Institutionalisation of the Cash Basis International Public Sector Accounting Standard in the Central Government of Bangladesh: An Example of Delay and Resistance

Abstract

Purpose - This paper examines public sector accounting reforms, mainly the adoption and implementation of the Cash Basis International Public Sector Accounting Standard (IPSAS) in the central government of Bangladesh.

Design/Methodology/Approach - Drawing on the ideas of new institutionalism, the paper investigates the factors which have forced the country to accept the Cash Basis IPSAS but have delayed its implementation in practice.

Findings - Different approaches towards the Cash Basis IPSAS are now distinct in the central government of Bangladesh. Differences between Bangladesh and other emerging economies have been narrowed as the potency of institutional pressures has increased, and there is a risk, as experienced in other emerging economies, that the very adoption of the Cash Basis IPSAS may remain more a rhetoric than a reality in Bangladesh. The paper demonstrates that the extent to which professional accountants and their associations participate in reforms determines the public sector accounting reform trajectories in emerging economies.

Practical implications - The paper demonstrates that reforms driven by indigenous administrators can have the potential of becoming more instrumental in emerging economies than the externally propagated reforms, such as IPSASs and accrual accounting. What is important is to advance incrementally those public sector accounting reforms that local administrators have identified as important, that they could cope with their existing knowledge and capacity, and that they are interested in engaging with the reform process.

Originality/value - Firstly, the study has contributed to extending neo-institutional theory by bringing out the responses of different stakeholders responsible for implementing public sector accounting reforms, mainly the Cash Basis IPSAS, in practice. Next, the paper has raised a question as to whether the Cash Basis IPSAS could be an appropriate reform measure for the central government of Bangladesh.

Key words Public Sector Accounting; International Public Sector Accounting Standards; Emerging Economies; Bangladesh

Paper type Research paper

Introduction

This paper investigates public sector accounting reforms, in particular, the adoption and implementation of the Cash Basis International Public Sector Accounting Standard (IPSAS) in the central government of Bangladesh. The advent of New Public Management (NPM) reforms has, in the last three decades, led to a significant upsurge in the volume of public sector accounting studies. Such studies have unveiled the efforts made by various western countries to alter their accounting from cash to different forms of accruals (Adhikari and Gårseth-Nesbakk, 2016), thereby instigating a debate at a global level both in support of and against the need for business-style accrual accounting in public sector entities – entities that are not driven by profit-generating motives (Carlin, 2005; Guthrie, 1998; Wall and Connolly, 2016; Bruno and Lapsley, 2018; Hyndman and Connolly, 2011; Becker et al., 2014; Ezzmel et al., 2014). More recent studies claim that western countries are increasingly convinced of the need for accrual accounting, either as a means of demonstrating governments' long-term sustainability or of managing the consequences of fiscal and sovereign debt crises (Adhikari and Gårseth-Nesbakk, 2016). The debate has shifted towards the significance of accrual budgeting and the adoption of International Public Sector Accounting Standards (IPSASs) to supplement the effective use of accrual accounting and generate the intended benefits, which underlie improved public sector governance and accountability (Ball and Pflugrath, 2012; Ball, 2012).

In recent years, however, the purview of research in public sector accounting has extended beyond the boundaries of western countries, covering the efforts of emerging economies to streamline their public sector accounting practices (Van Helden and Uddin, 2016). A striking aspect of these studies on public sector accounting in emerging economies has been their emphasis on the role played by international organisations, mainly the World Bank and the International Monetary Fund (IMF), in the reform process. Implicit in the loan agreements, structural adjustment programmes and other lending activities of international organisations are the requirements that the borrower countries adopt specific accounting and reporting practices (Neu and Ocampo, 2007; Nyamori et al., 2017; Hopper et al., 2017; Hepworth, 2015). Accounting has become an important means for these organisations through which to promote their neo-liberal ideas and professional expertise, as well as to secure high-paid employments for their consultants in emerging economies (Hopper et al., 2017; Josiah et al., 2010; Alawattage et al., 2007; Hopper et al., 2009; Neu et al., 2009). Prior work shows that accounting techniques, such as participatory budgeting, accrual accounting and, more recently, the Cash Basis IPSAS, have been widely disseminated to emerging economies by these international organisations, predicating improvements in transparency and accountability in resource allocation and service delivery (Goddard and Mkasiwa, 2016; Kuruppu et al., 2016; Bakre et al., 2017; Uddin et al., 2011; Harun et al., 2012; Yapa and Ukwatte, 2015; Parry and Wynne, 2009; Adhikari and Mellemvik, 2010).

Adhikari and Jayasinghe (2017) state that public sector accounting reforms, mainly the adoption of accrual accounting and IPSASs in emerging economies, have, however, experienced unintended consequences and failures. There are several cases in which these reforms have turned out to be too difficult and dysfunctional at the implementation phase and have been either abandoned or replaced by other reform measures. For instance, Adhikari and Mellemvik (2011) state that accrual accounting reforms in the public sector of Nepal turned out to be rather challenging, which resulted in the substitution of accrual accounting by the Cash Basis IPSAS. Studies have delineated several cases in which adopted public sector accounting reforms have never been put into practice, but still their adoption has been championed for the purpose of legitimacy (Harun et al., 2012; Neu et al., 2009; Nagirikandalage and Binsardi, 2015). More recently, researchers have argued that attempts to enforce the externally proposed accounting reforms, such as accrual accounting and IPSASs, have done more harm in public governance and accountability of emerging economies, rather than lead to any improvements. For instance, Lassou and Hopper (2016) illustrate a case of a former French colony in Africa where the indigenously developed government accounting technologies were abandoned for a French system, which later proved problematic in practice. Bakre et al. (2017) state that the adoption of IPSASs in the public sector of Nigeria has contributed to masking the use of historical cost accounting and concealing patronage and corruption in the process of wealth distribution. That the adoption of IPSASs and other neo-liberal government accounting reforms has opened up a space for corruption, political patronage and neo-patrimonialism to proliferate is evident in countries such as Ghana and Benin (Lassou, 2017), Uganda (Uddin et al., 2011), Sri Lanka (Kuruppu et al., 2016; Yapa and Ukwatte, 2015; Nagirikandalage and Binsardi, 2015) and Tanzania (Goddard et al., 2016; Goddard and Malagila, 2015).

