

THE IMPACTS OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IN THE NIGERIAN PUBLIC SECTOR.

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ABSTRACT

This study examined the impacts of International Public Sector Accounting Standards (IPSAS) in the Nigerian Public Sector (Case Study of The Office of The Accountant General of Ekiti State). The objectives of this study are determining the impact of adoption of IPSAS on the Level of Accountability and Transparency in the Public Sector of Nigeria and to ascertain the contribution of adoption of IPSAS in enhancing comparability and international best practices. Primary source of data was employed to generate the data of interest. Research questionnaire was designed, which was made of hypothetic questions of the research work. Interview questions were formulated and tested for validity before dispatching to the chosen sample populace of 45 staffs of the Office of The Accountant General of Ekiti State. The statistical tool employed was the Chi-square test. From the findings of the study, it was observed that adoption of IPSAS is expected to increase the level of accountability and transparency in public sector of Nigeria. It was found that the adoption of IPSAS will enhance comparability and international best practices. Also, it was denoted that adoption of IPSAS based standards will provide more meaningful information for decision makers and improve the quality of the financial reporting system in Nigeria. Hence, the researcher concluded that the adoption of IPSAS in Nigeria is expected to impact operating procedures, reporting practices thereby strengthening good governance and relations with the government and the governed. One of the most researched and least understood variables in public sector accounting of the nation is how the accountability and stewardship of financial controls are conducted. Based on these, the research report recommends among others that for accountability to be successfully entrenched in public offices in Nigeria, there must be a reduction in the level of corruption, improving public sector accounting and auditing standards, legislators taking positions as champions of accountability and total restructure of public accounts committees and monitored application of the value of money in the conduct of government business.

INTRODUCTION

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 grave 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 international public sector Accounting Standards for public sector financial reporting. While the commercial entities across the world are moving

toward international financial Reporting standards (IFRS), governments are harmonizing with International Public sector Accounting Standards (IPSAS). IPSAS govern the accounting by public sector entities, with the exception of Government Business Enterprises. According to Hayfron Adoagye (2012), IPSAS are high quality global financial reporting standards for application by public sector entities other than government business enterprises and being issued by international public sector accounting standard board IPSAS B which is formerly known and called public sector committee. IPSASB's a body of International Federation of Accounting (IFAC) with autonomy to develop and issue IPSAS. In a study conducted by John (2011) he revealed that IPSAS Board comprises of 18 members, out of which 15 are nominated by the member bodies of IFAC while the other three are appointed as public members whom may be appointed by any individual or organization.

International Public Sector Accounting Standards (IPSAS) is at present the focal point of global revolution in government accounting in response to calls for greater government financial accountability and transparency. The Public sector comprises entities or Organizations that implement public policy through the provision of services and the redistribution of income and wealth, with both activities supported mainly by Compulsory tax/levies on other sectors. This comprises governments and all publicly owned, controlled and or publicly funded agencies, enterprises, and other entities of government that deliver public programs, goods, or services. Public Sector Accounting is a system or process which gathers, records, classifies and summarizes as reports the financial events existing in the public or government sector as financial statements and interprets as required by accountability and financial transparency to provide information to information users associated to public institutions. It is interested in the receipts, custody, disbursement and rendering of stewardship of public funds entrusted.

Statement of the Problem

The preparation and presentation of financial statement at each level of government have pose series of problems worldwide. Over the years, government accounting has been anchored on cash basis of accounting while private sector accounting has been predicated on accrual basis. Whereas the accrual basis has been working perfectly well in the private sector, the continued application of the cash basis in the public sector appears to have thrown up a number of challenges relating to under-utilization of scarce resources, high degree of vulnerability to manipulation, lack of proper accountability and transparency, inadequate disclosure requirement due to the fact that the cash basis of accounting does not offer a realistic view of financial transaction. IPSAS adoption is expensive in all material respect, so expensive that some experts have contended that it's much advertised benefits do not justify the cost of the implementation predominantly accounting or financial reporting places emphasis on accountability and transparency. Revolution is not only accorded to government functional activities, instead revolution also exists in Government Accounting. Hence IPSAS i.e. international public sector accounting standard is a new revolution in government Accounting.

