ACCOUNTANTS' PERCEPTIONS OF IPSAS APPLICATION IN NIGERIAN PUBLIC SECTOR FINANCIAL MANAGEMENT AND REPORTING

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ABSTRACT

This study examined accountants' perception of IPSAS acceptance in Nigerian public sector financial management and reporting. There are conflicting or divergent views as to what will accrue or what Nigeria stand to gain as result of adoption or implementation of IPSAS in Nigerian public sectors financial management and reporting. Survey research design was adopted. Taro Yamane was used to determine the sample size of 283 from the population of 972 accountants. Data were obtained through the use of questionnaires administered on a sample size of 283 respondents from the offices of Accountant and Auditor General of Kogi and Benue States. Mean, standard deviation, line graph estimated marginal means and General Linear Model Univariate analysis were used to analyze the primary data via SPSS Version 20. The study revealed that the adoption of IPSAS will increase transparency and answerability in financial management and reporting of Nigerian Public Sector. Also that adoption and implementation of IPSAS will facilitate the quality of financial accounting reporting in the Nigerian Public Sector. Another finding is that the benefits of adoption of IPSAS override the costs in Nigerian Public Sector. We therefore conclude that the adoption of accrual basis of accounting though has not been applied before in Nigeria but the implementation will be of immense benefits to our nation. We recommend amongst others that efforts should be geared to enshrine the requirements of IPSAS into Nigerian regulatory framework for financial management and reporting and the constitution of the Federal Republic of Nigeria.

Key words: IPSAS, Accountability, Stakeholders' Perception Nigerian
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Introduction

The extant public sector financial management and reporting procedure in Nigeria which is on Cash Basis has been mugged for not being all-inclusive enough to give a true and fair view of the pecuniary activities of government as a result The office of the Accountant-General of the Federation has developed a new chart of accounts that focuses on Accrual Basis of Accounting [1] According to [2] the ills in the public sector of Nigeria includes lack of efficient financial management, answerability, transparency and the use of a reporting method that does not disclose a comprehensive information about Nigerian government financial activities. This view was emphasized by [3] where he opined that Nigeria lost several hundred billions of Naira over the last few decades due to flagrant abuse of procedures and lack of transparency in the public sector. Attempts at propounding solutions by countries with similar problems include consideration for adopting financial reporting models of the private sector [4, 5]. The paradigm shift to IPSAS is being strongly campaigned for on the grounds that a more efficient financial accounting management system needs to be applied to all types of government operations so as to contribute to better decision-making or improved public information [1]. The public sector accounting standard, it is argued, will help present an accurate and fair view of government fiscal position, financial performance and cash flows. Standardized and comparable financial information will now be possible across the entire area of the public sector [6].

The cash basis of accounting system seems to limit the provision of critical information needed for development, programme planning and appraisal of performance in physical and financial terms [7]. But with the accrual accounting system, the focus of performance reporting is on outputs [8]. According to him, information on an accrual basis is much more meaningful to citizens and policy makers than information organized on other bases. In the words of the former Finance Minister of New Zealand, [9] stated that the major reason for accrual accounting in the public sector is similar to the reason for the introduction of Planning, Programme and Budgeting System (PPBS); the same budget framework adopted by the Nigerian government in its Medium Term Expenditure Framework (MTEF) since 2006. The use of accrual accounting can help to achieve better management practices that will drive delivery of the gains of public sector programmes more efficiently. In the words of Richardson, PPBS and the accrual basis of accounting need to be firmly implemented for the financial reports to provide financial data useful for economic analysis [10]. In addition, the desire to hold

government answerable for results is becoming more prominent, thus, making the demand for quantitative and qualitative financial reports imperative. Citizens and regulators are calling for higher levels of transparency and accountability in all areas of business especially in public service. In a recent study, the World Bank found a significant relationship between good governance and high level of performance [11]. This generated the issue of using appropriate accounting method and today, many countries are adopting IPSAS in order to improve governance and control which is a common practice in the private sector.

Furthermore, the use of cash accounting basis has been criticized for not reporting government liabilities and the real state of the agencies finances [12]. The reforms for effective accounting and financial reporting in Nigeria include adoption of IPSAS bases of accounting. IPSAS cash basis was adopted first in 2010 with December 2012 as deadline for issue of first published IPSAS's compliant financial statements and in preparation for migration to the accrual basis in 2016.Given this and many other criticisms of the method of financial reporting under cash accounting system such as focus on reporting inputs rather than outputs; and does not provide a true picture of government financial activities, proponents of public sector financial management reforms [5,13,14] have agitated for "an extensive application of business-like practices" in the financial management and reporting system of the public sector. [15] argues that switching from cash to accrual basis would be time consuming and costly and there is no research evidence that such a switch would automatically produce benefits. In fact the doubt was equally expressed by [16] as to whether the shift in method of financial reporting in government parastatal was worth the cost and additional risks involved is increasing. [17] opines that the pressure to change into another method of financial reporting from IMF, World Bank, OECD and IFAC public sector committee has been misconstrued and that transition to another method of financial reporting under accrual basis is often not a priority.

In other hand, [18,19] opined that the adoption of new financial reporting (IPSAS) in the public sector is a welcome development, argues that current method of financial reporting in Nigerian public sector (cash basis of accounting) cannot bring about transparency by government. [20] maintains that the method has helped some governments such as Canada, New Zealand to make significant strides towards achieving their country's expenditure management program goals. These doubts emanate from the fact that several attempts have been made in the past to improve on the financial reporting system of the Nigerian public sector but all effort was abortive. From forgoing, there is a mixed reaction over the accurate method of financial reporting in public sector that will guarantee accountability and transparency.

Accountability is made possible when there is an established clear link between expenditures and performance [21]. IPSAS helps agencies focus on outcomes and results rather than budgets and spending. Accountability is a concept in ethics and governance with several meanings and it is often used synonymously with such concepts as responsibility, answerability, blameworthiness, liability, and other terms associated with the expectation of account-giving [21]. In recent years, some governments all over the world embraced the New Public Management techniques (NPM) and engaged in various reforms including financial management reforms which are gradually and steadily shifting from traditional cash basis accounting practice to IPSAS accounting methods [22]. These financial reforms were triggered off by the desire to eliminate waste, inefficiency, poor service delivery, overspending, lack of accountability, transparency and improve quality of service delivery in the public service, such reforms in Nigeria are Government Integrated Financial Management Information System (GIFMIS) , Treasury Single Account (TSA), National Chart Of Accounts, (NCOA), Integrated Personnel and Payroll Information system (IPPIS), International Public Sector Accounts Standards (IPSAS) and host of other reforms [22]. The New Public Management initiative is to measure efficiency, and to facilitate competition with the private sector [17]. The initiative is supported by the issuance of International Public Sector Accounting Standards (IPSAS) by the International Public Sector Accounts Standards Board (IPSASB).

