-26-

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) ADOPTION AND FINANCIAL REPORTING QUALITY OF NIGERIA PUBLIC SECTOR ENTITIES

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Abstract
The study assessed the extent to which IPSAS engenders financial reporting quality in Nigeria. The study's population consisted of 426 employees of Federal Government agencies in FCT, Abuja, and a sample size of 206 employees. A total of 206 copies of the questionnaire were distributed but 200 validly returned copies of the questionnaire were used. The data for this study were analyzed using regression model. The result shows that IPSAS has a considerable positive effect on the transparency of the Nigerian public sector's financial reports. Furthermore, the adoption of IPSAS has a negative minor influence on the reliability of financial reports in the Nigerian public sector. Finally, it is discovered that IPSAS implementation has a considerable beneficial influence on the value relevance of financial reports. It is recommended that Nigeria's federal government should continue with the IPSAS adoption. The increased transparency in public financial reports would make stakeholders trust the government's financial disclosures. This will go a long way in helping government institutions earn the confidence of stakeholders who intend to invest and partner with the government towards achieving the medium-term economic growth plans of the government.
Keywords: IPSAS, transparency, reliability, accountability, value relevance, and financial reporting quality.

Introduction

There has been increased concern regarding the prudential use of borrowed funds and the management of public debt in Nigeria. The country's debt profile is also growing at an exponential rate without a concomitant report that gives detail on how these funds were expended. This represents a lack of transparency and accountability by the government; which is what International Public Sector Accounting Standards (IPSAS) was supposed to address in the first place. Globally, leaders owe it to their constituents to figure out how to be financially responsible and transparent to execute their statutory obligations and maintain their confidence. In response to the financial rascality of public office holders that supervise government entities, the International Federation of Accountants Committee (IFAC) established the International Public Sector Accounting Standards Board (IPSASB) to establish the International Public Sector Accounting Standard (IPSAS) (IPSASB 2019). The standard encourages financial reporting excellence, thorough disclosure, account synchronization, and consistency, setting the stage for more transparency and faithful representation (Ijeoma & Oghoghomeh, 2014). It was also argued that IPSAS enhances accountability, lowers graft, and increases the effectiveness and efficiency with which inhabitants of nations or entities that have adopted it are served (Erin, Okoye, Modebe & Ogundele, 2016). As a result, IFAC and IPSASB, in particular, have advised all countries around the world to adopt international standards capable of directing the government's disclosure and accountability toward the citizenry (IFAC, 2018). IPSAS adoption provides the opportunity to properly manage public finances, with numerous benefits. As observed by Shehu and Adamu (2014), these advantages include tighter fiscal control, the provision of quality financial statements, government accountability, strict monitoring, adherence to effective

performance measurement, and the avoidance of decisions that have an inverse effect on productivity. On the other hand, fiscal irresponsibility and unreliable data, acute corruptions are simply the product of deficiency in the availability of IPSAS, all of which are horrific to the sustainability of the Nigerian economy. (Zhuquan & Javed, 2018).

The major essence of IPSAS was to improve the quality of financial reporting by public sector entities and to ensure equitable resource distribution, as well as encourage government stewardship to their citizens and electorates (IPSAS, 2019). IPSAS Adoption by developing nations was also to improve the understandability, relevance, and reliability of financial information provided by government entities. To achieve shared prosperity and long-term reductions in corruption and maladministration, good governance that falls within the arm bit of a universally acceptable accounting framework such as IPSAS is essential. Public accountability and competent governance result in enhanced public service delivery, competition, and growth, including collaboration with public service groups. Globalization, the ease of managing global trade, and the execution of intergovernmental continued development are the essence of global IPSAS adoption. Comparability, dependability, and relevance of financial information, on the other hand, are significant barriers to IPSAS adoption (Beredugo, 2021). Given this development, this study revolves around the efficacy of IPSAS implementation on the financial reporting quality of public sector entities in Nigeria.

