

UNIVERSITY OF CAPE COAST

INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTION  
AND FINANCIAL REPORTING AT ANGLOGOLD ASHANTI GHANA  
LTD (IDUAPRIEM)

BY

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College of Humanities and Legal Studies, University of Cape Coast, in partial  
fulfillment of the requirement for the award of Master of Business  
Administration Degree in Accounting

APRIL, 2020

**DECLARATION**

**Candidate's Declaration**

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Signature: ..... Date: .....

Name: .....

**Supervisor's Declaration**

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision of dissertation laid down by the University of Cape Coast.

Supervisor's Signature: .....Date: .....

Name: .....

### ABSTRACT

The study evaluated the challenges and success of implementation of International Financial Reporting Standards (IFRS) in AngloGold Ashanti Ghana Ltd (Iduapriem Mine). The study employed the descriptive design and the quantitative approach. The targeted population was AngloGold Ashanti Ghana Ltd. The study conducted a census survey and primary data was collected through questionnaires. Furthermore, the data were analysed using tables and percentages. The study found that factors such as the economic growth and the legal system of Ghana, the external financial environment as well as the ineffectiveness of the previous accounting standards influence the adoption of the IFRS standards. Also, it was found out that, the challenges associated with implementing IFRS are inadequate professional specialists, spending high fees on external IFRS consultancy and auditing. It is therefore, recommended that Management of AngloGold Ashanti Ltd can rely on the benefits of IFRS to attract the best investors from the world, predict future value for their products, build strong standards that give no room for fraud in the future by aligning the principles of IFRS with the core values and mission statements, the management of AngloGold Ashanti Ghana Ltd should permanently employ staff specialised in the IFRS standards to avoid paying high fees for IFRS consultancy and related services. Finally, the management of the company should formulate, keep and implement well-documented policies on incorporating the IFRS standards into the company's financial operations.

### **ACKNOWLEDGEMENTS**

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### **DEDICATION**

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To my parents, Mr. and Mrs. Nyame and my brother Kingsford Kumtsiah.

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## CHAPTER ONE

### INTRODUCTION

International Financial Reporting Standards (IFRS) has been a good standard by which many organisations around the world present a clear financial report for investors to make informed decision. However, some listed companies on the Ghana Stock Exchange face challenges using the IFRS especially the mining companies. This study investigates into events of before and after the introduction of IFRS in Ghana and how the mining companies have improved in their operations after adopting the IFRS.

#### Background of the Study

According to Abdullah (2010), International Financial Reporting Standards (IFRS) have been known long time ago under the name International Accounting Standard (IAS). IAS was issued since 1973-2000 by International Accounting Standards Committee (IASC). IAS was issued as a global accounting standard to bring about better financial understanding of all companies records. However, on April 1, 2001 International Accounting Standard Board (IASB) replaces the IASC and took over responsibility to build international accounting standard and named it IFRS (IFRS Foundation, 2010). IFRS has been a trending topic since the European Union (EU) decides to convergence their financial reporting standard to IFRS, leaving the US Generally Accepted Accounting Principles (US GAAP) (Latifah *et al.*, 2012).

International Financial Reporting Standard (IFRS) are a manifestation of globalisation, with financial reports prepared under IFRS presenting an image consistent with that of multinational corporations and developed nations. Recently, it is over 115 countries around the world require or permit IFRS,

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including big countries such as EU, China, Japan, South Korea, Australia, Russia, etc. United States who adopt US GAAP for years also accept IFRS (Latifah *et al.*, 2012).

With the developing internationalisation of monetary exchange and the globalisation of organisations and money related markets, budgetary data arranged and reviewed by a national bookkeeping and evaluating framework may no longer fulfill the necessities of clients whose choices are increasingly universal in scope (Carson and Dowling, 2010). Notwithstanding, it was accepted that the appropriation of IFRS will prompt valid and reasonable introduction, straightforwardness, and similarity of budget reports (Lee and Fargher, 2010). This will expect increment the certainty of financial specialists thus lower cost of capital. For creating economies, for example, Ghana, it will expand the believability of its household markets to outside capital suppliers and potential financial specialists (Faraj and Akbar, 2010). Gordon (2018) recorded the advantages structure adjustment of IFRS over the world to include: better budgetary data for investors and controllers, upgraded likeness, improved straightforwardness of results, expanded capacity to make sure about cross-fringe posting, better administration of worldwide activities and diminished expense of capital. Barth *et al.* (2018) uncovered that selection of IFRS had decreased the degree of control of pay and costs to meet money related desires. Armstrong *et al.* (2014) recorded an improvement in the nature of bookkeeping data after the reception while Paananen and Lin (2017) are of the view that the appropriation of IFRS has prompted a decrease in the nature of the bookkeeping data.

As per Levich (2001) expanding prevalence of taking an interest in the worldwide economy speculators are getting progressively keen on developing markets as they present an enhancement opportunity. A reaction of working in another or developing condition is that selection of Worldwide Money related Detailing Norms (IFRSs) should be thought of. Additionally, the reception of IFRS has been on the dint of fiscal summaries of certain organizations. Michas (2010) is of the view that, the usage of IFRS by creating nations accompanies a great deal of difficulties. A portion of the difficulties incorporates the multifaceted nature of principles, reasonable worth issues, cost, guideline, absence of specialized aptitudes and information in gauges, insufficient instruction and preparing of bookkeepers (Laga, 2012). As per Obazee (2017), challenges are social issues, mental models, lawful hindrances, instructive necessities and political impacts. Embracing IFRS requires a nation to mix its way of life toward the West and changes its administrative, legitimate and financial structures. Hoogendoorn (2010) is of the view that the utilization of IFRS is extremely unpredictable and there are no adequate rules.

It is of the view that the reception of Universal Money related Detailing Principles (IFRSs) increment the nature of budget report (Barth, Landsman and Lang, 2008). Research led in nations like Extraordinary England, Italy and Germany, by Iatridis (2010); Paglietti (2009); Pannanen and Lin (2009) uncovered that, the usage of IFRS has improved the nature of bookkeeping data. Not many examinations have been done in developing nations like Ghana. Following 10 years of embracing IFRSs, there is the need to examine the improvement and difficulties bookkeeping experts experience in the reception of IFRS in Ghana.

From perceptions of the yearly reports of AngloGold Ashanti before the presentation of IFRS in Ghana, it appears to the analyst that, the monetary announcing practices of AngloGold Ashanti was the Proper accounting rules (GAAP). The Ghanaian GAAP like different nations has a one of a kind trademark that has been a subject of contention which is the verifiable cost bookkeeping. In such manner, Cohen (1982); Kirkman (1974); Kirkulak and Balsari (2009) contended about the immateriality of verifiable cost bookkeeping in dynamic particularly in the hour of jogging of costs or expansion as it distorts firms genuine position. On another hand, money related detailing inconsistencies has persevered because of fluctuating revealing norms and prerequisites in various nations and as such presented extraordinary difficulties to universal financial specialists (Pologeorgis, 2013).

In solving the above problem, the International Accounting Standards Board (IASB) sought a workable solution to resolve the existing complexity, conflict and confusion created by inconsistency and the lack of streamlined accounting standards in financial reporting (Pologeorgis, 2013). Prior to 2005, all countries were to choose reporting system that suit them without any compulsion and most countries reported based on historical cost. But with the event of capital market crash and global economic crash cases which were argued on the basis of irrelevant information produced from historical cost accounting, the need for one quality standard of accounting across the globe then gained ground (Power, 2010).

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The IFRS was created in 2001 propelled for appropriation in 2005 and the EU nations had deliberately received around then. As per Ikpefan and Akande (2012) bookkeeping system has been formed by IFRS to exchange and

occasions that are reflected in the budget reports. While Pologeorgis (2013) plainly expressed that IFRS rather than rule-based GAAP is standard situated in that it starts with the destinations of good announcing and afterward gives direction on how the particular goal identifies with a given circumstance. IFRS is viewed as a lot of excellent bookkeeping standard when contrasted with national GAAP (Dimos, 2011).

GAAP enabled, to a certain extent, standardization in recording and reporting of financial information in many countries so that users, once they are aware of the principles, could read and understand the financial statements prepared by diverse organizations using GAAP. However, the use of GAAP did not end the search for global accounting standards. Although GAAP offered a certain extent of standardization, there was still a lack of real international uniformity of standards, as it resulted in the evolution of a variety of accounting practices in different countries making it difficult for global users of financial statements to make inter-firm, inter-period and international comparisons. Thus, the lack of uniformity in standards in GAAP was affecting the manner in which periodic profit was measured and the financial position of enterprises represented (Blake 1997).

The search for a common global language for financial recording and reporting so that company accounts are understandable and comparable across international boundaries led to the formulation of the International Accounting Standards Committee (IASC) in 1973 and International Accounting Standards (IAS) by accountancy bodies from nine western countries. IASC had the primary objective of achieving harmonization and global uniformity in the application of accounting standards in financial reporting given that national

accounting standards were becoming steadily less important in an increasingly globalizing world. Accounting bodies in most countries of the world were encouraged to be part of this new body and conform to the standards developed by IASC, subject to variations due to local conditions or laws. The IASC issued 41 international accounting standards (IASs) which were in use in most parts of the world for some time. Although the IASC actively championed the uniformity and standardization of accounting principles for over two decades (Carlson, 1997), it did not have the authority to make its standards mandatory on its members.

Riahi-Belkaoui (2000) pointed that these standards were being constantly changed, deleted, or in some cases added to, in the United Kingdom (UK), United States (US) and in most parts of the world. This made global application of IAS standards somewhat difficult. Given that, there was still the need for the formulation of a single set of global accounting standards as a remedy to the lack of truly mandatory global accounting standards, a new standard-setting body known as the International Accounting Standard Board (IASB), based in London, took over from the IASC. The IASB had the mandate to revise and withdraw any of the existing IAS and develop and issue its own accounting standards. It issued the International Financial Reporting Standards (IFRS) having adopted all the IASs in force. Therefore, all standards promulgated by the IASB, whether IASs or IFRSs, are termed International Financial Reporting Standards (IFRS) (Power, 2010). However, although IFRSs and IASs both have the status of accounting standards, IFRSs are new enforceable global accounting standards issued by IASB. As per IASB (2010) the “IFRS refers to a set of international accounting standard stating how

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particular type of transactions and other events should be reported in financial statement.” in order to increase comparability in financial reports produced by companies regardless of their country of origin (Choi, Forst & Meek, 2002) IFRS are “principles based” standards drafted lucidly and are easy to understand and apply.

The IFRS means to at last achieve worldwide consistency in bookkeeping norms in monetary detailing. Since it is commonly acknowledged that IFRS will advance a "valid and reasonable" introduction of fiscal summaries, numerous nations have since received the IFRS as a major aspect of a more extensive worldwide development towards IFRS (Needles, 2010). In the course of the most recent decade the selection of IFRS has increased extensive energy around the globe. As 2014, around 120 nations worldwide have received the IFRS. While in certain nations the national GAAP has been supplanted by IFRS, in others there is a continuous and consistent intermingling towards the IFRS. Ghana embraced the IFRS in January, 2007. Ghana's financial exchange controller, Protections and Trade Commission of Ghana, decided that all organizations recorded on the Ghana stock Trade were required to conform to the prerequisites of IFRS from January 2007. With this impact AngloGold Ashanti Ghana LTD actualized IFRS in 2007.

Numerous researchers including Gyasi (2010); Laga (2012); Kholeif (2008); and Braun and Rodriguez (2014) have shown that, there is a need to direct more research to evaluate the improvement and difficulties of the appropriation and execution of IFRS in creating countries. Irvine and Lucas (2006) likewise showed that there is the need to look at the improvement and difficulties experienced in really executing IFRS in creating economies. This



investigation along these lines tries to assess the difficulties and achievement of execution of IFRS in AngloGold Ashanti Ghana Ltd.

### **Statement of the Problem**

International Financial Reporting Standard (IFRS) is a set of accounting rules, guidelines, standards formulated by the IASB aimed at creating good communication between company's stewards and its stakeholders. The adoption of IFRS leads to accurate, timely and comprehensive financial statement in line with the national standards (Madawaki, 2012). The extent of compliance of IFRS measures the reliability and accuracy of a financial report (Hossain, Niaz & Moudud-Ul-Huq, 2015), since 2007 IFRS in Ghana is mandatory for listed companies on the Ghana stock exchange.

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The previous bookkeeping system embraced by AngloGold Ashanti as showed out of sight had a few confinements. The confinement of the GAAP were that; the GAAP treats a few significant bookkeeping issues including stock, valuation, income acknowledgment and money related instruments diversely that the IFRS. This implies universal organizations must get ready expensive and bulky acknowledgment reports that bargain straightforwardness and clearness. In certain regions, GAAP gives explicit guidelines as opposed to core values. Which implies that GAAP isn't adequately adaptable to oblige changes in the commercial center. Studies, for example, (Oppong, 2015; Appiah-Kubi, 2017, and so forth.) have investigated on both the reception of GNAS and GAAP and their suggestions on business execution. In any, endless supply of their discoveries it was understood that the greater part of the location effect of GNAS or GAAP on universal settlements and not tending to the

difficulties fairly looked by organizations that received the practices. These issues have not been tended to yet.