In the same vein, accounting is viewed as the most critical system for maximizing efficiency and minimizing costs of public services [4, 7, 23]. The use of a good financial management and reporting system was regarded as key to achieving the objective of maximizing efficiency in the public sector. The major challenge, however, is the capability of the present public sector accounting system (cash basis) to meet reporting requirements of citizens. Consequently, one will like to identify, to what extent has IPSAS adoption affect Nigeria stakeholders' perception of Nigerian public sector's financial reporting transparency, methods, costs and benefits? It therefore appeared apparent to the professionals on the adoption of IPSAS in achieving optimal financial management, accountability, and improved quality of financial accounting reporting as well the extent of cost that associated with the adoption in Nigerian public sector. It is on this note that the study is set out to examine

accountants' perceptions of IPSAS application in Nigerian public sector financial management and reporting. In order to achieve the research objective and answer the research question aforementioned; three null hypotheses will be tested at 5% level of significance (α):

i. The effect of IPSAS adoption on Nigerian stakeholders' perception of transparency in Nigerian public sectors' financial reporting is not significant.
ii. The effect of IPSAS adoption on Nigerian stakeholders' perception of methods of accounting and stewardship in Nigerian public sector financial reporting is not significant.
iii. The effect of IPSAS implementation's cost and benefits on Nigerian stakeholders' perception in Nigerian public sector financial reporting is not significant

The rest of the study is divided as follows: part one introduces the introductory part and the developed research questions and hypotheses under investigation. Part two presents the literature review, conceptual and theoretical framework on which the work is anchored and review of related empirical studies. Part three is methodology. Part four focuses on data presentation and analysis while part five captures the study findings, conclusion and recommendations.

2. Review of Related Literature

2.1 Conceptual Review

2.1.1 IPSAS

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation and presentation of financial statements. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). IPSAS aims to improve the quality of general purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability .IPSAS are accounting standards for application by national governments, regional (e.g., state, provincial, territorial) governments, local (e.g., city, town) governments and related governmental entities (e.g., agencies, boards and commissions). IPSAS standards are widely used by intergovernmental organizations. IPSAS do not apply to government business enterprises. There are forty accounting standards; thirty-eight standards are on accrual basis of accounting and one standard on the cash basis of accounting [24]. When the accrual basis of accounting underlies the preparation of the financial statements, the financial statements will include:

i. The statement of financial position (IPSAS 1),
ii. The statement of financial performance (IPSAS 1),
iii. The cash flow statement (IPSAS 2),
iv. The statement of changes in net assets/equity (IPSAS 1),
v. The notes to the financial statements, or annex (IPSAS 1).

When the cash basis of accounting underlies the preparation of the financial statements, the primary financial statement is the statement of cash receipts and payments. The credit crisis has raised several public sector accounting issues. Governments have extended credit to banks, guaranteed the liabilities of banks, purchased impaired debt instruments and in some instances have assumed control of banks. The unique nature of the credit crisis and the unprecedented response by governments around the world has reinforced the importance of high-quality standards for financial reporting by governments. The credit crisis has increased the need for accountability in the public sector and for transparency in its financial dealings.

2.1.2 Public Sector

Public sector refers to that segment of the national economy whose activities both economic and non-economic are under the control and direction of the government. The establishment of public sector is necessitated by the prevalence of political and social ideologies which depart from the premise of consumer choice and decentralized decision making, [25]. Public sector is that aspect of the economy that produces goods and services with the aim of maximizing the welfare of the populace. Public sector has been grouped into three categories in Nigeria namely; Federal Government Ministries, Agencies and Departments (MDAs), State Government Ministries/ Departments and Local Government and parastatals.

The importance of the public sector is an indisputable social and economic reality throughout the world [26]. This is because, only the public sector can effectively and efficiently carry out certain functions and indeed only national governments can assume the responsibilities that affect the state as a whole [27]. The public sector sometimes referred to as the state sector or the government sector,

is a part of the state that deals with either the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, whether national, regional or local/municipal [28]. Examples of public sector activity among others include delivering social security, administering urban planning and organizing national defense.

2.1.3 Public Sector Accounting

Public Sector accounting has been defined as a process of recording, analyzing, summarizing, reporting, and communicating and interpreting of financial information about government in aggregate and in details reflecting all transactions involving the receipts, transfer and disbursement of government funds and property [25]. The accounting at all levels of government is closely related to the budget process. The Federal Government sets forth several accounting principles, practices and requirements to be followed by the Government, Ministries and Extra-ministerial Departments through the issuance of treasury circulars and financial regulations. The State Governments are allowed to issue their own treasury circulars for the use of Local authorities and State Ministries and Government. However it should be noted that all circulars issued must not conflict with Federal treasury circulars and where it does, the Federal treasury circulars supersedes [29].

[26] defines public sector as all market and non-market activities which at each institutional level are controlled and mainly financed by public authority. It is composed of a general government sector and a public corporation sector. It is the part of the economy concerned with providing basic government services. Thus, the general government is made up of all the government units, social security funds and non-profit/ non-market public or private institutions which are controlled and mainly financed by public authority. On the other hand, the public corporation sector comprises of all the institutional units which produce for the market and are controlled and mainly financed by public authority.

[30] opined that public sector accounting is an accounting method applied to non-profit pursuing entities in the public sector - including central and local governments, and quasi-governmental special corporations - for which the size of profits does not provide an effective measurement for evaluating performance.[31] stated that Public Sector Accounting is the information system that records, analyzes, classifies, summarizes and communicates public sector entities financial and economic events, and their impacts, in terms of both:

-The provision of information required by management and senior executives for planning, organizing and control and the preparation and provision of financial statements and fiscal reports under specific accounting and reporting standards for external users.

2.1.4 Accountability and financial reporting in Nigeria

The basis for accountability and financial reporting in Nigeria is entrenched in a number of conceptual and institutional (or legal) frameworks [23, 32, 33]. Conceptual framework is the heart of financial reporting in the public sector; it spells out government accounting principles and conventions, which forms the basis for the preparation of budgets, financial statements and audits [32].

According to [33], the legal and institutional framework (such as the Constitution of the Federal Republic of Nigeria, 1999, the Finance (Control & Management) Act, 1958, the Fiscal Responsibility Act, 2007, the Audit Ordinance No. 28, 1956 and the International Public Sector Statement of Accounting Standards formed the background for developing financial regulations, treasury and financial circulars used in measuring the level of accountability in Nigeria. The Constitution contained provisions for managing government funds, external controls for operating the accounting system, and procedures for annual appropriations [23, 34]. The Finance (Control & Management) Act 1958 regulates the accounting system adopted for preparation of government financial reports [33].

In the words of [33], it is clear that the most important aspect of Finance (Control and Management) Act of 1958 is the fact that it specifically provided for the of use cash accounting basis in the preparation of government accounts. The Audit Ordinance Act, 1956 as amended by Audit Act 1988 provided for the audit and accountability for the public funds by the government in Nigeria. The Act sets out the duties of the Auditor-General for the federation and timing for audit and presentation of audited financial statements to the public [33]. The government plays a leading role in shaping and development of any nation and given their explicit importance, it is necessary to provide a suitable framework to enable the achievement of this noble-role [3]. This is accomplished through the apparatus of public administration, a field which refers to the manner in which Federal, State, and Local institutions with their procedural, legal, regulatory, financial, human resources and asset are

organized, institutionalized and managed with respect to regulatory, revenue generation, spending and procurement functions, and the provision of such services as defense, social services, and economic infrastructure" [35].

In [36], financial management is one key component of public administration and it is a critical management function that fuels the engine of the public administration and can be considered in three areas:

(a) Determining fiscal policies whereby political or community leaders identify programmes of priority and try to fund them through appropriations.
(b) Providing accountability by ensuring that public funds are spent for the purposes intended and
(a) Instituting the required organizational structures and controls to effectively carryout the fiscal duties and responsibilities.

