

Section 1. Accounting

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ACCRUAL ACCOUNTING CHANGE IN GREEK PUBLIC SECTOR: A REFORMATION FOR MODERNIZING AND HARMONIZING PUBLIC SECTOR ACCOUNTING

Abstract. In Greece, with Presidential Decree 54/2018 was legislated the introduction and application of the accrual accounting basis for all entities of the General Government from 1/1/2025 as thus there will be objective information of the financial position and performance of each entity and financial statements will be homogeneous. Employees of the General Government need to be trained in the new accounting framework either through seminars or university programs an addition and it is necessary to hire employees with knowledge of accrual accounting. Successful implementation requires cooperation among employees, a change in employee mentality and culture and an appropriate information system that will provide immediate and reliable accounting information.

Keywords: Accrual accounting basis, General Government, accounting reform, employees;
JEL Classifications: H83, P41, M48.

1. Introduction

The fiscal crisis of Greece that began in 2008 necessitated the adoption of new modern accounting measures for the entire Public Sector. In this context, Greece fulfilled its obligation to incorporate into national law the European Directive 2011/85 regarding the requirements for the fiscal frameworks of the member states of the European Union [16]. According to the Directive, the member states of the Union should have public accounting systems that comprehensively and systematically cover all sub-sectors of the General Government according to the European System of Accounts 2010 and contain the

necessary information for the production of data on an accrual basis, ensuring the transparency and accountability while being subject to internal control and independent auditing [20]. The incorporation of the European Directive 2011/85 by Greece resulted in the institutionalization of Law 4270/14, which defined the issuance of a Presidential Decree for the establishment of a new Accounting plan and the introduction of the accounting accrual basis in the entities of the General Government. In implementation of Law 4270/2014, Presidential Decree 54/2018 [21] was issued, the objective of which is the transition of all General Government entities to

a modernized accounting system based on the accrual basis, through which there will be effective fiscal management, transparency in financial transactions and direct knowledge of the financial data of the obligations and requirements of the State based on the standards of the European System of Accounts 2010.

The accounting policies for the preparation of the financial statements in accordance with Presidential Decree 54/2018 are based on internationally accepted accounting standards for the public sector, such as the International Public Sector Accounting Standards (IPSAS). With Presidential Decree 54/2018, the first step was taken for the efficient management of public resources through the establishment of the double-entry system and the application of the principles of the accrual basis accounting in a uniform manner, initially from 1/1/2019 in the bodies of the Central Administration and after 1/1/2025 to the bodies of the General Government. A single accounting plan was established for all entities of the General Government, which strengthens transparency in financial management, improving the quality of financial reporting data and overcoming the existing fragmentation. The provisions of Presidential Decree 54/2018 [21] and the accrual basis accounting, in the current time period, are applied by the General Government Accounting Directorate of the General Secretariat of Fiscal Policy of the Ministry of Finance for all the entities of the Central Administration and not by each entity individually. All entities and agencies that are part of the Central Administration are only involved in the execution of the budget, and not in the application of accrual accounting.

The General Government of Greece according to the rules and criteria of the European System of Accounts 2010 includes three sub-sectors: the Central Government, the Local Government Organizations and the Social Security Organizations. The entities that belong to each sub-sector are identified by the Register of General Government Bodies maintained under the responsibility of the Hellenic Statistical Authority. Each sub-sector of the General Govern-

ment applies its own accounting system, which is provided for by a corresponding Presidential Decree. More specifically, the entities of the Central Government, excluding the entities of the Central Administration, apply the Presidential Decree 205/1998 and the Presidential Decree 146/2003 the public health units. The entities of the Local Self-Government Organizations sub-sector apply Presidential Decree 315/1999 and the entities of the Social Security Organizations sub-sector apply Presidential Decree 80/1997. The entities of the Central Administration apply Presidential Decree 54/2018 from 1/1/2019.

The reformation of the fiscal legislative framework through the introduction of the accrual basis and the preparation of a new unified chart of accounts for all the entities of the General Government was imperative as there was a fragmentation of the charts of accounts. However, the introduction of the accrual basis to the General Government agencies is of major importance and is a long-term reform. The purpose of this paper is to examine the effects of the accrual basis accounting on the financial information of the entities, the level of preparedness of the employees of the Ministry of Finance and the difficulties arising from its application. Hence the paper aims to provide answers to the following research questions:

1. Is necessary the transition of the General Government entities to the accrual basis accounting under the framework of Presidential Decree 54/2018?
2. Are the employees of the financial services of the General Government entities ready to implement the new accounting framework?
3. What difficulties/obstacles arise from the implementation of the new accounting framework?