Statement of the Problem

It is in the public domain that the Nigerian government is presently drenched in sovereign debt issues. There has also been increased concern regarding the prudential use of borrowed funds and the management of public debt. The country's debt profile is also growing at an exponential rate without any report that gives detail on how these funds were expended. This represents a lack of transparency and accountability by the government; which IPSAS has set out to address. In other circumstances, the IPSAS financial reporting structure is expected to be an effective tool for addressing the government's financial information provision problem, but the public sector remains skeptical of full IPSAS implementation. Financial reports from government organizations in the Nigerian Public Sector continued to indicate a lack of transparency and incorrect application of accounting laws. As observed in FAAC's (2020) study, many states that have adopted IPSAS are not fully complying with the disclosure rules.

It is also crucial to note that, despite the importance of IPSAS implementation, the country was unable to meet the 2016 deadline, despite repeated attempts by the authority at the center since the IPSAS adoption roadmap was drawn up in 2010. The influence of IPSAS implementation on the level of financial reporting quality in Nigeria is also undetermined. This has prompted academics and other stakeholders to question whether the implementation of IPSAS has enhanced the quality of public accounting information in Nigeria, and that is the gap this study is set out to fill.

Objectives of the Study

The primary goal of this research is to investigate the effect of international public sector accounting standard adoption on the quality of financial reporting in the Nigerian public sector. Among the specific goals are to:

1. Examine the effect of IPSAS adoption on transparent financial reports in the Nigerian public sector.
2. Evaluate the effect of IPSAS adoption on the accountability of financial reports in the Nigerian public sector.
3. Determine the effect of IPSAS adoption on the reliability of financial reports in the Nigerian public sector.
4. Ascertain the effect of IPSAS adoption on the value relevance of financial reports in the Nigerian public sector.

Conceptual Review

International Public Sector Accounting Standard

Governance concerns are addressed with the highest openness and rectitude in developed countries, allowing individuals to actively participate in policy and decision-making (Tanjeh, 2016). The main advantages of IPSAS are probity, clarity, and personal accountability (Maciucai & Seucea, 2013). Huges (2013), posits that the implementation of IPSAS allows citizens to engage in policy and decision-making in their countries by providing access to and monitoring public organizations' financial arrangements. While Ezebuiro (2015), stated that IPSAS is an important aspect of a country's institutional architecture as a competent government accounting standard. In the majority of African countries, particularly Nigeria, it is used as a standard for examination and leadership accounting (Balogun, 2017).

In the opinion of Bastani, Abolhalaj, Jelodar, and Ramezanian (2012), IPSAS provides economic fact dependability, enhances public trust, and encourages new business. Based on the preceding assumptions, IPSAS inspires the following: morally acceptable prudence, succinctness, and monitoring and oversight in management; increased civic participation in policy and decision-making; a policy framework for democratic implementation; a key performance indicator for assessing and improving government accounting practices; informed evaluation of public - sector priority setting; and enhanced credence and transparency of financial reports. Babatunde (2017), observed that IPSAS provides the full accounting database needed to promote transparency in government. This is because it is based on an accrual basis, and accrual-based accounting reporting is of higher quality than cash-based financial reporting. The primary goal of IPSAS is to enhance the accuracy of financial reports for general purposes financial reports (GPFRs) that are used by public entities to think critically and allocate wealth equitably.

In the words of Balarabe and Aliyu (2015), IPSAS compliance ensures that accounting data for public entities provide an accurate and fair depiction of their financial status and demonstrates transparency and trust in the conduct of monetary policy. The Public sector entities are mandated to implement accrual-based financial reporting that would ensure that economic transactions are recognized even before they are settled (Godson, Mory & Lapointe, 2012). They argue that it is necessary for intelligent decisions, in addition to responsibility and transparency. The primary benefits of government accrual accounting are faster data accessibility, and forward-looking information, including the ability to offer solutions continuously. The standard-based accrual accounting also conforms to other government financial disciplines such as planning and treasury services.

