



Perceptions on Public Sector Reporting Practices in Bangladesh: Issues and Challenges in Implementation

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ABSTRACT

Public sector reporting is defined as financial reporting prepared by public entities to provide information to interested users about the entity that is useful for decision-making purposes. The main objective of this study is to examine accountants' perceptions regarding public sector reporting practices in Bangladesh. In addition, important factors such as issues and challenges affecting the implementation of public sector reporting were also considered. Primary data were collected from the accounting officers or managers, independent chartered accountants, and independent cost and Management accountants in different institutions. Research data was collected through surveys using questionnaires. Published research papers, relevant websites, and newspapers were also used to prepare this article. The findings reveal that public sector reporting practices in Bangladesh are not well recognized and established in all public sectors. At present, a few institutions have practiced public sector reporting in their organizations, but they are insufficient to fulfill the demand of interested users. Most of the organizations have not disclosed their annual reports or published them on their websites for interested users. It also found that public entities faced many challenges in implementing public-sector reporting. Most of them are insufficient knowledge about public sector reporting, lack of proper policy and guidelines, lack of IT facilities and IT support, delay in production of documents, unawareness of accountability among employees, high implementation costs, pressure from the top-level authority, fear of disclosure of anomalies, etc. The study recommended that to improve public sector reporting practices in Bangladesh, the proper authority needs to take the initiative to overcome these obstacles.

Keywords: Perceptions, Public sector reporting, Public Accountants, IPSAS

1.1. Introduction

In the public sector, financial control includes reporting and accounting. The official financial reporting system used by governmental and nonprofit entities is known as governmental accounting. (Sarkar, 2019). The entire government and its various agencies, divisions, and enterprises are involved in financial activity. Tax and non-tax revenue obtained from the nation's citizens is the primary funding source. Hence, it is important to guarantee that the fund is used in a proper and appropriate manner. (Hakeem, 2012).

Ensuring transparency, accountability, stability, and justice in the handling of public funds is the goal of recording and reporting financial transactions in government and nonprofit organizations. (Bank, 2012). The Financial Reporting Act 2015 was finally passed by the Bangladeshi parliament on September 6, 2015, after significant delay, to increase transparency and accountability in financial reporting activities (Chan, 2003). To increase transparency within the organizations, the Financial Reporting Council (FRC) has proposed criteria that would be imposed on all regulatory agencies, public universities, state-owned corporations, councils, trusts, and boards. It will additionally keep an eye on the work of the nation's Chartered Accountants and Cost and Management Accountants.

The office of the Comptroller General of Accounts (CGA) in Bangladesh is responsible for overseeing the governmental accounts and compiling financial statements when a fiscal year has ended. The Comptroller and Auditor General (CAG) office of Bangladesh reviews the financial records of the government. (Islam). The International Federation of Accountants (IFAC) submitted the "Guideline for Governmental Financial Reporting" in 1998 as part of the public accounting transformations and the adoption of accrual accounting in the public sector to help governments at all levels prepare their financial reports on the accrual basis. (Adhikari et al., 2013; Chakraborty et al., 2017).

The Institute of Chartered Accountants of Bangladesh (ICAB) is the only accounting body recognized by the government for promulgating accounting standards. The Financial Reporting Standards prescribed by the Institute of Chartered Accountants of Bangladesh (ICAB) are known as Bangladesh Financial Reporting Standards. BFRS is closely modeled on International Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board. The members of ICAB are in charge of improving the professional skills and expertise of public sector accountants, auditors, and assessors in order to provide high-quality reporting services in the public interest (Islam & Dellaportas, 2011). The functions of professional accounting bodies and accountants in addressing concerns with public sector reporting in the context of Bangladesh. The creation and

presentation of financial reports that are significant to stakeholders like creditors, the SEC, and stock market regulators are not significantly influenced by Bangladeshi accountants (Uddin & Chowdhury, 2008).

For financial reporting by governments and other public sector entities globally, the International Public Sector Accounting Standards Board (IPSASB) issues International Public Sector Accounting Standards (IPSAS). These guidelines include 32 IPSAS with an accrual basis that is used by public sector organizations to prepare their financial accounts. (Belal, 2001). Based on double-entry bookkeeping, which is regarded as a scientific methodology, IPSASs were developed. Measures the reality of the financial situation is the double-entry accounting system (Sarkar, 2019). Bangladesh adheres to IPSAS's cash foundation only loosely while preparing its government accounts. (Ataur, 2001).

Previous studies suggest that blockchain technologies influence business strategies significantly (Bhuiyan et al., 2024). For example, a similar kind of work was done by Uddin and Bhowmik (2023) to understand the behavioral intention of auditors to adopt blockchain technology. In Bangladesh, the vast majority of public universities use a cash basis of accounting, generated receipts and payments accounts, and bank reconciliation statements. All universities keep payment vouchers, but the majority of them don't value and record fixed assets, and half don't set up debt receipts and payment accounts. (Hakeem, 2012).