IPSAS are international Accounting Standard used as guidelines for preparation of public sector financial Statements.

Objectives of the Study

The main aim of IPSAS is to enhance the quality of general purpose financial reporting by public sector which would provide better means of assessing the resources allocation by government and also increased transparency and accountability. Since the standard is

believed to be of high quality, it would definitely improve the reporting system in government ministries. According to Aganga (2011) he pose it that the main objectives of IPSAS is to serve the public interest by developing standards and facilitating the convergence of international and national standards which will enhance the quality and uniformity of financial reporting throughout the world.

Statement of Hypotheses

H₀: The adoption of IPSAS will not increase the Level of Accountability and Transparency in Public Sector of Nigeria

H₀: The adoption of IPSAS will not enhance comparability and international best practice in public sector of Nigeria.

Literature review

The acronym IPSAS means International Public Sector Accounting Standard. IPSAS are international Accounting Standard used as guidelines for the preparation of public sector financial Statements. According to Hayfron Adoagye (2012), IPSAS are high quality global financial reporting standards for application by public sector entities other than government business enterprises and being issued by international public sector accounting standard board (IPSAS B) which is formerly known and called public sector committee.

IPSASB's a body of International Federation of Accounting (IFAC) with autonomy to develop and issue IPSAS. In a study conducted by John (2011) he revealed that IPSAS Board comprises of 18 members, out of which 15 are nominated by the member bodies of IFAC while the other three are appointed as public members, who may be appointed by any individual or organization.

The main aim of IPSAS is to enhance the quality of general purpose financial reporting by public sector which would provide better means of assessing the resources allocation by government and also increased transparency and accountability.

The practice of government sector accounting evolved over the years with focus on cash receipts and disbursements on the cash accounting basis or modified cash accounting basis. Hence, government revenue is only recorded and accounted for when cash is actually received and expenditure is incurred only when cash is paid irrespective of the accounting period in which the benefit is received or the service is rendered. It therefore means that, the amounts incurred by the government in purchasing fixed assets are treated the same way as expenses. They are therefore written off as part of expenditure for the period the costs were incurred Oecon, (2010).

Ngama (2012) noted that the adoption of IPSAS would provide the basis for the establishment of a harmonized budgetary system for the three tiers of government. He further stressed that the era of IPSAS would also enhance the country's eligibility to access economic benefits from donor agencies, private sector, Financial Institutions and Worldwide Financial Institutions such as the World Bank. Preparing the country's financial statement using IPSAS which is an international standard would definitely encourage investors into the country.

Nongo (2014) is also of the opinion that the adoption of IPSAS in the public sector accounting reporting system would enhance better service delivery in the public sector, support efficient internal control and bring into focus the performances of the agencies. It would also enhance creditability of government financial information and help build confidence of Nigerian citizens and Nigeria development partners both within and abroad. The adoption of IPSAS would also enhance access of information to the public thereby promoting the aims of freedom of information Act 2011 and facilitating the expression of individuals' opinion on government activities. Adoption of IPSAS at the Local Government would also help to fight corruption which can be easily trace to the local government because of lack of proper accounting system stipulated by the subcommittee. Comparability of Nigeria Financial Statement with that of other country would be carried out with ease Oulasvirta (2012).

IPSAS Adoption in Nigeria

Onwubuariri, (2012), reported that the Federal Executive Council of Nigeria in July 2010 approved the adoption of the International Financial Reporting Standards (IFRS), and International Public Sector Accounting Standards (IPSAS), for the private and public sectors. The adoption is aimed at improving the country's accounting and financial reporting system in consonance with global standards. Consequently, the Federation Account Allocation Committee, (FAAC), in June 2011 set up a sub-committee to work out a roadmap for the adoption of IPSAS in the three tiers of government. However, he noted that some stakeholders believe that the tools and strategies needed to fully implement IPSAS in the three tiers of government in Nigeria are still problematic. He explained that IPSAS is a good development and an international best practice which has been embraced in most developed countries. There is nothing wrong with Nigeria taking queue in making sure that public entities in the country fully adopt IPSAS.