2. Literature review

2.1 Theoretical Framework

The development of International Public Sector Accounting Standards (IPSAS) provided an important tool for global standardization of public sector entities and governments accounting and became the international benchmark for accrual-based government financial information. According to the European Com-

mission report (2013) accrual accounting is the only generally accepted information system that provides a complete and reliable picture of the financial and economic position and performance of a government, by capturing in full the assets and liabilities as well as revenue and expenses of an entity [16]. Accrual basis accounting implementation in the public sectors around the globe has been proven far from uncomplicated and straightforward. One of its main drawbacks is that they do not consider public sector dynamics or the divergence between the government structures and their organization theories. Moreover, in many countries the use of budget-based accounting systems creates a conceptual (let alone technical) gap between the existing accounting system and the new accrual accounting. Additionally, several countries public sectors are currently under reform towards new public management trend, requiring a significant cultural change. All these reforms create additional high costs for their implementation but also a need for public servants' education, technologies etc. Finally, there are several other public entities specific characteristics (social, environmental, legal, tax) that complicate further a smooth public accounting convergence and harmonization.

Despite the abovementioned difficulties for its implementation, accrual accounting in the public sectors is expected to provide significant benefits for public-sector management and governance, regulators, investors, auditors and society. Effectiveness and efficiency in public administration is expected to improve, as IPSAS will inevitably modernize governmental accounting; decision making will be based on more reliable information regarding assets, liabilities and expenses [24, 191–193]. Transparency and accountability will increase as all necessary data will be provided in a credible and timely manner leading towards the fulfillment of the primary objective of public sector organizations, which is to deliver public policy and promote social welfare [19, 283–285]. Consequently, citizens' trust in governments will be restored [18, 251–252]. At the same time the implementation of new public management theory is con-

sidered a significant enhancement for the modernization of public governmental administration and is expected to accelerate the accrual accounting reform. The shift from old bureaucratic systems towards a "market oriented" public administration requires several reforms, technical, procedural and more importantly cultural. It necessitates 'innovations' that are about to increase efficiency by not just changing the process but also people's mindsets [15, 294–295]. These reforms are expected to advance the requirement for accrual accounting albeit taking into consideration that several managers engage in creative resistance to change [1, 595–598]. Consequently, governance quality is expected to raise as IPSAS adoption influences positively the level of accountability, government effectiveness, regulation quality, the rule of law and the level of corruption [3, 51–53].

On the other hand, as studies reveal there is frequently a mismatch between the needed accounting and performance measurement information for internal and external purposes assessed on the basis of the administrative system in place and required by law for decision-making and accountability [7, 10–11]. The combination of accrual accounting with the New Public Management reform is expected to reveal the financial condition and the financial performance of public sector entities [17, 36–38] around the world and decrease the information mismatch by improving governmental effectiveness and efficiency. Nevertheless, according to external users, the figures provided by the reported financials usually differ from the needed information for decision-making procedures. All the above in conjunction with the growing need for accountability towards public stakeholders, which is enhanced by the implementation of New Public Management theory, makes popular financial reporting imperative.

2.2 Literature Review of Public Sector Accounting in Greece

Public sector entities, in the vast majority of them, are characterized by a lack of modern financial, accounting and costing organization, as a consequence

of the inability of the Administrations and the State to know precisely the financial situation of the entities, including their property situation, operating costs, the obsolescence of the equipment and the condition in which it is found, as well as the effectiveness of the government subsidies received [6, 178–181]. Change management planning must adopt and implement management processes that support changes in human resources, facilities, operational processes, materials, equipment, software, external environment and anything else that can positively affect the day-to-day operation of an entity of the public in relation to the strengthening of administrative changes [10, 173–176]. The process of introducing and implementing accrual basis accounting in the General Government agencies is a multidimensional undertaking as it requires human and financial resources, proper planning, organization and coordination of specific implementation schedules.

