

An Empirical Examination of the Adoption of International Public Sector Accounting Standards and the Compliance Transition in Selected Higher Education Institutions in Lagos State, Nigeria

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Abstract: This research explores the effects of adopting International Public Sector Accounting Standards (IPSAS) on three federal tertiary institutions in Lagos State. A survey approach was utilized, with data collected through questionnaires specifically designed for this study. The study's population comprised staff from the Bursary, Audit departments, and lecturers in the Accounting departments of the following institutions: University of Lagos (UNILAG), Yaba College of Technology (YCT), and Federal College of Education (Technical) (FCE). A sample of 200 staff members was selected, including 75 from UNILAG, 75 from YCT, and 50 from FCE, to whom 200 questionnaire items were administered. The purposive sampling technique was applied to ensure that the selected respondents were those with relevant experience and knowledge. In the second phase of data collection, researchers consulted with key officials from the three institutions to evaluate their progress in fully implementing the IPSAS accrual accounting framework. The growing economic connections with international partners, along with a push for best practices globally, has driven the necessity for countries to adopt modified accrual-basis IPSAS. The findings from this study indicate that the adoption of IPSAS has significantly enhanced the reliability and credibility of financial accounting information within the Nigerian public sector. Consequently, the study recommends that the Federal Government establish necessary legislative and institutional frameworks to create a supportive environment for IPSAS adoption. Additionally, it is crucial to impose strict penalties on organizations that fail to comply with these standards.

Keywords: Accrual Accounting Basis, Federal Government, Financial Statements, IPSAS, Tertiary Institutions.

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1.0 Introduction

International Public Sector Accounting Standards (IPSAS) represent a crucial framework of accounting principles aimed at guiding public sector entities in the preparation of their financial statements. These standards, developed by the International Public Sector Accounting Standards Board (IPSASB), are designed to enhance the quality and transparency of financial reporting across public sector organizations. By implementing an accrual basis of accounting, IPSAS allows for a more accurate reflection of financial transactions, which, in turn, enables stakeholders to hold public entities accountable for their financial management practices (Aboagye, 2012).

According to the National Open University of Nigeria (2013), the public sector is defined as the segment of the economy consisting of organizations that are not privately owned. Instead, these organizations are established, operated, and financed by the government in order to serve the public interest. Public sector accounting encompasses a range of activities that involve the systematic recording, analysis, summarization, reporting, and interpretation of financial transactions conducted by government ministries, departments, and agencies. This sector includes organizations that are owned and managed by the public, typically through elected representatives known as the government (Acho, 2014). Adams (2010) reiterates this definition, emphasizing that

public sector entities operate without private ownership and are funded by government resources for the benefit of the populace.

Traditional accounting practices within the public sector have been marked by several significant shortcomings, which have contributed to inefficiencies in the allocation and use of resources. For example, cash basis accounting practices often lead to immediate write-offs of substantial capital assets upon purchase, providing opportunities for corrupt officials to misappropriate these assets after they have been acquired. Such practices have fostered a climate of inefficiency, lack of transparency, and diminished accountability in government financial dealings. Furthermore, the absence of standardized financial reporting systems has made it difficult to align public sector accounting practices with international standards. Prior to the introduction of the International Financial Reporting Standards (IFRS) and IPSAS, numerous stakeholders expressed grave concerns over the deterioration of the public sector accounting environment (Ijeoma & Oghoghomeh, 2014). This need for reform is supported by Ball, Dale, Eggers, and Sacco (2000), as cited in Omolehinwa and Naiyeju (2011: 65), who argue for the replacement of outdated accounting practices. They contend that permitting governments to conceal their financial obligations and true fiscal status can be detrimental; cash basis accounting effectively shifts the burden of present costs onto future generations, raising pressing ethical questions about inter-generational fairness (Acho, 2014).

Aim and Objectives of the Study

The principal aim of this study is to assess the extent of compliance with IPSAS among selected tertiary institutions in Nigeria. The specific objectives of the research are as follows:

1. To evaluate the degree to which these institutions have adhered to IPSAS requirements.
2. To identify the obstacles faced by these institutions in their compliance efforts.
3. To analyze the factors that may discourage key stakeholders from supporting the government's initiative to adopt IPSAS in Nigeria.
4. To examine the differences between IPSAS and the traditional accounting system in the Nigerian public sector, justifying the need for the transition to IPSAS.
5. To assess the current level of compliance achieved and the challenges faced in the complete implementation of the IPSAS accrual accounting framework.

Research Questions

This study aims to address the following research questions:

1. What are the key factors that facilitate compliance with IPSAS adoption in Nigeria?
2. What significant challenges have tertiary institutions encountered while attempting to adhere to the IPSAS standards?
3. How well are the interests of key stakeholders considered to ensure their support for the government's directive to adopt these standards in Nigeria?
4. Are there substantial differences between IPSAS and the traditional accounting system in the Nigerian public sector that would promote the transition to IPSAS?

5. What level of compliance has been achieved, and what challenges continue to hinder the full implementation of the IPSAS accrual accounting basis?

Scope of the Study

This study focuses on the adoption of International Public Sector Accounting Standards, emphasizing the transition from mere compliance to effective implementation in three selected federal tertiary institutions in Lagos State. By conducting this investigation, the research seeks to provide valuable insights that could inform future policy and practice in public sector accounting in Nigeria.

2.0 LITERATURE REVIEW

2.1 Early History of IPSAS in the World

The dialogue surrounding public sector accountability and financial transparency has significantly shaped governmental responsibilities in recent decades. Chan (2008) emphasizes the need for improved government financial accountability through a structured public sector accounting framework and established standards. The global financial crises that emerged in recent years have further underscored the necessity for a comprehensive review of public sector accounting frameworks and measurement methodologies. Consequently, there have been calls for a systematic reform of the standard-setting processes.

At the heart of this evolution is the International Public Sector Accounting Standards (IPSAS), which represents a transformative movement in government accounting. The International Public Sector Accounting Standards Board (IPSASB) has been instrumental in recommending these standards, which are increasingly accepted for accounting practices related to funding from international financial institutions such as the World Bank and the International Monetary Fund (IMF). Research conducted since 2016 into the compliance with IPSAS in Federal Government Tertiary Institutions in Lagos State has highlighted several key areas of advancement, including:

- I. A successful transition from IPSAS cash basis accounting to an accrual accounting framework.
- II. The full implementation of the National Chart of Accounts (NCOA) across all budgetary processes.
- III. Comprehensive adoption of the NCOA in the expenditure patterns of institutions like Yaba College of Technology, the University of Lagos, and the Federal College of Education (Technical).
- IV. These developments align with the directives of the Federation Account Allocation Committee (FAAC) mandating the adoption of IPSAS Accrual Accounting starting in 2016.

The primary objectives for implementing IPSAS Accrual Accounting encompass a range of goals, including:

- I. Providing comprehensive guidance on accrual accounting practices.
- II. Assisting public sector financial statement preparers in aligning their transactions with accrual accounting principles.
- III. Reducing subjective interpretations and arbitrary applications in financial transaction reporting.
- IV. Serving as a reference resource for financial management professionals navigating accrual accounting.

- V. Functioning as a training resource for both new and existing personnel within the sector.
- VI. Acting as a reference document for auditors and consultants to assess and understand Nigeria's financial management systems.
- VII. Facilitating proper recording and monitoring of funds flow to ensure effective utilization.

2.1.1 Scope: Legal Framework for IPSAS Implementation

The legal framework governing IPSAS operations in Nigeria includes several key legislative documents:

- I. The Constitution of the Federal Republic of Nigeria (1999, as amended).
- II. The Annual Appropriation Act (Budget).
- III. Financial Regulations and Financial Instructions.
- IV. The Finance (Management & Control) Act of 1958.
- V. Various Treasury Circulars and Guidelines.
- VI. The Public Procurement Act of 2007 and the Fiscal Responsibility Act of 2007.
- VII. The Financial Reporting Council of Nigeria Act of 2011.
- VIII. The National Chart of Accounts (NCOA) and its User Manual.
- IX. The IPSAS and its accompanying Conceptual Framework for General Purpose Financial Reporting (GPFR).