IFRS reception in numerous nations is increasing unabated energy across numerous provinces. Ghana in 2007 embraced IFRS after the World Bank directed a survey of bookkeeping and evaluating practice in Ghana managed by the Organizations of Sanctioned Bookkeeper. The World Bank expected to assess the shortcoming and qualities of the bookkeeping and inspecting prerequisites and to survey the detailing necessities against real practice (World Bank, 2004). The report by the World Bank, "report on recognition of guidelines and codes, uncovered shortcoming in Ghana National Bookkeeping Gauges (GNAS). It was built up that there were twenty-eight GNAS some of which didn't reflect universal counterparts and so far as that is concerned were conflicting. For instance, IAS (41) which is huge to Farming was not part of GNAS given the way that agribusiness' commitment to Ghana's residential item (Gross domestic product) can't be thought little of. The entanglement in GNAS made the requirement for the reception of the IFRS in Ghana to improve the nature of money related detailing. The Foundation of Sanctioned Bookkeepers (Ghana) casted a ballot IFRS as the new national bookkeeping standard compelling first January, 2007. Ghana's Service of Fund and Monetary Arranging likewise declared that organizations recorded on Ghana Stock Exchange (GSE) are ordered to apply IFRS in the readiness and introduction of fiscal summaries.

It has been contended that the reception of IFRS isn't appropriate for each nation or organisation (Doukakis, 2014). That is in the wake of Ghana's

selection of IFRS the subject of whether IFRS has been viably actualised by open organizations recorded on Ghana stock trade should be replied. How simple or troublesome is the change from Ghana National Bookkeeping Standard to IFRS? What are the advantages and cost to executing the IFRS? These inquiries among others are significant given that IFRS are believed to be mind boggling, multi-interpretable and may introduce major institutional limitations in their execution. It is behind this that Ghanaian organizations have different difficulties and triumphs in executing IFRS. On account of auxiliaries of worldwide enterprise (MNC's), which are in a general sense unique in relation to their residential partners as they work as a component of Gathering's that work in various, political, social, and monetary conditions just as various budgetary announcing wards, the intricacy of the usage difficulties may even be exacerbated.

As of late, the advancement of worldwide bookkeeping norms and selection by such industrialized nations as: England, Germany, US of America, Canada and the Individuals from the European Association have been a significant worry among bookkeeping experts. Disregarding the various examinations about the appropriation of Global Bookkeeping Gauges by created and industrialized nations around the globe, less consideration has been given to creating nations (Antwi, 2009). Virtually, scarcely any articles and books about the reception of bookkeeping guidelines by creating nations and specifically Ghana exist (Zeghal and Mhedhbi, 2006). Besides, the not many that are in presence basically centers around whether it is essential for creating nations to embrace universal bookkeeping gauges (Tyrrall et al., 2007).

It is required by IFRS that fiscal reports ought to be merged if an organization has auxiliaries. This is an investigation to analyze the usage of IFRS in an auxiliary of a global organization in Ghana and uncovered the complexities of the execution of IFRS in an auxiliary of a worldwide organization. It will uncover difficulties in the IFRS execution process, usage advantages and cost to Ghanaian based auxiliaries of a worldwide organization in addition to other things. Such an investigation will help assess the national selection as well as the firm level reception of IFRS and impact of IFRS appropriation on budget reports of those organizations. This investigation accordingly inspected usage of IFRS in AngloGold Ashanti Ghana constrained (Iduapriem Mine). An auxiliary of AngloGold Ashanti Gathering, AngloGold Ashanti Ghana Ltd, actualized and now applies IFRS since 2007, as a significant prerequisite of Ghana stock trade posting rules after Ghana's reception of IFRS in 2007. (Force, 2010 and Doukakis, 2014).

#### **Purpose of the Study**

The purpose of the study was to examine the challenges of implementing the IFRS by mining companies listed on the Ghana Stock Market especially AngloGold Ashanti Ghana Ltd.

#### **Research Objectives**

The main objective of this study was to evaluate the challenges and success of implementation of IFRS adoption in AngloGold Ashanti Ghana Ltd (Iduapriem Mine).

The specific objectives of the study are to:

1. Identify accounting processes involved in the transition from GNAS to IFRS.
2. Examine the challenges faced in IFRS implementation in AngloGold Ashanti Ghana.
3. Assess successes in IFRS implementation and evaluate the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era

### Research Questions

The research questions raised in this study are as follows:

1. What are the accounting processes involved in the transition to IFRS from GNAS?
2. What challenges were faced by AngloGold Ashanti Ghana in implementing the IFRS?
3. What successes were chalked in IFRS implementation and what benefits are accruing to AngloGold Ashanti since implementation of the IFRS?

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### Significance of the Study

A number of studies have been conducted on International Financial Reporting Standard but not limited to the challenges and success of implementation of IFRS in mining companies. Despite these studies, there is paucity of research on the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd.

This study sought to evaluate the challenges and successes of IFRS implementation in AngloGold Ashanti Ghana Ltd and to suggest recommendations. It thus provides a rare opportunity to review IFRS implementation from a subsidiary of a multinational company perspective and to identify challenges and successes as well as benefits that are accruing to the

company. From a national point of view, the study would unravel the complexities in the provisions of the standards and create an interface between these global standards and local requirements. More broadly, many stakeholders would benefit from this study.

For stakeholders who have made the adoption of accounting standards a national priority, this study is an evidence of implementation success that would encourage nation-wide application of IFRS and fuel a more aggressive approach to tackling the issues emerging from implementation in different company contexts. It will guide implementers of IFRS in other companies. AngloGold Ashanti Ghana Ltd. can learn many lessons from this study from hindsight. For management of the company, the findings will contribute to the current debate whether the implementation of IFRS succeeded or not and will make the reporting of the company more transparent. For the researcher, this study would provide a good platform to gain in-depth appreciation of the multifaceted issues involved in the transition from GAAP to IFRS. Lastly it has contributed to the body of knowledge on IFRS and extending institutional theory into the domain of accounting research and in particular the discourse on international financial reporting standards in today's increasing globalized world of business. As Accounting standards have become a focus of accounting studies in recent years, this study will serve as a guide to future studies. Other researchers can benefit from its findings.

#### **Delimitations**

Geographically, the study was restricted to AngloGold Ashanti Ghana Ltd in Iduapriem. With regards to content, the broader field of International

Financial Reporting Standards, this study focused on challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd.

It also sought to identify and explain key issues involved in the transition from GNAS to IFRS, examine the challenges faced in IFRS implementation in AngloGold Ashanti Ghana, assess successes in IFRS implementation in AngloGold Ashanti Ghana Ltd and evaluate the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era.

#### **Limitations**

Academic researchers normally face many challenges that obstruct them from realizing their aim in totality and this study was not exceptional to that effect. The major challenge encountered during this study where:

- **Time Constraint:** The data collection was carried out during the working hours of majority of the respondents (accounts department) hence there was a clash with the respondents' working activities. To minimize this, the researcher made arrangements with respondents as to the time that was convenient for them.
- **Respondent Bias:** Some respondents, especially the junior accounts officers were a bit skeptical and seemed to shield some information. It seemed that they shelved some information that appeared negative and that might affect the credibility of their company. This became obvious due to the inconsistencies in the flow of the information they gave during the pretesting. To reduce this, the researcher sought to assure respondents of the confidentiality of the information they gave and stressed that it was purely for academic purposes.

#### **Operational Definition of Key Terms:**

**Adoption:** Is defined as the act of embracing the operationalization of international financial reporting standard in a new environment.

**International financial reporting standard (IFRS):** IFRS are standards issued by the IFRS Foundation and the international accounting standard board (IASB) to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries.

**Improvement:** it is the process of reporting financials moving from one state to a state considered to be better usually through some measures intended to bring about that better state.

**Challenge:** it is a situation when the adoption of new financial reporting is difficult and requires great effort to achieve the desired result.

#### **Organisation of the Study**

The study is organized into five chapters. Chapter one focuses on the following: background of the study, the problem statement, research questions, research objectives, significance of the study, the scope of the study, operational definition of key terms, limitations of the study and the organization of the research. Chapter two presents the literature review which includes theoretical framework, key issues involved in the transition from GNAS to IFRS, the challenges faced in IFRS implementation in AngloGold Ashanti Ghana, successes in IFRS implementation in AngloGold Ashanti Ghana Ltd and the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era. Chapter three deals with the methods: research design, population, sample size and sampling procedure and techniques, source of data, data gathering methods, techniques of data analysis and the outline of the research process. The fourth



chapter contains the data analysis and presentation of the study. The fifth chapter consists of summary of key findings, conclusions and recommendations made by the researcher.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **Introduction**

This literature review focuses on examination of the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd. The goal of the literature review is to summarize current related relevant research about

key issues involved in the transition from GNAS to IFRS, challenges faced in IFRS implementation in AngloGold Ashanti Ghana, successes in IFRS implementation in AngloGold Ashanti Ghana Ltd and the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era.

### **Theoretical Review**

A theory is a premeditated system for sorting out information and giving a blue print to activity (Griffin, 2004). This area gives clarification of the hypothesis utilized in this undertaking. Numerous variables clarify the reception of IFRS. As indicated by Nobes and Parker (2004), such factors as the outer condition and culture, lawful framework, suppliers of account, tax assessment, calling, expansion, and outside impacts have more noteworthy bearing on the choice to embrace IFRS. Different factors, for example, instructive levels, monetary development, social enrolment, accessibility of capital market and level of outer financial transparency have sway on the selection of IFRS by creating nations (Zeghal and Mhedhbi, 2006).

It must be expressed that supporting these components are hypotheses that attempt to clarify these elements. It is believed that what shapes monetary detailing in organizations isn't just bookkeeping gauges yet in addition the institutional courses of action. Consequently, this investigation attracted on institutional hypothesis to clarify the usage of IFRS in AngloGold Ashanti Ghana LTD. In this way, the segment talks about institutional hypothesis as the hypothetical casing for exploring the issue. Reasonably, institutional hypothesis is broadly utilized, both inside and outside of bookkeeping, to clarify the powers that shape singular acting inside social conditions (Lemki, et al., 2001; Dillard, et al, 2004). In particular, the analyst utilized the thoughts set out by DiMaggio

and Powell (1983) and DiMaggio (1988) after from crafted by Meyer and Rowan (1977) trying to more readily assess IFRS usage in AngloGold Ashanti Ghana LTD. In this way, the institutional hypothesis that supports the investigation is the Institutional Isomorphism hypothesis.

### **Institutional Isomorphism Theory**

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Institutional isomorphism is a process of social and institutional interaction that forces an organization to resemble others that face the same conditions (DiMaggio & Powell, 1983).

This prompts the absorption of associations that coincide in comparative ecological conditions (Dacin, 1997; Deephouse, 1996). This theory and its procedures are talked about straightaway. The theory of institutional isomorphism concerns relating an association to its industry condition. It characterizes as "obliging procedure that constrains one unit in a populace to look like different units that face a similar arrangement of natural conditions" (Hawley, 1968 referred to in DiMaggio and Powell 1983). It is accepted that associations working in industry situations create individual authoritative qualities which are persistently being altered toward expanding similarity with natural attributes.

DiMaggio and Powell (1983) express that; "hierarchical qualities are adjusted toward expanding similarity with ecological attributes; the quantity of associations in a populace is a component of natural conveying limit; and the decent variety of authoritative structures is isomorphic to the earth assorted variety". Institutional isomorphism varies from serious isomorphism which stresses "showcase rivalry, specialty change, and wellness measures" (Larson

and Collins 1977). Hannan and Freeman (1977) were basically inspired by serious isomorphism, which is generally worried about authoritative adjustment because of serious weights. DiMaggio and Powell (1983, 1991) were fundamentally inspired by institutional isomorphism which focuses to the impact of political force and functions that are planned for expanding authenticity of the association (Meyer and Rowan, 1991). As a matter of fact, DiMaggio and Powell (1983) detailed institutional hypothesis as an elective human science based point of view to the monetary based "utilitarian, on-screen character intrigue models" (DiMaggio, 1988). The monetary based models have overwhelmed bookkeeping research and the manners in which scholarly analysts surrounded, comprehended, and conveyed (Ferraro, et al., 2005). In any case, since the plan of IFRS travelled through the serious stage into the institutional stage, its execution can be comprehended by institutional isomorphism.

The hypothesis of isomorphism suggests that as the highlights of an association in a specific industry are adjusted ceaselessly to look like others and to satisfy industry guidelines for similarity, consistency and at last harmonization of gauges, hierarchical condition will in general mirror the business condition. It suggests that the character, unpredictability or even the effortlessness of the structure of an association is a component of the assorted variety of the business condition in which it works to the point that the numerical estimation of associations in a situation is because of the limit or the capacity of the business condition to contain such associations.

The hypothesis can be glanced in three different ways. As indicated by DiMaggio and Powell (1983), the three instruments or procedures of

institutional isomorphic change are coercive isomorphism, mimetic isomorphism, and regularizing isomorphism. It must be noticed that DiMaggio and Powell (1983) have featured that the three procedures that lead to isomorphism are not really unmistakable specialties. There are interfaces among them that can be coordinated to increase an adjusted perspective on the hypothesis. The succeeding passages talk about the types of the hypothesis and their incentive to this investigation.

