically competent staff and retain them to aid IPSAS implementation. The requirements for recruitment at lower levels of government, the lower working benefits make the public sector unsuitable for high competent staff. Hence the findings from both countries question the capacity of the human resource practices in government to trigger a more dynamic public sector which embodies a more efficient and effective recruitment and retention structure necessary to support the dynamic nature of an innovation like IPSAS.

4.3.2 Coordination, connectivity, and synergies between key actors

The findings from the interviews also noted the absence of stable and concrete working relationships in both countries between different actors such as the government, accounting professional bodies and academic institutions. Evidence showed less combined effort between these actors aimed at creating the necessary dynamic capabilities in the public sector such as knowledge transfer, continuous & experimental learning, research & development as well as policy alignment. This was cited as negatively affecting the IPSAS implementation process. This additionally affected, commitment towards IPSAS implementation, skills development and transfer as well as learning across organisations and alignment of laws and policies with the IPSAS framework.

For instance, respondent U4 answers to the question of continuous engagements between stakeholders of IPSAS implementation by saying;

“Very rarely do government accountants, policy makers and professional accountants meet with the sole aim of discussing IPSAS implementation or maybe the combined effort is not sufficient because on the ground it seems government space is usually closed for externals”

Equally in the context of Zimbabwe respondent Z2 says to some extent there is a coming together of these key actors but they are separated too much by divergent interests and hence it results in a lack of coordinated effort;

“Some synergies are there but I think there is too much separation between professional bodies, the academia, public accountants and government itself, there is no coordinated effort for these different units to work together to develop skills capable of handling IPSAS”

This is further consolidated by respondent Z5 who laments that;

“I don’t think there is proper synergies between government and professional bodies or even between public accountants themselves through their respective bodies. Professional bodies seem to have their own interests which do not converge with government so I don’t see how these can be said to be working with each other well to facilitate IPSAS”

In some instances, committees had just been formed to enhance engagement and drive implementation despite these countries having adopted IPSAS more than 10 years ago and therefore the view is that such committees are just created for legitimacy with no clear results on the ground. Respondent U2 answered thus;

“*So, we have a working group consisting of members from the accountant, General, Auditor General, the Auditor General is the Chief Auditor of government. So that's where we are, we have just formed a working group in Uganda.***”**

To further augment the lack of engagements, U2 further asserts;

“Apart from this working group, the rest of the engagements are purely engagements with the standard setting board the International Public Sector Accounting Standards Board and as well as IFAC, Basically, it is waiting to hear from what is coming up from ICPAU, so apart from this, the rest of the engagements, are not serious engagements, not serious events”

U1 equally had this to say about synergy and engagements aimed at driving implementation;

“I'm not seeing an engagement or an agreement to help a lot of changes on how to develop skills of all Ugandans in financial reporting. So that's a big problem. Accountant General, works in a silo alone, these are my staff and training programmes are done by accountant general, if they're not done if they are done anyway.”

To correspond these assertions from Uganda another respondent in Zimbabwe also felt this was the same in their country where synergies are deemed to be on paper without really seeing the positive effects of such engagements on the ground. Respondent Z3 had this to say;

"To some extent the Government works with various professional bodies like Institute of Chartered accountants Zimbabwe (ICAZ). ACCA, Chartered Institute of Secretaries, and administrators (CIS), Chartered Governance Institute (CGI), Institute of administration and Commerce (IAC), CIMA, SAAA etc. but I don't see the implementation of these remedial actions from such engagements, ordinarily it really takes the government a lot of time before implementing some of these decisions or remedial actions so although the synergies could be there the engagements that come out of it may be just on face value."

However, of particular concern was also the lack of synergies and connectivity between academic institutions and government to provide the relevant training for government accountants. It was noted that academic degrees or professional certifications did not offer much on public sector accounting and IPSAS but more aligned to IFRS and the private sector creating a huge gap for the public sector. This shows lack of planning and coordination between academic institutions and government in trying to create capacities and puts in question the leadership capabilities within government to support IPSAS implementation. Respondent Z2 explains the following;

"Most Qualifications in Zimbabwe, especially at tertiary level, do not cover a lot of IPSAS ground, the teaching is more based on IFRS. What this has done is that, most people working within the public sector then have a more IFRS view and not IPSAS"

Furthermore, responded Z4 also affirms by indicating that;

"Another thing this IPSAS thing is being started at the top level without really looking at its implementability, for instance academic institutions here in Zimbabwe at degree level do not offer courses on IPSAS its generally IFRS related but then they say IPSAS is derived from IFRS but you find out that it has its own criteria in some aspects different from IFRS"

Therefore, based on the findings presented and also upon further analysis these findings point to the absence of serious engagement and coordination on the local level between key actors in both countries aimed at driving IPSAS implementation. Evidence from the findings noted that there was a leadership gap on the part of both governments to steer the program of IPSAS in a dynamic way whilst enabling strong connections and coordination between various key actors and stakeholders. Furthermore, it was reported that in the end, the lack of a coordinated effort resulted in a lack of public sector accounting training in both countries as well as affecting the knowledge transfer and continuous learning needed. This was reported to have also contributed to the current situation in both countries, whereby their public sectors do not have the necessary dynamic capabilities to support and enable IPSAS implementation.

4.3.3 Alignment of policies and regulations with the IPSAS framework

There was a noted reluctance and delay in aligning policies and existing regulations to accommodate the reporting changes occasioned by IPSAS adoption in both countries. This made standardised reporting through IPSAS hard, especially since reporting frameworks required the support of Acts of parliament in the countries under study in order to be implemented. In addition, the absence of supporting policy caused confusion as to what reporting standards to use resulting in a lack of harmonisation of reporting in the public sector. For instance, in the case of Uganda, it was reported that different state agencies apply different reporting standards in some instances due to requirements of partner agencies and the absence of a policy supporting government wide IPSAS implementation as U1 asserts.

"*You would find that now that the entire government has the Accountant General who is the head of policy setting accounting standards, but there are different accounting standards used by different parties, We have the standard set by the Accountant General, That's one we have. The IPSAS is also being implemented by some agencies. We also have IFRS that is being implemented by some agencies. And we have specific purpose reporting frameworks that are required by donors. So those ones have different reporting standards as well.*"

Furthermore it was also noted in Uganda that the same accounting manuals which were being used for the cash basis system are the ones still in use even after IPSAS adoption. Respondent U2 had this to say about the need to rewrite accounting manuals in order to accommodate the changes necessary to implement IPSAS;

"Implementing IPSAS will now mean that the government has to rewrite the accounting manuals. We have to rewrite that. Remember, as you're aware, we have our Public Finance Management Act of 2015. That's what we have been using as a government, but now, that Public Finance Management Act was purely written based on cash accounting. Now, if we want to implement IPSAS, you have to write that Act, which guides financial reporting in government entities."