2.1.2 Requirements for IPSAS Adoption

The IPSASB, an integral part of the International Federation of Accountants (IFAC), plays a pivotal role in developing the IPSAS, which aims to enhance financial reporting quality, promote transparency, and strengthen accountability in public sector financial management. As global governments increasingly seek to fortify their financial management frameworks, the relevance of IPSAS adoption has grown substantially.

The successful adoption of IPSAS hinges on several critical elements of government policy:

2.1.2(1) Policy Framework for IPSAS Adoption

Government policies regarding IPSAS typically comprise the following components:

- I. **Legislative Mandates:** Countries often initiate the IPSAS adoption process through legislation that establishes a legal foundation for implementing these standards. This may involve amending existing laws or enacting new regulations to align national practices with IPSAS, thereby encouraging compliance among public sector entities.
- II. **Institutional Framework:** Many governments establish dedicated institutions or agencies tasked with overseeing IPSAS implementation. These entities, such as ministries of finance or regulatory bodies, provide guidance, resources, and training to facilitate adherence to IPSAS and monitor compliance.
- III. **Strategic Action Plans:** A comprehensive strategic action plan is essential for successful IPSAS adoption. Governments should develop plans that outline timelines, resource

allocation, and methodologies for transitioning to IPSAS, including specific milestones and training initiatives.

- IV. **Public Consultation and Stakeholder Engagement:** Effective IPSAS policy implementation often involves extensive engagement with stakeholders, including public sector employees, civil society organizations, and professional accounting bodies. This ensures that policies are informed by a range of perspectives and fosters commitment to the transition process.

2. Implications of IPSAS Adoption for Public Financial Management

The successful implementation of IPSAS through robust government policies carries significant implications for public financial management:

- I. **Enhanced Transparency:** IPSAS fosters increased transparency in government financial reporting, enabling public sector entities to provide clearer and more consistent financial information. This transparency allows citizens and stakeholders to better comprehend the utilization of public funds.
- II. **Improved Accountability:** Adopting IPSAS cultivates a culture of accountability within public organizations. By adhering to internationally recognized standards, governments demonstrate their commitment to responsible financial management, essential for maintaining public trust.
- III. **Better Decision-Making:** IPSAS provides a framework for producing accurate and comprehensive financial reports, thereby improving decision-making processes within governments. Policymakers can make informed choices based on reliable financial data.
- IV. **Facilitation of Public Sector Reforms:** The adoption of IPSAS can stimulate broader public sector reforms, as aligning financial reporting with international standards often necessitates improvements in budgeting, performance management, and internal controls. This alignment ultimately enhances public service delivery efficiency.

3. Challenges in Government Policy Implementation

Despite the evident benefits of IPSAS adoption, several challenges may hinder effective implementation of government policies:

- i. **Financial Constraints:** The migration to IPSAS often demands significant financial investment, which can be a substantial barrier, particularly for governments in developing nations. Budget limitations may restrict resources for necessary training, technological upgrades, and system enhancements.
- ii. **Lack of Political Will:** The dedication of political leadership is crucial for advancing the IPSAS adoption agenda. Insufficient political commitment can stall implementation efforts. Leaders must prioritize IPSAS within the broader framework of public financial management reforms.
- iii. **Resistance to Change:** Cultural resistance within public sector entities can obstruct IPSAS adoption. Employees may be hesitant to abandon established practices in favor of new standards, particularly if they perceive these changes as burdensome or threatening to job security.
- iv. **Capacity Gaps:** Many public sector organizations lack the expertise and capabilities required for effective IPSAS implementation. It is essential for governments to invest in capacity-building initiatives to train personnel and develop the

necessary skills for compliance, potentially in collaboration with professional accounting organizations and educational institutions.

- v. **Technological Limitations:** Existing technological infrastructures can greatly impact the ability to implement IPSAS. Outdated financial systems may struggle to accommodate the complexities of the new standards, necessitating assessments and investments in technological upgrades for compliance.

4. International Support and Collaboration

To facilitate the successful implementation of IPSAS, governments can leverage international support and collaboration:

- i. **Technical Assistance:** Organizations like the World Bank and the IMF frequently provide technical assistance to governments aiming to adopt IPSAS. This support includes training, best practice guidance, and financial resources for necessary system upgrades.
- ii. **Knowledge Sharing:** Collaborative efforts among countries can promote knowledge sharing and peer learning. Governments can draw valuable lessons from the experiences of others who have successfully implemented IPSAS, allowing for the identification of best practices and potential pitfalls.
- iii. **Professional Development:** Partnerships with professional accounting organizations can enhance the capabilities of public sector employees. These organizations can offer training, certification programs, and resources to equip staff with the skills essential for effective IPSAS implementation.

2.1.3 Importance of IPSAS Adoption

1. Enhanced Transparency and Accountability

The adoption of International Public Sector Accounting Standards (IPSAS) plays a critical role in improving transparency in government financial reporting. By following recognized global standards, public entities can offer clearer and more comparable financial data, which is vital for allowing citizens and stakeholders to understand how public resources are utilized. This transparency is crucial for enhancing accountability, ensuring that governments are responsible for their financial decisions.

2. Improved Financial Management

Implementing IPSAS contributes to better financial management within governments. These standards enable authorities to monitor their financial performance and positions more effectively. This capability supports informed decision-making in budgeting, forecasting, and financial planning, which are essential for the long-term sustainability of public sector operations.

3. Support for Public Sector Reforms

As many nations pursue reforms to enhance the efficiency and effectiveness of public administration, IPSAS adoption aligns seamlessly with these initiatives. By offering a structured framework for financial reporting and management, IPSAS can aid governments in executing necessary changes and showcasing their progress to stakeholders.

4. Increased Investment and Economic Stability

Countries that embrace IPSAS can bolster their credibility and appeal to investors. Transparent and dependable financial reporting fosters confidence among investors, potentially leading to

increased foreign direct investment (FDI). Furthermore, sound financial management enhances economic stability, which is vital for sustained growth.

5. Harmonization of Financial Reporting

IPSAS promotes the harmonization of financial reporting practices across different jurisdictions. In today's globalized economy, where entities frequently operate internationally, adopting a unified set of standards helps minimize inconsistencies in financial reporting and improves comparability.

2.1.4 Challenges of IPSAS Adoption

While the advantages of IPSAS adoption are noteworthy, governments may encounter several challenges during the implementation phase:

1. Capacity Building

A significant hurdle for many public sector organizations is the lack of expertise and training necessary for effective IPSAS implementation. Initiatives focused on capacity building are crucial for equipping personnel with the requisite skills for compliance, which may involve considerable investment in training resources.

2. Overhaul of Financial Systems

Transitioning to IPSAS typically necessitates major modifications to existing financial systems and procedures. For entities relying on outdated accounting practices, this transition can be particularly daunting and may incur substantial costs and time commitments.

3. Resistance to Change

Cultural resistance to adopting new standards can pose significant barriers. Stakeholders may be reluctant to embrace change, particularly in environments where established practices have been long entrenched. Engaging stakeholders and cultivating a culture of accountability are vital for overcoming such resistance.

4. Data Quality and Availability

The successful adoption of IPSAS hinges on the availability of precise and timely financial data. Many public sector entities struggle with data quality issues, which can hinder compliance. Investments in data management and reporting infrastructures are essential to address these challenges.