Accountability has various definitions which had undergone changes over time. [37] noted that accountability definition depends on the ideologies, motives and language of our times. He further noted that accountability has specific meanings, for instance "auditors discuss accountability as a financial matter, political scientists view it as a political imperative and legal scholars as a constitutional arrangement, while philosophers treat accountability as a subset of ethics". In light of the above, a number of definitions of accountability have been offered from different perspectives as below:

(a) [38] sees accountability as "being answerable to audiences for performing up to prescribed standards that are relevant to fulfilling obligations, duties, expectations and other charges.
(a) The International Organization of Supreme Audit Institutions (INTOSAI) as cited in [39] defines it "as the obligation of persons or entities entrusted with public resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities".
(b) Similarly, [40] views accountability as a process in which individuals and organizations are compelled to be answerable for their actions and responsibilities. Implied in these definitions is the notion that those entrusted with public funds have a legal duty to count and report the way in which the resources were allocated, applied and the results achieved.
(c) Accountability can also be seen from the perspective of social relationship as [41] sees accountability as a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct in which case, the forum can ask questions and pass judgment and the actor may face consequences. The actor may be an individual or an organization while the forum can be a specific individual, usually a superior or an agency such as legislature or the audit office.

What is evident in all the above definitions are that the elements of accountability exists in any relationship where one party (an agent) performs some functions on behalf of another party (a principal). The public officers are the agents and the citizens are the principal in this regards. According to [42] the person who holds or manages a given amount of resources for the benefit of another person is an agent. In all organizations whether in the private or public sector there are established processes for carrying out financial and non-financial activities. Compliance with such established practices are mandatory. Thus, accountability is the obligation to:

a. Demonstrate that work has been conducted in accordance with agreed rules and standards, and
b. The officer reports fairly and accurately on performance results vis-à-vis mandated roles and / or plans [43]. In other words, doing things transparently in line with due process and the provision of feedback are the hallmarks of accountability.

From the foregoing, it means transparency can be separated from accountability. However, [44] asserts that transparency cannot be complete without accountability. According to him, accountability is a fundamental oil of transparency without which transparency cannot be sustained. According to [44] accountability can be legislated and enforced through appropriate sanctions but transparency is a moral issue that requires inner conviction that any act of dishonesty, or deceit in whatever form is wrong. Accountability has become an important element in the discourse of the ground rules for the governance of nations and corporate entities. The concept of accountability is most often used without proper or adequate definition resulting in confusion as to what is implied. In Nigeria, the concept of accountability has not received adequate clarifications from both the academic and legal system. Therefore, there is need for a relatively extensive consideration of the term in order to appreciate its scope and utility. There are several dimensions of and frameworks for accountability. According to [45] surveillance and institutional constraint on the exercise of power.

UNDP categorized accountability into four segments:

1. Financial accountability: The obligation of anyone handling resources, public office or any other position of trust to report on the intended and actual use of the resources or of the designated office. This includes ensuring transparency in the process and procedures to achieve that obligation.
2. Administrative accountability: Includes critical systems of control internal to the government, which complements and ensures the proper functioning of checks and balances supplied by the constitutional government and an engaged citizenry. These include civil service standards and incentives, ethical codes, criminal penalties and administrative review.
3. Political accountability: This fundamentally begins with a free and transparent elections, is in effect starting point for oversight. In an electoral democracy, people have a regular, open method for sanctioning or rewarding those who hold positions of public trust. Through periodic elections and control mechanism, elected and appointed officials are held accountable for their actions while holding public office. Another mechanism to achieve more specific oversight is to have the three political branches (executive, legislative and the judiciary) watch over each other. In addition, separating the institution that raises and spends funds from that which actually executes the spending decision helps ensure that the underlying public interest is served.
4. Social accountability: A demand driven approach that relies on civic engagement and involves ordinary citizens and groups exacting greater accountability for public actions and outcomes.

Furthermore, [45] argues that:

The notion of political accountability carries two basic connotations: answerability- the obligation of public officials to inform about and to explain what they are doing; and enforcement- the capacity of accounting agencies to impose sanctions on power holders who have violated their public duties. Thus two-dimensional structure of meaning makes the concept a broad and inclusive one that, within its wide and loose boundaries, embraces lots of other terms-surveillance, monitoring oversight, control, checks, restraint, public exposure, punishment – which we may employ to describe efforts to ensure that the exercise of power is a ruled guided enterprise.

Accountability, according to him embraces three different ways of preventing and redressing abuse of political power. It implies subjecting power to the threat of sanctions, obliging it to be exercised in transparent ways, and enforcing it to justify its acts. Accountability is the process or means by which organizations, entities or persons are held responsible or answerable for resources and obligations entrusted to them. In other words, it stands for giving stewardship of assets bestowed to an individual or group [44]. Accountability, therefore, is synonymous with answerability, responsibility blameworthiness, liability and other terms associated with the expectations of account giving. [44] sees accountability from two main aspects: financial and economics.

Financial accountability involves the following:

i. A properly functioning accounting systems for effective expenditure control and income (including cash) management.
ii. An external audit system which reinforces expenditure control by exposing and sanctioning misspending and corruption while at the same time capturing all revenues.
iii. A mechanism to review and act on the results to ensure audits and so that follow-up actions are taken to remedy the problems indentified. From the foregoing, it is clear that financial accountability is about effective management of revenue and control of expenditure.

Economic accountability on the other hand emphasizes the efficient management of resources in order to attain organizational goals and objectives. According to Orjioke, economic accountability involves efficiency in the allocation and use of resources through effective monitoring and evaluation, preparation of annual reports of activities, objectives or target specification with clarity and increasing internal audit functions with value for money audit. However, [44] opined that, in order to make any system more accountable to the public, the organizations must be structured to receive and to respond to citizen's demand and aspirations by:

a. Recruitment of well-trained professionals,
b. Providing clear lines of authority to facilitate identification of officers carrying out their financial duties effectively or ineffectively,
c. Placing responsibility for and requiring integrated financial reporting,
d. Providing an independent post-auditor

Giving citizens an opportunity to appeal or seek relief from arbitrary rules and regulations.

2.1.5 Cash and Accrual Accounting

Cash Accounting

The concept of cash accounting is based on the principle of "intergenerational equity" [46] which is the main criteria for governments' fiscal allocation. This principle upholds the view that taxpayers of a certain accounting period should finance current year expenditure, therefore requires a balance of expenditure and revenue reporting. Public budgeting is based on this principle of balance and is a practice of most governments, where revenues are equated with expenditure [47]. The cash accounting basis has been in use in the public sector all over the world for over two hundred years. Its wider acceptance has been based on the argument that the main objective of public sector accounting is protection of public fund [48]. Government budgets are also cash based, so it becomes very easy to verify compliance with the budget through direct comparison of budgeted amount and actual expenditure [13]. [5] opined that Cash basis of accounting is observed to be the commonly used basis in the public sector which has some limitations and setbacks that affects financial transactions such as poor budget implementation, mismanagement of public fund etc. This can be traced to the fact that while using the cash basis of accounting, there is no attempt to match an expense with the revenue it generates. This means that income statement and balance sheet are not good pictures of recent business conditions and an expense written against specific revenue may not have been incurred for generating the revenue. This creates the issue of poor budget implementation, making it necessary to consider the relationship between public sector budgeting and cash basis of accounting.

Cash-based accounting has the virtues of simplicity and is applicable where, as in many government organizations, there are few skilled accountants employed and where financial management is seen as of lesser importance than legal compliance [49]. Though, cash accounting is adjudged as a good accounting basis for government accounting purpose; it has been criticized for its susceptibility to manipulations, ability to provide misleading view of state of affairs of government, and inconsistency in the treatment of transactions [5, 33, 50, 51]. [13] summarized the major pitfalls of the cash accounting system as:

a. The full costs of a programme and departments are not recorded.
b. There are no records of government non-cash assets and liabilities.
c. Non- reporting on performance efficiency, cost control, assets and liabilities.
d. Performance measure is based on budget compliance only.

