Financial Reporting: A Tool for Revenue Generation, the Bayelsa State Experience

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Abstract

Financial Reporting is a tool designed to eradicate financial corruption affecting government revenue generation. This research was embarked to examine the extend Financial Reporting can lead to improvement in revenue generation in Bayelsa State. A descriptive survey design was adopted in the study and a sample size of four (400) respondents which comprised administrators, accountants, auditors and IT Specialists working in State and Local Governments in Bayelsa State were used. Descriptive statistics, correlation analysis, and inferential statistics were among the statistical tests used to the produced data. Finally, SPSS version 26 was used for regression analysis on the collected data. According to the research, IPSAS and the Treasury Single Account (TSA) significantly affect the amount of money the state gets. Consequently, the study concludes that financial reporting is capable of enhancing the revenue base of the State by eliminating loopholes that are susceptible for diversion, embezzlement, theft and preventing tendencies of fraud perpetration that has led to the abysmal revenue generation. The study recommends that Bayelsa State government should enforce the political will to ensure full compliance in the reform agenda; ensure efficient monitoring and sustenance of these reforms and massive training of workers and enlightenment programmes for the people of the State as well as meting appropriate punishment to erring officers, institutions and organs.

1. Introduction

It is the duty of every successful government across the globe to generate sufficient revenue to advance the welfare of citizens and improve the general performance of the entity because revenue is the major source of income (Alao & Alao, 2019). Government revenue can improve when there is proper management of revenue accruing to the government at all times. In order to make educated decisions about things like revenue laws, appropriation rules, budgeting, and more, as well as to direct revenue collection agencies to improve the state's revenue generating profile, financial reporting is an integral aspect of public financial management systems. An essential part of fiscal management is financial reporting, which generates financial statements that managers, creditors, investors, and regulatory bodies may use to learn about the health of the government's finances (Lauren, 2022). The government cannot manage public funds wisely in the absence of accurate information. Providing reliable financial information is the primary goal of financial reporting; this, in turn, improves revenue production by lowering revenue hurdles, which are a big impediment to economic growth and, by extension, the provision of citizens' necessary services and amenities. Keeping tabs on, analysing, and reporting the reporting entity's financial health is the main objective of financial reporting. Insights like this allow the reporting body and its stakeholders to run its operations more efficiently. It further examines resources using cash flows to assess the financial health of the business. Financial reporting engenders successful governments to harness all revenue generating activities, exposing revenue leakages, increase transparency and accountability, leading to trust and confidence that will aid government in providing basic needs and effective governance. The objectives of government in providing the basic and operational needs of the people became very difficult to fulfill as result of various ills plaguing the public financial management system. Oluwotobi (2012) forwarded that Nigerian Public Sector is known for corruption, financial indiscipline, lack of transparency, lack of accountability, and general mismanagement of public fund, which to a great extent have hindered the level of development and affected the revenue generation profile of the country. Okpala (2012) attempted to proffer reasons for the weak financial management system as obsolete and inadequate legal framework for accounting and auditing, ineffective internal audit system, ineffective auditing institutions and non-compliance with the standard rules. This has contributed to consistent decay of generating revenue in the country. Wilson, *et al* (2018) argued that lack of transparency and accountability by government and its agencies to provide essential services to the citizens that has led to poor revenue generation. In support of inadequate funds faced by governments to meet the yearnings of the people ICAN (2016) reported that mismanagement of scarce financial resources is the aftermath of mis-governance and had put the nation into poverty in the mist of abundant resources. It went on to say that societies with weak, underfunded, and degraded institutions of governance will have an abundance of criminal activity and will be unable to ensure progress in the long run. Deliberate under-declaration of assets, outright tax evasion by other businesses and individuals, high net worth individuals, politically exposed persons, and informer players all contribute to governments' failure to provide public services out of domestic resources (ICAN, 2018).