2.1.5 Constraints and Challenges of Compliance with IPSAS

The implementation of IPSAS is recognized as a crucial step towards enhancing financial accountability in the public sector. However, compliance poses various challenges and constraints that governments and public sector organizations must address. This discussion focuses on the primary obstacles to IPSAS compliance, including capacity issues, resistance to change, limitations of financial systems, and challenges related to data integrity.

1. Capacity Building and Skills Deficiency

A primary challenge in adhering to IPSAS is the significant skills gap among public sector personnel. Many entities operate with insufficient financial management expertise, particularly in developing nations. This deficiency manifests in several areas:

- i. **Lack of Training:** Many financial professionals are not sufficiently trained in the intricacies of IPSAS. Transitioning from cash-based to accrual accounting—an essential aspect of

IPSAS—demands specialized training. Without comprehensive education programs, staff may find it difficult to implement the new standards effectively.

- ii. **Resource Limitations:** Budget constraints often hinder public sector entities from investing in necessary training and professional development, leading to a workforce ill-equipped for IPSAS compliance.
- iii. **Retention Challenges:** High turnover rates among skilled finance personnel can worsen the situation. Once trained in IPSAS, these professionals may leave for better opportunities, requiring entities to rebuild their capacity repeatedly.

2. Resistance to Change

Resistance to organizational change is a common barrier when transitioning to IPSAS compliance, stemming from several factors:

- i. **Cultural Resistance:** Long-standing practices and traditions within many public sector entities may lead employees to resist adopting new standards. The introduction of IPSAS might be perceived as a threat to established routines, causing pushback.
- ii. **Job Security Concerns:** Employees may worry that new standards will result in job losses or significant alterations to their roles. Such anxieties can foster a hostile atmosphere for IPSAS implementation.
- iii. **Stakeholder Engagement:** A lack of active support from key stakeholders, including management and political leaders, can impede compliance efforts. Without a clear communication strategy and commitment from all organizational levels, resistance can obstruct progress.

3. Financial System Limitations

Adhering to IPSAS often necessitates considerable upgrades to existing financial systems and processes. Many public sector entities face several constraints in this area:

- i. **Outdated Systems:** Many public sector accounting systems are not equipped to meet IPSAS requirements. Upgrading these systems can be costly and time-consuming, often requiring investments that may not be feasible within tight budgets.
- ii. **Integration Issues:** Implementing new systems can complicate existing workflows and processes. A lack of interoperability can create data silos and complicate compliance efforts.
- iii. **Insufficient Tools:** Effective IPSAS compliance requires robust budgeting and reporting tools, which many public entities lack. This deficiency can result in inaccuracies and non-compliance.

4. Data Quality and Availability

Data integrity is vital for IPSAS compliance, yet many public sector entities encounter challenges related to data quality and availability:

- i. **Inconsistent Data Practices:** Different departments may employ varying data collection and reporting methods, leading to discrepancies in financial statements and hindering compliance.
- ii. **Limited Data Access:** Often, the data needed for IPSAS compliance is not readily accessible. Fragmented data systems can cause delays in reporting and affect the accuracy of financial information.

- iii. **Poor Data Management:** Ineffective data management policies can result in incomplete records and reporting errors, complicating IPSAS compliance efforts and undermining data reliability.

5. Legislative and Regulatory Framework

The legal and regulatory environment can also present challenges to IPSAS compliance:

- i. **Absence of Legal Mandates:** In some regions, a lack of legal requirement for IPSAS adoption can diminish urgency and commitment to compliance. Without legislative backing, competing priorities may undermine IPSAS implementation efforts.
- ii. **Complex Regulations:** Navigating a complex network of national regulations while attempting to comply with IPSAS can be challenging, leading to confusion and inconsistencies in financial reporting.
- iii. **How Weak Accountability Mechanisms:** Insufficient enforcement of IPSAS compliance can reduce motivation among entities to adhere to the standards. Strong governance frameworks are essential for fostering a culture of compliance.

2.1.6(1) Factors Discouraging Implementation of IPSAS

The implementation of International Public Sector Accounting Standards (IPSAS) is vital for improving transparency, accountability, and the quality of financial reporting within the public sector. Despite the potential advantages that IPSAS can offer, various factors hinder its adoption by countries and public sector entities. This section delves into the primary obstacles, including financial limitations, insufficient political will, lack of training and capacity, cultural resistance, and technological hurdles.

1. Financial Constraints

Financial limitations represent a significant barrier to the implementation of IPSAS, with several aspects contributing to this challenge:

- i. **Cost of Transition:** Transitioning to IPSAS entails substantial financial commitments. This transition involves not only the costs of training staff but also the expenses related to updating accounting systems and instituting new reporting practices. For numerous governments, particularly those in developing regions, these costs can be overwhelming, forcing them to reallocate funds from other critical services.
- ii. **Budget Prioritization:** Public sector entities often operate with limited budgets, which means that financial resources are typically directed toward immediate needs rather than long-term advancements in financial reporting. Consequently, the adoption of IPSAS may be viewed as a lesser priority compared to pressing social and economic challenges, resulting in delays in implementation efforts.
- iii. **Sustainability of Investment:** Even when initial funding is secured, the long-term maintenance of financial commitments can be problematic. The ongoing costs associated with continuous training, system maintenance, and compliance with evolving standards require sustained investment. Many entities may find it difficult to commit to these ongoing financial requirements.

2. Lack of Political Will

Political dynamics significantly impact the adoption of IPSAS, as the presence or absence of political will often dictates the speed of implementation:

- i. **Limited Advocacy from Leadership:** The involvement of political leaders is crucial for advancing reforms in public financial management. Frequently, a lack of interest or advocacy from political figures can result in inadequate support for the implementation of IPSAS. When financial reporting standards are not prioritized by leadership, essential resources and attention are often diverted elsewhere.
- ii. **Short-Term Political Cycles:** Political leaders tend to focus on achieving short-term objectives to secure electoral support, which may conflict with the longer-term advantages associated with adopting IPSAS. The implementation of IPSAS demands a vision that extends beyond the typical electoral cycle; without robust political backing, these initiatives may falter.
- iii. **Competing Priorities:** Governments regularly confront a multitude of competing priorities, including infrastructure development, healthcare, and education. In this context, IPSAS may be perceived as a non-urgent issue, leading to neglect in its adoption.

3. Inadequate Training and Capacity

The effective implementation of IPSAS hinges on the presence of a well-trained workforce capable of comprehending and applying the standards:

- i. **Skills Gap:** A significant challenge is the skills gap that exists among public sector employees, many of whom may lack the necessary training and expertise to implement IPSAS. This gap is especially pronounced in developing nations, where educational programs focusing on public sector accounting are often scarce. Without sufficient training initiatives, personnel may struggle to adapt to the new standards.
- ii. **Limited Professional Development Opportunities:** In more developed countries, there may still be insufficient ongoing professional development opportunities for IPSAS-related training. This can result in stagnation in the knowledge and skills of public sector accountants, hindering effective compliance.
- iii. **Retention Issues:** High turnover rates within the public sector can exacerbate training challenges, as organizations frequently lose skilled personnel. When trained employees leave, entities are forced to continuously invest in the training of new staff, complicating efforts to maintain a knowledgeable and consistent workforce equipped to implement IPSAS effectively.

4. Cultural Resistance

Cultural factors within public sector organizations can pose considerable obstacles to the adoption of IPSAS:

- i. **Traditional Practices:** Many public sector entities have longstanding accounting practices that are deeply ingrained. Employees may resist transitioning from familiar methods to new standards, resulting in inertia and a reluctance to embrace change.
- ii. **Fear of Accountability:** The implementation of IPSAS enhances the transparency of financial reporting, which can be

daunting for some public sector employees. The increased scrutiny associated with these standards may create a fear of potential criticism or blame, leading to resistance against the adoption of standards that they perceive as exposing their work to greater oversight.

- iii. **Lack of Awareness:** A widespread lack of awareness or understanding regarding the benefits of IPSAS can also hinder its implementation. If stakeholders do not recognize the value of transitioning to these standards, they may actively resist efforts to change established practices.

