

# International Public Sector Accounting Standard [IPSAS] and the Quality of Financial Reporting in Federal Agencies in Nigeria

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**ABSTRACT:** This study investigates the effect of International Public Sector Accounting Standards (IPSAS) on the quality of financial reporting in federal agencies in Nigeria which is at present the focal point of global revolution in government accounting in response to calls for greater government financial accountability and transparency. Data were collected through primary and secondary sources. They were analyzed using relevant econometric tests. The results reveal that, the adoption of IPSAS-Accrual is highly beneficial to the Nigeria Public Sector. The adoption of IPSAS will increase the accountability and transparency in the Nigeria public sector. The adoption of IPSAS has positive effect on revenue generation of the government. Based on the result, the study concluded that IPSAS Accrual should be fully implemented because of its impact on governments' operating procedure and reporting practices in the Nigeria Public Sector. There is need for government to provide in-depth training for finance staff and auditors, on the implementation of IPSAS.

**KEYWORDS:** IPSAS, Adoption, Accrual, Human Development

## I. INTRODUCTION

Globalization has brought about ever increasing collaboration, international trade and commerce among countries of the world, hence, there is great need for increased uniformity in the standards guiding financial statements so that such statement would remain comprehensible and convene the same information to users across the world. The need for the development of unified accounting standard has been the primary driver of international public sector Accounting Standard for public sector financial reporting (Alleyne, 2014). While the commercial entities across the world are

moving toward International Financial Reporting Standard (IFRS). Governments are harmonizing with International Public Sector Accounting Standards (IPSAS). Heald, (2003) noted that International Public Sector Accounting Standards (IPSAS) is at present the focal point of global revolution in government accounting in response to calls for greater government financial accountability and transparency. The Public Sector comprises entities or organizations that implement public policy through the provision of services and the redistribution of income and wealth, with both activities supported mainly by compulsory tax or levies on the other sectors. This comprises governments and all publicly owned, controlled and or publicly funded agencies, enterprises, and other entities of government that deliver public programs, goods, or services (Kara, 2012). Public sector accounting is a process which gather, records, classifies and summarizes and reports financial events existing in the public or government sector as financial statements and interprets as required by accountability and financial transparency to provide information to users associated to public institutions. It is interested in the receipts, custody, disbursement and rendering of stewardship of public funds entrusted.

Nweze, (2013), states that IPSAS are high quality global financial reporting standards for application by public sector entities other than government business enterprises and being issued by International Public Sector Accounting Standard Board IPSASB which is formerly known and called public sector committee IPASASBs body of International Federation of Accounting (IFAC) with autonomy to develop and issue IPSAS. IPSAS Board comprises of 18 members, out of which 15 are nominated by the member bodies of

IFAC while the other three are appointed as public members. The Nigerian society has been filled with stories of wrong practices such as stories of ghost workers on the pay roll of Ministries, Extra-ministerial Departments and Parastatal, frauds, embezzlements and setting ablaze of offices housing sensitive documents and corruption leading to none researched and least understood variables in public offices of the country (Anyafor, 2002). One of the most researched and least understood variables in public sector accounting of the nation is how the accountability and stewardship of financial controls are conducted. Scholars have been speculating on how the funds generated are managed but now researchers through the International Public Sector Accounting Standard (IPSAS) have conducted systematic investigation of funds and leakages in Nigeria with direct reference to ministries, department and agencies (Ernst & Young, 2012). Even with this, there is still an increasing difficulty and doubts in establishing the fact that the generated revenues are put to good use by individuals in public offices. This work contains also an evaluation of the source of revenue and the impact of the financial control system in the ministries, departments and agencies particularly. International Public Sector Accounting Standard (IPSAS) are a full suite of standard designed for the public sector set by an independent, international standard setter. IPSAS is held up as the best government accounting in developing countries. IPSAS are primarily intended for adoption by developing countries. The World Bank for example has endorsed the use of IPSAS in accounting for its financial assistance for developing countries (Chan, 2008). IFAC believes that in order to change the paradigm for government reporting, government should adopt the accrual-based IPSASs, set by the International Public Sector Accounting Standards Board (IPSASB) over 40 Countries apply Accrual IPSAS. In recent years, the IPSAS Board has addressed developing countries in two ways. First, it issued a set of comprehensive “cash basis IPSAS” in 2003 which were more closer to traditional Government Accounting practice and are less costly to implement. Secondly, the IPSAS board has issued the standard on the disclosure of external assistance under the cash basis of accounting. The cash basis standard excludes the recognition of grants receivable and loans payable, and other non-cash asset and liabilities (Nweze, 2013).