The application of accrual basis accounting in financial management will bring about but also require changes in their structure and operation, while giving the opportunity to upgrade financial management [23, 90–93]. The process of transitioning to accrual accounting can face difficulties in the process followed at the beginning of its application and in its implementation methodology. It becomes clear that for the proper monitoring of all this activity, a reliable information system is required that will ensure reliable and documented financial information. In particular, the existing public accounting system must work in parallel with accrual accounting, and the existing infrastructure should not facilitate the application of accrual basis. The IT infrastructure should be suitable to support the new accounting system, so that there is a uniform recording and analysis of all accounting data in real time and with reliability.

The process of transition to accrual accounting is a time-consuming and complex process, in which a sufficient number of employees, of various specialties and departments, should take part. State employees who are required to implement the Presidential

Decree that provides for the application of accrual accounting should have the appropriate knowledge and skills [26, 35–37]. The training of employees in the new accounting system must be both theoretical and practical, but also continuous, so that they are able to correctly apply the provisions of the Decree. The determination but also the persistence, as well as the employment of people with the appropriate knowledge, abilities and skills who will be able to solve any problems that will reasonably arise and proceed with the adoption of the new accounting basis, are one of the conditions for the success of the accounting reform in Greece [2, 1118–1121]. In order for there to be uniformity in the final result, the cooperation of the employees of the financial services is required both within the agency and other agencies of the State, as well as with the Central Administration [9, 175–177]. The project of introducing accrual basis accounting in the General Government entities is expected to bump into the existing structures of the entities, in which the bureaucracy and the related civil service mentality of the staff, combined with the bureaucratic procedures, make it difficult to introduce financial, accounting and management changes in entities [8, 95–98].

The expansion and deepening of the accounting reform requires proper planning and organization, an increase in resources, cooperation between political power and public administration and strengthening of the support measures of the General Directorates of Financial Services and in general the Financial Services of the entities for the success of the project [11, 203–207]. At the same time, practical issues arise that must be addressed before the first application of the accrual basis. Such issues are the recording and valuation of all liabilities, claims, stocks as well as all assets of the State, as well as the creation of a Registry of Fixed Assets, to monitor all fixed assets of the State [4, 724–728]. Also, it is important to point out the advantage of using the fair value which is adopted and contributes to the presentation of the real value of the public assets [12, 93–95].

It follows that the successful implementation of accrual accounting relies on many factors, and therefore it is a long and very complicated process. To successfully implement the accrual basis requires more than five years of intensive effort and preparation at all the aforementioned levels [13, 272–274]. In Greece, since 2011 when the European Directive 2011/85 was issued until 2021, the accrual basis has not been applied for all the entities of the General Government, as it is still in a transition regime. For the successful outcome of the venture, political will is necessary, which must first embrace the need to implement the accrual basis and then pursue its implementation, providing all the required resources and means [8, 95–97]. Of course, politicians who will support such a long-term effort are called upon to invest existing resources and means, depriving them of the possibility of allocating these resources to other policies. It is worth emphasizing that the decade 2011–2021 was marked by the fiscal adjustment of Greece due to the high public debt in terms of the Gross Domestic Product as well as by the health crisis of covid-19 [7, 10–12]. Moreover, throughout this period the management consultants involved did not understand the practical difficulties of implementation due to the lack of specialized staff, inadequate IT systems and the lack of public administration information about the procedures [8, 105–109]. This reform must be based on pragmatic parameters relating to IT, accounting and reporting standards, accounting training for employees and citizens' information needs.

2.3 Previous research on the transition to accrual accounting in Greece

Chytis et al. [6] studied the level of acceptance and preparation of Local Government Organizations regarding the adoption of IPSAS in Greece and concluded that participants who are not familiar with IPSAS accept the need to implement it, although municipalities in Greece are not prepared for the accounting transition to IPSAS [6, 166–167]. It was established that in Greece the existing reforms enacted are at an early stage and there are delays in

their implementation. The main reason was found to be the lack of experienced and specialized staff who can manage the transition to IPSAS and implement them. Therefore, it is necessary to train staff in IPSAS. In addition, the existing information systems of the municipalities should be replaced by a modern system, which will be common to all municipalities. It also found that there is a need to change the mindset of both employees and elected officials about the impact of implementing the standards on transaction transparency and accountability.

