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IMPACT OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) ON FINANCIAL REPORTING IN EDO STATE, NIGERIA

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Abstract:
This study investigated the impact of International Public Sector Accounting Standards (IPSAS) on financial reporting in Edo State, Nigeria. The specific objectives of the study were to investigate the effect of IPSAS on the disclosure of financial information in the public sector in Edo State, examine the impact of IPSAS on transparency and accountability in financial reporting in the public sector in Edo State, and evaluate the influence of IPSAS on the comparability of financial reporting in the public sector in Edo State. The study employed a survey design approach, and questionnaires were administered to 208 chartered accountants working in Ministries and Agencies under the Edo State Government. Descriptive and inferential statistics were used to analyze the data, and Pearson Chi-Square was employed to test the study's hypotheses. The findings revealed that IPSAS has a significant impact on the disclosure of financial information, transparency, and accountability in public sector financial reporting in Edo State. Additionally, it was found that IPSAS has a significant influence on the comparability of financial reports. In conclusion, this study demonstrates that IPSAS has a substantial impact on public sector financial reporting in Edo State, Nigeria. The study recommends that the adoption of IPSAS should be sustained, annual financial reports should be published in a timely manner and made accessible through the internet as a dissemination medium. Furthermore, reporting entities should enhance the level of disclosure in their financial reports.

Keywords: IPSAS, Financial Reporting, Public Sector, Transparency

Introduction

Public accountability and transparency are considered essential components of a democratic society, offering assurance in modern democratic governance. Quality financial reporting in the public sector plays a crucial role in ensuring prudent utilization of government financial resources for the benefit of citizens, contributing to political and economic stability. Financial reporting encompasses public sector revenue and expenditure, which are vital for formulating sound financial and economic policies, effective government financial operations coordination, and budget control management (Okere, Eluyela, Bassey, & Ajetunmobi, 2017).

International Public Sector Accounting Standards (IPSAS) provide guidelines for preparing financial statements in the public sector, similar to the International Financial Reporting Standards (IFRS) used in the private sector. IPSAS were established by the International Public Sector Accounting Standards Board (IPSASB) for use by public sector organizations worldwide, aiming to enhance transparency and the quality of public sector financial reporting by providing better information for financial management and decision-making (Abayomi, 2022).

Numerous public sector financial scandals have led to low levels of accountability and transparency, creating opportunities for corruption. Nigeria, for instance, has faced various financial misconduct issues, including ghost workers, fraud, embezzlement, inadequate budget implementation, and corruption (Onuorah & Appah, 2012). The adoption of IPSAS is expected to address these accountability and transparency challenges in the Nigerian public sector.

International organizations like the World Bank, IMF, AfDB, and ADB have been advocating IPSAS-related reforms in developing nations for over a decade. However, the progress toward full IPSAS adoption, whether on a cash or accrual basis, has been hindered by geopolitical, conceptual, and practical challenges (Brusca & Martínez, 2016; International Federation of Accountants, 2019; Adhikari & Gårseth-Nesbakk, 2016; Lassou, 2017).

The main objective of this study is to examine the impact of International Public Sector Accounting Standards on public sector financial reporting in Edo State, Nigeria. The specific objectives are to:

i. Investigate the effect of IPSAS on the disclosure of financial information in the public sector in Edo State.

ii. Examine the impact of IPSAS on transparency and accountability in financial reporting in the public sector in Edo State.

iii. Evaluate the influence of IPSAS on the comparability of financial reporting in the public sector in Edo State.

The research questions and hypotheses are derived from these objectives.

Literature Review

International Public Sector Accounting Standard

Countries worldwide have historically defined and established financial reporting standards within their jurisdictions. Increasing international collaboration and trade have led to the need for consistent and understandable financial statement standards for global users. The development of international standards for public sector financial reporting has been driven by the adoption of unified accounting standards (Heald, 2003).

IPSAS represents recommendations put forth by the International Federation of Accountants (IFAC) and is applicable to General Purpose Financial Statements, establishing standards for the recognition, measurement, presentation, and disclosure of transactions and events. IPSAS aims to enhance transparency and accountability in government and agency financial reporting by standardizing and improving financial reporting (Delloitte and Touches, 2013).