The preparation and presentation of financial statement at each level of government have pose series of problems worldwide. Over the years, government accounting has been anchored

on cash basis of accounting while private sector accounting has been predicted on accrual basis. Whereas the accrual basis has been working perfectly well in the private sector (Nweze, 2013), the continued application of the cash basis in the public sector appears to have thrown up a number of challenges relating to under-utilization of scarce resources, high degree of vulnerability to manipulate lack of proper accountability and transparency, inadequate disclosure requirements due to the fact that the cash basis of accounting does not offer a realistic view of financial transaction (Nweze, 2013). IPSAS adoption is expensive in all material respect, so expensive that some experts have contended that much advertised benefits do not justify the cost of the implementation, predominantly accounting or financial reporting places emphasis on accountability and transparency. Revolution is not only accorded to government functional activities, revolution also exists in Government Accounting. It is of necessity to note that a complete budget protocol entails effective planning monitoring and implementation of recurrent and capital proposal. Regrettably, the budgeting culture in Nigeria mostly begins and ends with planning alone. Oversight functions carried out by the legislative arm of government in the past as it concerns budget monitoring have been nothing but mere window dressing (Obazee, 2008). This fact has helped to condemn budgets as mere annual rituals. Poor budget implementation in Nigeria is a huge indictment on both the executive and legislative arms of government at the local, state and federal level which can be traced to the implication of cash basis of accounting as a technique for recording financial transaction in the public sector (Ocon, 2010). It is against the backdrop that this study seeks to investigate the adoption and challenges encountered in the implementation of IPSAS by government ministries and agencies.

The following hypotheses will be tested in this study:

H<sub>01</sub>: The adoption of IPSAS will not increase faithful representation in the Public Sector of Nigeria.

H<sub>02</sub>: The adoption of IPSAS has no significant relevance on the financial reporting of government.

H<sub>03</sub>: The IPSAS Adoption will not significantly increase stewardship reporting in public sector of Nigeria.

## II LITERATURE REVIEW

This part of the work will be in three sections namely;

## Theoretical framework, Conceptual framework and Empirical studies.

### Theoretical) Framework

**AGENCY THEORY:** In accordance with the Agency Theory, governments (executive, judicial and Legislature). Irrespective of the level, are representatives of the people. They are seen as agents of the citizenry or tax payers, who in turn are their principal. They are by law and as a matter of responsibility accountable to the people. They are expected to render stewardship reports in the form of timely, relevant, detailed and reliable financial reports to the people who have either elected or appointed them to represent their interests. Aside from the people, donor agencies also see the government or their agencies as their agents. They owe them financial reports detailing how the amounts given to them were utilized (Eisenhardt, 2000).

**STEWARSHIP THEORY:** This study adopts stewardship theory because it underpins the relationship between two parties, the principal (government) and the stewards (employees). Stewardship theory is built upon the quality of the relationship between the principal and steward and the ideals of the organization (Ihedinihu, 2009). The assumption of the theory is that the relationship between principal and steward is based on choice. Once both parties choose to behave as stewards and put the principal's interest first. This theory suggests a positive impact on performance because both parties work towards a common goal.

**THE DECISION THEORY:** This theory posits that the best accounting standards are the ones providing the most useful financial information to users in the decision process. It is anchored on scientific and objective methods in aiding standards setters and users of accounting information systems like government agencies (Ugwumadu, 2015). The rationale behind this theory is that accounting information systems should help providers in capital allocation decisions and the judicious use of resources from government, especially budget spending and allocation, which are more prominent in MDAs and Government. The theory aids in rational decision making.

### Conceptual Framework

International Public Sector Accounting Standards (IPSAS) are the public sector equivalent of International Financial Reporting Standards (IFRS). IFRS have been credited with providing a more transparent and accurate financial overview of listed companies around the world using accruals accounting as opposed to cash accounting (Beredugo, Ihedinihu & Azubike, 2019). The move

