IPSAS 1 as a Veritable Strategy for Good Governance and Economic Development in a Post-Covid – 19 Economy in Nigeria

Chima Chukwuka Christian Ph.D
Department of Accountancy
Imo State Polytechnic, Umuagwo

ABSTRACT

The study examined the International Public Sector Accounting Standard (IPSAS 1) as a veritable strategy for good governance and economic development in a post-covid – 19 economy. The objective of IPSAS 1 is the presentation of financial statements. The paper adopted qualitative description research. The findings revealed that IPSAS 1 standard of presentation of financial statement enhanced good governance, which promote economic development, particularly in a COVID-19 ravaged economy like Nigeria. Therefore, Nigeria should not only adopt IPSAS as global best practices, but implement it to attract foreign investments and aids that will help rebuild the devastated COVID – 19 economy.

Keywords: *IPSAS 1, Strategy, Governance, Economic Development, COVID – 19*

INTRODUCTION

Good governance is a product of accountability and transparency in the discharge of government function and utilization of state resources in providing essential products or amenities to the citizens. In every democratic settings, the citizens sign a social contract with the government through the election and electioneering process. This contract manifest in the provision of vital amenities that reflects in the annual budget. The performance of such budget depends on the financial statement presented to the public by the relevant agencies and departments charged with such function. Thus, with the globalization process, which has turned the world into a global village, some policies, practices and standards are required to be carried out by the nations of the world including Nigeria. One of such standards is International Public Sector Accounting Standards (IPSAS).

IPSAS is the public sector equivalent of International Financial Reporting Standards (IFRs), which apply to private sector and are developed by the International Public Sector Accounting Board (IPSAB). The objective of the IPSASB is to issue the public interest by developing high quality accounting standards and other publications for use by public sector entities around the world in the preparation of General Purpose Financial Reports (GPFRs). It is intended to enhance the quality and transparency of public sector financial reporting by providing better information for public sector financial management and decision-making (IPSASB, 2018). The IPSASB developes IPSAS which apply to the accrual basis of accounting and IPSAS which apply to the cash basis of accounting. The essence is to improve both quality and comparability of government financial information reported by public sector MDAs around the world (IPSASB, 2018).

However, IPSAS is international accounting standards for application by public sector MDAs to prepare their general purpose financial reports. Financial statements is described as complying with IPSAS only if they comply with all the requirements of each applicable

IPSAS. The primary objective of most public sector MDAs is to deliver service to the public, rather than to make profits and generate a return on equity to investors. They provide services that enhance or maintain the well-being of citizens and other eligible residents. Those services include, for example, welfare programmes and policing, public education, national security and defense services. Consequently, the performance of such MDAs can be only partially evaluated by examination of financial position, financial performance and cashflows. The financial reporting through this offer governance, information to uders for accountability and decision-making purposes. However, governance in the public sector generally involves the holding to account of the relevant arms of the government and MDAs.
Governments and other public sector MDAs are responsible to provide good governance and to those that depend on them to use those resources to deliver services during the reporting period and over the long term. The discharge of good governance and accountability requires the provision of information about the MDA's management of the resources entrusted to it for the delivery of services to the citizens. Given the way in which the services provided by the government and funded and the dependency of the citizens on the provision of those services over the long ter, the discharge of good governance will also require the provision of information about such matters as the MDA's service delivery achievements during the reporting, and its capacity to continue to provide services in future periods (IPSAS, 2018).
On the other hand, economic development can manifest if government financial statements reflects the reality of activities in the budget, in order to ensure acquisition, deployment and utilization of the budgeted resources. The accelerated economic development in most nations. Particularly third world communities economies have been attributed to good governance. The economic development and good governance improves man's potentials and capacities and subsequently eliminates and /or reduces poverty, penury, inequality, unemployment and generally enhances the condition for human existence and self-reproduction. The developmental reality of the 21st century is one of complex socio-cultural, economic, political and technological leaps forward and intricate challenge (Akalonu, Obiah, Onyeagoro, Duru & Okonya-Chukwu, 2017). Hence, good governance is dependent on a government that understands the risks it faces like COVID-19 and is able to keep control of the nation. In this way, the growth, stability and demise of the nation is essentially dependent on the flow of resources along with the required transparency and accountability.
In view of all above, public sector financial statement as described in IPSAS 1 will be demanded well into the 21st century at the end of the government's fiscal year to good governance and economic development in the post COVID-19 era. This is the crux of this paper.

