International Public Sector Accounting Standards (IPSAS) Adoption and Quality of Financial Report in Public Sector in Nigeria

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Abstract
This study examined the impact of International Public Sector Accounting Standards (IPSAS) adoption on the quality of public financial reporting in Nigeria. One hundred fifty-five (155) accountants and internal auditors from ministries, departments, and agencies in Bayelsa State, Nigeria, were given questionnaires using a five-point Likert scale to fill out the questionnaire in order to collect data for the research. The sample size was determined using the Taro Yamane technique. In order to analyze the data, descriptive statistics were employed using the statistical technique of the ANOVA regression model. The results show that implementing IPSAS enhances accountability in the Nigerian public sector by enabling better management of public finances, credible reporting, high-quality financial reporting, transparency, comparability, and reliability. This indicates that IPSAS implementation and maintenance would help the Nigerian economy since IPSASs are seen as change agents in Nigeria. Due to the above advantages, the research recommends adopting and smoothly implementing an accrual-based government financial reporting system.

Keywords: *Quality of financial reports, qualitative characteristics, International Public Sector Accounting Standards (IPSAS)*

Introduction

The quality of financial reporting plays an essential role for end users and society since it influences business decisions that may have a significant impact. This was made clear by the catastrophes that befell Enron, Parmalat, Lehman Brothers, Fortis, AIG, and other major corporations in the past. Due to the increasing demand for more transparency and accountability, governments all over the world are restructuring their financial management systems and practices. In view of the present global financial crisis and the severe financial restrictions of many nations, Izedomni et al. (2013) suggest that governments should be truthful about their assets and obligations. The introduction of IPSAS was a response to demands for more government transparency and accountability that sparked a global revolution in public sector accounting (Chan, 2008; Carlin, 2005). Therefore, IPSAS is now the standard by which all government accounting systems are evaluated (Chan, 2008).

Statement of the Problem

The conventional cash basis for accounting was inadequate since it neglected to account for the government's "costs, all assets, and liabilities" (Dankwanbo, 2010). Moreover, "asset management, accumulating arrears, future liabilities" (pension, etc.) and "contingent liabilities" (guarantees) were not routinely accounted for in cash flow statements.

It appears that several issues, such as inefficient use of limited resources, high susceptibility to manipulation, a lack of accountability and transparency, and an insufficient disclosure requirement, have arisen as a result of the public sector's continued use of the cash basis of accounting. The benefits of implementing IPSAS have been argued to be overstated by many professionals in the field, and many have argued that the expenditures associated with doing so are not justified. Accounting and financial reporting cannot function well without transparency and accountability. Numerous government entities have been working together in recent years to revamp government accounting. In the realm of government finance, a new paradigm has been established with the introduction of the International Public Sector Accounting Standard (IPSAS).

The main goals of financial reporting are to offer information that can be utilised by a wide range of users for decision-making and evaluation, as well as to show accountability for the resources used. Accrual accounting is necessary to achieve such goals. Governments must use accrual accounting in order to evaluate their assets, liabilities, financial performance, and cash flows for the time period in question. The standards' accrual accounting practices account for the government's actions and their potential consequences for the economy in the long run. Cash-based accounting prevents this from happening.

As a result of these factors, IPSAS (International Public Sector Accounting Standards) have been adopted by the Nigerian government. Concerns about the practicality and impact of such adoption on government reporting patterns and operations have been expressed on several occasions since then by members of parliament, professional accountants, the general public, and government accounting professionals. The purpose of this research was to learn how such a change in government policy might affect the government's ability to accurately present its financial data and, by extension, make sound policy decisions.

Objectives of the Study

The primary purpose of this investigation is to examine the impact of international public sector accounting standards on the quality of financial reporting in the public sector, with a particular emphasis on the public entities in Bayelsa State. The following are the specific objectives:

1 Find out how implementing IPSAS affects transparency and accountability in Nigeria's public sector.

2. Find out how the adoption of IPSAS affects the credibility, reliability, and comparability of public sector financial reporting in Nigeria.