Accrual Accounting

The worldwide call for a shift from cash basis to accrual accounting basis in the public sector organizations was a fall out of reforms in the public sector financial management otherwise called New Public Management (NPM). According to [17] that shared the idea of NPM believed that the pressure to change to accrual accounting emanated from International Monetary Fund (IMF), World Bank, Organization of Economic Co-operation for Development (OECD) and International Federation of Accountants (IFAC) and Public sector Committee (PSC). It is believed by Adriana & Alexandra, 2014 that private sector based financial reporting system would enhance the transparency of government activities. Federation des Experts Compatibles Europeans [52] states that the implementation of accrual accounting should be one aspect of reforms under the New Public Management. Countries that have already adopted accrual accounting have generally been at the forefront for Public management reforms, setting Botswana as a case in point. It supplements cash accounting system to ensure that the financial information available to management is current, and provides meaningful analysis of resource usage within a department [53]. As the federal government of Nigeria has embarked on reform processes, which aimed at improving efficiency and effectiveness of the public sector, the entire accountability system must be considered in order to achieve total results. Many countries are carrying out reforms to modernize their accounting systems by introducing accrual accounting [49]. According to [50] the countries that have adopted accrual accounting have generally been at the forefront of public management reforms.

The accrual basis 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 recognized in the books of account when incurred and not when money is paid [25, 54]. Thus, profit for a given period is the difference between income and expenditure and not between receipts and payments. It means revenue is earned when goods and services have been passed to the third party [55]. [17] states that accrual accounting should not be considered in isolation but as part of reforms which have come to be known as New Public Management. The author asserts that countries using cash basis accounting should not change to accrual accounting except it is to accompany any financial reform within the overall public management reforms. Accrual accounting is not a purpose

itself, rather a means of shifting the emphases of the budgeting system away from cash inputs towards outputs and outcomes (Wynne, 2007), a change of mentality on budget process by shifting from a rigid condition of cashed incomes and paid expenses to a situation where emphasis is on achievements and forecasts which may lead to increase of public management efficiency [16]. [25] listed a range of benefits that accrue to the use of accrual accounting in government as:

a. Improved accountability and increased efficiency.
b. Enhanced transparency of government operations.
c. Improved system of resource allocation.
d. Reporting of more information on the full costs of operations.

The supremacy of accrual accounting over cash accounting has been a subject of discourse since the late 1980s. The discussions have inspired lots of articles, for and against the use of accrual accounting in the public sector. While some authors have argued that the fundamental purpose of governmental accounting is protection of public money, and that business sector accounting practices were not devised for that purpose, which justifies the use of cash accounting basis [46, 47, 49] others are of the opinion that the adoption of accrual accounting for government financial reporting will enhance cost effectiveness, transparency and accountability, provide improved system for resource allocation, and better costing of programmes and services provided by government [5, 23, 25, 56, 57]. Adoption of accrual accounting requires the preparation of public sector financial statements on an accounting model that is based on efficient and effective reporting and was inspired by International Public Sector Accounting Standards or International Accounting Standards [58] . [58] stated further that countries that have adopted the accounting model provided more accurate information to the citizens than countries using cash accounting.

2.1.8 International Experience on Accrual Accounting in the Public Sector

The shift from cash accounting to accrual accounting in the public sector was viewed as part of the public sector reform process in the United Kingdom (U.K) and other countries that adopted the model. The U.K. government moved to accrual accounting from April 2001 under the Resource Accounting and Budgeting (RAB) reform programme. The RAB programme was a commitment by the central government to change budgeting system from cash to accrual basis. The commitment which started in 1993 was approved and published in a government white paper in July 1995. The biggest change in government accounting in the last 150 years is the use of accrual accounting by the United Kingdom (U.K.) government in 2001[57, 58].

However, he pointed out that this was not the first time that accrual accounting was tried in U.K. public sector. He stated that it was first tried by the British Army in the 1919, but was abandoned due to the problems encountered in running both cash and accrual systems concurrently. The results of a review of the accrual accounting practice in the public in Europe show that the U.K. has a high index of compliance with IPSAS (over 70%) and is providing more efficient and reliable information to citizens. In New Zealand accrual accounting was introduced in 1990 as one of the measures designed to tackle socio-economic problems facing the country [58]. [9] stated that the introduction of the accrual accounting system was part of the programme for implementing the 1989 Public Finance Act, which established departmental reporting requirements in accordance with Generally Accepted Accounting Principles (GAAP). This implicitly requires the adoption of full accrual accounting. [48] observed that the implementation of accrual accounting in New Zealand recorded success stories with greater supports from the government and accountancy bodies in the country. He stated further that its effects on efficiency, accountability and priority setting appeared positive and that there was no wish anywhere in New Zealand to return to cash accounting system.

Also, the New Zealand's experience has been commended by the World Bank and other international organizations as a successful demonstration of a change in government accounting and budgeting that is possible. In Australia, the introduction of accrual accounting for government budgeting and accounting in 1990 was aimed at making the public sector more efficient and improve transparency [59]. [13] in his study of accrual accounting in Australia observed improvements in the public sector performance that was linked to the change in accounting system. He claimed that the adoption of an accrual based regime in the Australia public sector had positive impact through enhanced efficiency, effectiveness, accountability and allowed for better costing of programmes and services provided by government. Other countries that have moved from cash accounting to accrual accounting include Chile, United States of America and Canada. According to the survey conducted by [58] out of the nine member countries of the European Union, Italy is the only country that uses cash basis in the public sector. Portugal, Finland and Netherland use some form of modified cash

accounting, while the remaining five countries used full accrual accounting. The survey also revealed that more than two-third of thirty developed country members of the OECD countries had adopted some form of accrual accounting in the public sector. The study will be anchored on the stakeholder's theory. It view of strategy integrates both a resource-based view and a market-based view, and adds a socio-political level. One common version of stakeholder theory seeks to define the specific stakeholders of an organisation (the normative theory of stakeholder identification) and then examine the conditions under which managers treat these parties as stakeholders (the descriptive theory of stakeholder salience). Theory bridges the gap between stakeholders that is, internal stakeholders (employees, managers, owners) and external stakeholders (suppliers, society, government, creditors, shareholders, customers) that both interact with the company. It further stated how the conditions under which managers/worker treat these parties as stakeholders, the owners/the public in handling the task entrusted in them.

2.2 Empirical Review

In the study of [10] on accountability and financial reporting Issues in Nigeria: Considering a Change from Cash Accounting to Accrual Accounting. The study discussed the growing trend in debate about adoption of private sector financial management processes in the public sector as part of the public sector reform programmes. However, the study does not claim ultimate superiority of accrual over cash accounting, but shows how it will help to further strengthen the quality of government accounting and reporting using accrual basis of accounting. In a related study by [5] on A Critique on Cash Basis of Accounting and Budget Implementation in Nigeria, the study took a frank analysis of the implications as they relate to the consistent problem of poor budget implementation in Nigeria. This study was based on empirical analysis of one hundred and thirty questionnaires distributed to 130 public servants in the civil service of Bayelsa, Delta and Rivers States of Nigeria. The researchers used version 19 of SPSS to analyze the data using paired sample "t" test with the result that accrual basis has a positive effect on budget implementation and fair presentation of the financial position of a government. The researchers recommended that the accrual basis of accounting should be adopted by all government ministries and extra-ministerial departments in Nigeria.