STATEMENT OF PROBLEMS

In the post COVID-19 era of Nigeria, one thing that will be certain is the economic recovery or economic development of the nation. To actually this, all leakages must be blocked following the IPSAS 1 financial statement general purpose financial reporting. The ladder to translate this economic development is good governance and the veritable strategy is IPSAS 1 presentation of financial statements. Many studies on good governance have been carried out by certain researchers – both qualitative and empirical, most of which exclude presentation of financial statement as designed by IPSAS 1 or link it to COVID-19 era. With bogus budgets every year, Nigeria's quest for economic development which has spanned for some decades is yet to deliver on the ultimate goal of poverty reduction, coupled with COVID – 19 despite various plans, programmes, policies and projects. The reason may be the disconnect on what appears in government financial statements and the reality in economic indices. Nwaneri and Obiah (2017) observed that economic and social agendas must go hand in hand and focus on reforms that will render economies more productive and open up new better job opportunities for all segments of the economy. In other words, for good governance to manifest into economic development, in the post – COVID 19 era, the presentation of public sector financial statement must include all the necessary financial measures to activate the nation's economic recovery. A financial resource with service potential or the ability to generate economic benefits for the nation.

As the global economy is continually being ravaged by the COVID – 19 pandemic, its aftermath effects on both human and material resources particularly in Nigeria is an undeniable evidence that good governance is the driving force behind the development of the economy. There was a general consensus among top economists that the COVID – 19 pandemic would plunge the world into a global recession and the various analysts have projected fall in aggregate demand and supply, dwindling in exports and rise government expenditure as the negative ripple effects of lockdown across different sectors of the Nigerian economy (Olatunji, Shittu, Dashe & Tasiu, 2020), with our macroeconomy practice, we desire to chart a way out of this quagmire to revive our economy by way of good governance. To show the relevance of financial statements as contained in the IPSAS 1, government must learn to follow the required budget to effect the provision of amenities and infrastructure for economic development in post-Covid era. The financial statements provide individuals with information about, in this case, government resources and obligations at the reporting date and the flow of resources between reporting dates. This information is useful for citizens to make assessments of government's ability to continue to provide good governance at a given level, and the level of resources that may need to be provided to in the future so that it can continue to meet its service delivery obligations.

Again, making budget the basis of good governance and a tool for economic advancement in Covid – 19 post era, IPSAS 1 recognized public sector as typically subject to budgetary limits in the form of appropriations or budget authorizations (or equivalent), which may be given effect through authorizing legislation (IPSAS, 2018). In this regard, general purpose reporting by public sector may provide information on whether resources were obtained and used in accordance with the legally adopted budget (1PSASB, 2018). Therefore, the allocation of resources in the budget should be an avenue to eliminate in the post-covid 19 era slow economic growth, economic management, infrastructural deficiencies, weak political commitments to maintain its economic relations with the rest of the world by reasonable terms, to preserve its nature, institutions and governance from disruption from outside. It should help to eradicate poverty and unemployment, which sometimes a function deficiency of effective demand.

Researchers have ignored the essence of IPSAS1 – presentation of financial statement on improving good governance and economic development, rather the searchlight has been on its adoption by countries of the world (Jensen, 2016; Ademola, Ben-Caleb, Madugha, Adegboyegun, & Eluyela, 2020; Ijeoma & Oghoghomeh, 2014; Dabor & Aggreh, 2017; Babatunde, 2017; etc). It is this gap that this study tend to achieve by focusing on IPSAS 1 as a veritable strategy for good governance and economic development in a post-Covid – 19 economy of Nigeria. Researching on this will, open a new debate on this area and contribute to academic knowledge in recent times.