It is accepted that one significant system which causes an organization to adjust and acclimate to the changing states of its industry condition is the control that different associations have over it just as the strain to comply with desires for society. Coercive isomorphism concerns formal and casual weights which shape another association. As indicated by DiMaggio and Powell (1983) "Coercive isomorphism results from both formal and casual weights applied on associations by different associations whereupon they are needy and by social desires in the general public inside which associations work". This realizes the various methods for productions of monetary data. Auxiliary arrangements of money related data are shaped because of institutional isomorphism. For an association to apply pressure on another association there must be reliance of a sort. This reliance can be financial or legitimate and the weight applied can be as power, influence, arrangements or governmental issues. As indicated by Tushman (2001), "governmental issues alludes to the structure and procedure of the utilization of power and capacity to influence meaning of objectives, course and the other significant parameters of the association". In an authoritative domain, choices are not made in a separated way yet rather through trade off, convenience and bartering. In a quickly evolving financial, social and

world of politics and globalization of economies, pressure applied on an association by other predominant associations whereupon they rely upon just as the social condition inside which they work clarify coercive isomorphism. In many cases, such weights may be seen by the associations as power, influence or an encouragement to receive a specific arrangement.

With respect to the reception of IFRSs in Ghana and its usage, associations like Organization of Sanctioned Bookkeepers Ghana, Protections and Trade Commission (SEC), and the Ghana Stock Trade, applied weight on organizations recorded on the Ghana Stock Trade to embrace IFRS. It is being contended that the procedure of IFRS reception in many nations is a political procedure as opposed to an expert bookkeeping need. There is consequently pressure from most government. Furthermore, pressure from government, outside speculators, worldwide bookkeeping firms, among others, likewise applied weight that prompted reception of IFRS in Ghana.

In 2005, the Establishment of Sanctioned Bookkeepers Ghana, Ghana's National Bookkeeping Standard Setter, turned into an individual from the Worldwide Organization of Bookkeepers (IFAC), and as an individual from IFAC Ghana had no real option except to agree to IFAC's guideline that its part nations ought to embrace IFRS. Additionally, the association that engineered the harmonization of bookkeeping gauges and plan of IFRS, the IASC, applies impact on reception and adjustment to IFRS. The fundamental target of the IASC is to "detail, and distribute in broad daylight enthusiasm bookkeeping norms to be seen in the introduction of fiscal summaries and to deliver and to advance their overall acknowledgment and recognition" (IASB, 1992). The IASB developed as the most dynamic and powerful bookkeeping norms setting

body characterizing and deciding the normalization of worldwide bookkeeping rules.

This implies the IASC applies effect on the selection of the IFRS with the support of foundations including: The Assembled Countries (UN), Worldwide Money related Store (IMF), Global Alliance of Bookkeepers (IFAC), European Commission (EC), Association for Financial Participation and Advancement (OECD) and the Universal Association of Protections Commission. In spite of the fact that it tends to be contended that the effect of a portion of these organizations is unobtrusive and can't be excessively unequivocal since they can't politicize the reception procedure except if a nation makes its ways for these foundations and their persuasions.

This implies the more a nation is opened to the worldwide condition, the higher the likelihood that the nation would be constrained into embracing IFRS. In Ghana, the opening came in 2005 when the World Bank suggested changes in Ghana's national bookkeeping guidelines so as to help speculator trust in accordance with the worldwide patterns of business after its production of the Recognition of Principles and Codes in 2004 in the wake of evaluating Ghana's Bookkeeping framework. Therefore, numerous procedures and patterns set off the appropriation of IFRS in Ghana.

In any case, Ball et al. (2003) found that "it is fragmented and deceiving to characterize nations as far as their conventional bookkeeping guidelines or even their standard setting establishment, without giving considerable load to institutional effects on preparers' real budgetary revealing motivators." this implies separated from coercive isomorphism, mimetic isomorphism can help clarify IFRS usage. Change and vulnerability are factors deciding the

appropriation of changes and deciding distinctive authoritative structures. Assurance and consistency license the utilization of strategies, rules, and systems to control dynamic for routine errands and issues. Flimsiness, vulnerability and unconventionality require selection of best practices from outside the association.

DiMaggio and Powell (1983) contend that vulnerability is a groundbreaking impetus for impersonation. Mimetic isomorphism is an association's impersonation of another association because of vulnerability, or now and again disappointment (DiMaggio and Powell, 1983). In this manner, associations go to display themselves after different associations who are believed to be fruitful. Associations impersonate the gauges and approaches of fruitful associations when they are dubious about the impacts that their present arrangements may have on the association in future. DiMaggio and Powell (1983) contend that one reason why authoritative structures will in general be homogenous is that there are very few distinctive hierarchical models to copy. Hence, associations copy the couple of associations in their field who are progressively real and fruitful.

The World Bank noticed that the Establishment of Contracted Bookkeepers of Ghana (ICAG) had not refreshed the Ghana National Bookkeeping Guidelines since they were initially adjusted. It was built up that there were twenty-eight (28) Ghana National Bookkeeping Measures. The IFRS are the worldwide guidelines. Hence, escape clauses in Ghana National Accounting Standards prompted vulnerability in the bookkeeping calling. Subsequently, ICAG saw a solution for this circumstance originating from the inception of IFRS.

#### **Business Entity Assumptions**



Business Entity Assumptions (BEA): Husband (1954), contends that business can be separated from its owners and the environment in which it operates is necessary in order to set a boundary to the accounts. Just the exchanges legitimately influencing the element are recorded in budget report. Omolehinwa (2003) additionally saw that the different legitimate character is expected as business has a privilege to gain resources and causes liabilities as unmistakable from its proprietors. The business has option to sue and be sued like some other individual. Both concurred that it can now and then be to some degree discretionary, especially for little and medium endeavors where the issues of the proprietors and the organizations are regularly inseparably intertwined. This procedure would anyway offer ascent to mutilation in genuine salary assurance, particularly where data isn't promptly accessible about private costs of the proprietors as unmistakable from the organizations. Early guidance and legitimate bookkeeping records will anyway take out the pending peril of not isolating private costs from operational expense.

### **Empirical Review**

In this area the analyst surveys observational writing by assessing discoveries of studies on the reception of IFRS and related subjects including; challenges in the change procedure, impact on money related execution of organizations among others. A portion of these examinations including; Haller and Eierle (2004), Sucher and Jindrichovska (2004), Vellam (2004), Delvaille et al. (2005), Hoogendoorn (2006) among others, concentrated on the fundamental challenges and openings that IFRS adopters find in regards to the progress to IFRS. Different examinations inspected the outcomes of intentional or obligatory reception of IFRS.

Brochet, Jagolinzer, and Ried (2011) inspected whether compulsory appropriation of IFRS upgrades fiscal report likeness which affirm that IFRS selection improves budget report similarity across firms and decreases private data benefits. In particular, unusual comes back to two intermediaries for private data (insider buys and expert proposal updates) are diminished after IFRS appropriation. Soderstrom and Sun (2007), on their part, focus on willful IAS/IFRS appropriation on securities exchange view of declarations comparative with IAS/IFRS selection in the European Association. Their examination has yielded significant outcomes, which feature that bookkeeping quality is an element of the association's general institutional setting, including the lawful and political arrangement of the nation where the firm dwells. In a resulting study they show that bookkeeping quality has financial ramifications for expenses of capital, proficiency of capital distribution and global capital versatility (Soderstrom and Sun, 2007). They accept better worldwide bookkeeping guidelines will profit nations.

Thought about together, experimental proof proposes on appropriation of IFRS in organizations, regardless of whether deliberately or obligatorily, is related with more excellent bookkeeping. Be that as it may, it must be expressed that budgetary announcing quality isn't just the consequence of the nature of bookkeeping guidelines, yet in addition of institutional; lawful and political frameworks just as monetary revealing motivating forces. Regardless of whether IFRS are great norms, the impacts of highlights of the monetary announcing framework other than the principles themselves could wipe out any improvement in bookkeeping quality emerging from the reception of IAS/IFRS (Barth et al.,2008).

### **International Accounting Standards**

As indicated by Aisbitt (2006) there are significant contrasts in money related announcing of mining organizations in various nations. These distinctions bring about confusions for getting ready, merging, reviewing and deciphering distributed fiscal reports. There has been a more noteworthy need to overcome any barrier between the distinctions in money related announcing gauges among nations (Barker, 2008). To make this a reality, a few associations including AngloGold Ashanti have been engaged with attempting to fit their money related detailing gauges.

The terms harmonization and normalization are utilized in many occasions to portray the answer for explaining the distinctions that relate in money related revealing measures. Harmonization is the way toward expanding the similarity of bookkeeping rehearses by setting limits to their level of variety (Ball, 2005). With an end goal to fit bookkeeping estimations and revealing guidelines, most mining organizations on the planet have endeavored different alternatives. In any case, the IASC developed as the most dynamic and strong bookkeeping guidelines setting body. As indicated by Barth, Landsman and Lang (2008), normalization alludes to the inconvenience of a progressively unbending and limited arrangement of rules.

As of late, nations are abundantly intrigued and worried about budgetary data from different nations because of the expanding pace of internationalization. Global harmonization of bookkeeping measures is of much worry to the controllers, preparers, and clients of budgetary data. As per Daske (2006) there are an entire host of experts that need money related data from

various nations for examination and successful budgetary dynamic. These incorporate the accompanying:

Right off the bat, money related investigators and speculators need similar and intelligible budgetary data of mining organizations to be better assistance in their choice whether to purchase a specific share or put resources into different endeavors. The key issues that speculators and money related examiner search for are dependability and likeness of the budgetary data. Better despite everything, regardless of whether there are contrasts in the bookkeeping gauges between nations, speculators and budgetary examiners should be clear about the nature and greatness of the distinctions. All the more along these lines, outside organizations that rundown their offers on the residential stock trade of another nation would be required to give sound and dependable budgetary data by the controllers of the stock trade in the local nation which satisfies the neighborhood guidelines (De Franco, 2011). Universal grantors, for example, the World Bank would in like manner, need fit bookkeeping norms to encourage the examination of the presentation of their borrower nations thus AngloGold Ashanti additionally need orchestrated bookkeeping gauges to encourage their exercises since mining include a tremendous aggregate of cash.

Besides, mining organizations are required to set up a combined fiscal report in order to mirror the general exercises of their organization and all the auxiliaries under the care of its (De Franco, 2011). It would be an incredible help to bookkeepers of mining organizations like AngloGold Ashanti on the off chance that they observe bookkeeping measures. This legitimizes the need to assess the difficulties and accomplishment of usage of IFRS in AngloGold Ashanti Ghana Ltd.

**Key issues involved in AngloGold Ashanti transition from GNAS to IFRS**

**(Adoption of IFRS in developing countries)**

Ernest and Youthful (2006) show that the fundamental spark for receiving IFRSs is the need of universal language of bookkeeping and the requirements of internationalization of capital markets. Larson (2004) bring up that IFRS empower the correlation of fiscal summaries between firms in a similar field, regardless of whether they were working in various markets. In addition, nations, for example, UAE which doesn't have national bookkeeping guidelines, would encourage and quickly improve their bookkeeping practice which would empower them to access worldwide capital (Larson, 2004).

Larson (2004) recommends that embracing IFRS in creating nations would spare time and the exertion for these nations setting their own principles. Besides, the appropriation of IFRSs would prompt improve the nature of bookkeeping which will, thus, increment intensity (Needles, 2010). The appropriation of IFRS in some creating nations, thusly, has gotten compulsory because of the outside weight or the impact of the universal associations, for example, the IMF and the World Bank (Nobes and Parker, 2004).

Nobes and Parker (2004) call attention to that the Global bookkeeping firms (IAFs) assume a noteworthy job in creating nations to inspire them to embrace IFRSs so as to list their organizations universally. As per Soderstrom (2008), creating nations receive IFRSs to get worthy in the universal market. Be that as it may, they don't mean to roll out essential improvements to their political and monetary methodologies which could be important to receive the IFRS all the more productively (Soderstrom, 2008).

Numerous gold mining organizations both national and global wish to embrace IFRSs that give them the capacity to accomplish the adequacy of the money related report. Bookkeeping and Examining Association (GCCAAP) consented to receive the IFRS into their recorded firms (Soderstrom, 2008). Joined Countries (UN) (2007) contends that UAE required its recorded firms to set up their budget reports under IFRSs at the latest 2005.

Practically all creating nations that were colonized by the English somewhat embraced the English instructive framework. Notice can be made of such settlements as Gambia, Ghana, Nigeria, Southern Cameroon, Sierra Leone, Kenya, Uganda, Tanzania, South Africa, Northern Rhodesia (Zambia), Southern Rhodesia (Zimbabwe), Nyasaland (Malawi), Lesotho, Botswana, and Swaziland. These nations followed a comparative example during and after colonization. From now on, to examine the review of the bookkeeping framework in these creating nations, it tends to be accepted that comparative patterns were utilized and so far as that is concerned one nation's situation mirrors that of the other nation. In this regard accordingly, Ghana is utilized as an example to analyze the outline of the bookkeeping framework in these nations.

Ghana, a previous English state for longer than a century, was acquainted with English instructive framework. As per Soderstrom (2008), "during the early long stretches of the pilgrim time frame, the majority of the sizable organizations in these nations (Ghana as model) were set up by English financial specialists. The administrative work force, including bookkeepers, for these endeavors were by and large brought from the UK. Around then an

individual could get the status of expert bookkeeper just by admission to one of the English expert bookkeeping bodies.

As a result, this contention suggests that the Ghana Bookkeeping Framework started to come to fruition after the presented English Bookkeeping Framework. All the more in this way, the import of expert staff into the nation to a bigger degree implied that, every significant business in the nation must be overseen in agreement to the English framework being it: accounting, the executives, speculation, planning of budget reports among others. Furthermore, the monopolistic idea of the bookkeeping calling in the nation, dazzled on all who wish to seek after bookkeeping to concentrate in one of the English expert bookkeeping bodies, along these lines spreading the English bookkeeping guidelines over the length and broadness of Ghana.