Financial Reporting Quality in the Nigerian Public Sector

Financial accounting information must be demanded by users and expected to influence their decisions to be relevant. The word "honest depiction" refers to the accounting data that accurately represents the underlying economic activity that happened during the period under consideration (Roje, Vasicek & Vasicek, 2010). Where accounting measurement and recognition as well as rules and regulations are similar to themselves in different economic jurisdictions and from one period to another, accounting data is said to be comparable. Another major characteristic of financial accounting quality includes but is not limited to understandability, comparability, relevance, reliability, and timeliness. The qualitative characteristics simply propel easy comprehension of government financial report that is traceable to the books of account and meet the needs of all financial recipients on timely bases. Consistent cost and pricing information; asset and liability stewardship; faster data access; forward-thinking expertise, including the ability to provide continuing solutions; financial similarity with the organization, which improves training and comprehension are the qualities of the financial report in the public sector. Standard-based accrual accounting is consistent with other government financial disciplines such as planning and cash management.

Transparency and Accountability

Transparency is the quality of being easily seen through, while transparency in a business or governance context refers to being open and honest. As part of corporate governance best practices, this requires disclosure of all relevant information so that others can make informed decisions. It implies openness, communication, and accountability. Transparency is practiced in companies, organizations, administrations, and communities. Good governance is concerned with the assessment of government performance relative to the attainment of its stated goals. The word 'Governance' was derived from the Latin word 'Gubernare', meaning 'to rule or steer'. This word was used to refer exclusively to the exercise of power and responsibility for accountability in the running of kingdoms, regions, and towns (Popoola, 2020). It is a measure of the level of transparency, integrity, effectiveness, and efficiency in the application of scarce resources to satisfy the desires and aspirations of the citizens. There are eight major characteristics of good governance; include accountability, transparency, effectiveness and efficiency, participation, consensus, responsiveness, equity and inclusiveness, and following the rule of law (Angahar, 2020).

Accountability refers to the process of holding persons or organizations responsible for performance as objectively as possible (Angahar, 2020). When an individual is elected or appointed to superintend over the affairs of an office, such a person becomes an agent or trustee and acts on behalf of those who either elected or appointed him. This agency relationship creates a social contract between the agent and the principal with obligations on the agent to be answerable for his actions and inactions. It is only proper that public entities that utilize public resources should have an obligation to account for the way these resources are allocated and used and the results these spending have achieved.

In the words of Akpa (2014) cited in Angahar (2020), public accountability in a democracy has three components namely; Financial accountability, Administrative accountability, and Political accountability. First, Financial accountability places an obligation on all public office holders entrusted with public funds to account for the allocation, custody, and use of such resources in line with the established policies, rules, and regulations. Second, administrative accountability seeks to check the degree to which the administrative structure of governance functions well. Third, Political accountability arises when a politician makes choices on behalf of the people and the people can reward or sanction politicians.

Value Relevance Determinants

Value relevance is the ability of earnings to predict future dividends, future cash flows, future earnings, or future book values (Francis and Schipper, 1999). Value relevance is observed as a favorable characteristic of accounting information as it is intended to address relevance and reliability, the primary criteria for standard setters to choose among accounting alternatives (Barth, Beaver & Landsman, 2001). Earnings response is affected by risk, growth, and interest rate which are referred to as economic determinants of earning response. The economic determinant of accounting amount is not a major concern because investors are concerned about whether it contains information useful for market participants, but risk, growth, and interest rate are major economic determinants of earnings response. If the investor is risk averse, a higher risk for expected future return will have a lower value than a low-risk sequence of future returns all things being equal. In a similar development, earnings response will be higher in firms that have the opportunity for growth potential in certain investments that are expected to give above the normal rate of return. In the case of interest rate, the risk-free interest rate of return in addition to the risk premium constitutes the discount rate, which is used to discount the revisions in expectations of future earnings innovations. Any increase in the interest rate would then cause an increase in the discount rate and therefore lower discounted value of earnings innovations all things being equal. According to International Financial Reporting Standard; IFRS (2007), the major objective of a financial statement is to provide financial information about the financial position, performance, and changes in the financial position of an entity that is, useful to a wide range of users in making economic decisions. The provision of financial information is concerned with the disclosure in the financial statement; it is paramount to