REVIEW OF RELATED LITERATURE

Conceptual Review

A term may portray some variations of meaning to differ in the same discipline, but among these different people, whether writer, researcher, experts, a general idea governs their differing meanings. The authors here will try to present major concepts in this study in differing meanings, while pointing at the central idea. International Public Sector Accounting Standards (IPSAS) 1 – presentation of financial statements is a standard that prescribed the manner in which general purpose financial statements should be presented to ensure comparability both with the MDA's financial statements of previous periods and with the financial statements of other MDAs. IPSAS 1 sets out overall considerations for the presentation of financial statements, guidance for their structure, and minimum requirements for the content of financial statements, prepared under the accrual basis of accounting (IPSAS, 2018). IPSAS 1 is drawn primarily from 1AS 1 (2003) and includes amendments to IAS 1as part of the improvements to IFRS, issued in May 2008 and April 2009 respectively.

The standard specifies accrual basis as a basis of accounting under which transactions and other events are recognized when they occur (and not only when cash of its equivalent is received or paid). GPFRS are those intended to meet the needs of users who are not in a position to demand reports tailored to meet their particular information needs. Users of GPFS include taxpayers and ratepayers, members of the legislature, creditors, suppliers, the media, and employees. It include those that are presented separately or within another public document, such as an annual report (IPSASB, 2018).

A complete financial statements comprises: a statement of financial position; a statement of financial statement; a statement of changes in net assets/equity; a cashflow statement; when the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as a separate additional financial statement or as a budget column in the financial statements; notes, comprising a summary of significant accounting policies and other explanatory notes; and comparative information in respect of the preceding period as specified in paragraphs 53 and 53A of IPSAS 1 (IPSASB, 2018). All these components provides the strategy for good governance and economic development in post-Covid economy.

Strategy could be described as an approach by which a long-term objectives and commitment of resources to achieve a specified goal in a competitive environment (Aluko, Odugbesan, Gbadamosi & Osuagwu, 1998 in Onuegbu & Obiah, 2016). Strategy is a method, standard, guidelines and measures an economic objective is achieved with the necessary tools in a long term process. As a strategy, good governance establishes policies to guide government's actions, directed through broad national goals, strategic plans, performance goals, legislative guidance, designed oversight committees. The priorities can generally be found in its strategic plan, operational plan or budget, which allocates limited resources to specific activities.

However, the Institute of Internal Auditors (2012) defined governance as the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the organization's activities toward the achievement of its objectives. In the public sector, governance relates to the means by which goals are established and accomplished through MDAs. It also includes activities that ensure a public sector entity's credibility, establish equitable provision of services, and assure appropriate behaviour of government officials – reducing the risk of public corruption. Good governance are sets of processes, customs, policies, laws and institutions affecting the way government ministries, agencies, departments and parastatals are directed, administered and controlled. It is a system that are generally concerned with the establishing a framework whereby the government are entrusted with responsibilities in resources and duties in relation to the direction of citizen affairs, accountability of persons who are managing it towards stakeholders and economic performance of the nation (Chima, Obiah, & Obia, 2018). Good governance occurs when government provides proper guidance to management regarding the strategic direction for the institution, and oversees management's efforts to move in that direction.

Economic development encompasses both growth and development. It is a policy intervention efforts targets at the economic and social well-being of people (Salmon Valley Business Innovation Centre, 2014 in Nwankwejike, Ubesie & Uwakwe, 2017). They refer