Statement of the Hypotheses

The following research hypotheses were formulated:

Ho_1: The adoption of international accounting standards by the public sector has not improved the financial transparency and accountability.

Ho_2: The adoption of international accounting standards by the public sector has not improved the financial the credibility, reliability, and comparability.

Significance of the Study

This research is expected to have far-reaching effects on state governments. The government would have a deep understanding of how the adoption of IPSASs enhances the transparency, comparability, credibility, informativeness, and comprehensiveness of financial data due to the stringent disclosure criteria imposed by IPSASs. The advantages and practicality of implementing IPSAS would be communicated to state government agencies and others. Adopting IPSAS will require consumers and providers of public sector accounting data to consider the need for full disclosure, which in turn affects the reliability, transparency, and accountability of the data. Since the complete disclosure obligation is a part of IPSAS, state legislators in the region will see the value in adopting IPSAS to better fulfil their oversight duties. The results will help the public understand the pros and cons of adopting international public sector accounting standards and the possible effects of these standards on financial reporting.

LITERATURE REVIEW

Conceptual Framework

International Public Sector Accounting Standards

Financial reporting requirements have evolved and been defined differently among countries over many years. However, due to globalization, international trade and partnership have increased. To guarantee users across the globe can continue to comprehend and benefit from financial statements, there is an urgent need for increased consistency in the rules regulating them. Uniform accounting practices significantly influenced the government's decision to adopt IPSAS for financial reporting (Heald, 2003).

The IPSASB provided its suggestions to the IFAC, as stated by Delloitte and Touche (2013) and the IPSASB (2008). Financial statements published for general purposes must follow IPSAS standards for recognizing, measuring, presenting, and disclosing transactions and events. By improving and standardizing financial reporting, IPSAS helped bring governments and their agencies into the open and under public scrutiny (Delloitte & Touche, 2013; Ijeoma, 2014), which was the goal of the accounting industry's implementation of IPSAS. According to Kanellos et al. (2013), IPSASs are provided by the International Public Sector Accounting Standards Board (IPSASB) for both cash and accrual-based financial reporting. The accrual basis for accounting should be used for developing all publicly available financial statements. However, many nations may realistically attain the intermediate aim of adopting a cash-basis IPSAS, as acknowledged by the IPSASB (PWC, 2009). The International Public Sector Accounting Standards Board (IPSASB) is charged with establishing and maintaining internationally uniform standards for the presentation and disclosure of financial information in the public sector. This improves government accountability and transparency by allowing for more accurate assessments of decisions about resource allocation.

Benefits of Adoption of International Public Sector Accounting Standard in Nigeria

A report by PWC (2013), showed that IPSAS "further improve the quality of financial information and facilitate comparisons across governments and organizations." There would be far-reaching benefits for governments throughout the globe if they adopted IPSAS as part of more extensive finance reform, including the communication of reliable financial information, the efficiency of government operations and services, and the sustainability of public funding. Udu (2013) listed several positive outcomes from adopting IPSAS, including:

a. improved comparability and understanding of government budget reporting. According to him, achieving results comparable to those of governments around the world was as straightforward as convincing Nigeria to implement fair, independent accounting standards on a full accrual basis and to align its accounting and financial policies with accounting best practices. He speculated that domestic and international confidence in the government's financial reporting might be bolstered by requiring agencies to adhere to accounting standards subjected to rigorous assessment by independent third parties. Improved financial reporting using IPSAS also allows the government to serve better the people who utilize its financial accounts.

b. Government agency sector management can make more informed decisions owing to improved data quality. He argues that reliable financial information aids public sector management in deciding how to allocate funds among various levels of government and conflicting operational agendas. This data provides leadership with a window into the complex inner workings of government. Accrual accounting, for example, will provide a more precise depiction of the government's debts (both domestic and international), unfunded pension liabilities, unpaid gratuities, and payments due to contractors. A better understanding of government commitments allows for more efficient administration of such assets.