The Bayelsa State Government had experienced abysmal revenue generation over the years (Kawugana & Faruna, 2019) , the incessant increase in operational costs of governance, problems of misappropriation of scarce economic resources, diversion of funds appropriated for capital infrastructural projects (Elikwu, 2016) , weak government institutional capacity, weak legal sanction melted on defaulters of corrupt practices, improper remittance of revenue collected to the treasury, negligence and lack of adequate revenue transparency and accountability, over bloated recurrent costs , wastage, stagnation and cash management problems. To salvage the State from the financial corruption, the State Government adopted public service reforms introduced in the country by successful administrations to address the challenges of revenue generation affecting the State. Financial Reporting is one of the public service reforms aimed at providing real time guidance on revenue predictions giving a solid base to revenue accumulation (Silvia, 2017), regulate the production of useful financial information for sound decision making (Bordeman, 2023) and safeguard scarce financial resources from mismanagement. To assist identify potential threats to present and future income, financial reporting is a system that tracks and analyses cash inflows and outflows and conveys this information to stakeholders. It contributes to making sure the government has enough money to run its activities. Among the goals of these changes is the improvement of public financial management through increased efficiency, accountability, and transparency; the strengthening of fiscal discipline; and the monitoring of economic growth (Elikwu, 2016), to Prakash and Cabezon (2013), is designed to help improve the state's Public Financial Management system, provides assurances that funds released through revenue generation are productively used in a manner that is transparent and effective; protect public resources against the risk of expropriation and corruption and to drive successful revenue generation that will address the enormous revenue challenges troubling the State. Therefore, Financial Reporting is believed to improve revenue generation by reducing government revenue leakages in order to reduce poverty, and the high degree of vulnerability for manipulation.

This research examined the extent to which Financial Reporting adopted by the state significantly improve revenue generation by way of exposing and blocking all revenue leakages, strengthening the procedures and processes of revenue collection; reduction of government huge recurrent spending by way of eradicating ghost workers and other payroll related crimes, ghost contractors, fraudulent diversion of public assets, misappropriation of public fund and looting of public funds etc. that have put the state on the path of less developed in the comity of states.

Research Questions

This study's research questions elucidated the primary foci. Therefore, in order to shed light on the connection between the changes to public financial reporting and the increase in income in Bayelsa State, it is necessary to try to answer the following issues.

i. To what extent has the TSA implementation impacted on revenue generation in the state?
ii. How has IPSAS introduction in Nigeria improved revenue generation in Bayelsa State?

Research Hypotheses

The following hypotheses were formulated and stated in course of this study

H_O1: TSA has no significant impact on revenue generation in Bayelsa State.
H_O2: IPSAS has no significant impact on revenue generation in Bayelsa State.

Objective of the Study

The aim of the study is to establish the extent of revenue generation achieved upon by the implementation of public sector financial reporting in the state.

2 Literature Review

2.1. Conceptual Review

2.1.1 **Financial Reporting:** Financial Reporting is a derivation of finance and reporting, finance connotes funds or money while reporting is the act of communicating or disseminating information about an event to someone or a group of persons. Therefore, Financial Reporting refers to the dissemination of financial resources of an entity to its stakeholders. Financial reporting is the act of sharing financial information, as stated by Kristina (2022). The term "financial reporting" refers to the practice of preparing a company's financial accounts for distribution to interested parties such as shareholders, creditors, and government bodies. In order for governments to make sound choices on public funds, they need accurate information. Keeping tabs on, analysing, and reporting the entity's commercial income is the main goal of financial reporting. As a result, those who need to know may better run the company. In order to gauge the company's financial well-being, this study analyses its resource utilisation and cash flow. (Prince, 2023). Silvia (2017) added that it is an essential part of managing, organizing, understanding the organization’s finances and aid to real time guidance on revenue predictions and giving a solid base to revenue accumulation.

2.1.2 Tools of Financial Reporting: The following tools are used in financial reporting in this work:

a) Treasury Single Account (TSA): As a component of the ongoing Public Service Reforms that began a number of years ago, this was implemented in 2012. It is a centralised system of government bank accounts that shows the total amount of money the government has on hand at any one moment. To reduce borrowing costs, it is a crucial instrument for governments to consolidate and manage their financial resources (Iroegbu, 2015; Sailendra & Isreal, 2010). One banking arrangement that the government may take advantage of is the TSA, which allows for the consolidation of financial resources into one primary account or into several connected accounts. Recognised as crucial to attaining the goals of PFM reforms, cash management changes were incorporated into GIFMIS scope. For the purpose of developing a strategy to enhance our cash management system, AGF established an inter-ministerial group in 2007. The federal government eventually approved TSA in 2011, following a series of consultations that included technical help from IMF FAD. TSA is centralised but has a decentralised transaction processing mechanism.

When TSA went live in April 2012, 93 test MDAs were able to withdraw funds straight from the CRF. The number of MDAs on TSA increased in stages, reaching 225 in 2013, 345 in 2014, and 706 in 2015. In 2015, the e-collection feature was made active in order to reduce the time it took to send their in-house profits to the TSA. This feature eliminates the need for MDAs to send non-tax receipts to the TSA through banks with a three-month lag; instead, they can send their Internally Generated Revenue (IGR) directly to the TSA. The TSA's jurisdiction was expanded to encompass all MDAs and autonomous agencies in August 2015, under a presidential mandate. This included MDAs with partial financing, project specific monies, and Government Business Enterprises (GBEs), (Salawu, 2016) and (CBN, 2015).