economic development as the adoption of new technologies, transition from agriculture and natural resource-based to industrial-based economy and general improvement in standards of living. In other words, is related to increase in output coupled with improvement in social and political welfare of people within a country. The objective of economic development is to create an enabling environment for local communities and regions to develop new ways of production of goods in such quantities that may lead to exportation to other countries. It also, associated with improvements in a variety of areas or indicators (such as literacy rate, life expectancy and poverty rates) that may be causes of economic development rather than consequences of specific economic development programme (Nwankwojike et al, 2017). Economic development is an overall socio-political and environmental process whereby there is a perceptible and cumulative rise in the economic standard of living for an increasing aggregate of the total people in the nation as a result of the contribution and improvement in government governance. Therefore, rebuilding post-COVID economy entails promotion of self-reliant economy. To Chima and Obiah (2018), it is a development that relies on (internal) resources as opposed to development that relies on (external) resources.
COVID – 19 was a series of pneumonia cases of unknown cause, which emerged in Wuhan, with clinical presentations greatly resembling viral pneumonia. Deep sequencing analysis from lower respiratory tract samples indicated a novel coronavirus, which was named 2019 novel coronavirus (nCoV-2019) and was later baptized COVID – 19. The World Health Organization (WHO) declared it a global emergency due to the rapidly spreading of COVID-19 on January 30, 2020. Since then, COVID – 19 has caused a significant deterioration in economic conditions for most companies, nations, etc and an increase in economic uncertainty for others, which may constitute impairment triggering events. World Bank Reports (2020) reveals that the COVID – 19 crisis is an extraordinary supply and demand shock to the global economy with far reaching and uncertain ramifications (Chima-Nwaneri & Obiah, 2021).

THEORETICAL FRAMEWORK

Theory is significant in reviewing a literature in order to attach relevance to the topic of discussion. Such theoretical structure, though abstracts from the complexities of the real world is designed to achieve a level of simplicity necessary for analysis. In reviewing the theories in this study, one would expect such theories as stewardship theory, stakeholders theory, but due to the content of this paper, researchers will adopt theory of social contract and agency theory.

THEORY OF SOCIAL CONTRACT

The social contract theory was developed by Thomas Hobbes (1588 – 1679), an English philosopher and political theorist. Many thinkers believe that his political philosophy was influenced so much by the social and political disturbances of his time. In 1657, Hobbes challenged the Royal Party with his work The Leviathan. Hobbes political teaching is constituted primarily by his doctrines of state of nature, the social contract, civil and natural law, Commonwealth and Sovereignty. He introduces his political philosophy by denying the basic claim of Aristotle that man is by nature a political animal. For him, man rather originally existed in a condition of natural warfare – a state of homo lupus, a condition in which man is wolf to man.
This follows from the fact that men by nature are equal, such that each man, even the weakest has sufficient hope of achieving his end. In pursuit of this hope and desire for their ends which may conflict, they become enemies, in hatred and war. Thus, in the state of nature, there is no morality, nothing is unjust, no common power, no law, no right, no wrong. But there are passions that also incline man to peace in this state of war. They are passions not

alien to the state of nature itself. They are the fear of death, desire to live better and security, etc. The reason suggests peace as the necessary condition for the achievement of these inclinations. Therefore, people enter into bond or contract to establish peace and order. Men according to Hobbes following the dictates of natural law, seeking peace renounce some of their rights or liberties and enter into a social contract – creating thereby The Leviathan – the state or Commonwealth.

Hobbes explains that social contract is a contract by which men avoid the state of nature and enter civil society, by conferring all their powers and strength upon one man, or upon an assembly of men, to bear their person, to reduce all their will into one. It is a real unity of them all, in one and the same person, made by covenant of everyman with everyman, in such a manner, as if everyman should say to everyman, *I authorize and give up my right of governing myself to this man, or to this assembly of men, on this condition, that thou give up thy right to him, and authorize all his actions in like manner*. This done, the multitude so united in one person, is called a commonwealth, in Latin 'Civitas,' the generation of that great Leviathan – the mortal god, to which we owe under the immortal God, our peace and defence (Nwoko, 1988). The social contract of Thomas Hobbes was extended by John Locke's Essays on the Law of Nature (1664) in which he sees social contract as the pact, which men freely consent to in order to enter into a politic society to avoid the inconveniences of the state of nature. By so doing they form a single body politic – a commonwealth, by which the people put themselves under a political power.