In the words of Hayfron Aboagye (2012), he said that IPSAS board have so far been able to issue thirty two (32) accrual IPSAS and one(1) comprehensive cash IPSAS this is also in line with IPSAS handbook published in March, 2011. According to Nango (2014)- a member of FAAC, noted that the subcommittee has even gone far as reviewing the current book-keeping system, accounting and reporting system and chat of account currently used by the three tiers of government. The committee started their interactive session with the political leaders, key officers in Federal ministries, permanent secretaries state governors, relevant commissioners within the 36 State and Local Governments. This is to enable the committee to obtain information on all aspects of their budgeting. Book – keeping and financial accounting reporting system.

In other to enhance effective adoption and implementation of IPSAS in Nigeria, the Sub-Committee of FAAC has developed the following for all government establishments in Nigeria.

- Uniform National Chart of Account and User manual for the chat
- Uniform accounting policies
- Uniform budget templates that align with IPSAS cash basis.

Among the issued accrual IPSAS are the following:-

IPSAS	IFRS	Standard
❖ IPSAS 1	IAS 1	Presentation of financial statements
❖ IPSAS 2	IAS 7	Cash Flow Statement
❖ IPSAS 3	IAS 8	Accounting policies, changes in Accounting Estimates And Errors
❖ IPSAS 4	IAS 21	The effect of changes in foreign Exchange Rates
❖ IPSAS 5	IAS 23	Borrowing Cost
❖ IPSAS 6	IAS 27	Consolidated And Separate Financial Statements
❖ IPSAS 7	IAS 28	Investment In Associates
❖ IPSAS 8	IAS 31	Interest In Joint venture
❖ IPSAS 9	IAS 18	Revenue From Exchanging Transactions
❖ IPSAS 10	IAS 29	Financial Reporting In Hyperinflationary Economies
❖ IPSAS 11	IAS 11	Construction Contracts
❖ IPSAS 12	IAS 2	Inventories
❖ IPSAS 13	IAS 17	Leases
❖ IPSAS 14	IAS10	Events After the Reporting Date
❖ IPSAS 15	IAS 32	Financial Instruments Disclosure
❖ IPSAS 16	IAS 40	Investments Property
❖ IPSAS 17	IAS 16	Property, Plants and Equipment
❖ IPSAS 18	IAS 14	Segment Party Disclosure
❖ IPSAS 19	IAS 37	Provisions Contingent Liabilities and Contingents Assets
❖ IPSAS 20	IAS 24	Related Party Disclosure
❖ IPSAS 25	IAS 19	Employee Benefits
❖ IPSAS 26	IAS 36	Impairment of Cash Generating assets
❖ IPSAS 27	IAS 41	Agriculture
❖ IPSAS 28	IAS 32	Financial Instruments Presentation
❖ IPSAS 29	IAS 39	Financial Instrument; Recognition and Management
❖ IPSAS 30	IAS 7	Financial Instrument; Disclosures

- ❖ IPSAS 31 IAS 38 Intangible Assets
- ❖ IPSAS 32 IFRIC12 Service Concession Arrangements; Grantor
IPSAS WITHOUT IFRS EQUIVALENT
- IPSAS 21 Impairment of Non-Cash-Generating Assets
- IPSAS 22 Disclosure of Financial Information About the
General Government Sector
- IPSAS 23 Revenue from Non-Exchange Transactions(Taxes
And Transfers)
- IPSAS 24 Presentation of Budget Information in Financial
Statements
- Cash Basis IPSAS Cash Basis

Implementing a Smooth Transition to IPSAS

According to Wynne, Emasu, Nyangulu, (2011), some of the good financial practices identified in Nigeria using the 2008 financial statements include: inclusion of audit certificate from the auditor general; inclusion of four statements cash flow, assets and liabilities, consolidated revenue fund and capital development fund and the consistency of the main totals between them; inclusion of comprehensive set of notes and accounting policies including: outstanding impress and advances; detailed schedule provided of internal and external loans; details provided of subventions to agencies by the overseeing of ministries and departments; consistency of the financial statements from 2005 to 2008 (when the new format stated); financial statement appear on the internet; the development of some financial reporting guidelines by Federal Account Allocation Committee (FAAC).