5. Technological Challenges

The existing technological framework within public sector entities can significantly impact their ability to implement IPSAS:

- i. **Outdated Systems:** Many public sector organizations rely on outdated financial systems that are ill-equipped to handle the complexities associated with IPSAS. Upgrading these systems requires considerable investment and may be obstructed by bureaucratic challenges, leading to delays in the transition process.
- ii. **Integration Issues:** Even when new systems are adopted, integrating them with existing processes can present substantial challenges. If financial systems do not seamlessly align, it can create inefficiencies and complications that discourage IPSAS adoption.
- iii. **Data Management Problems:** Successful compliance with IPSAS depends on accurate and timely data management. However, numerous public sector entities face significant challenges related to data quality and management, which can obstruct their ability to produce the necessary financial statements. Without reliable data, the rationale for implementing IPSAS is significantly weakened.

2.1.6 (2) Significant Differences Between IPSAS and Traditional Accounting Systems

The shift towards International Public Sector Accounting Standards (IPSAS) signifies a transformative change in the management and reporting of financial information within public sector entities. Traditional accounting systems, which often rely on cash accounting, present considerable contrasts to the accrual-based methodology of IPSAS. Recognizing these differences is essential for stakeholders engaged in public financial management, as they profoundly affect transparency, accountability, and decision-making processes. This section investigates the major distinctions between IPSAS and traditional accounting systems across several critical dimensions, including the accounting basis, reporting requirements, financial statement structure, and stakeholder engagement.

1. Accounting Basis: Cash vs. Accrual

The accounting basis utilized in financial reporting is one of the most pronounced differences between traditional accounting systems and IPSAS:

- i. **Cash Basis Accounting:** Traditional public sector accounting systems typically employ a cash basis approach, wherein revenues and expenses are recorded only upon receipt or payment of cash. While this method offers a simplified representation of financial transactions, it may fail to accurately reflect the true financial status of an entity. For instance, under cash accounting, a government might appear financially robust despite having substantial unpaid liabilities.

- ii. **Accrual Basis Accounting:** In contrast, IPSAS adopts an accrual basis of accounting, which recognizes revenues when they are earned and expenses when they are incurred, independent of cash transactions. This approach provides a more comprehensive perspective on an entity's financial health, accounting for all resources and obligations. For example, under accrual accounting, a government would acknowledge an obligation to pay for services received even if payment has not yet been executed, thus presenting a clearer picture of its liabilities.

2. Financial Reporting Requirements

The requirements for financial reporting under IPSAS differ markedly from those outlined in traditional accounting systems:

- i. **Comprehensive Reporting:** IPSAS necessitates a broader range of financial statements, encompassing not just the statement of financial position and statement of financial performance, but also the statement of changes in net assets/equity, cash flow statements, and comprehensive notes to the financial statements. This extensive framework enhances transparency and equips stakeholders with detailed insights into an entity's financial performance and standing.
- ii. **Limited Reporting:** In contrast, traditional accounting systems may feature a narrower reporting scope, primarily focusing on the cash flow statement and essential financial details. This limited perspective can obscure vital information regarding long-term financial sustainability and risks.

3. Financial Statement Structure and Components

The structural and compositional differences in financial statements between IPSAS and traditional accounting systems are significant:

- i. **Recognition and Measurement Principles:** IPSAS provides explicit guidelines for the recognition and measurement of assets, liabilities, revenues, and expenses, ensuring consistency and comparability across public sector entities. For instance, IPSAS emphasizes the importance of assessing the fair value of assets and liabilities, leading to a more precise representation of financial conditions.
- ii. **Historical Cost vs. Fair Value:** Traditional accounting systems often rely on historical cost for asset valuation, which may not accurately reflect current market realities. IPSAS, however, promotes the use of fair value measurement where relevant, fostering a more realistic depiction of an entity's assets and liabilities.
- iii. **Notes to Financial Statements:** IPSAS mandates extensive disclosures within the notes to the financial statements, offering additional context and insights that enhance comprehension of the presented figures. Traditional systems may feature limited disclosures, which can obscure critical information regarding risks, assumptions, and accounting policies.

4. Emphasis on Performance and Accountability

IPSAS places a heightened focus on performance reporting and accountability compared to traditional accounting systems:

- i. **Performance Reporting:** IPSAS requires public sector entities to integrate performance indicators within their financial reports. This emphasis on performance reporting allows stakeholders to evaluate the efficiency of resource utilization and the achievement of objectives. In contrast, traditional

systems may prioritize financial position over performance assessment.

- ii. **Accountability Framework:** The accrual accounting approach under IPSAS enhances accountability by aligning financial reporting with the resources utilized in delivering public services. Consequently, governments are better equipped to elucidate variances between budgets and actual performance, thereby fostering greater accountability to citizens and stakeholders.

5. Stakeholder Engagement and Transparency

The manner in which stakeholder engagement and transparency are addressed under IPSAS contrasts significantly with traditional accounting practices:

- i. **Increased Stakeholder Engagement:** IPSAS advocates for heightened stakeholder engagement through transparent reporting practices. By furnishing comprehensive financial information, public sector entities can more effectively communicate their financial position and performance to stakeholders, including citizens, oversight bodies, and investors.
- ii. **Limited Transparency:** Traditional accounting systems may not prioritize stakeholder communication, resulting in less transparency. This can lead to mistrust among citizens who are unable to understand how public resources are managed and utilized.

2.1.7 Transition from Conventional Accounting Systems to IPSAS

The shift from conventional accounting systems to the International Public Sector Accounting Standards (IPSAS) signifies a transformative change in the management of public finances. This transition is crucial for improving transparency, accountability, and the overall quality of financial reporting in the public sector. Nonetheless, the migration process is intricate, necessitating meticulous planning, steadfast commitment, and adequate resource allocation. This section delineates the essential steps involved in the migration, the obstacles that may arise, and the best practices that can help ensure a successful transition.

1. Overview of the Migration Process

Migrating to IPSAS entails several critical steps that must be meticulously managed to guarantee an effective transition:

- i. **Evaluation of Current Practices:** The initial phase of migration involves a comprehensive assessment of existing accounting practices and systems. This assessment includes an analysis of the strengths and weaknesses of the traditional accounting framework, identifying gaps in adherence to IPSAS standards, and evaluating the current skill levels and capacities of personnel involved in financial management.
- ii. **Creation of a Migration Strategy:** Following the assessment, a detailed migration plan should be formulated. This plan must clearly articulate the goals, timeline, and resources needed for the transition. Key components of the plan include strategies for staff training, system upgrades, and stakeholder engagement. Additionally, it is vital to establish specific milestones and performance indicators to facilitate progress monitoring.
- iii. **Capacity Building and Training Initiatives:** A pivotal aspect of the migration process is enhancing the capacity of staff to

comprehend and implement IPSAS. This requires the design and delivery of targeted training programs tailored to meet the specific needs of personnel. Collaborating with professional accounting bodies and educational institutions can further enrich training initiatives, ensuring that staff are adequately prepared to adopt new standards.

- iv. **Upgrading Financial Systems:** Conventional accounting systems may lack compatibility with IPSAS requirements, necessitating updates or replacements. Organizations need to assess their current financial systems to determine whether modifications can be made or if entirely new systems are needed. The integration of advanced technology should enable the generation of IPSAS-compliant financial reports while streamlining data management processes.
- v. **Implementation of New Accounting Policies:** Transitioning to IPSAS mandates the development and enactment of new accounting policies that align with the established standards. This includes creating guidelines for recognizing and measuring assets, liabilities, revenues, and expenses. It is imperative for organizations to maintain comprehensive documentation of these policies to ensure consistency and compliance across all financial reporting practices.