From the foregoing, governance creates a social contract or covenant between the citizens and the government. In other words, the government acts as an agent in the allocation and utilization of state resources for the citizens.

AGENCY THEORY

By law, investors are owners of a corporation and their ownership cannot be questioned, as is reflected in proprietary theory in accounting. Therefore, as far as firm entities are concerned, the need for accounting is being emanated as a result of agency theory. Agency theory can be defined as a situation where shareholders delegate some responsibilities to a team of experts while keeping in mind that they will perform best for the success of their organizations. It is a concept that explains why behaviour or decisions vary when exhibited by members of a group. Specifically, it describes the relationship between one party called the principal, that delegates work to another called the agent (in this case the government officials and the governed). It explains their differences in behaviour or decisions by noting that the two parties often have different goals and, independent of their respective goals, may have different attitudes toward risk. The concept originated from the work of Adolf Augustus Berle and Gardiner Coit Means, who were discussing the issues of the agent and principal as early as 1932.

The agency theory was championed by Jensen, M. and Meckling, K. in 1971. Agency theory and transaction costs are a refinement of the mathematical modeling based on economic concepts and theory. It seeks to address the potential conflict of interest between owners and managers, because the interests of managers may opportunistically utilize firm resources to satisfy their personal interest. Agency theory then, has to do with how to resolve two problems that can occur in an agency relationship. The first problem arises when: the interest or objectives of the principal (owner) and the agent's conflict; and it is very difficult or expensive or impossible for the affirm or verify the actual action of the agent (Adebayo & Abdul-Lateef, 2017). The agent might have more relevant information with shareholders, the information asymmetry occurs, and this would raise the possibilities that agent can behave in ways to pursue their own interests. Therefore, to better align the interest of the agent with those of the owners and to increase the firm's overall performance, agency theory suggests that top management degree of ownership in the firm should be significant or have a strong financial stake in its long – term performance.

However, the agency theory assumes that there exists a contractual relationship between members of a firm – two groups of people: principals/superiors/owners and agents/subordinates/managers. The principal will delegate decision making authority to the agents and expect them to perform certain functions in return for a reward. Both the principals and the agents are assumed to be rational economic persons motivated solely by self-interest but may differ with respect to preferences, beliefs, and information (Jensen & Meckling, 1976). The principal/ agent relationship can exist throughout any firm and usually starts from the shareholder-director and ends with the supervisor-shop floor worker. In a firm context, which involves uncertainty and asymmetric information, the agent's actions may not always be directed to the best interests of the principal. Agents' pursuit of their self-interest instead of those of the principal is what is called the agency problem (Jensen & Meckling, 1976). To counter this behaviour, the principal may monitor the agents' performance through an accounting information system. The owner can also limit such aberrant behaviour by incurring auditing, accounting and monitoring costs and by establishing, also at a cost, an appropriate incentive scheme.

Although the agency model relies on marginal economic analysis, it includes explicit recognition of the behaviour of the agent whose actions the management accounting system seeks to influence control. Agency theory is built around the key ideas of self-interest, adverse selection, moral hazard, signaling, incentives, information asymmetry and the contract (Agbi, Achama & Fasilat, 2017). However, agency theory is based on several assumptions: that individuals are assumed to be rational and to have unlimited computational ability. They can anticipate and assess the probability of all possible future contingencies. That the contracts are assumed to be costless and accurately enforceable by courts. The contracts are expected to be comprehensive and complete in the sense that for each verifiable event, they specify the actions to be taken by the contracting parties. That both principals and agents are motivated solely by self-interest. That the agent is assumed to have private information to which the principal cannot gain access without cost. Additionally, the agent is usually assumed to be work averse and risk adverse (Baimen, 1990 in Agbi et al, 2017).