Van Helden and Uddin (2016) argue that the public sector accounting context is distinct across emerging economies and each country has approached reforms differently and experienced different trajectories in their implementation, although the final outcomes of reforms have been equally disappointing in all these countries. Diversity in approaching reforms and unintended consequences and failures in the process of putting them into practice have called for the need for the extension of research in public sector accounting covering different emerging economies with distinct sociopolitical structures (Van Helden and Uddin, 2016). Investigating the implementation of public sector accounting reforms, mainly the adoption of the Cash Basis IPSAS in the central government of Bangladesh, this paper intends to fill this gap in public sector accounting in emerging economies. Not only has the public sector of Bangladesh remained an under-researched topic, the country also offers a unique research setting to study public sector accounting reforms, particularly due to its colonial inheritance. Studies show that colonialism provides a favourable environment for the adoption of Anglo-Saxon approaches to accounting reforms such as IPSASs. In their study comparing public sector reforms in Nepal and Sri Lanka, Adhikari et al (2013) have, for instance, illustrated that Sri Lanka was far ahead in terms of implementing reforms as compared with Nepal due to its well-developed accounting infrastructures and professional institutions, established during the colonial period. In a similar vein, Lassou (2017) states that Anglophone African countries are more active in terms of adopting IPSASs and other similar Anglo-Saxon-driven reforms, as compared with Francophone African countries. Iyoha and Oyerinde (2010) state that Nigeria has adopted extensive public sector accounting and accountability laws and institutions, which largely correspond to those prevailing in western countries. Presenting public sector accounting reforms in Bangladesh, we intend to further add to the literature unfolding the relationship between colonialism and public sector accounting development.

As is the case in other emerging economies, claims have been made in various reports that Bangladesh has made a stride towards the Cash Basis IPSAS, as part of governance and accountability reforms (Bartlett, 2015; Chowdhury, 2012; Hossain, 2012; Hakeem, 2012; Islam, 2012). In its report, the World Bank (2007a and 2015) states that the central government was planning to issue its first IPSAS-based statements for core ministries and other specialised organisations for the fiscal years 2007–2008 and 2009–2010 respectively. A decade has been spent, but this commitment to embracing the Cash Basis IPSAS has yet to be performed. Neither the core ministries nor the specialised public sector entities in Bangladesh have adopted the Cash Basis IPSAS, as recommended by the World Bank and other donor organisations (Ahmed, 2017). Drawing on the ideas of new institutionalism, also referred to as neo-institutional theory (Meyer and Rowen, 1977; DiMaggio and Powell, 1983), we investigate in this paper the factors which have forced the country to accept the Cash Basis IPSAS but have delayed its implementation in practice.

Prior work has highlighted a range of internal and external institutional factors making public sector accounting reforms in emerging economies more of a legitimacy seeking activity (Adhikari et al., 2013; Lassou, 2017). These factors include, amongst others, inadequate planning by public administrators; poor grounded reform recipes (i.e. the dissemination of the one-size-fit-approach); a lack of will by political leaders; intervention of consultants; little regard to local involvement, needs, capacity and infrastructure; and rampant corruption and patronage politics (Hopper, 2017; Goddard et al., 2016). Agential factors have, however, drawn limited attention of institutional-based public sector accounting studies in emerging economies (Adhikari et al., 2013). That agential responses can have an important role in making public sector accounting reforms in emerging economies a success or a failure is evident in prior work (Adhikari and Jayasinghe, 2017; Van Helden and Uddin, 2016). We add to these studies by bringing out the responses of multiple internal actors, including executives from government agencies, professional accountants and academics, with regard to the institutionalisation of the Cash Basis IPSAS in the central government of Bangladesh.

The remainder of the paper is organised as follows. Section two outlines our theoretical approaches to studying public sector accounting reforms in Bangladesh. This is followed by our research methods. Section four provides an overview of the structures and current regulations for public sector accounting in the central government of Bangladesh and sheds light on ongoing reforms. The empirical analysis, which follows, presents agential reactions towards the Cash Basis IPSAS covering the advent of IPSAS ideas, institutional pressures for the adoption of IPSASs and resistance to them at the organisational level. The final section offers some concluding remarks highlighting the major contributions of the study.

Neo-institutional theory in public sector accounting research

As stated earlier, we have drawn on the very essence of neo-institutional theory, propagated by Meyer and Rowan (1977) and DiMaggio and Powell (1983), to give an understanding of the adoption and implementation of the Cash Basis IPSAS in the central government of Bangladesh. Extant work shows that neo-institutional theory has served as the theoretical setting for one of the most dominant streams of research in the public sector, mainly due to its ability to shed light on external institutional factors which are central to driving the change process (Modell, 2009 and 2016; Jacobs, 2012). A large number of studies in public sector accounting reforms, mainly in emerging economies, draw on neo-institutional theory to delineate the factors behind and the consequences of disseminating externally propagated accounting reforms, which are designed to cater for the requirements of western countries with well-developed accounting infrastructures, professional accounting education and training, in the very context of emerging economies (Adhikari et al., 2013; Adhikari and Mellemvik, 2010; Mir and Rahaman, 2005; Harun et al., 2012; Goddard et al., 2016; Van Helden and Uddin, 2016).

A central aspect of neo-institutional theory is that organisational structures and procedures tend to become more alike (i.e. isomorphic) with those structures and procedures in their environments that are socially accepted as being the most appropriate organisational choices, regardless of their actual usefulness (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). Adherence to these socially accepted structures and procedures is expected to garner organisations extended legitimacy, increased resources and survival capabilities (Scott, 1987; Dillard et al., 2004). At the heart of neo-institutional theory lies the notion of 'institutional legitimacy', which is reckoned to be an important impetus instigating ceremonial changes in organisational practices (Tsamenyi et al., 2006; Goddard et al., 2016; Hyndman and Connolly, 2011; Ezzamel et al., 2007; Goddard and Mkasiwa, 2016). As DiMaggio and Powell (1983) have stated, legitimised structures and procedures strive to transmit to organisations mainly through three mechanisms, which are coercive, mimetic and normative.

The coercive mechanism, especially in the public sector, has been linked to government interventions and informal pressures coming from resource providers. For instance, the World Bank and the IMF offer emerging economies resources in the forms of loans and grants, which are crucial for them to pursue their development activities. The possession of much-needed economic resources enables these international organisations to exercise authority over emerging economies in various aspects of governance and accountability reforms, public sector accounting changes serving as an example (Adhikari et al., 2013; Harun et al., 2011; Rahaman et al., 2007). The mimetic mechanism, which is connected to environmental uncertainties, encourages organisations to emulate the practices of similar organisations that are reckoned to be successful in a particular context. A number of studies have related the widespread transformation of accounting systems from cash to accruals in many countries to being triggered by mimetic pressures (Carpenter and Feroz, 2001; Irvine, 2011). The normative mechanism has been seen as a result of professionalisation, which implies adopting the systems, practices and procedures prescribed by professional bodies. The popularity that IPSASs have gained in many emerging economies serves as an example of the normative mechanism (Chan, 2006).

Studies based on neo-institutional theory have shown that attempts by organisations to incorporate legitimatised ideas and practices into their formal structures have been largely disconnected from actual organisational practices (Tsamenyi et al., 2006; Hyndman and Connoly, 2011; Ezzamel et al., 2007; Goddard et al., 2016; Carruthers, 1995; Covaleski and Dirsmith, 1988). In many cases, an extensive emphasis on external legitimacy has led to organisations engaging in 'window dressing', an act which is reckoned to be a form of organisational resistance (Oliver, 1991). For instance, Lassou (2017) presents the case of Ghana and Benin where government accounting reforms have remained decoupled in practice and have represented facades. Of the responses to institutional pressure, decoupling has been one of the most widely discussed strategies in the accounting literature (Siti-Nahiha and Scapens, 2005; Adhikari et al., 2013). In fact, a lack of support and competence of organisational actors (for instance, bureaucrats) with regard to accounting reforms has been regarded as being a key factor contributing to the situation of decoupling (Timoshenko and Adhikari, 2009). How and Alawattage (2012) state that the notion of 'decoupled accounting' has become an important representation of emerging economies in recent years.