towards using IPSAS in the public sector has the potential to radically change the practice of accounting and financial reporting in the sector, just as IFRS have accomplished with listed companies. The adoption of IPSAS is gaining momentum across the world. In 2015, the European Union announced the establishment and adoption of European Public Sector Accounting Standards (EPSAS) based on IPSAS with adoption dates to be determined by the respective countries. Further, Australia and New Zealand have already converted from IFRS to IPSAS for the public sector. South-East Asia and South America, statements of support for IPSAS have also encouraged a trend of adoption across developing countries. The need for greater transparency and accountability in government financial reporting was heightened by the global financial crisis, which reduced the resources that governments had available. In some instances, information contained in cash-based financial statements had been insufficient for countries to predict and prevent sovereign liquidity. To attract foreign direct investment, countries have initiated financial management reform programs, including the adoption of accrual accounting as part of broader reform programs. These factors have encouraged countries across the world to make statements concerning the adoption of standards established on either cash basis IPSAS or accrual basis IPSAS, with various deadlines. Countries have used differing approaches in their adoption of IPSAS and are in different stages of adoption, with some having just started, while others have completed the process (Obazee, 2008). The level of success has varied and is typically measured by the outcomes of the external audit process.

### Composition and Activities of IPSASB

The IPSASB consists of 18 members, of which 15 are drawn from IFAC member bodies, and the remaining three are public members with expertise in public sector financial reporting.

All members of the IPSASB, including the chair and deputy chair, are appointed by the IFAC Board on the recommendation of the IFAC Nominating Committee. The IPSASB's current activities are focused on the development of International Public Sector Accounting Standards (IPSAS) for financial reporting by governments and other public sector entities (Ugwumadu, 2015). The objective of general purpose financial statements is to provide information to meet the need of those users of financial statements who are not in a position to demand reporting updates to their need. The users of general purpose financial statements include taxpayers, members of

parliaments, creditors, suppliers, the media and Public sector employees. Financial statements prepared in accordance with IPSASs must present fairly the financial position, financial performance and cash flows of an entity. In order to meet this requirement, a public sector entity must first of all observe general qualitative characteristics of financial reporting. Such qualitative characteristics of financial reporting are fundamental principles for preparing financial statements in accordance with IPSASs (Ugwumadu, 2015). The four principal qualitative characteristics are understandability, relevance, reliability and comparability (Ernest and Young 2012). These principles ensure that the users of financial statements are provided with useful information for decision-making purpose. Constraints on relevant and reliability of information include; timeliness, balance between benefit and cost, and balance between qualitative characteristics. A complete set of financial statements in accordance with IPSASs comprises of the following components: (a) A statement of financial position; (b) A statement of financial performance; (c) A statement of changes in net assets/quality; (d) A cash flow statement; (e) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as separated additional financial statements or as a budget column in the financial statements; and notes that comprise a Summary of significant accounting policies and other explanatory notes (Obazee, 2008)..

IPSASB has issued over 40 accrual basis standards which cover major areas to include segment reporting, impairment, fair value measurement, treatment of borrowing cost, financial instruments and effect of changing exchange rate etc.

#### **Benefit of IPSAS Adoption and Implementation**

**Greater accountability and transparency.** There is compelling evidence that IPSAS provide greater clarity on the financial position of public sector entities across the world. IPSAS are important in promoting transparency and thereby curbing fraud and corruption. Financial statements prepared in accordance with IPSAS capture what a government receives and allocates, as well as what it owns and owes. **Better decision-making.** Knowing both the financial position of an entity and the financial implications of a proposed policy measure helps decision-makers to make better financial judgment's about an entity and its activities. Public bodies and other stakeholders are assisted in planning for the future (Ugwumadu, 2015). **Improved efficiency.** The adoption of IPSAS has

become essential in improving efficiency and effectiveness in financial reporting and auditing processes across the sector. Increased standardization supports the delivery of more effective audits and helps mitigate the risks of significant material misstatements. The use of IPSAS is instrumental in forging closer integration between financial and critical non—financial information, providing a more holistic understanding of the true performance of public sector entities. IPSAS can streamline standard reporting processes and support the consolidation of all the activities and accounts of various government entities and sub-entities; so providing a meaningful audit report. Consolidated accounts are the basis for more informed, and subsequently better, decision— making. **Data consistency and application.** Greater standardization of the reporting processes and underlying data provides more opportunities to analyze data and improve decision—making. Supreme audit institutions can access standardized information created through the use of IPSAS to make meaningful judgments and comparisons through the application of techniques such as data analytics. **Sound financial management.** The adoption of IPSAS is instrumental in driving improved financial management practices in the public sector, providing a robust platform on which internal reporting practices can flourish, and acting as a catalyst for stronger financial capability and value add'. The pillars of sound financial management practices such as budgetary control, cost accounting, financial performance management, strategic investment planning and forecasting are better supported. **Professionalization and access to talent.** The adoption of IPSAS plays a significant part in increasing professionalization' of the finance function and accounting across the public sector. It presents significant opportunities to increase the influence of the finance organization, while capitalizing on the skills of younger entrants into the profession within the sector, ensuring that the public sector becomes a desirable career destination of choice for professional accountants. **Broader economic and social advantages.** A key driver for IPSAS adoption is the importance of attracting ongoing inward investment into the public sector, particularly in emerging economies. Financial statements prepared in accordance with IPSAS provide confidence and comparability for investors at an international level. These investments potentially create spin-off benefits for the broader (Obazee, (2008)..

