



Impact Of International Public Sector Accounting Standards Adoption On Accountability In Public Sector Financial Reporting In Nigeria

Mosess I. Duenya

Department of Accounting and Finance,
Federal University of Agriculture, Makurdi

Jocelyn U. Upaa

Department of Accounting,
University of Nigeria, Nsukka

Ioraver N. Tsegba

Department of Accounting and Finance,
Federal University of Agriculture, Makurdi

ABSTRACT

This study examined the effect of adopting International Public Sector Accounting Standards (IPSAS) on accountability in public sector financial reporting in Nigeria, using the perceptions of accounting personnel (AP), academics (AA, and auditors (AU). A sample of 130 respondents was drawn from a population of 193 AU, AP, and AA within Benue State. The Chi-Square goodness of fit test, Kruskal Wallis H test, Mann-Whitney U test, and Cohen effect size were used in data analysis. The study found that IPSAS adoption in Nigeria would improve accountability and decision making in the public sector. The study also found that significant differences existed between AP, AA and AU on the effect of IPSAS adoption on Nigeria's public sector financial accountability. The study, therefore, recommended that the Federal Government should not relent towards IPSAS implementation in Nigeria since they would enhance accountability and decision making. Furthermore, concerted efforts should be made by the federal, state and local governments to educate the populace on what IPSAS entails in terms of financial accountability in the public sector.

Key words: Accountability, International Public Sector Financial Reporting Standards, P public sector, financial reporting, Benue State, Nigeria.

INTRODUCTION

The return of Nigeria to democratic governance in 1999 has been associated with various reforms aimed at facilitating transparency and accountability in the management of government business and improving the quality of financial information produced in public sector financial reports. The decision by the Federal Executive Council to adopt International Public Sector Accounting Standards (IPSAS) by the three tiers of government in Nigeria by 1st January, 2016 is one significant initiative that is expected to improve, amongst others, accountability in financial reporting in the Nigerian public sector. IPSAS has become the focal point of global revolution in government accounting in response to calls for greater government financial accountability and transparency [1]. IPSAS deals with issues related to the presentation of annual General Purpose Financial Statements (GPFSS) of public sector reporting entities other than Government Business Enterprises (GBEs). Barrett [2] has described accountability as a relationship based on obligations to demonstrate, review, and take responsibility for performance, both in the results achieved in the light of agreed

expectations, and the means used. In other words, the government is accountable when it conducts its business in an open, transparent and responsive manner [2].

IPSAS have two bases of accounting which are the cash basis and the accrual basis. The accrual basis of accounting is practiced in the private sector but the introduction of New Public Management (NPM) initiative has made it part of financial management improvement programme in the public sector [3]. NPM advocates for the application of private sector management approaches and techniques to the public sector.

The adoption of IPSAS, involving accrual accounting by government, is expected to serve a number of useful purposes, such as (1) improving the assessment of financial performance as the financial statements will reflect all expenses, whether paid or unpaid, and all incomes, whether received or not; (2) providing information on whether income streams are adequate to meet short and long term liabilities; (3) making available comprehensive information on expenses which will help in knowing the cost implications of policies and enabling comparison with alternative policies; (4) ascertainment of the future sustainability of programmes, liquidity position and comprehensive information on the financial position or assets and liabilities of government at the end of the financial year; and (5) improving good governance [4] and [5].

The achievement of the above stated objectives is, however, doubtful due to the failure of several attempts made in the past to improve on the financial reporting system in the Nigerian public sector. Prominent among such attempts were the efforts made by the Federal Government to standardise the financial statements produced by the federal, state and local governments where a committee was set up in 1984 to harmonise the manner of presentation of financial statements in the public sector. The committee discovered that disparity exists between the accounts of federal, state and local governments in terms of statements and presentation formats and recommended sixteen statements to be adopted by the three tiers of government. The key recommendations were accepted and implemented but the standard reporting formats were not uniformly adopted [6].

There has also been series of arguments as to the desirability of IPSAS accrual adoption by the Nigerian public sector. The arguments emanate from the point that IPSAS adoption in Nigeria is perceived to be initiated as a result of pressures from international organisations and institutions like the International Monetary Fund (IMF), World Bank (WB), African Development Bank (ADB), United Nations Development Programme (UNDP), Organisation for Economic Co-operation and Development (OECD), and International Federation of Accountants (IFAC) who are also financial donors to the country and not as a result of the envisaged usefulness and benefits associated with their adoption.

The focus of adoption and implementation of IPSAS in Nigeria is more emphasised at the federal level as sensitization, training and education of accounting professionals and the public at large on the subject matter is poor at the state and local government levels. Furthermore, the implementation and operation of IPSAS are difficult and very expensive and need sophisticated accounting systems and technologies, which developing countries, including Nigeria, lack accounting professionals who can manage the system [7]. In consequence, there is uncertainty as to the attainment of the goals of the program at other levels of the public sector.