A complete set of financial statements in accordance with IPSASs comprises of the following components:

- (a) A statement of financial position;
- (b) A statement of financial performance;
- (c) A statement of changes in net assets/quality;
- (d) A cash flow statement;
- (e) When the entity makes publicly available its approved budget, a comparison of budget and actual amounts either as separated additional financial statements or as a budget column in the financial statements; and notes that comprise a summary of significant accounting policies and other explanatory notes.

According to Biraud, (2012) replies from secretariats to joint inspection unit showed that the main benefits that United Nations system organizations expected from the transition of IPSAS were: improved financial in terms of transparency (84.2%), standardization, harmonization and consistency (57.9%), quality (52.6 %); comparability (47.4%),and improved internal controls (36.8%).

In addition, Biraud, (2012), listed the following set of 16 best practices for implementing a smooth transition to IPSAS:

1. Set up an interdepartmental IPSAS project steering committee or equivalent body tasked with ensuring that senior management understand the goals and vision driving the transition to IPSAS.
2. Conduct an in-depth analysis of gaps between existing business processes, procedures, financial reporting and functionalities developed under SAS and the requirement and impact of each IPSAS Standard.
3. In case of a major shift in the project environment re-assess the initial IPSAS adoption strategy and adjust this as necessary.
4. Apply proven project planning and implementation methodologies including clearly defined strategic objectives, deliverables, timeliness, milestones and mentoring procedures.
5. Develop a strategy for producing IPSAS compliant opening balances for the targeted implementation date (first day of the first year of compliance) as well as the closing balance for the previous day, based on the previous accounting standard (SAS), but easily translatable into IPSAS terms for the opening balance of the targeted year.
6. With a view to ensuring continued engagement of governing bodies in the change process, regularly update the governing bodies on progress made in the implantation of IPSAS and request that they adopt the relevant decisions, in particular with regard to amendments required to financial regulations and allocation of resources for the project.
7. Determine and budget for the additional human resources required in the administrative budgetary and finance areas to ensure not only effective implementation of the transition to IPSAS but also adequate capacity to maintain future IPSAS compliance.
8. Ensure that financial resources are made available for training where feasible, of in-house experts in accounting, business and change management or for the recruitment of external experts.
9. Thoroughly analyze existing (legacy) information system for comparability and synergy with IPSAS requirements and, as a major element of the initial gap analysis, appreciates the changes that the system must undergo to support IPSAS.
10. Communicate awareness on the transition to IPSAS through all available means of communication, training and documentation.
11. Ensure that existing and future staff, in particular managers, supply chain and finance staff are fully familiarized with the new procedures and requirements through the use of specific documentation (manual) and trainings.

12. Adopt risk assessment, management and mitigation strategies and practices for project implementation in accordance with the projects' objectives.
13. Plan and prepare interim financial statements for review by external auditor(s) well ahead of the final implementation data to avoid unpleasant surprises.
14. Establish and maintain, as soon as feasible, a bilateral dialogue between the organization and its external auditor(s) on the transition to IPSAS to help ensure that both external and internal auditors gain in depth understanding of the new system and its impact on control procedures, as the implementation of IPSAS would require migration to accrual based accounting.
15. Perform continuous testing of internal controls during the preliminary implementation stage of an IPSAS project to ensure the accuracy of the data.
16. Ensure that an independent and comprehensive validation and verification of the system is performed towards the end of its completion.