### IPSAS Adoption in Nigeria

Onwubuariri (2012), reported that the Federal Executive Council of Nigeria in July 2010 approved the adoption of the International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS), for the private and public sectors. The adoption is aimed at improving the country's accounting and financial reporting system in consonance with global standards. Consequently, the Federation Account and Allocation Committee, (FAAC), in June 2011 set up a sub-committee to work out a roadmap for the adoption of IPSAS in the three tiers of government. However, he noted that some stakeholders believe that the tools and strategies needed to fully implement. IPSAS in the three tiers of government in Nigeria are still problematic. He explained that IPSAS is a good development and an international best practice which has been embraced in most developed countries. There is nothing wrong with Nigeria taking queue in making sure that public entities in the country fully adopt IPSAS. The practice of government Sector accounting evolved over the years with focus on cash receipts and disbursements on the cash accounting basis or modified cash accounting basis. Hence, government revenue is only recorded and accounted for when cash is actually received and expenditure is incurred only when cash is paid irrespective of the accounting period in which the benefit is received or the service is rendered. It therefore means that, the amounts incurred by the government in purchasing fixed assets are treated the same way as expenses. They are therefore written off as part of expenditure for the period the costs were incurred (Ocon, 2010). Nigeria's migration to the accrual basis of accounting will definitely not come without challenges. The expected challenges include: (a) Systematic identification and valuation of assets and liabilities as at the date from which accrual accounting is to commence. (b) Lack of adequate technical resources (c) Political ownership such as inadequate support at the highest levels of the executive (d) Consolidation issues

The following are conditions precedence for a successful migration to accrual basis of accounting: (a) An acceptable cash accounting based system- Countries with inadequate budget classification, no Unified double entry based general ledger system. and inadequate fiscal reporting are advised to adopt Cash Basis of Accounting before migrating to Accrual Basis. (b) Entities or government considering a move to accrual accounting must have either a core of

officials with Expectations, Benefits and Challenges required technical skills such as accounting, information technology etc., or the capacity to recruit such people for its key positions (c) Total support from the political class (d) Adequate system; with multi dimensional reporting requirements of accrual based IPSAS, implementation of full accrual accounting can only be effective with the aid of a modern Government Financial Management Information System with proven functionality in areas such as general ledger. accounts payable, purchases. assets management, etc.

### EMPRICAL REVIEW

Chan, (2006) conducted a cost benefit analysis of IPSAS adoption in developing countries by a comparative study of the current cash accounting basis and the proposed IPSAS based accounting reporting. The study went further to reveal the challenges in cash basis accounting will be resolved by the adoption of IPSAS based standards. He disclosed that the adoption of IPSAS would alter the basis for financial reporting from prevailing cash accounting to IPSAS based cash accounting and accrual and finally to complete and total accrual based IPSAS. The study provided that this facilitates the reconciliation between budgeted and actual results as it would be necessary to align the budget preparation to full accrual as well as the enhancement of existing capacity allowing reporting and comparison of budget against actual results would also allow for improvement in results—based budgeting. Kara, (2012) examines the extent to which European governments adopt IPSAS accrual accounting and how the differing levels of adoption can be explained through the medium of a survey on related experts. He reveals that there is no uniform method to the adoption process of IPSAS and accrual accounting as well as some governments' still use cash based accounting with a smaller fraction applying IPSAS. The majority of local and central governments apply accrual accounting disregarding IPSAS which can be explained by the need for transparency and efficiency. The study disclosed that the main argument for the usage of IPSAS is the fact that it offers uniqueness and specific know-how and argues that the success of IPSAS strongly depends on setting out its strengths and emphasizing the necessary settings to be met. Ijeoma, (2014) examine the expectations, benefits and challenges of adoption of International Public Sector Accounting Standards (IPSAS) in Nigeria. The study employed the primary source of data to generate the data of interest and the statistical

