



## International Public Sector Accounting Standards Adoption and the Quality of Financial Reporting in Nigeria

ONWUKA Mercillina Nkeonye<sup>1</sup>  
AKAKABOTA Edward Eta Ph.D<sup>2</sup>

Delsu Business School, Asaba,  
Delta State University, Abraka, Nigeria  
E-mail onwukamercy123@gmail.com  
GSM: +2348023568540

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### Abstract

*The development of any accounting system requires consideration of the underlying purpose of that system. In Nigeria, government accounting processes have been conducted within the general framework of the principles of fund accounting but the application of these principles to financial reporting has been a major challenge. This study examined the implications of adoption of International Public Sector Accounting Standards on the quality of financial reporting of public sector in Delta State. Primary source of data and regression statistical tool was employed. Findings revealed that International Public Sector Accounting Standards adoption would increase the level of accountability of financial reporting of public sector organisations. In addition, it was found that applying International Public Sector Accounting Standards would make the results of financial reporting of public sector organisations more transparent. The study concludes that the International Public Sector Accounting Standards have the potential to give a better financial integrity assurance. The study recommends reforms in the public financial management and strengthening of legislative capacity to balance the executive power. Therefore, the adoption of International Public Sector Accounting Standards is expected to influence the operating procedures and reporting practices of public sector in Nigeria.*

**Keywords:** *International Public Sector Accounting Standards; Financial reporting; Public sector; Accountability; Transparent reporting*

### Introduction

In recent years, improving the quality of government financial reporting has remained a top priority worldwide, particularly in emerging countries such as Nigeria. The lack of openness, full representation, accountability, comparability, relevance and trustworthiness in financial reporting has historically led to criticism of the caliber of financial reporting generated by public sector organizations. Inconsistencies, a lack of comparability, and the limited utility of

financial reports for stakeholders, including investors, legislators, and the general public have frequently resulted from traditional public sector accounting processes. Organizations in the public sector has been criticized for falling short of international best practices. On the other hand, a number of accounting scandals, including corruption, embezzlement, inadequate accountability, and inadequate infrastructure development, have emerged as a result of the public sectors' poor

financial reporting quality in Nigeria (Oluwagbuyi & Olowolaju, 2022).

The incapacity to compare government accounts with those of the private sector, or even to compare the financial statements of two nations or even two states within the same nation, or to compare municipal governments within the same state. The production of government financial statements using a cash basis is another significant challenge. Transparent reporting is hampered by government financial statements that do not include asset values and, in fact, do not compute depreciation. lack of essential accounting data for financial reporting using the cash basis. In the meantime, the main goal of financial reporting is to give enough financial details about an entity's economic existence as well as pertinent data that can be used to make decisions (Saleh, et al., 2021).

The International Accounting Standard Board (IASB, 2019) states that financial reporting should give users valuable information about an entity's financial status so they can make informed financial decisions. To regulate government accounting in light of the aforementioned, the International Public Sector Accounting Standards Board (IPSASB) released a set of accounting standards known as International Public Sector Accounting Standards (IPSAS). At its meeting on July 28, 2020, the Federal Executive Council (FEC) gave its approval for Nigeria to implement the International Public Sector Accounting Standards (IPSAS) rules.

Regardless of the entity, the main objective of financial reporting is to demonstrate the entity's accountability for the services entrusted to it and to offer information that will be helpful to a wide range of users in making and reviewing decisions about resource allocation. The accrual accounting system is the only way to achieve these objectives. The long-term economic impact of political actions on financial statements is

reflected in accrual accounting methods. Cash accounting simply cannot do this. Thus, the main motivation behind IPSAS for public sector financial reporting has been the necessity for the creation of a uniform accounting standard.

With the exception of the commercial public sector, all Public Sector Entities (PSEs) worldwide are permitted to use IPSAS when preparing their financial accounts. The overarching goals of IPSAS are to increase financial accounting transparency, facilitate data comparison among companies, and establish consistent accounting standards for public sector organizations worldwide. This study will assist in assessing how much Delta State has benefited from the vast advantages of IPSAS for financial reporting, as well as how it has affected the caliber of financial reporting in the Delta State public sector. Thus, this study examines how IPSAS affects the caliber of public sector financial reporting.