2. Challenges Faced During Migration

Although migrating to IPSAS is vital for modernizing public financial management, various challenges can obstruct the process:

- i. **Financial Limitations:** The migration to IPSAS often necessitates substantial financial investment. Constraints within budgets can restrict the availability of resources for training, system upgrades, and other critical activities. It is essential for governments to prioritize IPSAS adoption in their fiscal plans to ensure adequate funding for this transition.
- ii. **Resistance to Change:** Organizational culture can significantly impede the migration process. Employees accustomed to traditional accounting practices may be reluctant to embrace new standards, fearing disruptions to their established routines. Effective change management strategies are essential for addressing these concerns and cultivating a culture that is receptive to new methodologies.
- iii. **Lack of Expertise:** Many public sector entities may not possess the requisite expertise for the effective implementation of IPSAS. This shortfall is particularly evident in developing nations, where trained accounting professionals may be scarce. Governments should invest in capacity-building initiatives to bridge this gap and ensure personnel are competent in implementing IPSAS standards.
- iv. **Technological Challenges:** Existing financial systems may be outdated and unable to support the requirements of IPSAS. Upgrading technology can be a costly and time-consuming endeavor, leading to delays in migration. Organizations must evaluate their technological capabilities and invest in appropriate solutions that facilitate compliance with IPSAS.

3. Best Practices for Successful Migration

To effectively navigate the challenges of migration, public sector entities can adopt several best practices:

- i. **Commitment from Leadership:** Strong backing from top management is critical for propelling the migration process. Leaders must champion IPSAS adoption, allocate necessary resources, and demonstrate a commitment to accountability and transparency in public financial management.

- ii. **Engagement of Stakeholders:** Involving stakeholders throughout the migration journey is vital for garnering support and addressing concerns. Regular communication with employees, external stakeholders, and the public can foster a sense of ownership and commitment to the transition.
- iii. **Incremental Implementation:** Organizations may benefit from adopting a phased approach to IPSAS implementation. This gradual transition allows for adjustments and assessments of progress as needed. A step-by-step approach can also help manage the financial and operational impacts of the migration.
- iv. **Monitoring and Evaluation:** Establishing mechanisms for monitoring and evaluating the migration process is crucial for ensuring accountability and fostering learning. Organizations should define performance indicators to assess progress and identify areas for improvement. Regular evaluations can provide insights into the effectiveness of training, system upgrades, and policy implementations.
- v. **Collaboration with Professional Bodies:** Partnering with professional accounting organizations can offer valuable resources and support throughout the migration process. These entities can provide training, technical assistance, and guidance on best practices, helping public sector organizations navigate the complexities of IPSAS implementation.

2.1.8 Assessment of Compliance Levels and Challenges in Implementing IPSAS on an Accrual Accounting Basis

The transition to the International Public Sector Accounting Standards (IPSAS) based on an accrual accounting framework signifies a major advancement in the management of public finances. By adopting these standards, public sector entities seek to enhance transparency, accountability, and the overall quality of financial reporting. However, the degree of compliance with IPSAS accrual accounting differs across various countries and public sector entities, and the implementation process presents numerous challenges. This section analyzes the current level of compliance with IPSAS accrual accounting, identifies the challenges faced during its implementation, and proposes strategies to improve compliance.

1. Current Compliance Levels with IPSAS Accrual Accounting

The level of adherence to IPSAS accrual accounting is shaped by several factors, including the economic landscape, governance frameworks, and institutional capacity within countries.

- i. **Global Trends:** Developed nations such as Australia, Canada, and New Zealand have made significant strides in adopting IPSAS accrual accounting. These countries have incorporated these standards into their financial management systems, achieving high levels of compliance. Their commitment to enhancing transparency and accountability has resulted in comprehensive financial reporting practices that conform to IPSAS standards.
- ii. **Emerging Economies:** Conversely, many developing countries face substantial challenges in fully achieving compliance with IPSAS accrual accounting. Although some progress has been made, compliance remains inconsistent. For instance, countries in Africa and Southeast Asia often rely on cash-based accounting as their primary framework, with plans to transition to accrual accounting. However, full

implementation often falls short due to a lack of resources and technical expertise.

- iii. **Variation Among Entities:** Within individual nations, compliance levels can vary significantly among public sector entities. Larger organizations typically possess more resources and are thus better positioned to achieve compliance, whereas smaller entities may struggle due to limited capacity and expertise. This disparity underscores the necessity for tailored strategies that consider the distinct challenges faced by different public sector organizations.

2. Challenges in Achieving Full Implementation of IPSAS Accrual Accounting

The path toward the comprehensive implementation of IPSAS accrual accounting involves navigating various challenges, which can be categorized into technical, organizational, and contextual barriers.

A. Technical Challenges

- i. **Complexity of Accrual Accounting:** Accrual accounting is inherently more intricate than cash-based accounting, necessitating a thorough understanding of advanced financial principles. Public sector employees may lack the requisite training to effectively apply accrual accounting standards, resulting in inconsistencies in financial reporting.
- ii. **Data Management Issues:** Successful implementation of IPSAS accrual accounting requires robust data management systems capable of capturing comprehensive financial information. Many public sector entities operate outdated or fragmented financial systems, complicating the collection and processing of data necessary for compliance.
- iii. **Measurement and Valuation Challenges:** IPSAS mandates public entities to assess and report assets and liabilities at fair value, a process that can be complex and necessitate specialized knowledge. Establishing fair value may pose difficulties, particularly when market data is lacking or when dealing with unique public sector assets.

B. Organizational Challenges

- i. **Resistance to Change:** The transition to IPSAS accrual accounting often meets resistance from staff who are accustomed to traditional accounting methods. Employees may fear that changes will increase their workloads or disrupt established processes, leading to reluctance in adopting new practices.
- ii. **Capacity Constraints:** Numerous public sector organizations lack the necessary resources for effective training and capacity-building efforts. Insufficient investment in human capital can hinder the development of skills required for IPSAS compliance, resulting in gaps in knowledge and implementation.
- iii. **Leadership and Governance Issues:** A strong commitment from leadership is crucial for steering the IPSAS implementation process. If top management does not prioritize accrual accounting or provide clear guidance, the transition may lack the essential support and focus, resulting in stalled initiatives.

C. Contextual Challenges

- i. **Financial Constraints:** The financial implications of transitioning to IPSAS accrual accounting can be significant.

Budgetary limitations may restrict the capacity of public sector entities to invest in the training, technology, and resources necessary for compliance.

- ii. **Political Will and Governance Frameworks:** The level of political will to adopt IPSAS accrual accounting varies significantly. In some nations, competing political priorities and a lack of focus on financial accountability can impede progress. Effective governance structures are crucial for fostering adherence to IPSAS standards.
- iii. **Cultural Factors:** Cultural attitudes toward transparency and accountability can significantly influence the implementation process. In environments where financial reporting has traditionally lacked transparency, the shift to a more open system may be met with skepticism and resistance from stakeholders.

3. Strategies for Enhancing Compliance

In order to effectively navigate the various challenges that arise during the implementation of the International Public Sector Accounting Standards (IPSAS) based on an accrual accounting framework, public sector organizations can adopt a range of strategic measures. These strategies aim to bolster compliance and facilitate a smoother transition to accrual accounting practices.