As per Zeghal (2006), advancement of Bookkeeping in a nation to a great extent relies upon the presence of expert bookkeeping bodies particularly in a nation where the precedent-based law arrangement of bookkeeping is utilized. It is clear from this decision, that a significant number of Ghanaian bookkeeping understudies exceeded expectations in both the bookkeeping assessment and down to earth preparing prerequisites of these expert bodies and hence in the end became English qualified bookkeepers. These privately prepared bookkeepers involved conspicuous situations in Ghana considerably after the freedom in 1957. They went about as experts and counselors to the ensuing governments that steered of Ghana in issues of bookkeeping and setting bookkeeping measures and guidelines.

After autonomy, a couple of English qualified bookkeepers initiated a monopolistic and first class proficient body that is like the Organization of

Sanctioned Bookkeepers of Britain and Grains. In many occurrences, the expert bookkeeping body embraces the name of the expert body in the Assembled Realm and for this situation, Foundation of Sanctioned Bookkeepers of Ghana (Zeghal, 2006). The Establishment of Sanctioned Bookkeepers, Ghana has indistinguishable follows as the parent organization in Britain and Grains and this incorporate in addition to other things comparative assessment and preparing structures and a comparative accentuation after inspecting as it is done in English (World Bank, 2005).

In any case, it is profoundly basic to realize why creating nations keep on applying bookkeeping guidelines of their pioneer masters" even a very long time after autonomy in the midst of better instructive foundation and settled neighborhood proficient bookkeeping bodies. Mostly because of the worthwhile prizes the English qualified bookkeepers get and somewhat on the grounds that they are hesitant to concede that the arrangement of bookkeeping might be of lesser or no advantages, these bookkeepers attempt as much as possible to proceed with the bookkeeping instruction they sought after. In different cases, likewise, some nearby expert body practices exorbitant authority over the gracefulness of bookkeepers by intentionally restricting the enrollment just to the individuals who complete its assessments to guarantee that a specific type of class is kept up among its individuals.

In 2004, the World Bank led a survey of bookkeeping and examining rehearses in Ghana which was introduced in its Report on Recognition of Norms and Codes. This was to "assess the shortcomings and qualities of the bookkeeping and examining prerequisites, and to survey the detailing necessities against real practices" (ROSC, 2004). The World Bank utilized the



Global Money related Detailing Gauges (IFRSs) and Universal Norms on Evaluating as the benchmarks for surveying national measures. The Report on the Recognition of Guidelines and Codes distributed by the World Bank in June, 2004 was the consequences of the appraisal of the Ghanaian bookkeeping and examining measures and contained approach proposals to improve the money related detailing structure in Ghana.

Through the cautious assessment of the Ghana National Bookkeeping Norms, the procedure focuses clarify the holes that were distinguished in the bookkeeping and detailing guidelines in Ghana as saw through the Reports on Recognition of Gauges and Codes led by the World Bank in the year 2004:

**a. The ICAG issues Ghana National Accounting Standards (GAS).** The World Bank identified that there was no clear legal mandate for ICAG to set national accounting standards, however, ICAG issued the Ghana National Accounting Standards. However, these national standards were based on International Accounting Standards which became effective in mid-1990 (ROSC, 2004).

**b. Ghana National Accounting Standards are outdated and differ significantly with International Accounting Standards.**

Every single other thing been equivalent, it was normal that consistence with national accounting gauges would mean consistence with Global Bookkeeping Guidelines. In any case, there it was seen that there are a few holes between the Ghana national Bookkeeping Gauges and the worldwide measures. The Establishment of Contracted Bookkeepers, Ghana has not made any endeavor to survey and update the national principles since initially adjusting its nearby norms to global guidelines. The ICAG, as indicated by the World

Bank, needs specialized abilities for the errand of investigating and refreshing the gauges. Moreover, over the previous years, broad corrections have been made to the Universal Bookkeeping Norms that are not reflected in the Ghana Bookkeeping Measures. Also, the bookkeeping standard setters in Ghana have not given any comparable Standard Understandings Advisory group (SIC) translations gave by the IASB (ROSC, 2004).

**c. The capacity of ICAG needs strengthening to adequately function as an effective professional accountancy body.** Inadequate financial resources to some extent hinder the operations of ICAG which includes inability to developing a reliable electronic database. Moreover, ICAG has inadequate capacity to ensure that its members comply with existing standards or be kept abreast with international developments in the profession (ROSC, 2004).

**d. The Ghanaian professional accountants' Code of Professional Conduct needs updating.** All ICAG members are expected to follow the ICAG's Code of Professional Conduct though no obvious legal requirement or guidance exists for its mandatory application in Ghana. The professional codes of conduct of ICAG are based on the International Federation of Accountants (IFAC) professional codes. However, to align these codes to the IFAC codes, the ICAG Code needs updating and application of principles to specific situations, professional competence and responsibilities regarding the use of non-accountants (ROSC, 2004).

**e. Professional Accounting education and training is not adequate.** ICAG's main entry requirement to the profession is in line with IFAC requirements however; in practice, ICAG accepts lower entry requirements. The prescribed

curriculum for educating and training of professional accountants of ICAG was found to be over a decade old.

**f. Monitoring and control of the practical experience requirement is inadequate in Ghana.** It is recommended that practical experience leading to qualification as a professional accountant should be conducted under an approved practical training provider. The ICAG should ensure the acceptability of practical experience undertaken by candidates. In practice, the ICAG does not have the resources to monitor the quality of practical training provided by practical training providers (ROSC, 2004).

**g. No effective mechanism exists to enforce requirements for accounting and financial reporting provided in the Companies Code.** The Registrar-General has legal authority to enforce provisions of the Companies Code. The Registrar-General also has legal authority to provide exemptions from compliance with the Companies Code. But it was identified that the Registrar-General has no technical and logistical capacity to review financial statements with which to identify accounting and auditing violations. There is no rigorous enforcement of timely filing of returns and annual financial statements, and the financial statements of non-listed public and private companies were not readily available (ROSC, 2004).

**h. There is no published implementation guidance.** As at the time of the World Bank Report, there was no organization in Ghana, including ICAG that issues implementation guidelines on either Ghana National Accounting Standards or the International Accounting Standards. This implies that companies applied the accounting standards as and when they prefer. The lack of detailed knowledge about international standards and the absence of

implementation guidelines often lead to misunderstandings in implementing national standards (ROSC, 2004).

**i. There are significant compliance gaps.** The differences between applicable accounting standard and actual practice gives rise to what is termed as compliance gap. The published financial statements of some companies reviewed by the World Bank Research team revealed bigger or serious compliance gaps in the Ghanaian accounting system. It was noticed that the financial statements of some sampled companies do not specifically mention which accounting standards are employed. It is for this reason that necessitated the adoption of IFRS by companies including AngloGold Ashanti Ghana.

#### **Successes in IFRS adoption in implementation in Ghana**

It is important that different specialists have contemplated the significance of Global Bookkeeping Guidelines (IAS) to creating nations (Choi, 2002). Choi then again, found that IAS isn't pertinent to creating nations since the guidelines were set by the created or industrializes nations (Choi, 2005). In this light, to what degree is the selection of IFRS valuable to creating nations? What bearing do IFRS have on the economy of creating nations? For what reason would creating nations not create bookkeeping norms for their own utilization? At last, do creating nations have the fundamental structures set up to completely execute the IFRS?

To look at the pertinence of Global Bookkeeping Norms to AngloGold Ashanti (Ghana), the parameters utilized by Daske (2006) would be obtained for this examination. These key determinants of the importance of IAS in creating nations are (a) the bookkeeping needs of the nation, (b) the size of the

private or open segment, (c) the presence of capital market, (d) the comparative condition contention.

Money related bookkeeping and announcing gauges are required in order to give speculators and the overall population the monetary data they need. Be that as it may, we ought not dismiss the way that in most creating nations, mining organizations do not have the suitable structure to build up their own bookkeeping principles and strategies. More regrettable, bookkeeping calling and organizations in most creating nations are still in their reasonable state and subsequently come up short on the specialized skill to create neighborhood national bookkeeping guidelines. Consequently, it is a positive development to move bookkeeping innovation which is suitable for the requirements of created nations to creating nations (Daske, 2006).

Legitimately, creating nations survey Global Bookkeeping Measures before they are officially embraced. In such an occasion, the creating nations embrace the norms they consider significant while those that are insignificant are overlooked. Ghana is a commonplace model for this situation where they received those measures that are appropriate for their bookkeeping needs. Different nations additionally change a portion of the principles to suit their national needs. This permits creating nations that can't build up their nearby bookkeeping guidelines to copy and tune bookkeeping measures created by the IASB without any problem.

According to De Franco (2011), IFRS is relevant to mining companies because they contribute immensely to the development of the standards by:

- a. Suggesting new topics for standardization
- b. Commenting on the IASC's exposure draft

c. Take part in the IASC's Steering Committees

The capacity of AngloGold Ashanti Ghana Ltd to add to the creating of gauges to a bigger degree clarifies the motivation behind why they have embraced IFRS. This better clarifies why AngloGold Ashanti Ghana Ltd has throughout the years accomplished monstrous monetary profits in view of IFRS guidelines.

Besides, the selection of IFRS is pertinent to AngloGold Ashanti Ghana Ltd since they rely intensely upon capital inflows from speculators to make reference to among others. Establishments, for example, the World Bank, Global Fiscal Reserve, Joined Countries, and outside private financial specialists structure the center wellspring of producing income in AngloGold Ashanti Ghana Ltd. Strikingly, every one of these foundations and associations have given an immovable help to the reception and consistence to IFRS and even demand selection by AngloGold Ashanti Ghana Ltd looking for assets from them which further requires the requirement for them to receive the principles.

In creating nations, Samuels and Oliga referred to in Chamisa, (2000) contended that industrialist economies are arranged towards data needs of private financial specialists. Correctly, the IAS points intentionally at giving monetary data to fulfill the data needs of private speculators which underlines its importance to creating nations rehearsing free enterprise. In a free enterprise economy, the private area is central and so far as that is concerned privately owned businesses raise assets from financial specialists. Speculators put resources into organizations with the view to procure benefit which constrains

them to examine cautiously the budget summaries and reports of potential organizations they wish to put resources into.

### **Accounting Processes**

To truly fulfill the data need of speculators, it ought to be referenced that an all-around perceived standard ought to be utilized. All the more along these lines, we ought not dismiss the way that, private financial specialists in many examples are outside individual and foundations whose fundamental objectives are to harvest the greatest benefit conceivable from their speculation. In this light along these lines, IAS fills in as the main solution for organizations looking for assets to support their presentation since it fits or normalizes bookkeeping principles among nations that guarantees similarity of results. Industrialist nations, for example, Ghana, Zimbabwe, Nigeria, India, Malawi, Kenya, and Singapore among others have received the IAS as their national principles and furthermore use them as the reason for setting their national norms. It merits calling attention to that the administration in these free enterprise nations has little need of distributed yearly reports in that it requests data custom-made to suit explicit necessities of the economy of the nation.

Among the variables noted to impact the selection of IAS in creating nations, accessibility of capital market is singled out as relevant (Zeghal et al 2006). To support the significance of an entrenched capital market towards the selection of IAS, there have been different examinations with this impact (Choi et al 2007). In the US and Joined Realm, the inception of IFRS, the improvement of these bookkeeping gauges are firmly connected to the presence of capital market and henceforth could be said that they are association (Perara, 1989). Assets were amassed from assortment of sources and scattered to organizations

which to a degree required some degree of organized responsibility to the loan specialists and investors. Studies have indicated that helpful bookkeeping reports and suitable bookkeeping and evaluating principles are basic for the advancement of capital markets (De Franco 2011). This statement demonstrates the pertinence of IFRS to the turn of events and food of AngloGold Ashanti Ghana ltd.

#### **Benefits of IFRS Implementation**

The advantages of the execution of IFRS by AngloGold Ashanti Ghana Ltd include: the end or decrease of set-up costs in creating national bookkeeping gauges; the potential for quick national improvement in the apparent quality and status of monetary reports; increments in showcase proficiency in (inter)national budgetary markets through the arrangement of increasingly reasonable, equivalent, and solid fiscal summaries; and a decrease in the expense to firms of getting ready fiscal summaries (Nobes and Parker, 2006).

The costs that AngloGold would have caused in building up their own bookkeeping principles are turned away when they embrace IFRS. Be that as it may, these expenses are moved from setting up to preparing nearby staffs in taking care of the IFRS which by a long shot would be productive to AngloGold. Perpetually the nature of money related revealing in AngloGold would increment extensively considering the wellspring of these gauges. It would likewise help the worldwide exercises of AngloGold in that they can introduce solid and similar money related data. All the more along these lines, AngloGold can raise capital from global money related markets since their monetary reports can be contrasted with other worldwide organizations.



### **Challenges faced in IFRS implementation in AngloGold Ashanti Ghana**

De Franco (2011) opined that the principal factors affecting the implementation of IFRS by mining companies in the world are cultural issues, mental models, legal impediments, educational needs and political influences in those countries rather than the most widely perceived technical issues. This goes far to clarify Siaga's (2012) insights which shows that regardless of 40% of African nation approach IFAC just 28% of IFAC individuals in Africa have received IFRS.

This at that point shows that it's not about the specialized issue yet different factors as opined by De Franco (2011) in his exploration said that there have been fluctuating degrees of consistence with IFRS by mining organizations regardless of cases by organizations that their fiscal reports are IFRS agreeable.