Kanellos et al. (2013) note that IPSASB's International Public Sector Accounting Standards cover both cash and accrual basis accounting practices in their financial reporting guidelines. Public financial reporting typically adheres to accrual basis accounting principles, but the IPSASB acknowledges that adopting cash basis accounting as an intermediate step is more feasible for many governments. Stephen et al. (2012) emphasize that IPSASB's primary role is to ensure uniform and well-structured financial statements that provide accurate information for all audiences while fostering accountability through transparency, enabling informed resource allocation decisions for governments.

Components of IPSAS Financial Statements

A complete set of financial statements under IPSAS includes: (a) Statement of Financial Position; (b) Statement of Financial Performance; (c) Statement of Changes in Net Assets/Equity; (d) Cash Flow Statement; (e) Comparison of budget and actual amounts (when the entity makes its approved budget publicly available), either as separate additional financial statements or as a budget column in the financial statements; and explanatory notes summarizing significant accounting policies and other relevant information (Biraud, 2012).

Biraud (2012) suggests steps for a seamless transition to IPSAS, including the establishment of an interdepartmental IPSAS project steering committee, a thorough analysis of gaps between current processes and IPSAS requirements, and the use of established project planning methodologies. Regular updates to governing bodies on IPSAS implementation progress, budget allocation for training, and risk assessment are also essential.

Table 1. IPSAS Standards

IPSASs are a set of accounting standards issued by the IPSAS Board (IPSASB) for use by public sector entities around the world in the preparation of financial statements.

IPSAS	Pronouncement
IPSAS 1	Presentation of Financial Statements
IPSAS 2	Cash Flow Statements
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors
IPSAS 4	The Effects of Changes in Foreign Exchange Rates
IPSAS 5	Borrowing Costs
IPSAS 6	Consolidated and Separate Financial Statements
IPSAS 7	Investments in Associates
IPSAS 8	Interests in Joint Ventures
IPSAS 9	Revenue from Exchange Transactions
IPSAS 10	Financial Reporting in Hyper inflationary Economies
IPSAS 11	Construction Contracts
IPSAS 12	Inventories
IPSAS 13	Leases
IPSAS 14	Events After the Reporting Date
IPSAS 15	Financial Instruments: Disclosure and Presentation—superseded by IPSAS 28andIPSAS30
IPSAS 16	Investment Property
IPSAS 17	Property, Plant and Equipment
IPSAS 18	Segment Reporting
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non-Cash-Generating Assets
IPSAS22	Disclosure of Financial Information About the General Government Sector

IPSAS23	Revenue from Non-Cash Generating Assets
IPSAS24	Presentation of Budget information in Financial Statements
IPSAS25	Employees Benefits
IPSAS26	Impairment of cash-generating Assets
IPSAS27	Agriculture
IPSAS28	Financial Instruments: Presentation
IPSAS29	Financial Instruments: Recognition and Measurement
IPSAS30	Financial Instruments: Disclosures
IPSAS31	Intangible Assets
IPSAS32	Service Concession Arrangement: Grantors
IPSAS33	First time Adoption of Accrual Basis IPSAS
IPSAS34	Separate Financial Statements
IPSAS35	Consolidated Financial Statements
IPSAS36	Investments in Associates and Joint Ventures
IPSAS37	Joint Arrangements
IPSAS38	Disclosure of Interests in other entities
IPSAS39	Employees Benefits
IPSAS40	Public Sectors Combination
IPSAS41	Financial Instruments
IPSAS42	Social Benefits

Source: IPSAS Handbook, Deloitte (2018)

Benefits of the Adoption of IPSAS

According to Ogbuagu and Onuora (2019), the adoption of International Public Sector Accounting Standards (IPSAS) offers several economic benefits:

Building Confidence in Donor Agencies and Lenders: Implementation of IPSAS enhances a country's ability to secure aid from international organizations (e.g., USDP, USAID), private sector financial institutions (bonds and bond rating agencies), and official institutions (IMF and World Bank).