Interviewee U3 further clarifies that the budgeting framework which is still purely cash based hampers implementation given that IPSAS reporting framework is not aligned to the cash based budgeting framework currently being used in Uganda;

"I don't know whether the budgeting has also somehow dictated this or because now when you look at the way our budget is like I told you, it's a cash budget. It becomes very tricky for you now to convince me to move into

IPSAS if I've not been there when you are telling me that at the end of the financial year, my budget expires. So whatever money I have on my vote will definitely revert to the consolidated government fund. So it becomes difficult for you to convince those people that probably would be willing to move into IPSAS, because if they moved into IPSAS, for instance, with payables or receivables or whatever it is, the budget for which the vote is under, which these things were approved has expired. But yes, but as you want people to move into IPSAS, the budget in a way dictates that the accounting that people would prefer to do so"

Equally such assertions were also noted in the case of Zimbabwe where respondents noted the rhetoric between what the government is saying in terms of IPSAS adoption and the reluctance to align policy frameworks and laws at national level to suit the IPSAS framework. The issue of the Public Finance Management Act designed on the premise of the cash accounting still being used made the implementation of IPSAS confusing for entities as these two seemed to diverge whilst on the hand statutorily the acts dictated the nature of public reporting. Respondent Z1 laments how the government is claiming to be using the cash basis IPSAS whilst on the actual ground it was actually a receipts and payment system which follows the current accounting instructions which have not been reviewed.

"We have what we have; our act, the Public Finance Management Act, mandates the accountant general to provide the Generally Accepted Accounting Practices (GAAP). So in terms of the central government we were claiming that we were on cash basis but we were not per say following these standards as per the requirements and the dictates, for the central government I would want to call it just a receipts and payments that we have been accounting for because its sufficient as per the act and the current GAAP we have from the Accountant General"

Respondent Z2 also laments how various entities are taking guidance from different acts which then makes reporting varied and the IPSAS framework very confusing to implement;

"There is a varied view at the moment, generally most SOEs are on IFRS and Partial IPSAS with some local authorities taking guidance from the Urban Councils Act in terms of reporting. then some entities being guided by the PFMA act so that makes reporting varied and how each entity approaches IPSAS also differs depending on the type of entity"

Respondent Z4 reaffirms the need for alignment of laws with IPSAS by saying;

"Lastly whilst all these effort is being made as we have discussed nothing has been done to amend some laws to facilitate adoption of accrual based IPSAS, like I said before the PFMA act requires that we acquit as ministries for the cash we have used, the laws around the vote in the budget require that we also acquit our reports on cash so how do we migrate to accrual basis IPSAS when the relevant laws compel us to go Cash basis it doesn't really work, there is need for harmonisation of the laws and practices in government if IPSAS is to work, so perhaps those in charge of policy and the politicians in the legislature have to assist the cause for now that has not happened"

These submissions and the analysis of the evidence form the findings point to a lack of adaptation of policies, laws and regulation in both countries to the IPSAS framework. The evidence reveals that the government in both countries has not been dynamic enough to align the acts governing public sector accounting with the IPSAS framework they are pushing to be implemented. Such reluctance and slow reaction from the government to close this widening gap has resulted in a rhetoric hence it was noted that this also limited the dynamic capabilities of the public sectors of both countries to enable IPSAS implementation

4.3.4 Research, Training and Development for Innovation in the public sector

It has been noted from the interviews conducted that there is a deficiency/disparity in training at the different levels of government. While the central level especially at Ministry level undertook measures to train their staff, the same was not reflected in staff at low levels especially at the local government level. This points to an absence of a harmonised concerted effort to develop dynamic capabilities across the entire public sector. Interviewee U1 responded thus to training efforts in Uganda;

"What I've seen being done at a macro level, usually the institutes like CPA organise usually on the annual basis, development programmes, even ACCA does a development conference but coming from the government side that has not really happened to train people on the macro level. It has been done at entity level; each particular entity is charged with the responsibility developing the skills of its particular staff. That's why we've seen a big disparity in skills. We see people in local governments say that we don't have funds to train people. Yet people in the central government are way resourced to undertake training and they are well equipped with the skills so there's that disparity, what happens? Having a macro training hasn't been organised from the government, maybe from the institute sides"

In addition to training not being well spread across the government, training programs undertaken are not comprehensive enough to drive the knowledge of IPSAS implementation. A number of training seminars are being organised with a view of creating an awareness of IPSAS, but they do not provide adequate knowledge of the accounting treatment of accrual accounting that IPSAS entails. This is exacerbated by the absence of engagement with relevant universities and research institutions to introduce the teaching of and knowledge/ research into IPSAS. Quoting Respondent U2;

"The training has not been very rigorous and comprehensive. ICPAU is the Institute of Certified Public Accountants of Uganda, which is our national accountancy body that organises periodic training. We call them seminars, but they are not comprehensive training. But there are some trainings which are organised on IPSAS. But they're not spread countrywide."

Respondent U2*"We have not engaged our universities, because in our universities, IPSAS is not one of the course contents" So the engagement with the institution, the academic institution is not a formal engagement. Instead, it's an engagement of the officers in such training colleges*.

This lack of government wide training results into the absence of requisite skills necessary to drive implementation and more effort would be required as respondent U3

"*No, I think they could do more. They could do more, probably it is not enough. Because even the issues that once in a while are tackled are not uniform to all the sectors or all the people that are brought in. So, you will realise that the people that pay much attention are those that deal with that specific issue. So probably they need to do much more to get everyone on board. But no, it is not enough, government, ourselves can still do much more to get us into the mood for full IPSAS as government"*

This weakness in training and in particular research and development into IPSAS implementation in other countries is widespread and believed to have hampered implementation as continuous research and training on IPSAS would have ably identified and closed the gaps that cause the lag in implementation and hamper the implementation. For instance, respondent Z2 laments the lack of research literature in Zimbabwe;

"There is also limited literature on IPSAS in Zimbabwe. Plus we are not doing enough to have research labs looking at this thing like which countries succeeded on it and how did they do it, you know, i feel it will help a lot"

Another respondent from Zimbabwe also points out the importance of incorporating research to help with benchmarking, knowledge transfer and learning from others as it was important that the country also looked at what others are doing and what is going wrong in other countries. This was believed would help to create the necessary capabilities which they said were not presently available in the public sector. Respondent Z1 has this to say;

"If I were Minister probably, I would have a dedicated small team of dedicated guys whereby you say you divide them. These are the specialists in accounting. These are the specialists in various aspects of accounting. And let these guys do the research on this thing to create more knowledge on it and bring to light what research in other countries is saying"

Lastly, another key challenge limiting the capabilities in government was the lack of innovation when it came to management practices and other practices to support decision making in the government. It was noted that IPSAS implementation was not being complemented by a more dynamic management approach such as a robust performance measurement framework designed to measure in measurable terms the input, output and outcomes of the process so that measurable data is used to measure the progress of new initiatives like IPSAS. To consolidate this respondent Z1 had this to say;

"We are currently developing what we call the public finance management strategy which we did not have, whereby we say to each and every player tell us what you intend to do within the next six months or within the next 12 months or within the next three years. What is the value in terms of the cost? Can we try and budget for that? When it comes to implementing there's no excuse? The same approach should also be taken as we implement IPSAS, whereby we should have a clear plan and the costs to say, in the next six months, what can we do and what are our outputs? How do we review our output? See, how do we correct the wrong? What further in resources do we need? Do we need other expertise from outside? Do we need to develop the expertise here, should we get further benchmarking visits, and if so, what we intend to get, you know, those key measurable attributes that we can actually follow up at any given time? we don't have that at the moment, and I am hoping we incorporate it soon, as it's under discussion?"