This is in consonance with Frumkin (2004) who opined that by and by most IFRS receptions are in marks and with different adaptations which are conflicting with IASB's solution. Frumkin, (2005) went further to express that disappointment of evaluators to communicate conclusion on IFRS consistence or resistance is similarly upsetting. He finished up by saying the significant test for the execution of IFRS by mining organizations will be the requirement components of IFRS particularly in purviews with powerless foundations and authorization offices.

Nobes (2006) has demonstrated the inspirations and open doors for various IFRS to proceed, there must a planned administrative survey and authorization component to encourage predictable application. The unpredictability of certain IFRSs and expense direction of AngloGold have been

distinguished as the two most noteworthy hindrances to combination (Larson and Road, 2004). Ball (2006) focused on the difficulties that most nations mining organizations incorporating AngloGold will look in receiving and executing IFRS is that of changing society and creating frameworks of guideline and difficulties just as requests for more noteworthy responsibility and more extensive political cooperation and grasping of fundamental political changes.

Indeed, grasping globalization and embracing IFRS has difficulties as it makes fundamental changes to organizations administrative, lawful and monetary structures and adaption. This is the reason Nobes (2006) declared that the execution difficulties of IFRS by mining organizations include: auspicious translation of norms, constant alteration to IFRS, bookkeeping information and skill controlled by budget report clients, preparers, inspectors and controllers, while the examination by Ball, Robin and Wu (2003) included administrative motivating force. These social issues, mental models, legitimate obstructions, instructive requirements and political impacts make harmonization and moving starting with one convention then onto the next trouble.

This is in concurrence with the perspectives on Armstrong (2007) inferred that social, political and business contrasts may keep on forcing noteworthy impediments in the advancement towards a solitary worldwide money related correspondence framework on the grounds that a solitary arrangement of bookkeeping norms can't mirror the distinctions in national strategic approaches emerging from contrasts in foundations and societies.

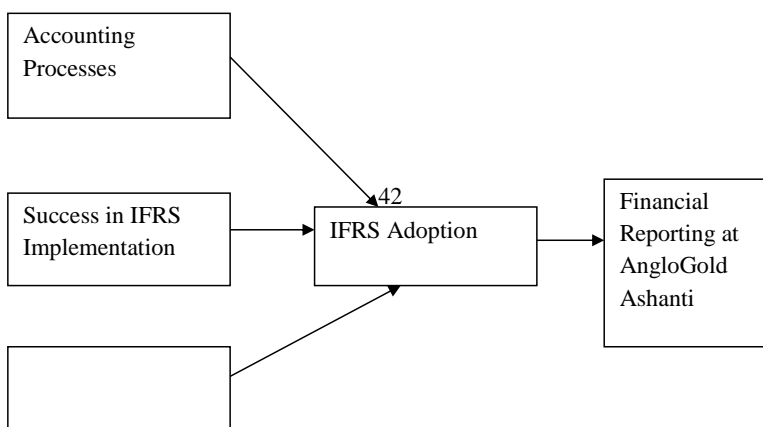
Nobes and Parker (2006) affirmed that cross-outskirt similarity, increment detailing straightforwardness, less data costs, increment the liquidity, increment upper hand and so forth every one of these advantages can't be

acknowledged whether mining organizations can't defeat their observation about IFRS, this is on the grounds that negative discernment at most occasions realizes negative result. To support this reality Epstein, (2009) found that most mining organizations were not set up for IFRS in light of the fact that they don't see benefits in changing from GAAP to IFRS.

Epstein and Mirza (2001) in his examination on the difficulties of worldwide budgetary announcing measures (IFRS) reasoned that that shortcoming of expert bookkeeping body, absence of an autonomous oversight body, irregularity of existing laws and administrative systems of bookkeeping in most creating nations. The difficulties of receiving IFRS by AngloGold.

### Conceptual Framework

The literature is therefore summarised in the conceptual framework below. From the figure below, the adoption of IFRS by Ghanaian firm especially AngloGold Ashanti has its own challenges of implementation. Also, the accounting processes that already existed conflicts with the accounting processes involved in IFRS. The study therefore tests the case of IFRS if the accounting processes involved are easily carried by AngloGold Ashanti, Ghana. After all, from literature it gathered that post pre-IFRS accounting standards had weaknesses and could succeed in Ghana. the study therefore evaluates the success of IFRS implementation in companies in Ghana especially AngloGold Ashanti. Upon all these findings, the study can now conclude on the state of financial reporting of AngloGold Ashanti using IFRS.



*Figure 1: Conceptual Framework*

Epstein and Mizra (2011)

### **Summary of Chapter**

This chapter discussed how the project was executed. It used the theory of institutional isomorphism to explain the adoption of IFRS. The three forms of isomorphism which actually overlap and intermingle were combined as it is clear that all three processes of institutional isomorphism shaped the implementation of IFRS in AngloGold Ashanti Ghana LTD. The empirical literature explained the adoption of the IFRS by organizations in real life settings. However, it is clear from this review that empirical literature on IFRS is scanty and skewed as the issue is beginning to be researched.

## CHAPTER THREE

### RESEARCH METHODS

#### Introduction

This chapter discusses research design, location of the study, target population, sample size and sampling techniques, research instruments, data collection procedures and analysis. It also describes the ethical concern.

#### Research Approach

A quantitative approach was adopted for this study, involving quantitative data collection methods. Quantitative data was collected using questionnaires. These tools captured the required data on key issues involved in the transition from GNAS to IFRS, the challenges faced in IFRS implementation in AngloGold Ashanti Ghana, successes in IFRS implementation in AngloGold Ashanti Ghana Ltd and benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era.

The quantitative approach was used for this study because it can answer a broader and more complete range of research questions because the researcher is not confined to a single method or approach (Creswell, 2013). Quantitative approach can also provide stronger evidence for a study's conclusions through convergence and corroboration of findings (Hite, 2010).

The purpose of using the quantitative approach was to use the responses obtained from the questionnaire interviews to provide a comprehensive analysis

of the research questions asked. A secondary reason was the possibility of using the results from one instrument to confirm or corroborate findings from the other (Creswell, 2008).

### **Research Design**

The study adopted the descriptive design. Descriptive design involves the procedure of collecting quantitative data and then collecting to help explain or elaborate the quantitative results (Creswell, 2013). The rationale for this approach is that the quantitative results provide a general picture of the research problem and detailed analysis, specifically through descriptive data collection needed to refine, extend or explain the general picture (Creswell, 2013). Descriptive design also uses instruments such as questionnaires to gather information from groups of subjects (Cohen, 2007; Hite, 2010; Creswell, 2013). In this research, the researcher asks questions about people's beliefs, opinions, characteristics, and behaviour (Creswell, 2013). Surveys may also investigate associations between respondent's characteristics such as age, education, social class, race and their current attitudes or beliefs towards some issue.

Importantly, descriptive design does not make causal inferences, but rather describes the distributions of variables for large groups (Creswell, 2013). Cohen (2007) posted that descriptive design involves collecting data to answer questions concerning the phenomenon under study, and is used to describe the nature of existing conditions, identify standards against which existing conditions can be compared, and investigate the relationships that may exist between events.

Descriptive design may use both questionnaires and interviews to gather information from groups of respondents about their opinions of some issue

(Creswell, 2013). However, interview was not conducted due to unwillingness of interviewees. The interview questions were rather captured in the questionnaire. Multiple sources and/or methods of data gathering increase the credibility and dependability of the data since the strengths of one source compensate for the potential weaknesses of the other (Hite, 2010).

### Study Area

The study was conducted in the AngloGold Ashanti Ghana limited. in the Western Region of Ghana, Iduapriem mine to be precise. As compared to their counterpart of other gold mining companies in Ghana evaluating the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd is nothing to talk about which has been an issue of concern among the various stakeholders and professionals in accounting.

The researcher's work experience as an accountant has helped me gain access to the information needed for the successful completion of this study. AngloGold Ashanti Ghana Ltd is within researcher's locality (Iduapriem) hence reducing the cost as well as risk involved in travelling. This made the data collection process easy and convenient.

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### Population

The target population consisted of all the account officers in AngloGold Ashanti Ghana Ltd in Iduapriem and the various heads of department in AngloGold Ashanti Ghana Ltd in Iduapriem. The account officers and department heads were the target group because evaluating the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd is purposely the work of accountants and heads of departments. Accounts officers and heads of department are chosen because they were more likely to have

knowledge about the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd.

The AngloGold Ashanti Ghana Ltd has a total population of 20 accounts officers and 10 department heads. Therefore, the total population of this study was 30. This group of population was selected because they could provide useful information concerning the study.

### **Sampling Procedure**

Kusi (2012) explains that a study may entail a small population unlike others with a large population. In such situation, the entire population may be selected for study and this is what is termed as census.

All the 20 account officers and 10 department heads of the AngloGold Ashanti Ghana Ltd within the Tarkwa-Nsuaem Municipality of the Western Region were purposively selected for this study. Here all accounts officers and heads of department were considered because they are those that are incorporating.

A census survey was conducted among the 20 accounts officers and 10 heads of department. According to Creswell (2013) “a census is feasible when the population is small and variable, any sample we may draw may not be representative of the population from which it is drawn”. Considered the target population in question (accounts officers and heads of department at AngloGold Ashanti Ghana Ltd in the Tarkwa-Nsuaem Municipality) was selected for the study, hence it is most appropriate to use the census survey. In line with this, purposive sampling was used to select all the respondents (accounts officers and heads of department) in AngloGold Ashanti Ghana Ltd) used for the study.



### **Data Collection Instrument**

A questionnaire and interview guides were used for this study. A questionnaire is a research instrument consisting of series of questions for the purpose of a survey or statistical study. The structured questionnaire type was used. Kusi (2012) explains that a structured questionnaire is a data collection instrument which contains predetermined standard questions or items meant to collect numerical data that can be subject to statistical analysis. He explains that the questions are close ended and answers outlined, which gives respondents the opportunity to respond to sample questionnaire questions.

The questionnaire was both close ended and open-ended questions with options like (Strongly Agree, Agree, Disagree, Strongly Disagree and Uncertain). It was divided into five sections which are as follows: Section A - Personal data and Section B - provides questions on key issues involved in the transition from GNAS to IFRS. Section C on the challenges faced in IFRS implementation in AngloGold Ashanti Ghana. Section D on successes in IFRS implementation in AngloGold Ashanti Ghana Ltd. Section E on the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era.

Questionnaires required less time and money compared to other methods like focus group discussions (Hollway & Jefferson, 2000). On the whole the respondents responded to thirty questions which were Likert-scale type. However, there were few open-ended questions which allowed participants to share their views that were not captured. This was to combat the negative side of the structured questionnaire.

Through interviews the researcher was able to obtain the stakeholders awareness level, opinions, points of view, values, feelings, attitudes, perceptions and practices regarding the challenges and success of implementation of IFRS in AngloGold Ashanti Ghana Ltd. The interviews used in this study were guided by mainly open-ended questions arranged by thematic order: for example, what are the key issues involved in the transition GNAS to IFRS? what challenges were faced by AngloGold Ashanti Ghana in implementing the IFRS? what successes were chalked in IFRS implementation in AngloGold Ashanti Ghana? And what benefits are accruing to AngloGold Ashanti since implementation of the IFRS?

A pilot study was conducted in Tarkwa Mines which has the same socio-demographic as that of AngloGold Ashanti Ghana Ltd. The questionnaires were administered to (2) accounts officers and a human resource manager. The pilot study was done to improve the reliability of instrument. Changes were made to questions deemed inappropriate after the pilot study.

### **Validity of the Instruments**

A research instrument is said to be valid when it measures what it is supposed to measure. Face validity is in relation to the misunderstanding and misinterpretation of the question. This was checked by way employing pretesting method.

Content validity on the other on other hand refers to the capacity of the instrument to prove adequate coverage of a topic. Adequate preparation of the instrument under guidance of the supervisor, expert opinion and pre-testing of the question helped established the content validity.

### **Reliability**

Reliability has to do with an instrument consistently producing the same result every time it is used. The test retest method was used to test for the reliability of the instrument. The questionnaires were administered to two accounts officers and the human resource manager of Tarkwa Mines, which has the same socio- demographic as that of the account's officers of AngloGold Ashanti Ghana Ltd. The same questionnaires were administered to them after two weeks. A correlation coefficient of 0.8 alpha levels was obtained which is considered reliable.

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### **Data Collection Procedure**

The researcher obtained an introductory letter from the Faculty of Humanities and Legal Studies, University of Cape Coast stating the purpose and objectives of the study and the cooperation of the research participants. The introductory letter was copied to the CEO and the heads of departments of AngloGold Ashanti Ghana Ltd. to seek their approval and access to their company to conduct the study, the participants were told of the purpose, time, venue and how to answer the questionnaires. They were also assured of their confidentiality and anonymity. The researcher self-administered the questionnaires personally in order to clarify issues to the participants. On the whole the researcher spent two weeks for the collection of the data. All respondents responded to the questionnaire.

### **Data Presentation and Analysis**

After collecting the data, it was first edited (Kusi 2012). The edited questionnaires were organized. The work was organized under the key issues involved in the transition from GNAS to IFRS, the challenges faced in IFRS implementation in AngloGold Ashanti Ghana, successes in IFRS implementation in AngloGold Ashanti Ghana Ltd and the benefits accruing to AngloGold Ashanti in a Post – IFRS adoption era. Objective one, two and three were analysed using factor analysis, mean and standard deviation. The factor was conducted to aid in the factor loadings for each construct of each of objective. The mean and standard deviation was used to conduct the analysis on the construct that had the closest in meaning in explaining the main variable for each objective.