In Bangladesh, cash-based accounting is used to generate government accounts (Chowdhury, 2012), and excess amounts of free cash flow influence reporting practices and quality in firms (Saha et al., 2016). Information about the funding sources, the intended uses for the funds, and the remaining balance at the reporting date is included in the financial statements that are prepared using the cash basis of accounting. (Hakeem, 2012). Firm performance is also associated with the reporting efficiency or the reporting quality of the companies. So, the issues, including the environmental factors in the firms or the holding of shares by foreign investors or institutional investors, also impact the firm performance (Saha et al., 2024; Ali et al., 2023). There are various traps with cash-based accounting. It neglects asset management and accrues debt, liabilities in the future, and contingent liabilities (Chowdhury, 2012)(Zafarullah & Siddiquee, 2001). As a result, the government of Bangladesh should take action to order the C&AG to adhere to the full accrual basis of IPSAS since doing so promotes enhanced accountability, more transparency, and increased credibility for the public sector. (Rajib et al., 2019).

1.2. Objective of the Study

The main aim of the study is to find out the perceptions of accountants of different public institutions on public sector reporting practices in Bangladesh, along with the issues and challenges in the implementation of public sector reporting. To attain the main objective, the following subsidiary objectives are set out:

- To assess the present reporting practices of public sector entities in Bangladesh.
- To examine accountants' perceptions of issues and challenges in the implementation of public sector reporting.

2.1. Literature Review

The methodology of this literature review was adopted from Bhowmik (2021). In Bangladesh, the function of accounting was developed during the British colonial period. Constitutional Reforms in 1919 and the Government of India Act of 1935 put the need for appointing an independent auditor general. The comptroller and Auditor General (C& AG) of Bangladesh is responsible for the accounting functions of government entities. The C&AG (additional function) Act 1974 provides C&AG with the responsibility of recording government accounts and commercial accounts and maintaining accounts of public enterprises. (Zafarullah & Siddiquee, 2001). The Appropriation Accounts and the Financial Accounts make up the republic's accounts. The three forms of appropriation accounts, Defense and Railway Accounts, show the expenditure status of a specific Ministry. The Controller General of Accounts (CGA), Controller General of Defense (CGD), and Additional Director General Railway (ADGR) are responsible for compiling these accounts, respectively. The financial account is the government's balance sheet, maintained under cash-based accounting, and incorporates cash and other government balances.

The Companies Act of 1994 established the fundamental standards for financial reporting for all companies in Bangladesh. At present, two regulatory bodies represent it: The Institute of Cost & Management Accounts of Bangladesh (ICMAB) and the Institute of Chartered Accountants of Bangladesh (ICAB). The ICMAB supports the creation, acceptance, and application of International Financial Reporting Standards (IFRS) in Bangladesh. On the other hand, the ICAB provides financial reporting standards for Bangladesh, known as Bangladesh Financial Reporting Standards (BFRS). The International Public Sector Accounting Standards Board (IPSASB) issues International Public Sector Accounting Standards (IPSAS) for financial reporting by government and other public sector entities around the world. These standards include 32 accrual basis IPSAS, which are applied by public sector entities in the preparation of financial statements. In the preparation of government accounts, Bangladesh follows the cash basis of IPSAS lightly.

Public companies in the United Kingdom can be divided into two groups. The first group is those companies that voluntarily issued quarterly reports before 2007. The second group is those companies that issued quarterly reports later in 2007 in response to the new UK requirement (Uddin & Tsamenyi, 2005). All public companies, including the National Health Service, local authorities, and central government departments, prepare their financial reporting as per Generally Accepted Accounting Practice in the UK (UK GAAP), accounting standards established by the UK's Financial Reporting Council (FRS) (Goddard, 2010). Now, the government wants to implement an accrual basis of IPSAS in the UK public sector. However, it is found that the implementation of an accrual basis is complex, time-consuming, and expensive (van Helden & Uddin, 2016). The United States of America's public sector uses accounting rules that are generally in line with IPSAS. The U.S. The government's consolidated financial accounts were created by using

GAAP. These statements consist of sustainability financial statements as well as accrual-based financial statements (Jacobs, 2012). Furthermore, the motivation of the employees in the firms and infrastructural solidity in the firms also affect the progress of the firms and their practices (Bhowmik et al., 2017)

The 50 States that comprise the United States of America each have substantial financial and administrative autonomy. The federal government, the state, and the local government are the three distinct governing bodies that can be named. At the moment, the Government Accounting Standards Board (GASB) plays an important guiding role; its statements allow for the improvement of financial accounting standards and assist users in obtaining data to evaluate the financial position and accountability of their government. (Alam, 1997). In Australia, the federal system ensures that every level of government is considered separate from one another for accounting and reporting purposes. They follow the accrual basis of accounting, and it is mandatory to provide comprehensive financial reporting at all levels of government. As per Australian Equivalents to International Financial Reporting Standards (AEIFRS) and Government Financial Statistics (GFS), all public entities prepare and maintain their financial reporting. (Broadbent & Guthrie, 2008).