Challenges of Migrating To Accrual Basis IPSAS

Nigeria's migration to the accrual basis of accounting will definitely not come without challenges. The expected challenges include:

- (a) Systematic identification and valuation of assets and liabilities as at the date from which accrual accounting is to commence.
- (b) Lack of adequate technical resources
- (c) Political ownership such as inadequate support at the highest levels of the executive
- (d) Consolidation issues
- (e) Lack of commitment from the senior management
- (f) Lack of trained staff

Conditions Precedence for Successful Migration

The following are conditions precedence for a successful migration to accrual basis of accounting:

- (a) An acceptable cash accounting based system: Countries with inadequate budget classification, no Unified double entry based general ledger system, and inadequate fiscal reporting is advised to adopt Cash Basis of Accounting before migrating to Accrual Basis.
- (b) Entities or government considering a move to accrual accounting must have either a core of officials with required technical skills such as accounting, information technology etc., or the capacity to recruit such people for its key positions
- (c) Total support from the political class
- (d) Adequate system; with multi-dimensional reporting
Implementation of full accrual accounting can only be effective with the aid of a modern government financial management information system (GFMS) with proven functionality in areas such as general ledger, accounts payable, purchases, assets management, etc.

Effect Of Accrual Basis IPSAS in the Public Sector

The accrual-based IPSAS accounts are more complete than the cash-based ones and by definition eliminate the scope for manipulating payments and receipts in order to suit specific reporting and control objectives Biraud, (2012). Also, the information available from accrual-based accounts can improve management and decision-making and help organization make more efficient use of resources (with the cash-based accounting, spending on what is used over many years is recorded only when the money is spent and no subsequent account is taken of whether the asset is still in use, has reached the end of its useful life or has been sold).

The accrual-based accounting provides the opportunity to introduce efficient cost accounting features and to change organizational behavior through the use incentives and penalties including comparisons of the costs of services provided by the private and public sectors; as well as the opportunity to establish effective performance measures that are not impacted by the vagaries of the timing of cash Payments and receipts and which include information about fixed and current assets and liabilities.

Accrual-based accounting gives a more reliable picture of an entity's financial health. Fair value is another principal measurement base of IPSASs which referred to measuring assets and liabilities for example IPSAS 4, 9, 12, 13, 15, 16, 17, 21, 26, 27, 29, 31 or 32. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is also at the heart of the revaluation method for measuring property, plant and equipment after recognition as an asset, Ijeoma, (2014)

In addition, some critical success factors of adoption of IPSASs include: political will and ownership, technical capacity (training, re-training and personnel development), public orientation and enlightenment, automated information system financial ability and modular implementation.

Benefits of Adopting IPSAS

The adoption of IPSASs will generate lots of benefits such as political and economic benefits.

Political benefits of adoption of IPSASs include:

- (a) **Accountability:** IPSAS requirement for increased disclosure in accounting reports increases the level of accountability in government.
- (b) **Transparency:** where IPSAS is adopted, full disclosure become an imperative of public sector accounting government.
- (c) **Improved Credibility/Integrity:** government accounting/reporting cannot be credible if government itself decides the rules. Hence, the need for a body, like IPSAS that will set the rules.
- (d) **Political Leverage:** Government may be required to provide accounting information by higher or legal authority like the United Nations.
- (e) **International Best Practice and Comparability:** IPSAS seeks to ensure that financial statements prepared in the basis of it are internationally comparable.

- (f) Comparable information assists the stakeholders in assessing how well their resources have been utilized.
- (g) Greater Disclosures: IPSAS encourages full disclosure, which hinges on transparency, integrity and accountability.
- (h) Increased control of public agencies: the increased disclosure, transparency and comparability IPSAS engenders will permeate the public sector in turn yielding greater accountability.

Economic benefits of adoption of IPSASs include:

- (a) Building confidence in donor agencies and lenders: adoption of IPSAS increases the country's eligibility to access economic benefits from donor agencies (USDP, USAID etc.), private sector financial institutions (Bonds and Bonds rating agencies), and official institutions (IMF and World Bank).
- (b) Improved services delivery: As a result of greater accountability and transparency, adoption of IPSAS will improve Value for Money (VFM) expenditure.
- (c) Aggregate Reporting: Adoption of IPSAS will ensure a holistic reporting of government financial transactions and positions.
- (d) Enhanced public-private partnership arrangements: Collaborative efforts between the public and Private Sectors is enhanced with both running on similar set of accounting standards (IPSAS and IFRS).
- (e) Economic leverage: Sovereign nations are induced with the prospect of commensurate benefits. Government susceptible to economic leverage is more likely to adopt IPSAS.