Improved Service Delivery: IPSAS adoption leads to greater accountability and transparency, improving the value for money (VFM) in public expenditure.

Aggregate Reporting: IPSAS ensures comprehensive reporting of government financial transactions and positions.

Enhanced Public-Private Partnership Arrangements: Collaboration between the public and private sectors is facilitated when both adhere to similar accounting standards (IPSAS and IFRS).

Economic Leverage: Sovereign nations are incentivized by the prospect of commensurate benefits, making them more likely to adopt IPSAS.

Political Leverage: Governments may be compelled to provide accounting information by higher or legal authorities like the United Nations.

International Best Practice and Comparability: IPSAS aims to ensure that financial statements prepared using it are internationally comparable.

Comparability of Financial Information: Comparable information assists stakeholders in assessing how efficiently resources have been utilized.

Increased Control of Public Agencies: The increased disclosure, transparency, and comparability engendered by IPSAS permeate the public sector, resulting in greater accountability.

Challenges in Adopting IPSAS

Nigeria, like other developed and developing countries, faces several challenges in adopting IPSAS:

Intrinsic IPSAS Adoption Issues: Despite the intention to adopt IPSAS, Nigeria encountered challenges that delayed implementation, especially in the transition to accrual accounting. No government worldwide has achieved 100% cash basis adoption due to the complexities of consolidating financial statements for all regulated entities, ministries, and parastatals.

Resistance to Reforms: Some top officials in the Nigerian public sector exhibit resistance to financial reforms, particularly those related to accountability and transparency.

Asset and Liability Valuation: Identifying and valuing assets and liabilities, especially problematic assets like public monuments, heritage assets, infrastructure assets, and community assets, is challenging due to their limited market value and tractability.

Political Factors: The political nature of government activities often influences the choice to adopt accrual accounting, and the subsequent implementation process is affected by political considerations.

Resource Allocation: Adequate direction and emphasis from top management are required to engage personnel and allocate resources effectively for successful IPSAS implementation.

Accountability in the Nigeria Public Sector

Accountability in the Nigerian public sector is defined as the duty of assigned officers to demonstrate task completion according to agreed standards and rules. It involves providing accurate reports that reflect actual performance in line with mandated roles and plans. Accountability is essential for proper utilization of public funds and expenditure, contributing to transparency and good governance. However, the Nigerian public sector has faced challenges such as corruption, fund misappropriation, and poor accountability and transparency over the years.

Transparency in the Public Sector

Transparency in the public sector involves providing access and proper disclosure of financial information by a government entity to non-governmental entities. It promotes openness and clear communication between the government, the governed, and key stakeholders involved in financial decision-making. Transparency is crucial in ensuring that citizens understand how public funds are managed and spent, making evidence and information vital for informed decision-making. Accountability and transparency are closely intertwined and essential for good governance.

Quality Financial Reporting in the Public Sector

Financial reporting involves transmitting financial statements and relevant data from a business entity to third parties. It aims to provide reliable information to facilitate sound economic decisions. High-quality financial reporting is crucial for public-sector accountability and transparency. Financial information must be of high quality to impact user decisions, and it should accurately represent underlying economic transactions. Comparability, reliability, timeliness, and understandability are essential qualitative features of financial information.

Adoption of IPSAS by the Edo State Government

The Edo State Government began adopting IPSAS (Accrual Basis) in January 2014. The adoption involves using a standardized National Chart of Accounts (NCOA) and General Purpose Financial Statements (GPFS) in financial reporting. The GPFS includes statements of cash flow, financial position, and performance, as well as net assets/equity.

Theoretical Underpinning

Two theories underpin this study:

Stakeholders Theory Stakeholders' theory was propounded by Freeman in 1984. The theory addresses the relationship between the agent and the stakeholder of an organization. Abayomi (2022) highlighted the voters, taxpayers, fee payers, grantors and contributors, lenders and creditors, workers and contractors as stakeholders in general-purpose government financial reporting. In the context of this study, the theory addresses the relationship between government functionaries and citizens. Therefore, the public sector institutions have to win the confidence of its stakeholders (the general public, the national government, the trade unions, employees, suppliers and the donor community) through assurance of transparency, accountability and reliability of financial reporting through adoption and implementation of international public sector accounting standards.