In another study by [60] on the implementation of Accrual Accounting in Australia. In conceding that Accrual Accounting has had a beneficial effect on efficiency, effectiveness and accountability in the Australian public sector, the study opined that the benefits of accrual accounting have been offset by aspects of accounting misuse. The study however contends that the mitigation of the benefits resulted largely from some questionable adoption of the business model of Accrual Accounting and termination of the former Cash Accounting System among others. In the same vein, [32] conducted a study on the relationship between IPSAS and reliability, credibility and integrity of financial reporting in government. The researcher observed that implementation of IPSAS in Nigeria will improve the quality of accountability and financial reporting, facilitate efficient internal control and result based financial management, and enhance service delivery more efficiently and effectively.

[61]in their write up in national budget and debt as measures of public sector performance: Empirical evidence from Nigeria opined that, the objective of this study is to empirically investigate the relationship between national budget and debt as measures of public sector performance. The data for the study were basically secondary data about Nigeria government as an emerging economy for the period 1960-2010. The data so collected were subjected to regression analysis, with budget performance as the independent variable and domestic, external and national debt as dependent variables. Augmented Dickey-Fuller Tests equation was employed to perform unit root tests for stationary and cointegration tests. The findings show that there is significant relationship between budget performance and domestic, external and national debt and these are appropriate and adequate in measuring public sector. The results also indicate that the poorer the budget performance the more the burden of national debt and its attendant cost, resulting into poor public sector performance and national underdevelopment. In a similar study, [1] on the introduction of accrual accounting in Nigeria's public sector-the perception of auditors, accountants and accounting academics". The study adopted survey research design to elicit the opinion of Auditors, Accountants and Accounting Academics on the intention of the Nigerian government to adopt the Accrual System of Accounting in its public sector. Questionnaire was the major source of data and hypotheses formulated were tested with ANOVA. The study found amongst others that the needs to inject competent manpower and timely preparation of financial statements received the greatest endorsement and that respondents believe that Accrual Basis of Accounting will usher in an era of improved accountability in the public sector.

[3] investigated accountability in the Nigerian Public Sector. The population of the study is Nigeria public sector and the sample frames was drawn from Ministry of Finance, Presidency, Ministry of Works, and National Assembly. Source of data was primary and were collected through structured questionnaire which was distributed to 100 management staff of the above organizations at random. Data were analyzed using Pearson Product Moment Correlation with the aid of SPSS. The result showed that there is weak accountability in Nigeria due to weak accounting infrastructure, poor regulatory framework and attitude of government officials. According to the study, measures like legislative committees, financial audit, ministerial control, judicial reviews, anticorruption agencies, advisory committees, parliamentary questions and public hearing to ensure accountability in the public sector as in developed countries were adopted yet no tangible result has been achieved.

[62] examined the impact of public sector accounting in Nigeria financial control system using Esan south east local government area of Edo state as a case study. The purpose was to find out if the control of public fund adopted by the local government is appropriate, to determine whether the public sector accounting principle applied by the local government is appropriate and effective and also to investigate whether the source of revenue to the local government is enough for them etc. The population size used was the staff and members of Esan south east local government area of Edo state, out of which the sample size was selected using the Taro Yamane's sampling techniques. Data for this study were primarily and secondarily sourced. Chi-square was used to analyze the responses gotten from the distributed questionnaires. The findings are; the public accounting principles applied by the said local government area is inappropriate and ineffective and the control of public fund measures adopted is also inappropriate etc, based on the findings, it was concluded that the public sector accounting principles applied by the local government is inappropriate and also the control of public fund measures adopted was inappropriate.

Since these results are uncertain, the researcher set out to determine the perception of accountants on the application of IPSAS in Nigeria Public Sector financial management in achieving transparency, accountability, and improved quality of accounting reporting as well the extent of cost and additional risks associated with the application.

3. Methodology

The study adopted a survey research design, it is a research design that study the information gathered from a fraction or percentage of the population. The design was adopted in this work because the study involves an investigation of people's opinion or other manifestation through direct questioning. The study covered Kogi and Benue states; are in North central zone of Nigeria. Kogi state was created in 1991 from parts of Kwara State and Benue State. It is popularly called the Confluence State because the confluence of River Niger and River Benue is at its capital, Lokoja, which is the first administrative capital of modern-day Nigeria. Agriculture is a main part of the economy, and the state also has coal, steel and other mineral industries. The main ethnic groups are Igala, Ebira, and Okun with a population of about 3,595,796 in 2006 census. Kogi state is the only state in Nigeria which shares a boundary with ten other states. Location of Kogi State in Nigeria coordinates are 7°30'N 6°42'E. Benue state has a population of about 4,253,641 in 2006 census. It is inhabited predominantly by the Tiv and Idoma peoples. There are other ethnic groups, Benue State is named after the Benue River and was formed from the former Benue-Plateau State in 1976. Benue State lies within the lower river Benue trough in the middle belt region of Nigeria. Its geographic coordinates are longitude 7° 47' and 10° 0' East. Latitude 6° 25' and 8° 8' North; And shares boundaries with five other states. The state also shares a common boundary with the Republic of Cameroon on the southeast. Benue occupies a landmass of 34,059 square kilometres.

The population of the study comprising the accountants in the office of Accountants General and Auditor General in ministry of finance, of Kogi and Benue State. See table 3.1 for more details:

Table 3.1: Population of Accountant General and Auditor General Office staff in Kogi and Benue State for the study.

		Kogi		Benue		
S/N	Ranks	Accountant General	Auditor General	Accountant General	Auditor General	**Total**
1	Chief Accountants	15	10	20	15	60
2	Asst. Chief Accountants	40	8	33	10	91
3	Principal Accountants	65	25	70	29	189

4	Senior Accountants	75	19	69	12	175
5	Accountant I	105	10	120	14	249
6	Accountant II	88	12	90	18	208
	Total	**388**	**84**	**402**	**98**	**972**

Source: Field Survey, 2016

In determination of sample size for the study, the researcher used the Taro Yamane method to determine the sample size as follows:

$n = N/(1+Ne^2)$

Where:

N = the population size; e= estimated error of 5% n = sample size 1= constant

Applying the formula;

Sample size $= N/ (1+Ne^2) = 972/ (1+972(0.05)^2)$

Sample size = 972/ (1+2.43) =972/3.43 =283.38 approx. 283

Apportionment of total sample size (283);

Kogi state = (472 x 283) / 972 =137

Sample size for accountant general office (137*388/472=113)

Sample size for auditor general office (137*84/472=24)

Benue state= (500 x 283)/972 =146

Sample size for accountant general office (146*402/500=117)

Sample size for auditor general office (146*98/500=29)

The stratified random sampling technique was used to allocate the questionnaires among the accountant general staff and auditor general staff in Kogi and Benue state. Their population proportion was used to determine the sample size for each cadre or rank of officers in the two states. Table 3.2 showed the proper details.

Table 3.2: Sample size of Kogi State and Benue state Accountant general and auditor general staff for the study

		Kogi		**Benue**		
S/N	Ranks	Accountant General	Auditor General	Accountant General	Auditor General	**Total**
1	Chief Accountants	4	3	6	4	17
2	Asst. Chief Accountants	12	2	10	3	27
3	Principal Accountants	19	7	20	9	55
4	Senior Accountants	22	6	20	4	52
5	Accountant I	31	3	35	4	73
6	Accountant II	25	3	26	5	59
	Total	**113**	**24**	**117**	**29**	**283**

Source: Field Survey, 2016

Two hundred eighty-three (283) copies of the questionnaire were administered directly to the respondents by the researcher and research assistants. Questionnaires that were filled on the spot were collected immediately, while questionnaires from those who could not respond on the spot were collected later on appointment within space of two weeks. Repetitive visit was made in order to achieve a good rate of return. The validity of the questionnaire was determined by two experts, one from faculty of Education, and one from management science, Kogi State University. The researcher presented the thesis topic, objectives, research questions and hypotheses with the draft questionnaire to the experts and requested them to consider the length of the entire instrument, suitability of the items, and precision of instructions, and freely restructure instrument items as they deem fit to ensure that the instrument serves its purpose effectively. The experts agreed with the response options (i.e. Strongly agree, agree undecided, disagree and strongly disagree).

