Effect of International Public Sector Accounting Standards (IPSASs) on Information Delivery and Quality in Nigeria

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Abstract

This study examined the effect of International Public Sector Accounting Standards (IPSASs) on information delivery in Nigeria. The study employed primary data with the study population of seven hundred and ninety nine (799) of which the samples were sourced from the Federal Ministry of Finance, FCT-Abuja and Ekiti State Ministry of Economic Planning and Budget, Ado-Ekiti. Two hundred and sixty-six (266) questionnaires were distributed and all retrieved. One hundred and eighty-three (183) from the Federal Ministry of Finance, FCT-Abuja and eighty-three (83) from Ekiti State Ministry of Economic Planning and Budget, Ado-Ekiti using Taro Yamane's sample size method. The result of the Cronbach's Alpha test showed that the questionnaire containing 30 items was reliable with a significant value of 0.813 representing 81.3%. The result of OLS regression of Pre and Post-IPSASs revealed that the coefficient of determination (R^2) was 0.510 representing 51.0%, F-test with a value of 136.992 and its P-values were 0.000 which imply that the explanatory variables are positively significant except Understandability that is negatively significant. The study concluded that adoption of IPSAS increased the quality of information delivery thus enhanced level of accountability and transparency of Nigeria public sector. The study recommended that regulatory authorities should adopt adequate measures to ensure compliance by those saddled with the responsibility of preparing public sector financial statements. Also, measures should be taken to enhance the disclosure of relevant financial information that will help users take useful economic decisions.

Keywords: *Traditional Accounting System, IPSASs, Information Delivery, Accountability*

1.0 Introduction

The basic reason that governments at all levels concern themselves primarily with the preparation and presentation of financial statements is to give account of stewardship. Since the main goal of government is not to make profit but instead is to provide essential services. And government exits to serve the interests of the citizens and ensure that their needs are met efficiently and effectively. Government can only achieve these goals through a well-defined criteria and standards against which actual performance would be measured.

The means through which the financial and operational activities of government are reported have been the concern of the stakeholders in the public sector. In the words of Olomiyete (2014), the ills of the Nigerian public sector have been identified at various fora to include lack of financial accountability and poor reporting of government performance. With the enthronement of democracy, citizen's expectations from government are drifting from mere provision of public services to efficiency and accountability. He opined that one of the major challenges to achieving accountability in Nigeria is the capability of the cash basis of accounting to meet the reporting requirements of policies and programme of the government. More often than not, this is sequel to the fact that ownership and management are separated in most organisations and /or entities government inclusive. It behoves management to give proper record of stewardship of the resources entrusted to it.

The principles of agency theory hold here, which will be discussed later in this work, the agent is obliged to give proper account to his principal. The same relationship subsists between the citizens and the public office holders. Citizens and regulators are calling for higher levels of transparency and accountability in all areas of business especially in public services. Not that alone they want to know how effective and efficient the resources entrusted into their care have been utilised. In World Bank (1992) research, it was found out that there was a significant relationship between good governance and high level of performance. This generated the issue of using appropriate accounting method and today, many countries governments and international organisations are adopting accrual based International Public Sector Accounting Standards (IPSASs) to improve governance and control which is the practice in the private sector.

Alan and Susan (2007) observed that the rate of change affecting the world of public sector management show no sign of slowing down especially with apparent shrink in geographical boundaries among nations of the world. Because of this, governments across the world are constantly searching for ways to improve their public financial management systems. Hence, it is a sine qua non for public sector administrators to harness the opportunities of globalisation such as access to international finance, collaboration, international markets for domestic products and grants. To harness the above, it is paramount to evolve uniform standards of financial reporting unlike in the previous years when nations of the world had only been concerned in setting financial reporting standards in their own defined territories. The uniform standards will provide a framework that will guide the preparation and presentation of financial statements to ensure that such statements are comprehensive and present the same information to global users. Ijeoma & Oghoghomeh (2014) stressed that over the years countries of the world have defined and set the standards of financial reporting in their individual territories. However, globalization has brought about ever increasing collaboration, international trade and commerce among the countries of the world; hence, there is dire need for increased uniformity in the standards guiding financial statements so that such statement would remain comprehensible and convene the same information to users across the world. The need for the development of unified accounting standards has been the primary driver of IPSASs for public sector financial reporting. While the commercial entities across the world are moving toward International Financial Reporting Standards (IFRSs), governments are harmonizing with International Public Sector Accounting Standards (IPSASs).