## **Literature Review**

### **International Public Sector Accounting Standards (IPSAS)**

The International Public Sector Accounting Standards (IPSAS) started in the 1980s when the International Federation of Accountants (IFAC) established the Public Sector Accounting Committee (IPSAC) in 1989 to develop accounting standards for the public sector. In 1999, IFAC established the International Public Sector Accounting Standard Board as a separate entity to develop and issue IPSAS, a set of high-quality accounting standards issued by the International Public Sector Accounting Standard Board (IPSASB), an independent organ of the International Federation of Accountants (IFAC), for use by public sector entities worldwide in the preparation of financial statements.

With an emphasis on international standards and best practices, IPSASB launched a new era in public sector accounting in 2000 with

the release of the first standard, IPSAS 1 "Presentation of financial statements." From 2000 to 2010, IPSAB developed and issued a number of IPSAS, including standards on revenue recognition, asset recognition, and disclosure requirements. Currently, there are 44 accrual basis International Public Sector Accounting Standards (IPSAS). The IPSASB also established a thorough outreach and consultation process to make sure the standards satisfied the needs of users and implementers. As IPSAS gained recognition and acceptance, countries and organizations started adopting the standards, and today, over 100 countries have adopted or are in the process of doing so.

The Federal Executive Council (FEC) at its meeting of 28th July, 2020 approved that Nigeria should adopt the provisions of the: International Financial Reporting Standards (IFRS) and International Public Sector Accounting Standards (IPSAS). IFRS have been credited with providing a more transparent and accurate financial overview of listed companies around the world, using accrual accounting as approved to cash accounting. The overall objective of IPSAS is to have uniform standards for accounting at public sector organization around the world, to enable comparison of data across organizations and improve financial accounting transparency.

IPSAS have the following benefits: to build confidence of donor agencies, improves service delivery, enhances Public-Private Partnership (PPP), boots peer review mechanism of financial reports among the three tiers of government and government of other countries, other benefits of adoption are better access to financing through either bond releases or international financing from organizations such as the International Monetary Fund and the World Bank. Delta State government fully transited into IPSAS accrual in 2017.

## **Financial Reporting**

Communication of financial statements and other relevant financial data from a company or organization to its stakeholders and other information consumers is known as financial reporting. Providing high-quality information about reporting organizations that is utilized for economic decision-making is the primary goal of financial reporting. According to Egolum et al. (2021), financial reporting is the official procedure of disclosing a company's financial activity. For any market player, it has been seen as a vital resource. Financial reporting is the process that culminates in the compilation and presentation of financial reports pertaining to the organization as a whole, for use by parties both internal and external to the enterprise.

Financial reporting is the process by which a business or organization communicates its financial statements and other pertinent financial data to its stakeholders and other information consumers. The main objective of financial reporting is to provide high-quality information regarding reporting entities that is used for economic decision-making. Egolum et al. (2021) see financial reporting as the formal process of revealing a business's financial operations. The process of compiling and presenting financial reports about the entire organization for use by stakeholders both inside and outside the company is known as financial reporting.

## **Theoretical Framework**

The theory of agency-principal This hypothesis was the basis for this inquiry and relates to a concept that is used to explain the interaction between the Principal and his Agent. In essence, the principal supplies and employs his agent to make certain financial decisions and transactions on his behalf. The Principal, the agent's line manager, employs the agent. In the public sector, "agency theory" refers to the study of the relationship between a principal (such a government

agency or elected politician) and an agent (like a government employee or contract).

The term "agency dilemma" refers to situations in which the decisions made by the agent (elected officers) may be detrimental to the principal (citizens) because they do not advance common interests; however, increasing transparency and accountability - for example, by making public financial information available under specific desired characteristics - is one way to persuade politicians to act in the best interests of their constituents (Jensen & Meckling, 1976). This would allow the owner to control the agent and provide incentives or penalties as necessary. Agency theory examines the link between agents (employees/public servants) and principals (government/public) and how it impacts responsibility (Parker et al., 2018; Gordon et al., 2020).

### **Empirical Studies**

Saleh et al. (2021) looked at the problems and difficulties associated with putting International Public Sector Accounting Standards into practice. Examining previous research and information on the difficulties and barriers faced by different developing nations while implementing IPSAS was the research's methodology. According to the study's findings, there are three categories of challenges that countries face while putting IPSAS into practice:

Resource limitations include a lack of qualified finance and accounting staff, as well as inadequate IT infrastructure and support; accounting and reporting issues related to the intricacies of revenue, expense, liability, and asset recognition and quantification; and executive leadership commitment to ensuring successful change management initiatives. The research revealed that the obstacles encountered during the implementation of IPSAS in developing nations are remarkably alike and can be grouped into the mentioned challenges.