Hence the assertions and analysis of the findings point to challenges related to knowledge creation, continuous learning and innovation at the organisational level of the public sectors of the two countries. It was noted that the lack of proper structures and practices for research, continuous training and innovation of management practices was limiting the dynamic capabilities needed in the respective countries to ensure success of IPSAS implementation.

4.4 Steps being taken to develop necessary Dynamic Capabilities

In spite of the challenges hampering the development of dynamic capabilities in Uganda and Zimbabwe, there are considerable steps that have been taken to aid the development of these capabilities especially as the two countries move closer to full IPSAS implementation. Of notable mention is the designation of the Office of the Accountant General under the respective Ministries of Finance to oversee the implementation project. This creates a focal point on which all issues pertaining to IPSAS can be addressed. The two countries have however instituted measures specific to their circumstances in order to drive the development of these capabilities.

In the case of Uganda, the development of technical accounting skills has been prioritised by the government through its human resource practices to ensure requisite knowledge. Interviewee U4 asserts that;

"*Compulsory professional development is now a requirement for any accounts officer to be promoted to the next level of responsibility. Funding has been committed at different MDAs to facilitate this process*".

This is aimed at encouraging accounting staff to accumulate the necessary skill as well as manage attitudes towards acquisition of professional knowledge. This has been further augmented by the empowerment of the professional accountants body (ICPAU) to enable it drive technical and professional development by enacting the Accountants Act (2013) which empowers ICPAU to regulate the accountancy profession especially ensuring professional competence through training as well as ensuring that only qualified and knowledgeable individuals occupy senior accounting roles, financing, as well as the inclusion of ICPAU on the IPSAS implementation committee which is tasked with advising government on IPSAS implementation as emphasised by respondent U2;

"So, one of the positive steps, one was to give the national accountancy body powers by approving the Accountants Act of 2013. Now this act gave us more powers. It gave us more powers to regulate the standard of accountants in Uganda, and also prescribe the accounting procedures and practices in Uganda. So that is one of the positive steps toward ensuring implementation of IPSAS. Secondly, there is some funding that the Institute gets from the government of Uganda, through the Ministry of Finance. So there is some funding from the government of Uganda to enable the institute to implement some of these projects"

At the organisational level, effort has been made to ensure the receptivity of accounting innovation by aligning policy to IPSAS reporting. In the case of Uganda, changes have been initiated within the public sector reporting mechanisms to accommodate IPSAS reporting. Respondent U3 gives an insight into this change as follows;

"*So, what has happened is they are trying to modify IFMIS (Integrated Financial Management Information System) in preparation to go into IPSAS, the accountant general again, through his different offices is trying to modify certain aspects of IFMIS to accommodate the accrual nature of IPSAS. So that's also one thing that government is doing that they are trying to modify certain aspects of the system that government uses for financial reporting to accommodate certain aspects of IPSAS"*

On the other hand, in the context of Zimbabwe it was also noted that some positive steps, though at a slower pace had started to be actioned starting with the roadmap the government has put into place where a phased implementation of IPSAS will done on a pilot project intended to test how best the IPSAS can work in the context of the country. This was noted to be some form of experimental learning designed to create practical and contextual knowledge of IPSAS in the country, hence positively developing dynamic capabilities needed to sustain transformation of public accounting. This was confirmed by respondent Z5 who confirmed that their entity had been chosen for the pilot program and where two years into using the IPSAS framework.

"So currently we have started reporting using the IPSAS framework it's our second year now, we were chosen by the Ministry of Finance as part of the test run for the introduction of the IPSAS in Zimbabwe but all along we had been using the cash based and modified accrual for our financial reports"

To support and spearhead this phased approach and pilot project, it was also noted that the government had also facilitated training and certification of some officials across the board who were to lead the different selected entities in the pilot project. Respondent Z1 affirmed to this by saying that;

"And then a number of central government guys, including the selected entities that I've talked about, they actually most of them were actually requested to undertake take an examination offered by the Institute of Chartered Accountants to basically have a certification in IPSAS and the majority did, including myself, so that was part of the preparation for the adoption of IPSAS and the pilot project, so that also made people aware of it."

Apart from this it was also noted that in Zimbabwe the government had noted the impact of the skills flight and had started to implement a more robust retention strategy intended at retaining key skills within government. Of interest it was noted the inclusion of non-monetary benefits for civil servants and the funding of education programs also aimed at retaining and developing the key skills they had in government. Respondent Z1 affirmed by explaining the following;

"And besides in terms of retention, the government also have announced that they are not only going to concentrate on the monetary aspects in terms of benefits for the employees, they're also going to look at non-monetary benefits, so that we can try and retain staff like perhaps if we can give you a farm, if we can give you a loan to purchase your house or to purchase a car and so forth. That might also attract people to remain in government and well just a retention tension strategy that the government is trying to adopt. And I think it's going to work if it's adopted in good spirit."

And respondent Z3 confirmed the initiative government is taking to fund the educational development of its staff by explaining that; *"Government has started Training and Development of personnel, and in some cases, government is paying fees for employees to acquire various professional qualifications in accounting"*

Lastly in the context of Zimbabwe it was also noted that they had started to renew and innovate their management practices in the public sector to support the IPSAS implementation. This was reported to be in the form of a Public finance management strategy which would introduce a performance management framework with key measurable performance indicators designed to capacitate the public sector in measuring the implementation of government policies such as IPSAS adoption. Respondent Z1 affirmed to this by explaining the following, *“We are currently developing what we call the public finance management strategy which we did not have, whereby we say to each and every player tell us what you intend to do within the next six months or within the next 12 months or within the next three years. What is the value in terms of the cost? Can we try and budget for that? When it comes to implementing there's no excuse?*

5. Discussion

The purpose of the study was to explore the presence/ absence of external institutional pressures and internal dynamic capabilities in LIC and the resulting impact this has had on the implementation of IPSAS in the case of Uganda and Zimbabwe. In addition, we aimed at finding out what steps were being taken to develop the necessary dynamic capabilities. From the findings presented in Chapter 5 it was revealed that there wasn't a neat interplay between external forces and internal forces to the public sector in both countries resulting in the experience of challenges in the implementation of IPSAS. Of particular note was how the findings revealed that the IPSAS reforms in both countries had largely been adopted due to coercive isomorphic pressures which have been dominant to the extent that IPSAS have not been reconfigured to suit the local context of the respective countries. Of interest were the existing dynamic capabilities in the public sectors of both countries which were found not to be sufficient at both the individual and organisational level to enable the successful implementation of IPSAS. Therefore, in this chapter we now seek to discuss these findings using the existing literature presented in Chapter 2 whilst drawing from the theoretical model earlier developed, and in the process address the research aim of this study.

