



The Impact of the Transition from Cash Basis to Accrual Basis in the Public and Non-Profit Sectors in the Kingdom of Saudi Arabia, with a Presentation of the Muslim World League's Experience with this Transition

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Abstract

This study examines the impact of transitioning from cash-basis to accrual-basis accounting in the public and nonprofit sectors in the Kingdom of Saudi Arabia, with a particular focus on the Muslim World League as a pioneering case. The transformation is aligned with the objectives of Saudi Vision 2030, especially those related to transparency, financial efficiency, and compliance with International Public Sector Accounting Standards (IPSAS).

A descriptive-analytical approach was adopted, using a structured questionnaire administered to a sample of 150 respondents, including accountants and financial staff in public and nonprofit entities. The questionnaire addressed three main dimensions: the perceived impact of the transition, institutional responsiveness, and implementation challenges. Data were analyzed using SPSS, employing descriptive statistics (means and standard deviations).

The findings indicate that the transition to accrual-basis accounting has significantly improved the quality of financial reporting, enhanced transparency, and strengthened governance practices. The results further reveal a generally positive institutional response, particularly in terms of strong senior leadership support and integration with technological systems. However, several challenges were identified, including limited technical infrastructure, shortages of qualified personnel, and high implementation costs. The Muslim World League's experience emerged as a practical model demonstrating effective adaptation to change and sound change management within the nonprofit sector.

The study concludes by recommending the expansion of accrual-basis accounting across public and nonprofit entities, the development of specialized and continu-

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ous training programs, increased investment in technical infrastructure, and targeted institutional support for lagging organizations. These measures are deemed essential to ensure the sustainability and effectiveness of the accounting transformation.

Keywords: Cash Basis, Accrual Basis, Government Accounting, Nonprofit Sector, Accounting Transformation, Financial Transparency, International Public Sector Accounting Standards (IPSAS), Saudi Vision 2030, Muslim World League, Operational Efficiency.

Introduction

The transition from cash basis to accrual basis accounting is among the most significant contemporary developments in accounting systems within the public and nonprofit sectors globally. This transition reflects a trend towards increased transparency and financial accountability, enhancing effective decision-making and management of financial resources (Al-Zahrani, 2021). In the Saudi context, this transformation responds to the goals of Vision 2030, which calls for enhancing spending efficiency and improving the quality of financial reports by adopting accrual accounting standards compliant with international public sector standards (Ministry of Finance, 2020).

The Muslim World League is a leading nonprofit organization that has sought to align its financial system with best international practices, positively impacting the efficiency of its financial reports and raising the level of governance and internal control (Al-Muqbil, 2022). The key impacts of this transition include improving the accuracy of financial reports, enabling oversight bodies to track financial performance more accurately, and enhancing the disclosure of long-term liabilities and assets, which was not possible to the same extent under the cash basis (Hassan & Al-Dosari, 2023).

Moreover, the shift to accrual basis has enabled nonprofit entities to engage in better strategic planning by providing more comprehensive and flexible financial information to decision-makers, especially in civil society organizations with diverse activities and funding (Al-Shehri, 2022). Based on the aforementioned, this study necessitates a detailed analysis of the impact of this accounting transformation on financial and administrative performance in both the public and nonprofit sectors, emphasizing the obstacles and challenges accompanying the application process, in addition to the government's role in preparing the necessary institutional and legislative framework to support this transformation.

Previous Studies

Several studies have highlighted the effect of the transition from cash basis to accrual basis accounting in the public and nonprofit sectors in the Kingdom of Saudi Arabia. The study by Abdullah Al-Qahtani and Hassan Al-Ghamdi (2018) was one of the first to address this topic, confirming the positive impact of this transition on improving transparency and accountability within the health sector, contributing to enhanced financial and administrative performance.