The effects of accounting reform and the adoption of IPSAS in Greece were examined by Chytis et al. (2020). By distributing a questionnaire to elected officials in charge of financial management and reporting as well as officers and employees in the finance departments of 325 Greek municipalities, a survey research methodology was used. The research data were analyzed using both descriptive and inferential statistics. Additionally, it was determined that Greek municipalities are not ready for the adoption of IPSAS and the accounting reform. All things considered, Greece is in an early stage, with delays in the implementation of implemented measures. The report suggested reforming all aspects of public administration, including regulators, standard-setters, and institutions.

The use of International Public Sector Accounting Standards in Nigeria was investigated by ThankGod et al. (2021). The study used a literature evaluation of earlier research. According to their literature research, the need to determine the extent of IPSAS acceptance and implementation in Nigeria as well as the need to create globally standardized accounting standards served as the impetus for this investigation. IPSAS has become a major force in the worldwide government accounting scene amid requests for increased financial accountability and transparency in government. The Federal Executive Council of Nigeria approved the adoption in July 2010, and it went into effect. Adedeji (2024) investigated how the quality of financial reporting in South Western Nigeria and the adoption of IPSAS were mediated or moderated by contingency considerations. The public service in the six states of southwest Nigeria is the main subject of the study. The study has 400 respondents in total, with the majority of the respondents being public sector professionals such as accountants and auditors. A well-structured survey was made and disseminated. The

structural equation modeling result revealed that IPSAS implementation influence the caliber of financial reporting is largely determined by contingency factors within the sample states.

Elugom and Onyeka (2023) investigated how IPSAS affected public sector accountability. The researcher directly collected data from the sampled respondents using a questionnaire. The generated data was analyzed using straightforward tables of the percentages. The results showed that IPSAS adoption has raised openness in the public sector and greatly enhanced accountability. In summary, the public sector now has a higher degree of responsibility and value relevance thanks to the adoption of IPSAS.

John et al. (2023) explored the relationship between IPSAS implementation and financial reporting quality in Cross River State, Nigeria. Survey research design and purposive sampling method were adopted. The population considered in this study was made up of middle and top-level management staff of Cross River State Ministry of Finance, totaling 35. Primary data were collected through administering questionnaires to a sample of 19 respondents who were accountants in the Ministry of Finance. Simple Percentage and Pearson correlation were used as data analysis techniques. The results of the analyses indicated that IPSAS implementation has a significant positive relationship with faithful representation and reliability of financial reports.

Bello et al. (2022) Centered on the effect of global public sector accounting standards on the financial reporting accuracy of public health institutions in Nigeria. A survey research design was chosen for the study to collect primary data effectively with the help of a carefully designed tool, enabling statistical analysis. The survey was created to collect information from experienced and informed employees regarding the impact of international public sector accounting

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standards on the financial reporting accuracy of chosen federal health institutions in Nigeria. Analysis of variance and ordinary least square were utilized for inferential purposes. The study's results indicated a robust model with an  $R^2$  of 93.4%, showing a high level of financial reporting quality in the chosen FHIs, primarily influenced by IPSAS, accruals, aggregation, and materiality in the Financial Statements.

Similarly, Tawiah (2022) use large panel data of 107 developed and developing countries to examine the impact of the International Public Sector Accounting Standards (IPSAS) adoption on governance quality. The results show that IPSAS has a positive and significant influence on governance quality, suggesting that IPSAS ensure accountability and transparency between the government and its citizens. Findings provide empirical evidence to policymakers and regulators in pursuing global harmonization of governmental accounting through adopting IPSAS, especially in developing countries.

Since its adoption in 2014, Edwin et al. (2020) have studied the impact of International Public Sector Accounting Standards (IPSAS) on public sector accountability and transparency in Nigeria. Using the analytical discourse technique, a qualitative study of the agencies in the five states of southeast in Nigeria was conducted. The study found that IPSAS implementation has not resulted in accountability and transparency. Also, the study discovered that the fundamental elements for a complete adoption of IPSAS include political will, the use of accrual bases of accounting, and internet facilities, all of which were deficient in our study area.

