



A QUALITATIVE EVALUATION OF PREPAREDNESS OF RURAL BANKS IN GHANA FOR THE IMPLEMENTATION OF IFRS

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ABSTRACT: *For rural and community banks to globally integrate, improved transparency and comparability require IFRS. There are, however, impediments that RCB faced from the implementation of IFRS, which include financial constraints, inadequate technical capacity, and inadequate human resources. In this research a qualitative approach was employed by administering semi-structured interviews to 17 top RCB executives in the Bono and Ahafo regions of Ghana. Findings of the study indicate that IFRS awareness and comprehension are low among RCB staff, with only senior management exhibiting moderate awareness and comprehension levels. Significant impediments encompass non-IFRS-compliant software, reluctance to adapt, and elevated compliance expenses. Moreover, RCBs lack the requisite financial and technical resources for effective IFRS implementation. The authors advocate for specialized training programs, incremental IFRS implementation, and enhancements to IT infrastructure to ensure compliance. The findings advance the discussion on financial reporting reforms in emerging economies, highlighting the necessity for regulatory assistance to improve RCBs' preparedness for IFRS implementation.*

KEYWORDS: IFRS, Rural Banks.



INTRODUCTION

International Financial Reporting Standards are global standards that bring consistency and make financial reports comparable across the globe (IFRS Foundation, 2022). In the words of Barth & Landsman (2021), IFRS has become a standard for financial reporting in the past two decades, replacing national standards in over 140 jurisdictions that include many developing economies. Its international applicability arises due to the increasing interdependence of capital markets and the demand by investors, regulators, and other market participants for having similar standardized financial data that enables credible comparisons. IFRS' primary mandate is to develop high-quality, intelligible, and enforceable international accounting standards that call for transparent and comparable financial report data. This promotes sound economic decision-making and greater accountability, especially where governance and oversight institutions are relatively weaker (IASB, 2023). It is important that rural banks adopt IFRS because it makes access to credit readily available and increases investors' confidence.

In Ghana, IFRS application is a component of a broader Bank of Ghana strategy to promote financial stability, transparency, and international convergence in the banking system. There needs to be adequate preparation and capacity building, and some infrastructure challenges will need to be addressed (Owusu et al., 2021). Rural and community banks are usually confronted with challenges from inadequate ICT infrastructure, unavailability of IFRS-trained personnel, and financial constraints, potentially undermining the quality of compliance (Asante & Kyereboah, 2020). An understanding of the preparedness of rural banks for IFRS adoption is thus required, not just for regulators, but also for stakeholders in Ghana's rural financial services sector. Despite these advantages, Ghanaian rural banks are not fully prepared to implement IFRS. A key obstacle identified is the necessary infrastructure and the needed resources (Addo, 2020). Resolving these deficits is crucial to ensure that the implementation yields the desired benefits. Notwithstanding the global thrust towards harmonized financial reporting under the adoption of International Financial Reporting Standards (IFRS), most rural banks in Ghana are confronted with immense challenges in effective implementation of the standards.

This is as a result of factors such as technical capacity, improper human resource management issues, and inadequate technological infrastructure (Gyapong & Afrifa, 2020; Mensah et al., 2022). Cost of compliance is also another, and complexity is also difficult for smaller financial institutions because they do not have the economies to hire specialized skills compared to larger banks (Agyemang, 2019). Rural banks may struggle to understand how IFRS applies to their operations, which leads to low institutional motivation and prioritization for implementing these standards (Oduro et al., 2021). Thus, there is a need to assess the readiness of rural banks in Ghana to determine the challenges they encounter and propose possible strategies for an easier transition to IFRS-compliant reporting. The study seeks to achieve the following objectives:

The study will examine the level of awareness and comprehension of IFRS in RCB. Second, it is to determine the challenges that rural banks encounter in implementing IFRS. Finally, the objective is to investigate the adequacy and availability of technical, financial, and human resources required for IFRS adoption.