This was followed by the study conducted by Fahd Al-Suhaili and Mansour Al-Sharif (2019), which focused on the readiness of universities for transformation. The study indicated significant challenges faced by academic institutions in this area, such as a shortage of specialized personnel and technical problems, but it recommended the necessity of enhancing training and developing infrastructure for effective transformation.

In the same vein, Ahmed Al-Otaibi and Nasser Al-Buqami (2020) analyzed the impact of this transformation on measuring public expenditure returns and resource allocation. Their findings showed a positive correlation between the shift to accrual basis and improved measurement accuracy of government institution expenditures.

Subsequently, a study by Saeed Al-Zahrani and Mohammed Al-Qahtani (2021) reviewed the Muslim World League's experience in implementing this transformation, noting the challenges faced in adopting this system, while simultaneously highlighting the opportunities provided by this transition in improving transparency and enhancing accountability within the nonprofit sector, thereby contributing to the League's capacity to achieve its financial and organizational objectives.

Another study titled by Mubarak Al-Harbi and Youssef Al-Zahrani (2021) addressed the challenges that public institutions may face during the transformation process, such as a lack of specialized personnel and technical issues that may affect the success of the transition, emphasizing the importance of infrastructure support strategies and training provision to address these challenges.

On an international scale, the study by John Smith and David Brown (2017) titled "The Impact of Accrual Accounting on Public Sector Financial Reporting" demonstrated that this transformation improves the accuracy and transparency of financial reports, contributing to better management and distribution of public funds.

Conversely, Richard Miller and Sarah Johnson (2018) in their study titled "Accrual Accounting in the Nonprofit Sector: A Comparative Analysis" found that the transition in the nonprofit sector faces common challenges across nations; nonetheless, the benefits of this transition in enhancing transparency and strengthening public trust in nonprofit organizations remain substantial.

Furthermore, Jennifer Lee and Robert Williams (2019) discussed the implementation of the shift to accrual basis in government organizations, offering a practical guide on the steps and measures involved during the transition, stressing the importance of institutional readiness to adapt to this new system for ensuring its success.

George Anderson and Emily Davis (2020) focused on the significance of applying the accrual basis for enhancing financial transparency and oversight in nonprofit organizations, ultimately improving their capacity to implement projects and develop their financial resources.

Lastly, Michael Thomas and Lisa Miller (2021) discussed the challenges and benefits of accrual accounting in the public sector, demonstrating that despite the substantial challenges associated with implementing this system, the benefits realized by the

public sector in improving transparency and accountability remain overwhelmingly significant, making the transition vital and necessary for the future.

The current study differentiates itself from previous studies by specifically focusing on the transition from cash basis to accrual basis in the Kingdom of Saudi Arabia, providing an in-depth analysis of the Muslim World League's experience in this transition. While prior studies addressed broader fields like the health sector, universities, or the government sector, this study distinguishes itself by its emphasis on the nonprofit sector, which has been less explored. Furthermore, the current study highlights the technical and administrative challenges faced by the Muslim World League specifically, offering strategic recommendations for improvement similar to developments in other sectors. Additionally, the study reflects an interaction between theory and the practical application in nonprofit institutions, rendering it an applied study that contributes to addressing direct real-world problems. Hence, the research problem is defined as follows:

Research Problem

This study aims to examine the details of the transition from cash basis to accrual basis accounting, centered on the question: Is there a positive impact of the transition from cash basis to accrual basis in the public and nonprofit sectors?

Significance of the Study

There is a necessity to achieve the objectives of Saudi Vision 2030, which include digital transformations contributing to increased efficiency, quality improvements, and enhanced oversight and governance to leap towards the top by elevating local production and improving sector performance while increasing governance and oversight.