Nzewi and Faith (2020) determined effect of international public sector accounting standards (IPSAS) on Delta State ministry of finance. A sample of one hundred and eighty five (185) was drawn from a population of three hundred and forty three (343) staff from Delta State Ministries, Departments and

Agencies (MDAs). Data obtained was analyzed using five point likert's scale and the formulated hypotheses were tested. From the analysis of the data the adoption of International public sector accounting standards leads to accountability and transparency among public officers in the ministry.

### Research Methods

In this study, cross-sectional survey research design method was adopted. The study was carried out in Delta State public service with selection of three key ministries where application and practice of accounting is more

dominant. The three ministries were Ministry of Finance, Office of the Accountant General, and Ministry of Economic Planning, Asaba, Delta State. The target population for this study is employees of the three ministries.

Using proportional method, a sample size of two hundred and seven (207) was employed and questionnaire containing closed-ended questions were used. The questionnaire was designed on a 5-point scale of strongly agree, agree, disagree, undecided and strongly disagree. The items of questionnaire were tested for reliability using Cronbach Alpha method with coefficients as shown below:

**Table 1: Cronbach Alpha Results**

Variables	Nature of Variables	No of Items	Coefficients
IPSAS Accountability	Independent	5	0.5110
IPSAS Transparency	Independent	5	0.5316
IPSAS Comparability	Independent	5	0.4988
Quality of Financial Reporting	Independent	5	0.4251

Source: SPSS Output from Fieldwork, 2025.

Furthermore, the following empirical models were used in ascertaining the relationship between IPSASs and quality of financial reporting

$$FRQ = f(IPSAS) \quad (1)$$

$$FRQ = f(IPSAS\ AC, IPSAST, IPSASCOM) \quad (2)$$

$$FRQ = \beta_0 + \beta_1 IPSAS_i + \beta_2 AC_i + \beta_3 IPSAST_i + \beta_4 IPSASCO + \mu_i \quad (3)$$

Where: FRQ = Financial Reporting Quality; IPSASAC = IPSAS Accountability; IPSAST = IPSAS Transparency; IPSASCOM = IPSAS Comparability;  $\beta_1 - \beta_4$  = Coefficient of independent variables;  $\mu$  = Error term

## Results

**Table 2: Demographic Profile of Respondent**

<b>Profile</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Female	73	37
Male	127	63
<b>Total</b>	200	100
<b>Age</b>		
25-30	69	18.8
31-40	86	27.5
41-& above	55	16.6
<b>Total</b>	200	100
<b>Marital Status</b>		
Single	60	37.7
Married	100	38.3
Divorced	20	6.1
Widowed	20	6.1
<b>Total</b>	200	100
<b>Working Experience</b>		
10-15 years	78	29
16-25 Years	67	22
26-30 Years	38	12
31-& Above	29	11
<b>Total</b>	200	100
<b>Area of Specialization</b>		
Accountant	127	75.
Auditor	72	25
<b>Total</b>	200	100
<b>Educational Qualification</b>		
Diploma	63	35.5
First Degree	102	51
Master	32	16
PhD	13	28.2
<b>Total</b>	200	100
<b>Professional Body</b>		
ICAN	66	33
ANAN	41	20
CITN	34	17
ACCA	59	30
<b>Total</b>	200	100

Source: SPSS Output from Fieldwork, 2025.

Table 2 reveals that 127(63%) of the respondents were male as against 73(37%) of their female counterparts. This indicates that there are more male than females in the selected ministries. It shows that 69 respondents, representing 20.8% between 25-30, 86 representing 28% were within the ages of 31-40, 55 representing 17% were within the ages of 41 above. The numbers of respondents aged between 31 and 40 are the highest which implies that there are more of matured youths in the ministry.

Furthermore, it shows clearly that there are more married respondents than single ones. 60 (37.7%) of the respondents are single, 100(38.3%) are married, 20(6.1%) are divorced while the remaining 20(8.3%) are widowed. This implies that most of the respondents are married. This means that the selected public servants are marital responsible. The results shows that 78 representing 24.3% has 10-15years, 67 representing 29.7% had worked for 16-25 years, 38 representing 12% had worked for 25-30years representing 29 (12.1%) of the workers had put in above 31 years.<sup>32</sup>; this

implies that most of the selected worker being matured adults with good working experience; thus, validating their level of responsibility towards their jobs.