Further, he recognizes the three branches of agency theory that are principal-agent, transaction costs and Rochester School based on the work of Jensen and Meckling (1976). The principal-agent model typically takes the organization of the firm as given and concentrates on the choice of ex-ante employment contract and information systems. The objective of the Rochester model was to understand how agency problems arise and how they can be mitigated by contractual, and more generally by organizational design. All three branches of the works provided similar frameworks for analyzing the interaction of self-interested individuals within an economic context, understanding the determinants and causes of the loss of efficiency created by the divergence between cooperative and self-interested behaviour, and analyzing and understanding the implications of different control processes for mitigating the efficiency loss from agency problems.

According to intentionalism, as propounded by Fay (1996) in Alayemi and Abdul-Lateef (2017) the explanation revealed that the disposition of the agent determines what accounting choices will be made in other to concealed certain things from the principal (the shareholders). Thus, choice of accounting policies is determined by and large by what the agent has in mind. The validity of explanation does not depend on the regularity of the particular accounting choice behaviour in the same situations by the agent himself or herself and others. Economic rationality is the choice of managerial behaviour, implying that preferences are so well defined that they can be described by a criterion function, a utility function. Therefore, viewing accounting as a source of information naturally presumes information is valuable or useful; it must be able to tell something that need to be known.

Public sector accounting researchers adapted principal-agent theory for use in their research. In an agency framework, the fact that managers (generally termed "agent") are privy to information about their performance that cannot be observed by owners (generally termed "principals") leads to situations where agents have incentives to take actions that are not in the best interests of the principals. Consequently, agency theory offers insights into some of the tough issues and difficult problems involved in the design of financial accounting systems (Alayemi & Abdul-Lateef, 2017).

In sum, the social contract of sovereignty of government with the citizens portrays budgetary allocation which appears in the financial statement at the end of the financial year. Government as agent of the citizens through governance must provide a means of achieving economic development in the nation by proper utilization of the resources in the post-Covid economy. Their agency activity will be reviewed through the financial statement, in order to give a true and fair view of the account. The paper, therefore, found these theories as relevant to this topic of discussion and adopts them.

EMPIRICAL REVIEW

There are inadequate literature on the contribution of IPSAS 1 – The presentation of financial statements to good governance and economic development, but empirical findings concerning economic growth and development and adoption IPAS. Onyeche and Enyioko (2016) used descriptive and inferential statistics to examine the impact of strategic management in development in Nigeria, focusing on the oil sector. Using the Parson's Product Moment Correlation Coefficient, the study concluded that strategic planning is beneficial to organizations in achieving set goals and recommends among others that organizations should engage in strategic planning in order to enhance economic development in Nigeria. Dagwom (2013) examined the impact of revenue allocation and economic development in Nigeria. The study looks at how the various revenue allocations to the three tiers of government affect real gross domestic product (RGDP) in Nigeria using time series data for the period 1993 to 2012. Error correction model (ECM) and pairwise Ganger causality test are used in analysing the data. The study carries out test of stationarity of the variables using Augmented Dickey-Fuller unit root test and test of long run relationship among the variables using Jahansen Cointegration test. The findings show that revenue allocations have significant causal relationship with economic development in Nigeria, with only revenue allocation to states having significant negative relationship.

Nwankwojike et al (2017) investigated the effect of increase in budget size on economic growth and development in Nigeria and to establish whether there is any difference in using gross domestic product (GDP) and human development index (HDI) as a measure of economic performance. The annual time series data for the period 2000 – 2015 was used to estimate a linear model of budget allocations on various economic sectors, using ordinary least square (OLS) regression technique. The result from the study shows a positive and significant effect between government expenditure on defense with economic growth and development. While, other variables such as expenditure on education, internal security, health, agriculture, construction, transport and communication shows negative and insignificant effect with economic growth and development. The result also reveals that measuring the effect of budget allocations on various economic sectors mentioned above, have a lower effect on Human Development Index (HDI) than GDP, thus suggesting that increase in GDP and budget size is not assurance for economic development.