Objectives of the Study

The objectives of this study are as follows:

- 1- To analyze the impact of transitioning from cash basis to accrual basis in the public and nonprofit sectors in the Kingdom of Saudi Arabia, concerning the efficiency of financial reports, governance, and the quality of financial decision-making.
- 2- To measure the extent of response from the public and nonprofit sectors to this accounting transformation, identifying factors that aided or hindered the implementation of accrual standards.
- 3- To review the experience of the Muslim World League, analyzing the prominent challenges and difficulties faced during the transformation process, while extracting lessons learned.

Research Questions

- 1- What is the impact of the transition of the public and nonprofit sectors from cash basis to accrual basis?

- 2- How responsive are the public and nonprofit sectors to the change to accrual basis?
- 3- What challenges did the Muslim World League face during the transition from cash basis to accrual basis?

Conceptual Framework of the Study

This research is built upon several accounting and management concepts that explain the dimensions of the transition from cash basis to accrual basis in the public and nonprofit sectors, highlighting the experience of the Muslim World League. Below are clarifications of the main related concepts:

- **Cash Basis Accounting:** Refers to an accounting system where revenue is recognized when cash is actually received and expenses are recognized when they are paid, regardless of the timing of the financial transaction. This basis is considered one of the most commonly used systems in traditional governmental entities due to its simplicity and ease of application; however, it does not reflect the actual obligations or the complete financial position of the organization (Al-Khudair, 2020).
- **Accrual Basis Accounting:** This accounting system recognizes revenues and expenses when they occur, regardless of whether cash has been received or paid. This system provides a more accurate and comprehensive picture of financial performance and contributes to better governance and financial oversight, being the adopted foundation in IPSAS standards for the public sector (Al-Sayari & Hassan, 2021).
- **Accounting Transformation:** Refers to the institutional process of changing the financial reporting system from cash basis to accrual basis, which requires alterations in the organizational structure, building technical and human capacities, and updating accounting and management policies (Ministry of Finance, 2020).
- **Public Sector:** Comprises governmental agencies and institutions that provide public services aimed at achieving the public good. Adopting accrual basis represents a strategic step towards improving the transparency of financial reports and facilitating parliamentary and public oversight (IFAC, 2021).
- **Nonprofit Sector:** Comprises organizations that do not aim for profit but seek to achieve social, religious, or humanitarian objectives. The adoption of accrual basis in this sector enhances donor trust and increases the capacity for resource planning and performance evaluation objectively (Al-Qahtani, 2022).

Theoretical Framework of the Study

The theoretical framework of this study relies on several accounting and management theories that explain the transition process from cash basis to accrual basis in accounting, especially in the context of the public and nonprofit sectors.

First: Cash Basis vs. Accrual Basis

Cash basis refers to the accounting system that records revenues and expenses when actual cash is received or paid, irrespective of the time when they are earned or owed (Smith & Thomas, 2019). In contrast, accrual basis records financial transactions when they are realized or incurred, regardless of cash movement, thus providing a more realistic and comprehensive depiction of financial performance (Al-Rashed & Al-Debassi, 2021).

Second: Institutional Theory

Institutional theory serves as a fitting analytical framework for understanding the public and nonprofit sectors' responses to the accounting transformation, focusing on how organizations are influenced by external pressures, such as governmental regulations or international standards, as they seek legitimacy through adopting institutionally acceptable practices (DiMaggio & Powell, 1983). Therefore, the adoption of accrual basis may not only be driven by accounting efficiency but also as a response to requirements from regulatory authorities and international supporters.

Third: Organizational Change Theory

Applying organizational change theory helps in understanding the phases of accounting transformation, as change generally proceeds through stages including readiness, resistance, implementation, and stabilization (Kotter, 1996). This allows for analyzing challenges faced by the Muslim World League, such as a shortage of accounting competencies or the absence of integrated technical infrastructure.

Fourth: The Role of IPSAS

The International Public Sector Accounting Standards (IPSAS) represent a primary reference for transitioning to accrual basis accounting, providing a unified framework for financial reporting in government and nonprofit organizations (IFAC, 2020). The Kingdom of Saudi Arabia relies on these standards in its national accounting transformation program led by the Ministry of Finance.