New Zealand was the early adopter of accrual-based accounting in public organizations. The FRS 48 Service Performance Reporting standard was released by the New Zealand Standards Board. According to this standard, all public sector reporting entities must explain why they exist and what goals they have for the medium to long term in their general-purpose financial reports. They concentrated on creating a standard based on principles that provide the entity the freedom to decide how to present its service performance story. (Rahaman & Lawrence, 2001). Germany has three tiers of government that make up public administration: the federal government, the 16 state governments, and the local governments (over 11.000 municipalities). Governmental budgeting, accounting, and auditing at all three levels of government are marked due to the federal system. The Federation and state governments implement accrual accounting. States that have switched to accrual accounting must continue to report cash-based information for finance statistics purposes, as it was mandatory by the Finance and Personnel Statistics Law. (Barton, 2005).

Local governments (8108 municipalities), regional governments (Rahaman & Lawrence, 2001), and the national government make up Spain's three tiers of public administration. The three levels of government exhibit a high degree of homogeneity in their budgeting, accounting, and auditing processes. Spanish accounting follows IFRS to the letter and uses the General Accounting Plan (GAP) (Brusca et al., 2013). The central government is responsible for determining standards for both the business and public sectors. Accounting standards for business accounting and audit are prepared by the Spanish Institute of Accounting and Auditing (IAA) (Benito et al., 2008). Using limited resources effectively is crucial to organizational success (Bhuiyan & Mazumder, 2024). Russia wants to establish new public management (NPM) in the public sector in order to use resources more effectively and efficiently, place a stronger emphasis on output, and achieve higher performance. For this, it is necessary to transform the cash basis to the accrual basis of accounting along with the shift of orientation financial reporting. So, an integrated financial reporting system must be need created, implemented, and supported (Timoshenko & Adhikari, 2009).

Finland implements both cash-based and accrual-based methods to control public tax money and budget implementation. Finland Government Accounting Board (FGAB) issues Finland's central government accounting system to record financial transactions and provide financial reporting information. (Oulasvirta, 2010). In the Malaysian context, The New Economic Model (NEM) 2011-2020 was presented by the Malaysian government in 2010 with the goals of creating "high-skill human capital, efficient public services, and fair opportunity for all Malaysians." (Babatunde, 2017). Since 2011, Malaysia has taken a number of measures to adopt accrual accounting. For this, the Government Accounting Standards Advisory Committee (GASAC) was established to review the laws, rules, regulations, and existing policies. (Gomes et al., 2019). Significant political and economic changes have been implemented in Indonesia with the aim of enhancing accountability and fostering clearness with respect to public sector operations. As a result of these reforms, government offices at the federal and local levels are now obligated to use accrual accounting, perform independent audits, and provide disclosure. (Harun et al., 2015).

Two accounting systems, cash basis, and accrual basis, are encouraged in Nigeria to support efficient financial reporting of public sector organizations. The cash basis of accounting does not provide a true and fair view of government activities because it is difficult to measure actual revenue and losses as total revenue in a given fiscal year is unknown. So, they promote the accrual basis of accounting to give effective financial reporting of public sector entities in Nigeria (Ademola et al., 2020). In Sri Lanka, the general treasury has an important role to play in implementing public sector accounting standards and best practices. According to government accountants, these standards are not in an effective or efficient position. Government accountants emphasized that proper education and training about the use of public sector accounting standards will result in effective and efficient usage of the standards and the adoption of the accrual basis in the public sector (Sutcliffe, 2003). Although developing countries are lagging behind in many cases (Bhuiyan et al., 2024), Nepal, as a developing country, has attempted to introduce public sector accounting. Reforms by establishing New Public Management (NPM) trends. For public sector accounting reporting, the Nepali government has taken the initiative to follow cash-based IPSAS along with Nepali Public Sector Accounting Standards (NPSAS) (Adhikari et al., 2015).

India's Government currently uses cash-based accounting, which is unable to provide complete information to users for decision-making. The government takes the initiative to establish accrual-based accounting for the public sector. Now, the Indian Government Financial Reporting Standards (IFRS) are followed by public entities to prepare their financial reporting. (Ashoka & Aswathy, 2020). Cash basis reporting is the official standard for the public sector in Pakistan. The Controller General of Accountants ordinance of 2001 created the Auditor General's authority to require the use of IPSAS by all provincial government agencies. (Muraina & Dandago, 2020). Pakistan recently updated its public sector reporting system. Through the Project to Improve Financial Reporting & Auditing (PIFRA), the Federal Government of Pakistan (GOP) has put the changes into practice.