discuss the concept of disclosure about value relevance. To be effective, financial reporting must contain information that is both relevant and credible. Financial reporting standards guide how accounting information should be recorded, reported, and interpreted. Levitt (1996), in identifying what high-quality accounting standard delivers, stated that educated investors need relevant useful information to make their investment decisions. Differences in the quality of accounting standards, specifically, play a role in differences in the value relevance of accounting numbers Babalyan (2001); Bartov, Goldberg & Kim (2002).

Value relevance also refers to the ability of information shown in financial statements to capture and summarize a company's worth and predict future earnings Gjerde, Knivsfla & Saettem (2005). Gjerde et al (2005) posits that value relevance can be assessed using statistical correlations between financial statement information and stock market valuations. The metadata studies on value relevance utilizing event studies explore capital market reactions to financial information, with a primary focus on earnings as the primary output of financial reporting. Share price reactions to earnings announcements suggest that the reported earnings numbers provide fresh information to market participants, causing them to revise their projections regarding firms' future revenues. Considering economic efficiency and no other evidence affecting price movements, earnings announcements are seen as valuable for investment decisions and have informativeness, which then refers to market participants' reactions to reported earnings. The literature on earnings response coefficient and earnings coefficient on unexpected-earnings/abnormal-returns relationship has provided a deeper understanding of the return-earnings relationship by demonstrating how this relationship varies across time and firms, as well as key conceptual improvement to expedite the configuration of the more potent evaluations.

To assess the quality of the accounting standards SEC (2000) emphasizes that accounting standards must result in a consistent application, and provide for transparency and full disclosure. The aim is that the standards produce relevant and reliable information that is useful for investors to make well-informed decisions. Accounting standards that fulfill such quality measures create high-quality accounting information specifically information regarding a firm's earnings. Bell and Carcello (2000) provide evidence that accounting earnings in enhancing common-law accounting countries' accounting standards are substantiallymore timelyandconservative than code law countries, particularly in incorporating losses.

Theoretical Framework

Institutional theory

Freeman and Reed (1983), posit that institutional theory explains that organizational behavior is conditioned by the expectations stemming from the institutional environment. Institutional theory is concerned with examining and explaining how institutionalized norms and pressures affect social changes among organizations. This theory is slowly but steadily emerging as a useful theoretical framework concerning the environmental implications of an organization's operations and behaviours. The institutional framework emphasizes the importance of regulatory, normative, and cognitive factors that affect firms' decisions to adopt a specific organizational practice. Institutions function within and around a social framework of tolerable guidelines that coordinates economic behavior (Acho, 2014). The fulcrum of institutional theory affirms that organizations respond to pressures from their environments and inculcate socially acceptable procedures that conform to dominant norms and traditions. This is linked to IPSAS as it prescribed a social and legal framework that enables public institutions to react and address the demand for quality financial reports from government institutions.

Empirical Review

Tawaih (2021) investigated how worldwide public accounting standards aid or impede misconduct in emerging economies. Between 2005 and 2017, he applied the System Generalizable Method of Moments on a sample size of 77 emerging economies. He discovered that IPSAS is inversely and substantially connected with corruption, meaning that adopting IPSAS aids in the prevention of corruption in emerging regions. After adjusting for IPSAS history and the deployment of other

standards, the results remain constant. However, subsequent studies found that the inverse effect of IPSAS on corruption is more acute in nations that have accrual-based IPSAS in place.