Udeh & Sopekan (2015) noted that the aim of the International Public Sector Accounting Standards Board (IPSASB) in embarking on a new GAAP project specifically for the public sector is to improve the quality of general purpose financial reporting by public entities, leading to better informed assessment of the resource allocation decisions made by governments, thereby increasing transparency and accountability. The result is the production of IPSASs which guide financial reports and preparers of financial statements under new accounting and financial reporting framework. Before the public financial management reforms, government operations were driven by a cash-based accounting of reporting which this study is set to compare with IPSAS via-a-vis its impact on the information delivery of public sector entities. The Federal Executive Council of Nigeria at its sitting of 28th July, 2010 approved the adoption of the International Public Sector Accounting Standards (IPSASs) and International Financial Reporting Standards (IFRSs) for the public sector and private sector of the economy respectively. Federation Accounts Allocation Committee (FAAC) in its meeting held on 13th June, 2011 set up a sub-committee to provide roadmap for the adoption of IPSASs in the three tiers of government. The meeting appointed six Accountants-General of the states to serve as coordinators for each of the geopolitical zones, who are to continually monitor the implementation in the states and brief the AGF (FAAC 2013). This Sub-Committee had since commenced work but the question is- has the impact been felt? The adoption is in phases as follows; full adoption of IPSASs cash basis in 2014 and full adoption of IPSASs accrual basis with effect from 2016. The International Public Sector Accounting Standards govern the accounting system of the public sector entities, with the exception of Government Business Enterprises (GBEs). GBEs apply International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The accounting and reporting of Government operations and financial activities were done on a IPSAS cash basis for the period of two years (2014-2015), while the full IPSASs accrual-based accounting took off on 1st January, 2016 in compliance with the Federal Government of Nigeria IPSASs adoption Roadmap (FAAC

2013). Hence, there is dearth of research on the impact of adoption of IPSASs on the information delivery of public sector entities in Nigeria.

Based on the above background, the study aims to assess the effect of adoption of IPSASs on information delivery of Nigerian public sector entities. The motivation of the study is to determine whether the adoption of IPSASs would enable citizens ask questions on the financial reports over and above cash based accounting system that has been in practice for years. The second was to determine how the adoption of IPSASs would promote transparency and accountability in public financial management.

There were wide agitations for a shift from the cash-based accounting system to IPSASs especially since the introduction of the new public financial management, thus the proponents of public sector financial management reforms (Andrews 2002; Pollit 2003; Barrett 2006; Ibanuchuka & James 2014; Rao 2014) have agitated for an extensive application of business-like practices in the financial management and reporting system of the public sector. Some authors however still advocate for cash basis of accounting on the grounds that many governments have retained the cash basis of accounting because of its simplicity. For instance, Osmond (2009) opines that small municipalities that do not engage in numerous or large financial activities still need cash basis of accounting and may not require accrual accounting.

Recent studies (Ijeoma & Oghoghomeh 2014; Udeh & Sopekan 2015; Erin, Okoye, Modebe & Ogundele 2016) posited that adoption of IPSASs by the government of Nigeria will improve both the accountability and comparability of financial information reported by public sector entities around the world. Ofoegbu (2014) however noted that people have doubted whether the adoption and implementation of accrual accounting method (IPSASs) will yield the benefits of transparency, accountability and improvement of quality of accounting information. This doubt arises basically 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 met with failure. it is instructive to note that there is poor accountability of government fund by public servants in Nigeria which has not only increased the height of corruption but has also resulted in huge loss of resources (both human and natural) and decay of economic infrastructures within the economy. Capital flight, brain drain, sharp practices have become the order of the day. It is yet to be known whether traditional accounting system has answers to all these problems. This study is therefore aimed at examining the effect of IPSASs adoption on the quality of information delivery if it would curb the menace of poor accountability and financial reporting in Nigerian public sector.

The objective of this study is to evaluate the effect of post-IPSASs adoption on public sector information delivery in Nigeria; and examine the quality of information delivery in the pre and post IPSASs adoption in Nigeria's Public sector.

The scope of this research work focuses on the assessment of IPSASs and traditional accounting system on the quality of information delivery in Nigeria. The study focuses on the users and preparers of financial statements of public sector entities in Nigeria particularly those who have knowledge of accounting such as Accountants, Auditors, Bankers/or Financiers, Financial Analysts, Creditors, Civil Service Union and the general public. These categories of users/preparers constitute the members of staff in Federal Ministry of Finance/Accountant General of the Federation's (AGF) Office, Abuja-FCT and Ekiti State Ministry of Economic Planning and Budget/Accountant General's Office, Ado-Ekiti.

2.0 Literature Review

Financial Reporting Standards

Financial reporting standards are policy documents or written statements issued from time to time by an apex expert accounting body or institution in relation to various aspects of measurement, treatment, and disclosure of accounting transactions and events for ensuring uniformity in accounting practices and reporting (Mainoma & Adejola 2010). They are rules of professional conduct, which professional accountants are expected and mandated to comply with while preparing and presenting financial statements. Examples include Statement of Accounting Standards (SAS), International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), International Public Sector Accounting Standards (IPSAS), etc. Otunla (2014) opined that accounting standards apply to the annual reports and accounts or financial statements published by big companies and corporations incorporated under Companies and Allied Matters Act in Nigeria and relevant legislations/laws in other countries. Accounting Standards are detailed working regulations within the framework of government legislation and they cover areas where the law is silent. They have no direct legal effect and are not intended to override exemption from disclosure requirements, which are enjoyed by certain classes of the company under company law. These standards are used as guides in the preparation and presentation of financial information of the public sector entities alongside with the countries' financial legal framework.