One benefit of using the ideas of new institutionalism in our study is its ability to demonstrate the relationship between accounting practices and the wider institutional environment in which accounting is enmeshed. By applying the institutional perspectives, we have endeavoured to discern how new accounting technologies and rationales, primarily the Cash Basis IPSAS, are being enforced in the central government of Bangladesh to cope with external pressures exerted by the World Bank and development partners. However, we are aware of the fact that the ideas of neo-institutional theory are not without critics. Scholars argue that while the focus of neo-institutional theory has been on explaining homogeneity (isomorphism), public sector accounting reforms have tended to demonstrate heterogeneity both in approaches to and factors triggering reforms amongst the reforming countries (Modell, 2009 and 2016). Acknowledging this fact, a number of scholars have striven to extend the scope of neo-institutional theory in their work, either by introducing the ideas of institutional logics (Thornton and Ocasio, 1999 and 2008), institutional entrepreneurship (DiMaggio, 1988; Ahrens and Laurence, 2018; Battilana et al., 2009) and institutional work (Lawrence et al., 2011) or by coupling the institutional theory with other perspectives (Ahn et al., 2014; Dillard et al., 2004), so as to cover the role of organisational actors in the process of institutionalisation. For instance, Adhikari and Gårseth-Nesbakk (2016) have combined the very ideas of neo-institutionalism with some aspects of a framework proposed by Dillard et al. (2004) to show the acceptance of accrual accounting at organisational and organisational-field levels within OECD member states. We have further contributed to extending neo-institutional theory in this study by bringing out the responses of different stakeholders responsible for implementing public sector accounting reforms, mainly the Cash Basis IPSAS, in actual practice. We have generated additional perspectives in understanding diversity in implementing public sector accounting reforms and the outcomes of reforms in the context of emerging economies.

Research method

The empirical data used in this study came from two main sources: unstructured interviews and document analysis. The connection of native co-authors was mobilised to select informants involved in public sector accounting reforms in the country either directly or indirectly. Snowball sampling was used after interviewing a few informants, enabling us to undertake 21 informal interviews during the period of two years (2016–2017). We had follow-up telephone interviews with two officers at the Ministry of Finance in 2018 to clarify issues that had remained ambivalent, as well as to ensure the reliability and validity of our findings (see Appendix A). Our interviewees included high-level executives representing the governing council of the Institute of Chartered Accountants of Bangladesh (ICAB); senior and other high-level executives from the Ministry of Finance; the Controller General of Accounts (CGA); the Office of the Comptroller and Auditor General (C&AG); and the Financial Management Academy. We also interviewed officers belonging to Financial Management Reform Projects, independent accountants and academicians. We provided the respondents with the assurance that their anonymity would be preserved when we presented their statements. Each interview lasted between 30 minutes and two hours. All interviews were recorded and subsequently transcribed.

Following the ideas of Mir and Rahaman (2005), we adopted unstructured interviews with a view to instigating free-flowing conversations with these respondents. Furthermore, the way we facilitated the unstructured interviews was anchored on the ‘localist approach’, as suggested by Alvesson (2003). The localist approach involves constructing an amiable environment for interviewees by allowing informants to respond freely to the topic introduced. The approach has proved valuable, particularly when dealing with interview contexts of a political nature (Qu and Dumay, 2011; Alvesson, 2003). Government accounting in emerging economies is considered a political issue due to its role in managing scarce resources; accountants and bureaucrats are seen more as rational actors in that they are inclined to reflect on a situation rather than aiming to ascertain the truth (Silverman, 2010; Adhikari and Mellemvik, 2011; Hyndman and Connolly, 2011). The public sector context of Bangladesh is certainly not an exception and we were aware of the fact that any attempt to conduct structured or semi-structured interviews with government officials would risk being a futile endeavour. Having acknowledged the political nature of the subject matter, we embarked on our interview process by introducing the interviewees to the research topic (public sector accounting reforms and IPSASs) and allowing them to express views on whichever aspects they felt were relevant. Some questions/concerns were raised with them during the conversation, based on their feedback and interest in the topic. The topics included, amongst others, types of reforms prioritised; the emergence of the Cash Basis IPSAS; different stages that the reforms (mainly the Cash Basis IPSAS) had passed through; key actors involved in the reform process; factors creating challenges in implementing reforms; and the pace of reforms taking place in Bangladesh, as compared with neighbouring countries – for instance, Nepal and Sri Lanka.

The evidence from the interviews was reinforced by document analysis. Reports published by government agencies of Bangladesh and international organisations on different aspects of public sector accounting and auditing were analysed. The main reports analysed included: the World Bank’s Report on the Observance of Standards and Codes (ROSC) (World Bank, 2003, 2009, 2015); the Engagement on Governance and Anticorruption published by the World Bank in 2011; the World Bank’s 2007 and 2010 Public Sector Accounting and Auditing: A Comparison to International Standards; the International Monetary Fund’s

Report on the observance of standards and codes (2005a and 2005b) and the Auditor General Office's Audited Financial Statement on Audit Opinion on Public Expenditure for the Financial Years 2014–15, 2015–16 and 2016–17 (Sadia, 2017a and 2017b). We also reviewed articles on public sector accounting reforms published in national journals, mainly in the Journal of the Institute of Chartered Accountants of Bangladesh (ICAB). Apart from providing additional data, the analysis of these documents also proved valuable in validating our interview data.

At the next stage we attempted to analyse and make sense of the data collected. The method we adopted was first to list the views and issues frequently expressed by our interviewees. Based on these responses, we developed a number of themes, such as: the emergence of IPSAS ideas in the country, institutional pressures exerted by international organisations to instigate IPSAS reforms and the resistance of reforms (IPSASs) at the organisational/administrative level. At the next stage, the data representing the themes were clustered and attempts were made to match them with the evidence gathered through the literature review. At the final stage of the analysis, we endeavoured to establish a link between the themes, so as to create narratives of the adoption and implementation of the Cash Basis IPSAS in the central government of Bangladesh.

The central government accounting context in Bangladesh

This section discusses the government accounting context in Bangladesh incorporating the key accounting institutions in the country, public sector accounting regulations, and the changes proposed overtime.