The main objective of this study is to provide evidence which would be used to resolve the lingering problem of whether IPSAS adoption will improve accountability in public sector

financial reporting in Nigeria, based on expert opinion of key players in the IPSAS implementation project namely: accounting personnel (AP), accounting academics (AA), and auditors (AU). The specific objectives of the study are to: (1) ascertain whether the adoption of IPSAS will improve accountability in the Nigerian public sector financial reporting; and (2) determine whether differences exist between the perceptions of AP, AA and AU on the effect of IPSAS adoption on accountability in public sector financial reporting in Nigeria. An assessment of the views of the key stakeholders in the IPSAS project is essential if the project is to be successfully implemented. Accordingly, two null hypotheses, which emanate from the preceding objectives, are tested in this study. The first hypothesis (H_{01}), states that IPSAS adoption will not significantly improve the level of accountability in the Nigerian public sector financial reporting. The second hypothesis (H_{02}) states that no significant differences exist between the perceptions of AP, AA and AU on the effect of IPSAS adoption on accountability in the Nigerian public sector.

This paper is organized into five sections, including this section one. A review of related literature is presented in section two, while section three articulates the methodology used to collect and analyze the data. Section four presents and discusses the results obtained from data analyses. Section five concludes the paper and makes recommendations.

REVIEW OF RELATED LITERATURE

This section reviews extant literature related to the phenomenon of interest which is, International Public Sector Accounting Standards (IPSAS) adoption and accountability in the public sector. It is organized into three sub-sections, namely conceptual framework, theoretical framework, and empirical review.

Conceptual Framework

Two concepts are germane to this study namely, International Public Sector Accounting Standards (IPSAS) and accountability. The IPSAS were developed and issued by International Public Sector Accounting Standards Board (IPSASB) for use by public sector entities (PSE) around the world in the preparation of General Purpose Financial Reports (GPFR). The primary objective of IPSAS is to improve accountability of public sector financial reporting by providing better information for public sector financial management and decision making.

Benito *et al.* [19] have linked IPSAS adoption to a number of strategies used by the public sector to improve the level of confidence in the quality and reliability of financial reports and also to enhance the provision of information for accountability. The IPSASB recognized the benefits of achieving consistent and comparable financial information across jurisdictions and believed that IPSAS will play a key role in enabling these benefits to be realized. The IPSASB has issued IPSAS dealing with financial reporting under the cash basis of accounting and the accrual basis of accounting. The accrual IPSAS bear semblance to International Financial Reporting Standards (IFRS) in some respect.

IPSAS underscore accounting for funds provided under World Bank Programs and other international funding organizations such as the IMF and the International Finance Corporation (IFC). These international funding agencies have encouraged developing countries, regardless of their political and economic systems, to harmonize their accounting standards with IPSAS. It is thus accepted that IPSAS have become the international benchmarks for evaluating government accounting practices worldwide, since the standards (IPSAS) seek to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of resource allocation decisions made by governments, thereby increasing transparency and accountability [5].

IPSAS are based on two systems of accounting -cash and accrual systems. The cash basis of accounting is the system of recording receipt or income when actual cash is been received, and recording expenditure when actual payment is made irrespective of the accounting period in which the services are rendered or benefits received [20]. The accrual basis of accounting states that revenue/ income should be recorded and recognized in the accounts when earned and not when money is received. Similarly, expenses should be recorded and recognised in the books of account when incurred and not when money is paid [21]. Emanating from the IPSAS accrual basis of accounting are (1) the statement of financial position;(2) the statement of financial performance; (3) the statement of changes in net assets/equity; (4) the cash flow statement; and (5) accounting policies and notes to the financial statements.

The arguments supporting the adoption of IPSAS are legion and revolve around: (1) the successful use of accrual accounting, which is the bedrock of IPSAS, in the private sector [22]; (2) the provision of better financial information for the basis of government accountability since IPSAS are believed to be more comprehensive, thus meeting the various needs of the users [23] and [24]; (3) promotion of consistent and comparable financial reports produced at different times by the same entity or by two different entities in different jurisdictions, making understanding of financial reports prepared all over the world easier [25]; (4) IPSAS are considered to be less prone to manipulations and thereby reducing significantly, fraudulent practices in financial reporting [26]; and (5) IPSAS allow for the full disclosure of all assets and liabilities, thereby facilitating better management of assets, including better maintenance, more appropriate replacement policies, identification and disposal of surplus assets, and better management of risks such as loss due to theft or damage [27].

IFAC [5] in the IFAC policy position 4, has maintained that the movement to IPSAS accrual does not mean the abandonment of cash accounting. IPSAS require the production of a full statement of cash flows in order to separately identify cash receipts and payments associated with operating, investing, and financing activities. IPSAS accrual systems have functionalities to support cash based accounting.