International Public Sector Accounting Standards (IPSASs)

International Public Sector Accounting Standards (IPSASs) are a set of accounting standards issued by the International Public Sector Accounting Standards Board for use by public sector entities around the world in the preparation of financial statements (Otunla 2014). These standards are government's version of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). IPSASs are issued by IPSASB (International Public Sector Accounting Standards Board), an independent organ of IFAC (International Federation of Accountants). The IPSASB adopts a due process for the development of IPSASs that provides the opportunity for comment by interested parties including auditors, preparers (including finance ministries), standard setters, and individuals. IPSASB's meetings to discuss the development and to approve the issuance of IPSASs or other papers are open to the public. Agenda papers, including the minutes of the meetings of the IPSASB, are published on the IPSASB's website: www.ipsasb.org. Observers on the IPSASB meetings include ADB, EU, IASB, IMF, INTOSAI, OECD, UN, UNDP and the World Bank.

IPSASs aim 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. IPSASs 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. IPSASs do not apply to government business enterprises (IPSAS Outlook, 2014).

Accrual Based IPSASs

Otunla (2014) enumerated the benefits of the adoption of IPSASs in Nigeria to include: accountability: increased disclosure in accounting reports; transparency: full disclosure of government financial transactions; decision making: provide the executive and legislature with bases for their decisions on the allocation of resources; improved Credibility/Integrity: standards are independently set and known worldwide; International Best Practice & Comparability: IPSAS seeks to ensure that financial statements are comparable across jurisdictions; enables stakeholders to assess how well their resources have been utilized; basis for efficient and effective public sector management; enhanced Implementation of the Freedom of Information (FOI) Act 2011. The accountability and transparency requirements of IPSASs are consistent with and support the provisions of the Nigerian FOI Act 2011 which seeks to promote access to government information.

Both Nongo (2014) and Otunla (2014) at separate presentation agreed that the following milestones have been achieved by the FAAC Sub-Committee that is saddled with the responsibility of seeing the adoption through: Enlightenment/Sensitization: Political Leaders in the three tiers of Government on the need for the adoption of IPSAS; exposure of IPSAS to stakeholders in the three tiers of Government; sensitization workshops for stakeholders in the six geopolitical zones of the country; procurement and distribution of a book titled

"IPSAS Explained" by Thomas Muller; and training of identified key stakeholders. Training on the developed National Chart of Accounts (NCOA), Users' Manual of the NCOA and the format of the General Purpose Financial Statements (GPFS) for IPSAS Cash and Accrual; conducted Gap Analysis of IPSAS in the Federal Government.

Key Success Factors of IPSASs Adoption

Having shown such a great zeal and commitment on the part of both the government and the FACC Sub-Committee to steer the ship of transition from cash to accrual basis IPSAS, the following factors have seemed to add more caps to their feathers. Sustained political will, approval of FEC and FAAC, technical capacity- training, re-training and personal development, public orientation and enlightenment. Automated Information Systems-GIFMIS Platform, adequate finance, modular implementation-NCOA, Budget reform and partial legal framework (Otunla 2014).

The newly published IPSAS 33- First-time adoption of accrual basis IPSASs on 29 January 2015. IPSASB issued IPSAS 33 to assist with the transition process. IPSAS 33 provides transitional exemptions to entities that are adopting accrual-based IPSAS for the first time.

Challenges of IPSAS Adoption

It is a fact that no matter how good a system is, it cannot but have some challenges. Otunla (2014) did not mince words when he highlighted the challenges facing the adoption and transition processes thus: seamless consolidation of the Fiscal Reports of the three tiers of government with uniform reporting format of having the same Chart of Accounts. Need for the right staffing skills and levels, relevant enabling legislations need to be changed in line with the reality of the requirements of IPSAS. IT Hardware and Software development to automate the process are very vital. Relevant Accounting manuals are reviewed and rewritten, training and retraining of accounting personnel. Central guidance is critical, automation of the business process is very critical and change Management Accounting curricula need to systematically convey IPSAS to students of Accountancy. Continuing Professional Education (CPE) on ethics and professional responsibility is necessary. The profession needs to make a commitment to producing IPSAS specialist. Such experts will be available to resource persons in cases where IPSAS is in use.

Traditional Accounting System

Traditional accounting system refers to the accounting system employed by the Nigerian government prior to the adoption of IPSASs. Adams (2006) conceptualized the following as the basis under which financial statements of an enterprise are compiled. They are: a) cash basis b) commitment basis and c) accrual basis d) budgetary basis e) modified cash basis f) modified accrual basis. Government financial reporting system has been driven majorly by cash and commitment bases simply because much emphasis is laid on monitoring budgetary provisions. Cash basis is a basis of accounting where only cash receipts and payments are recognized. It's advantage is that its operation is very simple, easy to learn and it reduces paper work. It allows for simple and unambiguous comparison between budgeted account and the actual amount spent, thereby promoting control and accountability. Its major disadvantage is that it does not match expense with the revenue it generated (Adriana & Alexandra 2014).