The result reveals that 128 (62%) of the respondent are accountants while 72(38%) are auditors. This implied that the sampled ministries have good numbers of accountants and auditors that can ascertain the impact of IPSAS on financial report quality in the public sector. The result shows that, 63(35.5%) of the respondents had diploma qualification, 102(51%) of the respondents had first degree qualification, while 32(29.4%) of the respondent had Master Degree and 13(8.2%) had PhD. It could be noticed that majority of the respondents had good educational background thereby putting them in a position to give the right answers to the diverse questions contained in the questionnaire. Out of the 200 respondents, 59(29.%) had ACCA qualification , 41(20.5%), ANAN qualification 34 (17.%) and CITN and 66 (33%). However, it was found that majority of the respondents had ICAN.

**Table 3: Accountability of IPSAS and Quality of Financial Reporting**

S/ N	Survey Question	Options	Frequency	Percentage	Mean	Remark
1	IPSAS adoption implementation enhances government functionaries to be accountable on the management of the public assets.	Strongly disagree	43	21.5	2.77	Not Sig.
		disagree	68	34		
		Disagree	10	5		
		Undecided	49	24.5		
		Agree	30	15		
		Strongly Agree				
2	Accountability helps to guarantee users of financial statement that the accounting information provided accurately represents the economic value of the organization.	Strongly disagree	20	10	3.71	Sig.
		disagree	21	10.5		
		Disagree	8	4		
		Undecided	99	49.5		
		Agree	52	26		
		Strongly Agree				
3	Accountability enhances auditors to assure investors and donors that the organization's funds are properly managed.	Strongly disagree	42	21	3.41	Sig
		disagree	12	6		
		Disagree	16	8		
		Undecided	82	41		
		Agree	48	24		
		Strongly Agree				
4	Accountability enhances disclosure of cost of funding programs and activities.	Strongly disagree	3	1.5	3.86	Sig
		disagree	30	15		
		Disagree	20	10		
		Undecided	85	42.5		
		Agree	62	31		
		Strongly Agree				
5	Accountability enables investors to rely more on the public sector financial statement prepared in line with IPSAS.	Strongly disagree	21		4.2	Sig
		disagree	32			
		Disagree	8			
		Undecided	100			
		Agree	39			
		Strongly Agree				

Source: Analysis of Field Survey, 2025.

Financial reporting is a communication of financial statements and related information from a business enterprise to third parties (external users). The main objective of financial reporting is to provide high-quality information on reporting entities, which can be used for sound economic decisions making (IASB, 2010). The result for IPSAS adoption

implementation enhances government functionaries to be accountable on the management of the public assets, shows that 43 respondents strongly disagree, 68 respondents disagree, 10 respondents undecided and 49 respondents agree while 30 respondents strongly agree. The mean response 2.7 implies that the sampled

respondents disagree with the claim that IPSAS adoption implementation enhances government functionaries to be accountable on the management of the public assets.

From Table 3, Accountability helps to guarantee users of financial statement that the accounting information provided accurately represents the economic value of the organization shows that 20 respondents strongly disagree, 21 respondents disagree, 8 respondents are undecided and 99 respondents agree while 52 respondents strongly agree. The mean response of 3.7 implies that the respondents agreed with claim that Accountability helps to guarantee users of financial statement that the accounting information provided accurately represents the economic value of the organization. The result for Accountability enhances auditors to assure investors and donors that the organization's funds are properly managed shows that 42 respondents strongly disagree, 12 respondents disagree, 16 respondents undecided and 82 respondents agree while 48 respondents strongly agree with mean response of 3.41 showing that the sampled

respondent agreed that Accountability enhances auditors to assure investors that the organization's funds are properly managed.

The result for accountability enhances disclosure of cost of funding programs and activities shows that 3 respondents strongly disagrees, 30 respondents disagree, 20 respondents are undecided and 85 respondents agree while 62 respondents strongly agree. The mean response 3.86 implies that respondents agreed that accountability enhances disclosure of cost of funding programs and activities. The result in Table 3 reveals that accountability enables investors to rely more on the public sector financial statement prepared in line with IPSAS shows that 21 respondents strongly disagree, 32 respondents disagree, 8 respondents undecided and 39 respondents agree while 100 respondents strongly agree. The mean response 4.12 shows that the respondents agreed with the claim that Accountability enables investors to rely more on the public sector financial statement prepared in line with IPSAS.