c. IPSAS gives a more reliable picture of how funds were spent over a certain period of time. The efficiency of public funds and management may thus be more easily evaluated.

d. facilitates internal controls in government organisations. IPSAS encourages transparency in company activities by mandating the recognition or disclosure of extra-monetary transactions in financial statements or the annotations to financial statements. Additional transactions may include items such as inventory, intangible assets, PPE, Accounts payable, and accrued employee benefits.

e. As part of the IPSAS plan, government agencies' internal control procedures have been upgraded to ensure compliance with the latest accounting standards. The success of government programmes and the attainment of policy goals are both bolstered by a solid internal control structure.

f. Efficiency, transparency, and decision-making have all been boosted thanks to IPSAS's effect on financial management and the finance department's standing in the organisation.

g. enhances annual audits and financial reporting.

To guarantee government accountability and facilitate simpler analysis of financial reporting, IPSAS mandates that government auditors (external) report to the National Assembly on the audit of financial statements they have reviewed. There has been an increase in frugality and conservation initiatives. Assets, liabilities, income, and expenditures must be itemized and recorded in accordance with IPSAS, which improves financial and resource management.

Quality of Financial Reporting

"Financial reporting" refers to the process through which an entity makes its financial data available to the public. The fundamental objective of financial reporting, as stated by the International Accounting Standards Board (2010), is to provide users of reporting organisations with relevant and reliable information that may be used in making informed economic decisions. If economic decisions are made that are good for current and future capital providers as well as other stakeholders, then the capital market might function more efficiently (IASB, 2008; 2010). Investments, credit decisions, and resource distribution are all examples of such choices. It shows how effectively activities are managed and how efficiently resources are used. Companies' responsibilities to their stakeholders go beyond what the law requires. The interests of stakeholders other than present stockholders are taken into account (FASB, 1978).

The quality of financial reporting describes how faithfully a company's financial statements depict its financial health. Depending on the context, there is no universally accepted definition of quality in financial reporting. According to Tang et al. (2008), financial reporting quality is defined as "the extent to which the financial statements provide true and fair information regarding the underlying performance and financial position." IASB states that "the purpose of financial reporting is to provide useful financial information about the reporting entity to present and potential equity investors, lenders, and other creditors in their capacity as capital providers." AICPA (1970) states that "the provision of quantitative financial information about a business enterprise that is useful to statement users" is the primary goal of financial accounting and financial statements.
According to the Financial Accounting Standards Board (1978), the ultimate purpose of financial reporting is to give third parties with objective financial and other information that, when supplemented with data from other sources, aids in the appropriate allocation of the economy's limited resources. For this reason, the term "financial reporting quality" is meant to be inclusive of all data, monetary or otherwise, that might help an investor make an informed decision. In order to avoid unintended consequences and instead achieve their intended goals, financial reports should adhere to a strict set of guidelines. Quantitative and qualitative financial reporting data must conform to the guidelines established by the International Accounting Standards Board (2008) and the Financial Accounting Standards Board (2010). Examples of qualitative features include "the attributes that make the financial information useful" (IASB, 2008). Information cannot be made publicly accessible for decision making if the costs of doing so outweigh the advantages. The following qualitative aspects were taken into account:
The degree to which a piece of information may influence the opinions of its potential consumers is a good indicator of its relevance. The use of either confirmatory or predictive financial information may influence decision making (IASB, 2010). Therefore, the value of reported data is contingent on whether or not it pertains to issues that users feel are crucial. To provide a true picture of the state of the economy, annual reports should be comprehensive, objective, and error-free (IASB, 2010). The Financial Accounting Standards Board (FASB) defines them as "Economic Resources, Obligations, and Transactions and Events that Alter These Resources and Obligations" (FASB, 1980).
Information that has been carefully and concisely organized, clarified, and presented will be simpler to comprehend. This data may help the user have a proper grasp of it (IASB, 2008). The knowledge is indeed important, but it will not be of much service until it can be understood. The word "comparability" is used to describe the degree to which two sets of economic events may be compared and contrasted. IASB (2010) defines consistency as "the application of the same framework of accounting principles and practices in each reporting period."
Decision makers are better able to make use of information if it is provided without delay, before it becomes obsolete. Timeliness may be described in two ways: the time with which information can be shared and its impact on the quality of decisions made (IASB, 2010).