Commitment basis, on the other hand, records financial transactions from the board room where management takes the decision to spend money. Once such decisions are taken money would be set aside, and such fund cannot be expended for any reason other than the purpose for which it has been earmarked. This is a basis that records anticipated expenditure evidenced by a contract or a purchase order as determined by the administration. In government finance, budgetary and accounting system is closely related to commitment basis (Adams 2006). This seems to be close to accrual accounting. In another parlance, it is called modified accrual basis.

Public Sector Financial Reporting

Public sector financial reporting is a process of recording, summarizing, analyzing, interpreting and communicating government financial information in aggregate and in details (Adams 2006). According to Ifezue (2006), described public sector financial reporting as the information system that records, analyzes, classifies, summarises 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, organising and control and the preparation and provision of financial statements and fiscal reports under specific accounting and reporting standards for external users.

Sakurachi (2002) opined that public sector financial reporting is an accounting method which applied to non-profit pursuing entities in the public sector- including central and local governments, and quasi-governmental special corporations- which the size of profits does not provide an effective measurement for evaluating performance. And as such, the pursuance of profits is not the purpose of public sector economic entities.

Purpose of Public Sector Financial Reporting

The Nigeria system of government accounting has its roots from the British Colonialists. The primary focus of financial accounting and reporting in those early days was determining whether cash, usually generated from general tax levies to support current operating activities was collected in amounts that at least equaled the cash paid for those purposes and whether laws restricting the collection and expenditure of public funds were followed by those who administered the programme. In the light of financial (control and management) Act No. 33, 1985, Anyanfo (2004) states the objectives of government accounting is: to ensure that a full account is made to the Legislature on management of public finances and its financial control as prescribed by the operator in accordance with the provisions of the Constitution of the Federal Republic of Nigeria (Section 5). And to enable the Accountant-General to present to the Auditor-General for audit purposes, the accounts showing fully the financial position as at the last day of each financial year of the Consolidated Revenue Fund and all other Government funds (Section 24). In other words, the purpose of government accounting is to provide information about the economic and financial affairs of government institutions, agencies, and units.

Characteristics of Financial Information

According to Nyor (2013), the characteristics of financial information are divided into two: fundamental and enhancing qualitative characteristics. The quality of the information provided in the financial statements determines the usefulness of the reports to the users. The fundamental financial information characteristics are: relevance requires that the financial accounting information should be such that the users need it and it is expected to affect their decisions. Faithful representation means that the financial information contained in the financial statements represent faithfully the underlying economic transactions that have taken place within the period under review. Comparability is one of the key qualities which accounting information must possess. Accounting information is comparable when accounting standards and policies are applied consistently from one period to another and from one region to another. Understandability is one of the four enhancing qualitative characteristics of financial accounting information. The other being verifiability, comparability, and timeliness. Understandability refers to the quality of financial information which makes it understandable by people with reasonable background knowledge of business and economic activities.

Theoretical Review

Principal-Agent Theory

Ross and Mitnick proposed independently the creation of agency theory in 1972 (Ross 1974; Mitnick 2006). Efobi and Bwala (2013) wrote that the seminar works of Meckling and Jenson (1976) and Fama and Jensen (1983) have been widely attributed to have propagated the agent-principal relationship. This is often called agency theory. This theory opines that there are times when conflict arises between the principal (providers of capital) who are in this case the tax payers and the agents (managers of capital) who are the public office holders, such that the principal requires the agents to effectively and efficiently utilize their resources. Meanwhile, the agents pursue their personal interest at the expense of the principal. More often than not, this situation is referred to as agency problem. Consequently, the public is demanding more accountability from their elected officials through qualitative financial statements. This is in contrast to stewardship theory that states that managers, if left on their own, will indeed act as responsible stewards of the assets they control.

According to Kurtenbach and Roberts (1994, as cited in Efobi and Bwala 2013), many public sector accounting studies utilize principal-agent theory as a basis from which to examine the questions posed thus: how do public officials signal that campaign promises are kept? Who has more power, the elected official or the bureaucrat? Why do state and local governments demand audits? What determines the prices paid for state and local government audits? In an agency framework, the fact that managers (generally termed "agents") are privy to information about their performance that cannot be observed by owners (generally termed "principals") leads to situations where agents have incentives to take actions that are not in the best interests of the principals. This theory suffices that the electorate should know what the elected political office holders do with their taxes through their representatives. They should be able to ask questions pertaining to the information provided by the public sector entities while rendering their account of stewardship. More often than not, the elected office holders (agents) tend to take decisions that would best serve their interest at the expense of the electorate (principals). This theory underpins this study.