It was then coded. The researcher used table and percentages in analyzing the data. These statistical instruments were used because they allow data to be organized for further analysis. It also allows large amounts of raw data to be sorted and reorganized in a neat format. It also allows a dialogue between the test and the exact numbers in the result. Again, the different group classification allows comparison and better understanding of data. However, it is not the best to use in showing trend or relationship between variables (Agyedu et al., 2010).

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### **Ethical Considerations**

Consent was obtained from respondents before administering the questionnaires to them. Participants were made aware that, their participation was voluntary. Participants were assured of the confidentiality of their responses. They were made aware that, the information they provided was not

going to be made public, and none of respondents' name, addresses, date of birth and any possible means by which their identity will be made public was requested. All references were duly acknowledged to avoid plagiarism.

#### **Chapter Summary**

The chapter described the research methodology that was used to gather data for the study. The chapter started with a description of the study design. The target population was also identified. Sampling techniques and procedures were discussed as well as instrumentation and methods of data collection. Also, methods of data analysis and ethical consideration were clearly outlined.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSIONS**

#### **Introduction**

This chapter presents the results and discussions from the study's data analysis. In view of these, it is worth noting that the study sought to evaluate the challenges and success of the implementation of the International Financial Reporting Standards (IFRS) in the operations of AngloGold Ashanti Ghana Ltd. The study was conducted using the mixed method explanatory sequential design which involved both qualitative and quantitative data collection methods. Since the accounting department of the company consisted of 30 members of staff, they were all chosen for the study, irrespective of their age, gender, educational and the number of years they had worked with the company. Unfortunately, out of the 30 questionnaires, 22 were returned to the researcher. The researcher therefore analysed the data using the 22 response rate. The data for the study was then gathered from these respondents through the use of self-administered questionnaires and analysed using techniques such as means, percentages and reliability analysis.

#### **Demographic Characteristics**

The demographic characteristics of the respondents used in the study are presented and discussed under this section. These characteristics of the respondents include their gender, age, level of education and the number of years for which they have worked with AngloGold Ashanti Ghana Ltd. The results of the analysis on these characteristics of the respondents are presented in Table 1.

**Table 1: Demographic Characteristics of Respondents**

Characteristics	Frequency	Percent
<b>Gender</b>		
Male	14	63.6
Female	8	36.4
Total	22	100.0
<b>Age</b>		
21 – 30	5	22.7
31 – 40	14	63.6
41 – 50	2	9.0
Above 50	1	4.5
Total	22	100.0
<b>Highest qualification</b>		
Masters	6	27.3
Professional Cert.	3	13.6
First Degree	12	54.5
HND	1	4.5
Total	22	100.0
<b>Duration of work at AngloGold Ashanti Ghana Ltd</b>		
Less than 2 yrs.	2	9.1
2 - 3 yrs.	6	27.3
4 - 5 yrs.	7	31.8
Above 5 yrs.	7	31.8
Total	22	100.0

Source: Fieldwork, Nyame (2018)

Table 1 depicts that about three out of every five of the respondents (63.6%) were males while a little over one-third of them (36.4%) were females. This indicates that the staff of accounting department of AngloGold Ashanti Ghana Ltd are mostly males. It can also be observed from Table 1 that close to two-thirds of the respondents (63.6%) were between the ages of 31 and 40 years.

Only a very few of the respondents (4.5%) were either 50 years or more. This indicates that the accounting department of AngloGold Ashanti Ghana Ltd has a very youthful workforce.

It can be observed from Table 1 that the accounting staff of AngloGold Ghana Ltd involved in the study were all tertiary education graduates. This is due to the fact that as a little over half of the respondents (54.5%) reported that they were first degree graduates, a little over a quarter of them reported having completed their masters' degree education. The least level of education attained by the accounting staff of the company was the Higher National Diploma (HND) (4.5%). These suggest that the minimum requirement to enable a person to work under the accounting department of AngloGold Ghana Ltd is HND and this is understandable as accounting duties entail a lot of technicalities and as such requires a considerable level of a higher education.

Furthermore, Table 1 shows that close to two-thirds of the respondents (63.6%) reported that they had worked with AngloGold Ashanti Ghana Ltd for more than three (3) years (i.e., 31.8% for 4 - 5 years and 31.8% for above 5 years) while 9.1% of them reported that they had done so for less than 2 years. Similarly, a little over a quarter of the respondents (27.3%) reported that they had worked with the company for between 2 and 3 years. These results indicate that most of the staff of the accounting departments of AngloGold Ashanti Ghana Ltd have been with the company for more than 3 years.



**Type of Financial Reporting Standard in Use before Adopting IFRS**

The respondents were asked to state the kind of account reporting standard that their company was using before adopting IFRS. The result of the analysis on their responses is presented in Table 2.

**Table 2: The Type of Accounting Reporting Standard AngloGold Ashanti Ghana Ltd's was Using before Adopting IFRS**

Type	Frequency	Percent
GAAP	20	91.0
GNAS	2	9.0
<b>Total</b>	<b>22</b>	<b>100.0</b>

Source: Fieldwork, Nyame (2018)

Table 2 depicts that nine out of every ten of the respondents (91.0%) stated that before their company transitioned to using the International Financial Reporting Standards (IFRS) they were using the Generally Accepted Accounting Principles (GAAP). On the other hand, close to one-tenth of the respondents (9.0%) indicated that they were using the Ghana National Accounting Standards (GNAS) instead. These results indicate that AngloGold Ashanti Ghana Ltd had been using the GAAP prior to their use of the IFRS standards.

**AngloGold Ashanti Ghana Ltd.'s Use of the IFRS Standards**

In trying to assess AngloGold Ashanti Ghana Ltd.'s usage of the IFRS standards in their accounting practices, the respondents were asked to indicate when the company started using the IFRS standards. They were also asked to compare the previous accounting standard which the company was using to the IFRS standards and state which of the two standards is easier to apply as well as more preferable.

The results of the analyses which are presented in Tables A through C of Appendix A indicates that all of the respondents gave the same response with regards to each of the questions. From the results, all of the respondents (100%) indicated that AngloGold Ashanti Ghana Ltd started using the IFRS accounting standards in 2007. Similarly, all of the respondents (100%) reported that they found the application of IFRS easier than that of their previous accounting standards and as well found it more preferable. These indicates that the staff responsible for the company's accounting have preferred the IFRS standards of accounting to their previous standards since 2007 due to its easy process of application.

#### **Reasons for Transitioning from GNAS to IFRS**

Table 3 presents the result of the analysis on the AngloGold Ashanti Ghana Ltd.'s reasons for transitioning from using GNAS to the IFRS accounting standards. It should be noted that Table 3 is a multiple response table – a table constructed from questions which allow their respondents to provide more than one answer to them – and so the *Totals* and *Percentages* are not calculated as in the normal tables.

**Table 3: AngloGold Ashanti Ghana Ltd's Reasons for Transitioning from GNAS to IFRS**

Reasons	Responses		Percent of Respondents
	N	Percent	
Aid inflow of foreign investment capital	3	10.7	37.5
Conform to international standards	3	21.4	75.0
Easy consolidation	4	14.3	50.0
International reporting purposes	3	17.9	62.5
SEC requirement	4	17.9	62.5
SOX requirement	2	7.1	25.0
Others	3	10.7	37.5
<b>Total</b>	<b>22</b>	<b>100.0</b>	<b>350.0</b>

Source: Fieldwork, Nyame (2018)

It can be observed from Table 3 that AngloGold Ashanti Ghana Ltd decided to use the IFRS standards instead of the GNAS mostly due to it wanting to conform to international standards, its international reporting purposes, SEC requirements and easy consolidation. This finding is supported by that of De Franco (2011) who stated that financial analysts and investors need comparable and comprehensible financial information on companies to better help them in their decision as international grantors like the World Bank would likewise be needing harmonized accounting standards to facilitate the comparison of their borrowers' performances.

The findings in Table 3 is as a result of the fact that at least half of the respondents reported that the accounts department of the company transitioned to IFRS accounting standards for conformance to international standards (75.0%), easy consolidation (50.0%), international reporting purposes (62.5%) and SEC requirements (62.5%). These findings also support De Franco (2011) finding that foreign companies listed on the domestic stock exchange needed to provide sound and reliable financial information which meets the local

standards to the regulating country of that stock exchange. Moreover, De Franco asserted that companies were required by regulatory bodies to prepare a consolidated financial statement to reflect the overall activities of their company and all the subsidiaries under its wings as a reason for transitioning to the IFRS standards. Similarly, a little over one-third of the respondents also reported that their department resorted to using IFRS standards to aid the inflow of foreign investment capital into their company.

#### **Factors Influencing the Adoption of IFRS**

As part of the first objective of the study, the study sought to assess the key issues involved in AngloGold Ashanti Ghana Ltd.'s transition from the GNAS to the IFRS accounting standards. As such, they were asked to indicate their agreement or otherwise to a list of statements soliciting the factors that influenced their adoption of the IFRS accounting standards. The result of the analysis is presented in Table 4.

**Table 4: Factors that Influenced AngloGold Ashanti's Adoption of the IFRS Accounting Standards**

Factors	Std.		
	Mean	Deviation	N
Economic growth in Ghana	3.77	0.528	22
The legal system	4.00	0.690	22
The external environment (e.g. World Bank, IMF etc.)	4.50	0.673	22
The existence of capital market	4.05	0.950	22
The previous accounting standards were ineffective	3.45	1.335	22
Overall	3.96	0.779	5

Source: Fieldwork, Nyame (2018)

It can be observed from Table 4 that—with an overall mean of 3.96 – the respondents generally agreed that the factors such as the economic growth and

the legal system of Ghana, the external financial environment as well as the ineffectiveness of the previous accounting standards influenced their company's adoption of the IFRS standards. These findings buttress that of Nobes and Parker (2004) who stated that factors such as the external environment and culture, legal system, providers of finance, taxation, profession, inflation, and external influences have greater bearing on the decision to adopt IFRS. Similarly, Zeghal and Mhedhbi (2006) also found that in developing countries the educational levels, economic growth, availability of capital market and degree of external economic openness impacts on the adoption of IFRS.

With a mean of 3.45 and a standard deviation of 1.335, Table 4 shows that most of the respondents were uncertain about the ineffectiveness of the previous accounting standards being an influence on the adoption of the IFRS accounting standards. Similarly, with a mean of 3.77, it can be observed from Table 4 that though the economic growth in Ghana had an influence on the adoption of the IFRS accounting standards, it did not have as much influence as the legal system, the external environment (e.g. World Bank, IMF etc.) and the existence of capital market did. This suggests that the factors that influenced AngloGold Ashanti Ghana Ltd.'s adoption of the IFRS accounting standards are the legal system, existence of capital market and the external environment from institutions such as the World Bank, IMF, etc.

In view of this the reliability analysis was conducted on the responses to find out how consistent the respondents were in determining the factors that influenced their company's adoption of the IFRS accounting standards. The result of the analysis is presented in Table 6.

**Table 5: Reliability of the Factors that Influenced AngloGold Ashanti's Adoption of the IFRS Accounting Standards**

Factors	Scale	Cronbach's			
	Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Alpha if Item Deleted
Economic growth in Ghana	12.55	2.926	0.565	0.408	0.561
The legal system	12.32	2.608	0.513	0.371	0.560
The external environment (e.g. World Bank, IMF etc.)	11.82	2.918	0.373	0.198	0.648
The existence of capital market	12.27	2.113	0.439	0.274	0.642

Source: Fieldwork, Nyame (2018)

The initial result of the reliability analysis showed that – with a Cronbach’s Alpha of  $0.425 < 0.50$  (see Table D of Appendix A, for a study with less than 10 variables) – the responses of the accounting staff of AngloGold

Ashanti Ghana Ltd were not consistent enough to be the factors in Table 4 to be the influencing factors for the adoption of the IFRS accounting standards. This was due to the effect of the influence of “The previous accounting standards were ineffective” on the analysis. Thus, it was omitted from the analysis and the result of subsequent analysis was presented in Table 6.

It can be observed from Table 6 that there were improvements in the respective Pearson’s Correlation Coefficient and Cronbach Alpha values of the remaining variables. With an improved Cronbach Alpha of  $0.668 > 0.50$ , Table 6 shows that the factors that influenced AngloGold Ashanti Ghana Ltd.’s adoption of the IFRS accounting standards are the economic growth as well as the legal system of Ghana, the existence of capital market and the external environment from institutions such as the World Bank, IMF, etc.

#### **Challenges faced in implementing IFRS at AngloGold Ashanti Ghana**

As part of the objectives of the study, the study sought to assess the challenges that AngloGold Ashanti Ghana Ltd encountered in its bid to implement the IFRS accounting standards in their financial operations. As such, they were asked to indicate their agreement or otherwise to a list of statements measuring the challenges the company encountered. The result of the analysis is presented in Table 7.