METHODOLOGY

The structural framework of this study is based on descriptive survey. The research instrument used to obtain information is secondary data. In other words, the paper is a qualitative measurements, the study is basically non-empirical. The secondary sources of data for this research include textbooks, journals, books of proceedings from conferences, etc. Therefore, as study rely much on existing facts, opinions, ideas and perceptions from documents, the technique enhanced access to information especially in areas and aspects that the researchers may not have been able to have direct contact with respondents on various issues relating IPSAS1 as a veritable strategy for good governance and economic development in post-Covid economy in Nigeria.

ANALYSIS OF RESULTS

Good governance is a corollary of economic development as shown from the available information above. Chima and Obiah (2018), has advocated for self-reliant economy as a measure to accelerate economic development in a post-Covid economy. For them, a central theme that underpins a robust economy is a coherent set of political institutions, an enabling legal environment, a good social element and sound macroeconomic policies. Citing Imandojemu (2017), they observed that, an economy with a well regulated institutional supports base for business is capable of facilitating entrepreneurship, creativity and ingenuity among individual and provide a framework for the actualization of people full potential, emancipate the populace from the clout of poverty, enhance living standards and promote growth and shared prosperity.

Good governance in IPSAS 1 portrays that financial statements shall present fairly the financial position, financial performance, and cashflow of MDAs. Fair presentation requires the faithful representation of the effects of transactions, other events, and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenues, and expenses set out in IPSASs. The application of IPSAS, with additional disclosures when necessary, is presumed to result in financial statements that achieve a fair presentation. Good governance includes clearly articulated ethical values, objectives, and strategies, which should align policies and procedures to encourage MDAs and public official behaviour that is consistent with the public sector values. Good governance requires regular financial and performance reporting that is validated for accuracy in compliance with IPSAS 1. When government has not achieved its financial or operational performance goals, or when problems are detected in operations or the use of funds, a good governance system will identify the root cause of the problems, determine the corrective actions needed, and follow up to determine whether those actions were implemented effectively.

The Nigerian critical infrastructure must equally be put right, because it is the nation's basic structural facilities that are meant to enhance citizens' living standard and economic development.

CONCLUSION AND RECOMMENDATIONS

The study examined International Public Sector Accounting Standards (IPSAS) I – Presentation of financial statements as a veritable strategy for good governance and economic development in post-COVID – 19 economy of Nigeria. Different opinions and write-ups were analysed, with the cardinal concepts being IPSAS 1, good governance and economic development. The paper recognizes compliance to IPSAS 1 as a fair presentation of public sector financial statements and that, reality on the financial statement is a reflection of economic development. The paper is of the opinion as IPSAS is international standards vis – a-vis global best practice on public sector accounting, it should be adopted to attract global financial institution's attention and flow of foreign direct investment. It observes that to rebuild the devastated COVID-19 economy Nigeria need to enthrone good governance to promote economic development. The paper specify the following recommendations for action:

- There should be presentation of financial statements in public sector in compliance with IPSAS 1 and other IPSAS standards as stipulated by the IPSAS board. Such presentation should be in consonance with the annual budget meant to cater for the welfare of the citizens.
- All facets of the economy should be explored by the government through diversification of the economy, exploitation of internal natural resources for self-reliant economy and translating same in the governance of the nation.
- Certain restrictions as a result of COVID – 19 that hinders business and economic activities should be reviewed as the virus has reduced drastically in the country. In doing this, governance should focus on internal resources and not directives from international community or compliance for aid.

References

Ademola, A.O.; Ben-Caleb, E.; Madugba, J.U.; Adegboyegun, A.E. & Eluyela, D.F. (2020). *International Journal of Financial Research, 11*(1), 434 – 443

Agbi, E.S.; Achama, F. & Fasilat, S.A. (2017). The role of accounting thought in the evolution of management accounting: Where are we really? *International Journal of Development and Economic Sustainability, 5*(6), 59 – 83

Akalonu, E.C.; Obiah, M.E.; Onyeagoro, C.R.; Duru, L.A. & Okonya-Chukwu, C.R. (2017). Agricultural development innovation: Adopting sustainable soil management practices among rural farmers in Imo State, Nigeria. *Journal of Agriculture and Veterinary Sciences, 9*(2), 32 – 51