Izuekee, Onah, Ugwuibe, Okwueze, Agu, Ugwu & Ezeibe (2020) carried out a study on whether the application of global public sector accounting standards (IPSAS) in Nigeria since its introduction in 2014 has resulted in increased public sector reporting qualities. Following a qualitative survey of agencies in five states in southern Nigeria, the data were reviewed using the comparative discussion procedure. They discovered that the level of IPSAS implementation in Nigeria has resulted in a lack of openness and responsibility within the public service. They additionally observed that the major conditions for complete IPSAS implementation are governmental will, accrual accounting regulations, and internet access, all of which were lacking at our study site.

The role of foreign public sector accounting standards in reducing corruption among Enugu State public officials was explored by Ezejiofor, Okolocha, and Ofurum (2020). They surveyed all employees of the Enugu State Ministry of Finance. The researchers used frequency counts and mean scores to analyze the study's findings. The hypothesis was tested at 5% significance using SPSS version 20.0's t-test statistical tool. Findings revealed that implementing worldwide governmental accounting standards reduces crime.

Olola (2019) investigated the impact of IPSAS on financial reporting in Ondo State, Nigeria. This was limited to the state ministries in Ondo State. The survey design was used; while a Multivariate technique was used to investigate the impact of IPSAS on government accountability. The findings revealed that IPSAS has a significant and positive impact on the effective administration of public resources in Nigeria.

Aduwo (2019) investigated the effect of International Public Sector Accounting Rules on Nigerian fiscal responsibility. The study examined how global public financial management criteria affect the optimized utilization of government funds in Nigerian public sectors, as well as how international public sector accounting standards aid in the effective completion of tasks in the Nigerian public sector. The study included participants from Ondo State's 18 Local Governments' internal audit, accounting, and finance sectors. The survey design was used to gather data from the agency-chosen respondents and the research instrument was a questionnaire structured on a five-point Likert scale. The findings revealed that there is a significant effect of IPSAS adoption on the fiscal responsibility of the State government.

METHODOLOGY

The descriptive research methodology was used in this study and data were gathered from government agencies employees in Nigeria's FCT, Abuja. The population of the study comprised 426 staff that are proficient in Accounting and financial reporting, while the sample size of 206 was arrived at using the Yamane (1964) sample size determination technique. The sample size informed the distribution of 206 copies of the questionnaire, while the duly returned and valid number of questionnaires that were used for the study was 200 copies. This represents a 97.1 percent response rate. The questions were structured in simple English for easy comprehension and the respondents indicate the frequency of their various opinions under Strongly Agree (SA) =5, Agree (A) =4, Undecided (UD) =3, Disagree (DA) =2 Strongly Disagree (SD) =1.

Models specification

Adopted model is given in a functional model:

Transparency = f (IPSAS Adoption) …… Model 1
Accountability = f (IPSAS Adoption) …… Model 2
Reliability = f (IPSAS Adoption) …… Model 3
Relevance= f (IPSAS Adoption) …… Model 4

The model is specified in a linear estimation form;

$TRP = \beta 0 + \beta 1 \text{IPSAS} + \mu$ ***…. Model 1***
$ACCT = \beta 0 + \beta 1 \text{IPSAS} + \mu$ ***…. Model 2***
$RLIA = \beta 0 + \beta 1 \text{IPSAS} + \mu$ ***…. Model 3***
$REV = \beta 0 + \beta 1 \text{IPSAS} + \mu$ ***…. Model 4***

Where;
TRP= Availability and accessibility of financial information
ACCT=Accountability
RLIA= Presentation of financial information
REV= Reported expenditure and full disclosure of debt and liability
IPSAS= IPSAS adoption

Stochastic Error Term/ Disturbance Factor= μ
Shift Parameters= b1,
Constant Parameter= $\beta 0$

Analysis of Data
The analysis of the data shows as follows:
Table 1: Descriptive statistics