**Table 6: Challenges AngloGold Ashanti Ghana Ltd Faced in Implementing the IFRS Standards**

Challenges	Std.		
	Mean	Deviation	N
Lack requisite skills and knowledge in IFRS Standards	3.23	1.110	22
Standards are too complicated and difficult to understand	3.18	1.220	22
Not enough professional specialists	3.73	0.883	22
Fair value issues are a big challenge	3.45	1.143	22
High cost incurred in installing computer software to meet IFRS	2.95	1.046	22
Management are unwilling to make certain disclosures	3.14	1.167	22
Ghana Accounting Standards was more easy, practical and suitable than IFRS	3.14	0.990	22
Ghana Accounting Standards is easy, practical and suitable in the Ghanaian economy than IFRS	3.36	1.177	22
Lots of money spent in the training of accounting staff	3.91	0.684	22
High fees spent on external consultants familiar with IFRS	3.77	0.973	22
High additional fees to auditors due to adoption of IFRS	3.73	0.883	22
Employment of additional staff for the reporting activity	3.95	0.785	22
IFRS is complicated for mining companies	3.32	0.995	22
Using IFRS in preparation of financial statement is time consuming	3.45	0.858	22
IFRS is too subjective	3.41	0.959	22
IFRS lacks details	2.45	1.299	22
IFRS is too subjective and has increased the level of fraud risk	2.32	1.129	22
Professional training not enough, training in IFRS is needed	3.82	0.907	22



IFRS have not made any positive difference to the Organization	2.18	1.332	22
IFRS appropriate for developed countries mining companies not a developing country like Ghana	2.41	1.260	22
Overall	3.245	1.111	20

Source: Fieldwork, Nyame (2018)

With an overall mean of 3.96, it can be observed from Table 7 that the respondents were generally undecided on the challenges AngloGold Ashanti Ghana Ltd encountered in implementing the IFRS accounting standards. However, a good number of the respondents indicated that in the company's bid to implement the IFRS accounting standards they encountered challenges such as inadequate professional specialists (3.73), spending high fees on external IFRS consultancy (3.77) and auditing (3.73). The respondents further indicated that they spent lots of money in the training of accounting staff (3.91), employed additional staff for reporting activities (3.95) and lacked professional training in IFRS (3.82). This finding is similar to the assertion of Nobes (2006) that the implementing the IFRS standards by mining companies can be hindered by: timely interpretation of standards, continuous amendment to IFRS, accounting knowledge and expertise of financial statement users, preparers, auditors and regulators.

On the other hand, the respondents generally did not agree that the IFRS standards were too subjective with higher level of fraud risk (2.32), lacked details (2.45) and so had not make any positive difference to their organization (2.18). They also disagreed that the IFRS standards of accounting was appropriate for developed countries' mining companies but not for developing countries' (2.41). The results in Table 7 suggest that AngloGold Ashanti Ghana Ltd lacked professional specialists and staff for reporting activities, spent lots

of money on external IFRS consultancy, auditing and staff training as well as lacked professional training in IFRS.

In view of this the reliability analysis was conducted on the responses to find out the consistency of the respondents in assessing the challenges that their company encountered in its adoption of the IFRS accounting standards. The result of the analysis is presented in Table 8.

**Table 7: Reliability of the Challenges AngloGold Ashanti Ghana Ltd Faced in Implementing the IFRS Standards**

Challenges	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Lack requisite skills and knowledge in IFRS Standards	61.68	102.227	0.541	0.994	0.839
Standards are too complicated and difficult to understand	61.73	102.684	0.462	0.970	0.842
Not enough professional specialists	61.18	102.918	0.665	0.996	0.836
Fair value issues are a big challenge	61.45	103.403	0.469	0.996	0.842
High cost incurred in installing computer software to meet IFRS	61.95	106.712	0.361	0.997	0.846

Management are unwilling to make certain disclosures	61.77	110.089	0.170	0.985	0.855
Ghana Accounting Standards was more easy, practical and suitable than IFRS	61.77	102.279	0.617	0.968	0.836
Ghana Accounting Standards is easy, practical and suitable in the Ghanaian economy than IFRS	61.55	95.593	0.810	0.963	0.825
Lots of money spent in the training of accounting staff	61.00	110.476	0.325	0.973	0.848
High fees spent on external consultants familiar with IFRS	61.14	105.838	0.441	0.985	0.843
High additional fees to auditors due to adoption of IFRS	61.18	107.108	0.423	0.986	0.844
Employment of additional staff for the reporting activity	60.95	113.284	0.102	0.979	0.854

IFRS is complicated for mining companies	61.59	100.920	0.686	0.994	0.833
Using IFRS in preparation of financial statement is time consuming	61.45	109.974	0.272	0.972	0.849
IFRS is too subjective	61.50	105.405	0.472	0.99	0.842
IFRS lacks details	62.45	96.069	0.701	0.993	0.830
IFRS is too subjective and has increased the level of fraud risk	62.59	102.920	0.498	0.969	0.841
Professional training not enough, training in IFRS is needed	61.09	113.991	0.041	0.987	0.857
IFRS have not made any positive difference to the Organization	62.73	110.684	0.112	0.954	0.860
IFRS appropriate for developed countries mining companies not a developing country like Ghana	62.50	100.643	0.529	0.971	0.839

Source: Fieldwork, Nyame (2018)

It can be observed from Table 9 that there was an overall Cronbach's alpha of 0.850 and since it is higher than 0.70 there is statistical evidence that the respondents' assessment of the challenges AngloGold Ashanti Ghana Ltd encountered in implementing the IFRS accounting standards were consistent. Table 9 shows that the company's lack of professional training in the IFRS accounting standards had the worst relationship with the remaining variables combined – with Pearson's Correlation Coefficient,  $r$ , of 0.041 and a corresponding Cronbach's Alpha value of 0.857 when it is deleted. This implies that not including such a variable in the assessment of the challenges encountered by the company would improve the consistency of the respondents' assessments. However, the degree of improvement is somewhat insignificant (a difference of 0.007) so it can still be included.

On the other hand, Table 9 shows that the easiness, practicality and suitability of the Ghana Accounting Standards in the Ghanaian economy other than the IFRS standards had the best relationship with the remaining variables combined (with  $r = 0.810$ ). However, it had a corresponding Cronbach's Alpha of 0.825 when deleted indicating that it is significant to be part of the variables for assessing the challenges AngloGold Ashanti encountered in implementing the IFRS standards.

#### **Successes Gained by Implementing the IFRS Accounting Standards**

The study sought to assess the success that AngloGold Ashanti Ghana Ltd had gained as a result of implementing the IFRS accounting standards in their financial operations. As such, they were asked to indicate their agreement or otherwise to a list of statements measuring the success gained. The result of the analysis is presented in Table 9.

**Table 8: Success Gained by AngloGold Ashanti Ghana Ltd for Implementing the IFRS Standards**

Successes	Std.		N
	Mean	Deviation	
Financial statement meets the needs of users	4.09	0.868	22
Financial statement provides a full disclosure of relevant information	4.05	0.999	22
Financial statement has increased investors' confidence	4.36	0.581	22
Financial statement provides better information for managers in decision-making	4.55	0.671	22
Financial statement has increased transparency	4.32	0.780	22
IFRS has increased comparability of financial information	4.27	0.703	22
Financial statement has lowered the cost of equity capital	3.95	0.999	22
Financial statement are easier to audit	4.05	0.575	22
Financial statement has reduced the cost of audit	3.32	0.995	22
IFRS has made the preparation of Financial statement easier	4.05	0.575	22
IFRS has increased the quality of accounting practice on the whole	4.05	0.722	22
IFRS has increased the quality of accounting in AngloGold Ashanti Ghana Ltd	4.18	0.664	22
IFRS standards are better than rules-based standards of GNAS	3.91	0.868	22
IFRS has played a significant role in AngloGold Ashanti Ghana Ltd.'s economic growth	4.18	0.588	22
IFRS has made it easy in raising capital on international market	4.00	0.756	22
Overall	4.088	0.595	15

Source: Fieldwork, Nyame (2018)

It can be observed from Table 9 that the respondents generally agreed that AngloGold Ashanti Ghana Ltd had chalked some degree of success in implementing the IFRS accounting standards (with an overall mean of 4.088). Table 9 further indicates that through their implementation of the IFRS accounting standards their company's financial statement is able to provide better information for managers in decision-making (with the maximum mean value of 4.55). Similarly, besides a variable, all the other variables recorded means values not less than 3.91 indicating their being parts of the successes that AngloGold Ghana Ltd has gained from implementing the IFRS accounting standards.

On the other hand, with the least mean value of 3.32, the respondents generally indicated that the implementation of the IFRS accounting standards by their company provides them an elaborate financial statement capable of reducing their cost of auditing. This indicates that the successful implementation of the IFRS standards has provided AngloGold Ashanti Ghana Ltd easy-to-prepare financial statements which are cost effective (audit and equity capital), easy to audit and provide full disclosure of relevant information to meet the needs of its users in decision-making as well as increase transparency and investors' confidence.

Similarly, the successful implementation of the IFRS standards increased the company's quality of accounting practice on the whole (4.18), played a significant role in AngloGold Ashanti Ghana Ltd.'s economic growth (4.18) as well as made it easy in raising capital on international market (4.00). This finding confirms that of Soderstrom and Sun (2008) who showed that higher quality international accounting standards such as the IFRS improves the

accounting quality of an institution has a good economic implication for costs of capital, efficiency of capital allocation and international capital mobility.

Subsequently, the reliability analysis was conducted on the responses to find out the consistency of the respondents in assessing the successes their company has gained in its implementation of the IFRS accounting standards. The result of the analysis is presented in Table 10.

**Table 9: Reliability of the Success Gained by AngloGold Ashanti Ghana Ltd for Implementing the IFRS standards**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Financial statement meets the needs of users	57.23	34.470	0.613	0.892	0.822
Financial statement provides a full disclosure of relevant information	57.27	32.589	0.691	0.951	0.815
Financial statement has increased investors' confidence	56.95	36.236	0.699	0.799	0.822



Financial statement provides better information for managers in decision-making	56.77	37.136	0.474	0.79	0.831
Financial statement has increased transparency	57.00	35.714	0.552	0.795	0.826
Increased comparability of financial information	57.05	36.141	0.572	0.828	0.826
Financial statement has lowered the cost of equity capital	57.36	35.290	0.436	0.947	0.835
Financial statement are easier to audit	57.27	38.589	0.356	0.559	0.837
Financial statement has reduced the cost of audit	58.00	37.714	0.226	0.796	0.850
Easy preparation of financial statement	57.27	36.303	0.697	0.827	0.822

Increased the quality of accounting practice on the whole	57.27	36.017	0.568	0.801	0.826
Increased the quality of accounting in AngloGold Ashanti Ghana Ltd	57.14	38.981	0.246	0.781	0.843
Better than rules-based standards of GNAS	57.41	36.729	0.379	0.886	0.837
Played a significant role in the AngloGold Ashanti Ghana Ltd.'s economic growth	57.14	39.457	0.225	0.863	0.843
Easy raising of capital on the international market	57.32	36.608	0.469	0.702	0.831

Source: Fieldwork, Nyame (2018)

Table 10 shows that with an overall Cronbach's alpha of 0.841 (which is higher than 0.70) there is statistical evidence that the respondents' assessment of the successes that AngloGold Ashanti Ghana Ltd achieved in implementing

the IFRS accounting standards were consistent. It can also be observed from Table 10 that AngloGold Ashanti Ghana Ltd.'s implementation of the IFRS accounting standards playing a significant role in its economic growth recorded the least relationship with the remaining set of variables (with a Pearson's Correlation Coefficient,  $r$ , of 0.225 and a corresponding Cronbach's Alpha value of 0.843 when it is deleted) suggesting that its exclusion from the set of variables for assessing the successes gained by the company would improve the consistency of the respondents' assessments. However, the degree of improvement is very minimal and insignificant (a difference of 0.003) so it can still be included. On the other hand, Table 10 shows that the company's financial statement having increased their investors' confidence had the best relationship with the remaining variables combined (with  $r = 0.699$ ). However, it had a corresponding Cronbach's Alpha of 0.822 when deleted indicating that it is significant to be part of the variables for assessing the successes AngloGold Ashanti gained in implementing the IFRS standards.

#### **Benefits Accruing from the Use of the IFRS Standards**

The respondents were asked: "What would you say about the benefits accruing to AngloGold Ashanti in a post-IFRS adoption era?" in order to assess the benefits that AngloGold Ashanti Ghana Ltd has gained from using the IFRS standards. Table 11 presents the result of the analysis on the benefits that AngloGold Ashanti Ghana Ltd has accrued from adopting the IFRS accounting standards. Like Table 3, it should be noted that Table 11 is a multiple response table and so the Totals and Percentages are not calculated as in the normal tables.

**Table 10: Benefits Accruing to AngloGold Ashanti Ghana Ltd from the Use of the IFRS Standards**

Benefits	Responses		Percent of Respondents
	N	Percent	
Easy auditing of financial statement	4	10.5	40.0
Provides relevant information for decision-making	3	7.9	30.0
Increases comparability of financial report	3	7.9	30.0
Increases investors' confidence	7	18.4	70.0
Encourages transparency	6	15.8	60.0
Reduces cost of capital and the level of financial risk	5	13.2	50.0
Satisfies all international requirements	4	10.5	40.0
Improves stakeholders' understanding of accounting information	6	15.8	60.0
<b>Total</b>	<b>38</b>	<b>100.0</b>	<b>380.0</b>

Number of respondents = 10

Source: Fieldwork, Nyame (2018)

It can be observed from Table 11 that, at least, half of the respondents indicated that AngloGold Ashanti Ghana Ltd had benefited from implementing the IFRS accounting standards in ways such as increasing investors' confidence (70.0%), encouraging transparency (60.0%), improving stakeholders' understanding of accounting information (60.0%) and reducing cost of capital and the level of financial risk (50.0%). Close to one-third of the respondents indicated that their company's use of the IFRS accounting standards provided relevant information for proper decision-making (30%) and increased the comparability of their financial reports with those of others (30%).