Stakeholder Theory

The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization. It was originally detailed by Mitroff in his book ‘Stakeholders of the Organizational Mind’, published in 1983 in San Francisco (Mitroff 1983). The significance of stakeholder theory is that it recognizes that organizations are not controlled or affected purely by those that exercise ownership rights in the organization. As Freeman (2004) argued: the notion that shareholders govern the corporation is largely a fiction and typically, executives have the greatest power. In this sense, the conventional model of the corporation, in both legal and managerial forms, has failed to discipline self-serving managerial behavior. The fundamental consequence of stakeholder theory for corporate governance is that it necessitates governance structures that promote alignment not just between agents and principals, but between agents, principals, and parties who have broader, but reasonable, interests in the organization. It is precisely because of this multifaceted approach to understanding corporate governance: that corporate governance should be responsive to multiple, competing interests, which provide intellectual rigor to a stakeholder framework.

According to Clarkson (1995), the main criticism of stakeholder theory is focusing on identifying the problem of who constitutes genuine stakeholders. Another argument is that meeting stakeholders’ interests also leads to corruption, as it offers agents the opportunity to divert the wealth away from shareholders to others. This theory buttresses the fact that efficient information delivery is germane in public sector entities financial information reporting because its stakeholders are diverse. And for the stakeholders’ varied purposes to be met, a worldwide acceptable financial reporting standard like IPSAS should be employed in preparing and presenting their financial statements.

Empirical Literature

Christiaens, Vanhee, Manes-Rossi, & Aversano (2013) researched on the effect of IPSAS on reforming governmental financial reporting: an international comparison. Since the aim was to examine the extent IPSAS-based accrual accounting is adopted in central/local governments worldwide as well as the factors affecting its differing level of adoption, a specific questionnaire was constructed (primary data) to elicit vital information from the expert respondents selected across the world. The study found out that the diversity in public sector financial reporting systems created a need for harmonization, resulting in the elaboration of IPSAS, though only little was known about its adoption processes. The study revealed an important move to accrual accounting, particularly to IPSAS-accrual accounting whereby there still remains a level of reluctance mainly in central governments. This differs from the researcher's view since the Federal government had adopted IPSAS accrual with the exception of some States and Local Government Councils in Nigeria.

Khan & Mayes (2009) examined cash versus accrual based accounting system concurred that, in principle, the introduction of an accrual accounting system would be beneficial to all countries at both the macro and the micro levels using mainly secondary data. All countries would benefit from: a more comprehensive measure of fiscal sustainability that accrual accounting can provide; information about the full resource implications, and not just the cash expenditure, of government programs; and the enhanced transparency, and the resulting focus on better `management of assets and liabilities. However, some of the benefits are more likely to be realized if accounting and budgeting are both performed on an accrual basis.

Matsva (2015) investigated the topic of either implementing cash or accrual accounting based financial reporting for the central government in Zimbabwe. With the use of qualitative research design and self-administered questionnaire and data analyzed using chi-square, he was able to extract first-hand information. The result showed that cash and accrual basis of accounting has benefits and challenges and that IPSAS accrual and modified are preferred because of their comprehensiveness for the former and latter.

Udeh & Sopekan (2015) examined the implication of adoption of IPSAS on the quality of public sector organizations financial reporting in Nigeria. The study explored the primary source of data and analyzed the data through the use of Kruskal Wallis and chi-square tests. The study found out that adoption of IPSAS would increase the level of reliance on the financial reporting of public sector organizations in Nigeria.

Ijeoma & Oghoghomeh (2014) examined the adoption of international public sector accounting standards in Nigeria: expectations, benefits, and challenges. The objective of the study was to determine the impact of adoption of IPSAS on the level of accountability and transparency in the public sector of Nigeria. The study explored the primary source of data and analyzed the data through the use of Kruskal Wallis, and chi-square tests. The study found that adoption of IPSAS would enhance comparability and international best practices. And the study concluded that IPSAS's adoption would impact on operating procedures.

Balarabe & Aliyu (2015) examined administering parallel reporting system: real-world experiences in transiting to international public sector accounting standards. The study posited that the introduction of IPSAS has constituted a serious problem considering the gap created by its transition especially as one considers the place of parallel operations where one organisation is yet to perfect its operations on the basis of IFRS and the attendant difficulties presented by the new IPSAS. The study employed secondary source of data collection and reasoned that many of the key users of government financial statements (citizens and their political representatives) do not have a strong foundation in reading financial statements and so extra efforts are needed to make the financial statements more accessible, clear and understandable and most importantly uniformed.

Nkwagu, Uguru & Nkwede (2016) examined the implications of IPSASs on accountability of Nigeria public sector with emphasis on its effects on efficient management of public funds, effective budget implementation, and checking of cases of corruption among public officers in the South Eastern states of Nigeria. The study adopted survey design collecting data through primary source. The data was analysed using descriptive statistics. Findings revealed that IPSASs adoption enhanced accountability in the Nigerian public sector. It further showed that application of IPSASs paved way for effective budget implementation and checked possible cases of corruption in the Nigerian public sector. The study recommended that Nigerian government should provide the necessary requirements for full implementation and sustenance of IPSASs in the public sector.