**Table 4: IPSAS Transparency and the Quality of Financial Reporting**

S/n	Scale Items	Options	Frequency	%	Means	Remark
1.	Financial reports are presented annually as required by regulatory bodies of accounting	Strongly disagree	18	9	3.71	Sign.
		disagree	30	15		
		Disagree	6	3		
		Undecided	84	42		
		Agree	62	31		
		Strongly Agree				
2	IPSAS adoption will communicate value relevant to beneficiaries of financial reporting.	Strongly disagree	30	15	3.56	Sign.
		disagree	23	11.5		
		Disagree	10	5		
		Undecided	78	39		
		Agree	59	29.5		
		Strongly Agree				
3	The organization annual report extensively provides prompt information on corporate governance issue to the public.	Strongly disagree	23	11.5	3.66	Sign.
		disagree	26	13		
		Disagree	20	10		
		Undecided	58	29		
		Agree	73	36.5		
		Strongly Agree				
4	IPSAS adoption make the financial reports to be more comprehensive and relevant to the users.	Strongly disagree	31	15.5	3.72	Sign.
		disagree	35	17.5		
		Disagree	8	4		
		Undecided	62	31		
		Agree	64	32		
		Strongly Agree				
5	IPSAS adoption enhances the implementers and preparers of financial statement to meet up with reporting requirements deadlines.	Strongly disagree	47		2.49	Not Sign.
		disagree	62			
		Disagree	19			
		Undecided	40			
		Agree	32			
		Strongly Agree				

Source: Analysis of Field Survey, 2025

The result on financial reports is presented annually as required by regulatory bodies of accounting. as presented in Table 4 shows that 18 respondents strongly disagree, 30 respondents disagree, 6 respondents undecided and 84 respondents agree while 62 respondents strongly agree with mean responses of 3.71 implies that the respondents agreed with the claim that Financial reports are presented annually as required by

regulatory bodies of accounting. The result on IPSAS adoption will communicate value relevant to beneficiaries of financial reporting in table 4.4.2 indicated that 30 respondents strongly disagree, 23 respondents disagree, 10 respondents are undecided and 78 respondents agree while 59 respondents strongly agree with mean responses of 3.82 which signifies that the respondents agreed with the claim that IPSAS adoption will

communicate value relevant to beneficiaries of financial reporting

The result on organization annual report extensively provides prompt information on corporate governance issue to the public in Table 4 shows that 23 respondents strongly disagree, 26 respondents disagree, 20 respondents are undecided and 58 respondents agree while 73 respondents strongly agree. The mean response of 3.16 indicated that the respondents agreed with the claim that the organization annual report extensively provides prompt information on corporate governance issue to the public. The result on IPSAS adoption makes financial reports to be more comprehensive and relevant to the users in Table 4 revealed that 31 respondents strongly disagree, 35 respondents disagree, 8 respondents

undecided and 62 respondents agree while 64 respondents strongly agree.

The mean responses of 3.72 imply that respondents agreed with the claim that IPSAS adoption make the financial reports to be more comprehensive and relevant to the users. The result on IPSAS adoption enhances the implementers and preparers of financial statement to meet up with reporting requirements deadlines in table 4.4.2 revealed that 47 respondents strongly disagree, 62 respondents disagree, 19 respondents undecided and 40 respondents agree while 32 respondents strongly agree. The mean response 2.49 indicates that the respondents disagreed with the claim that IPSAS adoption enhances the implementers and preparers of financial statement to meet up with reporting requirements deadlines.

**Table 5a: Model Summary on IPSAS Adoption and Financial Report Quality**

Model	R	R Square	Adjusted R Sq.	Std. Error of Est.	Durbin-Watson
1	.984 <sup>a</sup>	.968	.967	1.31845	2.153

Source: Analysis of Field Survey, 2025

**Table 5b: ANOVA Summary on IPSAS Adoption and Financial Report Quality**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16064.794	5	3212.959	1.84883	.000 <sup>a</sup>
	Residual	533.660	307	1.738		
	Total	16598.454	312			

Source: Analysis of Field Survey, 2025

**Table 5c: Regression Coefficients on IPSAS Adoption and Financial Report Quality**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.641	.294		-2.180	.030
IPSAS ACCOUNTABILITY,	-.029	.041	-.028	-.712	.007
IPSAS TRANSPARENCY	-.151	.044	-.127	-3.400	.001
IPASA COMPARABILITY	-1.346	.109	-1.072	-10.439	.000