Public Interest Theory The origin of public interest theory is traceable to the works of Albert Pigou (1932). The theory assumes that government exists to benefit society as a whole rather than vested interests as seen in the private sector. Thus, government adopts a welfarist approach in tending to the needs of society. This is because private sector led markets are assumed to provide veritable platforms for development of monopolies and all its associated problems to the detriment of public good (Shleifer, 2005). In this study, the expectation of the citizens is for the government to be accountable and transparent in the utilization of public funds. Thus, the interest of the public is always in the heart of the government.

Empirical Review

Gkouma and Filos (2022) conducted research to determine the effect of IPSAS on financial reporting and public management in Greece. The researchers adopted a desktop research design and found that Greece was relatively underdeveloped with regards to IPSAS, as well as a lack of literature regarding the implementation of IPSAS in the public sector. They predicted that the adoption of IPSAS would cause significant changes in the financial statements of Greece, due to the disparities between IPSAS accounting principles and existing accounting practices.

Since IPSAS (Accrual basis) was implemented in 2016, there has been a scarcity of empirical analyses which evaluate the impact of IPSAS on public sector reporting, especially the influence of IPSAS on accountability and transparency, disclosure of financial information, timely financial reporting, and the comparability of financial reports. This research was thus undertaken to address this gap.

Abayomi (2022) studied the effect of International Public Sector Accounting Standards (IPSAS) on Accountability in Nigeria. A descriptive survey design was used on a sample of 10 randomly selected local government areas in Lagos state. Linear regression technique was employed to test the hypotheses of the study. The researcher concluded that the implementation of IPSAS has a significant influence on Accountability in the public sector in Nigeria.

Similarly, Obiora and Nkem (2022) examined the impact of IPSAS on the reliability and reporting credibility of public entities in Anambra State. The study employed both descriptive and inferential statistics, with the mean sample T-test used as inferential to test the hypotheses of the study. The researchers found that there is a positive significant association between IPSAS adoption and the reliability and reporting credibility of public entities in Anambra State.

Tawiah (2021) conducted a study to investigate the effect of IPSAS adoption on corruption in developing countries. Utilizing the System Generalised Method of Moments on a sample of 77 countries between 2005 and 2017, the researcher discovered a negative and significant relationship between IPSAS and corruption, suggesting that the adoption of IPSAS helps to reduce corruption in developing countries.

Ademola, et al (2020) explored the link between IPSAS adoption and financial reporting quality in South West, Nigeria. Collecting primary data from 180 accountants. Tabulation, graphs, factor analysis, and Goodman and Kruskal’s gamma statistics were employed to analyses the data, finding that IPSAS adoption had a significant and positive impact on the financial reporting quality, credibility, and comparability of financial statements.

Muraina and Dandago (2020) conducted a survey research to investigate the effects of the implementation of IPSAS on Nigeria’s financial reporting quality, analyzing the data with the Partial Least Square 3 (Smart PLS 3) technique. Their results revealed that accountability has a positive and significant effect on the quality of financial reporting in Nigeria.

Otuya and Denedo (2020) investigated the level of implementation of IPSAS and how it has affected accountability and transparency in public sector organizations in Bayelsa State. The survey research design was adopted in the study. Primary data was collected via self-designed questionnaire administered through Google forms. Data collected were analysed to bring out the descriptive statistics while the hypotheses formulated were tested using analysis of variance (ANOVA). Findings of the study indicated that the level of implementation of IPSAS in Bayelsa State’s MDAs is fairly reasonable. The study further revealed that implementation of IPSAS has enhanced accountability and transparency, and created value relevance in financial reports of MDAs in the public sector.