- i. **Investment in Capacity Building:** A critical step in ensuring the successful implementation of IPSAS accrual accounting is the enhancement of skills and knowledge among public sector employees. It is essential to develop comprehensive training programs tailored to address the specific requirements of accrual accounting. Such training initiatives should be designed to equip personnel with the necessary competencies to effectively apply IPSAS standards in their day-to-day operations. This can involve workshops, seminars, and continuous professional development opportunities that focus on both theoretical understanding and practical application of accrual accounting principles.
- ii. **Phased Implementation Approach:** Transitioning to IPSAS accrual accounting can be complex and multifaceted, making it beneficial for organizations to adopt a phased implementation strategy. By initiating pilot projects or incremental changes, public sector entities can effectively manage the transition's complexities. This approach allows for the identification of potential challenges early in the process, enabling organizations to make necessary adjustments and refinements before rolling out full-scale implementation across the entire organization. Such a measured approach not only mitigates risks but also enhances the likelihood of successful adoption.
- iii. **Strengthening Stakeholder Engagement:** Engaging stakeholders throughout the implementation journey is crucial for fostering support and addressing any concerns that may arise. Regular communication and consultation with key stakeholders—including employees, management, and external parties—can cultivate a sense of ownership and commitment to the changes being undertaken. This engagement can take various forms, such as feedback sessions, informational meetings, and collaborative workshops that emphasize the importance of IPSAS adoption and the benefits it brings to public financial management.
- iv. **Leveraging Technology:** The investment in modern financial management systems that meet IPSAS requirements is vital for facilitating compliance with accrual accounting standards. Public sector entities should prioritize the integration of

advanced technological solutions capable of streamlining the processes of data collection, processing, and reporting. By leveraging technology, organizations can enhance the accuracy and efficiency of their financial reporting practices, thereby simplifying the compliance process with IPSAS standards.

- v. **Advocating for Political Support:** Gaining political backing for the implementation of IPSAS accrual accounting is an essential aspect of ensuring a conducive environment for compliance. Engaging policymakers and stakeholders to demonstrate the numerous advantages of adopting accrual accounting can help generate the necessary support for the transition. This advocacy should emphasize the positive impact of accrual accounting on transparency, accountability, and the overall efficiency of public financial management.

2.1.9 Justification for the Partial Implementation of IPSAS Accrual Basis by Yaba College of Technology, University of Lagos, and Federal College of Education (Technical), among Other Federal Government MDAs in Lagos State

In August 2023, our research team conducted visits to several ministries, departments, and agencies (MDAs) of the Federal Government, including the Yaba College of Technology, the University of Lagos, and the Federal College of Education (Technical). The primary aim of these visits was to investigate the challenges faced by these institutions in fully implementing the IPSAS Accrual Accounting framework. Our findings highlight several key issues impacting compliance.

The Federal Government of Nigeria allocates funds to its MDAs through three main categories:

1. **Capital Fund:** This funding is designated for infrastructural developments within the MDAs, supporting projects that aim to enhance the physical and operational capabilities of these institutions.
2. **Overhead Fund:** This category is intended to cover the recurrent costs associated with the daily operations of the MDAs, ensuring that they have the necessary resources to function effectively.
3. **Personnel Fund:** This funding is utilized for the payment of salaries and other benefits for employees of the Federal Government, administered through the Integrated Personnel and Payroll Information System (IPPPIS).

During our investigations at the sampled tertiary institutions, it became apparent that only the Personnel Fund was consistently disbursed on a monthly basis by the Federal Government. In contrast, the availability of the Overhead and Capital Funds was largely unpredictable, dependent on the decisions made by officials in the Budget Office of the Federation (BOF) and the Office of the Accountant General of the Federation (OAGF).

Our analysis of records from Yaba College of Technology, the University of Lagos, and the Federal College of Education (Technical) revealed that between the years 2016 and 2022, Capital and Overhead Funds were released a mere six to eight times during the specified period. This inconsistency in funding makes it exceedingly difficult for these MDAs to effectively plan their financial activities based on anticipated inflows of funds. Consequently, they are compelled to utilize a cash basis for revenue recognition and budgetary processes, rather than adhering to the IPSAS Accrual Basis.

However, discussions with officials responsible for financial management at these institutions indicated that while full compliance with the IPSAS Accrual Basis in recognizing expenditures, assets, and liabilities was being achieved, the irregularity in funding severely hampers their ability to implement a comprehensive accrual accounting system. This situation highlights the pressing need for stable and predictable funding mechanisms to support the transition to full IPSAS compliance within the public sector in Nigeria.

2.2 Theoretical Review

This study draws on two central theories: Agency Theory and Accountability Theory, both of which provide essential frameworks for understanding the principles and challenges surrounding public financial management and the adoption of International Public Sector Accounting Standards (IPSAS). These theories serve as valuable lenses through which the objectives of IPSAS—such as transparency, accountability, and improved financial reporting—are analyzed in the context of public sector governance.

2.2.1 Agency Theory

Agency Theory is a foundational concept in organizational economics that explores the dynamics between principals—who delegate tasks—and agents—who are entrusted with these responsibilities. This theory becomes particularly relevant in public financial management, where government bodies (acting as principals) delegate authority to public officials (agents) to manage public resources on behalf of the citizens. Agency Theory underscores the potential for conflicts of interest, especially when agents prioritize personal objectives over those of the principals. This theory is integral to understanding the role of IPSAS in promoting accountability and reducing such conflicts within public sector organizations.

IPSAS, with its focus on transparency and accountability, aligns closely with the principles of Agency Theory, seeking to mitigate the “agency problem” by establishing robust financial standards. The theory suggests that when the goals of agents and principals do not align, agents may act in ways that lead to inefficiencies, resource wastage, or even the mismanagement of public funds. By introducing IPSAS, which imposes structured financial reporting and oversight, public sector organizations can work to address these agency issues. This approach helps ensure that agents (public officials) uphold the interests of the principals (the government and ultimately the citizens), thus promoting a more transparent and accountable management of public resources.

Through IPSAS, Agency Theory’s emphasis on reducing information asymmetry is applied directly to the public sector. By requiring standardized and detailed financial disclosures, IPSAS helps bridge the gap between the information available to agents and principals. This reduces the risk of principal-agent conflict, strengthens public trust, and encourages responsible resource management. In this study, Agency Theory supports the notion that IPSAS implementation can help public sector entities achieve higher levels of accountability and transparency, aligning their actions with the interests of those they serve.

2.2.2 Accountability Theory

Accountability Theory is another critical framework in the study of public financial management, focusing on the responsibilities and

obligations of public officials to act in the best interests of citizens. This theory posits that individuals and organizations must be answerable to stakeholders for their decisions and actions, creating a foundation for transparency and trust in the public sector. Accountability Theory aligns seamlessly with the objectives of IPSAS, as the standards are designed to enhance the accuracy, transparency, and accountability of financial reporting in public organizations.

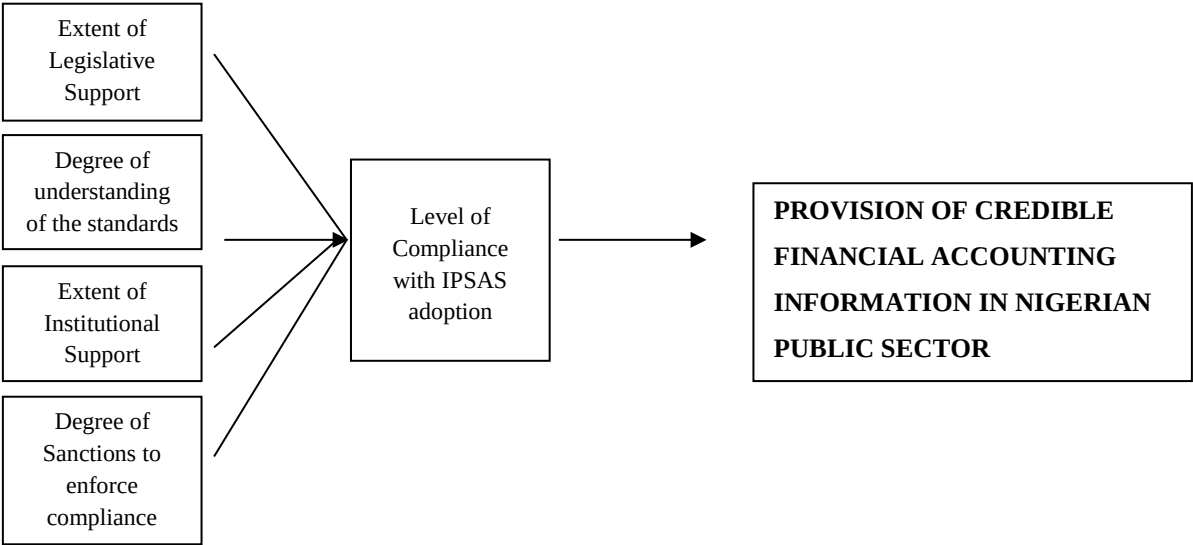
In the context of public sector accounting, Accountability Theory emphasizes the importance of public officials being held accountable for the management and utilization of public resources. It underlines the expectation that officials justify their actions and demonstrate that resources are used effectively and in alignment with the objectives of the public. IPSAS adoption strengthens this framework by providing guidelines that enhance public sector transparency, reliability, and compliance with financial management standards. These guidelines ensure that financial information is available, accessible, and understandable, thus fostering public trust and confidence.