Notwithstanding the affirmative arguments for IPSAS adoption stated above, a number of contrarian arguments have been advanced and these could be categorized into 2 levels: theoretical level, and implementation level. Heralding the opposing arguments at the theoretical level, Newberry [28] has posited that the nature of public sector is different from the private sector and since the public sector is not intended to make profit, the style of accounting which is mainly intended to measure profit is not appropriately applicable in the public sector. Barton [29] has, in particular, argued that the principle to match revenues against costs is not applicable in the public sector. This is because most transactions in the public sector are non-exchange transactions which means that revenues received (e.g. from taxes) do not provide equal value in return for the services provided (e.g. for building infrastructures) and do not, therefore, receive equal value in return. Barton [23] has also argued that assets in government are diverse and sometimes different from those in the private sector. These assets, including infrastructures, military, and heritage assets, are mainly not used to generate revenues. Pallot [30] further asserted that since the nature of these assets is unique compared to those in the private sector, the valuation and methods used to depreciate assets are debatable.

In relation to implementation level, one of the arguments presented is that the implementation and operation of IPSAS are difficult and very expensive and need sophisticated accounting systems and technologies. So often governments, in especially developing economies, lack

accounting professionals who can manage the system [7]. Newberry [28] has also argued that unlike the promoted benefit of reduced manipulation, IPSAS are, like other accounting systems, prone to manipulation. This argument negates the claim that financial reporting under IPSAS provides greater transparency than the traditional cash accounting. Carlin [31] has also noted that in the context of the private sector, there exists a burgeoning literature on the susceptibility of accrual accounting and financial reporting to obfuscation and diminished transparency. Jones and Puglisi [32] have also argued that due to the expensive nature of IPSAS implementation, the cost of their implementation may outweigh the benefits associated with them.

Despite all these criticisms IPSASB, under the auspices of IFAC, argues strongly that all governments should adopt the accrual basis of accounting. Even in the introduction to its cash basis of accounting standard in 2003, it stated that the committee encourages governments to progress to the accrual basis of accounting. The IFAC Policy Position 4 maintains that provision of accurate and complete information on expenditures and transactions is the only way to create trust between the government and its constituents, demonstrate accountability and stewardship, and reinforce their own credibility.

Hines [33] has stated that accountability involves an obligation to answer for one's decisions and actions when authority to act on behalf of one party (the principal) is transferred to another (the agent). The responsibility for accountability in the public sector exists where there is a direct authority relationship within which one party accounts to a person or body for the performance of tasks or functions conferred by that person or body (33). Democratic governments are elected by citizens to act in the best interests of the nation on their behalf and citizens have a right to know what their governments are doing on their behalf. Funnell and Cooper [34] have averred that there is an implicit requirement for public trust in the operations of government and this is embodied in the responsibility for accountability. The provision of appropriate information by government to parliament and the people is critical to the accountability obligation, and hence to democracy.

According to United Nations Development Programme (UNDP [35]), accountability is the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards; it is also the process by which reliable, timely information about existing conditions, decisions and actions relating to the activities of the organisation is made accessible, visible and understandable. Accountability includes financial, administrative, social, and political stewardship [35]. Four important criteria, enunciated by UNDP as being fundamental to public service accountability include: fiscal accountability, managerial accountability, program accountability, and individual accountability [37]. The basic conclusion drawn from the concept of accountability as presented above is that IPSAS adoption could lead to enhanced accountability in public sector financial reporting, despite contrarian arguments advanced in extant literature.

Theoretical Framework

Two theories, namely institutional and agency theories, underlie extant studies on IPSAS adoption and their impact on accountability in financial reporting in the public sector. As asserted by Herbert, Tsegba, Ene and Onyilo [8], a theory has a trichotomy of purposes, namely: (1) provision of a coherent explanation or rationale for observed practice in the phenomenon or phenomena of interest; (2) predicting and understanding unobserved phenomena, which Watts and Zimmerman [9] aver are not necessarily future phenomena but phenomena that have occurred but on which systematic evidence has not yet been collected; and (3) challenging and extending existing knowledge of the phenomena.

The institutional theory, propounded by DiMaggio and Powell [10], considers organisations as operating within a social framework of norms, values and assumptions about what constitutes appropriate or acceptable economic behaviour [11]. The basic assumptions about institutional theory include: (1) adoption of structures and management practices that are considered legitimate by other organisations in their fields, regardless of their actual usefulness; (2) organisations responding to pressures from their institutional environments and adopting structures/or procedures that are socially acceptable and appropriate organisational choice; and (3) organisations conforming to predominant norms, traditions and social influences in their internal and external environments which will promote governments that gain support and legitimacy by conforming to social pressures [12], [10] and [13]. From the perspective of the public sector, legitimacy might be pursued from other national governments, international organisations and groups of interest [14].