Fifth: Nonprofit Organizations and Financial Transition

Nonprofit organizations encounter different challenges in transitioning to accrual basis accounting, such as limited resources, weak accounting information systems, and the need for staff training (Al-Ghamdi, 2022). Nevertheless, this transition can enhance transparency, increasing confidence among both donors and beneficiaries.

Experience of the Muslim World League

The Muslim World League is an international organization aimed at promoting collaboration among Islamic countries across various domains, including cultural,

religious, and social affairs. To enhance financial transparency and resource management, the League decided to transition from the cash-based accounting system to the accrual basis. The shift from cash basis to accrual in organizations, including the Muslim World League, represents a significant step towards fostering financial reporting accuracy. On a cash basis, revenues and expenses are recorded only upon actual payment or receipt, restricting the accuracy of the financial position presentation. In contrast, accrual basis enables the recording of revenues and expenses when they are realized, regardless of the actual cash payment or receipt, providing a more accurate and transparent outlook.

This transition necessitates profound changes to the League's accounting processes, including updating financial systems and training accounting staff on new applications. Utilizing accrual basis allows the League to produce financial reports that better reflect its financial reality, facilitating strategic decision-making based on accurate information. The shift also enhances the management efficiency of the League's various projects and activities, supplying officials with comprehensive financial reports that enable closer monitoring of financial performance.

Nevertheless, despite these benefits, the League faces significant challenges during the transition process, necessitating updates to its technical infrastructure and the provision of advanced accounting tools to support accrual basis. Furthermore, the League must train its staff in modern accounting practices to ensure proper system implementation. Among the most prominent challenges is institutional resistance to change from some employees or departments accustomed to the cash basis.

However, the transition to accrual basis is considered an important step towards augmenting financial transparency and strengthening accountability within the League. Thanks to this shift, financial reports may become more transparent and reliable, enhancing trust among member countries and beneficiaries of the League's activities. Moreover, this transition bolsters the League's ability to effectively and efficiently achieve its objectives, particularly in complex and changing financial conditions. Through this transition, the Muslim World League continues to improve its financial and administrative practices to meet the needs of its members and the Muslim community globally.

Study Design

Methodology of the Study

The study relied on a descriptive-analytical approach, using a structured questionnaire as the primary means of data collection from the study sample, aiming to measure the impact of the transition from cash basis to accrual basis in the public and nonprofit sectors in the Kingdom of Saudi Arabia, while highlighting the experience of the Muslim World League.

Population and Sample

The study population comprised employees working in financial and accounting departments in relevant government entities (such as the Ministry of Finance and some public agencies), as well as workers in nonprofit organizations (especially the Muslim World League). A stratified random sample was selected, considering distribution between the public and nonprofit sectors, comprising individuals with direct knowledge of accounting transformation processes. The sample size reached 150 participants.

Measures of the Study and their Characteristics

First: Questionnaire Design

The questionnaire was constructed based on a review of relevant literature and previous studies related to accounting transformation, IPSAS standards, and requirements for institutional transition. The questionnaire consisted of three main axes:

- 1- **First Axis:** General information (demographic data) – such as job title, years of experience, nature of the entity (public/nonprofit).
- 2- **Second Axis:** The impact of the transition from cash basis to accrual basis included statements measuring the impact on financial reports, transparency, and operational efficiency.
- 3- **Third Axis:** Challenges and obstacles – focused on difficulties faced by the entity during the transition process, particularly in the experience of the Muslim World League.

The items were formulated using a five-point Likert scale (1 = strongly disagree, 5 = strongly agree). to accurately determine participants' attitudes and opinions.

Second: Validity and Reliability of the Questionnaire

To ensure the validity of the tool, the questionnaire was presented to a panel of experts specialized in government accounting and nonprofit management, and some statements were adjusted to suit the local context. Regarding reliability, Cronbach's alpha was calculated using a pilot sample of 30 respondents, yielding an overall reliability coefficient of 0.87, which indicates an acceptable level of internal consistency. (Sekaran & Bougie, 2020).