5.1 The interplay between external isomorphic forces & internal country specific forces

Radical accounting changes such as the IPSAs are very complicated, but they can be easily implemented if the necessary conditions exist and among these conditions are aspects like innovation, clear perceived benefits of the changes and the incorporation of relevant historical practice (Liguori, 2012). The institutional theory has been used extensively to explain the occurrence of accounting changes in the public sector (Polzer et al., 2020), but with minimum interest paid to the interaction of external institutional isomorphic pressures and internal institutional values and systems specific to the context of a particular country (Modell, 2015). Understanding the interplay and interaction between these two external and internal forces is critical in explaining accounting changes in a specific country as conclusions cannot be drawn without factoring in the specific interests of that country as well as its internal dynamics such as power, capacities and leadership (Harun et al., 2021).

Hence drawing on that, we presented the theoretical framework in Chapter 2 which combined the institutional and dynamic capability theories in order to explain the importance of a positive interplay between external and internal forces for the success of IPSAS accounting changes in LICs. The diffusion of IPSAS in LICs has largely been attributed to coercive, mimetic and normative isomorphic pressures external to the public sectors of LICs (Polzer et al., 2021). However, these external pressures have also been considered insufficient to enable a successful adoption and implementation of IPSAS if they are working alone, hence the need to also incorporate internal forces which prepare the ground for external isomorphic pressures to bring the required transformation (Argento et al., 2018). Internally at macro level incorporating country specific elements such as historical tradition, rules and regulations is important in creating some receptivity for change (Argento et al., 2018). This enables the desired changes to come into contact with local ideas, values and norms hence facilitating the glocalization of IPSAS to incorporate country specific elements and therefore enabling their acceptance (Baskerville & Grossi, 2019).

Furthermore, the internal context also takes into consideration the dynamic capabilities specific to each country which need to be developed to enable successful implementation of accounting changes. Kattel (2022) posits that these dynamic capabilities are organisational routines that involve the constant renewal of both individual and organisational capabilities to handle change and innovation. Therefore, for externally generated innovation to effect change, it is important that the internal environment appreciates the new innovations, is receptive to change and has the necessary abilities to operationalise the proposed changes (Piening, 2013). In effect, while external isomorphic forces bring about IPSAS changes to LICs (Polzer et al., 2021) they are insufficient to bring success if the necessary dynamic capabilities are not developed. It is important for the public sector to not only have the capacities necessary to effect the change but also to be able to continuously renew these capacities in light of the envisioned changes (Pablo, 2007). It is therefore important that there should exist both external forces as well as internal dynamic capacities that are aligned to the intended goal in order to achieve full acceptance of accounting innovation such as IPSAS.

Having considered the above and also drawing from the theoretical model discussed earlier this study further suggests that for IPSAS implementation to be successful in LICs it is important that there be a positive and neat interplay between external and internal forces. The external forces are largely in the form of the isomorphic pressures whilst internal forces are country specific elements and dynamic capabilities developed to enable the implementation of IPSAS. An analysis of the findings of this study revealed that there was no positive interplay between external forces and internal forces in the two countries under study and could best explain why the two countries were experiencing difficulties in the implementation stage of IPSAS. The analysis of these findings in fact consolidates the argument raised by Polzer et al (2021) who argued that the reason why IPSAS were experiencing lots of challenges at the implementation stage in LICs was because of the universal "one size fits all" approach which had been adopted in promoting their implementation. According to Polzer et al (2021) and Harun et al (2021), the IPSAS standards had largely been created in the context of developed countries but were being promoted in LICs through isomorphic pressures with little attention being given to the internal country specific elements of LICs hence in the end IPSAS had been adopted but were not being implemented. A look at table 2 below shows a summary of some of the similarities and differences between Uganda and Zimbabwe which were revealed through this study.

External Forces	**Uganda**	**Zimbabwe**
Coercive Isomorphic pressures	• Identified as the main driver for IPSAS reform • Government was partnering with institutions like World Bank and IMF who were helping with funding • Institutions like UN and World Bank were also pushing for more transparency in reporting through use of IPSAS framework	• Identified as the main driver of IPSAS reform as well • Country was largely dependent on ADB and World bank and these institutions were on the overdrive in funding IPSAS reform & the perceived benefits were of more accountability and transparency
Mimetic Isomorphic pressures	• No evidence to suggest an internal drive to copy and mimic the successful implementation in other countries • There was more drive to implement IPSAS their own way	• To a lesser extent there seemed to be a drive for the country to also harmonise and ensure they are not left behind and that included looking at what other fellow countries like South Africa and Kenya

		were implementing their phased approaches
Normative Isomorphic pressures	• There seemed to be some pressure from the professional boards and IFAC but not strong enough as most reform was dependent on the government which had more power to dictate the way forward. • Accountancy Boards can only give suggestions but have no power to drive implementation on its own. • Very minimal IPSAS related training being conducted.	• The pressures were weak most contribution from professional boards has been through consultancy and training, but implementation is largely dependent on government
Internal Forces		
Country specific elements	• The belief system in the public sector leaned more on the cash basis which is more preferred • The main aspect was the Cash Budget which is still on cash basis and therefore determines how accounting and reporting is done • Laws, regulations and accounting rules were still based on the cash accounting system • Alignment of laws to incorporate accrual based IPSAS still lagging behind	• Variation in preferred systems depending on levels of government • Central government leaned more to cash basis whilst Local authorities and SOEs were more accrual and IFRS based • There is more preference for IFRS use in the public sector than the IPSAS • Alignment of laws to accommodate IPSAS were still not done
Dynamic capabilities at Individual level	• The public sector lacked the necessary dynamic capabilities at this level • The main challenge was the availability of relevant skills and professionals with the requisite knowledge given a shortage of professional accountants in the country	• Dynamic capabilities were also found to be insufficient at this level • The main challenge was attracting and retaining the right skills in the public sector • Whilst the country had enough skills more skills were aligned with IFRS and the private

	• The public sector had been left with less advanced skills because historically, basic level qualifications were needed as government accounting was largely simple cash basis • There was a high degree of resistance of IPSAS from within most people in government felt comfortable with the cash basis	sector and professionals did not feel motivated to stay in government due to poor remuneration and organisational nature of government
Dynamic capabilities at Organisational level	• Recruitment and retention practices were not enabling development of talent needed to handle the changes demanded by IPSAS • Complete renewal of recruitment requirements was needed • More research and training needed to capacitate the public sector • More synergies needed especially with academic institutions to incorporate public sector accounting at degree level and with professional boards for skills and knowledge transfer	• There was a huge skills flight in the public sector, government was not doing enough to retain the right skills and talent • More synergies were also needed especially with academic institutions to incorporate public sector accounting at degree level and with professional boards for skills and knowledge transfer • More political buy-in was need to facilitate alignment of laws to suit IPSAS framework

Table 2: Comparison between Uganda and Zimbabwe

The small differences notwithstanding, the analysis of the findings as summarised in table 2 above revealed that these two countries seemed to face similar challenges and obstacles related to IPSAS implementation. Both countries had committed to the adoption of IPSAS due to the coercive isomorphic pressures from multilateral financial institutions such as the World Bank, ADB and the UN which were very active in promoting and funding the implementation of IPSAS. These institutions pressured for the implementation of IPSAS in LICs on the basis that the implementation will enhance transparency and accountability as well as improve the decision making in government (Polzer et al., 2021). However in most cases these external organisations have their own interests different from the countries concerned (Polzer et al., 2021), leaving LICs with less discretion to incorporate their own interests or even find justification for the changes hence the drive to implement IPSAS in LICs becomes more external than it is internal making the implementation very problematic (Adhikari et al., 2019).