Bangladesh's administrative system is divided into three main divisions: the national, provincial, and local levels. In the aforementioned three administrative systems, reporting procedures for the public sector differ. The majority of public sector organizations prepare their accountants using a

cash basis. (Anojan, 2019) .The majority of public sector organizations do not prepare statements of financial position. Because of this, such a public sector organization is unaware of its total assets and liabilities. (Christiaens & Van Peteghem, 2007). Bangladesh's accounting and auditing practices are based on cash-based accounting, which is less transparent and accountable than international public sector accounting practices and lags behind in disclosing the economical, efficient, and effective use of public resources. (Sundewall & Sahlin-Andersson, 2006) . Moreover, some basic disclosures by the firms related to the performance ratios are also associated with the reporting practices (Uddin & Mazumder, 2016).

It has been discovered that Bangladesh's public sector adheres to IPSAS's cash basis only loosely. The cash basis of accounting is the main accounting theory used when creating government financial statements. Government accounts do not take accrued revenues and costs into account (Islam). The research on government reporting systems reveals that accrual accounting is more widely used in European continental nations, including Belgium, Germany, Spain, and Switzerland. The Anglo-American nations of Sweden and Finland demonstrate progress toward the adoption of accrual accounting. Accrual basis reporting is used in industrialized nations, including Australia, Canada, New Zealand, and the UK (Barrett, 2004; Rahaman & Lawrence, 2001). Bhutan, the Maldives, Nepal, India, Pakistan, and Sri Lanka are all in the process of implementing IPSAS' full accrual system of accounting in addition to Bangladesh (Chowdhury & Innes, 1998). Research work related to similar issues like corporate governance played a key role in adopting new rules and regulations (Bhowmik & Islam, 2013)

From the above literature reviews, it is observed that different studies have been made in the areas of budget allocation and use in the public sector, public-sector accounting and governance, public accounting reforms, budget allocation of public universities, etc. However, no studies have been made on the perceptions of public sector reporting practices in Bangladesh: Issues and Challenges in Implementation. So, there is a research gap, and it's really a significant issue in the field of research. Hence, to fulfill the research gap, the researcher has selected the topic "Perceptions on Public Sector Reporting Practices in Bangladesh: Issues and Challenges in Implementation."

3.1 Methodology

The study is descriptive in nature and is about the public sector reporting practices in Bangladesh. This report was prepared based on primary and secondary data. The primary source comprised responses through a survey of independent chartered accountants, independent cost and management accountants, audit officers, and accountant officers or managers from different public universities, companies, organizations, and institutions. The respondents who had valid e-mail addresses were issued an invitation to participate in this study, along with a structured questionnaire that consisted of 15 questions. In this process, 80 survey questionnaires were issued to the respondents; a total of 40 members responded to the questionnaire, which represents a response rate of 50 percent. On the other hand, secondary sources are various sources such as published research papers, government publications, different reports and magazines, the Internet, and relevant websites. Besides these, the Garrett Ranking Method was adopted to rank the causes of denial of public sector reporting practices in Bangladesh. For this, the researcher calculates the percent position by using a formula. According to the percent position, calculate scores and mean values, and finally rank the challenging factors based on their mean values.

4.0 Analysis and Discussion

4.1. Public Sector Reporting Practices in Bangladesh:

Table 4.1 shows the awareness of the public sector reporting system in Bangladesh. Among the 40 respondents, 39 are aware of the public sector reporting system in Bangladesh, which represents 97.8% of the total respondents, while only one respondent is not aware of the system, which represents 2.2% of the total respondents

Table 4.1 Awareness of Public Sector Reporting

Responses	Frequency	Percentage
Yes	39	97.8
No	1	2.2
Total	40	100

Source: Developed by Author

Table 4.2 shows the accounting basis followed by the entity. Among the 40 respondents, the cash basis of accounting is followed by 16 respondents, the accrual basis of accounting is followed by 11 respondents, and 13 respondents use both (Hybrid) bases of accounting to record transactions in their organization. In terms of percentage, 40%, 28.6%, and 31.4% are used for cash, accrual, and both bases of accounting, respectively.

Table 4.2 Accounting Basis followed by the entity

Responses	Frequency	Percentage
Accrual Basis	11	28.6

Cash Basis	16	40
Both Basis (Hybrid)	13	31.4
Total	40	100

Source: Developed by Author

Table 4.3 shows the International Financial Reporting Standards followed by the organization. Among the respondents, about 57.8% follow IFRS in their organization, which represents 23 of the total respondents. Apart from this, about 42.2% of respondents do not follow IFRS in their organization, which represents 17 of the total respondents.

Table 4.3 IFRS followed by the organization

Responses	Frequency	Percentage
Yes	23	57.8
No	17	42.2
Total	40	100

Source: Developed by Author

Table 4.4 represents the current public sector reporting practices in Bangladesh, which follow international standards. About 40% of respondents agree, 35.6% disagree, 20% are neutral, and 4.4% strongly agree with this statement. Among the 40 respondents, 16 agreed that the current public sector reporting system in Bangladesh follows international standards. Apart from this, 14 respondents expressed the opinion that international standards are not followed by the current public sector reporting system in Bangladesh.