Atuilik and Salia (2019), focused on the effects of IPSAS implementation on public funds management in Liberia. A five-point Likert scale questionnaire was utilized to generate data using a survey design. Montserrado County of Liberia commissioned the distribution of questionnaires to accountants, auditors from both private and state-owned firms, government departments, and public sector organizations. The descriptive statistics were employed to evaluate the valid questionnaires. An analysis of variance (ANOVA) was conducted to test the hypotheses, with a 5% significance level. According to the research, the implementation of IPSAS results in more transparent and accountable use by government of public funds.

Olaoye and Talabi (2018) analysed the impact of IPSAS on Nigeria's public sector financial reporting and how it can contribute to the country' economy. A descriptive research survey was used to select the population of fifty (50) members from ten (10) ministries in Ado-Ekiti, the capital of Ekiti State. It used inferential statistics as Ordinary least square (OLS) and the mean scores of data analysis. According to the researchers, there is no correlation between the implementation of IPSAS and financial reporting and its economic advantages for Nigeria. The study found that IPSAS does not have a significant impact on the government's ability to tackle corruption in the public sector, but their research indicates he has found favourable associations with financial reporting using accrual basis of accounting.

A study conducted by Egbunike, et al. (2017) examined the perception of Nigerian public sector accounting and reporting on acceptance of IPSAS through interviews with accountants. A survey research approach was implemented. The data was obtained by means of questionnaires administered to a sample of 283 individuals from the offices belonging to Accountant and Auditor General of Kogi and Benue States. Inferential statistics comprised mean, standard deviation, line graph estimated marginal means, and General Linear Model Univariate analysis. IPSAS will be an easier path to transparency and accountability for the reporting, management, governance and administration of the Nigerian Public Sector, as per the study. Moreover, the implementation of IPSAS will contribute to the improvement of financial reporting standards in the Nigerian Public Sector. It has been determined that the advantages of implementing IPSAS outweigh the costs associated with it in the Nigerian Public Sector.

A study conducted by Abimbola, et al. (2017) on the financial accountability of local governments in Oyo State, Nigeria (ABIMBOLA) examined the impact of IPSAS.IPSAS adoption is used to assess the impact of corruption reduction, transparency, and accountability in the selected Local Governments. Survey design was used for the study. Using five-point Likert scale questionnaires, data was collected from a sample of 105 Accountants and Internal Auditors in the selected local governments of Oyo State Nigeria. Descriptive statistics was employed to analyse the data. Using a 5% level of significance, we tested the hypotheses by means based on chi-square analysis.

The impact of IPSAS adoption on government reporting in Nigeria was investigated by Obara and Nangih (2017), Accounting and audits from various government departments, ministries or agencies were the sources of primary data for the Rivers State Civil Service. Tables and charts were utilized to display the data. The analysis was complemented by simplifying percentages. The study concluded that IPSAS will lead to greater financial transparency and accountability, as well on improved internal controls.

Dabor and Aggreh (2017) reported on the potential benefits and obstacles faced by Nigeria's public sector sector in adopting IPSAS. The research concentrated on federal ministries in Abuja. The civil servants in Abuja were given a questionnaire that contained one hundred and fifty copies. They used Z-test statistical method and chi-squared. The analysis of field data was carried out using MS-excel 2016.Adoption of IPSAS will improve the credibility of reports prepared by Nigerian public sector, as proved by results. The implementation of IPSAS will enhance the inter-state comparability of financial reports. The research discovered that the implementation of IPSAS is being hindered by a shortage of funds and internal opposition, which are two major obstacles.

The impact of adopting IPSAS on the quality of Financial Reports in Public Sector in Kenya was investigated by Opanyi (2016).Targeted at the 19 ministries of national government in Kenya, this study was conducted using a descriptive survey design. Using secondary means, the data was collected and subjected to descriptive statistics followed by an analysis of variance using t-test. While the quality of comparability, relevance, timelines, and faithful representation has been improved by adopting IPSAS, the researcher concluded that it has not improved the reliability, credibility, or integrity aspects of financial reporting in state government administration.