TSA Objectives:

i) To ensure availability of cash for MDAs
ii) To remove delays in budget execution arising from artificial cash shortages
iii) To reduce liquidity reserve’s needs.
iv) To reduce growing domestic debts and high costs of debt servicing.
v) To eliminate Government borrowing from itself as Commercial banks use MDAs idle balances to buy treasury bills and other short-term instruments.
vi) Maximize the return on investment of surplus cash.

vii) To identify areas of inability to have a robust cash planning and management.
viii) To remove idle cash in commercial banks.

b) **International Public Sector Accounting Standard (IPSAS)**

The IPSASB has established a set of accounting standards for use by PSEs worldwide in the production of financial statements. FAAC (2015) states that this collection of standards is abbreviated as IPSAS. Accounting must be done on either a cash or accrual basis, according to these professionally crafted, high-quality, worldwide standards. Adoption of IPSAS provisions by all Nigerian public sector entities (PSEs) and the adoption of IFRS by the private sector were decisions made during a meeting of the Federal Executive Council held on July 28, 2010, by the President in Council.

Objectives of IPSAS: Full disclosure of financial information to allow interested users to make educated judgements, accountability, and harmonization were the goals of developing IPSASs. A brief overview of IPSAS's goals is as follows:

i) To raise the bar for PSEs' general purpose financial reporting, which will allow for more accurate evaluations of government spending choices and more accountability and openness.
ii) To aid in the administration and decision-making of public funds by providing exhaustive data.
iii) To offer advice based on past and present financial reporting issues and experiences
iv) iv) To achieve financial data harmonization and complete disclosure.

2.1.2 Revenue Generation

Income for Nigeria and the states generally comes from revenue generation, which is defined as "the process by which an entity produces income" (Alao & Alao, 2013). Operating plans, strategies, and practices that are aimed to increase income are all part of revenue creation (Eme et al., 2015). It is also referred to the modalities adopted by an organization to produce income and profitability. The primary aim of revenue generation is to advance the welfare of the citizenry (Olaoye, 2008) and the advancement of welfare of the citizenry anchors on infrastructural development which is the key for promoting growth, creating jobs, and enhancing productivity and paramount for yielding revenue and prosperity (Jiang, 2016).

All monies received by a government from outside sources, including those "outside the government" (i.e., not included in refunds or other collecting transactions), debt issuance proceeds, investment sale proceeds, transactions involving private or agency trusts, and transfers within the government are collectively referred to as revenue. Government revenues, according to Obiechina (2010), are monetary resources that stem from economic mobilisation or generation. The Investopedia (2013) takes a similar tack, defining revenue as the sum of money a business receives from the sale of goods and services over a specific time frame. It is computed before expenditures are reduced and includes all net sales, asset exchanges, interest, and other increases in owners' equity. It is the wheel on which the nation's economy revolves. This revenue collected from the various sources like oil, gas, mining, tax etc are paid into the treasury where disbursement is made to meet the welfare of the citizens, reduce poverty, enhance economic growth, to produce collective goods and services on a non-commercial basis and infrastructural development (Eme, *et al* 2015). Poor financial management has led to the misallocation of funds and the institutionalisation of corrupt practices among the officials of government ministries, departments, and agencies, which has been a major source of concern for governments as a result of the nation's mounting debt and shrinking revenue streams. People have suffered economically, seen public infrastructure deteriorate, and received inadequate social welfare services as a result of government spending decisions that occurred decades ago. Given this context, the government of Bayelsa state identified the financial reporting model as an essential component of the state's public financial management system, with the goal of cleaning up the state's handling of its funds.

2.1.3 Financial Reporting and Revenue Generation in Bayelsa State

The adoption of financial reporting model will help to combat revenue challenges such as financial mismanagement problems-Huge wage bill and lack of data base of civil servants increase cost of governance, poor revenue generation, high domestic debts and associated cost, heavy dependency on oil revenue, poor resource allocation and cash management, poverty and social vices, inappropriate accountability and transparency , multiple of abandoned projects and Proliferation of ghost contractors and contracts.

1) TSA and Revenue Generation

TSA is designed to block revenue leakages, curb mismanagement, and avoid misapplication of public fund that is essential in bringing about improvement in revenue generation. The application of TSA model is critical in closing revenue loopholes created by weak revenue institutions through transparency. Transparency in revenue generation has the potentials to combating corruption and fraud; improve productivity and output and leads to accountability in PFM. Adeagbo and Oladeji (2019) and Igbekoyi and Agbaje (2017) also added that TSA reform is aimed at improving transparency and efficiency of government revenue administration by removing loopholes that is susceptible for diversion, embezzlement, theft and other malpractices. It is also aimed at promoting accountability of public funds, enhancing financial discipline, financial transparency and curbing of financial misappropriation and reduction of wastage in government resources.