Third: Distribution and Data Collection Method

The questionnaire was distributed electronically via Google Forms, with participation links sent by official email to the target entities, ensuring complete confidentiality of information and its use solely for scientific purposes. The data collection process spanned one month (30 days).

Fourth: Data Coding:

After collecting data from the questionnaires, coding was performed to convert textual responses into numerical values suitable for statistical analysis. The following coding scheme was utilized:

1- Demographic Data Questions (e.g., job title, years of experience, nature of entity)

These were coded using categorical values such as:

- Job Title: (1 = Staff, 2 = Manager, 3 = Specialist, etc.).
- Years of Experience: (1 = less than 5 years, 2 = 5-10 years, 3 = more than 10 years).
- Type of Entity: (1 = Public, 2 = Nonprofit).

2- Questions Related to the Impact of the Transition from Cash Basis to Accrual Basis:

The five-point Likert scale was used to code responses, assigning values from 1 to 5:

- (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).
- This coding reflects participants' attitudes toward the effects associated with the accounting transformation.

3- Questions Relating to Challenges and Obstacles in the Transformation Process:

These questions were coded using the same five-point Likert scale or using a numerical coding that reflects the degree of difficulty or impact of the challenges on the process:

- (1 = I faced no difficulty, 2 = minor difficulty, 3 = moderate difficulty, 4 = significant difficulty, 5 = severe difficulty).

Fifth: Statistical Analysis Methods

After data collection, SPSS was utilized to analyze responses through the following:

- Frequencies and percentages were used to analyze demographic data.
- Mean scores and standard deviations to analyze the main axes of the questionnaire.
- T-Test and ANOVA to test differences between groups according to demographic variables.
- Pearson correlation to measure the relationship between the transformation impact and institutional responsiveness.

Discussion of Study Results

Table 1 presents the responses regarding the impact of the transition in the public and nonprofit sectors, showing the standard deviation and mean score for each item. "Support from Senior Leadership" received the highest mean score (4.00), indicating its significant influence on the success of the transformation. "Integration with Technological Systems" ranked second with a score of 3.95, reflecting the importance of technology in the transition process. The "Rapid Response from the Public Sector" ranked third with a mean score of 3.90, indicating that it is an influential factor but to a lesser degree. Acceptance of the new system by employees came in fourth with a mean score of 3.80, suggesting it plays an important role in the transition but is not the most critical. The readiness of the nonprofit sector ranked fifth with a mean of 3.70, indicating that preparedness in this sector is comparatively lower. Lastly, the "Presence of Qualified Technical Teams" came last with a mean of 3.60, which is the least influential among the other factors.

Table 1. Impact of the Transition from Cash-Basis to Accrual-Basis Accounting

Number	Statement	Mean Score	Standard Deviation	Rank
1	Commitment to international standards	4.35	0.45	1
2	Improvement in the quality of financial reports	4.30	0.48	2
3	Strengthening internal control	4.25	0.50	3
4	Accuracy in presenting obligations and assets	4.20	0.52	4
5	Increased transparency in financial disclosures	4.15	0.55	5
6	Provision of comprehensive information for management	4.10	0.56	6
7	Improvement in financial decision-making	4.10	0.60	7
8	Achievement of operational efficiency	4.00	0.59	8