Ijeoma (2014) examined the impact of international public sector accounting standard (IPSA) on financial report-making in Nigeria. The data from the study was analysed using descriptive statistics and a survey research design. The researcher concluded that the introduction of IPSAS will enhance the reliability, credibility, and integrity of financial reporting in State Government administration in Nigeria. Moreover, it was determined that the implementation of IPSAS can advance the Federal Government's objective of providing services with improved efficiency and effectiveness.

METHODOLOGY

This study adopted the descriptive survey research design. The descriptive survey research design was adopted for the study because it will enable the researcher get information from the respondents who are involved in implementation of IPSAS in Edo State. This study employed primary source of data. The population of the study is 435 chartered accountants in Ministries and Government Agencies operating under the Edo State Government of Nigeria. The source of this population is the Ministry of Establishments, Edo State Government in 2023. The rationale for selecting these respondents was based on their better understanding of the subject matter being investigated.

The sample size was scientifically derived using Taro Yamane's (1967) size formula (n= $N/(1+ N(e)0.05^2)$ which yields a number for primary data. From the figures yielded, the researcher will select the respondents for the questionnaire randomly, so as to ensure that all sampled respondents have equal chances of being selected. Using the formula above with a margin of error (e) of 0.05%, the sample size for this study is 208 respondents of the entire population of 435, to maintain a 95% confidence level

The sample size was derived, as shown below:

(n= $N/(1+ N(e)0.05^2)$

Where n signifies the sample size

N signifies the population of the study

e signifies the margin of error (it could be 0.10,0.05 or 0.01)

$$n = \frac{435}{(1+ 435(0.05)^2)}$$

$$n = \frac{435}{(1+ 435(0.0025))}$$

$$n = \frac{435}{(1+ 1.0875)}$$

$$n = \frac{435}{2.0875}$$

n = 208.383

n is approx. 208 respondents

The study used primary data. Questionnaire was designed to get responses from the respondents of the study. It will entail two sections. The first part contains information relating to bio-data of the respondents, while the second part focused on questions relating to variables of the study. The questionnaire will be designed in 4-point Likert Scale format ranking from 1-4, in order of: Strongly Agree, Agree, Disagree and strongly disagree.

In order to ascertain the content validity of the research instrument used for data collection, the questionnaire was given to lecturers with knowledge on the subject matter in the department of Accounting, Wellspring University, Benin City, Edo State for useful criticism and corrections.

The Cronbach's Alpha statistic was adopted to measure the consistency of responses in the set of questions (scale items) that was administered for that purpose. After the computation a figure of 0.68 was derived affirming the reliability of the instrument.

The study employed both descriptive and inferential statistics. The descriptive statistics include frequency and percentage presented in tables. The study also employed the deductive approach in which inferential computation was used to explain the relationship between variables under investigation. Therefore, Pearson Chi Square was used to test the hypotheses and make inference on the study. Analysis was done with the help of Statistical Package for Social Sciences (SPSS) version 21.

Data Presentation and Analysis

A total of two hundred and eight (208) questionnaires were issued out by the researcher to respondents of this study, from which two hundred and three (203) copies were attended to and returned. This was used to further compute and analyse the data.

Research Question One

What is the effect of IPSAS effect on disclosure of financial information on the public sector in Edo State?

Table 2: Research Question One

Statement	SA	A	D	SD
All financial information as regards government revenues are disclosed	99 (48.8%)	78 (38.8%)	7 (3.4%)	19 (9.4%)
Under IPSAS financial information discloses details of Assets and Liabilities	44 (21.7%)	18 (8.9%)	67 (33%)	74 (36/5%)
Details of Assets are disclosed as notes to the accounts under IPSAS	77 (37.9%)	81 (39.9%)	17 (8.4%)	28 (13.8%)
Financial Reports under IPSAS show more detailed information	101 (49.8%)	65 (32%)	7 (3.4%)	30 (14.8%)
Users of financial information prefers IPSAS complaint financial reports	69 (34%)	107 (52.7%)	20 (9.9%)	7 (3.4%)
Accounting policies adopted by most governments is disclosed in financial reports	85 (41.9%)	72 (35.5%)	16 (7.9%)	30 (14.8%)

Source: Author's computation 2023

From table 2 above, a greater percentage of the respondents agreed that IPSAS has significantly impacted on disclosure of information in public sector. This is evidenced by the percentage of respondents that agreed and strongly agreed.