Key institutions and regulations for public sector accounting

With a population of 157 million, Bangladesh is an emerging economy in South Asia. Patronage politics, endemic corruption and neo-patrimonialism, and dilapidated infrastructures are not new issues in Bangladesh, these being common features of emerging economies (Hopper et al., 2017). However, the country has achieved, in the last decade, significant economic growth, with an average of 6% per annum, and social development helped the country attain the status of low middle income country in 2015 (World Bank, 2015). With the economic growth, Bangladesh's external debt has also increased significantly over the years, and so has the pressure for structural adjustment programmes and governance reforms by donors and international organisations, mainly the World Bank, the IMF and the Asian Development Bank. For instance, the World Bank (2018) states that external debts to Bangladesh stood at around 12% of GDP in 2017, as compared with 5% during the last decade. Similar to other emerging economies in the region, for instance, Nepal and Sri Lanka (Adhikari and Jayasinghe, 2017; Yapa and Ukwatte, 2015; Nagirikandalage and Binsardi, 2015; Adhikari and Mellemvik, 2010; Adhikari et al., 2013 and 2015), the existing Cash Basis of accounting was claimed to be inadequate in the central government of Bangladesh to ensure transparency and accountability (Rajib et al., 2017; Ahmed, 2017; Islam, 2012). For instance, in its report, the World Bank (2007) mentions that the consolidated financial statements prepared by the Office of the Controller General of Accounts (CGA) have excluded several key elements that are crucial for maintaining transparency, including a summary of the cash controlled by a reporting entity, the cash balances available for use and those that are subject to external restrictions, undrawn borrowings and comparative information of previous years. The idea of the Cash Basis IPSAS with incremental reforms towards the accrual basis of accounting embarked on as a panacea should the country wish to achieve improvement in public expenditure management, resource mobilisation and service delivery (Bartlett, 2015; Hakeem, 2012; Chowdhury, 2012).

The present-day cash accounting in Bangladesh can be traced back to the colonial era (Hakeem, 2012; Hossain, 2012; Islam, 2012). It is regulated by articles 80 and 92 of the Constitution enacted in 1972 and various other regulations, including the 1974 Comptroller and Auditor General Act; the 1984 Amended Ordinance in the Comptroller and Auditor General Act (Additional Functions); the General Financial Rules and Regulations (GFRR); and the Treasury Regulations and Audit Code. Article 84 of the Constitution has mandated all receipts, proceeds of loans and grants, and loan repayments to the government to be accounted for in the Consolidated Fund. Revenues and other incomes received by government are to be deposited into the Public Accounts Fund. Article 85 has required all payments and government expenditures to be made only after the approval of the Parliament, which also requires a presidential endorsement. The constitution requires the annual financial statements of the central government of Bangladesh to be prepared, incorporating both the consolidated fund accounts and the public accounts. While the consolidated fund accounts consist of the government’s annual receipts and payments as per the Appropriation Act (i.e. the annual budget), public accounts incorporate the receipts and payments to various other funds, such as the state provident fund, the national saving schemes fund, renewal, the reserve and depreciation fund and the deposit accounts fund.

Further details for operating the Cash Basis of accounting are set out in the Comptroller and Auditor General (Additional Function) Act of 1974. Two different sets of financial statements are prescribed in this act: annual finance accounts and annual appropriation accounts. The statement of ‘finance accounts’ presents the government’s total annual receipts and payments, as well as the cash balance at the end of the financial year. The statement of ‘appropriation accounts’ is a comparative statement tracking budget allocations and expenses of ministries and their subordinate offices, with an explanation of variations (if any) in each line item. The CGA, following the 2009 Public Finance and Budget Management Act, prepares the monthly and annual statements of ‘finance accounts’ and ‘appropriation accounts’ and forwards them to the Comptroller and Auditor General (C&AG) office, a Supreme Audit Institution of the country, for auditing.

The CGA, established in 1985 after the restructuring of the Office of the Accountant General (civil), the history of which can be traced back to 1947, is a key organ for government accounting in Bangladesh. The CGA administers a range of other government agencies, including: Chief Accounts Officer (CAO) offices, Divisional Controller Accounts (DCA) offices, District Accounts Officer (DAO) offices and Upazilla Accounts Officer (UAO) offices, all of which are responsible for the accounting and reporting of specific government units and district-level offices and divisions. In total, there are 49 CAO, 6 DCA, 64 DAO and 420 UAO offices scattered across the country. The CGA is also responsible for reconciling the statements prepared by these different officers and the Central Bank and facilitating internal auditing of government agencies so as to ensure the accuracy and timeliness of the accounts prepared. More recently, the CGA has launched a project, the Integrated Budgeting and Accounting System (iBAS), with a view to computerising the accounting and reporting of government agencies. It is stated that the application of the iBAS would enable the CGA, not only to monitor the budget execution and reporting more effectively, but also to control the non-cash generating transactions of government agencies (Pollock, 2010). Moreover, a new Financial Reporting Act has been enacted in 2015 with a provision for establishing a committee for the development of accounting standards for public sector entities.

Institutional pressures and accounting reforms

Despite the continuity of the Cash Basis accounting, several attempts have been made since the independence of the country in 1971 to improve the existing accounting practice. While some of the reforms have been undertaken internally, the World Bank, the Asian Development Bank and development partners have been the key institutional carriers and sponsors of the majority of public sector accounting reforms instigated in the country (see Table 1). Although the involvement of the World Bank in promoting public sector accounting reforms in the region can be traced back to the 1980s, the active participation of the Bank in Bangladesh was evident only in the 1990s. The World Bank stepped into the public sector accounting of Bangladesh by offering financial support to the 'Committee of Reforms in Budgeting and Expenditure Control' (CORBEC), a committee set up by the Ministry of Finance to improve the performance of the country's overall public financial management system (Wescott and Breeding, 2011; Ministry of Finance, 1990). Table 1 summarises public sector accounting reforms undertaken in Bangladesh.

[INSERT TABLE 1]

In its report published in late 1990, the CORBEC identified several weaknesses in the country's public financial management, including: discrepancies in budget estimation, weak internal control, poor accounting and reporting of government transactions, a lack of mechanisms to access the results and outcomes of public expenditures, and the omission of financial statements information of public enterprises. Three steps were recommended in the CORBEC report for improving the functioning of public financial management in the country:

- preparing both short- and long-term reform plans and strategies,
- designing and piloting the reforms and promoting training of government accountants and the digitalisation/computerisation of government accounting, and
- undertaking a full implementation of recommended reforms and a launching of the programme of enhancing the institutional capability of government units dealing with public financial management.

Following the recommendations of the CORBEC, another reform project, i.e. the Reform in Budgeting and Expenditure Control (RIBEC), was set up in 1995 with a view to implementing and monitoring the success of the reforms (Ministry of Finance, 1995). The RIBEC provided further suggestions for enacting appropriate rules and regulations to support the reforms, developing accounting manuals with a clear-cut classification between accounting and budgeting codes and computerisation of government accounting information within the CGA and its subordinate agencies. Developing accounting codes took precedence among these suggested measures. Volume I of the account codes introduced the forms and methods for which the accounts of government should be kept. Volumes II and III of the account codes accommodated the directions regarding the form of initial and subsidiary accounts to be kept by the district and Thana accounts officers and by the officers of the public works and forest department (Ministry of Finance, 2017; World Bank, 2007). Moreover, a 13-digit code was prescribed to all government transactions with a view to enabling the analysis of accounting data in different ways and at different levels (Ministry of Finance, 2017).