This best explains the problems that Uganda and Zimbabwe are facing in implementing IPSAS because the drive to implement IPSAS was found to be more external than it is internal. There seemed to be more external pressure to implement IPSAS from external partners when these two countries were not fully prepared internally to sustain drastic changes required by IPSAS. This led to a universal application of IPSAS without adapting it to the country specific context. For instance, in Uganda most laws and accounting rules such as the national Budgeting framework was still on cash basis and very misaligned to the accrual-based framework of IPSAS. This problem was also present in Zimbabwe where the PFMA Act which guides reporting in the public sector still required them to follow the cash based national standards whilst on the other hand government had given directive to start reporting using the IPSAS framework

Furthermore, because of the existence of more external drive compared to the internal drive both Uganda and Zimbabwe had proceeded to adopt IPSAS without creating the necessary ground needed to enable successful implementation. Dynamic capabilities need to be developed internally in the public sector to enable reconfigurations and renewal of internal capacities to support change (Kattel, 2022). However, the findings from Uganda and Zimbabwe tell another story, both countries still need to do more in developing the necessary dynamic capabilities to enable transformation through IPSAS. Both countries were found to lack the requisite knowledge and skills at individual level especially at the local government levels where majority of the implementation is expected to happen as well as gaps over their capacities to recruit and retain these relevant skills.

This alone makes the prospects of IPSAS implementation being successful very low as IPSAS is an innovation with constant changes and developments and therefore largely depends on the skills and knowledge base available in the public sectors for it to be successful. Therefore, the analysis of the findings from the cases of Uganda and Zimbabwe bring to the fore some of the challenges LICs are facing in implementing IPSAS and consolidate the use of the theoretical framework discussed in Chapter 2 in explaining the challenges and obstacles of IPSAS implementation in LICs. In the end, to encourage the success of IPSAS in LICs, a balanced and more positive interplay between external and internal forces has to be achieved. Judging from the cases of Uganda and Zimbabwe under study, external isomorphic pressures were found not to be enough to cause the successful implementation of IPSAS. It was found to be important to encourage a more internal drive aimed at supplementing external isomorphic pressures in order to achieve implementation. This internal drive included the incorporation of country specific elements and dynamic capabilities specific to these countries so as to create a positive ground for isomorphic pressures to enable transformation required through IPSAS.

5.2 Dynamic capabilities in the public sector needed to enable IPSAS implementation

The purpose of this study was largely to explore the impact of dynamic capabilities in the public sectors of LICs on the implementation of IPSAS. Hence in the previous section we discussed the importance of dynamic capabilities as part of the internal forces needed to supplement and create positive ground for external isomorphic pressures to influence transformation through IPSAS. Therefore, to create this positive interplay between internal and external forces it is important that a dedicated focus is also given to the development of the necessary dynamic capabilities in a given country. Dynamic capabilities in the public sector influence organisational performance. Therefore, faced with demands for changes such as IPSAS, it is critical for the public sector to understand how it can identify, develop and assess its dynamic capabilities (Kattel, 2002; Pablo, 2007). According to Pablo (2007) dynamic capabilities are identified in the way public sector organisations are able to respond to external forces exerted on them by the external environment. Dynamic capabilities are therefore seen as catalysts of how the public sector implements its strategic responses to external pressures faced with limited resources (Pablo, 2007).

Hence the transformation of the public sector in Uganda and Zimbabwe needs these countries to have the necessary dynamic capabilities as an enabler for successful IPSAS implementation. The analysis of the findings revealed that both Uganda and Zimbabwe did not have the necessary dynamic capabilities to enable IPSAS implementation and this was impacting on their implementation progress. Both countries seemed to be very similar in terms of the dynamic capabilities they lacked, found to be lacking at both organisational and individual level and thus limited the internal drive needed to interplay with isomorphic pressures in order to bring the required transformation.

To conceptualise these dynamic capabilities from a public sector perspective, Kattel (2022) groups them into dynamic capabilities of sense making, connecting and shaping. This is premised on the understanding that the dynamic capabilities in the public sector are the organisational routines of managerial and organisational capability renewal. Hence, dynamic capabilities are aimed at renewing existing routines and policies in order to enhance organisational performance (Kattel, 2022). Therefore, the findings from this study are also discussed under these groupings to enable the understanding of dynamic capabilities needed in Uganda and Zimbabwe to enable the implementation of IPSAS.

5.2.1 Sense making capabilities

Kattel (2022) describes sense making capabilities as those routines that involve the analytical assessment, information gathering and information processing that result in new learning and in effect aid appraisal and evaluation of the current internal performance. This then results in the identification of need for change and innovation. Sensing capabilities therefore should help to assess current practice to ascertain if performance is optimum and if there is need for change. Furthermore, sense making activities involve scanning, learning and interpreting both the internal and external environment in order to seize opportunities, prepare for change and enable the survival of the organisation through new learning (Teece, 2014).

This, therefore, means that for the public sector to be able to sense opportunities and challenges both individual and organisational routines should be able to complement each other (Kattel, 2022). For instance, at the organisational level the HR practices within the public sector should be able to attract and retain the right talents which are able to cope with accounting changes. This entails continuous renewal and development of HR policies to enable the attraction and retention of the right talents and skills (Kattel & Mazzucato, 2018). Professional development and continuous accumulation of knowledge and skills at individual level is then needed to complement renewal at organisational and at an aggregate level this then represents a development of the dynamic capabilities needed to enable IPSAS implementation. Furthermore, more investment in activities around research and development, training and innovation represents organisational capability renewal allowing for the timely discovery of opportunities and challenges around IPSAS and hence facilitate its implementation (Eisenhardt &Martin, 2000)

Therefore, drawing from this conceptualisation of sense making capabilities it was evident from the findings revealed through this study that both Uganda and Zimbabwe did not have sufficient sensing capabilities as their adoption of IPSAS was largely not arrived at through internal assessments of their reporting frameworks but rather from coercive isomorphic pressures from development partners such as ADB and WorldBank among others. At an individual level both the public sectors of Uganda and Zimbabwe showed that there was still very little understanding of IPSAS as a reporting framework, and what benefits it presents compared to the cash-based reporting currently in use.