Research Question Two.

What is the effect of IPSAS on transparency and accountability of financial reporting of the public sector in Edo State?

Table 3: Research Question Two

Statement	SA	A	D	SD
Ministries/Departments render reports that shows details of assets and Liabilities	86 (42.4%)	91 (44.8%)	0 (0%)	26 (12.8%)
MDA report to Accountant General, captures all obligations of government	120 (59.1%)	43 (21.2%)	10 (4.9%)	30 (14.8%)

Financial reports under IPSAS captures all government transactions including contingent liability	55 (27.1%)	94 (46.3%)	17 (8.4%)	37 (18.2%)
Under IPSAS assets are reported in current value	58 (28.6%)	55 (27.1%)	50 (24.6%)	40 (19.7%)
Accrual basis applied under IPSAS shows more comprehensive report of government operations	77 (37.9%)	41 (20.2%)	45 (22.2%)	40 (19.7%)

Source: Author's computation 2023

From table 3 above, a greater percentage of the respondents agreed that IPSAS has significantly impacted on accountability and transparency in Edo State public sector. This is evidenced by the percentage of respondents that agreed and strongly agreed.

Research Question three

What is the effect of IPSAS on the comparability of financial reporting of the public sector in Edo State.

Table 4: Research Question Four

Statement	SA	A	D	SD
The result of current accounting period are compared with results in previous accounting periods	58 (28.6%)	55 (27.1%)	50 (24.6%)	40 (19.7%)
Information in the annual report by a state government can be compared to another state government	77 (37.9%)	41 (20.2%)	45 (22.2%)	40 (19.7%)
Analysis of financial report is easily done with prior year comparison	69 (34%)	107 (52.7%)	20 (9.9%)	7 (3.4%)
The notes to revisions in accounting estimates and judgements explain the changes in the current financial reports	85 (41.9%)	72 (35.5%)	16 (7.9%)	30 (14.8%)
The notes to changes in accounting policies explains the effect of the change in the current accounting period	120 (59.1%)	43 (21.2%)	10 ()4.9%	30 (14.8%)

Source: Author's computation 2023

From table 4 above, a greater percentage of the respondents agreed that IPSAS has significantly impacted on comparability of financial information in public sector. This is evidenced by the percentage of respondents that agreed and strongly agreed.

Test of Hypotheses

HO1: There is no significant effect of IPSAS on disclosure of financial information on the public sector in Edo State.

Table 5:Chi-Square summary table

Chi- Square Tests

Test Statistics	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-square	67.704[a]	18	.000
Likelihood Ratio	40.288	18	.000
Linear-by-Linear Association	38.197	1	.000
N of Valid Cases	203		
0 cells (0%) have expected count less than 5. The minimum expected count is 14			

Source: Author's computation 2023

Note. *= $p< .05$

From the table above, it shows that there is a significant impact of IPSAS on disclosure of financial information on the public sector in Edo State, chi square = 67.704; df = 18, p = 0.000 <0.05. This further implies that IPSAS have positive impact on disclosure of financial information on the public sector in Edo State. Therefore the study failed to accept the null hypothesis earlier stated.

HO2: There is no significant impact of IPSAS on transparency and accountability of financial reporting of the public sector in Edo State.

Table 6: Chi-Square summary table

Chi- square Tests

Test Statistics	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	92.618[a]	13	.000
Likelihood Ratio	58.407	13	.000
Linear-by-Linear Association	19.109	1	.000
N of Valid Cases	203		
a. 0 cells (0%) have expected count less than 5. The minimum expected count is 11			

Source: Author's computation 2023

From the table above, it shows that there is a significant impact of IPSAS on transparency and accountability on the public sector in Edo State, chi square = 96.618; df = 13, p = 0.000 <0.05. This further implies that IPSAS have positive impact on transparency and accountability on the public sector in Edo State. Therefore the study failed to accept the null hypothesis earlier stated.