RESEARCH METHODOLOGY

The research methodology for the purpose of this study is the procedures and systems adopted in collecting data and their subsequent analysis so as to attain the desired goals and objectives of providing useful information through the suggestions given by the respondents with a view of evaluating and appraising the effect of International Public Sector Accounting Standard (IPSAS).

Population of the Study

The population for this research is the entire public sector of Nigeria covering government ministries, parastatals, departments, and agencies of Ekiti State Accountant General's Office.

Sample and Sampling Procedures

Random sampling procedures were to select the sample size. The sample size comprises of 60 staff of the Ekiti State Accountant General's Office.

Method of Data Collection

In order to gain access to useful information with respect to this paper work, the following are the sources of information;

- (a) The use of Questionnaire;
- (b) Information from internet browsing
- (c) The use of library

Validity of Instrument

The research questions were distributed to staff in the office of the Ekiti State Accountant General, not clients or customers. Majority of them were senior staff who had at least 10 years' experience. This shows that information gathered from them will be valid since they are adults who are experienced in the field of Accounting.

Reliability of Instrument

Questionnaires were administered to some of the staff after two weeks and the information given was the same no significant changes were made.

Method of Data Analysis

The method of data analysis used was the inferential statistics.

Hypotheses formulated were tested and validated using the Chi square test(X^2) statistics.

$$\text{FORMULAR } X^2 = \frac{(O_1 - E_1)^2}{E_1}$$

THE FOLLOWING ARE THE STATISTICAL NOTATIONS:

H_0 is null hypothesis

H_1 is alternative hypothesis

O_1 is observed data (frequency)

E_1 is expected data (frequency)

X_C is the computed X^2 (Chi-square)

X_T is the theoretical X^2 (Chi-square)

Level of significance in obtaining X_T is 5%.

HYPOTHESIS STATEMENT

Hypothesis 1

H_0 : The adoption of IPSAS will not increase the level of Accountability and Transparency in the public sector of Nigeria

Hypothesis 2

H_0 : the adoption of IPSAS will not enhance comparability and international best practice in the public sector of Nigeria.

Presentation of Data

This was made effective with the use of tables, graphs, charts in addition to verbal description. To this effect, the information gathered was presented in the form of tables. It was possible for the researcher to work out the numbers of respondents to each question by going through the questionnaires' returned. All data collected and findings were carefully analyzed and discussed with utmost sincerity.

Table 1: Adoption of IPSAS will increase the Level of Accountability and Transparency in Public Sector of Nigeria

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	31	8	1	0	0	40
Percentage	77.5	20	2.5	0	0	100

Source: Field Survey 2016

From the above table, 31 persons strongly agreed, 8 agreed, 1 was undecided, none strongly disagreed and none disagreed. Hence, 77.5% of the respondents strongly agreed, 20% agreed that adoption of IPSAS will increase the level of accountability and transparency in public sector of Nigeria, 0% strongly disagreed, 0% disagreed with the notion while 2.5 were undecided.

This shows that it is proven that adoption of IPSAS will increase the level of accountability and transparency in the public sector of Nigeria.

Table 2: The adoption of IPSAS will enhance comparability and international best practice

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	5	22	4	3	6	40
Percentage	12.5	55	10	7.5	15	100

Source: Field Survey 2016.

From the above table, 12.5% strongly agreed, 55% agreed, 10 were undecided, while 7.5% strongly disagreed and 15% of the respondents disagreed that the adoption of IPSAS will enhance comparability and international best practices.

Table 3: The effect of IPSAS in the public sector of Nigeria will be positive

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	16	23	0	1	0	40
Percentage	40	57.5	0	2.5	0	100

Source: Field Survey 2016

From the above table, 40% strongly agreed, 57.5% agreed, 0% was undecided, 2.5% strongly disagreed and 0% disagreed that the effect of IPSAS in the public sector of Nigeria will be positive.