THEORETICAL FRAMEWORK

The theoretical framework for the in-depth investigation presented in this paper is the body of prior research on the topic. Examining the New Public Management Theory and the Accounting Theory, both of which are interrelated.

Accounting Theory

Accounting theory is dynamic and focused on enhancing financial accounting and reporting from a broad vantage point. Accounting must be carried out in line with widely accepted standards in order to avoid any possible chaos. The underlying principles that constitute the basis of our economic system, as well as the related laws as set down in legislative rules or common law, must be in line with or conform to accounting. As a result, it is crucial for maintaining uniform accounting and reporting practices (Kiugu, 2010). In order to effectively report and record relevant information about economic operations, the scope and complexity of our economic system are continuously expanding (ASB, 2000).

The New Public Management (NPM) Theory

Onalo, Lizam, and Kaseri (2013) and Andriani, Kober, and Ng (2010) contend that NPM has contributed to the need for transparent and accountable governance. According to Cortes (2006), the pillars of NPM are effectiveness, performance evaluation, budgetary restrictions, accountability, and transparency. Bevir (2011) and Carrington, DeBuse and Lee (2008) suggest that different models of governance need to take into consideration the reality that a sovereign handles societal problem from an accountability perspective. Although increasing numbers of people recognize NPM's significance, others stress the need to make public sector accounting adjustments.

To improve government transparency and accountability, Mack and Ryan (2006) claim that the public sector is adopting the new public management theory. It was hoped that the NPM would help Nigeria develop a more transparent and democratic government. In Nigeria's multiparty system, there are federal, state, and municipal levels of government.

A new set of accounting standards based on IPSAS was developed to further improve the government's ability to rule fairly and efficiently while meeting the requirements of the populace. By putting into practice the core concepts of recent social, economic, and public sector reforms, IPSAS in Nigeria seeks to increase accountability, transparency, and governance in the public sector. Implementing IPSAS is still a long-term objective of the NPM paradigm, which aims to improve Nigeria's public sector and financial management.

Empirical Review

Ijeoma and Oghoghomeh (2014) investigated how the adoption of IPSAS affected public sector accountability and transparency in Nigeria. Their research suggests that implementing IPSAS will lead to more transparency and responsibility in financial reporting. They also found that implementing IPSAS in Nigeria will boost transparency, comparability, and conformity to global standards.

Udeh (2015) investigated the relationship between IPSAS and Nigeria's public sector financial reporting requirements. The results showed that Nigeria would rely on public sector organizations' financial reporting if it adopted IPSAS. The findings corroborated the assertion made by Ijeoma and Oghoghomeh (2014) that the adoption of IPSAS would facilitate financial reporting comparability for government agencies.

According to Alan and Susan (2007), adopting universal standards would offer a structure for creating and presenting financial statements, ensuring that they are thorough and provide consumers everywhere with the same information.