Cohen and Karatzimas [8] studied the accounting standard setting process in Greece and assessed the quality of government financial statements that were prepared under the modified cash basis of accounting, an intermediate basis before accrual basis accounting [8, 95–97]. Their findings showed that the standard-setting process was not effectively monitored by the country's politicians and lenders. The financial information provided by the modified cash basis was not characterized by a high level of quality and the information was moderately necessary. For Cohen and Karatzimas [9] the process of changing the accounting basis at the government level is influenced by various factors, such as politicians, consultants, citizens, who each play a different role [9, 175–177]. Public finance accounting numbers affect relationships with lenders, creditors and investors. The management consultants involved sought to promote the latest developments in IFRS and IPSAS, but did not understand the practical difficulties of implementation due to the lack of specialized staff, inadequate IT systems and the lack of public administration information about the procedures. Stamatidis [25] examined the attitudes of employees in the financial services and accounting departments of public hospitals in Greece regarding the implementation of accrual accounting (IPSAS) by the Hellenic National Health System [25, 90–93]. His findings showed that the rate of adoption was satisfactory, but the rate of adoption of the accrual accounting system was not deemed sufficient.

3. Methodology

3.1 Questionnaire Survey

The methodological data collection tool for investigating the issue of the introduction of the accrual basis in the entities of the General Government of Greece was the questionnaire. The questionnaire was based on the previous literature review on topics related to the present work, the purpose and the research questions of the research [22, 88–96]. The questions were to the point, short and comprehensive in order to avoid the fatigue of the respondents, they had a sequence between them, as each question followed the previous one and prepared for the next one. Before writing the final questionnaire, a pilot study was first carried out on the reliability and validity of the questionnaire by distributing eight questionnaires to employees. The main purpose of this questionnaire was to identify the shortcomings and weaknesses that make it difficult to complete the questionnaire, any ambiguities, difficulties and problems that existed and to determine the time period for completing the questionnaire [14, 68–76]. Then followed the writing of the definitive questionnaire and finally the implementation of the research.

The questionnaire in its final form contained closed-ended questions. Closed-ended questions provided participants with predetermined response options. In the present research, these questions were structured and numbered based on a Likert scale with numerical elements from 1 to 5, with the respondents expressing the extent to which they agree with each statement (1 = Not at all, 2 = A little, 3 = Not at all more or less, 4 = Very, 5 = Very Much). The questionnaire was divided into four main axes, which were based on the research questions and were formulated in the form of a question, in an affirmative way. The first axis includes questions 1–25, which are related to the necessity of introducing the accrual basis in the entities of the General Government in the light of Presidential Decree 54/2018. The second axis is based on questions 26–37 which investigate the necessity of training the employees of the financial ser-

vices of the entities, the necessity of hiring staff and the support from an external partner. The next set of questions 38–50 deals with the difficulties that appear or will appear during the implementation of the new accounting framework. The last axis of questions 51–55 contained questions of a demographic nature, such as gender, educational level, age, years of service and the administrative position of the participants (position of responsibility) and its aim is to describe the profile of the participants.

Data were gathered through a questionnaire and responders took 10–15 minutes of an average for its completion. The participants were informed about the right to privacy and voluntary participation, the anonymity and confidentiality. It is also important to explain why the completion of the research will help to improve some aspects of his or her job life and, in general, it should address the feeling of altruism of the recipient of the questionnaire. The survey lasted around one and half months from the end of September to the mid of November 2022.

After the questionnaires were collected, they were checked for completeness and accuracy of their answers, numbered and coded so that they were in a suitable format for analysis. All questionnaires were completed and no questionnaire was found to have the same answers to all questions. Quantitative coded data were entered into Excel sheets and analyzed through the statistical program SPSS for Windows v.27.0. (Statistical Package for the Social Sciences). In the descriptive section of the results, means and standard deviations are presented for each question in the questionnaire.

3.2 Sampling

The population of the research was the employees of the General Secretariat of Fiscal Policy of the Ministry of Finance. This General Secretariat was chosen as its task is to plan the country's fiscal strategy through the reliable recording of fiscal data and figures during the preparation of the Medium-Term Fiscal Strategy Framework and the Budget of the General Government and the preparation of a