Sensing the opportunities and challenges of accounting innovations such as IPSAS required advanced knowledge and skills in the public sector and in Uganda it was reported they had a general shortage of professional accountants in the country to capacitate the public sector whilst the level of knowledge and skills in the public sector was very low because traditionally public sector accounting was very simplistic and required minimum skills. This in turn limited the development of skills that are needed individually to empower the current crop of accountants in government to be able to sense and seize the opportunities and challenges IPSAS is bringing forward. Furthermore, the findings also revealed a lack of receptivity to adapt to IPSAS changes by individuals in the government of Uganda based on how they viewed the cash-based systems currently in use to be simpler and more relevant to their context hence this lack of renewal posed a challenge to the overall dynamism of the public sector.

At an organisational level, Uganda also showed a lack of sense making capabilities as they had not renewed and reconfigured their HR practices to be more modern and receptive of public sector changes. The requirements to be an accountant in government was still largely based on basic qualifications and having individuals with basic qualifications implementing the IPSAS framework was proving to be problematic as this framework demanded more advanced knowledge and skills because of its complexity and evolving nature. Furthermore, investment into activities of research, training and innovation were found to be very minimal in the public sector to reduce the knowledge and skills gap. The public sector did not have its own research hub and training was still limited as most academic institutions and professional courses available did not offer much in terms of public sector accounting. This presented a leadership gap at the organisational level of government which exposed a lack of planning, evaluation and assessment which forms part of the sense making abilities government needed to seize the opportunities and challenges brought forward by IPSAS.

Similar patterns were also revealed in Zimbabwe where the public sector was found not to have sufficient sense making capabilities mainly because of the lack of knowledge and skills. However, Zimbabwe had enough professional accountants as a country but was not able to attract the best talent to the public sector because of poor compensation in the public sector hence most professional accountants preferred the private sector whilst the country experienced a high level of skills flight. This pointed to activities around the retention policies and measures in the public sector which were prohibitive of attracting and retaining the right talents. There had been no renewal in policies and organisational culture within government to allow for growth and better compensation in order to attract and retain talent hence creating a knowledge and skills gap which limited the sensing capabilities of the public sector as a whole. Furthermore, investment in activities around research, innovation and training were also still minimal and at individual level government accountants were not motivated enough to professionally develop because of the negative perception in government. This absence of the sense-making capabilities necessary to inform decisions about change therefore provide clear explanations for the lag in IPSAS implementation as there is no informed basis upon which the proposed accounting innovation is based.

5.2.2 Connecting capabilities

Connecting capabilities are defined by Kattel (2022) as those that enable networks and coalitions to develop in order to secure legitimacy and obtain buy-in/acceptance of innovations. These capabilities enable the development of synergies with relevant stakeholders to support the operationalisation of new accounting innovation. Synergies between government accountants, policy makers and educational/ professional entities provide legitimacy and buy-in capable of aiding IPSAS implementation. In the absence of legitimacy which in effect enables the innovation to be embraced, there would be challenges in the implementation as people would be reluctant to implement that which they do not identify with. Connecting capabilities also entail that the policy designs in the public sector be premised on an extensive, interactive, and continuous engagement process and the implementation of these collective decisions in the public sector (Kattel, 2022). Hence IPSAS reform needs renewal of leadership and managerial practices in the public sector so that there is coordination among key relevant players such as professionals, academic sector, policy makers and multilateral organisations. These activities can be through workshops and continuous engagement, bottom-up policy designs or creation of new positions or committees in government responsible for such engagements and coordination of the IPSAS reform program. These synergies do not just help to build buy-in for new innovations or changes but are also seen as centres of knowledge creation, knowledge transfer and a bottom-up policy culture which is more inclusive and receptive of new ideas (Kattel & Mazzucato, 2018)

Findings from this study revealed deficiencies in the connecting capabilities of the public sector of Uganda which has contributed to the delayed implementation of IPSAS in the country. There was a lack of synergy between the office of the Accountant General and other professional bodies in Uganda which hindered the embrace of IPSAS by ICPAU. ICPAU was paying more attention to the development of accountants for the private sector with very minimal effort put into IPSAS related training as there was limited working relationships between ICPAU and the Accountant General. Additionally, coordination within the government departments and entities had not been fully developed in Uganda resulting in some entities' non implementation of IPSAS. Whilst some SOEs had fully embraced IPSAS, local governments within the same public sector still held onto cash accounting. This is indicative of a failure to obtain buy-in and legitimacy for IPSAS across the board. This was exacerbated by the absence of routine IPSAS specific sensitisation seminars across the board, limited involvement of professional bodies in IPSAS dissemination and the concentration of the IPSAS implementation mandate to the office of the Accountant General in Uganda without allowing for the involvement of professional and academic stakeholders into the implementation process.

On the other hand, in Zimbabwe, connecting capabilities largely at the organisational level were also found to be insufficient to enable the implementation of IPSAS in the country. The findings revealed that the synergies and connections between policy makers and the academic sector were not present. Whilst championing the adoption of IPSAS in the public sector, little efforts had been made to get the academic institutions to undertake the inclusion of public sector accounting education in their syllabus. It was reported that most tertiary entities offered IFRS related knowledge at degree and master levels and this resulted in the country having a large pool of accountants leaning more to the private sector which uses IFRS than the public sector. There were also limited engagements with the professional accountancy boards which were not yielding much in terms of knowledge creation and knowledge transfer for the public sector. Whilst some engagement with professional boards was reported, there were questions over the implementation of collective decisions. The findings also revealed a leadership gap in the public sector of Zimbabwe manifesting through the reported lack of coordination which had resulted in confusion over how to implement IPSAS. On one side were the current laws and instructions which were based on the cash system whilst there were also policy directives to implement IPSAS. This lack of coordination and alignment of laws also affected the buy-in for IPSAS with most individuals in government believing the public sector was not ready for such reform. Therefore, in the end the absence of the necessary connecting capabilities in both countries has limited the transformation process as the necessary legitimacy for changing to IPSAS has not been fully gained and neither are there sufficient engagements and synergies within key stakeholders designed to create a knowledge based and inclusive policy framework and decision making culture.

5.2.3 Shaping capabilities

Shaping capabilities are those that enable the design and implementation of new policy, embed innovations into long term organisational abilities and avail resources to support implementation of innovation (Kattel, 2022). These capabilities ensure that the adopted innovations are implemented in the long term. Shaping abilities therefore ensure and support the actual execution of change. These capabilities can include activities around change in policy, constitution of relevant teams to drive execution, provision of requisite finance among others at organisational level as well as ensuring the existence of individual skills necessary for implementation of change. The review of findings identified numerous deficiencies in shaping capabilities. In Uganda, it was found that IPSAS implementation was still hampered by the absence of supporting policy. Despite the government encouraging SOEs and MDAs to implement IPSAS, the reporting framework was still based on the annual budget which was cash based. Such a policy mismatch which does not change to suit the intended innovation does not encourage execution of change especially in circumstances where the execution of such innovations must be supported policy.

Furthermore, little was being done to embed IPSAS into the public sector in Uganda as the findings indicate that there was little effort by the Accountant General to organise training for all government accountants. Despite urging MDAs to budget for and aid training of staff, some local governments still decried a shortage of financing in order to facilitate training.