Test-retest reliability was used to establish the reliability of the instrument. The instrument was administered on respondents who were not part of the study population. Their responses were subjected to Test-retest reliability analysis, using Cronbach Alpha to determine the reliability co-efficient. Cronbach Alpha is the current widely used procedures for estimating the internal reliability of survey instrument. According to [63] a Cronbach's Alpha estimate (0.60 to 0.8) of an instrument is reliable. Overall reliability co-efficient of 0.781 were obtained for the instrument, hence it was adjudged reliable for the study. The primary data was analyzed using mean, standard deviation; line graph estimated

marginal means and ANOVA-factorial design (General Linear Model Univariate analysis) were used to analyze the primary data via Statistical Package for Social Science Students (SPSS) Version 20. The boundary limits of number were used as shown below to facilitate decision making:

Table 3.3: ***The boundary limits of number***

Response Options	Codes	Rating Point	Boundary Limits
Strongly agree	SA	5	4.50 – 5.00
Agree	A	4	3.50 - 4.49
Undecided	U	3	2.50 – 3.49
Disagree	D	2	2.00 – 2.49
Strongly |disagree	SD	1	0.00 – 1.99

Source: Researcher

The decision rule was based on the mean rating which was calculated as follows:
(5+4+3+2+1)/4 = 15/5 = 3.00 Therefore, an item with a mean rating of 3.00 and above shows that respondents agree with the statement while mean rating below 3.00 it means that respondents disagree with the statement. A null hypothesis was accepted if the p-value is equal to or greater than the level of significance (5%= 0.05) or otherwise reject and accept the alternate hypothesis (H_a).

4. Data Presentation and Analysis

4.1 Respondents' profile

Table 4.1.1: Administration Questionnaire

States	Copies Distributed	Copies Returned	Copies unreturned	Percentage of copies returned (%)
Kogi	137	125	12	48.82
Benue	146	131	15	51.18
Total	**283**	**256**	**27**	**100**

Source: Researcher's Computation via SPSS version-21

Table 4.1.1 showed the questionnaires distributed to respondents in Kogi state and Benue state in the two offices (i.e. accountant general and auditor general), a total of two eighty-three questionnaires were distributed out which two hundred and fifty-six were returned and twenty-seven questionnaires were not returned. Kogi and Benue received one hundred thirty-seven (137) and one hundred forty-six (146) questionnaires out of which one hundred and twenty-five (125) and one hundred and thirty-one (131) questionnaires were returned; these represent 48.82% and 51.18% respectively. While, unreturned questionnaires were twelve (12) and fifteen (15) copies for Kogi and Benue respectively.

Table 4.1.2: Respondents' Office and Rank Distribution

Offices / Ranks	Office of Accountant General	Office of Auditor General	Total	Percentage (%)
Chief Accountant	7	9	16	6.25
Asst. Chief Accountant	13	12	25	9.77
Principal Accountant	24	25	49	19.14
Senior Accountant	25	21	46	17.97
Accountant I	30	35	65	25.39
Accountant II	26	29	55	21.48
Total	**125**	**131**	**256**	**100**

Source: Researcher's Computation via SPSS version-21

Table 4.1.2 shows the questionnaires retrieved from the respondents based on their offices and ranks, 16, 25, 49, 46, 65 and 55 questionnaires were retrieved from chief accountants, assistant chief accountants, principal accountants, senior accountants, accountants I and accountants II respectively. These made up the valid questionnaires analyzed .

4.2 Answers to Research Questions

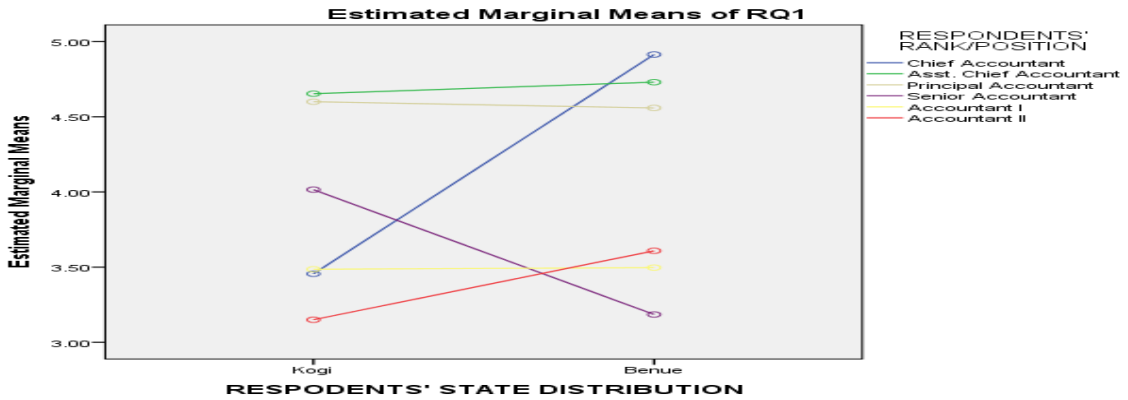
To what extent has IPSAS adoption affect Nigeria stakeholders' perception of Nigerian public sector's financial reporting transparency, methods, costs and benefits?

Table 4.2.1: Descriptive Statistics of Respondents' mean rating of transparency and stewardship in Nigeria public sector's financial reporting.

Respondents' State	Respondents' Rank	Mean	SD	Remarks
Kogi	Chief Accountant	3.46	.6187	**Agree**
	Asst. Chief Accountant	4.65	.3292	**Agree**
	Principal Accountant	4.60	.3078	**Agree**
	Senior Accountant	4.02	.6637	**Agree**
	Accountant I	3.49	.8179	**Agree**
	Accountant II	3.15	1.1923	**Agree**
	Total	3.86	.9186	**Agree**
Benue	Chief Accountant	4.91	.1464	**Agree**
	Asst. Chief Accountant	4.73	.0949	**Agree**
	Principal Accountant	4.56	.3065	**Agree**
	Senior Accountant	3.19	1.0184	**Agree**
	Accountant I	3.50	.7290	**Agree**
	Accountant II	3.61	.6595	**Agree**
	Total	3.88	.8658	**Agree**
Total	Chief Accountant	4.09	.8782	**Agree**
	Asst. Chief Accountant	4.68	.2609	**Agree**
	Principal Accountant	4.58	.3045	**Agree**
	Senior Accountant	3.66	.9251	**Agree**
	Accountant I	3.49	.7721	**Agree**
	Accountant II	3.44	.9075	**Agree**
	Total	**3.87**	**.8903**	**Agree**

Source: Researcher's Computation via SPSS version-21

Figure 4.2.1: **Line graph of estimated marginal respondents' mean scores of transparency in Nigeria public sector's financial reporting**



Source: Researcher's design via SPSS version-21

Figure 4.2.1 showed the graphical illustration of the mean interaction effect of the IPSAS adoption in Nigeria public sector on stakeholders' perception, based on the rank and state levels; the lines which represent the connecting points between the various ranks and states levels are non-parallel (i.e. crossing each other) lines that indicate mean interaction effect.