methodology for the conversion of cash data of the bodies of the General Government on an accrual basis when categorizing the international and European standards, on the basis of which the objectives of the Budget and the Medium-term Framework of Fiscal Strategy are calculated. Therefore, its employees deal with accrual basis accounting in the General Government and are responsible for the implementation of Presidential Decree 54/2018. The General Secretariat is divided into four General Directorates (layers) from which the sample was extracted using the simple random sampling method. More specifically, the four Directorates-General are the Directorate-General for Fiscal Policy and Budget, the Directorate-General for Treasury and Financial Rules, the Directorate-General for Financial Audits and the Directorate-General for Audits of Co-financed Programmes. The stratified sampling method was deemed appropriate as the population of the four General Directorates is uneven in terms of knowledge and application of the accrual basis under the context of Presidential Decree 54/2018. More specifically, between the General Directorates (layers) there is a large dispersion in relation to the subject under study, while within the General Directorates there is a smaller dispersion. Of the four General Directorates, the employees of the General Directorate of Treasury and Fiscal Rules know quite well and in depth the accrual basis accounting and the provisions of Presidential Decree 54/2018, while on the other hand, the employees of the General Directorate of Controls of Co-financed Programs know to a lesser extent the accounting of the accrual basis and the provisions of Presidential Decree 54/2018. From each General Directorate were selected 20 employees by simple random sampling.

4. Results

4.1 Reliability of the questionnaire

To conduct the reliability check in this questionnaire, the method used is the analysis of Cronbach's α (alpha) reliability index. This method was used, both for all the questions of the questionnaire and for each

thematic section of questions separately. This ratio is an estimate of the percentage of common variation between the observed and the actual value. The values it receives are limited to the range from 0 to 1. According to this index, for α values greater than 0.70 the research is characterized by reliability. Furthermore, for values of α above 0.80 the research is characterized by even greater reliability. Regarding the reliability analysis of the questionnaire of the present research, all questions except questions 51–55 concerning demographic characteristics were included. The results of the reliability test showed that for all the questions of the questionnaire the value of the α index is equal to 0.862, which means that the questionnaire as a whole is characterized by a high degree of reliability. In particular, for each section of questions, it was found that the questions of the first research question (1–25) are characterized by a high degree of reliability as the value of the α index is equal to 0.816. Relatively lower than the questions of the first research question, but with significant reliability, the questions of the second research question (26–37) have as the index value is equal to 0.730, as well as the questions of the third research question (38–50) where the index value equals 0.762. Consequently, in all the above cases the questionnaire questions appear to be quite consistent in terms of the variables they measure and thus there is a significant degree of reliability.

4.2 Demographic Data

The research sample consists of 80 employees of the Ministry of Finance, of which 46 were men, a percentage of 57.5% and the remaining 34 were women, a percentage of 42.5%. Their age ranged from 31 to 65 years old, the majority belonged to the age category of 41–50 years old (62.5%) and the minority to the age category of 61–65 years old (12.5%). Regarding their work experience, more than half ($n = 46$) had from nine years up to sixteen years experience, followed by those who had 17–24 years ($n = 14$), followed by those who had 25–32 years ($n = 8$), followed by those who had 33–40 years ($n =$

= 7) and those from one year up to eight years ($n = 5$). The 15% of the participants had a bachelor's degree, 75% a master's degree and the rest 10% a doctoral diploma. As for their level of the job position, the largest part of participants were employees without a management position (90%) and the 10% head of department.

4.3 Necessity of transition of General Government entities to accrual basis accounting under Presidential Decree 54/2018

Participants overwhelmingly believe that the introduction and implementation of accrual basis accounting in General Government entities is necessary as there will be homogeneity in the financial statements of General Government entities ($M = 4.51$, $SD = .42$). The preparation of the statement of financial position ($M = 4.58$, $SD = .34$), the statement of financial performance ($M = 4.42$, $SD = .53$) and the statement of changes in net worth ($M = 4.4$, $SD = .59$) under the new accounting framework will provide more reliable information than under the existing accounting framework, as these financial statements are based on the accrual basis. On the other hand, the cash flow statement ($M = 1.98$, $SD = 1.32$), the financial reporting statement ($M = 2.43$, $SD = 1.14$), the budget/statement statement ($M = 2.29$, $SD = 1.09$) and the explanatory notes to the financial statements ($M = 2.41$, $SD = 1.21$), it is believed that to a lesser extent they will improve the financial information they provide, since their preparation is not based on accounting accrual basis.