The Cash Basis IPSAS and incremental changes towards accrual accounting were brought to the centre of the reform agenda following the World Bank's recommendations in 2007 (World Bank, 2007). The adoption of the Cash Basis IPSAS was part of an integrated approach to public financial management announced under the banner of the 'Strengthening Public Expenditure Management Programme' (SPEM) in 2007 (Rajib et al., 2017; Islam, 2012; Ahmed, 2017; Bartlett, 2015). There was a particular emphasis on extending the use of the iBAS across public sector entities, and mentions were made that the full enforcement of this would provide a sound foundation for the implementation of the Cash Basis IPSAS (Pollock, 2010). The government's initial plan was to start implementing the Cash Basis IPSAS within central government entities from the financial year of 2007–2008. Rajib et al. (2017) state that ten years have passed since the adoption of the Cash Basis IPSAS was announced, but the implementation of the standard is far from the reality. Not only is there a lack of an implementation plan, the government is also still struggling to revise the accounting codes and classifications announced earlier with a view to incorporating the Cash Basis IPSAS into practice (Ministry of Finance, 2017).

Implementing the Cash Basis IPSAS in the central government of Bangladesh

In this section, we have attempted to discuss the views expressed by our interviewees with regards to the emergence of IPSAS ideas, in particular, the Cash Basis IPSAS in the country, institutional pressures for implementing the standard and the delay and resistance in putting the standard into practice.

Emergence of IPSAS ideas in Bangladesh

Given the Anglo-Saxon nature of accounting standards (IPSASs), it is expected that emerging economies with British legacies are more likely to approach IPSASs than other countries. For instance, Adhikari and Mellemvik (2010) state that the central governments in India and Sri Lanka, former British Colonies, have been convinced of the benefits of a transition towards accrual accounting and have instigated a process of developing accrual basis standards corresponding to IPSASs. Anglophone African countries provide another example (Lassou, 2017). Such is apparently not the case in Bangladesh, however, despite sharing similar colonial legacies. Colonial history and legacy seem to be irrelevant in terms of generating attraction towards the Cash Basis IPSAS and accrual accounting in Bangladesh. Computerisation of the accounting systems (iBAS), developing accounting codes and installing integrated financial management information systems have taken precedence over the standardisation of financial reporting in Bangladesh. The following statement of a senior-level executive at the Ministry of Finance serves as an example:

> *Let me talk about iBAS and the new classifications of accounting codes. It seems that these types of reformation can enhance the efficiency in the public sector, if we are realistic and if we consider the resources available to us. The iBAS is in operation already and we are getting positive feedback. Moreover, we can use the iBAS as a platform to implement the IPSAS in future.*

As such, the planned adoption of the Cash Basis IPSAS has continually been prolonged. In its recent report, the World Bank (2015a) states that only the disclosure parts of public sector accounting in Bangladesh seem to be in line with the IPSAS requirements, but remotely. For instance, the controlled entities are yet to be clearly defined, which has led to many budgetary entities performing both as reporting and economic entities, further deviating from the core requirements of the Cash Basis IPSAS (World Bank, 2007 and 2015). A high-level executive at the Office of the Comptroller and Auditor General (C&AG) remarked on this delay in adopting the Cash Basis IPSAS:

> *To increase the efficiency of public sector accounting, we have to change the recording and reporting systems. We have to ensure the basic characteristics of*

accounting information. For a developing country like Bangladesh, the IPSAS is a good option. Before IPSASs, we need to ensure that we have basic accounting infrastructure in place.

We noted that there are no adverse feelings as such against the adoption of IPSASs amongst the key stakeholders in the country. Many informants are rather neutral, accepting the fact that IPSASs may be important for the country to improve accountability and transparency of public expenditure management, and that the country has to embrace the Cash Basis IPSAS sooner or later. There are, however, concerns over accounting infrastructure available in the country that could support the implementation of the Cash Basis IPSAS. An executive (account officer) at the Controller General of Accounts (CGA) commented:

Obviously, the IPSAS is a good option for Bangladesh like any developing country. I have mentioned many times to the authorities that ultimately, we have to adopt the IPSAS to comply with various situations. We need to strengthen the use of the iBAS and accounting codes and arrange accounting education and training, all of which are important before we prepare financial statements following IPSASs.

Implicit in the above statement is the fact that the Cash Basis IPSAS has been proposed in the country rather earlier, or at least not at the right time, as the country was more focused on modernising the IT capacity and developing accounting codes and the integrated approach to accounting and reporting. There is clear evidence that the actual accounting needs of the country were completely marginalised. As a result, the Cash Basis IPSAS proved to be an alien reform approach to the majority of government stakeholders at the time. A commitment was made at the institutional level to prepare financial statements of the country for the fiscal year 2007–2008, following the requirements of the Cash Basis IPSAS.

Institutional pressures for the adoption of the Cash Basis IPSAS

Hepworth (2015) states that a key factor driving public sector accounting reforms in emerging economies has not been the ‘actual need’ for reforms, but the interests of donors and the availability of funding. International organisations, such as the World Bank and aid organisations, are under intense pressure to make visible their performance in emerging economies, which is measured by the amount of grants and loans they offer to these countries (Nyamori et al., 2017; Hepworth, 2015). Institutional pressures on Bangladesh to embrace the

Cash Basis IPSAS is therefore not a surprise. However, Bangladesh seems to differ in terms of adopting the Cash Basis IPSAS as compared with other countries in the region, where IPSASs were already envisaged as an alternative reform prior to their dissemination by the World Bank. For instance, the Accounting Standards Board in Nepal and Sri Lanka had facilitated discussions on the applicability of the Cash Basis IPSAS at the beginning of the new century (Adhikari et al., 2013). In fact, it is argued that the World Bank was more comfortable recommending the Cash Basis IPSAS in other regions in South Asia, taking into account the interest shown and progress made in implementing the Cash Basis IPSAS in Sri Lanka (Adhikari et al., 2015). That the World Bank and donors have been the main carriers of the Cash Basis IPSAS in Bangladesh is evident in the following remark of an executive at the Ministry of Finance:

> *The World Bank and other donor agencies provide funds to us for mega projects. Moreover, at different times they have provided funds to reform public sector accounting. Donor agencies ask for transparency in using their funds. We were told that the accounting systems can play an important role in ensuring the transparency. We are suggested to that the adoption of the IPSAS will ensure the transparency, which we think is a lucrative option to us as well. Therefore, we have accepted the IPSAS and have started the dissemination procedures, although they need to be disseminated at a much faster pace.*

Along with the World Bank, we were told about the implicit normative pressure being exerted by the International Organisation of Supreme Audit Institutions (INTOSAI), making it difficult for Bangladesh to disregard the IPSAS. For instance, a high-level executive (director) at the Office of the Comptroller and Auditor General (C&AG) during our interviews stated:

> *The standard that we use to audit the public accounting is developed and endorsed by the INTOSAI. The INTOSAI prepares its financial statements following IPSASs. Therefore, ultimately Bangladesh, being a member of the INTOSAI, has to follow IPSASs.*