Table 4: IPSAS adoption is expensive in all material respect, so expensive that some experts have contended that it's much advertised benefits do not justify the cost of the implementation

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	10	3	8	16	3	40
Percentage	25	7.5	20	40	7.5	100

Source: Field Survey 2016

From the above table, 25% strongly agreed, 7.5% agreed, 20% were undecided, 40% strongly disagreed while 7.5% disagreed that IPSAS adoption is expensive in all material respect, so expensive that some experts have contended that it's much advertised benefits do not justify the cost of the implementation.

Table 5: There is grave need for increased uniformity in the standards guiding financial statements

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	21	2	7	3	7	40
Percentage	52.5	5	17.5	7.5	17.5	100

Source: Field Survey 2016

From the table above, 52.5% strongly agreed, 5% agreed, 17.5% was undecided, 7.5% strongly disagreed whereas 17.5% disagreed with the notion that, there is grave need for increased uniformity in the standards guiding financial statements.

Table 6: Uniformity in the financial statement would make it comprehensible and convene the same information to users across the world.

	Strongly agree	Agree	Undecided	Strongly disagree	Disagree	Total
Frequency	22	7	9	0	2	40
Percentage	55	17.5	22.5	0	5	100

Source: Field Survey 2016

From the table above, 55% strongly agreed, 17.5% agreed, 22.5 were undecided, 0% strongly disagreed while 5% of the respondents disagreed with the notion that uniformity in the financial statement would make it comprehensible and convene the same information to users across the world.

Analysis of Data

Level of significance used in obtaining X^2 is 5%. Given that the degree of freedom is n-1 where n=5. Therefore the degree of freedom is

$$5-1=4.$$

X^2 from the statistics table = 9.488 at 0.05 level of significance.

Hypothesis Testing

H₀: The adoption of IPSAS will not increase the Level of Accountability and Transparency in Public Sector of Nigeria

Hypothesis 1

Observed Frequency=5

Expected frequency=40/5=8

Observation	Observed Frequency	Expected Frequency
Strongly Agreed	31	8
Agreed	8	8
Undecided	1	8
Strongly Disagreed	0	8
Disagreed	0	8

Source: Field Survey 2016

$$X^2_{Cal} = \frac{(O_1 - E_1)^2}{E_1}$$

Where X^2 = Value of Chi-Square symbol

O_1 = Value of the observed frequency

E_1 = Value of the expected frequency

Computational table for Chi-Square Test Statistics

Observation	O ₁	E ₁	(O ₁ -E ₁) ²	$\frac{(O_1 - E_1)^2}{E_1}$
Strongly Agreed	31	8	529	66.125
Agreed	8	8	0	0
Undecided	1	8	49	6.125
Strongly Disagreed	0	8	64	8
Disagreed	0	8	64	8
Total	40			88.25

Source: Field Survey 2016

SIGNIFICANT LEVEL:

Denoted as $\alpha = 0.05$

$X^2_{0.05} (K-1)$ Where $K= 5$

$X^2_{0.05} (5-1)$

= $X^2_{0.05} (4)$

=9.488

DECISION RULE:

Reject H_0 if $X^2_{cal} > X^2_{tab}$. i.e. Reject H_0 if Chi-Square Calculated 88.25 is greater than Chi-Square Tabulated 9.488.

DECISION:

Since X^2_{cal} 88.25 is greater than X^2_{tab} , 9.488 reject H_0 .

CONCLUSION:

Since the X^2 calculated of 88.25 is greater than the critical X^2 tabulated value which is 9.488, Chi-Square is significant. Therefore, null hypothesis H_0 is rejected. Thus, adoption of IPSAS will increase the Level of Accountability and Transparency in Public Sector of Nigeria.

Hypothesis 2

H_0 : The adoption of IPSAS will not enhance comparability and international best practice in public sector of Nigeria.