The institutional theory states that changes in management practice or culture of an institution to new ones (e.g. from the traditional cash accounting to accrual based IPSAS) do not occur primarily because of the efficiency or usefulness of the new style adopted but as a result of some institutional pressure. Three mechanisms through which institutional isomorphic change takes place have been identified: (1) coercive isomorphism which stems from external factors like international organisations dictating the use of certain style of management to governments; (2) mimetic isomorphism which is standard response to uncertainty and following the actions of perceived more successful organisations; and (3) normative isomorphism which is associated with professionalization and is concerned with cultural innovations to adopt new styles that are considered superior to the one being used [10]. The relevance of the institutional theory in this study is that changes in organisational structures or style (such as accounting rule choice) do not occur because of the benefits associated with the new style but such changes do occur as a result of the three mechanisms posited above, that is coercive, mimetic, and normative isomorphism.

The agency theory which emerged in the 1970s following the seminal works of Jensen and Meckling [15] is also used to provide a coherent explanation or rationale for IPSAS adoption in any governance jurisdiction. The agency perspective resonates from the separation of ownership and control in a modern corporation and the fears that the interest of the owners (the principal) and agent (the managers) may not cohere. Accordingly, the theory presumes tension between the principal and the agent, thereby creating the demand for tension diffusion mechanisms. The use of published financial statements, is one of such mechanisms [16].

Baiman [17] has, however, provided a view of the agency theory from the public sector perspective, arguing that, a government official is elected or appointed to act on behalf of the public as an agent, performing the work of directing and controlling resources on behalf of the public (principal). The agency theory, therefore, calls for strong public accountability between the agent and his principal which can be done through the use of a comprehensive financial statement exemplified by IPSAS. Lenz [18] has construed public accountability as a function of the capabilities of principals to judge the performance of their agents. The agency theory has proven to be a flexible and useful approach for interpreting the effects of institutional arrangements on accountability of public decision makers and public policy; it is also presented in this study as core to the understanding of how IPSAS could improve on accountability in public sector financial reporting.

Related Prior Empirical Studies

The empirical literature related to the impact of IPSAS adoption on financial accountability in the public sector in Nigeria is sparse. However, three exemplar cases have been identified and presented below. The main purpose of this review is to appraising the extent of the research in terms of the methodologies adopted and the results obtained.

The first study is by Okaro and Okoye [38], who gathered the various perceptions of preparers of financial statements (accounting practitioners), accounting academics, and auditors in Anambra State on the intention of Nigeria to adopt IPSAS and whether the proposed benefit of improved accountability would be achieved. A survey research design approach was adopted for their cross sectional study which used a three point likert scale questionnaire to generate data for analysis. The population of the study was 100, made up of staff of Anambra State Auditor-General, Accountant General, Federal Auditor General's Office in Awka, Nnamdi Azikiwe University, and accounting staff of Anambra State Universal Basic Education Commission. The study made use of a purposively selected sample of 80 respondents cutting across the 3 groups of accounting practitioners, accounting lecturers, and auditors. Descriptive statistics, including percentages, mean and standard deviation were used in presenting the data. The Chi-square test and one-way ANOVA test statistics were used for data analysis. The study found that the introduction of IPSAS in the public sector would usher in an era of improved accountability and decision making in the Nigerian public sector.

The second study is by Shakirat [39], who also investigated the effects of adoption of IPSAS on accountability in the Nigerian public sector through the perspectives of public servants and legislators. The study adopted the survey design via the use of questionnaire. The population of the study consisted of senior personnel in the accounting cadre under the Accountant General and Public Accounts Committee (PAC) members in four states representing three out of the six geo-political zones of Nigeria, which totalled 1,065. The sample for the study was 295 respondents. The study employed Karl Pearson coefficient of correlation "r" statistics for analysis. The study evidenced, amongst others, that accountability in the Nigerian public sector would improve through the adoption of IPSAS.

The third study was carried out by Ofoegbu [40], who sought to ascertain whether the adoption and implementation of IPSAS would improve accountability in the Nigerian public sector financial reporting. A survey design method was adopted for the study through the use of a five point Likert scale questionnaire. The population for the study consisted of auditors, accountants in the public sector, and those in academics from Enugu State of Nigeria who possess adequate knowledge of IPSAS and totalled 146. The sample for the study was 107 respondents. The descriptive and inferential statistics, Friedman's test statistics, and Chi-square test were used for data analysis. The findings of the study revealed that the adoption and implementation of IPSAS in Nigeria would significantly improve accountability in the public sector.

The reviewed studies have common methodological features. First, they used the views of persons they perceived, would have an in-depth knowledge of what would be the possible impact of IPSAS on accountability in the Nigerian public sector financial reporting. This is expected since the IPSAS project was yet to take off. Second, they all used the questionnaire as the main instrument for data collection. Third, two used the Chi-square [38] and [40], and one used Chi-square in conjunction with one-way ANOVA test statistics [38], and the third used correlation analysis [39]. Fourth, their results suggested that IPSAS would create room for greater accountability in the Nigerian public sector financial reporting. The areas of divergence are in the location of the studies, the two of the previous studies were in Awka and

Enugu, which are in one geopolitical zone of Nigeria. The remaining study captured four states in one geopolitical zone of Nigeria.