2) **IPSAS and Revenue Generation**:

Adoption of IPSAS leads to improvement of income generation by way of preventing tendencies of fraud perpetration through financial statements due to full disclosure and transparency requirements. This further strengthens government revenue accounting, reporting and control system discouraging deliberate act of omitting or concealing huge income items from financial statements for personal gains by preparers of financial statements. It also helps to correct the culture of open abuse to revenue diversion, misrepresentation and misappropriation

2.2 Theoretical Framework

Institutional Theory: Institutional theory is defined as "Policy-making that emphasises the formal and legal aspects of government structures" in Kraft's Public Policy (2007). The most entrenched and long-lasting features of social institutions, such as plans, rules, conventions, and routines, are the subject of institutional theory. According to Scott (2004), several parts of institutional theory shed light on the processes of creation, diffusion, adoption, adaptation, decline, and usage of these features.

From an institutional theory perspective, Rowan analysed the expansion of school health, psychology, and curriculum as administrative services in California's public schools. His research shows that when there is a lot of agreement and cooperation throughout the institutional setting, creative structures are transmitted consistently and for a long time. When institutions are contentious and disorganised, people are slow to adopt new systems. Tolbert and Zucker built on Rowan's findings by examining the rate of adoption of US civil service organisations from 1880 to 1935. Their findings provide substantial credence to the aforementioned ideas of institutions. Newly accepted behaviours, regulations, and standards have emerged in Nigeria's public accounting framework, and a central question in this theory and its application is whether the changes in public financial management that have taken place recently are the result of normative or regulatory practices.

Practices of financial reporting, including the IPSAS and the TSA, are addressed in institutional theory. Adopting these can improve the institution's technical efficiency; they are the topic of the present trend in the public sector. In addition to establishing the standard procedures as legitimate, having it in place prevents the organisation from being accused of being neglectful, illogical, or corrupt. It was believed that these changes would boost efficiency, effectiveness, accountability, transparency, combat corruption, and raise income creation, but their ultimate effect has been to make organisational structures more uniform inside Nigerian MDAs and throughout the world.

2.3 **Empirical Review**

The effects of implementation dynamics on TSA in Nigeria were studied by Akpotu and Atagboro (2020). A total of 520 workers from the financial and administrative divisions of federal MDAs in Bayelsa State, Nigeria, were chosen using a convenience sample approach in a descriptive survey. The data was analysed using descriptive and inferential statistical methods. The research revealed that TSA in Nigeria is affected by implementation dynamics. In Nigeria, the TSA is encountering a number of obstacles during implementation, including, but not limited to, a lack of government seriousness, legal hurdles, the enormous money generated by Remita, and an absence of government and Remita accountability and transparency. These problems, however, have cast doubt on the TSA's credibility and honesty. Reducing fund embezzlement, misappropriation, leakages, and irregularities in the management of public finances in Nigeria, as well as organisational secrecy, are important areas where TSA has had a noticeable impact in Nigeria.

The pros and cons of using IPSAS in the Nigerian government were investigated by Ijeoma and Oghoghomeh (2014). The objective of the study was to ascertain how the implementation of IPSAS will affect the degree of openness and responsibility in Nigeria's governmental sector. The research centred on all accounting departments in several ministries in Awka, the capital of Anambra State, Nigeria, and used primary sources to provide the relevant data. Using Yaro Yamane, researchers were able to choose a sample size of 40 from a population of 45. Descriptive analysis, a Kruskal Wallis test, and a Chi-square test were the statistical instruments used. According to the research, IPSAS implementation in Nigeria's public sector is likely to lead to less corruption in the long term by making the sector more accountable and transparent. Results show that IPSAS implementation improves comparability and global best practices. Research went on to say that IPSAS will have an effect on reporting methods and operational processes in Nigeria, which will improve government relations and the quality of governance.

Corruption as a Barrier to Effective Government and Long-Term Sustainability was the Subject of Research by Osakede et al. (2015) in Nigeria. The study notes that Nigeria is confronted with a multitude of problems; it uses a qualitative technique to evaluate these difficulties by utilising secondary data. Corruption is the root cause of numerous issues, including but not limited to: poverty, insecurity, abduction, ethno-religious strife, poor government, and many more. In their perspective, the anti-corruption agencies need to be able to do their jobs well without interference from the government, thus the president should immediately begin working with the NASS to review the Nigerian constitution and legal system. The decision was reached to establish a constitutional provision that will grant the ability to recall any elected person at any time when due process has established that they have corrupted, abused, or betrayed the people.