Source: Analysis of Field Survey, 2025

From the result summary as presented above,  $R = 0.984$   $R^2 = 0.968$   $Adj\ R = 0.967$   $F\text{-statistics} = 1.8488$ ,  $P = 0.000$ . The result showed significant relationship between IPSAS Adoption and the quality of financial reporting,  $R^2$  of 0.968 means that 96.8% variation in the quality of financial reporting is as a result of changes in application of IPSAS in public sector accounting system. All the independent variables except IPSAS comparability which showed strong negative correlation between the dependent variable. All variable are significant and negatively correlate with quality of financial reporting of public sector ( $P .566 > 0.05$ ) are significant at 95 % level of significant but negatively correlate with quality of financial reporting. This showed that there is statistical significant relationship between IPSAS and quality of financial reporting. IPSAS accountability ( $P 0.022 < 0.05$ ,  $-.521$ ) though significant has negative relationship with quality of financial reporting. Also the result revealed that IPSAS transparency ( $P 0.001$ ,  $.151$ ) has significant and positive relationship with quality of financial reporting.

The F statistics (1.8488) which show the group significance of the variables shows that

all the explanatory variables are jointly statistically significant in explaining the change in the the quality of financial reporting and the Durbin-Watson stat 2.153 show the absence of serial correlation of the independent variables. There is a robust and significant relationship between IPSAS Adoption and quality of financial reporting of Public Sector in Delta State.

A simple linear regression analysis was carried out to investigate relationship between IPSAS accountability on quality of financial reporting of Public Sector in Delta State. As expected, the results of the regression as shown in Tables 4.6.1 and 4.6.2 indicated that IPSAS accountability are accounted for approximately 84% of the variance in the quality of financial reporting of Public Sector in Delta State ( $R^2 = .845$ ,  $F (5.29) = 311$ ,  $p = .000$ ). Table 6b showed that IPSAS accountability contributed positively and significantly to the regression model. Specifically, the results showed a negative and significant relationship between IPSAS accountability on quality of financial reporting of Public Sector in Delta State,  $\beta = -1.068$ ,  $p < .05$ .

**Table 6a: Model Summary on IPSAS Accountability**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 <sup>a</sup>	.845	.844	1.72019

Source: Analysis of Field Survey, 2025

**Table 6b: Regression Coefficients on IPSAS Accountability and Financial Report Quality**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.430	.283		-8.580	.000
	IPSA ACCOUNTABILITY	-1.068	.015	.972	-72.790	.000

Source: Analysis of Field Survey, 2025

From our decision rule,  $R^2 = 0.845$  is greater than 0.40 hence there is a significant relationship between IPSAS accountability on quality of financial reporting of public sector and P-value  $0.00 < 0.05$ , hence we reject  $H_0$  and accept the alternative,  $H_A$  which state that IPSAS accountability has significant effect on the quality of financial reporting of public sector. This implies that identified IPSAS accountability indicators has significant positive relationship with the quality of financial reporting of public sector. Furthermore, this study corroborate with the study carried Toyemi, Sunday and Ibitoye (2022) who considered the effect of IPSAS on accountability and transparency selected states in Nigeria and found that the implementation of IPSAS has positive effect on accountability and transparency as well as the relevance of financial reports. The study also conform with Enyinna, Eke and Ajabor (2023) that IPSAS has a significant impact on the disclosure of financial information,

transparency, and accountability in public sector financial reporting in E do State and that IPSAS has a significant influence on the comparability of financial reports

A simple linear regression analysis was carried out to investigate the impact of IPSAS Transparency on quality of financial reporting of Public Sector in Delta State. As expected, the results of the regression as shown in Tables 4.6.3 and 4.6.4 indicated that IPSAS Transparency on accounted for approximately 76% of the variance in IPSAS the quality of financial reporting of Public Sector in Delta State ( $R^2 = .766$ ,  $F(8.29) = 311$ ,  $p = .000$ ). Table 4.5.3 shows that IPSAS Transparency contributed negatively and significantly to the regression model. Specifically, the results showed a negative and significant relationship between IPSAS Transparency and the quality of financial reporting of Public Sector in Delta State,  $\beta = -1.040$ ,  $p < .05$ .