In addition to providing evidence on whether IPSAS adoption would improve accountability in the Nigerian public sector financial reporting, this present study also seeks to establish whether significant differences exist between the perceptions of the three key stakeholder groups (accounting practitioners, accounting academics, and auditors) under investigation. This evidence is desirable since the existence of significant differences on the phenomena of interest by these key stakeholders would have perverse effect on the implementation of the IPSAS project in Nigeria. Furthermore, the IPSAS project was to start on January 1, 2016 but as of date, the 2016 financial statements are yet to be made public by any tier of government. This development underscores the continued use of the views of the key stakeholders to gauge the impact of IPSAS adoption on public sector financial reporting in Nigeria. The principal argument in this study, which supports the continued use of stakeholder perceptions about IPSAS adoption and accountability, is that these stakeholders are already involved in the preparation of IPSAS based financial statements and could, therefore, offer more honest opinion about them in 2017 than in prior studies mentioned in the preceding paragraphs.

METHODOLOGY

The population for this cross sectional survey is 193, comprising of accounting personnel (AP), accounting academics (AA), and auditors (AU) from Ministry of Finance, Makurdi, Office of the Accountant General of Benue State, Office of the Auditor General of Benue State, Bureau for Local Government and Chieftaincy Affairs, University of Agriculture, Makurdi, Benue State University, Makurdi and University of Mkar. The minimum sample size of 130 was derived through Taro Yamane formula for sample size determination at a 5% error margin. However, to maintain the required minimum sample of 130 respondents, a total of 160 copies of the questionnaire were administered to the respondents. The distribution of the sample among the three respondent's groups, based on Bourley's population allocation procedure, is presented in Table 1.

Table 1: Population and Sample Distribution

Population Group	Total Population	Sample Distribution	Percentage
AP	140	116	72.5
AA	33	27	17.1
AU	20	17	10.4
Total	193	160	100

Source: Field Survey (2017)

The questionnaire used for data collection consisted of a five-point likert scale which was designed to capture all vital answers for the research questions. The scales used in the questionnaire are strongly agree (5), agree (4), undecided (3), disagree (2), and strongly disagree (1). The questionnaire contained a set of questions classified into sections A and B. Section A addressed demographic concerns while Section B sought to obtain information related to the investigation. The specific issues addressed in this study, which are proxies for accountability, are contained in Table 2. The research instrument was subjected to content validation to ensure that the content of the instrument used measures the variables investigated in the study. The data obtained were subjected to statistical analysis to test for the internal consistency of items on the instrument and the result revealed a Cronbach Alpha coefficient of 0.708 which suggests that the instrument was reliable enough to be used.

The choice of variables for this study is based on prior studies that have investigated the effect of IPSAS adoption on accountability in public sector financial reporting. Accordingly, the variables used by [40] and [1] are adopted in this study; they are presented in Table 2.

Table 2: Proxies for Accountability

S/No	Proxy	Code
1	Comprehensive Financial Disclosure	B ₁
2	Meeting the needs of various users	B ₂
3	Improved decision making	B ₃
4	Credible means of evaluating government performance	B ₄
5	Faithful representation of economic events	B ₅

Source: Modified versions of Ofoegbu [40], and Ijeoma and Oghoghomeh [1].

The conceptual model used in this study consists of the variables that measure various benefits of IPSAS adoption that are construed to promote accountability. As presented in Table 2, comprehensive financial disclosure, meeting the needs of various users, improved decision making, credible means of evaluating government performance, and faithful representation of economic events are accountability promoting activities.

The Kruskal-Wallis H test, which is suited for ascertaining differences that exist between more than two groups is used for data analysis. The model for Kruskal - Wallis H test is shown below.

$$H = \frac{12}{\alpha(\alpha + 1)} \sum_{i=1}^k \frac{R_i^2}{\beta_i} - 3(\alpha + 1)$$

where: H= Kruskal - Wallis H test

$\beta_i = B_1 + B_2 + B_3 + \dots + B_k$ (the proxies for the benefits of adoption of IPSAS).

R_i^2 = sum of the ranks assigned to β_i observations in the dataset.

α = total number of observations in all K groups.

When a difference is found among more than two groups, Mann-Whitney U-test (Eq. 2) is used to determine the between difference between two groups, in which case Bonferroni correction is applied to avoid Type 2 error. The Mann-Whitney U-test is determined as follows:

$$U = n_1 n_2 + \frac{N_1(N_1+1)}{2} R_1 \dots \dots \dots (2)$$

where; U = Mann-Whitney U-test, n_1 and n_2 are the sample sizes of the groups, R_1 is the sum of ranks for group 1 and N_1 the population in group 1.

The Cohen effect size was computed to determine the magnitude of the differences between the two groups using Eq. 3.

$$r = \frac{Z}{\sqrt{N}} \dots \dots \dots (3)$$

where; r = effect size, N = population, Z = Z-score in Mann-Whitney result output.