We noted that the role played by the Institute of Chartered Accountants of Bangladesh (ICAB) could be another reason why the adoption of the Cash Basis IPSAS has drawn less attention and taken different trajectories in Bangladesh, as compared with other countries in the region and beyond (Adhikari et al., 2013; Goddard et al., 2016). Prior work shows that professional accountants and their firms have been key promoters of IPSASs in emerging economies (Hopper et al., 2017; Yapa and Ukwatte, 2015). In many emerging economies, the World Bank has used professional accountants and their institutions to promote the Cash Basis IPSAS and in some countries, even professional accounting bodies have been assigned the task of developing public sector accounting standards (Adhikari and Jayasinghe, 2017). However, unlike its counterparts in South Asia, the ICAB's involvement in promoting the Cash Basis IPSAS in Bangladesh has been less visible until recently. In contrast to other countries in the region, for instance, Nepal (Adhikari et al., 2015), there is ostensibly a lack of cooperation between the World Bank and the ICAB in implementing the Cash Basis IPSAS in the country. In this regard the normative pressure that the country has experienced from the ICAB appears to be rather mild, at least until recently. Nonetheless, the ICAB has now started communicating with the regional professional accountant bodies, particularly with the Institute of Chartered Accountants of Sri Lanka (ICASL), which has certainly increased both its interest and involvement in public sector accounting. Members of the ICAB during our interviews remarked:

> *Because of various reasons, for instance, as a global trend, we have to adopt IPSASs. However, the question is whether we are capable of adopting IPSASs. Obviously, because of so many limitations, such as weak accounting education and training, it is not possible to implement accrual basis IPSAS directly. We have observed how IPSASs are being adopted in other developing countries.*
>
> Another member added:
>
> *For example, we have had a meeting with representatives of the ICASL (Sri Lanka) and found out that we have to start by implementing the Cash Basis IPSAS. We have started working on it already and we have done a lot of things on this issue.*

The above statements delineate the fact that the ICAB has been involved in mimicking the practice of regional professional accounting institutions and is now convinced of the importance of the Cash Basis IPSAS in the country (Meyer and Rowan, 1977; DiMaggio and Powell, 1983). This effort of emulating the practice of regional accounting bodies has increased the potency of normative pressure for the adoption of the Cash Basis IPSAS in Bangladesh. As is the case in other countries (Adhikari and Jayasinghe, 2017), we have observed a growing tendency of resisting the institutional pressures for the adoption of the Cash Basis IPSAS in the country, mainly at the administrative level. The following section outlines the views of government officials and public accountants with regard to the importance of the Cash Basis IPSAS in Bangladesh.

Resistance to the Cash Basis IPSAS

Mentions have been made that it would be much easier to implement reforms such as IPSASs in a centralised state, Bangladesh being an example, where government decisions are seldom debated and resisted at local levels (Panday, 2017). Similar to neighbouring countries, for instance, India and Sri Lanka, Bangladesh has inherited a colonial administrative structure with well-developed bureaucratic and legal systems, although their functioning in practice has been disappointing (Islam, 2016). However, on the contrary to Sri Lanka and India, few attempts have been made in Bangladesh since the acceptance of IPSASs in the last decade to develop financial statements of government entities adhering to the requirements as laid down in the Cash Basis IPSAS. Some interviewees have envisaged this delay as part of the government's implicit resistance to IPSASs, a situation which is evident across a range of emerging economies (Adhikari and Jayasinghe, 2017). The extant work shows that IPSASs have become an important legitimacy tool for the government and the delay in their implementation has become a normal tendency. Wynne (2012 and 2013) claims that 31 countries in Africa tried to embrace IPSASs in the past few years and almost all of these countries have either abandoned or postponed their implementation. A senior practitioner from an accounting firm expressed his concerns:

> *It's difficult to comment on this situation. It seems to me that the problem of coordination and the reluctance of responsible authorities are liable for this situation. Obviously we have resource limitation to implement accrual basis IPSAS. However, I don't think we have limitation to implement the Cash basis IPSAS if we really wish to put it into practice.*

Views were expressed that the limited engagement of the ICAB in IPSAS reforms until recently have certainly made it easier for the government to resist the implementation of the Cash Basis IPSAS, although this may no longer be the case anymore. We noted that not all interviewees have, however, envisaged this delay as a deliberate attempt by the government, and mentions were made that this could be an unintentional and unplanned act rather than a strategic decision as part of the government. Similar to many other emerging economies (Hopper et al., 2017), public administration in Bangladesh has been suffering from red-tapism, inefficiency and patronage politics (Islam, 2016; Bartlett, 2015; Chowdhury, 2012). A lack of education and training opportunities for government accountants and an absence of performance-based rewards have largely eroded the motivation of public administrators to engage in the change process and get acquainted with new ideas, the Cash Basis IPSAS being an example (Islam, 2016). In addition, we noted that the CGA, the C&GA and the ICAB have their own agendas, and there is clearly a lack of coordination among these organisations in terms of advancing the IPSAS reforms. This has also prolonged the task of setting up a committee for public sector accounting standards, as mandated by the Financial Reporting Act of 2015. An executive at the Controller General of Accounts (CGA) commented:

> *Collaboration and communication among the ICAB, the CGA and the C&GA are almost non-existent. Each of these agencies have negotiated with donors separately and have approached different types of public sector accounting reforms in the past. There is a lack of coordination in the country to carry out IPSAS reforms.*

Informants also alluded to the recruitment requirements of government accountants being another element stifling the implementation of the Cash Basis IPSAS in the country. Public administrators, both specialised and non-specialised (technical), in the country are recruited through the Bangladesh Civil Service (BCS) examination. There is no provision which mandates the candidate to possess prior education and training in accounting and finance should they wish to attend the BCS to become an accountant. Most of the public sector accountants in Bangladesh have, therefore, different academic backgrounds other than accounting and finance, the following statement of a high-level executive (director) at the Controller General of Accounts (CGA) serving as an example:

> *We* [the CGA] *usually recruit a general cadre from various disciplines. Most of the employees at the CCG have not studied accounting at all. Obviously, these employees are reluctant to embrace drastic changes, as they have no background of accounting.*

Another issue contributing to the delay and silent resistance to the Cash Basis IPSAS concerns a lack of training opportunities available to government accountants. For instance, the World Bank (2007) states that the State Account Department (SAD) of Sri Lanka has established a separate unit, i.e. the ‘Management Training Unit’ (MTU), with a view to promoting training of government accountants and administrators on the technical aspects of accounting, including IPSASs. A large number of government accountants and administrative officers in Sri Lanka have been offered scholarships through the MTU to pursue postgraduate diplomas and master degrees in public sector accounting in universities within the country and abroad (State Account Department, 2008; Adhikari et al., 2013). The MTU has also arranged experience-sharing tours providing public administrators and accountants with the opportunity to observe public sector accounting reforms in developed countries, mainly in New Zealand and Australia. Such an effort to provide training to government accountants and make them aware of international development in public sector accounting is virtually non-existent in Bangladesh. Hesitation among government accountants to embrace a technical accounting reform, such as the Cash Basis IPSAS, is perhaps not a surprise. What is interesting is, however, a rather different approach that the Financial Management Academy (FMA), a training wing of the central government, told us about in terms of the training needs of IPSASs. An executive at the Financial Management Academy (FMA) commented:

> *It is quite unrealistic to launch training programmes on IPSASs for government accountants/officials prior to their implementation across government agencies. Therefore, we have not provided any training on IPSASs and are waiting for the implementation of IPSASs.*

The above statement provides evidence that implementing the Cash Basis IPSAS has never really become an important issue and a priority in the country, at least until recently. Neither has there been any debate and discussion about the need for IPSASs, nor has there been any preparation and arrangement, for instance, education and training of government accountants, both by government agencies and the ICAB, activities which are reckoned to be prerequisites for the successful implementation of IPSASs. This is not only at state and professional levels; we were also told that the universities and higher-education institutions in Bangladesh have yet to include IPSASs on their curricula, the following statement of an academic serving as an example:

> *Without proper coordination and planning, it is not possible to implement technical accounting reforms such as IPSASs. Look at our education both at the undergraduate and graduate levels; IPSASs are not yet introduced in detail in the curriculum. This seems to be an alien reform to us.*

We were told that the ICAB has now forged collaboration with the Institute of Chartered Accountants of Sri Lanka to develop course materials on public sector accounting and different aspects of IPSASs for the Controller General of Accounts (CGA) and the Offices of the Comptroller and Auditor General (C&AG) officials. However, to what extent government accountants would be motived to attend such courses and training has remained an issue. For instance, the World Bank (2015) states that the attendance of government accountants in training programmes was frustrating and that on many occasions the course materials had to be sent to absentees electronically. As such, a question has been raised about the sincerity of government officials in pushing IPSAS reforms further. A chartered accountant representing an independent accounting firm remarked:

> *A number of factors contribute to the failure of IPSAS adoption. Lack of coordination among different authorities is very high in Bangladesh. Consensus and a lack of sincerity amongst the government stakeholders are clearly visible from a standard setting to offer training on standards and implementing them in practice.*

As discussed by scholars (Hepworth, 2015 and 2017), the adoption of the Cash Basis IPSAS has been conceived in Bangladesh as an entirely technical reform and the 'on-the-ground reality' of the country, which can have a decisive role in materialising the reform in practice, has largely been marginalised. There is a lack of collaboration between the CGA, the C&GA and the ICAB in advancing IPSAS reforms, education and training on IPSASs are non-existent, both at the professional and academic levels, and there are no available incentives to government accountants and officials to pursue reforms. Similar to other countries in the region, for instance, Nepal and Sri Lanka (Adhikari et al., 2013), we have envisaged that tensions and conflicts have been instigated between the officials at the CCG and the ICAB due to the varied viewpoints that their representing agencies have held about the significance of the Cash Basis IPSAS in the country. While the ICAB, echoing the voices of regional professional bodies and international organisations, has intensified normative pressures for the adoption of the Cash Basis IPSAS, the CGA tends to resist the standard, although the resistance on certain occasions is undeliberate. We may assume that Bangladesh may be moving towards the same path that other emerging economies have taken by considering the Cash Basis IPSAS and a possible migration towards accrual accounting as means of external legitimacy, and decouple them in practice.

Discussion and Conclusion

Drawing on neo-institutional theory (DiMaggio and Powell, 1983; Meyer and Rowan, 1977), we have in this paper investigated the adoption and implementation of the Cash Basis IPSAS in the central government of Bangladesh. The use of institutional theory has helped us demonstrate different types of institutional pressures that Bangladesh has experienced from the World Bank, development partners and the ICAB for the adoption and implementation of the Cash Basis IPSAS. We have extended the application of institutional theory in the context of emerging economies by delineating the agential responses towards the institutional pressures for the Cash Basis IPSAS in the country. Such agential factors have resulted in increasing resistance at organisational level, delaying and decoupling the implementation of the standard, as intended by the government, the World Bank and development partners.

The extant work in public sector accounting in emerging economies delineates the fact that the Cash Basis IPSAS has become a key accounting reform agenda of the World Bank for emerging economies. The Cash Basis IPSAS has been propagated as a means of improving governance and accountability in emerging economies and of elevating the capacity of these countries to take a transition towards the accrual basis IPSASs in the long run (Adhikari et al., 2015; Hepworth, 2015). As is the case in other countries in the region (Adhikari and Mellemvik, 2010), the World Bank (2007) has pointed out several drawbacks of the existing cash accounting and reporting in the central government of Bangladesh and recommended the Cash Basis IPSAS as a means of rectifying these limitations. The existence of coercive pressure by the World Bank can be easily traceable given the short timeline that the central government has set up for preparing financial statements of central level and other non-specialised agencies, following the requirements laid down in the Cash Basis IPSAS. Despite the fact that the country was in the process of setting up basis infrastructures for its existing cash accounting and reporting practices, for instance, the computeristing of accounting information through the adoption of the iBAS, developing accounting codes so as to maintain consistency in executing the budget and preparing an integrated approach to running public finance, the proposed Cash Basis IPSAS received an immediate approval at the institutional/political level of the country. Not only were the government officials unaware of the Cash Basis IPSAS, the country was lacking both capacity and competence to enforce the standard in government agencies. The delay experienced in Bangladesh in implementing the Cash Basis IPSAS in practice is certainly not a surprise.

We have in the paper also traced a memetic mechanism influencing the attitude of the ICAB towards the importance of the Cash Basis IPSAS. The diffusion of accrual accounting in western countries has often been linked to mindless imitation of these countries fueled by the anxiety of ensuring modernity (Hyndman and Connolly, 2011). Few (if any) cases are available in the emerging economy contexts where the professional imitation has become an important factor fueling public sector accounting reforms (Van Helden and Uddin, 2016; Hopper et al., 2017). The Cash Basis IPSAS in Bangladesh is a unique case in this regard. The ICAB's support of the Cash Basis IPSAS has increased in recent years as the collaboration and working partnership between the institute and regional professional bodies have strengthened. As a result, the potency of normative pressure coming from the ICAB has steadily augmented in the public sector of Bangladesh. The way how the professional imitation has taken a form of normative institutional pressure in Bangladesh perhaps offers a theoretical contribution to the conversation in neo-institutional theory casting light on public sector accounting in emerging economies (Lassou, 2017; Goddard et al., 2016; Adhikari et al., 2013; Harun et al., 2012). However, along with the strengthening of the potency of institutional pressures for the Cash Basis IPSAS, there has also been resistance and tensions amongst the stakeholders. Different approaches towards the Cash Basis IPSAS are now distinct in the central government of Bangladesh. In this regard, differences between Bangladesh and other emerging economies have been narrowed and there is a risk, as experienced in other emerging economies, that the very adoption of the Cash Basis IPSAS may remain more a rhetoric than a reality in the country. Delay, resistance and decoupling have become a feature of IPSAS reforms occurring in Bangladesh.