Worth noting was the fact that the committees put in place to drive implementation in Uganda and Zimbabwe were constituted by officials with other primary responsibilities upon which they had to be appraised. This in effect limited the amount of effort and time dedicated to actual execution of the IPSAS implementation project. In addition, the project was left to stall in instances where such officials were assigned other duties outside of their accounting responsibilities. This absence of dedicated teams was reported to affect implementation owing to the break in institutional memory and the absence of performance parameters as most of such teams were merely ad-hoc teams without stringent terms of reference.

5.2.4 Development of further dynamic capabilities to enable IPSAS implementation

This study has discussed dynamic capabilities in the public sector as a three-step process involving the development of sensing, connecting and shaping capabilities at individual and organisational level designed to enable the successful implementation of innovations such as IPSAS. Developing these dynamic capabilities has been viewed as critical if the public sector is able to seize opportunities and challenges by continuously renewing its internal and external capacities in order to sustain the demands for change. Drawing from the theoretical framework underlying this study, dynamic capabilities have also been found to be critical as an internal force which helps to work and prepare the ground to allow for transformation of the public sector through external isomorphic pressures. The analysis of the findings for this study presented a similar pattern in both countries where IPSAS adoption and implementation had been largely influenced by coercive isomorphic pressures with evidence pointing to a negative interplay between external isomorphic forces and the internal forces of institutional logic and dynamic capabilities in both countries which explained the problematic nature of the implementation phase of IPSAS in both countries.

However, despite the above, the findings also noted some positive steps these two countries were beginning to take to develop dynamic capabilities in the public sector at both the individual and organisational level. It was noted from the findings that both countries were beginning to realise the need to slowly include their country contexts in order to facilitate a smoother implementation. The table 3 below shows a summary of the plans in place in the two countries to develop the necessary dynamic capabilities needed to enable IPSAS implementation.

Dynamic capabilities at Organisational level	**Uganda**	**Zimbabwe**
Sensing capabilities	• Senior policy making staff have been trained extensively on IPSAS to aid the uptake and	• Government renewing its retention strategy by offering non-monetary benefits in a bid to improve

	implementation. ● A framework review was done by the Office of the Auditor General to assess the suitability of IPSAS in light of the current reporting framework which is guiding the changes being undertaken to support IPSAS implementation.	compensation and retain the right skills ● Government funding of studies and certifications in IPSAS ● Three institutions have been chosen to provide continuous training of IPSAS framework to central and local government as well as Auditor General and SOEs
Connecting capabilities	● A committee composed of the Office of the Accountant General, Auditor General, ICPAU and Internal Auditor General has been constituted to oversee the uptake and implementation of IPSAS in the country.	● The Institute of Chartered Accountants in Zimbabwe has been engaged to start providing certification in IPSAS ● Special Committee under the Accountant General has been established to coordinate IPSAS implementation centrally
Shaping capabilities	● The Financial reporting tool (IFMS) which is cash budget based is being modified to incorporate IPSAS based reporting. ● A special vote has been set up in the office of the Accountant General in order to finance IPSAS implementation.	● A performance measurement system is being developed to measure the progress of government policies ● Research and benchmarking visits to other countries for continuous learning
Dynamic capabilities at Individual level		
Sensing capabilities	● Government accountants are undertaking IPSAS related training to enable them learn and process the requirements for the new reporting framework. ● Appraisal frameworks have been developed to allow for individual self- assessments.	● Government accountants embracing training and signing up for government funded certifications in IPSAS to personally develop and capacitate themselves to handle IPSAS
Connecting capabilities	● Government accountants are	● Accountants beginning to discuss

	increasingly joining professional accounting bodies such as ICPAU and ACCA in order to enhance collaboration.	IPSAS and public sector reform within their professional boards
Shaping capabilities	• Knowledgeable individuals have been assigned management of IPSAS implementation. • Individuals are involved in the formulation of policy in order to drive implementation.	• Knowledge creation and knowledge transfer through networking improving

Table 3: Summary of plans to develop further necessary dynamic capabilities in the public sector

Although they have taken different steps, the two countries are beginning to acknowledge the importance of developing their dynamic capabilities to enable the implementation of IPSAS in their public sectors. According to Kattel and Mazzucato (2018) the development of mission oriented innovative policies inspired by socio economic transitions is critical in developing public sector capacities and capabilities. Furthermore, the ability to assess and adjust these policies and implementation practices if the public sector is to build capabilities to address the rapidly changing environments (Kattel, 2022). This can be related to the steps the governments of Uganda and Zimbabwe are trying to take in order to reduce the dynamic capabilities gap in their public sector and in turn enable IPSAS implementation.

In Uganda, the government has developed mission-oriented policies to develop skills and create knowledge within the public sector by facilitating the provision of IPSAS related training to government accountants. Training and upskilling will go a long way to develop the sensing and shaping capabilities in the public sector whilst policies have been put in place to align the current reporting framework with IPSAS so as to shape and renew the capability of the public sector to sustain IPSAS implementation.

On the other hand, Zimbabwe has also developed innovative policies to limit the skills flight challenges in the public sector by offering non-monetary benefits to civil servants in a bid to retain staff and improve their motivation. Furthermore, policies have also been put in place to fund the education of accountants who are willing and able to obtain IPSAS certification, as well as the setting aside three institutions to train accountants from central and local government as well as the auditors on IPSAS. Lastly, the government is also developing a performance measurement framework designed to evaluate the progress, output and outcomes of the implementation of public sector policies. The development of these mission-oriented policies will aid the ability of the public sector to assess and renew IPSAS implementation practices thus enable its successful adoption and implementation in the respective countries.

6. Conclusion

This study was aimed at exploring the challenges and obstacles of IPSAS implementation in LICs with a dedicated focus on how dynamic capabilities in the public sector were impacting the implementation process. Furthermore, the study also explored the steps LICs were taking to develop further dynamic capabilities needed to ensure IPSAS implementation. The study was motivated by the problematic nature of the implementation phase of IPSAS in many LICs. Prior studies on the implementation of IPSAS in LICs had revealed a host of challenges these countries were facing in trying to implement IPSAS with the institutional theory being used most to explain how isomorphic pressures were influencing accounting changes in LICs. However, very limited studies had ventured to look into how the internal dynamics of LICs were also impacting on the implementation process hence, drawing from a theoretical framework which combined both the institutional and dynamic capability theories this study sat to explain the importance of the interplay between external forces and internal forces to the successes of IPSAS implementation in LICs.

Using two cases of Uganda and Zimbabwe which are both low-income countries this study explored through the qualitative method of interviews, the impact dynamic capabilities had on the implementation of IPSAS. The analysis of the findings revealed that both countries did not have the necessary dynamic capabilities needed to enable IPSAS implementation thus explaining most of the challenges these countries were facing. Based on the findings obtained from Uganda and Zimbabwe this study seeks to advance the argument that LICs face almost similar challenges on the implementation of IPSAS and the source of these challenges emanated from the unbalanced interplay between external and internal forces influencing IPSAS implementation in these countries. IPSAS is being adopted mainly due to external pressures and in the process the majority of the internal dynamics is bypassed hence the occurrence of most challenges at the implementation stage.