	IPSAS	TRP	ACCT	RLIA	REV
Mean	4.82000	4.745000	4.31000	4.56500	4.69000
Maxi	5.000000	5.000000	5.000000	5.000000	5.00000 0
Min	4.000000	1.000000	2.000000	2.000000	2.00000 0
Std. Dev.	0.385150	1.199830	0.835100	0.669340	0.54349 0
Skewness	-1.678000	-1.78400	-1.36900	-1.76400	-1.94100
Kurtosis	0.825000	2.10700	1.62700	3.59400	4.91800
Jarque-Bera	58.00739	1035.638	1035.638	245.8962	85.5496 9
Probability	0.000000	0.000000	0.000000	0.000000	0.00000 0
Observations	200	200	200	200	200

Source: **E view output in appendix**
Table 1 above presents the descriptive statistics of all the variables. The number of observations for the study is 200. The result reveals that the IPSAS adoption response reflects a mean of 4.82000 with a standard deviation of 0.385150. IPSAS also revealed a maximum value of 5.0000 and a minimum value of 4.0000. Response for transparent (TRP) financial representation reveals a mean of 4.745000 with a deviation of 1.199380. TRP further reveals maximum and minimum values of 5.000 and 1.0000 respectively. The response for reliability (RLIA) of the financial report has a mean of 4.56500 with a deviation of 0.6693. Accountability shows a mean of 4.31000 with a deviation of 0.835100. Furthermore, RLIA records a maximum and minimum values of 5.0000 and 2.0000. More so, the response for relevance (REV) of financial report results reveals maximum and minimum values of 5.0000 and 1.00000. REV also revealed mean and standard deviation of 4.69000 and 0.543490. The mean for IPSAS and RLIA specified that the respondent agrees that public organizations have adopted IPSAS and that the financial reports of public organizations are reliable. For TRP, the mean shows that the respondent strongly agrees that the financial reports of public organizations are transparent. While the respondent disagrees that public organizations' financial reports are value relevant.
To ensure that the fluctuations that have occurred in the responses do not distort the outcome of the regression result of the study, the skewness test is used as a further data normality test. The skewness test reveals values for all the variables within -2.5 to +2.5 which are within the accepted skewness range except data for TRP. Furthermore, the study variables revealed the respective Jarque-Bera

probability values of less than (<) 0.05; this further proves that the set of data is not stationary thus further data diagnostic test is required before the final regression analysis.
The following before and posttests are performed to guarantee that the results are robust.

Table 2: Validity test

TEST	TEST STAT	MODEL TRP (Prob)	MODEL ACCT (Prob.)	MODEL RLIA (Prob)	MODEL REV (Prob
Independence of residuals	Durbin Watson	2.12 (DW)	1.891 (DW)	2.383 (DW)	2.027 (DW
Linearity test	Ramsey Reset test	0.2070 (tau-P)	0.3220 (tau-P)	0.5775 (tau-P)	0.2244 (ta P)
Serial autocorrelation	Breusch-Godfrey SLLM test	0.3825 (Prob)	0.2924 (Prob)	0.0062 (Prob)	0.7918 (Prob)

Source: **E view output in appendix ii**

The result for the four models (TRP & IPSAS; ACCT& IPSAS; RLIA & IPSAS; REV& IPSAS) reveals Durbin Watson statistics of 2.12, 1.891, 2.383 & 2.027. This indicates that the set of data for the model variables has residuals that cannot influence the outcome of the linear regression. As posited by Field (2009), a Durbin-Watson statistic within the range of 1 to 3 is appropriate for a linear model. This is the case with the study result. The Ramsey reset test (post) with probability values of 0.2070; 0.3220 0.5775& 0.2244 further prove that there is no need to include the residuals to reset the linear model since the observations are free from auto correlation.