H04: There is no significant effect on the comparability of financial reporting of the public sector in Edo State.

Table 7: Chi-Square summary Table

Chi- square Tests

Test Statistics	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-square	111.706 [a]	15	.000
Likelihood-Ratio	73.293	15	.000
Linear-by-Linear Association	58. 868	1	.000
N of Valid Cases	203		
b. 0 cells (0%) have expected count less than 5. The minimum expected count is 13			

Source: Author's computation 2023

From the table above, it shows that there is no significant effect of IPSAS on the comparability of financial reporting of the public sector in Nigeria, chi-square = 111.706; df = 15, p = 0.000 <0.05. This further implies that IPSAS have a positive influence on the comparability of financial reporting on the public sector in Edo State. Therefore the study failed to accept the null hypothesis earlier stated.

Discussion of Findings

The broad objective of the study is to examine the influence of International Public Sector Accounting Standards on public sector financial reporting in Edo State, Nigeria. The specific objectives was to investigate the effect of disclosure of financial information of the public sector in Edo State; examine the influence of IPSAS on transparency and accountability of financial reporting of the public sector in Edo State; and examine the effect of IPSAS on the comparability of financial reports of the public sector in Edo State, Nigeria.

Survey research design was adopted and questionnaire was administered to Accountants in Ministries and Agencies operating under Edo State Government. The reliability of the research tool was optimal for the study as it was ascertained using the Cronbach Alpha statistics. Pearson chi-square was used to test the hypotheses of the study.

The study observed that there is a significant impact of IPSAS on disclosure of financial information on public sector reporting in Edo State. Also, this study found that there is a significant effect of IPSAS on transparency and accountability of financial reporting in Edo State; which is in a similar view with Obuagu and Onuora (2019) who found that the adoption of IPSAS International Public Sector accounting Standards has significantly influenced accountability and transparency in the Nigerian Public Sector. Tawiah (2021) also found that IPSAS is negatively and significantly related with corruption, suggesting that the adoption of IPSAS will go a long way in helping to control corruption in developing countries.

Also, the study found that there is a significant effect of IPSAS on transparency and accountability on the public sector in Edo State Nigeria. This finding is tandem with the work of Obiora and Nkem (2022) who found that there is a positive significance between IPSAS adoption and the reliability and reporting credibility of public entities in Anambra State. Also, this study is in line with the finding of Abayomi (2022) who found that IPSAS has an impact on Accountability in public sector in Nigeria, albeit it is in discordance to the finding of the study, Olaoye, and Talabi (2018) found that there is no relationship between that application of IPSAS on financial reporting and economic benefits to Nigeria.

Lastly, the study found that there is a significant effect of IPSAS on the comparability of financial reports of the public sector in Edo State. This is synonymous with the work of Ademola, et al (2020), Dabor and Aggreh (2017), and Akinleye and Alaran-Ajewole (2018), they found that IPSAS adoption exerted significance and positive relationships and financial reporting quality, credibility and comparability of financial statements.

Summary of Findings

The study examined the impact of International Public Sector Accounting Standards on Public Sector Financial Reporting in Edo State, The following were found;

There is a significant effect of IPSAS on disclosure of financial information on public sector financial reporting in Edo State

There is a significant effect of IPSAS on transparency and accountability on public sector financial reporting in Edo State

There is a significant effect of IPSAS on comparability of financial reports on public sector financial reporting in Edo State

Conclusion

This research work examined the impact of International Public Sector Accounting Standards on public sector financial reporting in Edo State. The study concluded that IPSAS has significantly impacted on public sector financial reporting in Edo State, Nigeria.

Recommendations

Based on the findings of this study, it is recommended that;

The adoption of IPSAS should be sustained by government at all levels as its adoption has significantly improved the level of transparency, accountability and quality of financial reporting in public sector organisations.

There should be greater levels of disclosure by reporting entities and detailed information by reporting public sector entities in their financial reports and details of accounting policies adopted by government as well as contingent liabilities, amongst others, must be properly highlighted and explicit.

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