The results in Table 11 indicate that the adoption of the IFRS standards of accounting by AngloGold Ashanti had met its intended accounting and

related purposes of eliminating or reducing set-up costs in developing national accounting standards; having the potential for rapid national improvement in the perceived quality and status of financial reports; increasing market efficiency in international financial markets through the provision of more understandable, comparable, and reliable financial statements; as well as reducing the cost to firms in preparing financial statements as stated by Nobes and Parker (2006).

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## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This is the final chapter and it presents the summary of the study's findings, the conclusions made from the results and the recommendations that were made based on the conclusions of the study.

#### Summary of the Study

In brief, it is worth noting that that the study sought to evaluate the challenges and success of the implementation of the International Financial Reporting Standards (IFRS) in the operations of AngloGold Ashanti Ghana Ltd. The research questions that were used to guide the study which was conducted using the mixed method explanatory sequential design on staff within the confines of the accounting department of AngloGold Ashanti Ghana Ltd are as follows:

- i. What are the accounting processes issues involved in the transition to IFRS for GNAS?
- ii. What challenges were faced by AngloGold Ashanti Ghana in implementing the IFRS?
- iii. What successes were chalked in IFRS implementation and what benefits are accruing to AngloGold Ashanti since implementation of the adoption of IFRS?

All the 22 respondents – irrespective of their age, gender, educational and the number of years they had worked with the company – were conveniently interviewed using the self-administered questionnaire. The data for the study which was gathered from these respondents through the use of self-administered

questionnaires and analysed using techniques such as means, percentages and reliability analysis.

Regarding the type of accounting standard that AngloGold Ashanti Ghana Ltd had been using prior to their adoption of the IFRS standards, it was found out that the company had been using the GAAP accounting standards. However, since they started using the IFRS standards of accounting in 2007 due to its easy process of application, they have preferred that to the previous standards they were used to. The study also found out that AngloGold Ashanti Ghana Ltd.'s transitioning to use the IFRS standards instead of the GNAS stemmed mostly from it wanting to conform to international standards; for its international reporting purposes; meet SEC requirements and have easy consolidation processes.

It was found out that the factors that influenced AngloGold Ashanti Ghana Ltd.'s adoption of the IFRS accounting standards are the economic growth as well as the legal systems of Ghana, the existence of capital market and the influence of the external environment from institutions such as the World Bank, IMF, etc. However, in its bid to implement the IFRS accounting standards in its operations AngloGold Ashanti Ghana Ltd lacked professional specialists and staff for reporting activities, spent lots of money on external IFRS consultancy, auditing and staff training and as well lacked professional training in the IFRS standards.

Furthermore, AngloGold Ashanti Ghana Ltd.'s successful implementation of the IFRS standards provided them financial statements which are cost effective (in terms of auditing and equity capital), easy to audit as well as provide full disclosure of relevant information to meet the needs of

its users in decision-making. As a result, the IFRS standards also increased transparency and investors' confidence.

Finally, the study also found out that a good number of the respondents indicated that AngloGold Ashanti Ghana Ltd had benefited from implementing the IFRS accounting standards in ways such as increasing investors' confidence, encouraging transparency, improving stakeholders' understanding of accounting information, reducing cost of capital and the level of financial risk, providing relevant information for proper decision-making and increasing the comparability of their financial reports with those of others.

### **Conclusion**

This section presents the conclusions of the study based on the findings from the study. Based on the findings of the results, the study concluded that AngloGold Ashanti Ghana is prone to lack of foreign investment audit fraud due to non-conformity to IFRS financial report presentation. Also the company is likely to face the same challenges as with the previous accounting principles kept and have easy consolidation processes due to factors such as the economic growth and the legal systems of Ghana, the existence of capital market and the influence of the external environment from institutions such as the World Bank, IMF, etc.

In its bid to implement the IFRS standards, the study concludes accounting theory is not properly practicalised by a mining company like AngloGold Ashanti Ghana Ltd due to challenges faced in IFRS implementations. Also, the study paves way for further analysis of ripple effect of specialized staff activities on financial performance of a mining company.

As a result of their successes in implementing the IFRS it can be



concluded that AngloGold Ashanti Ghana Ltd financial statements can be relied upon to some extent by stakeholders and can improve performance in order to make the mining sector more competitive. The study also confirms the theory employed by the study (industrial isomorphism).

Finally, the study concludes that the government and other international organisation can rely on the IFRS implementation to improve on tax budgets for mining companies and improvement in new tax laws. Theorists can rely on the results of the study and develop new theories that can basically complement the industrial isomorphism theory.

#### **Recommendations of the Study**

Based on the findings and conclusions of the study, the study recommends that:

1. Management of the company should ensure that there is regular training for the staff of their accounting department on any development in the IFRS.
2. The management of the company should formulate, keep and implement well-documented policies on incorporating the IFRS standards into the company's financial operations. This avert the challenges of IFRS implementation faced by the company.
3. Management of the company should capitalise the benefits accrued from IFRS and reduce the incidence of tax.
4. Management of AngloGold Ashanti Ltd can rely on the benefits of IFRS to attract the best investors from the world, predict future value for their products, build strong standards that give no room for fraud in the future by aligning the principles of IFRS with the core values and mission statements.

### **Suggestion for Further Study**

Future research should be conducted on the use of Information and Communication Technology in managing working capitals of SMEs in Ghana.

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**APPENDICES**

**APPENDIX A**

Table A

*When did AngloGold Ashanti Ghana Ltd start using IFRS?*

	Frequency	Percent
2007	22	100.0

Source: Fieldwork, Nyame (2018)

Table B

*Comparing the previous accounting standard to IFRS, which one is easier to apply?*

Standards	Frequency	Percent
IFRS	22	100.0

Source: Fieldwork, Nyame (2018)

Table C

*Comparing the previous standard to the IFRS, which one is more preferable?*

Standards	Frequency	Percent
IFRS	22	100.0

Source: Fieldwork, Nyame (2018)

Table D

*Initial Reliability Item-Total Statistics*

Factors	Scale	Scale	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's	Cronbach's
	Mean if Item Deleted	Variance if Item Deleted			Alpha if Item Deleted	Alpha (N = 5)
Economic growth in Ghana	16.00	4.571	0.464	0.409	0.279	0.425
The legal system	15.77	3.517	0.736	0.561	0.038	
The external environment (e.g. World Bank, IMF etc.)	15.27	4.589	0.297	0.214	0.333	
The existence of capital market	15.73	4.684	0.076	0.440	0.482	
The previous accounting standards were ineffective	16.32	4.227	-0.020	0.430	0.668	

Source: Fieldwork, Nyame (2018)

**APPENDIX B**  
**UNIVERSITY OF CAPE COAST**  
**FACULTY OF HUMANITIES AND LEGAL STUDIES**  
**SCHOOL OF BUSINESS**  
**QUESTIONNAIRE FOR RESPONDENTS**

Dear Sir/Madam,

This study is being conducted on the “**Adoption of International Financial Accounting Reporting Standards (IFRS): Improvement and Challenges at Anglogold Ashanti Ghana Ltd (Iduapriem)**” for writing a Master’s thesis. Hence, your cooperation in responding to the following questions will be highly appreciated. Please note that every information you give will be treated as confidential and so you are urged to freely to express your views.

Thank you.

**Please tick (√) or write where appropriate your responses candidly in the spaces provided.**

**SECTION A: Personal Information of Respondents**

1. Gender: i. Male [  ] ii. Female [  ]
  
2. Age: i. 18-23 [  ] ii. 24-29 [  ] iii. 30-35 [  ] iv. 36-40 [  ] v. 41-45 [  ]  
vi. 46-50 [  ]vii. 51-55 [  ] viii. 56-60 [  ]
  
3. Highest qualification: i. Masters [  ] ii. Professional Cert. [  ] iii. First Degree [  ]iv. HND [  ] v. Others (Specify) ..... [  ]
  
4. How long have you worked in AngloGold Ashanti Ghana Ltd?
  - i. Less than 2 yrs. [  ]
  - ii. 2 - 3 yrs. [  ]
  - iii. 4 - 5 yrs. [  ]
  - iv. Above 5 yrs. [  ]

**SECTION B: Transitioning from GNAS to IFRS**

5. When did AngloGold Ashanti Ghana Ltd start using **IFRS**? (*State the year*)  
 .....

6. Which reporting standard was your company using before adopting **IFRS**?  
 .....

7. Comparing the previous accounting standard to **IFRS**, which one is easier to apply? .....

8. Comparing the previous standard to the **IFRS**, which one is more preferable?  
 .....

9. What are the main reasons for AngloGold Ashanti’s transition from **GNAS** to **IFRS**?
- a. ....
  - b. ....
  - c. ....
  - d. ....
  - e. ....

10. On a scale where SD = *Strongly Disagree*, D = *Disagree*, U = *Uncertain*, A = *Agree* and SA = *Strongly Agree*, please indicate the factors that influenced AngloGold Ashanti Gh. Ltd to adopt the International Financial Reporting Standards (IFRS).

Statement	SD	D	U	A	SA
a. Economic growth in Ghana greatly influenced the adoption of IFRS.					
b. The legal system greatly influenced the adoption of IFRS					
c. The external environment (e.g. World Bank, IMF etc) greatly influenced the adoption of IFRS.					
d. The existence of capital market greatly influenced the adoption of IFRS.					
e. The previous accounting standards were ineffective					



**SECTION C: Challenges Encountered in Implementing IFRS at AngloGold Ashanti Ltd**

11. On a scale where SD = *Strongly Disagree*, D = *Disagree*, U = *Uncertain*, A = *Agree* and SA = *Strongly Agree*, please indicate the challenges faced in implementing IFRS at AngloGold Ashanti Ghana.

Statement	SD	D	U	A	SA
a. Lack requisite skills and knowledge in IFRS Standards					
b. Standards are too complicated and difficult to understand					
c. Not enough professional specialists					
d. Fair value issues are a big challenge					
e. High cost incurred in installing computer software to meet IFRS					
f. Management are unwilling to make certain disclosures					
g. Ghana Accounting Standards was more easy, practical and suitable than IFRS					
h. Ghana Accounting Standards is easy, practical and suitable in the Ghanaian economy than IFRS					
i. Lots of money spent in the training of accounting staff					
j. High fees spent on external consultants familiar with IFRS					
k. High additional fees to auditors due to adoption of IFRS					
l. Employment of additional staff for the reporting activity					
m. IFRS is complicated for mining companies					
n. Using IFRS in preparation of financial statement is time consuming					
o. IFRS is too subjective					
p. IFRS lacks details					
q. IFRS is too subjective and has increased the level of fraud risk					
r. Professional training not enough, training in IFRS is needed					
s. IFRS have not made any positive difference to					
t. Organization					
u. IFRS appropriate for developed countries mining companies not a developing country like Ghana					

12. What would you say about the challenged faced in IFRS implementation in AngloGold Ashanti Ghana?

- a. ....
- b. ....
- c. ....
- d. ....
- e. ....

**SECTION D: Successes in Implementing IFRS at AngloGold Ashanti**

**Ghana Ltd**

13. On a scale where SD = *Strongly Disagree*, D = *Disagree*, U = *Uncertain*, A = *Agree* and SA = *Strongly Agree*, please indicate AngloGold Ashanti Ghana Ltd’s success in implementing IFRS.

Statement	SD	D	U	A	SA
a. Financial statement meet the needs of users					
b. Financial statement provide a full disclosure of relevant information					
c. Financial statement has increased investors' confidence					
d. Financial statement provides better information for managers in decision-making					
e. Financial statement has increased transparency					
f. IFRS has increased comparability of financial information					
g. IFRS has made it easy in raising capital on international market					
h. Financial statement has lowered the cost of equity capital					
i. Financial statement are easier to audit					
j. Financial statement has reduced the cost of audit					
k. IFRS has made the preparation of Financial statement easier					
l. IFRS has increased the quality of accounting practice on the whole					
m. IFRS has increased the quality of accounting in AngloGold Ashanti Ghana ltd					
n. IFRS standards are better than rules-based standards of GNAS					
o. IFRS has played a significant role in the AngloGold Ashanti Ghana ltd Economic Growth					

**SECTION E: Benefits Accruing To AngloGold Ashanti In A Post-IFRS**

**Adoption Era**

14. What would you say about the benefits accruing to AngloGold Ashanti in a post-IFRS adoption era?

- a. ....
- b. ....
- c. ....
- d. ....
- e. ....
- f. ....
- g. ....
- h. ....
- i. ....

j. ....

**APPENDIX C**

**UNIVERSITY OF CAPE COAST**

**FACULTY OF HUMANITIES AND LEGAL STUDIES**

**SCHOOL OF BUSINESS**

**INTERVIEW SCHEDULE**

1. As an executive/accountant of Anglo Gold Ashanti were you involved the IFRS implementation?
2. What are the key issues that emerged in the transition to IFRS from GAAP?
3. What challenges did AngloGold Ashanti face in transitioning from GAAP to IFRS?
4. How many staff was engaged in implementing IFRS in your department?
5. Did the staff responsible for IFRS implementation receive any training prior to the process?
6. What successes were chalked by AngloGold Ashanti in implementing the IFRS?
7. What benefits have accrued to AngloGold Ashanti since implementation of the IFRS?
8. Do you have other issues to discuss regarding IFRS implementation in the company?