The following research question will be asked:

1. Are RCB staff aware and understand IFRS?
2. What are the most significant obstacles to IFRS adoption in rural banks (e.g., cost, training, system constraints)?
3. What technical, human, and financial resources rural banks currently have to implement IFRS?

The implementation of International Financial Reporting Standards (IFRS) is a major financial reporting reform toward improved transparency, comparability, and reliability of financial reports globally (Odoom, 2019). IFRS readiness is necessary for rural banks in Ghana, which serve as important financial intermediaries in financially excluded societies, not just for regulatory compliance but also to sustain investors' confidence and enhance financial governance (Amoako, 2019). The study is topical because it explores the preparedness of rural banks—a subsector that is usually underrepresented in financial reforms—to adopt IFRS. The findings of the study will enlighten policymakers, especially the Bank of Ghana and the Institute of Chartered Accountants (Ghana), to develop targeted capacity-building interventions. Moreover, the findings can also serve as a diagnostic instrument for rural and community banks to identify weaknesses in employees' competencies, technological infrastructure, and internal controls (Owusu & Anokye, 2020). Last but not least, the study contributes to the overall accounting reforms literature in emerging economies and offers pragmatic recommendations for the smoother adoption of IFRS by the rural banking industry. This research particularly targets rural and community banks under the auspices of the ARB Apex Bank and overseen by the Bank of Ghana. The study examines the IFRS readiness issue, mainly personnel training, IT infrastructure, software challenges, and regulatory issues. This study is limited to Ghana, which may limit its external validity. The use of self-reported data can also result in biases because of a lack of technical knowledge in IFRS. The study does not look at post-implementation issues, as it deals with pre-adoption issues.

LITERATURE REVIEW & THEORETICAL UNDERPINNING

Overview of rural banks and their role in the financial ecosystem.

Ghanaian rural banks are significant financial intermediaries in the decentralized banking system of Ghana, mainly catering to rural and peri-urban regions inadequately covered by conventional commercial banks. Rural banks are registered under the Banking Act of 1970 and supervised by the Bank of Ghana, and they are created to foster inclusive financial services, above all in agriculture-based and low-income communities (BoG, 2019). Their principal functions include mobilizing savings, extending microloans to small-scale farmers and entrepreneurs, and facilitating local economic development (Dzomonda, 2022).

These banks have a basic function of enhancing financial inclusion, especially through proximity banking, community operations, and specialized financial products. Where there is low penetration of commercial banks, rural banks fill the financial intermediation role (Aseidu-Akrofo and Ackah, 2020). Rural banks play an important role in Ghana's financial system, as they help to achieve financial stability and support in reducing poverty (Owusu et al., 2021).



Yet, their involvement in the financial sector has also made them susceptible to issues of governance, risk management, and regulatory demands—particularly with the alignment of Ghana’s financial reporting standards to global standards such as the International Financial Reporting Standards (IFRS). IFRS adoption is meant to promote transparency, comparability, and investor confidence in the industry, yet the preparedness of rural banks to embrace such standards is still mixed (Quartey & Afful, 2019). It is necessary to overcome these challenges to allow rural banks to continue being inclusive without detriment to the adoption of international standards.

Importance of IFRS adoption for transparency, comparability, and financial integration.

Adoption of International Financial Reporting Standards (IFRS) is now a major step towards enhancing the credibility, transparency, and comparability of financial information amidst the globalization of the financial environment. For Ghana’s rural banks, adoption of IFRS is a major change in line with best global practices that promotes financial integration at the regional and global fronts.

To begin with, the implementation of IFRS improves financial transparency immensely. Through the prescription of uniform recognition, measurement, and disclosure requirements, IFRS minimizes the informational asymmetries between financial institutions and stakeholders (Barth & Lansman, 2018). For rural banks, this change is particularly crucial in that it improves stakeholders’ confidence and governance and averts the risk of financial misreporting—issues typically linked to small financial institutions within the developing world (Effiong & Eton, 2020).

Secondly, cross-border comparability of financial statements is a fundamental advantage of IFRS. Comparability is necessary to attract foreign direct investment and cross-border banking relationships (Oduro & Asiedu-Akrofi, 2021). For Ghana, rural banks using IFRS will be better able to compare performance with their national and international counterparts, which can facilitate strategic planning and regulatory compliance.