With the new accounting framework of accrual accounting non-current assets ($M = 4.51$, $SD = .42$), long-term liabilities ($M = 4.48$, $SD = 0.49$), current assets ($M = 4.36$, $SD = .57$), accrued income and expenses ($M = 4.34$, $SD = 0.65$) and current liabilities ($M = 4.32$, $SD = .59$) of entities will be depicted more objectively in relation to the existing accounting framework. Significantly, but to a lesser extent, participants believe that the entity's net worth ($M = 3.89$, $SD = 1.09$) and net profit or loss for the period ($M = 3.75$, $SD = 1.19$). The budget of the General

Government entities does not seem to be affected by the change in the accounting framework, as it was and continues to be based on the cash basis and is a good indicator of the quality of the financial management of the entities' operation ($M = 3.97$, $SD = .91$).

These views of the participants resulted in them considering that the new accounting framework will help the General Government entities to provide a reliable picture of their operation ($M = 4.58$, $SD = .41$), improve their financial position ($M = 4.48$, $SD = .52$) and provide the resources for appropriate management decision-making ($M = 4.34$, $SD = .49$). However, they believe to a lesser extent that there will be appropriate management of available resources ($M = 3.78$, $SD = 1.23$) and appear neutral about the existence of detailed control of expenses ($M = 3.02$, $SD = 1.09$). On the other hand, a common belief among employees is that the implementation of accrual accounting will facilitate the understanding of public finances by a range of stakeholders as they will be harmonized with a commonly accepted accounting framework ($M = 4.57$, $SD = .33$). However, a difference of opinion was found among the participants regarding the comparability of accounting information, as they consider to a high degree that it will be strengthened between the entities of the General Government ($M = 4.39$, $SD = .42$) but also between Greece and the rest of the countries that have adopted accrual accounting ($M = 4.43$, $SD = .55$), but not between General Government entities and private sector enterprises ($M = 2.21$, $SD = 1.25$).

4.4. Readiness of the employees of the financial services of the General Government entities to implement the new accounting framework

Participants believe to a small extent that employees in the financial services of the General Government entities are able to implement the new accounting framework ($M = 4.44$, $SD = .51$). This is due to the fact that employees have not been informed and trained regarding the operation of the new accounting framework under Presidential De-

cree 54/2018 ($M = 4.32$, $SD = .61$). In this context, the organization of educational programs related to accrual basis accounting is deemed necessary. More specifically, employees showed a greater preference for training in accrual accounting either through studies at a university institution ($M = 4.71$, $SD = .28$) or through seminars at a university institution ($M = 4.63$, $SD = .32$). To a lesser extent, but significantly, they want seminars from the National Center for Public Administration of Greece ($M = 4.14$, $SD = .81$) and from specialized staff of the Board of Chartered Accountants of Greece ($M = 4.02$, $SD = .94$). They showed a lower preference for the organization of training programs by specialized personnel in the accounting accrual basis of the Ministry of Finance ($M = 3.58$, $SD = 1.08$).

Participants, in addition to training, which they consider necessary for the implementation of accrual accounting, consider it extremely useful to hire specialized personnel for the autonomous support of accrual accounting ($M = 4.69$, $SD = .28$). At the same time, support from an external partner for the introduction and support of the new accounting system is also considered very useful ($M = 4.32$, $SD = .56$). Equally useful is the creation of a website that would contain all the laws, presidential decrees and circulars for the new accounting framework ($M = 4.29$, $SD = .66$). However, to a small extent they find it useful to create an electronic platform in which questions will be submitted by employees and these will be resolved by a competent team ($M = 3.23$, $SD = 1.26$). Also, it is not considered useful to create a special department in each entity that will exclusively monitor the implementation of the new accounting framework ($M = 2.95$, $SD = 1.34$).

4.5 Difficulties/obstacles arising from the implementation of the new accounting framework

The modernization of the entire accounting framework of all the entities of the General Government does not seem to be an easy process, as it is a multidimensional undertaking which runs into some obstacles. The employees believe that the existing ac-

counting information systems (IT) of all entities of the General Government respond to a small degree to the need for reliable accounting information ($M = 4.54$, $SD = .39$). For this reason, they consider that it is necessary to modernize the information systems so that there is immediate and reliable information ($M = 4.46$, $SD = .51$). At the same time, the existing logistical infrastructure of the entities is considered to be unable to support the operation of the new accounting framework under the provisions of Presidential Decree 54/2018 ($M = 4.19$, $SD = .83$).