Since one of the goals of IPSAS is to promote openness and responsibility in the functioning of public institutions, Nweze (2013) notes that if adopted and appropriately used, IPSAS will pave the way for a decrease in the event of misuse of public sector funds. Further, it was mentioned that when IPSAS is fully and correctly implemented, it allows for related party disclosure, which in turn helps to prevent corruption in Nigerian MDAs by ensuring that their financial reports are effective, efficient, and transparent.

A 2015 study by Eme et al. analysed the benefits and drawbacks of TSA policy in Nigeria. To weigh the program's benefits and drawbacks, the research consulted secondary data sources such as collecting records and information on saved accounts. The study reveals that TSA has several benefits, including reducing institutional corruption, increasing daily national revenue by 25%, and stopping leakages. By extension, this demonstrates that TSA supports openness and responsibility in government spending. Nevertheless, they did point out that the main drawbacks of TSA in Nigeria were the difficulty in receiving funds through the agency, insufficient people, and weak internal control procedures.

Research on the merits of Nigeria's treasury single account was carried out by Dauda and Jehve (2016). The analysis relied on secondary data about the amount of money the country made in the first six months after TSA was put into place in Nigeria. Among other things, the report discovered that TSA has turned around the general state of the government's accounts, meaning that in 2013 they were in the black, compared to an average overdraft of N102 billion in 2011. The fight against corruption and the quest to boost income have both shown encouraging signs. Despite these advantages, the study found that the TSA still has the issue of completely preventing income leakage.

In addition, Enofe et al. (2017) investigated public sector corruption in Nigeria and financial management changes. For this study, the researchers used a survey research design and polled a total of 90 people: 40 from federal MDAs, 30 from Edo state MDAs, and 20 from local government MDAs. As a statistical method or instrument, the study used OLS, with SPSS for bio-data analysis and Eview8 for research question analysis. Intergovernment IPPIS was determined to have a negative association with corruption (COR), whereas Treasury Single Account (TSA), adoption of IPSAS, and GIFMIS all showed positive relationships with COR, albeit at varying degrees of significance. The government was urged to fully adopt IPPIS in order to maximise its potential for reducing corruption, according to their recommendation.

In their 2018 study, Olurunnishola and Fasina used a survey research approach to examine the impact of TSA and GIFMIS on fostering accountability and openness in the management of public finances. The researchers sent questionnaires to 150 employees of federal agencies based in Ekiti state, Nigeria. Financial management improvements significantly promote openness and accountability, according to t-statistic analysis of the data.

Research on the Effects of IPSAS on Government Financial Accountability in Nigeria was conducted by Nkwagu et al. (2016). With a focus on the South Eastern States of Nigeria, this study seeks to ascertain the consequences of IPSAS on the accountability of the Nigerian public sector, particularly as it pertains to the efficient administration of public finances, the successful execution of budgets, and the checking of instances of corruption among public officials. Among the 1458 accountants and internal auditors working for the financial ministries in the research region, 314 filled up the survey's five-point likert-scale questionnaire. Descriptive statistics were used to examine the data. Using Prism Graph Pad's one-way ANOVA model, we tested three hypotheses at the 5% significant level. Better use of public funds and more accountability in the Nigerian public sector are outcomes of implementing IPSAS standards, according to the results. The results of this study contribute to the mounting evidence that IPSAS can aid in the fight against public sector corruption in Nigeria and the effective management of the country's budget. Since IPSAS are perceived as the catalysts for the necessary transformation in Nigeria, this suggests that the country's economy will benefit from a complete implementation and maintenance of the system.

In their 2019 study, Onwuka and Christian examined the role of income production in facilitating the development of infrastructure in Nigeria. Finding out how much of an effect tax revenue has on Nigeria's infrastructure development and how much of an effect tax revenue has on GDP growth were the primary goals of this study. This research work used time series data sourced from the following sources: Nigeria Bureau of Statistics (NBS), Federal Ministry of Finance (FMoF), Office of the Accountant General of the Federation (OGF), Federal Republic of Nigeria Official Gazettes (FRN) and the official gazettes of the individual states (States'). This study used the STATA 13 statistical programme and ordinal least square regression analysis. The research primarily covers the years 1981–2018 and focuses on the overall income earned, infrastructure development, and economic growth of Nigeria.This study's results show that tax revenues significantly impact Nigeria's infrastructure development. The study also found that tax revenues significantly impact GDP growth in Nigeria.