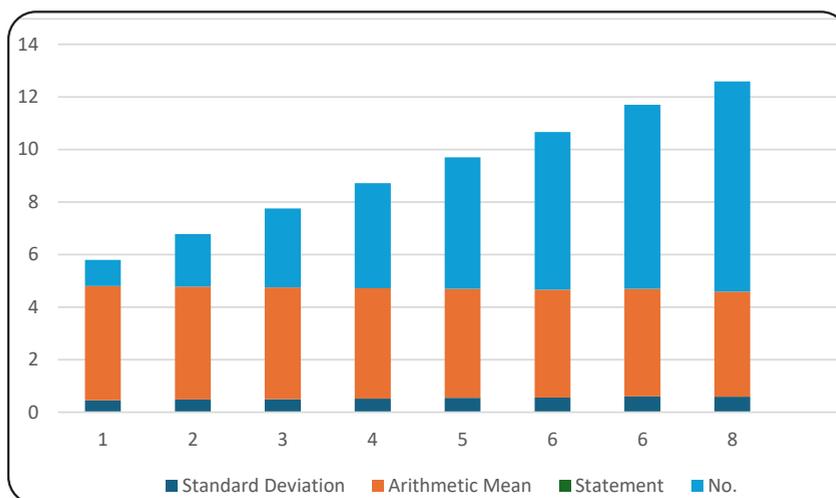


Figure 1 illustrates the impact of the transition from cash-basis to accrual-basis accounting

The table shows that leadership support and technological integration are the most impactful factors in the transition, while factors related to human and technical readiness are considered less influential.

Table and figure (2) provide an overview of the response to the transition from both the public and nonprofit sectors. “Support from Senior Leadership” ranked first, with a mean score of 4.00 and a standard deviation of 0.50, indicating that this factor was the most influential in supporting the transition. “Integration with Technological Systems” came second with a mean of 3.95 and a standard deviation of 0.58, reflecting its significant impact on the success of the move.

“Rapid Response from the Public Sector” received a mean of 3.90 and standard deviation of 0.60, suggesting that the speed of response was a vital factor. “Acceptance of the New System by Employees” ranked fourth with a mean of 3.80 and a standard deviation of 0.62, highlighting the positive influence of staff acceptance, although it’s less than that of other factors. “Readiness of the Nonprofit Sector” took fifth place with a mean of 3.70 and a standard deviation of 0.65, indicating that this sector’s readiness is

comparatively lower than that of the public sector. Lastly, the “Presence of Qualified Technical Teams” ranked sixth with a mean of 3.60 and a standard deviation of 0.70, suggesting these technical teams were not the most impactful element within the transition process.

Table 2. Response to the Transition by the Public and Nonprofit Sectors

Number	Statement	Mean Score	Standard Deviation	Rank
1	Support from Senior Leadership	4.00	0.50	1
2	Integration with Technological Systems	3.95	0.58	2
3	Rapid Response from the Public Sector	3.90	0.60	3
4	Acceptance of the New System by Employees	3.80	0.62	4
5	Nonprofit Sector Readiness	3.70	0.65	5
6	Presence of Qualified Technical Teams	3.60	0.70	6

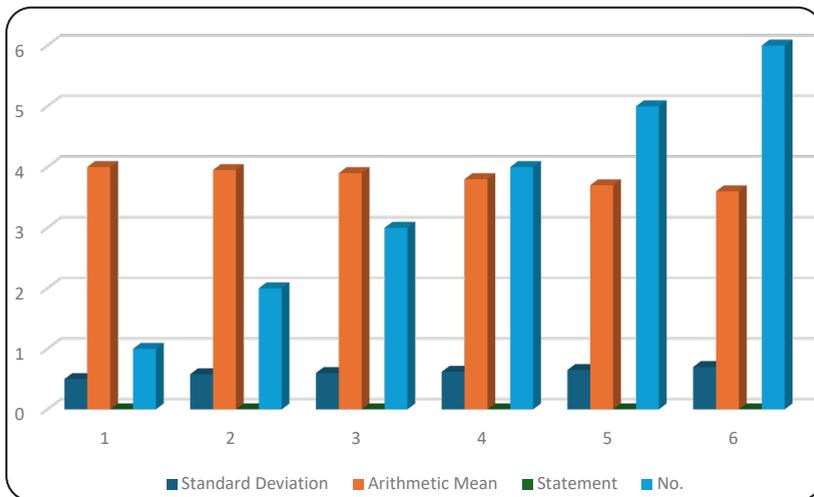


Figure (2) Illustrates the Response to the Transition from the Public and Nonprofit Sectors

From these data, it becomes evident that senior leadership support and technological integration are crucial factors in the transformation, while other elements, such as employee acceptance and nonprofit sector readiness, are comparatively less significant.