Entities' information systems and infrastructure do not appear to be the only obstacles. An obstacle to the transition to accrual accounting is also the human resources of the entities. Participants believe to a very large extent that the attitude and culture of civil servants can be an obstacle to public sector accounting reform ($M = 4.47$, $SD = .48$). Similarly, to a very high degree it is believed that the transition to accrual accounting will make the daily work of finance employees more difficult in the short term ($M = 4.44$, $SD = .53$) and to a lesser extent that it will make it easier in the long term ($M = 3.91$, $SD = 1.07$). A similar degree of convergence of the participants' opinions ($M = 3.87$, $SD = 1.09$) also appears in the ability of employees to collaborate with colleagues to deal with problems arising from the implementation of the new accounting framework.

Participants consider that the initial recognition ($M = 4.44$, $SD = .46$) and to a lesser, but significant extent, the subsequent valuation of the entities' financial data ($M = 4.03$, $SD = .86$) presents a great difficulty. An obstacle may also arise from the matching of the accounts of the existing sectoral accounting schemes applied (Presidential Decree 80/1997, 205/1998, 315/1999, 146/2003) to the single accounting scheme provided for by Presidential Decree 54/2018 ($M = 4.19$, $SD = .76$). Finally, it seems that the covid-19 pandemic negatively affected the transition schedule from 1/1/2023 of all General Government entities to the new accounting framework of Presidential Decree 54/2018 ($M = 4.48$, $SD =$

= .44). All this had the effect of leading the participants to consider to a high degree that the goal of transitioning to the new accounting framework is not an easy goal for all General Government agencies ($M = 4.09$, $SD = .86$).

5. Conclusions

From the citation of the above, we find that it was necessary to switch to the accrual accounting basis of the entities of the General Government in the light of Presidential Decree 54/2018 as this way the financial situation of the state will be depicted reasonably and correctly. Financial statements will be homogeneous, provide comprehensive information to users about the resources of cash received in a given period and how it was spent, and it will be possible to correlate income and expenses to determine the financial result on the one hand on the one hand economic use and on the other hand the cost of providing products or services. The findings concur with Cohen et al. [10], Newberry [19] and Vegge-land [26] who established that accrual basis accounting transactions are presented in a uniform manner and accounting information is made reliable for decision making. The financial decisions of stakeholders are strengthened as the information is considered neutral, objective, verifiable and understandable. Comparability and understanding of financial statements will be improved with accrual accounting as reliable information will be provided. Comparisons can be made between organizations in terms of their asset status and efficiency both nationally between General Government entities and internationally between entities in different countries. The information that will emerge from the financial statements will provide feedback, have predictive value and enable macroeconomic forecasts and comparisons about the effects of fiscal policy. Finding consistent with Jones [18] and Domingues et al. [15].

But despite the necessity of transitioning to accrual accounting, the transition is not an easy process, since the common belief of the participants is that the appropriate human resources are required.

They unanimously agree that training employees in accrual accounting is essential. The finding concurs with Newberry [19] and Christensen [12] who found out that employee training in accrual accounting is a prerequisite for changing the accounting framework in public entities. Participants prefer the training to be carried out primarily by a university institution. In addition, it was found that the hiring of specialized staff and support from an external partner to support the implementation of accrual accounting will be very useful. Belief according to Rossi et al. [24] and Chytis et al. [6]. At the same time, it would be very useful to create a website that would contain all the legal framework for the new accounting framework.

Difficulty in introducing and implementing accrual accounting can also come from the mentality and culture of employees who may resist the changes. A prerequisite for the smooth transition and application of the accrual basis in a single framework is the existence of an appropriate information system. The participants' opinions also converged on the difficulty of the initial recognition and the subsequent valuation of the entities' financial data. Findings consistent with Chytis et al. [6], Cohen and Karatzimas [9] and Stamatiadis [25]. Obstacles may also arise from the matching of the accounts of the four existing sectoral accounting schemes applied with the accounts of the new accounting scheme provided for in the provisions of Presidential Decree 54/2018. Finally, it is universally accepted among participants that the covid-19 pandemic has adversely affected the transition to accrual accounting from 1/1/2023, creating delays in discussions, communications, procedures and other formal actions. The result of all this was the issuance of Law 4964/2022, which extended the implementation of the provisions of Presidential Decree 54/2018 from 1/1/2025.

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