Table 4.4 Current public sector reporting follows international standards.

Responses	Frequency	Percentage
Strongly disagree	00	00.0
Disagree	14	35.6
Neutral	08	20
Agree	16	40
Strongly agree	02	4.4
Total	40	100

Source: Developed by Author

Table 4.5 states that 28 respondents agree with the statement that International Public Sector Accounting Standards (IPSAS) provide more relevant information than conventional standards, which represents 68.9% of the total respondents. About 7 respondents strongly agree, 4 are neutral, and one disagrees with this statement. As a percentage, it represents 68.9%, 17.8%, 8.9%, and 4.4% who agree, strongly agree, neutral, and disagree, respectively, with this statement.

Table 4.5 IPSAS provides more relevant information

Responses	Frequency	Percentage
Strongly disagree	00	0.0
Disagree	01	4.4
Neutral	04	8.9
Agree	28	68.9
Strongly agree	07	17.8
Total	40	100

Source: Developed by Author

In Table 4.6, the researcher wants to know from the respondents whether principles prescribed by International Public Sector Accounting Standards (IPSAS) for the public sector ensure more transparency and accountability. Among the 40 respondents, 25 respondents believed that principles prescribed

by IPSAS ensure more transparency and accountability. Apart from this, 11 respondents strongly agree, 3 disagree, and one is neutral with this statement, which represents 26.7%, 6.7%, and 4.4% of total respondents, respectively.

Table 4.6 IPSAS ensures more transparency and accountability

Responses	Frequency	Percentage
Strongly disagree	00	0.0
Disagree	03	6.7
Neutral	01	4.4
Agree	25	62.2
Strongly agree	11	26.7
Total	40	100

Source: Developed by Author

In Table 4.7, the researcher wants to know whether the IPSAS are adopted by the respondents' organization. Among the 40 respondents, only 13 adopted IPSAS in their organizations, which indicates 33.3% of the total respondents. On the other hand, about 66.7% of the total respondents didn't adopt IPSAS in their organizations, which indicates 27 of the total respondents.

Table 4.7 IPSAS adopted by the entity

Responses	Frequency	Percentage
Yes	13	33.3
No	27	66.7
Total	40	100

Source: Developed by Author

The researcher seeks to determine whether the entity's organization prepares its annual report in accordance with IPSAS, as shown in Table 4.8. About 64.4% of respondents prepare their annual report in accordance with international public sector accounting standards, which represents 26 of the total respondents. Apart from this, about 35.6% of respondents didn't prepare an annual report as per IPSAS, which represents 14 of the total respondents.

Table 4.8 Annual report prepared as per IPSAS

Responses	Frequency	Percentage
Yes	26	64.4
No	14	35.6
Total	40	100

Source: Developed by Author

In Table 4.9, the researcher asks the respondents whether their employers provide them with any IPSAS education or training. About 32 out of the 40 respondents—or 80% of the total—did not receive any IPSAS education or training from their organizations. On the other hand, only 8 respondents, or 20% of the total, say that their companies provide them with IPSAS education and training.

Table 4.9 Education and training on IPSAS

Responses	Frequency	Percentage
Yes	08	20
No	32	80
Total	40	100

Source: Developed by Author

In Table 4.10, the researcher wants to know whether the respondent's entity discloses its annual report to interested users. As a percentage, 55.6% of entities disclosed their annual report to interested users, which indicates 22 of the total respondents, while 44.4% of entities didn't disclose their annual report to interested users, which indicates 18 of the total respondents.

Table 4.10 Disclosure of annual report to interested users

Responses	Frequency	Percentage
Yes	22	55.6
No	18	44.4
Total	40	100

Source: Developed by Author

In Table 4.11, the researcher wants to know if the entity uploads its annual report to its website. A total of 16 respondents, or 40% of the total, agreed with the statement that their organization posts an annual report on the website. The remaining 24 responders, or 60% of the total, disagreed with the other responses, and they did not upload annual reports to the website.

Table 4.11 Upload the annual report on the website

Responses	Frequency	Percentage
Yes	16	40
No	24	60
Total	40	100

Source: Developed by Author

In Table 4.12, the researcher asks the respondents if there are high implementation costs associated with public sector reporting. The majority of the respondents - 73.3% believe that implementing public sector reporting will be expensive, with 29 of the 40 respondents holding this opinion. However, 11 respondents, or 26.7% of the total respondents, did not concur with the assertion.

Table 4.12 Reporting requires high implementation cost

Responses	Frequency	Percentage
Yes	29	73.3
No	11	26.7
Total	40	100

Source: Developed by Author

The public entities faced numerous difficulties when attempting to implement public sector reporting in their organizations. Some of them are presented here, and the respondents are given the option to select the issues they believe are the greatest obstacles to the implementation of public sector reporting.