3. Methodology

3.1 Methods

The study used the descriptive design method to investigate and give vivid narration of how financial reporting can fight against the harmful effect of corruption wrecking the Bayelsans' meager financial resources to enhance the living conditions of the people and the people unborn. Furthermore, the survey design method is adapted for generalizing the findings of this research work. The population of this study comprises all staff of civil service administrators, Local Government Administrators, Public service Administrators, Accountants at State and Local Government, Auditors at both State and Local Government and Finance officers at both State and Local Government Levels, and Staff of ICT at both State and Local Government Levels. As at the time of carrying out this study, the population of the state civil servants were estimated to be 13,978 while that of the 8 Local Government were estimated to be 3,361, total estimated work force=17, 339.

The non-probability sampling method is employed to select the samples, the purposive sampling was used to get to the respondents and sample size was determined using the Yamane formulae as shown: n = N/1+N(e)2 where: n = Sample Size, N = Population, e = Margin of error, 1 = Constant, n = 17339/1+(17339(0.05)2, n = 17339/1+(17339 x 0.0025), n = 17339/43.3475 = 400, n = 400

Thus, in this study a convenience sample size of 400 respondents have been obtained from civil servants from various ministries.

The instrument designed for data collection in this work is a set of questionnaires. The structured type questionnaire with five (5) points Likert-scale was used to measure respondents' opinions on the subject which is useful in survey research. The cut off rule of 3 is used to appraise the acceptability of responses which is derived as follows. The set of questionnaires constructed and used in this study under gone a validity procedure which reduces bias, unrelated responses and ambiguity. The validation process is carried out using these factors in the design and administration of questionnaire such as relevant, valid, consistence, usable, clear, legible, and questionable (Deepak & Neena, 2011). It was validated by experts in both accounting and finance.

The study used a Cronbach alpha of 0.70 as its reliability criterion, which is a measure of internal consistency that shows how consistent the data distributions are across all instances.

A reliability index of 0.90, 0.89, 0.88, and 0.86 on average was obtained for revenue generation (0.90), TSA (0.81), IPSAS (0.88) and aggregate result (0.86), this is being within the range endorsed by Cronbach as being a reliable instrument as highlighted in appendix C.

3.2 MODEL

The face-to-face administration of questionnaire was carried out personally to collect valid responses from the study population through research assistant. Tables were employed to organize and analyze data for easy interpretation of findings. This involves the counting of responses, categorizing responses in the appropriate order, totaling all various responses to a specific question for clear understanding. Simple percentages were also used to analyze data collected. Statistical models were duly employed to analyze the impact of PFM reforms application on revenue generation such as the descriptive and inferential statistics to analyze the data collected through the primary source of data collection. The variables were further analyzed using OLS regression analysis in SPSS software version 26. The Pearson Correlation Coefficient is utilized to analyze the effect linkages between the dependent variable, revenue production, and the independent variable, financial reporting.

This research relies on the following model, which is presented below in its functional form first:
RG = f(TSA+ IPSAS) .

Below is the model expressed in its econometric form:
$RG = \beta 0 + \beta_1 TSAi + \beta_2 IPSASi + \mu i$
Where:
TSA= Treasury Single Account; IPSAS=International Public Sector Accounting Standard; RG=Revenue Generation; β0 = constant: β1, β2, = coefficients; Apriori sign: $\beta 1 < 0$, $\beta 2 < 0$.

4 Results and Discussion

4.1 Results

4.1.1 Presentation of Data

Table 4.1: Administration of Questionnaire

S/N	MINISTRY	No. ret	No. unret	total	% ret	% unret	Total
1	Ministry of Information and Orientation	16	2	18	89	11	100
2	Ministry of Agriculture	21	1	22	95	5	100
3	Ministry of Finance	25	0	25	100	0	100
4	Ministry of Finance Incorporated (Mofi)	5	5	10	50	50	100
5	Ministry of Trade, Industry and Investment	7	3	10	70	30	100
6	Ministry of Science & Technology and Man power Development	12	3	15	80	20	100
7	Ministry of Power	14	1	15	93	7	100
8	Ministry of Mineral Resources	17	0	17	100	0	100
9	Ministry of Works and Infrastructure	23	3	26	88	12	100
10	Ministry of Water Resources	8	2	10	80	20	100
11	Ministry of Housing and Urban Development	10	3	13	77	23	100
12	Ministry of Land and Survey	8	1	9	89	11	100
13	Ministry of Budget and Economic Planning	16	0	16	100	0	100
14	Ministry of Culture and Ijaw National Affairs	17	3	20	85	15	100