TABLE 3: Regression model analysis

Dependent Variable	Parameter	B	Fisher Stat.	F. Prob	Sig.
	Const	**3.670102**	67.23510	0.00007	0.000(
TRP	IPSAS (Coef)	0.27019			
	Const	**3.417001**	14.01000	0.00000	0.000(
ACCT	IPSAS (Coef)	0.325010			
		0.39602			
RLIA	IPSAS (Coef)	0			
	Const	**2.355011**	14.76122	0.00000	0.000(
REV	IPSAS (Coef)	0.525011			

Source: **E view output in appendix**

Table 3 presents the regression result between IPSAS and financial report quality proxies. From the model summary table above, the following information can be distilled.
TRP, ACCT, RLIA & REV show that when IPSAS is held stationary; there will be a variation in TRP, ACCT, RLIA, and REV by 3.670102, 3.417001, 3.001019, and 2.335011 units respectively. This simply implies that there is likely an increase in TRP, ACCT, RLIA, and REV without the introduction of IPSAS. A unit increase in IPSAS will lead to an increase in TRP by 27.0%. A unit

variation in IPSAS will also lead to an increase in ACCT, RLIA, and REV by 32.5%, 39.6%, and 52.5% respectively.

H_o1: T*he adoption of IPSAS has had no discernible effect on the accuracy of financial reporting in the Nigerian public sector.* Since the calculated probability value for IPSAS (0.0000) against TRP response is less than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative is accepted.

H_o2*: The implementation of IPSAS had no significant influence on the transparency of accounting results in Nigeria's public sector.* Our result shows that the calculated probability value is less than the accepted probability value of 0.05. This indicates that the *implementation of IPSAS has a significant influence on the transparency of accounting results.*

H_o3: *The adoption of IPSAS has had little impact on the reliability of financial reports in Nigeria's public sector.* Since the calculated probability value for IPSAS (0.000) against the Reliability response is less than the accepted probability value of 0.05. The null hypothesis is rejected and the alternative is accepted thus; IPSAS adoption has a significant effect on the reliability of financial reports in the Nigerian public sector.

H_o4: *The use of IPSAS has had no significant impact on the value relevance of financial reports in the Nigerian public sector.* Because the computed probability value for IPSAS versus REV answer (0.0000) is less than the allowed probability value of 0.05. As a result of the null hypothesis being rejected then the alternative is accepted.

DISCUSSION OF FINDINGS

The study relied on primary data collected from FCT residents. It specifically revolves around IPSAS adoption and financial reporting quality in the Nigerian public sector, with the following results; it was discovered from our study that IPSAS adoption has a considerable effect on transparency financial reporting in the Nigerian public sector. The outcome was consistent with our apriori expectations, indicating that the more IPSAS implementation, the greater the transparency of financial reporting in the Nigerian public sector. Tawaih (2021) also found that IPSAS has a detrimental influence on corruption, particularly in nations that have completely implemented accrual-based IPSAS.

CONCLUSION AND RECOMMENDATIONS

Although the implementation of IPSAS was delayed in Nigeria, our findings from this study revealed that its adoption has affected transparency, accountability, reliability, and value relevance of public sector reports positively. This shows that deployment and successful integration of IPSAS can provide authenticity to financial numbers and instill trust in citizens and financiers on financial reports of the public sector entities.

Based on the above development, we recommend that:

1. Education and sensitization of all relevant parties (financial analysts, and other users) of government financial statements are critical for IPSAS adoption policy to be properly implemented and applied in practice,
2. Professionals must learn to minimize any negative influence on the dependability and accountability of financial reporting in Nigeria's public sector. It is expected that increased transparency in public financial reporting would instill greater trust in budgetary integrity and stop budget padding.
3. The Federal government should continue to encourage greater compliance with IPSAS requirements as a means of enhancing the value relevance of financial reports of public sector entities. This will go a long way in helping government institutions earn the confidence of stakeholders who intend to invest and partner with the government towards achieving the medium-term economic growth plans of the government.

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