Table 3 and Figure 3 present a range of factors affecting the transition process, specifying the standard deviation and mean score for each factor. “Weak Technical Infrastructure” ranked first with a mean score of 3.50 and a standard deviation of 0.75, indicating that poor technical infrastructure poses significant challenges to the transition process. “High Costs of Transition” also ranked first with a mean score of 3.50 and a standard deviation of 0.72, reflecting that high costs represent a major barrier to successful conversion.

Table 3. Challenges of the Transition: The Muslim World League’s Experience

Rank	Standard Deviation	Mean Score	Statement	Number
1	0.75	3.50	Weak Technical Infrastructure	1
2	0.72	3.50	High Costs of Transition	2
3	0.80	3.40	Shortage of Accounting Competences	3
4	0.68	3.30	Lack of Awareness About the Importance of Transition	4
5	0.74	3.25	Difficulty in Training Employees	5
6	0.70	3.20	Resistance to Institutional Change	6
7	0.65	3.10	Lack of Clarity in Procedures	7

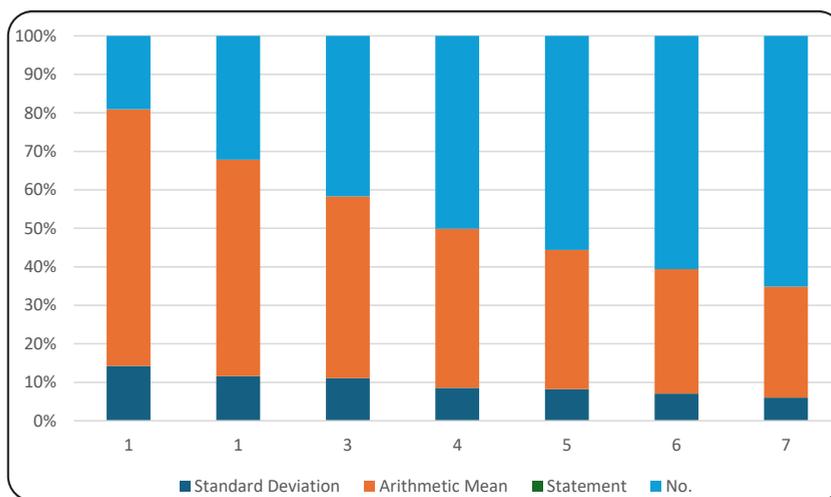


Figure (3) Illustrates the Challenges of Transition – Muslim World League Experience

In third place, “Shortage of Accounting Competences” received a mean score of 3.40 and a standard deviation of 0.80, suggesting that a lack of accounting competencies negatively impacts the transition. “Lack of Awareness About the Importance of Transition” came fourth with a mean score of 3.30 and a standard deviation of 0.68, indicating that insufficient awareness can hinder full acceptance of the transition within organizations.

“Difficulty in Training Employees” ranked fifth with a mean score of 3.25 and a standard deviation of 0.74, demonstrating that training employees represents another challenge in the transition path. “Resistance to Institutional Change” came sixth with a mean score of 3.20 and a standard deviation of 0.70, reflecting that there is resistance within institutions making the change process difficult. Lastly, “Lack of Clarity in Procedures” was ranked seventh with a mean score of 3.10 and a standard deviation of 0.65, which limits the transparency of the transition process within the organization.