S/N	MINISTRY	No. ret	No. unret	total	% ret	% unret	Total
15	Ministry of Justice	11	3	14	79	21	100
16	Ministry of Special Duties and Central Senatorial District	7	4	11	64	36	100
17	Ministry of Special Duties and East Senatorial District	7	3	10	70	30	100
18	Ministry of Special Duties and West Senatorial District	7	2	9	78	22	100
19	Ministry of Women Affairs and Social Development	18	5	23	78	22	100
20	Ministry of Education	17	5	22	77	23	100
21	Ministry of Health	15	3	18	83	17	100
22	Ministry of Environment	13	2	15	87	13	100
23	Ministry of Sport Development	15	3	18	83	17	100
24	Ministry of Local Government and Community development	13	2	15	87	13	100
25	Total of State civil service	***322***	**59**	**381**	**85**	**15**	**100**
26	LOCAL GOVERNMENT						
27	Brass	12	2	14	86	14	100
28	Ekeremor	7	2	9	78	22	100
29	Nembe	12	4	16	75	25	100
30	Sagbama	14	4	18	78	22	100
31	Southern Ijaw	18	0	18	100	0	100
32	Ogbia	12	4	16	75	25	100
33	Yenagoa	3	1	4	75	25	100
34	Total population of L G	***78***	**17**	**95**	**82**	**18**	**100**
35	Grand total	400	**76**	**476**	**84**	**16**	**100**

Source: Researcher’s field work/ Computation (2023).

From the table above, a total of 476 copies of questionnaire were distributed, 78 and 322 were retrieved from both the Local governments and State civil service bringing the total to 400. Representing 84%, while 76 of the total number of questionnaires distributed were not retrieved representing 16%.

4.1.2 Data Analysis and Test of Hypotheses

Hypothesis 1: TSA has no significant impact on revenue generation in Bayelsa State.

Table 4.2a: Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	Treasury Single Account[b]	.	Enter

a. Dependent Variable: Revenue Generation

b. All requested variables entered.

Table 4.2b: Model Summary of theimpact of TSA on revenue generation in Bayelsa State

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.968[a]	.937	.937	1.76828	.937	5931.751	1	398	.000	.067

a. Predictors: (Constant), Treasury Single Account
b. Dependent Variable: Revenue Generation

Table 4.2b shows the results for TSA and Revenue Generation in Bayelsa State. From the table, the R-value is 0.968 with an adjusted value of 0.937, suggesting that the independent variable (Treasury Single Account) explained about 93.7% of the systematic variation in the dependent variable (revenue generation). This implies that model of TSA and Revenue Generationin in Bayelsa State provides a good fit since the unexplained variation is just 6.3%.

In addition, the result showed that a substantial link exists between TSA and Revenue Generationin in Bayelsa State, South-South Region of Nigeria (*f-ratio 1, 95= 5931.751*). Besides, the Durbin-Watson (DW) statistics was used to ascertain the presence of serial correlations between the residuals. As suggested by Gujarati (2003), if the DW value is substantially more than 2, it may imply a serial correlation issue. The DW value (.067), suggests the absence of serial correlation in model of TSA and Revenue Generation in Bayelsa State.

Decision: From the result in table 4.4b, the study rejects the null hypothesis and accept the alternate hypothesis, which implies that TSA as an instrument of Public Sector Reform has impact on revenue generation in Bayelsa state of Nigeria (p-value = 0.000 <0.05). This means that TSA improves the level of revenue generation base in Bayelsa state of Nigeria.

Hypothesis 2: IPSAS has no significant impact on revenue generation in Bayelsa State

Table 4.3a: Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	International Public Sector Accounting Standards[b]	.	Enter

a. Dependent Variable: Revenue Generation
b. All requested variables entered.

Table 4.3b: Model Summary of the impact of IPSAS on revenue generation in Bayelsa State

	R				Change Statistics	

Model		R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.980[a]	.960	.960	1.41202	.960	9528.728	1	398	.000	.065

a. Predictors: (Constant), International Public Sector Accounting Standards
b. Dependent Variable: Revenue Generation

Table 4.3b reveals the results for IPSAS and Revenue Generation in Bayelsa State. From the table, the R-value is 0.980 with an adjusted value of 0.960, suggesting that the independent variable (IPSAS) explained about 96% of the systematic variation in the dependent variable (revenue generation). This implies that model of IPSAS and Revenue Generationin in Bayelsa State gives a good fit since the unexplained variation is just 4%.

In addition, the result showed that a substantial link exists between IPSAS and Revenue Generationin in Bayelsa State, South-South Region of Nigeria (*f-ratio 1, 95= 9528.728*). Besides, the Durbin-Watson (DW) statistics was used to ascertain the presence of serial correlations between the residuals. As suggested by Gujarati (2003), if the DW value is substantially more than 2, it may imply a serial correlation issue. The DWvalue (.065), suggests the absence of serial correlation in model of IPSAS and Revenue Generation in Bayelsa State.