In order to analyse the primary data obtained from the administered questionnaire, both descriptive and inferential statistics are applied. The data are presented in tables, frequency and simple percentages. The Chi-square test is also used in conjunction with the Kruskal - Wallis H test with the aid of Statistical Package for Social Sciences (SPSS) version 21. The test

variable for the study is accountability.

RESULTS AND DISCUSSION

This section presents the details on respondent's demographics, and the results of data analysis. The results are also discussed in this section.

Respondents Demographic Details

As can be seen in Table 3, 83(59.7%) of the total respondents were accounting personnel (AP), 21(15.1%) were auditors (AU), while 35(25.2%) were accounting academics (AA). These data indicate that majority of the respondents were AP who work in the capacity of accountants in various establishments. Next in number to AP are AA who teach accounting courses in higher institutions of learning while AU constitute the least in number among the categories of the sampled workers.

Table 3: Distribution of Respondents According to Type of Work

Group	Returned Copies	Percentage of returned copies
AP	83	59.7
AA	35	25.2
AU	21	15.1
Total	139	100

Source: Field Survey (2017)

Results

The first objective of this study is to ascertain whether the adoption of IPSAS will improve accountability in the Nigerian public sector financial reporting. Data on this objective were collected on items B1-B5 on the research questionnaire and the results obtained from analysis of data are presented in Table 4.

Table 4: Respondents' Perception on Effect of IPSAS Adoption on Accountability in the Nigerian Public Sector Financial Reporting

Question	SA (%)	A (%)	UD (%)	D (%)	SD (%)
B1	91 (65.5)	43 (30.9)	3 (2.2)	2 (1.4)	- -
B2	47 (33.8)	78 (56.1)	10 (7.2)	4 (2.9)	- -
B3	58 (41.7)	77 (55.4)	2 (1.4)	1 (.7)	1 (.7)
B4	35 (25.2)	83 (59.7)	13 (9.4)	7 (5.0)	1 (.7)
B5	81 (58.3)	55 (39.6)	2 (1.4)	1 (.7)	- -

Source: Field Survey (2017)

From Table 4, when respondents were asked whether the multiple sets of financial statements presented under IPSAS give room for more financial disclosure in the public sector, 91(65.5%) of the respondents strongly agreed, 43(30.9%) agreed, 3(2.2%) were undecided while 2(1.4%) disagreed and 1.4% disagreed. This affirms that the multiple sets of financial statements presented under IPSAS give room for more financial disclosure and accountability in the public sector. This is due to the fact that the system provides more available information necessary for assessment by all concerned stakeholders.

On whether the information provided by IPSAS will serve better the needs of a wider variety of user groups, 47(33.8%) of the respondents strongly agreed, 78(56.1%) agreed, 10(7.2%) were undecided, while 4(2.9%) disagreed with the statement. None of the respondents strongly disagreed. The small number of those that disagreed to this statement and none that strongly disagreed imply that the information made available by IPSAS serves the needs of a wider

variety of user groups better. This may be due to the fact that the system provides a wider range of information and can be easily accessed and assessed.

Considering whether IPSAS adoption in the public sector will lead to improved decision making by users of financial statements, 58(41.7%) of the respondents strongly agreed, 77(55.4%) agreed, 2(1.4%) were undecided, 1(.7%) disagreed while 1(.7%) strongly disagreed. Since majority of the respondents agreed and strongly agreed, it could be inferred that IPSAS adoption in the public sector could lead to improved decision making by users of financial statements. This is because, it can lead to accountability and fair reporting which will make available facts that can be used for decision making and planning.

On whether the financial statements prepared under IPSAS will serve as a more credible means of evaluating the financial performance of government, 35(25.2%) respondents strongly agreed, 83(59.7%) agreed, 13(9.4%) undecided, 7(5.0%) disagreed while only 1(.7%) strongly disagreed. Based on the responses, it can be seen that an overwhelming majority of the respondents agreed to the fact that financial statements prepared under the IPSAS serve as a more credible means of evaluating the financial performance of government. This is because, they system allows more information to be made available and easily accessible by all.

When asked if IPSAS adoption will bring about more faithful representation of economic events, 81(58.3%) of the respondents strongly agreed to the question, 55(39.6%) agreed, 2(1.4%) were undecided while just 1(.7%) disagreed and none of the respondents strongly disagreed. This indicates that the majority of the respondents are in agreement that the adoption of IPSAS will bring about more faithful representation of economic events. This is because, the system will allow fairness to thrive in reporting of financial and economic events and will, therefore, build the confidence of the people in the economic and financial activities of the public sector.

In order to achieve objective one, hypothesis one (H_{01}), which states that IPSAS adoption will not significantly improve the level of accountability in the Nigerian public sector financial reporting was tested using Cross Tabulation and Chi-square test. The results of this test are presented in Table 5.