Alayemi, S.A. & Abdul-Lateef M.O. (2017). Accounting numbers and management's financial reporting incentives: Evidence from positive accounting theory. *Noble International Journal of Economics and Financial Research, 2*(2), 50 – 53

Babtunde, S.A. (2017). Implementing international public sector accounting standards in Nigeria: Issues and challenges. *International Journal of Business, Economics and Law, 12*(1), 1 – 10

Chima, C.C. & Obiah, M.E. (2018). Financialization and swapization: A Chinese lifeboat for economic development of Nigeria. *World Journal of Finance and Investment Research, 3*(2), 14 – 26

Chima, C.C.; Obiah, M.E. & Obiah, N.L. (2018). Internal control and responsibility accounting in corporate governance of Nigerian organizations. *Journal of Accounting and Financial Management, 4*(8), 32 – 42

Chima-Nwaneri, C.J. & Obiah, M.E. (2021). Poverty as a comparative advantage in economic recession and pandemic era: Issues on entrepreneurship and sustainable development. *World Journal of Entrepreneurial Development Studies, 6*(1), 32 – 42

Dabor, A.O. & Aggreh, M. (2017). Adoption of international public sector accounting by government ministries and agencies in Nigeria. *International Journal of Marketing & Financial management, 5*(5), 52 – 65

Dagwom, Y.D. (2013). Revenue allocation and economic development in Nigeria: An empirical study. *SAGE Open, July – September,* Pp. 1 – 7

IIA (2012). *Supplemental Guidiance: The role of auditing in public sector governance*. 2nd ed. The Institute of Internal Auditors Global

Ijeoma, N.B. & Oghoghomeh, T. (2014). Adoption of international public sector accounting standards in nigeria: Expectations, benefits and challenges. *Journal of Investment and Management*, *3*(1), 21 – 29

IPSASB (2018). *Handbook of international public sector accounting pronouncements*. 2018 ed. Vol. 1. New York: International Public Sector Accounting Standard Board

Jensen, G. (2016). International public sector accounting standards (IPSAS). *RsearchGate*, 1 – 10

Jensen, M. & Meckling, K. (1976). Theory of the firm: Managerial behaviour, agency cost, and ownership structure. *Journal of Financial Economics, 8*: 305 – 360

Nwaneri, C.J. & Obiah, M.E. (2017). Contemporary issues of national security and entrepreneurship for inclusive economic growth and development in Nigeria. *Proceedings of International Conference of Postgraduate Students' Association, MOUA in conjunction with Postgraduate School, Michael Okpara University of Agriculture, Umudike*, *1*(1), 143 – 145

Nwankwojike, C.A.; Ubesie, C.M. & Uwakwe, I.E. (2017). Does increase in government budget size determines economic growth and development: Evidence from Nigeria. *ESUT Journal of Accountancy*, *8*(1), 236 – 247

Nwoko, M.I. (1988). *Basic world political theories (Ancient – Contemporary).* Ibadan: Claverianum Press

Olatunji, T.E.; Shittu, J.K.; Dashe, E. & Tasiu, A.D. (2020). Impact of COVID – 19 pandemic on performance of SMEs in Kaduna metropolis, Nigeria. *Proceedings of Academic Conference held at main auditorium, University of Ilorin, Kwara State, 21:* 157 – 168

Onuegbu, R.C. & Obiah, M.E. (2016). Entrepreneurship development strategy in the contemporary challenges of corruption and national security in Nigeria. *Proceedings of ASUP/PortPoly 4th Annual Conference held in Port Harcourt Polytechnic Conference Hall, 13th – 15th September*, Pp. 576 – 582

Onyeche, C.N. & Enyioko, N.C. (2016). The impact of strategic management on economic development in Nigeria: A study of the oil sector. *Proceeding of 4th Annual Conference held at Port Harcourt Polytechnic, Rivers State on 13th – 15th Sept*. Pp. 534 – 543