Erin, Okoye, Modebe & Ogundele (2016) examined the impact of adoption of IPSAS on the quality of financial reporting in the Nigerian public sector. The study used primary source of data and analysed the data through the regression analysis method. The study found out that adoption of IPSAS has a significant positive impact on the quality of financial reporting in the Nigerian public sector. The study recommended that regulatory authorities should adopt adequate measures to ensure compliance by those saddled with the responsibility of preparing public sector financial statements.

In all the literature reviewed, Khan & Mayes (2009), in the pre-IPSASs adoption agreed that accrual based accounting system would be beneficial to all countries at both macro and micro levels in presenting a more comprehensive public sector financial information about government activities and not just cash expenditure. Most studies (Christiaens *et al*. 2013; Matsva 2015; Nkwagu *et al*. 2016; Erin *et al*. 2016) agreed that IPSASs adoption would impact greatly on accountability, reliability, budgeting, financial reporting and provision of qualitative and comparable financial information in the public sector.

However, Balarabe & Aliyu, (2015) opined that IPSASs adoption constituted a serious problem considering the gap created by its transition especially where parallel operations are involved. This negated the adoption of IPSASs in the preparation and presentation of public sector financial information. The previous researches failed to pay due attention to the impact of non-implementation of IPSASs at the 2nd and 3rd tiers of government in Nigeria. Besides, there is dearth of research on impact of IPSASs adoption on Nigerian public sector financial reporting at present. This study therefore looked at the effect of adoption of IPSASs on information delivery of public sector entities at present since the previous studies seemed to be anticipatory in nature because IPSASs Accrual basis took-off 1st January 2016.

3.0 RESEARCH METHOD

This presents the method by which the data was gathered as well as the relevant statistical analytical tools employed for analyzing the survey results gathered during the study. To achieve the objectives of this study, the following hypotheses stated in their null form are tested: Post-IPSASs adoption does not have a significant effect on public sector information delivery in Nigeria. There is no significant difference in the quality of information delivery in the pre and post IPSASs adoption in Nigeria's Public sector.

Research Design

The descriptive survey design will be employed in this study because it helps in obtaining similar information from various groups of persons through the use of an administered questionnaire.

This method of analysis involves collecting, analysing and interpreting data by paying a strict attention to respondents. It will be closed-ended and seeks a structured response that reflects the respondents' thought on the subject matter.

The Study Population

The population of the study consisted of staff of the Federal Ministry of Finance, FCT-Abuja and Ekiti State Ministry of Economic Planning and Budget, Ado-Ekiti with staff strength of 550 and 249 respectively making a total of seven hundred and ninety-eight (798) as representatives of public sector entities in Nigeria.

Sample and Sampling Technique

The sample size, using Taro Yamane's sample size method is two hundred and sixty-six (266) respondents with 183 and 83 respondents from the Federal Ministry of Finance, FCT-Abuja and Ekiti State Ministry of Economic Planning and Budget, Ado-Ekiti respectively. The choice of these frames was informed by the fact that the Federal ministries/parastatals have started implementing IPSASs in the preparation and presentation of their financial information while Ekiti State Government like some other states of the federation is yet to implement IPSASs. This study made use of purposive sampling technique.

Model Specification

This study adopted regression procedure as the estimation techniques in examining the impact of adoption of International Public Sector Accounting Standards (IPSASs) on information delivery in Nigeria from 2010 – 2016. The dependent variable represented by Information Delivery (ID) while the explanatory variables will be represented by Pre-IPSASs (Reliability, Understandability, comparability, Regulations, and procedure) and Post-IPSASs (Reliability, Understandability, Comparability, regulations, and Procedure). The model shall be structured in to three and it is presented as follows:

Model I

$ID = f(Pre - IPSASs) -----------------------(i)$

Where:

ID → Information Delivery

Pre → IPSASs represented by the following

Re → Reliability

Un → Understandability

Co → Comparability

Rr → Regulation

Pr → Procedure

Model II

$ID = f(Re, Un, Co, Rr, Pr) ----------------------- (ii)$

The econometric form is represented as

$ID_t = \beta_o + \beta_1 Re_t + \beta_2 Un_t + \beta_3 C_{ot} + \beta_4 RR_t + \beta_5 Pr_t + e_t$ ---------------------------(iii)

Model II

ID = f(Post – IPSASs) ---(iv)

Where: ID → Information Delivery

Post → IPSAS represented by the following:

Re → reliability

Un → understandability

Co → comparability

Re → Rules & Regulations

Pr → Procedure

The above equation is then represented in an econometric form

$ID = \alpha_o + \alpha_1 Re_t + \alpha_2 Un_t + \alpha_3 Co_t + \alpha_4 Rr_t + \alpha_5 Pr_t + e_t$ ---------------------------------------(v)

Model III

ID = ^{f}(Pre-IPSASs, Post-IPSASs, D2) --(vi)

Where

ID → Information Delivery

Pre-IPSASs → Pre – International Public Sector Accounting Standards

Post-IPSASs → International Public Sector Accounting Standards Adoption

D2 → Dummy (1: IPSASs knowledge in Abuja and 0: IPSASs knowledge in Ekiti)

The model III uses the estimation in equation (iii) and equation (v) for the comparative analysis of the Pre-IPSASs and Post-IPSASs.