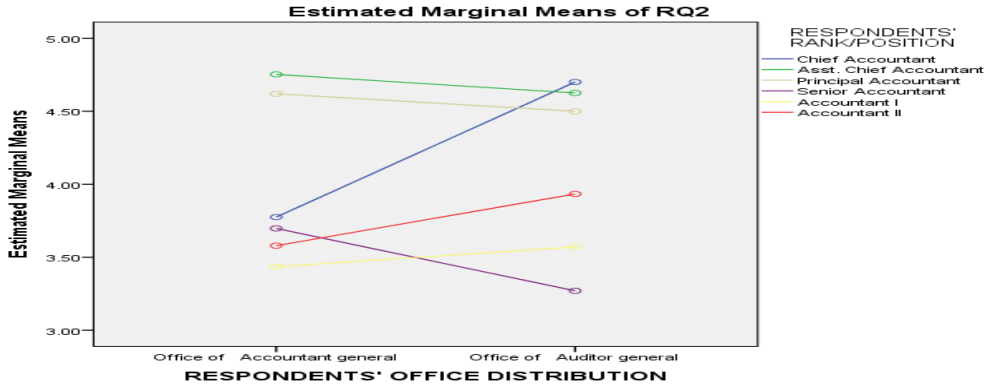
Table4.2.2: Descriptive statistics of respondents' mean rating of method of accounting in Nigeria public sector's financial reporting.

Respondents' Office	Respondents' Rank	Mean	SD	Remark
Office of Accountant general	Chief Accountant	3.78	1.148	**Agree**
	Asst. Chief Accountant	4.75	.1692	**Agree**
	Principal Accountant	4.62	.3043	**Agree**
	Senior Accountant	3.69	.9673	**Agree**
	Accountant I	3.43	.6586	**Agree**
	Accountant II	3.58	1.0329	**Agree**
	Total	3.89	.9175	**Agree**
Office of Auditor general	Chief Accountant	4.70	.0000	**Agree**
	Asst. Chief Accountant	4.63	.1500	**Agree**
	Principal Accountant	4.50	.3338	**Agree**
	Senior Accountant	3.27	1.5585	**Agree**
	Accountant I	3.57	.6001	**Agree**
	Accountant II	3.93	.4658	**Agree**
	Total	3.94	.9327	**Agree**
Total	Chief Accountant	4.01	1.0668	**Agree**
	Asst. Chief Accountant	4.73	.1701	**Agree**
	Principal Accountant	4.60	.3089	**Agree**
	Senior Accountant	3.60	1.1159	**Agree**
	Accountant I	3.46	.6474	**Agree**
	Accountant II	3.66	.9465	**Agree**
	Total	**3.91**	**.9187**	**Agree**

Source: Researcher's Computation via SPSS version-21

Table 4.2.2 shows the descriptive statistics of respondents' mean rating of accountant general and auditor general staff in Kogi and Benue states. The respondents collectively agreed that the methods of accounting has improved Nigerian public sector financial reporting and is due to the IPSAS adoption.

Figure 4.2.2: **Line graph of estimated marginal respondents' mean rating of methods of accounting in Nigeria public sector's financial reporting**



Source: Researcher's design via SPSS version-21

Figure 4.2.2 showed the graphical illustration of the mean interaction effect of the stakeholders' perception on IPSAS adoption in Nigeria public sector based on the rank and office levels; the lines which represent the connecting points between the various ranks and offices levels are non-parallel (i.e. crossing each other) lines that indicate mean interaction effect. But it was disconnected at senior accountants, chief accountants and office of accountant general.

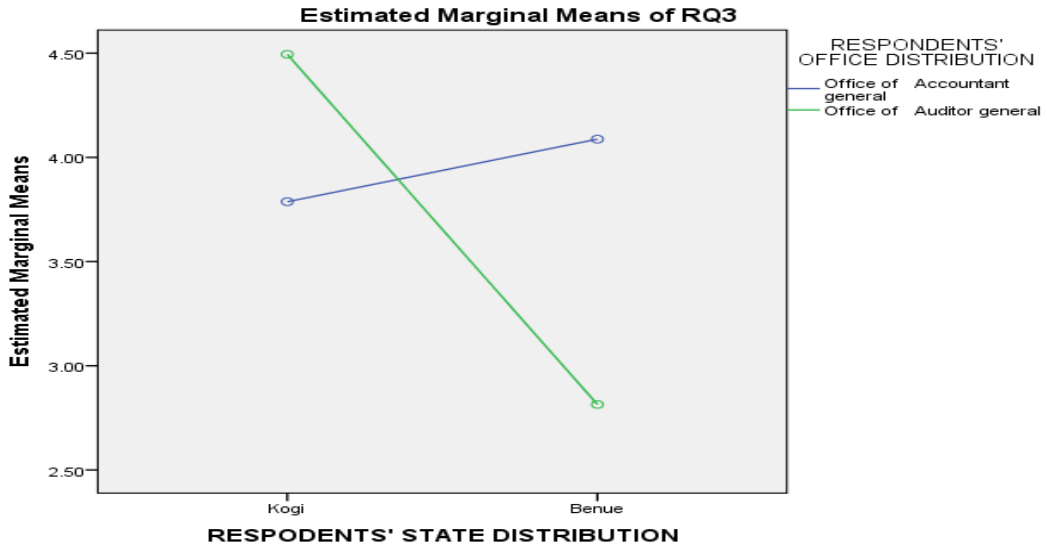
Table4.2.3: Descriptive Statistics of Respondents' mean rating of IPSAS implementation's costs and benefits in Nigeria public sector's financial reporting.

Respondents' State Distribution	Respondents' Office Distribution	Mean	SD
Kogi	Office of Accountant general	3.79	.9845
	Office of Auditor general	4.49	.3050
	Total	3.93	.9341
Benue	Office of Accountant general	4.09	.8899
	Office of Auditor general	2.81	.8262
	Total	3.86	1.0019
Total	Office of Accountant general	3.94	.9463
	Office of Auditor general	3.69	1.0424
	Total	**3.89**	**.9680**

Source: Researcher's Computation via SPSS version-21

Table 4.2.3 shows the descriptive statistics of respondents' mean rating of accountant general and auditor general staff in Kogi and Benue states. The respondents all agreed that the adoption of IPSAS has greater benefit in Nigerian public sector financial reporting and it leads to cost minimization.

Figure 4.2.3: **Line graph of estimated marginal respondents' mean scores of IPSAS implementation's costs and benefits in Nigeria public sector's financial reporting.**



Source: Researcher's design via SPSS version-21

Figure 4.2.1 showed the graphical illustration of the mean interaction effect of the stakeholders' perception on IPSAS adoption in Nigeria public sector based on the office and state levels; the lines which represent the connecting points between the various office and states levels are non-parallel (i.e. crossing each other) lines that indicate mean interaction effect.

4.3 Test of Hypotheses

i. The effect of IPSAS adoption on Nigerian stakeholders' perception of transparency and stewardship in Nigerian public sectors' financial reporting is not significant.

Table4.3.1: Tests of Between-Subjects Effects of respondents' state and rank

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	82.233[a]	11	7.476	15.215	.000
Intercept	3119.550	1	3119.550	6348.969	.000
States	**1.749**	**1**	**1.749**	**3.560**	**.060**
Ranks	**66.363**	**5**	**13.273**	**27.013**	**.000**
States * Ranks	**18.819**	**5**	**3.764**	**7.660**	**.000**
Error	119.889	244	.491		
Total	4039.150	256			
Corrected Total	202.122	255			
a. R Squared = .407 (Adjusted R Squared = .380)					

Source: Researcher's Computation via SPSS version-21

Table 4.3.1 shown the main and interaction mean effect of respondents' states and rank (i.e. between subjects); we can see from table 4.3.1 that there is no statistically significant difference in stakeholders' perception mean rating of IPSAS adoption and Nigeria public sector stewardship and transparency in financial reporting between chief accountants and other ranks (p<.05); but there was statistically significant difference between state levels (p =.060).