The study by Johan (2015), titled "The effect of IPSAS on reforming governmental financial reporting: An international comparison," discovered that IPSAS accrual accounting primarily prompted a pervasive movement towards accrual accounting in European nations.
In its Global Survey on Accounting titled "Towards a New Era in Government Accounting and Reporting," PWC (2013) cited eminent experts who supported the idea in a variety of ways, such as: "Accrual budgeting facilitates far better decision-making because it brings more discipline to the process and ensures that the full economic impact of political decisions is taken into account" (Welsh, 2013). One of the participants, Geoffrey and Malombe (2013), stated that "donors may use the financial statements and disclosures contained therein to make financial decisions regarding the financing of specific programmes and projects." According to World Bank President Brian Quinn, countries with higher levels of transparency enjoy better credit ratings, more budgetary discipline, and cheaper borrowing costs. Better cash flow forecasting, performance evaluation, and international comparisons may result from the country's adoption of accrual accounting rules based on IPSAS.

Research Method

The study employed a quantitative research methodology. It was based on primary data - questionnaire-formatted data about conceptualizing IPSAS implementation, regulations, and regulations. The research method used in this study was a cross-sectional survey. Due to the specific nature of this investigation, primary data collection was employed. According to Yin (2003), a finding relies on various sources of proof, a broad spectrum of data, and the preliminary construction of a theoretical proportion to direct data gathering and analysis.

Population

All of the auditors and accountants for the Bayelsa State government make up the population. They are the leading professionals in charge of implementing IPSAS into practice. Since state governments stand to benefit most from the successful completion of the implementation framework's three core parts, the research in this paper focuses primarily on them. In Nigeria, Bayelsa State is in the forefront of adopting and implementing technical accounting reforms like IPSAS. The government employs a considerable number of accountants, auditors, and other civil servants.
Three hundred and fifty (350) participants from the Bayelsa State government responded. Two hundred fifty (250) of them were auditors and accountants. This study delves into professionals' experiences in the field to examine the conditions in which the IPSAS were developed and implemented in Nigeria. In line with Yin's (2003) research approach, the IPSAS why and how questions provide most of the information used in this analysis.

Determination of Sample Size

To accurately represent the population, the respondents were divided into two groups: accountants and auditors. Taro Yamane's formula of $n = \frac{N}{1} + N(e)2$, where n is the sample size, N is the population size, and e is the margin of error, was used to choose the sample.

N = Population of 350
e = Margin of error of 5%
$n = \frac{350}{1} + 350(0.5)2 = 186$

For this investigation, the researcher assumed a 5% level of acceptable error. Therefore, n = 186 is used to compute the sample size.

Research Instrument

The survey employed a five-point Likert scale to measure respondents' levels of agreement. It was created to be clear and straightforward. Ijeoma and Oghoghomeh (2014) and Yin (2003) both set the general direction for earlier research, which guided the selection of the research instrument material for this study. It addressed the advantages of IPSAS, implementation issues, assurance, and public interest. The tool was accurate and spotless. Respondents have to convey their thoughts on their own. It employed respectable measures that are impartial. The questionnaire consists of a list of questions subdivided into parts A and B. The respondent's biographical information was questioned in Section A. The second section of the survey is made up entirely of multiple-choice questions and short answers. Research instruments are designed to collect information that may be used to address a research problem. This article used a five-point Likert scale, with "strongly agree" being given a value of 5, "agree" being given a value of 4, "undecided" being given a value of 3, "disagree" being given a value of 2, and "strongly disagree" being given a value of 1 (Babatunde, 2013). Due to the different types of respondents, a stratified random sample was used, as seen in Table 2.

Table 1: Questionnaire Administration in Bayelsa State government of Nigeria

Respondents function	Population	Stratified random sample Proportion (%)	Questionnaire distributed	Questionnaire retrieved and analysed
Accountants	200	57	100	82
Auditors	150	33	86	73
Total	**350**	**100**	**186**	**155**

Source: Field survey, 2023

Validity and Reliability

To ensure that the data obtained by the study instrument accurately represented the parameters under investigation, a process known as "content validity" was carried out. Two accounting doctoral candidates examined the initial draft. A professor of accounting read through and approved the amended draft, which included their feedback.