Additionally, IFRS fosters financial integration via a harmonized accounting language. The uniformity facilitates the ability of regulatory bodies such as the Bank of Ghana to consolidate and oversee financial information across institutions (Tawiah & Tarkom, 2022). Financial integration of rural banks into the general financial system can lead to improved access to the capital markets, mergers with other bigger banks, and eligibility for international financial support programs.

Review of related literature

The International Financial Reporting Standards (IFRS) have travelled a great distance since their inception to bring uniformity and transparency to financial reporting globally. They were first published by the International Accounting Standards Committee (IASC) in 1973, but the standards saw a change of name in 2001 when the International Accounting Standards Board (IASB) took charge of them and began issuing IFRS to replace the previous International Accounting Standards (IAS) (KPMG, 2021).

The establishment of the IASB was a critical step toward realizing the international standardization of accountancy in the quest for better cross-border investment and higher quality of reporting. The main goals of IFRS are to ensure a shared language for accounting



and make financial reports transparent, comparable, and credible across markets (IFRS Foundation, 2022). In this way, investors, regulators, and other stakeholders can make sound economic decisions. IFRS improves financial information and also reduces cost (Osei & Asare, 2020).

It also enhances accountability through the reduction of information asymmetry and improves corporate governance by standardizing financial reporting (Deloitte, 2020). For emerging economies such as Ghana, IFRS adoption is a route to integration into the global capital market and foreign investment (Appiah et al., 2021).

International Financial Reporting Standards (IFRS) adoption has continued to be a key milestone for nations aiming to integrate into world financial institutions. The International Accounting Standards Board (IASB) supports IFRS to improve the transparency, comparability, and reliability of financial reporting (Barth & Landsman, 2018). Most jurisdictions across the world have adopted IFRS in full or in part with the aim of promoting foreign investment, increasing accountability, and improving financial governance.

Worldwide, empirical evidence has borne witness to the benefits of IFRS adoption. For instance, Leuz and Wysocki (2018) maintain that IFRS enhances information comparability across boundaries, thereby decreasing the cost of capital and improving market liquidity. In the same manner, Yurisandi and Puspitasari (2020) maintain that nations with more robust institutional systems derive more benefits from IFRS adoption. However, the institutional environment, the enforceability of the mechanisms, and the ability of financial institutions to adapt typically determine the benefits.

Opportunities and challenges have accompanied the adoption of IFRS in the developing world. Developing nations adopt IFRS as a component of economic reform agendas or even as a precondition by global financial institutions (Samaha & Khelif, 2021). Though such nations want to enhance the quality of financial reporting, many obstacles, like deficiency of expertise, training, and technological infrastructure, as well as opposition to change, have been reported (Alsharairi & Salama, 2021).

In Sub-Saharan Africa, IFRS adoption is often characterized by institutional capacity limitations and technical concerns. Most African countries have inadequately trained professionals and face challenges in ensuring continuous professional development in IFRS standards (Appiah and Agyemang, 2020). In addition, IFRS compliance in such settings is symbolic rather than substantive, often described in most instances as “ceremonial adoption” (Kwaning et al., 2019).

Ghana adopted IFRS in 2007 for listed companies and public interest entities, but there is still a lot of work to be done, particularly by rural and community banks (RCBs). The RCBs are key drivers of financial access and rural economy development, but they operate with limited technological infrastructure and human resources (Asiedu-Akrofi et al., 2021). Their limitations raise some question marks regarding the preparedness of such institutions for wholesale IFRS adoption. Recent literature highlights the preparedness gap for Ghanaian rural banks.

In that regard, Asare and Frempong (2022) posit that Ghanaian RCB still use manual systems and do not have qualified IFRS-trained staff. Also, the Bank of Ghana has not been regular, and IFRS sensitization has been slow (Mensah et al., 2023).