tools employed were the Chi—square test. Kruskal Wallis test and descriptive analysis. The findings of the study revealed that adoption of IPSAS is expected to increase the level of accountability and transparency in public sector of Nigeria. It was found that the adoption of IPSAS will enhance comparability and international best practices. Okoye, and Ani, (2014) examines the relationship between the announcement of adopting IPSAS and the perceived levels or corruption in the developing- and developed countries. The study employed quasi experimental research design where the Corruption Perception Index (CPI) compiled by Transparency International was used to measure perceptions of corruption. This establish that the levels of perceptions of corruption for developed countries that have announced IPSAS adoption do not differ significantly with the levels of perceived corruption for the developed countries that have not announced their IPSAS adoption. The result is the opposite for developing that shows a certain extent of differences. He suggested that the governments of developed countries may not have expected the IPSAS adoption. Ocon, (2010) had carried out a similar study which examines whether or not, government accounting should operate the IPSAS, and describes the extent to which they can be applied within the existing settings of Vietnam and appraise in detail the usefulness and feasibility of the IPSAS for the Vietnamese government accounting. and financial statements. I-Ic advocated that the movement in the accounting systems from cash to an accrual basis is usually an element of a broader set of their reforms, those changes are increased in delegation, departments are directed to provide a service for citizens rather than follow set rules, and there is better transparency of public sector in terms of reporting and performance measurement. Nweze, (2013) in his study titled” adoption of IPSAS and the quality of public sector financial reporting in Nigeria found out that the adoption of IPSAS would increase the level of reliance on financial reporting of public sector organizations in Nigeria. Their study also concurred with that of Ijeoma, (2014) that applying IPSAS would make the results

or financial reporting of public sector organizations comparable.

### III METHODOLOGY

This study adopts the quasi-experimental research design. The design was adopted because of the need to gather enough discriminative data across a wide range of the study subjects that further enhanced the generation of our findings. Data used in this study were mainly collected from primary and secondary sources. The statistical and mathematical tools used are, tabulation, and Anova, and relevant econometric view (E-view) test, while simple regression analysis was used to test the hypotheses. The simple regression model is guided by the following linear model:

$$Y = f(X_1, \dots) \dots\dots\dots (1)$$

$$IPSAS = \beta_0 + \beta_1 LAT_1 + \varepsilon \dots\dots\dots (2)$$

$$IPSAS = \beta_0 + \beta_1 RGG_1 + \varepsilon \dots\dots\dots (3)$$

$$IPSAS = \beta_0 + \beta_1 ISR_1 + \varepsilon \dots\dots\dots (4)$$

That is  $\beta_1 - \beta_5 > 0$  Where: IPSAS = International Public Sector Accounting Standard ; LAT=Level Of Accountability And Transparency; RGG = Revenue Generation of the Government ; ISR = Increase Stewardship Reporting; ;  $\beta_0, \beta_1$ , are the coefficients of the regression, while  $\varepsilon$  is the error term capturing other explanatory variables not explicitly included in the model. However, the model was tested using the diagnostic tests of heteroskedasticity, serial correlation, normality and misspecification (Gujarati & Porter, 2009; Asterious & Hall, 2007). Econometric view (E-view) was applied in the analysis of data. E-view reports p-value which can be used as an alternative approach in assessing the significance of regression coefficients. The p-value shows what is the smallest level at which the null hypotheses of a test is to be accepted. A 5% level of significance would be used; hence it would be concluded that the coefficient is significantly different from zero at the 5% level if the p-value is less than or equal to 0.05. If it is greater than 0.05, then the null hypothesis cannot be rejected that the coefficient is actually zero at our 5% significance level.

### IV PRESENTATION OF DATA

$H_{01}$ : The adoption of IPSAS will not increase faithful representation in the Public Sector of Nigeria.

**Table 1 showing the adoption of IPSAS will increase the level of faithful representation in Public Sector of Nigeria.**

|                | Beta | T      | R    | Sig  | Decision |
|----------------|------|--------|------|------|----------|
| IPSAS Adoption | .943 | 36.823 | .943 | .000 | Rejected |

**Dependent Variable: Level of Accountability and Transparency**

Hypothesis one states that the adoption of IPSAS will not increase the level of faithful representation in the public sector of Nigeria.

From the analysis above IPSAS (B=.943, t=36.823, Sig.000) positively and significantly increase the level of faithful representation in the public sector of Nigeria. The significant level of 0.000 is less than 0.05% significance level. The

null hypothesis was rejected and the study concluded that the adoption of IPSAS will increase the level of faithful representation in the public sector of Nigeria.