Table 5: Effect of IPSAS Adoption on Accountability in the Nigerian Public Sector Financial Reporting

Response Scale	Cross-tabulation					Statistics				
	SA	A	UD	D	SD	\bar{X}	SDV.	χ^2	Sig.	df
	5	4	3	2	1					
AP	64	18	1	-	-	4.6	0.61	17.25	0.008	3
AA	15	18	1	1	-					
AU	12	7	1	1	-					
Total	91	43	3	2	-					

Source: Compiled from SPSS Version 21 Output

The result of Chi-square (χ^2) test on the proposition on whether IPSAS adoption will improve accountability in the public sector is presented in Table 5. The table revealed that 91 respondents comprising 64 accounting practitioners, 15 academic accountants and 12 auditors strongly agreed to the proposition, 43 respondents, comprising; 18 accounting practitioners, 18 academic accountants and 7 auditors agreed, 3 (one each from the group) were undecided while 2 persons disagreed with the proposition. The mean score of this proposition is 4.6, with a standard deviation of 0.61. This means that respondents strongly agree that IPSAS adoption

will improve accountability in the public sector. The χ^2 (17.5, $p = .01$) is significant at 1% level which suggests that the null hypothesis (H_{01}) should not be accepted. In other words, IPSAS adoption has a significant effect on improving the level of accountability in the Nigerian public sector financial reporting.

The second objective of the study seeks to establish whether significant differences exist between the views of the trio of accounting personnel, auditors and academics regarding the effect of IPSAS adoption on accountability in the Nigerian public sector financial reporting. The null hypothesis (H_{02}) which states that no significant differences exist between the perceptions of AP, AA and AU on the effect of IPSAS adoption on financial reporting in the Nigerian public sector was tested using Kruskal - Wallis H test for three sample groups. The results of this test are presented in Table 6 and the Figure 1.

Table 6 - Results of Krsukal Wallis H Test

Respondents	N	Mean Rank	Df	H	P	99% CI Boundary	
						Lower	Upper
AP	83	78.70	2	14.98	.001	0.000	0.001
AA	35	53.86					
AU	21	62.256					

Source: Compiled from SPSS Version 21 Output

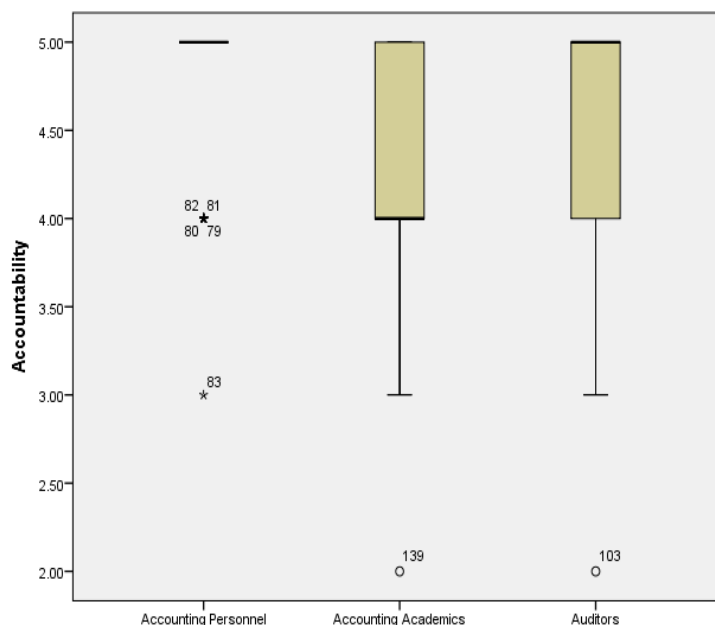


Figure 1: Box Plot of the Views of Respondents.

The result presented on Table 6 revealed that the views of AP, AA and AU on the effect of IPSAS adoption on public sector financial reporting accountability were significantly different at the 1% level ($H = 14.98$, $p = .01$). The box plots (Figure 1) were examined to see which group differs among the groups, it was noticed that AP have smaller low scores as compared to AA and AU and the median scores of AP were clustered at a point indicating a low interquartile range and less variability in the median scores as compared to AA and AU. The upper quartile scores of AP were also slightly higher than the other groups. The median and upper quartile scores of AA and AU seem quite similar. However, these conclusions are subjective and a post-

hoc analysis was carried out. Mann-Whitney U tests were used to follow-up this finding, a Bonferroni correction was applied and all views reported at 0.0167 level of significance.

The results presented on Table 7 suggest that the views of AA were not significantly different from AU ($U = 326.00$, $p = 0.432$). This result was subjected to cohen effect size which revealed an r_{AA-AU} value of -0.11 . This value (-0.11) is less than 0.2 and could be categorised as small and trivial. However, the views of AP were significantly different from AA at the 1% level ($U = 929.00$, $p = 0.01$). The cohen effect size, $r_{AP-AA} = -0.35$ (Table 8), suggests that the magnitude of the differences in the sizes of the samples fall in the medium term and could be ignored. Furthermore, the views of AP were significantly different from those of AU at the 5% level ($U = 673$, $p = 0.035$) with a cohen effect size of $r = -0.21$ (Table 9). It can be concluded that AP have a more optimistic view about the effect of IPSAS adoption on accountability in the Nigerian public sector financial reporting, followed by AU and then AA.