In addition, the awareness and attitude of stakeholders also condition RCBs' preparedness. Agyemang and Ofori (2020) discover that even though rural bank managers overwhelmingly cite the relevance of IFRS application, fear of complexity in the standards and compliance cost is pervasive. These discoveries imply that there should be official plans for implementation, large-scale training programs, as well as technical assistance specific to the distinct needs of rural financial institutions.

Consequently, while global IFRS adoption has recorded tangible advancements, the journey to the developing world—and especially the rural banks in Ghana—is filled with system and operational challenges. Their overcoming will demand collective action on the part of policymakers, regulators, and professional bodies in readying the RCBs for IFRS transition.

Adoption of International Financial Reporting Standards (IFRS) poses several challenges to rural banks in Ghana, including technical capacity, financial capability, human capital development, and infrastructural readiness.

IFRS demands have complex problems such as fair value measurements, financial instrument accounting classification, and impairment tests that cannot be solved through the utilization of outdated or manual accounting packages (Oduro & Agyei, 2021). In addition, IFRS-compliant packages are at a disadvantage because of asymmetrical access to computerized systems along with less advanced internal technical support systems within rural banks (Asare et al., 2020). The absence of government-funded financial assistance to facilitate IFRS conversion does nothing but worsen the situation in Ghana's rural banking industry.

The most significant educational challenge is the lack of IFRS experience among management and staff. Most rural bank staff lack formal training in international standards and might not comprehend and implement concepts underlying IFRS (Agyemang & Forkuoh, 2020). The complexity of IFRS demands frequent professional training, although the chance of the training is limited and exists in urban centers at the cost of rural banks.

Organization and IFRS application depend on continuous power, internet, and advanced data warehousing facilities, which may be sporadic or even absent in rural towns. Ghana's urban-rural digital divide is a major risk for extensive IFRS compliance (Owusu et al., 2019). In the absence of a sound data infrastructure, even adequately trained personnel and required systems are unable to function. All difficulties collectively suggest that while IFRS adoption is a worthy pursuit towards financial reporting comparability and transparency, rural banks in Ghana require special attention and efforts to equip them to ensure a seamless and long-term transition.

Ghana's Rural and Community Banks (RCBs) are an important financial intermediary, particularly in underserved and agricultural economies. RCBs are rooted in the rural economy, are localized, and focus on the financial inclusion of the poor and micro-scale firms. Their function includes rural savings mobilization, extension of microcredits, and sponsoring development projects in their catchment areas (Owusu & Yamoah, 2029). Among the factors distinguishing rural banks is the governance structure, which in most cases comprises community-owned and membership on the boards. While this connection ensures local accountability and trust, it may hinder strategic and technical competencies (Amoako et al., 2020). In general, RCBs do not have a big asset base, and there are also fewer technical experts compared to commercial banks; it is therefore difficult to implement IFRS (Oduro et al., 2022).



The technology gap is an underlying factor of inefficiency and a structural disadvantage with regard to addressing sophisticated IFRS reporting requirements (Boachie et al., 2021). Additionally, rural banks predominantly possess limited resources, i.e., insufficient proper training opportunities, getting IFRS implementation specialists being challenging, and employing and retaining quality accounting personnel being problematic (Mensah & Agyemang, 2023).

Although there have been efforts by the Bank of Ghana to strengthen financial reporting and oversight, IFRS adoption remains varied within the industry (Asare & Gyamfi, 2018). The unpreparedness of the rural banks can thus be linked to system factors such as weak internal controls, non-integrated IT infrastructure, and low financial literacy of employees and customers. In conclusion, while Ghana's rural banks are as vital to national financial inclusion as they are, their special nature and system limitations pose enormous challenges to the effective take-up and application of IFRS. Any change plan must consider special capacity developments, infrastructure development, and strategic policy support.

International Financial Reporting Standards (IFRS) implementation is a major regulatory reform that requires the alignment of financial reporting practices of organizations with international standards. The rural banks in Ghana, as key promoters of financial inclusion, face special challenges implementing IFRS because of their limited resources, technical capacity, and institutional constraints.