4.0 Presentation of Data, Results and Discussion

Reliability Test

Cronbach's Alpha Reliability Test

Cronbach's Alpha	N of Items
.813	30

Source: Author's computation (2017)

The reliability test presented in table 4.37 above using Cronbach's Alpha showed that the questionnaires with 30 items were reliable with 0.813 representing 81.3% which was above 70% proposed by Cronbach's Alpha. This implies that the questionnaires were reliable to achieve the broad objective.

Regression Analysis

Pre-IPSASs on Information delivery

Dependent Variable: Information Delivery		Unstandardized Coefficients		T	Sig.
		B	Std. Error		
1	(Constant)	1.580	.273	5.785	.000
	Reliable	.356	.063	5.613	.000
	Understanding	-.128	.078	-1.645	.101
	Comparability	.072	.075	.966	.335
	Regulations/Standard	.090	.056	1.611	.108
	Procedure	.073	.067	1.082	.280

R^2	0.231	Adjusted R^2	0.216
F-Stat	15.496	P-value	0.000

Source: Author's computation (2017)

The result of OLS regression of Pre-IPSASs revealed that the coefficient of determination (R2) was 23.1%; the adjusted R-square (21.6) appeared low and the F-test showed 15.496 and its P-values were 0.000 which implies that the explanatory variables such as Reliable (Re), Understanding (Un), Comparability (Co), Regulations/Standards (Rr) and Procedure (Pr) could jointly influence the dependent variable Pre-IPSASs. All results were obtained empirically and the test was conducted at five percent level of significance.

From the table above, the regression coefficient of Reliable (Re) was 0.356 and its P-values were 0.000. This implies that the Reliable (Re) has positive and significant effect on Information Delivery in Nigeria. The coefficient of Understandability (Un) was -0.128 and its P-values were 0.101 which implies that Understandability has a negative and insignificant effect on Information Delivery in Nigeria. The regression coefficient of Comparability (Co) in Pre-IPSASs was 0.072 and its P-values were 0.335. The OLS equation showed that Comparability (Co) has a positive and insignificant effect on Information Delivery in Nigeria. The regression coefficient of Regulation (Rr) in Pre-IPSASs was 0.090 and its P-values were 0.108. The OLS result showed that Regulation (Rr) has a positive and insignificant impact on Information Delivery in Nigeria and that the regression coefficient of Procedure (Pr) in Post-IPSASs is 0.073 and its P-values were 0.280. The OLS result showed that Procedure (Pr) has a positive and significant effect on Information Delivery of financial statement in Nigeria.

Post-IPSASs on Information Delivery

Dependent Variable: Information Delivery		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	2.014	.129	15.637	.000
	Reliable	.362	.059	6.169	.000
	Understanding	-.102	.054	-1.889	.060
	Comparability	.098	.046	2.121	.035
	Regulations/Standard	.038	.043	.885	.377
	Procedure	.110	.049	2.264	.024
R^2	0.412	Adjusted R^2	0.401		
F-Stat	36.163	P-value	0.000		

Source: Author's computation (2017)

The above table displayed a regression result of the Post-IPSASs on information delivery in Nigeria. From the empirical evidence, the coefficient of the regression which is the coefficient that depicted the estimated coefficient appears to be good while standard error and the values of t-statistic have been shown.

The results of other important statistical tools revealed that: the coefficient of determination (R2) as used to measure the success of the regression in predicting the value of the dependent variable within the sample and tests the goodness of fit showed 41.2%; the adjusted R-square, and the entire regression test is statistically significant including the F-test. All results were obtained empirically and the test was conducted at five percent level of significance.

From the table above, the regression coefficient of Reliable (Re) was 0.362 and its P-values were 0.000. This implies the Reliable (Re) has positive and significant effect on Information Delivery in Nigeria. The coefficient of Understandability (Un) has a negative of -0.102 and its P-values were 0.060 which implies that Understandability has insignificant effect on Information Delivery in Nigeria. The regression coefficient of Comparability (Co) in Post -IPSASs was 0.098 and its P-values were 0.035. The OLS equation showed that Comparability (Co) has a positive and significant effect on Information Delivery in Nigeria. The regression coefficient of Regulation (Rr) in Post-IPSASs was 0.038 and its P-values were 0.377. The OLS equation showed that Regulation (Rr) has a positive and insignificant impact on Information Delivery in Nigeria and that the regression coefficient of Procedure (Pr) in Post-IPSASs is 0.110 and its P-values were 0.024. The OLS equation showed that Procedure (Pr) has a positive and significant effect on Information Delivery of financial statement in Nigeria.