Reliability analysis was also conducted. The calculated value of Cronbach's alpha, a reliability indicator, was 0.88, much above the cutoff value of 0.70. Therefore, the results can be accepted. Descriptive statistics, notably frequency distributions, were used to examine the responses. The research made use of SPSS version 22, a statistical programme developed by IBM.

Data Analysis

The data were summarized, categorized, and tabulated using a statistical tool (SPSS version 22) after being checked for errors and missing data. A paired-sample t-test was performed to determine whether or not there was a statistically significant difference between the old and new accounting standards and quality ratings, and descriptive statistics were employed to define the study's variables. The results were presented as frequency tables for the purpose of clarity and simplicity. The data collected in the survey was tabulated and analyzed. A simple calculation of percentages was presented, discussed, and analyzed. The researchers employed deductive reasoning to further support the hypothesis and guide the testing process. To test the hypothesis, a simple regression analysis was performed.

Model Specification

For testing hypotheses, ordinary least squares approach was used. The following linear model was used to determine the ordinary lease square:

Y = f (x)

Y = Quality of Financial Reporting

X= International Public Sector Accounting Standard

$Y = \beta o + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where: Y= Financial Reports Quality Index β_0 = Constant or intercept β = Regression model co-efficient (Parameters).

Data Presentation, Analysis and Discussion of Findings

A sample of public sector accountants and auditors in Bayelsa State, Nigeria, were surveyed, and their responses are analyzed below.

Descriptive Analysis

Table 2: Demographic Profile of Respondents

Variable	Characteristics	Frequency	%	Total
Gender	Male	90	58	
	Female	65	42	155
Educational Qualification	Bachelor's Degree	50	32	
	Master's Degree	40	26	
	Bachelor's Degree with Professional	35	23	
	Master's Degree with Professional	25	16	
	Doctorate with professional	5	3	155
Length of Work Experience	0 -5	45	29	
	6 – 10	50	32	
	11 -15	40	26	
	Above 15	20	13	155
Department/function	Internal Audit	73	47	
	Accountant	82	53	155

Source: Field Survey, 2023

Table 2 displays the respondents' demographic information. In this study, 65 female respondents comprised 42% of the sample, while 90 male respondents comprised 58%. Fifty respondents (32%) have only a bachelor's degree; forty (26%) have a master's; thirty-five (23%) have a bachelor's degree and professional certification from ICAN and ANAN; twenty-five (16%) have a master's degree and professional certification from ICAN and ANAN; and three (3%) have a doctorate and professional certification from ICAN and ANAN. In terms of work experience, 45 respondents (29%) have none, 50 respondents (32% have between 6 and 10 years), 40 respondents (26% have between 11 and 15 years), and 20 respondents (13%) have more than 15 years. The Internal Auditing Division filled out 73 (47%), while the Accounting Division filled out 82 (55%). Statistical evidence suggests that respondents should have the appropriate education and work experience to provide answers that are representative of internal auditors and accountants engaged in forensic accounting and auditing for public sector fraud detection, investigation, and prevention in Nigeria.

Test of Hypotheses

This section involves using regression analysis to evaluate research hypotheses. The examination relies on data gathered from a field survey.

Ho1: The adoption of international accounting standards by the public sector has not improved the financial transparency and accountability.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Est.	Durbin-Watson
1	.968[a]	.934	.859	.92363	3.568

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.441	1	7.441	8.722	.001[a]
	Residual	3.559	153	.853		
	Total	12.000	154			

a. Predictors: (Constant), IPSAS

b. Dependent Variable: TRANSPARENCY AND ACCOUNTABILITY

Coefficients[a]

Model		Unstandardized Coeff.		Standardized Coeff.			95% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	1.380	.687		2.009	.138	-.806	3.565
	TRANSPARENCY AND ACCOUNTABILITY	.091	.031	.863	2.953	.060	-.007	.189

The null hypothesis is accepted since the P-value is less than the threshold of significance (p-value < 0.05). Since the alternative hypothesis is more plausible, we conclude that IPSAS implementation in Bayelsa State, Nigeria improves financial reporting's transparency and accountability. Public financial reports may become more transparent and accountable if IPSAS are used, as shown by the ANOVA P-value (0.0001) 0.05. Adopting IPSAS increases public financial reporting transparency and accountability by 93%, as measured by the R-squared and adjusted R-squared indicators.