In the following figure 4.1, the majority of the respondents (80%, or 32) believed that a lack of competent accounting staff was the major difficulty faced by the entity in implementing public sector reporting. Besides this, about 72.5% believed that the absence of a standard structure was another major obstacle to implementing reporting. A total of 27 respondents, or 67.5% of the total, believed that a lack of IT facilities and IT support was another reason for the denial of public reporting. Apart from this, 52.5%, 50%, and 47.5% of survey participants believed that unawareness of accountability among employees, delay in the production of documents, and fear of disclosure of anomalies, respectively, were also faced by the entity. On the other hand, about 45%, 42.5%, and 35% of respondents think that weak internal control in most organizations, pressure from top-level authority, and fear of losing confidentiality, respectively, are other major challenges faced by the public entity to implement public sector reporting.

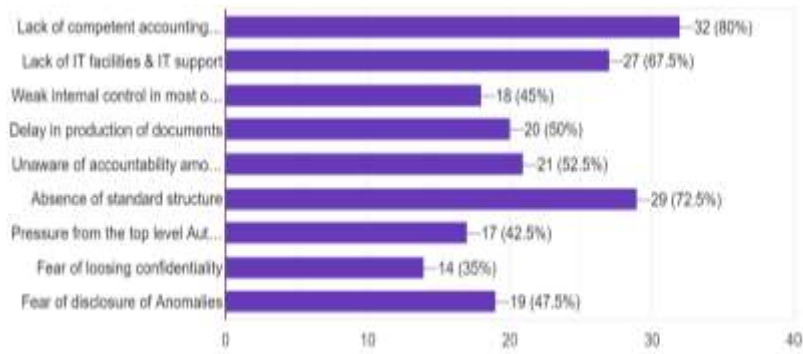


Figure 4.1: Challenges faced by the public entities regarding reporting

4.2 Garrett's Ranking Analysis

Garrett's ranking technique was adopted to find out the extent of the influence of these factors. The sample respondents were asked to rank the given challenging factors from 1 to 6, giving 1 to the highest challenging factor and 6 to the least challenging factor. The order of factors as given by the sample respondents was changed into percent positions by using the following formula:

$$\text{Percent position} = \frac{100 (R_{ij} - 0.5)}{N_j}$$

Where R_{ij} is the rank given for the i^{th} factor by the j^{th} respondent

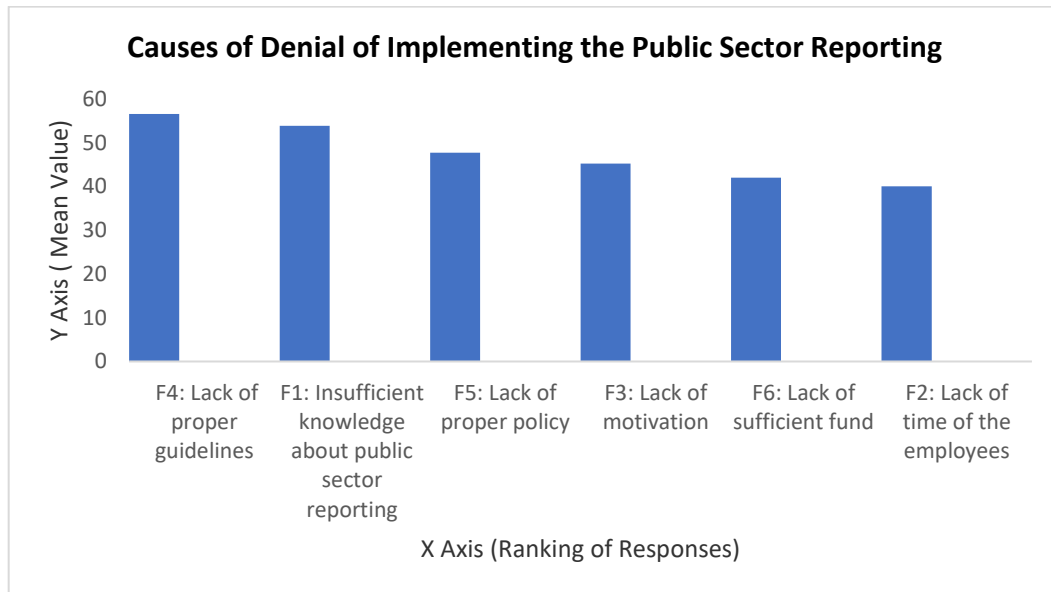
N_j is the number of factors ranked by the first respondent.