Table 7: Result of Mann-Whitney Rank Test between AA and AU

RANK	N	Mean Rank	Sum of Ranks
AA	35	27.31	956.00
AU	21	30.48	640.00
Total	56		
Mann-Whitney U	326.000		
Z	-0.786		
Asymp. Sig. (2-tailed)	0.432		
r_{AA-AU}	-0.11		

Source: Compiled from SPSS Version 21 Output

Table 8: Result of Mann-Whitney Rank Test between AP and AA

RANK	N	Mean Rank	Sum of Ranks
AP	98	65.81	5462.00
AA	35	44.54	1559.00
Total	116		
Mann-Whitney U	929.000		
Z	-3.790		
Asymp. Sig. (2-tailed)	0.000		
r_{AP-AA}	-0.35		

Source: Compiled from SPSS Version 21 Output

Table 9: Result of Mann-Whitney rank test between AP and AU

RANK	N	Mean Rank	Sum of Ranks
AP	83	54.89	4556.00
AU	21	43.05	904.00
Total	104		
Mann-Whitney U	673.000		
Z	-2.107		
Asymp. Sig. (2-tailed)	0.035		
r_{AP-AU}	-0.21		

Source: Compiled from SPSS Version 21 Output

Discussion

The first objective of this study is to ascertain whether the adoption of IPSAS will improve accountability in Nigerian public sector financial reporting, using the views of the key stakeholders in the project. The results of data analysis have revealed that IPSAS adoption will

significantly improve the level of accountability in Nigeria's public sector financial reporting. This finding is consistent with that of Okaro and Okoye [38] who found out that the introduction of IPSAS will usher in an era of improved accountability and decision making in the Nigerian public sector. The result is also in line with the study of Ijeoma and Oghoghomeh [1] who also found that the adoption of IPSAS is expected to increase the level of accountability in Nigerian public sector. This is because, IPSAS will improve availability of timely, relevant and reliable financial information that can enhance decision making.

The second objective is to determine whether significant differences exist in the perceptions of the three respondent groups on the phenomenon of interest. The results obtained for hypothesis two suggest that significant differences exist (at 1% level of significance) in the views of the three categories of workers (AP, AU, and AA) regarding the effect of IPSAS on accountability in public financial reporting in Nigeria. Using Cohen's Tables of interpreting effect sizes [43], the views of AP exceeded those of AU by 58%, it also implies that the probability that the view of a person from AP will be higher than a person from AU is 0.56, if both are chosen at random [42]. Furthermore, the views of AP also exceeded those of AA by 62% and the probability that the view of a person from AP will be higher than a person from AA is 0.58, if both are chosen at random as well.

This study upholds the agency theory which calls for strong public accountability by the agent to the principal by producing a set of comprehensive financial statement as to the management of entrusted scarce resources and these comprehensive financial statements will be enabled via the use of accrual accounting exemplified by IPSAS. This study, however, does not uphold the claim of institutional theory which states that changes in management practice or structure of an organisation comes as a result of three types of influence and not as a result of the efficiency or usefulness of the newly adopted management style. This study has proved that changing from the traditional cash accounting to IPSAS accrual will bring about more efficiency and will be more useful in the public sector and not as a result of certain influence or pressure.

CONCLUSIONS AND RECOMMENDATIONS

This study has provided evidence which suggest that IPSAS adoption in Nigeria will significantly improve accountability in Nigerian public sector financial reporting. These comprehensive financial statements will enhance decision making, meet the various needs of different groups, and also serve as an evaluating criteria for government performance. The study equally established that there exist significant differences between the perceptions of AP, AA and AU towards the effect of IPSAS adoption on financial reporting in Nigeria. This difference can be traced to the divergence in knowledge of the respondent groups about IPSAS. These differences are wider between AP and AA but smaller between AA and AU. The differences also narrower between AA and AU.

Furthermore, AP have more optimistic view about IPSAS and improvement in accountability than the other groups. This is understood since AP are the ones involved in the preparation of IPSAS based financial reports. Also lack of significant differences between AP and AU on the effect of IPSAS adoption on accountability suggests that the project's implementation would face little resistance since the dyad constitute the principal parties in the IPSAS project.

In line with the findings of this study and conclusions arrived at, the study, therefore, recommends that government should not relent towards the full implementation IPSAS in Nigerian public sector financial reporting. Also, in order to mitigate the perceived confusion at the implementation stage of IPSAS, the study also recommends that the government should

embark on more sensitization and training of all stakeholder groups on IPSAS and ensure their adequate possession of knowledge about them. The results of this study should, however, be interpreted with caution due to its limited scope to AP, AA and AU in Benue State. A wider coverage would provide more tenable results.

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