Theoretical Review

The theoretical frameworks adopted for this study are institutional theory and change management theory. Institutional Theory (DiMaggio & Powell, 1983; Scott, 1995) describes how firms respond to pressures from the external environment in the form of regulatory requirements, norms, and values. Three mechanisms of institutional isomorphism are described by the theory:

- a) Coercive isomorphism: Pressure from regulatory bodies such as the Bank of Ghana and other bodies requiring adherence to IFRS.
- b) Mimetic isomorphism: The rural banks imitating bigger, more successful banks that have already taken up IFRS.
- c) Normative isomorphism: Influence from accounting professional organizations and training institutions encouraging the use of IFRS. Ghanaian rural banks may adopt IFRS not just for efficiency but in order to gain legitimacy, even though its use is challenged by the scarcity of resources (Amoako, 2018).



METHOD AND DATA

This study employs a qualitative method to arrive at its conclusions. This is because a real picture of the issues will be presented to the readers rather than a quantitative approach (Dodgson, 2017). Qualitative research is suitable for assessing how rural banks are prepared for the introduction of IFRS, as it will allow for deep research of the perceptions and challenges (Creswell & Poth, 2018). This study will be a qualitative case study of banks in the Bono and Ahafo regions of Ghana.

Semi-structured interviews were constructed based on the study's objectives and were conducted to address the research questions. This allows the participants to freely express themselves and to be able to meaningfully contribute to the research. The participants selected for the study included CEOs of Rural Bank. Operations manager, risk manager, internal auditors. We sent the essential questions to the participants in advance to enable their participation in the study. All the interviews were conducted in participants' offices. After meeting the participant, the objectives of the study were discussed with them before the interview started. The study sampled 17 participants, and the participants were purposely taken because of the experiences they have in rural banking.

After the responses were recorded, they were manually transcribed into open code, which is the initial code where the researcher scans through the data to determine some similarities in the responses. After the open codes were developed, the researchers then developed the responses into axial codes, which help to organize open codes to develop an initial phase of the responses, which allows for more profound understanding of data. This process helped the researchers build a framework and develop initial themes. After initial themes were identified, the authors developed a selective code. This summarizes initial themes under both open codes and axial codes in a definite open theme for which a report will be written. Reliability and validity are important aspects of every qualitative design, which requires that attention be given to these two factors, as they affect the research results and allow other researchers to accept or reject the findings. It is also crucial in qualitative designs, as the subjectivity of the research can affect the acceptability of the findings (Creswell & Poth, 2016). Qualitative research tries to apply strategies to ensure that the results of the study are trustworthy, whereas quantitative studies use statistical models to ensure trustworthiness (Noble & Smith, 2015). Member checking can also ensure the validity of the results of a qualitative study. This step involves the researcher confirming with the respondents the accuracy of the results derived from the research (Gray 2018). Revisiting respondents and seeking clarification on potentially ambiguous comments provide interviewees the chance to confirm or, in some cases, correct the interpretations made by the interviewers (Coleman, 2022).

In this study the results were taken back to respondents to confirm or correct their spoken word after the themes were formed. Triangulation also helps with the validity of the results. We gather data from multiple sources to corroborate the findings (Fusch et al., 2018). Apart from the interview that was conducted, other correspondences and training manuals from ARB Apex Bank and Bank of Ghana were reviewed with the view of corroborating the results. Trustworthiness or reliability refers to the quality, authenticity, and truthfulness of the findings of qualitative research. It relates to the degree of trust, or confidence, readers have in results (Cypress, 2017). In this research the authors achieve reliability by having the transcribed material and themes reviewed by a colleague. The colleague immediately considered any new



theme they found. What my colleague identifies will then be compared to the transcribed data from the participants. No theme was used if it was not identified by the colleague.