Observed Frequency =5

Expected Frequency =40/5=8

Observation	Observed Frequency	Expected Frequency
Strongly Agreed	5	8
Agreed	22	8
Undecided	4	8
Strongly Disagreed	3	8
Disagreed	6	8

Source: Field Survey 2016

$$X^2 \text{ cal} = \frac{(O_1 - E_1)^2}{E_1}$$

Where X^2 = Value of Chi-Square Symbol

O_1 = Value of Observed Frequency

E_1 = Value of Expected Frequency

Computational Table For Chi-Square Test Statistics

Observation	O_1	E_1	$(O_1 - E_1)^2$	$\frac{(O_1 - E_1)^2}{E_1}$
Strongly agreed	5	8	9	1.125
Agreed	22	8	196	24.5
Undecided	4	8	16	2
Strongly Disagreed	3	8	25	3.125
Disagreed	6	8	4	0.5
Total	40			31.25

Source: Field Survey 2016

SIGNIFICANT LEVEL:

Donated as $\alpha = 0.05$

$X^2_{0.05(K-1)}$ Where $K=5$

$X^2_{0.05(5-1)}$

$= X^2_{0.05(4)} = 9.488$

DECISION RULE:

Reject H_0 if $X^2_{\text{cal}} > X^2_{\text{tab}}$ i.e. Reject H_0 if Chi Square Calculate 31.25 is greater than Chi-Square Tabulate 9.488.

DECISION:

Since X^2_{Cal} 31.25 is greater than X^2_{tab} 9.488 reject H_0 .

CONCLUSION:

Since the X^2 calculated of 31.25 is greater than the critical X^2 tabulated value which is 9.488, Chi-Square is significant. Therefore, null hypothesis is rejected. Thus, adoption of IPSAS will enhance comparability and international best practice in public sector of Nigeria.

Discussion of findings

The adoption of IPSAS will increase the Level of Accountability and transparency in Public Sector of Nigeria. The adoption of IPSAS will enhance comparability and international best practice, which is a positive effect in the public sector.

There is grave need for increased uniformity in the standards guiding financial statements. Uniformity in the financial statement would make it comprehensible and convene the same information to users across the world.

As a result of greater accountability and transparency, adoption of IPSAS will improve Value for Money (VFM) expenditure.

Summary

This study has shown that the adoption and implementation of IPSAS in Nigeria will help in the harmonization of financial operations and uniformity in the reporting of public sector accounting information and disclosure. The study also revealed at a glance that IPSAS adoption will help to ensure better financial information disclosure and supports, improvement to accountability, transparency better financial management, better information to donor and countries providing external assistance, better quality and credibility of financial report.

Conclusion

This study examined the expectations and benefits of adoption of International Public Sector Accounting Standards in Nigeria. Nigeria is expected to adopt the International Public Sector Accounting Standards in 2014. Sequel to Nigeria's implementation and adoption of this accounting standard, the present study examined possible benefits of adopting the system.

From the findings of the study, it was observed that adoption of IPSAS is expected to increase the level of accountability and transparency in public sector of Nigeria. It was found that the adoption of IPSAS will enhance comparability and international best practices. Also, it was denoted that adoption of IPSAS based standards will enable the provision of more meaningful information for decision makers and improve the quality of financial reporting system in Nigeria.

In addition, it was denoted that adoption of IPSAS by Nigerian government will improve comparability of financial information reported by public sector entities in Nigeria and around the world. Hence, we conclude that the adoption of IPSAS in Nigeria is expected to impact operating procedures, reporting practices and hence strengthen good governance and relations with the government and the governed.

Recommendation

In essence, from the result and findings of the present study, the researcher recommends:

*that government should engage professionals to drive the process and also involve external professionals to leverage best practices;

*due to the challenges of availability of electricity and internet services especially in the rural areas hosting majority of local governments, we recommend for a start and centralization of the operations in terms of record keeping at the state capitals;

*Finally, since the benefits of IPSAS adoption cannot be quantified as argued in the present study, the researcher recommends the adoption of International Public Sector Accounting Standards in Nigeria.

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