The universal "one size fits all" approach that has been adopted up to now where external stakeholders promote and push for IPSAS implementation whilst ignoring the country-specific elements of LICs is problematic. This study suggests that more focus has to be dedicated to the internal country specific factors and dynamic capabilities so that they are able to prepare the ground and the local setting for accounting changes being promoted coming from international settings. Based on the findings from this study LICs seem to lack a lot of dynamic capabilities necessary to renew and reconfigure internal and external competencies in the public sector and this was very critical considering the changes that IPSAS demands. At the individual level, there seemed to be a lack of knowledge and skills needed to sense and seize the opportunities and challenges of IPSAS whilst at an organisational level LICs needed to renew HR practices in order to attract and retain the right talents. Furthermore, the investment in research, innovation and training needed to be upscaled so as to create knowledge and allow for skills transfer through experiential learning.

Therefore, this study views IPSAS as a necessary step LICs should take, basing on the current level of public sector accounting in Uganda and Zimbabwe, there is a need to modernise the public sector and IPSAS is a valuable tool to form a basis for this reform. However, there is a need for IPSAS to adapt to country specific requirements, so that it is more acceptable, has more legitimacy and is easier to align with some existing traditions in LICs. Secondly, dynamic capabilities in particular, sensing, connecting, and shaping capabilities need to be developed in the public sector to enable continuous renewal and reconfigurations of competencies given the dynamic nature of IPSAS. Lastly, this study also advances the argument that in as much as external isomorphic pressures can push and bring transformation in LICs they are not sufficient if not complemented by the internal country specific elements and dynamic capabilities hence a positive and balanced interplay between these two external and internal forces is needed to aid the implementation of IPSAS in LICs.

6.1 Theoretical contribution

As previously discussed, most prior studies of IPSAS adoption and implementation mainly laid emphasis on the implementation of IPSAS through external forces, in particular institutional isomorphic pressures. Furthermore, the researchers noted limited research in LICs that sought to study the influence of dynamic capabilities in the public sector on IPSAS implementation. Therefore, through this study we proposed a theoretical framework that combined both the institutional and dynamic capability theories to explain the pressures, obstacles and challenges of IPSAS implementation in LICs. This framework argues for the positive interplay between external isomorphic pressures to LICs and the internal dynamics of dynamic capabilities and country specific factors in order to enable the successful implementation of IPSAS in LICs. Given that the implementation stage of IPSAS has been very problematic in LICs due to more external forces than internal, this framework explains the importance of developing more dynamic capabilities and the incorporation of country-specific elements in order to prepare the ground for isomorphic pressures to influence public sector reform through IPSAS.

6.2 Practical Implications

This study contributes in numerous ways on a practical level. First, the findings do emphasise the role dynamic capabilities ought to play if successful implementation of IPSAS is going to be achieved in LICs. In effect, it is important for institutions and people to be able to continuously renew their sensing, connecting, and shaping routines in order to fully adapt to changes necessary if they are to reap the benefits of IPSAS adoption and achieve implementation.

Secondly, the study emphasises the need to have a clear interplay between isomorphic pressures and dynamic capabilities. The study has highlighted the fact that isomorphic pressures alone are not enough to drive accounting change as the earlier studies that relied on understanding isomorphic forces could not ably articulate the reasons for the failure to successfully implement IPSAS. This study's coverage of dynamic capabilities and their impact on IPSAS implementation proves that in order to achieve implementation, there should be an effort to exert external pressures with a consideration of the internal capabilities that could affect successful implementation. In pushing for accounting innovation, multilateral organisations should allow the target public sectors to first develop the abilities necessary to implement the suggested accounting innovation.

Thirdly, the study spells out the specific capabilities that are lacking in the context of LICs. These capabilities therefore could be the public sectors' first point of concern in addressing the challenges faced in IPSAS implementation. Developing these capabilities and especially their capacity to continuously evolve to suit the changing circumstances and reporting requirements will enhance the capacity to adapt to change and drive faster IPSAS implementation in order to reap the intended benefits.

6.3 Limitations of the Study

This study does have some limitations to it. Worth noting is the fact that this was a qualitative study and thus the findings cannot be generalised to a wider population. The study only provides a deeper contextual understanding of the effect of dynamic capabilities on IPSAS implementation in LICs and most especially the two countries that were studied. These findings therefore might not accurately explain the same concept in different countries.

Also of importance to note is the fact that the interviews undertaken were fewer due to the limited timeframe within which the research had to be undertaken. Therefore, only a small sample of respondents were considered. We believe that a bigger sample of respondents would have allowed for more data to be collected which would have provided an even larger pool of data to analyse.

Third, a sample of two countries was studied which has almost a similar structure of government and the public sector. This limited the variety of public management structures that could have been studied in order to enrich the findings. A varied public management structure could have provided more knowledge into how accounting innovation is undertaken in other continents such as Latin America and Asia

6.4 Recommendations for future Research

In light of the limitations alluded to above, future research could use quantitative methodology based on surveys in order to allow for generalisation of findings. In addition, the theoretical framework developed in this study could be applied to a larger and more diverse sample of countries in order to allow for a greater comparison of results as well as allowing for the assessment of the capabilities that could be shared amongst a larger sample. The results from a larger sample of countries would produce results that are representative of countries with similar characteristics which would aid the replication of implementation efforts in countries with similar attributes. Future research could also look at the roles professional bodies are playing as institutional entrepreneurs and key actors in developing dynamic capabilities necessary to implement IPSAS in LICs.

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Appendix 1

INTERVIEW GUIDE FOR INTERVIEWS WITH RESPONDENTS FROM THE PUBLIC SECTORS OF UGANDA AND ZIMBABWE ON TOPIC:

Exploring the impact of Dynamic Capabilities in the public sector on the full implementation of International Public Sector Accounting Standards (IPSAS) in Low Income Countries (LICs): A study of Uganda and Zimbabwe.

Personal experiences

1. Which government department or Ministry are you affiliated to or in which role do you work with the public sector?

2. How many years of experience have you been in the public sector or worked with the public sector?

3. What role do you play with regard to public sector accounting?

The state of public sector reporting

4. Currently what are the accounting and financial reporting standards being used in your administration?
5. Are you applying cash based or accrual-based accounting for government reporting?
6. What is generally the current level of IPSAS implementation across government?

Knowledge and skills

7. Do you believe there is enough knowledge and skills on IPSAS in the public sector of your respective country?
8. Are there continuous programs of training and development of government accountants to equip them with relevant knowledge and skills?
9. Do you believe the government is being able to recruit and retain the right skills to handle the public sector accounting changes?

Leadership

10. To what extent are there continuous engagements, synergies and connectivity amongst policy makers, professional accountants, and government accounting staff to drive IPSAS implementation?
11. Is there an existence of a well-resourced committee tasked with overseeing the sustainable implementation of IPSAS (e.g., well-resourced in terms of funding and technical know-how)?
12. What positive steps are being taken to further develop the capacities of the public sector at individual and organizational level so as to facilitate successful implementation of IPSAS?