PRESENTATION AND DISCUSSION OF RESULT

Table 4.1 Descriptive Statistics

Code	Gender	Highest Qualification	No. of Years Exp	Position
X1	F	MSc. Finance	15	Branch Manager
X2	F	Degree	10	HD, Compliance
X3	M	Degree	26	Head, Audit
X4	M	MPHIL	16	CEO
X5	M	Degree	20	HD, Operations
X6	M	HND	8	Credit Manager
X7	M	Degree	21	Head, Finance
X8	M	Degree	17	Compliance
X9	M	MSC	16	Head, Credit
X10	M	MBA	11	Head, Credit
X11	M	MSC	17	Head, Compliance
X12	M	Degree	19	CEO
X13	M	Degree	9	Head, Audit
X14	M	Degree	18	CEO
X15	M	Degree	17	Head, Audit
X16	M	Degree	14	Branch Manager
X17	F	Degree	14	Head, Audit
AVERAGE			15.76	

Source: Field Survey, 2025

From the table above it can be seen that the average age of interviewees is 15.76. This indicates that the respondents are experienced in the banking system and will provide good evidence of the subject matter. Also, the interviewees rank ranges from branch managers, Head of credit, Head of audit. These officers used or are supposed to present several reports some of which have IFRS component in it to management and the Board.

Awareness and Comprehension of IFRS by Rural Bank Staff

The inquiry pertains to the awareness and understanding of IFRS among rural bank staff. According to the respondent, the awareness level of IFRS is low to medium. The respondents agree that only key management has moderate awareness of IFRS, but non-key management has low awareness because they do not work directly on IFRS-related tasks. A participant had a lot to say about staff awareness and comprehension of IFRS.

Most staff members are not involved in financial reporting. This may have provided explanations for the low level of awareness and comprehension of IFRS.

Another respondent has this to say:



Many staff members at rural banks lack intrinsic knowledge about IFRS. Some of them are even unaware of the names of the standards. Despite receiving training, many perceive the application as challenging.

Many SMEs in emerging markets lack the knowledge and awareness of IFRS, their purpose, and their potential benefits. Furthermore, the technical nature and the complexity of IFRS make their understanding difficult (Zubairu et al., 2025). In a separate study, it was discovered that the primary reasons for the non-adoption of IFRSs for SMEs were a lack of awareness about IFRSs for SMEs, which is due to the complexity of IFRS implementation, a lack of knowledge and expertise in the implementation of IFRSs, and limited resources for training (Dlamini & Gumede 2025). According to the findings of Killei et al. (2014), many individuals in Turkey lack the necessary preparations for implementing IFRS. In India a similar perspective was expressed by users and practitioners on the preparedness for the implementation of IFRS (Sharma et al., 2017) and Kulkarni & Hyderabad (2014), whose study confirms that in India even chartered accountants have lower awareness levels. This decline may be due to several factors, which may include lack of understanding and inconsistencies in the application of the standard (Gonçalves et al., 2022). According to Nguyen et al. (2023), factors including adherence to standards, implementers' experience, the framework for accounting directives by the government, the competencies of management, and the benefits of IFRS affect implementation. Also, culture and accounting development affect successful implementation (Yamani & Almasarwah, 2019).

The most significant obstacle to IFRS adoption in rural banks

When asked about the most significant obstacle in IFRS adoption, the respondents believed that among the significant challenges in the application of IFRS are that their current software is not IFRS compliant and they lack the technical expertise and knowledge base to understand and fully implement IFRS. Others believed that there is a high resistance to changes brought by IFRS, whereas others believed that there is a high cost to ensure full compliance. This is what some participants said:

The software is a major obstacle to the adoption and implementation of IFRS, as the T24 software used by rural and community banks is not IFRS compliant.

Another participant had this to say:

Many staff of rural and community banks do not have the technical knowledge to implement IFRS.

An impediment in the application of IFRS is the lack of knowledge for its implementation in many regions, especially in developing countries. There are several ways in which this lack of knowledge manifests itself, such as insufficient training and lack of educational resources. Accordingly, Branco et al. (2024) suggest that difficulties will arise if there is a shortage of skilled personnel.

This supports the findings of Gordillo-Mejia and Sollis-Muniz (2024), which indicate that approximately 55% of accountants lack the necessary training. Therefore, strategies are needed, including training, to ensure effective IFRS adoption in transitional economies (Dermaku, 2025). Furthermore, it confirms another finding in Ecuador: about 55% of accountants lack the necessary training (Gordillo-Mejia & Sollis-Muñoz, 2024).