4.4 Discussion of Findings

The primary objective of the research inquiry was to find out the impact of Financial Reporting (explanatory variable: TSA and IPSAS) on the explained variable (revenue generation) in Bayelsa state of Nigeria. The study carried out a linear regression analysis to determine the impact of financial reporting on revenue generation of the studied area with a confirmation of the correlation results through coefficients as discussed in the following paragraphs.

Hypothesis 1: Hypothesis one of the investigations was about the impact of TSA on revenue generation in Bayelsa State, Nigerian. The analytical results presented in Tables 4.15 a-c have shown that, there is a substantial connection between TSA and revenue generation in the target area of the study.

The level of significance as shown in the tables revealed that revenue generation is strongly impacted by TSA public sector reform in Bayelsa state of the South-South Geopolitical Zone of Nigeria such as improving transparency and efficiency of government revenue administration by removing loopholes that is susceptible for diversion, embezzlement, theft and other malpractices, collapse of multiplicity of revenue accounts to single account and at a glance reveal total income of government for effective appropriation, Eliminates Commercial Banks ability to use public funds to buy treasury bills and bonds which reduces liquidity problems of government, Eliminate corruption associated with MDAs banking relationships with commercial banks and prevent financial leakages and reduction in the number of government bank accounts outside the CBN thereby strengthening controls and financial discipline.

The findings of the study are in line with previous studies carried out in different sectors of the Nigerian economy and other parts of the world such as Eme, Emmanuel and Chukurah (2015), Dauda and Jehve (2016) and Olurunnishola and Fasina (2018).

Hypothesis 2: Hypothesis two of the investigations was about the impact of IPSAS on revenue generation in Bayelsa State, Nigerian. The analytical results presented in Tables 4.16 a-c have shown that, there is a substantial connection between IPSAS and revenue generation in the target area of the study.

The level of significance as shown in the tables revealed that revenue generation is strongly impacted by IPSAS model of public sector reform in Bayelsa state of the South-South Geopolitical Zone of Nigeria such as improving revenue generation by way of preventing tendencies of fraud perpetration through full disclosure and transparent financial reporting; further strengthen government revenue accounting, reporting and control systems by discouraging deliberate act of omitting or concealing huge income items from financial statements for personal gains by preparers of financial statements; to correct the culture of open abuse to revenue diversion, misrepresentation and misappropriation; the blockage of financial leakages by strengthen internal control mechanisms, full disclosure, and detail documentation of accounting processes and procedures that will expose areas of financial leakages in the accounts of government; will create avenue for decrease in cases of manipulation of financial capitals through transparent and accountable reporting and the promotion of confidence of stakeholders through reliable financial reporting, enhance reliable decision making and taking.

The findings of the study are in line with previous studies carried out in different sectors of the Nigerian economy and other parts of the world such as Nweze (2013) and Ijeoma and Oghoghomeh (2014).

5.1 Summary of Findings

The research work was a positive inquiry of the impact of financial reporting on revenue generation in Bayelsa state of Nigeria. The survey design was descriptive in nature, the questionnaire served as the primary instrument for generating data for the research. Data analyses were descriptively and inferentially carried out. The results from descriptive analysis and test of hypotheses through regression and correlation exposed that:

1. TSA has a positive substantial impact on revenue generation in Bayelsa State of Nigeria.
2. IPSAS has a positive substantial impact on revenue generation in Bayelsa State of Nigeria.

5.2 Conclusion

The research shows that the state of Bayelsa in Nigeria may greatly increase its revenue output by adopting treasury single account and international public sector accounting standards. This simply means that, financial reporting is capable of enhancing the revenue base of the State by eliminating loopholes that are susceptible for diversion, embezzlement, theft and preventing tendencies of fraud perpetration. Thus, leading a corresponding increase in infrastructural development and growth of the Bayelsa‘s economy. The results are consistent with those of other studies done by academics and researchers in other areas of the Nigerian economy and throughout the world.

5.3 Recommendations

Here are some suggestions based on the research's findings; maybe the authorities may find them beneficial if they have access to the study.

i. Bayelsa State government should have the political will to ensure full compliance in the reform agenda.
ii. The State government should ensure that there is efficient monitoring and sustenance of these reforms.
ii) There should be massive training of workers and enlightenment programmes for the people of the State.
iii) Adequate punishment should be giving to erring officers, institutions and organs of government.
iv) Revenue generation challenges identified in this study should be carefully addressed by the government in order to improve the sources

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