**Table 7a: Model Summary on IPSAS Transparency and Financial Report Quality**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 <sup>a</sup>	.766	.746	1.34088

Source: Analysis of Field Survey, 2025

**Table 7b: Regression Coefficients on IPSAS Transparency and Financial Report Quality**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.975	.204		4.776	.000
	IPSAS TRANSPARENCY	-1.040	.011	.983	-94.450	.000

Source: Analysis of Field Survey, 2025

From our decision rule,  $R^2 = 0.766$  is greater than 0.40 hence there is a significant relationship between IPSAS Transparency and the quality of financial reporting of public sector in Delta State and P-value  $0.00 < 0.05$ , hence we reject  $H_0$  and accept the alternative  $H_1$ , which state that IPSAS Transparency had no significant effect on the quality of financial reporting of public sector. This implies that level of IPSAS Transparency will determine the quality of financial reporting of public sector in Delta State.

The implication of this result is that, management should pay close attention to level of IPSAS Transparency because it has the high positive relationship with the quality of financial reporting of public sector which means it could substantially reduce the quality of financial reporting of public sector, while other factors will decrease it if the objective of improving the quality of financial reporting of public sector is to be achieved entirely. This means that overall; IPSAS Transparency has positive impact on the quality of financial

reporting of public sector. This is consistent with the study conducted by Alkhanbbaz and Suresh (2023) that investigated the impact of the adoption of IPSAS on the relevance of financial information in the public sector of India and posited that a positive relationship exist between the adoption of IPSAS and relevance of financial information in India and concluded that the adoption of IPSAS promotes the relevance of financial information in the Indian public sector.

A simple linear regression analysis was carried out to investigate the impact of IPSAS Comparability on the quality of financial reporting of public sector. As expected, the results of the regression as shown in Tables 4.6.5 and 4.6.6 indicated that IPSAS Comparability accounted for approximately 85% of the variance in quality of financial reporting of public sector ( $R^2 = .851$ ,  $F(6, 311)$ ,  $p = .000$ ). Table 4.5.5 shows that IPSAS Comparability contributed negatively and significantly to the regression model. Specifically, the results showed a negative and significant relationship between IPSAS

Comparability and the quality of financial reporting of Public Sector in Delta State,  $\beta = -1.012$ ,  $p < .05$ .

**Table 8a: Model Summary on IPSAS Comparability and Financial Report Quality**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.875 <sup>a</sup>	.851	.851	1.61795

Source: Analysis of Field Survey, 2025

**Table 8b: Regression Coefficients on IPSAS Comparability and Financial Report Quality**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.410	.232		1.771	.078
IPSAS Comparability	-1.012	.013	.975	-67.651	.000

Source: Analysis of Field Survey, 2025

From our decision rule,  $R^2 = 0.851$  is greater than 0.40 hence there is a significant relationship between IPSAS Comparability and the quality of financial reporting of Public Sector in Delta State and since P-value  $0.000 < 0.05$ , we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis, ( $H_1$ ) which state that IPSAS Comparability has a significant impact on quality of financial reporting. The implication of this result is that, management should pay close attention to .This means that overall, IPSAS Comparability has positive impact on the quality of financial reporting of public sector. This finding is supported by the result of the work of Abata and Suara (2022) who posited that before the adoption of IPSAS, the financial statements of local governments in Lagos state were not comparable, timely and understandable; but, following the adoption of IPSAS, the financial reporting quality of local governments with respect to timeliness, comparability and understandability improved.

This study is equally consistent with the work of Olaru (2023) and Beredugo (2021); whose study revealed a positive association between IPSAS Adoption and quality of financial reporting.

### Conclusions and Recommendations

This study examined the implications of adoption of International Public Sector Accounting Standards (IPSAS) on the quality of financial reporting of public sector organisations in Nigeria. From the findings of the study, it was observed that adoption of IPSAS is expected to increase the level of reliance on public sector financial reporting in Nigeria. It was established that IPSA based standards will enable the provision of more meaningful information for decision makers and improve the quality of financial reporting system in Nigeria. In addition, it was found that the accrual-based IPSAS has the potential to give a better financial integrity assurance compared to cash or modified cash based

accounting. The study affirmed that with IPSAS, budget and accounting categories at the national level could have a common set of classifications that conform to international standards that facilitate policy analysis and promote accountability. From the result and findings of the present study, the study recommends:

- (i) That the state government should implement practical and adequate reforms in public sector management to transfer to the accrual basis of accounting feasibly. Therefore, Nigerian government needs to improve the existing financial management mechanism and policy to enable the implementation of accrual-based accounting.

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