Therefore, there is a need for training of professionals for IFRS to allow for the full implementation of IFRS (Dermaku et al., 2025). This lack of expert understanding makes IFRS implementation difficult in transitional economies (Zubairu et al., 2025). Moreover, Zubairu et al. (2025) found that the technical nature and complexity of IFRS make their understanding challenging. Complex standards and upgrading of software to allow integration contribute to these challenges. The situation is further complicated by the need for specialized software to perform calculations that ensure data accuracy. The need for new software also arises, which can be expensive (Dermaku, 2024; Weaver & Woods, 2015). Incorporating new software into the existing accounting information system also presents challenges (Nilaish et al., 2024).

Technical and human resources available for the implementation of IFRS

When asked about whether Rural and Community Banks have the required technical and financial resources for the implementation of IFRS, respondents believed that RCB lacks both the technical resources and the financial resources for the implementation of IFRS. One participant believed that

Rural and community banks do not have the required financial resources to fully implement IFRS; for instance, the additional software to be incorporated into our existing software will be expensive.

Another participant shares her view as

Rural and community banks do not have the necessary human resources to deal with the complexities brought by IFRS. Rural Bank staff needs training to be able to successfully implement IFRS.

There are often not enough financial resources to adopt International Financial Reporting Standards (IFRS), which can be a big problem. These constraints show up in many ways, such as costs for training, system upgrades, and following the rules. Countries with poor accounting systems or where all businesses, no matter how big or little, have to follow IFRS rules are the ones that are most affected by the financial hardship. This confirms a study by Laga et al. (2013), which found that the low level of knowledge necessitates substantial investment in education and training, a cost that institutions may find difficult to afford. In another study, Segesto et al. (2024) found that costs that relate to training and support provided by regulatory bodies represent a significant obstacle. A study by Neves (2024) posits that there is a need to coordinate with external parties in the implementation of IFRS, which involves significant cost. Pawsey et al. (2024) opine that there is a need for training and education for accountants, finance teams, and stakeholders to ensure that they understand the IFRS requirements.

CONCLUSIONS

From the study, the main findings are that the awareness level of rural and community banks is lower to medium, and key management, who report mainly to the BOD and Bank of Ghana, have a moderate understanding of the requirements of IFRS, whereas lower-level staff, who do not have such reporting requirements, have a low awareness and appreciation of IFRS. Secondly, the software the RCB uses is not IFRS compliant, which forces RCB staff to do many manual calculations to obtain what they require in IFRS. Finally, the study found that



RCB does not have the financial resources and also lacks the people with technical skills and knowledge to facilitate the adoption of IFRS. The following are recommended for future research. Future research could focus on monitoring the financial performance, transparency, and trust of stakeholders following the implementation of IFRS. Also, a mixed-method approach can be used to explore the implementation of IFRS. Finally, a comparative study can be conducted to compare IFRS implementation in a sub-Saharan country with what happens in Ghana.

Contributions to knowledge

Many IFRS studies focus on large multinationals or large commercial banks. This study, however, addresses the difficulties rural and community banks face when they want to implement IFRS. The study also examines the effectiveness of the Bank of Ghana and the ARB Apex Banks in their efforts to facilitate rural banks' implementation of IFRS. The study also found that rural banks lack the necessary skills to fully implement IFRS. This study therefore brings to light the need for regulators to put in training activities to ensure that rural bank staff are fully trained to be able to apply IFRS. The study finally draws attention to the inadequacy of rural bank software to facilitate compliance. The T 24 system needs to be upgraded to be able to become IFRS compliant.

Policy Implications

Special training programs should be set up by ARB Apex Bank and Bank of Ghana to facilitate the understanding of IFRS by rural and community banks. Apex Bank should ensure that additional software will be provided or the existing RCB software will be made IFRS compliant. Furthermore, IFRS implementation should be gradual, taking into account the various challenges that have been identified.

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