Accountability Theory also highlights the role of performance measurement and stakeholder engagement in holding public

officials accountable. By adopting IPSAS, public sector entities can establish clear benchmarks and measurable outcomes for resource management. This reinforces the expectation that officials not only report financial information accurately but also demonstrate efficiency and effectiveness in their operations. Stakeholder engagement is crucial, as it involves citizens and other interested parties in the oversight process, ensuring that public officials remain answerable to the people they serve.

In conclusion, both Agency Theory and Accountability Theory provide a strong theoretical foundation for understanding the significance of IPSAS in public financial management. Agency Theory emphasizes the need to address conflicts of interest and promote transparent relationships between principals and agents, while Accountability Theory focuses on the responsibility of public officials to act in the public’s interest. Together, these theories support the notion that IPSAS adoption can lead to a more transparent, accountable, and responsible public sector. Through this study, these theoretical perspectives will be applied to analyze the challenges and benefits associated with IPSAS implementation in the public sector.

CONCEPTUAL FRAMEWORK: A MODEL



Source: Researchers (2024)

3.0 Methodology

This research employed a descriptive survey design to examine perspectives on the study’s subject matter. Data was gathered primarily through questionnaires, which were distributed to respondents and later compiled for analysis. The study population included all personnel from the bursary and audit departments, as well as accounting faculty members from three educational institutions within Lagos State. The institutions involved were the

Federal College of Education (FCE), Yaba College of Technology (YCT), and the University of Lagos (UNILAG).

To obtain a representative sample for the study, a purposive sampling technique was utilized. A total of 200 staff members were selected across these institutions, with distribution as follows: 75 staff from the University of Lagos, another 75 from Yaba College of Technology, and 50 from the Federal College of Education. Out of these, 120 questionnaires were administered to gather the necessary data, focusing on participants with relevant experience and knowledge in the accounting field.

4.0 Analysis and result

4.1 Table 1: Inferential statistics

Description	FCE		YABATECH		UNILAG	
	frequency	Percentage (%)	Frequency	Percentage (%)	Frequency	Percentage (%)
Bursary	20	40	35	47	37	49
Account Department	15	30	20	26	23	31
Audit Section	10	20	12	16	10	13
Lecturers	5	10	8	11	5	7

Source: Researchers computation (2024)

Interpretation of Results

The descriptive statistics from the survey results are outlined as follows. At the Federal College of Education (FCE), respondents were distributed across various departments with the following frequencies: the Bursary department recorded 20 respondents, the Accounting department 15, the Audit section 10, and Lecturers 5. These figures correspond to 40%, 30%, 20%, and 10% of the FCE respondents, respectively.

At Yaba College of Technology (Yabatech), the response distribution was as follows: the Bursary department had a frequency of 35, the Accounting department 20, the Audit section 12, and Lecturers 8. This breakdown reflects 47% for the Bursary, 26% for Accounting, 16% for Audit, and 11% for Lecturers, based on the total responses from Yabatech.

At the University of Lagos (Unilag), the distribution across departments indicated a frequency of 37 respondents for the Bursary department, 23 for the Accounting department, 10 for the Audit section, and 5 for Lecturers. This translates to 49%, 31%, 13%, and 7% of respondents for each category, respectively, at Unilag.

In summary, the Bursary departments consistently had the highest percentage of responses across all institutions, while Lecturers represented the smallest proportion of respondents. These results provide insight into the distribution of perspectives across different departments within the institutions, reflecting a higher level of engagement or representation from certain departments, particularly the Bursary. This distribution could be indicative of the varying levels of involvement or responsibility in financial management tasks relevant to the study.

Table 2: Inferential statistics Descriptive statistics of quantitative variables of Federal College of Education (FCE)

Variable	Mean	Minimum	Maxi Maximum	Standard Deviation
Bursary	12.5	5	20	56.25
Account Department	12.5	5	20	6.25
Audit Section	12.5	5	20	6.25
Lecturers	12.5	5	20	56.25

In Table 2, the data for the Bursary, Account department, Audit section, and Lecturer categories show some consistent central

tendency measures, but the variability differs significantly across categories. Each of these categories recorded an identical mean value of 12.5, with minimum and maximum values of 5 and 20, respectively. This suggests that while the average response level is consistent across the groups, the spread of data around the mean varies notably.

The standard deviation, a measure of how dispersed the values are from the mean, reveals differences in variability. The Bursary and Lecturer categories both have a high standard deviation of 56.25, indicating substantial fluctuation in responses within these groups. In contrast, the Account department and Audit section have a much lower standard deviation of 6.25, suggesting responses in these categories are more closely clustered around the mean.

This variation in standard deviation reflects that responses from the Bursary and Lecturer groups are less consistent and exhibit wider distribution, while responses from the Account department and Audit section are more consistent and display less variability. These differences in data spread could point to varying levels of stability or uniformity in the responses from each group, which may have implications for the interpretation of trends or patterns across departments.

Table 3: Descriptive statistics Descriptive statistics of quantitative variables of Yaba College of Technology (YCT)

Variable	Mean	Minimum	Maximum	Standard Deviation
Bursary	18.75	8	35	264.1
Account Department	18.75	8	35	1.56
Audit Section	18.75	8	35	45.56
Lecturers	18.75	8	35	115.56

In Table 3, the Bursary, Account department, Audit section, and Lecturer groups each show a mean of 18.75, with minimum and maximum values of 8 and 35, respectively. This consistent mean value across categories indicates a similar average response level within each department. However, the variability, as measured by the standard deviation, shows notable differences across these groups, reflecting different levels of data dispersion around the mean.

The Bursary group has the highest standard deviation at 264.1, suggesting a wide range of responses and significant variability within this category. This high standard deviation indicates that

responses from the Bursary group are widely spread and less consistent. In contrast, the Account department shows a much lower standard deviation of 1.56, indicating that responses in this category are closely clustered around the mean, with little fluctuation.

For the Audit section, the standard deviation is 45.56, showing a moderate level of variability in responses, while the Lecturers group has a standard deviation of 115.56, suggesting greater dispersion compared to the Account department and Audit section, but less than that of the Bursary group.

These differences in standard deviation highlight varying levels of consistency across departments. The Bursary and Lecturers groups display more diverse responses, suggesting less uniformity, while the Account department shows high consistency with responses tightly grouped around the mean. This contrast in variability may indicate underlying factors that influence response stability differently within each department, which could be explored further in the analysis.

Table 4: Descriptive statistics Descriptive statistics of quantitative variables of University of Lagos (UNILAG)

Variable	Mean	Minimum	Maximum	Standard Deviation
Bursary	18.75	5	37	333.06
Account Department	18.75	5	37	18.06
Audit Section	18.75	5	37	76.56
Lecturers	18.75	5	37	189.06

In Table 4, the Bursary, Account department, Audit section, and Lecturer categories each have a mean of 18.75, with minimum and maximum values of 5 and 37, respectively. While the average response level is consistent across these categories, the standard deviations reveal considerable differences in the spread of data, indicating the extent to which responses vary within each group.