Ho2: The adoption of international accounting standards by the public sector has not improved the financial the credibility, reliability, and comparability.

Test of Hypothesis Two

The impact of International Public Sector Accounting Standards on the credibility, comparability, and transparency of public sector financial reporting.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Est.	Durbin-Watson
1	.916[a]	.839	.785	.73314	2.469

ANOVA[b]

Model	Sum of Sq.	Df	Mean Sq.	F	Sig.
1 Regression	7.388	1	8.388	15.605	.002[a]
Residual	1.612	153	.537		
Total	9.000	154			

a. Predictors: (Constant), IPSAS

Coefficients[a]

	Unstandardized Coeff.		Standardized Coeff.			95% Confidence Interval for B	
Model	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1 (Constant)	1.003	.603		1.664	.195	-.915	2.920
CREDIBILITY, RELIABILITY AND COMPARABILITY	.112	.028	.916	3.950	.029	.022	.203

P< 0.0002 is considered statistically significant, hence the null hypothesis is rejected. The alternative hypothesis is accepted. This indicate that IPSAS adoption and implementation improve the credibility, reliability, and comparability of public financial information in Bayelsa State, Nigeria. This is supported by the ANOVA P-value (0.002) < 0.05. Adopting IPSAS increases public financial reporting's credibility, dependability, and compatibility by 83% and 78%, as measured by the R square and the adjusted R square, respectively.

Discussion of Findings

The research shows that adopting IPSAS leads to better financial reporting in the public sector. Adopting IPSAS will foster transparency and accountability in Nigeria's government. It will also increase the financial statements' reliability and comparability. It is impossible to stress the importance of fostering financial reporting uniformity. Uniform financial statements would be easier to read and provide users with the same information everywhere.

Summary

The research found that public sector accounting data and transparency would improve by adopting and implementing IPSAS, which would help reduce information asymmetry and better coordinate financial activities. Moreover, the research showed that adopting IPSAS will result in better financial management, more accountable and transparent financial data, and reliable and credible data for donor organizations and countries providing support and assistance.

Conclusion

The findings indicate that public sector financial reporting improves as a consequence of IPSAS adoption and implementation, with benefits including improved comparability, relevance, timeliness, credibility, reliability, transparency, and accountability. The research concludes that IPSAS implementation will enhance government reporting, allowing for more informed policymaking and more efficient use of public funds. It was concluded that a change to cash-based accounting was necessary to ensure that residents, service users, investors, and other interested parties had access to the data they needed to plan, organize, control, and make decisions. The research also showed that international financial reporting standards (IPSAS) would provide credibility and integrity. Consequently, financial accounts from different jurisdictions would be comparable, and stakeholders could evaluate how efficiently resources are spent.

Recommendations

The study's main findings inspired the following suggestions for implementing the new system in the Nigerian public sector and ensuring its long-term sustainability and the accomplishment of the requisite accountability.

i. To efficiently administer and manage public finances in state-run institutions, the state government must maintain up-to-date records of all arrears, contingent obligations, prepayments, advances, and the system's return on investment. In order for IPSAS to be widely used, it must first be acknowledged.

ii. To conduct oversight obligations and monitor budget execution, the legislative body must be trained in the use and usage of IPSASs in addition to government auditors.

iii. Ministries, departments, and agencies should be able to follow IPSAS's guiding concepts and beliefs with the support of the state government and legislature by making a clear, reliable, and trustworthy financial report available to the public so they may make informed decisions.

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