Table 4.13 Calculation of Garrett Ranking Scores

Formula	Percent	Score
$100(1 - 0.5)/6$	8.33	77
$100(2 - 0.5)/6$	25	63
$100(3 - 0.5)/6$	41.67	54
$100(4 - 0.5)/6$	58.33	45
$100(5 - 0.5)/6$	75	36
$100(6 - 0.5)/6$	91.67	23

Table 4.14 Garrett Ranking Analysis

Respondent	F1	F2	F3	F4	F5	F6
1	77	23	54	63	45	36
2	77	36	54	63	45	23
3	45	23	54	63	77	36
4	54	23	36	77	63	45
5	54	45	36	77	23	63
6	23	36	45	54	63	77
7	77	36	45	54	23	63
8	45	54	63	36	77	23
9	77	63	54	45	36	23
10	77	45	54	63	36	23
11	54	45	36	63	77	23
12	77	63	54	45	36	23
13	77	54	63	36	23	45
14	77	63	54	45	36	23
15	77	23	36	63	54	45
16	23	45	77	54	36	63
17	54	45	77	36	23	63
18	54	63	45	77	23	36
19	77	63	54	45	36	23
20	54	63	77	45	23	36
21	36	23	45	54	63	77
22	54	45	36	23	77	63
23	54	63	45	36	23	77
24	63	54	36	23	45	77
25	77	54	63	23	45	36
26	36	63	23	54	45	77
27	77	54	45	36	23	63
28	77	63	54	23	36	45
29	45	23	36	63	77	54
30	54	23	36	77	63	45
31	45	23	36	77	63	54
32	54	23	36	77	63	45
33	45	36	23	77	63	54
34	54	23	36	77	63	45
35	54	23	36	77	63	45
36	23	36	45	77	63	54
37	36	77	63	54	45	23
38	23	63	36	77	54	45
39	54	23	36	77	45	63
40	45	54	63	77	36	23
Mean	55.9	43.925	47.425	56.575	47.75	46.425
Rank	2	6	4	1	3	5



The sample respondents were asked to rank the reasons for not implementing public sector reporting on a scale of 1 to 6. The Y axis in the graph reflects the mean value of factors that were derived using the Garrett ranking technique, while the X axis in the chart represents the ordering of responses. Using the mean value of the factors as a basis, the factors are ranked as follows:

Rank-1: Lack of proper guidelines. (F4)

Rank-2: Insufficient knowledge about public sector reporting. (F1)

Rank-3: Lack of proper policy. (F5)

Rank-4: Lack of motivation. (F3)

Rank-5: Lack of sufficient funds. (F6)

Rank-6: Lack of time for the employees. (F2)

5.1 Findings

The findings reveal that public sector reporting practices in Bangladesh are not well recognized and established in all public sectors. At present, a few institutions have practiced public sector reporting in their organizations, but they are insufficient to fulfill the demand of interested users. Most of the organizations have not disclosed their annual reports or published them on their websites for interested users. It was also found that almost all public institutions followed a cash basis of accounting. Cash-based government accounting does not provide users with the complete and comprehensive information needed for decision-making. Apart from this, it was also found that public entities faced many challenges in the implementation of public sector reporting in their organizations. Most of the challenges that are faced by public entities regarding public-sector reporting are as follows:

- i. Lack of proper guidelines
- ii. Lack of proper policy
- iii. Absence of a standard structure
- iv. Insufficient knowledge about public sector reporting
- v. Lack of IT facilities and IT support
- vi. Lack of sufficient funds
- vii. Weak internal control exists in most organizations
- viii. Delay in the production of documents
- ix. Unaware of accountability among employees
- x. Lack of competent accounting and finance staff
- xi. Lack of motivation

- xii. Lack of time by the employees
- xiii. Pressure from the top-level authority
- xiv. Fear of losing confidentiality
- xv. Fear of disclosure of anomalies.

5.0 Conclusions and Recommendations

5.1. Conclusions

This study has taken an important step toward clarifying perceptions about public sector reporting practices in Bangladesh. Public sector reporting practices are needed for all public organizations to improve their accountability, transparency, and efficiency. In the literature review, it reveals that accrual accounting is more widely used in European continental nations, including Belgium, Germany, Spain, and Switzerland. The Anglo-American nations of Sweden and Finland demonstrate progress toward the adoption of accrual accounting. Accrual basis reporting is used in industrialized nations, including Australia, Canada, New Zealand, and the UK (Barrett, 2004; Rahaman & Lawrence, 2001). According to the analysis of the study, it can be seen that current public sector reporting practices and the implementation of public sector accounting and reporting standards are not in an effective and efficient position. It was also found that almost all public institutions followed a cash-based accounting system. Cash-based government accounting does not provide users with the complete and comprehensive information needed for decision-making. But the accrual system can overcome, to a great extent, the shortcomings of the cash system. The respondents suggested that proper awareness and training on public sector accounting and reporting standards, as well as the adoption of accrual-based IPSAS and IFRS, will lead to effective and efficient usage of public sector reporting practices in Bangladesh. Finally, it can be concluded that current public-sector reporting practices can be improved through the proper implementation of public-sector accounting and reporting standards in Bangladesh, and the proper authorities must take the initiative to overcome the existing obstacles in public-sector reporting practices in Bangladesh.