Our contribution to the public sector accounting literature is twofold. Firstly, we have demonstrated that Anglo-Saxon legacies do not necessarily provide impetus for the dissemination of neo-liberal reforms, such as accrual accounting and IPSASs. The extent to which professional accountants and their associations participate in reforms determines the public sector accounting reform trajectories in emerging economies. For instance, the active presence of professional bodies in IPSAS reforms is distinct in Nepal and Sri Lanka. The Institute of Chartered Accountants of Nepal was given the task of developing public sector accounting standards corresponding to the Cash Basis IPSAS (Adhikari et al., 2015). The Institute of Chartered Accountants of Sri Lanka has established a separate wing so as to offer training to government accountants in different aspects of the IPSAS and has started developing the accrual basis public sector accounting standards corresponding to IPSASs (Yapa and Ukwatte, 2015; Nagirikandalage and Binsardi, 2015). The engagement of professional accountants has become a key factor resulting in conflicts and resistance in implementing the Cash Basis IPSAS in Nepal and accrual IPSASs in Sri Lanka (Adhikari et al., 2013). Such tensions and conflicts were not visible in Bangladesh until recently as the ICAB was not an active player in the public sector and the adoption of the Cash Basis of IPSAS has remained a relatively silent movement when compared with other emerging economies in the region, mainly Nepal and Sri Lanka. We argue that the engagement of professional accountants and their agencies seems to be the key cause leading to tension, resistance and unintended consequences (e.g. delay) in public sector accounting reforms in emerging economies.

Next, we have added to the extant work on public sector accounting in emerging economies the true nature of international organisations, mainly the World Bank. Hepworth (2015) states that international organisations are mainly driven by their own interests, for instance, injecting more loans and aid to emerging economies, and they are constantly in search of the opportunities and tools to execute this objective. The Cash Basis IPSAS has turned out to be a tool for these organisations through which to exert their influence (i.e. public finance expertise) and release loans and grants in the name of governance and accountability improvements in emerging economies. The interests of these organisations are not aligned with public sector accounting requirements of emerging economies and have therefore resulted in delay and unintended consequences when implemented in practice. On this view, we raise a question as to whether the Cash Basis IPSAS could be an appropriate reform measure for the government of Bangladesh. Studies show that reforms driven by indigenous administrators have become more instrumental in emerging economies than the externally propagated changes, such as IPSASs and accrual accounting (Lassou and Hopper, 2016; Lassou et al., 2018). The forceful adoption of IPSASs to meet the conditions of the World Bank has resulted in disastrous results in many African countries, promoting corruption, patronage politics and neo-patrimonialisms, recent studies being examples in this regard (Bakre et al., 2017; Hopper et al., 2017; Goddard et al., 2016; Nyamori et al., 2017). What is important is to advance incrementally those public sector accounting reforms that local administrators have identified as important, that they could cope with their existing knowledge and capacity and that they are interested in engaging with the reform process.

Such reforms, for instance, implementing the iBAS in our research setting, have the potential to become successful and materialise in practice.

That local participation and engagement could lead to a successful implementation of reforms is evident in countries such as Benin and Ghana (Lassou, 2017). IPSASs are reforms solely promoted by the World Bank and other international organisations, being the key sponsors of the programmes of the International Public Sector Accounting Standard Board (IPSASB). Since the World Bank is not an accounting institution, accounting professionals and their organisations have been used to disseminate the rhetoric of IPSASs in improving accountability and governance, a rhetoric that has drawn critics even in western countries, let alone emerging economies (Hyndman and Connolly, 2011; Hepworth, 2017; Ezammel et al., 2014; Wall and Connolly, 2016). In fact, the IPSASB has acknowledged that the current version of the Cash Basis IPSAS does not best suit the requirements of emerging economies (IPSASB, 2017). A number of provisions of the standard provided are far too complex for emerging economies, in particular, the consolidation, external assistance and third-party payment requirements. In the revised version of the Cash Basis IPSAS, which will be enforced from 2019, many such ambiguous requirements have been made voluntary by relocating them to part 2 of the standard (IPSASB, 2017). However, as Van Helden and Uddin (2016) have argued, each emerging economy represents a unique sociopolitical and economic condition, and therefore we call for further studies of the implementation of the Cash Basis IPSAS to extend our understanding of public sector accounting reforms in emerging economies, as well the role played by international organisations and professional accountants in different developing countries to institutionalise their interests and domination.

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Appendix A Distribution of Interviewees

Position of interviewees	Interviewees offices	Number of Interviewees 2016-17	2018
High-level executives and elected member of the ICAB Governing Council	The Institute of Charted Accountants of Bangladesh	3	
Senior-level executives	Ministry of Finance	3	2
High-level executives & executives	The Controller General of Accounts (CGA)	3	
High-level executives & executives	The Offices of the Comptroller and Auditor General (C&AG)	2	

High-level executives & executives	Financial Management Academy	2	
High-level executives & executives	Financial Management Reform Project	2	
Senior practitioners (Chartered accountants)	Independent Accounting Firms	3	
Academics	University of Dhaka	3	

Table 1: **Public Sector Accounting Reforms in Bangladesh**

Year	Major reforms announced/undertaken	Key actors instigation reforms
1972	The Constitution of the People's Republic of Bangladesh (Articles from 80 to 92)	Bangladesh Government
1974 – 1975	The Comptroller and Auditor General (Functions) Act of 1974 and the Amendment Act of 1975	Bangladesh Government
1985	Restructuring of the Office of the Accountant General and the establishment of the CGA.	
1990	Formulation of the Committee on Reforms in Budgeting and Expenditure Control (CORBEC)	Ministry of Finance, The World Bank
1995	Establishment of the Reform in Budgeting and Expenditure Control Project (RIBEC) (Aims at improving the existing accounting/budgeting rules and regulations; developing accounting codes and manuals; setting up new digital classifications and charts for government budgeting and accounting; and computerisation of government accounting at the CGA)	As recommended by the CORBEC Committee
1996	Revise and update public sector accounting codes	Department for International Development (DFID)
2001-02	Setting up governmental audit codes, auditing standards, code of ethics for accountants and auditing and manuals for audit directorates	UNDP, DFID and Netherland Government
2006	Development and adoption of a public finance management vision	The World Bank, and DFID
2007 – 2018	Setting up a project for 'Strengthening Public Expenditure Management Programme, (SPEM)	Multi-donor fund (DFID, DANIDA, EU and the World Bank)
2009	Enation of a Public Finance and Budget Management Act	Bangladesh Government
2009	Introduction of an 'Integrated Budgeting & Accounting Systems (iBAS)'	Bangladesh Government and multi-donor fund
2013	Issuance of a Draft Financial Reporting act.	Upon recommendations of the World Bank and development partners
2013	Working partnership between the ICAB and the ICASL on IPSASs	ICAB upon the funding of the World Bank
2015	Approval of Financial Reporting Act 2015 (the formation of a committee for the standards setting of financial reporting is	Bangladesh Government and the

	included))	recommendations of the World Bank