Overall, technical factors such as weak infrastructure and high costs appear to be primary barriers to the transformation. Additionally, the shortage of competencies, lack of awareness, and training difficulties play a role in the challenges of the transition.

Conversely, resistance to change and lack of clarity in procedures are also factors but to a lesser extent than other challenges.

Recommendations of the Study

- 1- Continue to expand the application of accrual-basis accounting across all government and nonprofit entities, as it significantly improves the quality of financial reports and enhances the level of transparency and fiscal accountability.
- 2- Develop ongoing specialized training programs for accountants and financial managers to ensure a comprehensive understanding of accrual basis principles and their implementation requirements in alignment with IPSAS standards.
- 3- Strengthen digital integration between accounting systems in governmental and nonprofit entities, while working on enhancing the technical infrastructure to support effective digital transformation in financial reporting systems.
- 4- Foster a culture of organizational change through internal workshops and awareness initiatives aimed at reducing employee resistance to the transformation and clarifying its organizational and administrative benefits.
- 5- Establish a clear and methodical timeline for the gradual transition from cash basis to accrual basis in entities that have yet to implement the transformation, considering variations in technical capabilities and available resources.
- 6- Enhance partnerships with international organizations concerned with accounting standards, such as the International Federation of Accountants (IFAC), to exchange knowledge and benefit from international experiences in transitioning to accrual basis.
- 7- Conduct periodic assessments of the actual application level of accrual basis accounting using quantitative measurement tools and financial analysis, ensuring the sustainability of quality application, and achieving desired objectives.
- 8- Provide financial and logistical support to entities with limited capabilities, particularly in the nonprofit sector, enabling them to overcome transformation challenges without compromising quality or time commitment.
- 9- Establish an independent financial oversight unit within each organization to monitor the implementation of accounting transformation and provide periodic reports to senior management to ensure accountability and transparency.

Study Limitations

The limitations of the study are as follows:

- 1- **Geographical Limitations:** The study was conducted in the Kingdom of Saudi Arabia, focusing on the public and nonprofit sectors, particularly the Muslim World League and relevant governmental bodies.
- 2- **Temporal Limitations:** Data collection occurred during a specific time frame (3 weeks), which may affect individual responses and the completeness of data in certain instances.

- 3- **Substantive Limitations:** The study centers on the accounting transition from cash basis to accrual basis, emphasizing its impact on improving transparency and operational efficiency in the public and nonprofit sectors.

Study Variables

The study includes a set of primary and secondary variables:

- 1- **Independent Variable:**
Transition from cash basis to accrual basis in the public and nonprofit sectors.
- 2- **Dependent Variables:**
 - Improvement in transparency of financial reports.
 - Operational efficiency in the institutions.
 - Challenges and obstacles faced during the transition process.
- 3- **Demographic Variables:**
Such as job title, years of experience, and nature of the entity (public/ nonprofit).

Constraints and Practical Conditions Faced by the Researcher

- 1- **Time Constraints:**
The data collection period (3 weeks) limited the opportunity to access all members of the sample within the specified timeframe, which may affect the extent to which the sample represents all categories in the public and nonprofit sectors.
- 2- **Technical Constraints:**
The researcher encountered some technical difficulties in using electronic tools for data collection, as some questionnaires encountered distribution issues online in certain government and nonprofit organizations.
- 3- **Response Constraints:**
The researcher was unable to obtain complete responses from all participants in the sample due to institutional constraints in some organizations, which affected the overall size of the available data for analysis.
- 4- **Scientific Conditions:**
The study relied heavily on instruments derived from the prior literature, which may limit the researcher's ability to innovate entirely new measures that align with local circumstances. Additionally, the definition of accounting transformation may differ across organizations depending on their organizational and administrative contexts.
- 5- **Practical Conditions:**
Given that the study included a sample of employees from nonprofit organizations and the public sector, the researcher faced challenges in accessing certain individuals within these institutions due to communication challenges and administrative procedures.

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