5.2 Recommendations

The findings show that accountants have positive attitudes toward public sector reporting practices in Bangladesh, but progress is limited due to the absence of standard structures, proper guidelines, and policies. From the analysis, it also found that very few public institutions adopt IPSAS and IFRS for their reporting purpose, whereas other institutions didn't comply with these standards. While implementing public sector reporting as per IPSAS & IFRS, some practical challenges may arise with regard to regulatory context, institutional arrangements, technical accounting, and some financial reporting issues arising from the broader development of the profession. Based on the findings, the following recommendations are proposed to enhance the public sector reporting practices in Bangladesh.

- Legal changes, along with new regulations and governance practices, are required for all public organizations (Mazumder et al., 2024). All public organizations must comply with the new rules, regulations, and governance procedures in terms of reporting.
- The proper authorities must take the initiative to overcome the technical problems that relate to the implementation of public sector reporting standards.
- In addition to the technical difficulties, the executing authority must also overcome the general difficulties in ensuring timely reporting and the quality of data needed to ensure accurate public sector reporting.
- The Institute of Chartered Accountants of Bangladesh (ICAB), as a professional institution, has to take strict action in this regard so that public sector organizations must follow International Financial Reporting Standards (IFRS) in terms of public sector reporting.
- Another factor is the institutional arrangement. Before adopting IPSAS, it is important to assess the complexity of the accounting institutional arrangements. The levels of government may have an effect on the complexity of institutional arrangements.
- Government administrators, policymakers, and professional institutions should motivate effective and efficient implementation of public sector reporting practices in Bangladesh.

6.0 Limitation of the Study

Since the questionnaires were issued through email, most of the respondents didn't participate in the survey. Many of the participants lack enough knowledge regarding public sector reporting, so they hesitate to respond to the survey questions. The study recommends future research opportunities by extending the number of respondents and arranging face-to-face interviews to explore the extended scenario of the perceptions of public accountants regarding public sector reporting. Further, as digital populism influences public sectors (Hong & Bhuiyan, 2023), the research can be extended based on data collected from social media to scrutinize how perceptions through digital populism impact public sector reporting practices.

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Appendix-I: Questionnaire

Perceptions of Public Sector Reporting Practices in Bangladesh: Issues and Challenges in Implementation

Accountants' Respondent on Public Sector Reporting Practices in Bangladesh.

It is a survey to understand accountants' perceptions regarding public sector reporting practices in Bangladesh. Your response will help us to understand the present reporting practices in public sectors in Bangladesh. We appreciate for your response and ensure that all information will only be used for research purposes. Information given will be kept as confidential.

A. General Information

1. Name of the Respondent:.....

2. Name of the Institution:.....

3. Profession:

- Accountant Officer/Manager Independent Chartered Accountant Independent Cost and Management Accountant

4. Area of Profession:

- Govt. employee Private employee Independent auditor

5. Experience (Years):

- less than 8 8 to less than 16 16 to less than 32 32 and more

B. Public Sector Reporting Practice related information

1. Do you aware about public sector reporting system in Bangladesh?

- Yes No

2. Which accounting basis is followed by your entity?

- Accrual Basis Cash Basis Both (Hybrid)

3. Does your organization follow the International Financial Reporting Standards (IFRS) issued by IASB?

- Yes No

4. The current public sector reporting practices in Bangladesh follows international standards.

- Strongly disagree Disagree Neutral Agree Strongly agree

5. Financial statements prepared as per International Public Sector Accounting Standards (IPSAS) standards - provides more relevant information.

- Strongly disagree Disagree Neutral Agree Strongly agree

6. Principles prescribed by IPSAS for the public sector ensure more transparency and accountability.

- Strongly disagree Disagree Neutral Agree Strongly agree

7. Has your organization/ company / university / Institute adopted IPSAS?

- Yes No

8. Does your entity prepare annual report as per IPSAS?

- Yes No

9. Have you got any education and training on IPSAS?

- Yes No

10. Does your entity disclose the annual report to interested users?

- Yes No

11. Does your entity upload the annual report on the website?

- Yes No

12. Does the reporting require high implementation cost?

- Yes No

13. In your opinion, what are the common causes of denial of implementing the public sector reporting? [**Rank 1 to 6**]

- Insufficient knowledge about public sector reporting
- Lack of time of the employees
- Lack of motivation
- Lack of proper guidelines
- Lack of proper policy
- Lack of sufficient fund

14. Challenges faced by public entities regarding reporting include –

(You may choose more than one answer)

- Lack of competent accounting and finance staff
- Lack of IT facilities & IT support
- Weak internal control in most organization
- Delay in production of documents
- Unaware of accountability among employees
- Absence of standard structure
- Pressure from the top-level Authority
- Fear of losing confidentiality
- Fear of disclosure of Anomalies

15. Please put your suggestion here for the development of public sector reporting practices in Bangladesh (optional):