Pre-IPSASs and Post-IPSASs on Information Delivery

Dependent Variable: Information Delivery		Unstandardized Coefficients		T	Sig.
		B	Std. Error		
1	(Constant)	.293	.253	1.159	.248
	Pre-IPSASs	.455	.051	8.939	.000
	Post-IPSASs	.505	.037	13.732	.000
	Dummy	-.204	.083	-2.466	.014
R^2	0. 521	Adjusted R^2	0. 516		
F-Stat	95.121	P-value	0.000		

Source: Author computation (2017)

The above table revealed OLS regression result of Pre-IPSASs and Post-IPSASs on Information Delivery (ID). From the result, the coefficient of determination (R2) was 0.521 representing 52.1%; the adjusted R-square 50.7% which implies that the variables were nicely fitted and the F-test showed 95.121 and its P-values were 0.000 which implies that Pre-IPSASs and Post-IPSASs can jointly influence Information Delivery.

The result of the equation revealed that the independent variables have positive sign. Information Delivery (ID) is positive at constant with 0.293 coefficient. This means that when all variables are held constant, there will be a positive variation up to the tune of 0.293 units in Information Delivery and its P-values were 0. 248. This means that, at constant there is a positive and insignificant effect of Pre and Post-IPSASs on Information Delivery in Nigeria during the field survey.

From the table above, the regression coefficient of Pre-IPSASs was 0.455 and its P-values were 0.000 which implies that Pre-IPSASs has a positive and significant effect on Information Delivery in Nigeria while the coefficient Post-IPSASs was 0.505 and its P-values were 0.000. This implies that Post-IPSASs has positive and significant effect on Information Delivery in Nigeria.

The results of the dummy variable (1 for IPSASs knowledge in Abuja and 0 for IPSASs knowledge in Ekiti) as an independent variable to Information delivery equally reveals the coefficient of -0.204 and its P-values are 0.014 to Information Delivery which implies that the dummy variable is negative and significant. Furthermore, the knowledge of IPSASs in both states decreases the information delivery because it has not been fully implemented and accepted by the users especially in Ekiti State.

Discussion of Findings

The findings from the presentation of data through the responses of questionnaires administered showed that Post-IPSASs adoption is more preferred in terms of Reliability, Understandability, Comparability, Procedure and Regulations/Standards to Pre-IPSASs in Nigeria during the study period. The findings also revealed that reliability, understandability, comparability, regulations/standards and procedure on Pre-IPSASs showed that financial statements reliability has positive and significant effect on Pre-IPSASs. It also showed that the financial statements increasing understandability of the report has negative and insignificant effect on Pre-IPSASs. It further revealed that financial statements helps in increasing the level of information comparability of public sector entities has a positive and insignificant effect on Pre-IPSASs, the findings equally revealed that CBAS has a well-designed financial regulations/standard has a positive and insignificant effect on Pre-IPSASs while CBAS reporting procedure helps to improve information delivery and accountability in public sector has a positive and insignificant effect on Pre-IPSASs in Nigeria during the field survey.

The findings equally revealed that reliability, understandability, comparability, regulations/standards and procedure on Post-IPSASs showed that financial statements reliability has positive and significant effect on Post-IPSASs. It also showed that the financial statements increasing understandability of the report has negative and insignificant effect on Post-IPSASs. It equally revealed that financial statements using IPSASs helps in increasing the level of information comparability of public sector entities has a positive and significant effect on Post-IPSASs, the findings further revealed that IPSASs has a well-designed financial regulations/standards has a positive and insignificant impact on Post-IPSASs while IPSAS reporting procedure helps to improve information delivery and accountability in public sector has a positive and significant effect on Post-IPSASs in Nigeria during the field survey

The Pre-IPSASs and Post-IPSASs on Information Delivery equally revealed that financial statements prepared with IPSASs adoption has significant effects in the presentation of Information Delivery of the financial statements in Nigeria during the study period. This implies that the International Public Sector Accounting Standards (IPSASs) adoption has been efficient in the presentation of financial statements.

5.0 Conclusion and Recommendations

From the findings of the study, it was concluded that adoption of IPSAS increased the level of accountability and transparency in public sector of Nigeria. It was found that the adoption of IPSAS enhanced reliable and understanding of best practices. Also, it was denoted that adoption of IPSAS based procedure and regulations/standards enabled the provision of more meaningful information for decision makers and improved the quality of financial reporting system in Nigeria. In addition, it was denoted that adoption of IPSAS by Nigerian government improved comparability of financial information reported by public sector entities in Nigeria and around the world. Hence, this study then concluded that the adoption of IPSAS in Nigeria impacted reliability, understanding, comparability, regulations/standards, procedure and hence strengthened good governance and relations with the government and the governed.

The study therefore recommended that IPSAS adoption could significantly improve the quality of financial reporting in the Nigerian public sector and thereby enhance public confidence in public sector financial reports. It is expected that this positive outcome will impact favourably on the country's image thereby enhancing the inflow of foreign direct investment into the domestic economy.

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