A two-way ANOVA was conducted that examined the effect of states and ranks level on stakeholders' perception of IPSAS adoption and Nigeria public sector stewardship and transparency in financial reporting. There was a statistically significant interaction between the effects of states and ranks level on stakeholders' perception [F (5, 244) = 7.66, p = .000]. Based on the analysis above we accept the alternate hypothesis (H_a) and reject the null hypothesis (H_0) and conclude that the effect of IPSAS adoption on Nigerian stakeholders' perception of transparency and stewardship in Nigerian public sectors' financial reporting is statistically significant.

ii. The effect of IPSAS adoption on Nigerian stakeholders' perception of methods of accounting in Nigerian public sector financial reporting is not significant.

Table4.3.2: Tests of Between-Subjects Effects of respondents' office and rank

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	67.106[a]	11	6.101	10.051	.000
Intercept	2072.564	1	2072.564	3414.607	.000
Offices	**.484**	**1**	**.484**	**.798**	**.373**
Ranks	**32.938**	**5**	**6.588**	**10.853**	**.000**
Offices * Ranks	**5.294**	**5**	**1.059**	**1.744**	**.125**
Error	148.101	244	.607		
Total	4115.990	256			
Corrected Total	215.207	255			
a. R Squared = .312 (Adjusted R Squared = .281)					

Source: Researcher's Computation via SPSS version-21

Table 4.3.2 shown the main and interaction mean effect of respondents' offices and rank (i.e. between subjects); we can see from table 4.3.2 that there is no statistically significant difference in stakeholders' perception mean rating of IPSAS adoption and Nigeria public sector methods of accounting in financial reporting between accountant general office and auditor general office (p=.373); but there was statistically significant difference between rank levels (p < .000).

A two-way ANOVA was conducted that examined the effect of offices and ranks level on stakeholders' perception of IPSAS adoption and Nigeria public sector methods of accounting in financial reporting. There was no statistically significant interaction between the effects of offices and ranks level on stakeholders' perception [F (5, 244) = 1.744, p = .125]. Based on the analysis above we reject the alternate hypothesis (H_a) and accept the null hypothesis (H_0) and conclude that the effect of IPSAS adoption on Nigerian stakeholders' perception of methods of accounting in Nigerian public sector financial reporting is not significant.

iii. The effect of IPSAS implementation's cost and benefits on Nigerian stakeholders' perception in Nigerian public sector financial reporting is not significant

Table4.3.3: Tests of Between-Subjects Effects of respondents' state and office

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	41.016[a]	3	13.672	17.406	.000
Intercept	2243.984	1	2243.984	2856.766	.000
States	**18.538**	**1**	**18.538**	**23.600**	**.000**
Offices	**3.119**	**1**	**3.119**	**3.970**	**.047**
States * Offices	**38.182**	**1**	**38.182**	**48.609**	**.000**
Error	197.946	252	.785		
Total	4123.934	256			
Corrected Total	238.962	255			
a. R Squared = .172 (Adjusted R Squared = .162)					

Source: Researcher's Computation via SPSS version-21

Table 4.3.3 showed the main and interaction mean effect of respondents' states and offices (i.e. between subjects); we can see from table 4.3.3 that there is statistically significant difference in stakeholders' perception mean rating of IPSAS adoption and Nigeria public sector cost and benefits in financial reporting between state levels (i.e. Kogi and Benue States) (p=.047); and there was statistically significant difference between office levels (i.e. accountant general office and auditor general office) (p=.047).

A two-way ANOVA was conducted that examined the effect of offices and ranks level on stakeholders' perception of IPSAS adoption and Nigeria public sector cost and benefits in financial reporting. There was statistically significant interaction between the effects of states and offices levels on stakeholders' perception [F (5, 244) =48.609, p = .000]. Based on the analysis above we reject the alternate hypothesis (H_a) and accept the null hypothesis (H_0) and conclude that the effect of IPSAS implementation's cost and benefits on Nigerian stakeholders' perception in Nigerian public sector financial reporting is significant.

4.4 Summary of Findings,

i. There was a statistically significant interaction between the effects of states and ranks level on stakeholders' perception [F (5, 244) = 7.66, p = .000]. The effect of IPSAS application Nigerian stakeholders' perception of transparency and stewardship in Nigerian public sectors' financial reporting is statistically significant.

ii. There was no statistically significant interaction between the effects of offices and ranks level on stakeholders' perception [F (5, 244) = 1.744, p = .125]. The effect of IPSAS adoption on Nigerian stakeholders' perception of methods of accounting in Nigerian public sector financial reporting is not significant.

iii. There was statistically significant interaction between the effects of states and offices levels on stakeholders' perception [F (5, 244) =48.609, p = .000]. The effect of IPSAS implementation's cost and benefits on Nigerian stakeholders' perception in Nigerian public sector financial reporting is significant.

5. Conclusion and Recommendations

The findings from the analysis and hypotheses tested revealed that the application of IPSAS will improve accountability and quality of financial reporting in Nigerian Public Sector, and also the benefits of application of IPSAS will override the costs in Nigerian Public Sector. This result is in line with [1, 5, 32] finding that the accrual basis of accounting should be adopted by all government ministries and extra-ministerial departments in Nigeria. [10] does not claim ultimate superiority of accrual over cash accounting, but shows how it will help to further strengthen the quality of government accounting and reporting. The study of [60] finds that implementation of accrual accounting has beneficial effect on efficiency, effectiveness and accountability in Australia public sector. The results of [1] and [60] corroborated with our findings but negate the finding of [10]. [13]claimed that the adoption of an accrual based regime in the Australia public sector had positive

impact through enhanced efficiency, effectiveness, accountability and allowed for better costing of programmes and services provided by government this also corroborated with our result . [3] showed that there is weak accountability in Nigeria due to weak accounting infrastructure, poor regulatory framework and attitude of government officials.

Even though the respondents indicated that implementation of IPSAS in the Nigerian public sector would significantly improve transparency but there are some challenges that may hinder the adoption and realization of the objective such as insincerity among the government officers, lack of professionals in the field, inadequate training of public accountants, laxity on the part of the public servants in generating accounting information and delay in capturing the new system; lack of independence by government managers. However, the balance between costs and benefits of adoption of IPSAS in the Nigerian public sector is still a critical issue among practitioners, but from the above, benefits had overrides the costs. This study has contributed to building up literatures on the assessment of the ability of IPSAS accounting implementation in Nigerian to achieve the desired financial reporting objectives of accountability, transparency and improvement of quality on financial reporting in Nigerian public sector. Based on the findings, the study therefore recommends as follows:

1. Adoption of IPSAS is implemented to improve accountability in the financial reporting of Nigerian Public Sector.
2. Adoption and implementation of IPSAS is a welcome development that will facilitate the quality of accounting reporting in the Nigerian Public Sector.
3. Since the benefits of adoption of IPSAS override the costs in Nigerian Public Sector, it should be embraced in its entirety.
4. For accountability to be assured, Government should provide the legal framework for proper and effective implementation of IPSAS accrual basis of accounting in Nigerian Public Sector.
5. Efforts should be made to enshrine the requirements of IPSAS accrual basis into the appropriate regulatory systems in order to ensure quality of accounting reporting in the Nigerian Public Sector.
6. Also the constitution of the Federal Republic of Nigeria needs some reviews for implementation of IPSAS to ensure strict compliance; this will also help to keep the government officers on their toes to ensure that the adoption is taken very seriously.

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