H0<sub>2</sub>: The adoption of IPSAS has no significant relevance on the financial reporting of government.

Table 2 showing the adoption of IPSAS has positive effect on the relevance of financial reporting in the public sector.

|                | <b>Beta</b> | <b>T</b> | <b>R</b> | <b>Sig</b> | <b>Decision</b> |
|----------------|-------------|----------|----------|------------|-----------------|
| IPSAS Adoption | .808        | 17.764   | .808     | .000       | Rejected        |

**Dependent Variable: Revenue generation of the government**

Hypothesis two states the adoption of IPSAS negative effect on the relevance of financial reporting in the public sector. From the analysis above IPSAS has (B=.808, t=17.764, Sig.000) positive effect on revenue generation of the government. This is due to Beta=.808 and test value=17.764 and it was significant at level 0.05%1. The null hypothesis was rejected and the

study concluded that the adoption of IPSAS has positive effect on revenue generation of the government.

H0<sub>3</sub>: The IPSAS Adoption will not significantly increases stewardship reporting in public sector of Nigeria

Table 3 showing the adoption of IPSAS has positive effect on the increases stewardship reporting in public sector of Nigeria

|                | <b>Beta</b> | <b>T</b> | <b>R</b> | <b>Sig</b> | <b>Decision</b> |
|----------------|-------------|----------|----------|------------|-----------------|
| IPSAS Adoption | .825        | 18.9     | .825     | .000       | Rejected        |

**Dependent Variable: Increase Stewardship Reporting**

Hypothesis three states the adoption of IPSAS positive effect on the increases stewardship reporting in public sector of Nigeria. From the analysis above IPSAS has (B=.825, t=18.9,

Sig.000) positive effect on stewardship of the government. This is due to Beta=.825 and test value=18.9 and it was significant at level 0.05%1. The null hypothesis was rejected and the study concluded that the adoption of IPSAS has positive effect on stewardship of the government.

**Table 4: Extract of the Model specified for ANOVA**

|               | <b>mean</b> | <b>N</b> | <b>StdDev</b> | <b>Std. Error Mean</b> | <b>F</b> |
|---------------|-------------|----------|---------------|------------------------|----------|
| IPSAS-Accrual | 2.169       | 170      | 1.1738        | .0900                  | 587      |
| IPSAS-Cash    | 2.168       | 170      | .69619        | .0534                  | 134      |

Extract above compares IPSAS's-Accrual and the IPSAS's-Cash basis. Applying the ANOVA output above, and judging by the

significance level. The result reveals that IPSAS's-Accrual= F (2.169) =5870.23, P=.000), was improved and simple in terms of operation and

understanding and was statistically significance 5% level. Similarly, IPSAS's-Cash basis was still simple IPSAS's-Cash basis  $F(2,168) = 134.08$ ,  $P = .000$ ) and was statistically significance at 5% level. However, from the analysis we concluded the IPSAS's-Accrual is simpler than Cash Basis in terms of operation and understanding.

## V CONCLUSION

The findings revealed that the adoption of IPSAS will increase the level of Accountability and Transparency in the public sector of Nigeria. The adoption of IPSAS has positive effect on revenue generation of the government and the IPSAS's-Accrual is simpler than Cash Basis in terms of operation and understanding. The adoption of IPSAS-Accrual do have benefits on Nigeria PS. The adoption of IPSAS will increase the level of Accountability and Transparency in the public sector of Nigeria. The adoption of IPSAS has positive effect on revenue generation of the government. The IPSAS's-Accrual is simpler than Cash Basis in terms of operation and understanding. The adoption of IPSAS-Accrual do have benefits on Nigeria PSE. There is significant level of compliance of IPSAS-Accrual in Nigeria by Public Sector Entities. It was found that the adoption of IPSAS Accrual will enhance comparability of and International best Practices. The adoption of IPSAS Accruals based on Standards will provide more meaningful information for decision and improve the quality of the financial reporting system in Nigeria. we therefore recommendation that, IPSAS Accrual as a matter of facts should be Fully Implemented because its impacts in the operating procedure, reporting practices will strengthen good governance and relations in Nigeria PSE's. There is need for government to provide in-depth training for finance staffs and auditors on the implementation of IPSAS. Also, adequate provision in terms of information system needed to facilitate smooth running of the adoption of IPSAS.

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