The Bursary category shows the highest standard deviation at 333.06, signifying substantial variability in responses and a broad range of values around the mean. This high standard deviation suggests that responses within the Bursary group are widely spread, indicating less consistency and a significant divergence in the data.

In contrast, the Account department has a standard deviation of 18.06, demonstrating that responses in this group are closely clustered around the mean, with limited fluctuation. This lower standard deviation reflects higher response consistency within the Account department.

For the Audit section, the standard deviation is 76.56, reflecting a moderate degree of variability in responses, indicating that data points are spread out but not as widely as in the Bursary group. Meanwhile, the Lecturers group has a standard deviation of 189.06, which shows considerable variation, though less than in the Bursary group but more than in both the Account department and Audit section.

These differences in standard deviations reveal varying levels of consistency across departments. The high standard deviations in

the Bursary and Lecturer categories suggest broader response ranges, likely reflecting a wider spread of perspectives or factors influencing responses in these groups. In contrast, the lower standard deviation for the Account department indicates greater uniformity in responses. Analyzing these variations further could provide insights into the factors contributing to these discrepancies across departments.

Table 5: Descriptive statistics

	Bursary	Account Dept	Audit Section	Lecturer
Bursary	1.000			
Account Department	0.222	1.000		
Audit Section	0.032	0.055	1.000	
Lecturer	0.226	0.010	0.023	1.000
Mean	0.311	0.311	0.111	0.160
Standard deviation	0.413	0.056	0.166	0.323
F-statistics	0.568	0.586	0.527	0.618

In Table 5, the analysis of compliance transition in tertiary institutions reveals variations across different departments. The Bursary department recorded a mean score of 0.311, a standard deviation of 0.413, and an F-statistic of 0.568, or 56.8%. This suggests moderate consistency in responses within the Bursary, indicating substantial progress in their compliance efforts.

The Account department also reported a mean of 0.311, but with a much lower standard deviation of 0.056, and a slightly higher F-statistic of 0.586 (58.6%). This lower standard deviation signifies tighter clustering of responses around the mean, suggesting that compliance initiatives in the Account department may be more consistently understood and implemented across respondents.

In the Audit section, the results showed a mean of 0.111 and a standard deviation of 0.166, with an F-statistic of 0.527, or 52.7%. The lower mean and moderate standard deviation suggest that while there has been improvement, the Audit section may face more variability in achieving compliance, potentially due to differing interpretations or stages in implementing compliance measures.

For Lecturers, the results indicate a mean of 0.160, a standard deviation of 0.323, and the highest F-statistic among the groups at 0.618 (61.8%). This relatively high F-statistic and moderate standard deviation indicate both significant improvement and consistency in compliance awareness among Lecturers, which may reflect increased engagement or targeted efforts to raise awareness about compliance standards.

Overall, these findings illustrate that since the inception of the compliance transition, there has been marked improvement across all departments within these institutions. However, the variation in mean scores and standard deviations suggests that while progress has been substantial, some departments are experiencing more uniform compliance levels than others. Further targeted strategies may be needed to support sections like the Audit and Bursary departments, where variability is more pronounced.

Table 6

	Bursary	Account Dept	Audit Section	Lecturer
Reg	8.142	8.728	6.345	7.234
P-value	0.275	0.248	0.324	0.148

The analysis presented in Table 6 highlights the regression values and corresponding p-values across various departments, providing insights into the likelihood that the results are due to random variation. The Bursary department showed a regression coefficient (Reg) of 8.142 with a p-value of 0.275, suggesting that there is a 27.5% probability that the observed results could occur by chance. This percentage, while not exceedingly low, indicates some level of consistency in the data but leaves room for potential variability.

In the Account department, the regression value was slightly higher at 8.728, with a p-value of 0.245, translating to a 24.5% chance of the results being random. This lower p-value relative to the Bursary indicates a moderately stronger association, suggesting that the Account department's data may be slightly more reliable in demonstrating trends related to compliance progress.

For the Audit section, the regression coefficient was recorded at 6.345, with a p-value of 0.324, meaning a 32.4% probability of random occurrence. This higher p-value suggests that results within the Audit section may be less stable, implying greater variability and possibly indicating that compliance efforts are less consistently implemented or understood in this area.

Lastly, for Lecturers, a regression coefficient of 7.234 and a p-value of 0.148 were observed, indicating a 14.8% chance that the results are random. This is the lowest p-value among the departments, implying a relatively stronger association and suggesting that the compliance measures or awareness among Lecturers might be more uniformly adopted.

In summary, these findings reflect varying degrees of consistency and stability across departments in their compliance transitions. The Account department and Lecturers, with lower p-values, demonstrate somewhat stronger associations, implying more stable compliance progress. Conversely, the higher p-values in the Bursary and Audit sections indicate more variability, suggesting that these areas may benefit from additional targeted efforts to enhance consistency in compliance.

Table 7

	Bursary	Account Dept	Audit Section	Lecturer
Mean	1.224	1.222	0.885	0.754
P-value	0.247	0.482	0.549	0.428
Standard deviation	0.433	1.334	0.213	0.655
P-value	0.185	0.160	0.591	0.417

Table 7 presents the statistical findings on mean and standard deviation across the four categories, illustrating a broad spread of values. The Bursary department shows a mean of 1.224 and a standard deviation of 0.433, suggesting a moderate concentration around the mean but with some degree of dispersion in responses. The Account department, however, has a mean close to Bursary at 1.222 but displays a notably higher standard deviation of 1.334,

indicating a larger variability in data and greater differences in responses within this category.

The Audit section exhibits a mean of 0.885 and a relatively low standard deviation of 0.213, which suggests that responses in this area are relatively more consistent and closer to the mean, with fewer outliers or extreme values. This could reflect a more uniform perspective or experience within the Audit group regarding the metrics being assessed.

The Lecturers' results indicate a mean of 0.754 with a standard deviation of 0.655, showing moderate variability. This standard deviation, while lower than that of the Account department, still suggests some diversity in responses among Lecturers.

In summary, the elevated standard deviations across all categories, particularly in the Account department, reflect a considerable spread in the data, with values dispersed over a broad range. This variability suggests differing levels of experiences or perceptions across the groups, potentially pointing to the need for more targeted support to reduce inconsistencies and improve alignment within and across departments in their compliance efforts.

5.0 Conclusion and Recommendations

This study examined the empirical effects of the adoption and compliance with International Public Sector Accounting Standards (IPSAS) across three selected tertiary institutions in Lagos State: the University of Lagos (UNILAG), Yaba College of Technology (YCT), and the Federal College of Education (FCE). The findings indicate that factors such as institutional structure, contingency circumstances, and network influences significantly shape the adoption and compliance choices for IPSAS within these institutions. Specifically, the results demonstrate that coercive and mimetic pressures exert a positive influence on the adoption of cash-basis IPSAS, a method that has become a viable option for many developing countries that lack sufficient expertise in accounting standards and regulatory frameworks (Adhikari & Mellemvik, 2010).

Moreover, the results suggest that institutions in countries transitioning to modified accrual-basis IPSAS are typically those that maintain strong collaborative ties with international development partners. These global relationships encourage governments to incorporate more accrual elements as stipulated by IPSAS, aiming to align their financial reporting with international standards. Collaboration with professional accounting organizations has further enabled a beneficial exchange of knowledge and practices, which can elevate the quality of financial reporting within the public sector.

Ultimately, this study underscores that the shift towards full accrual-based IPSAS is not only a move toward enhanced governance but also an effort to improve accountability and transparency in fiscal reporting within public institutions. Full accrual accounting provides more comprehensive and comparable financial data, which can play a significant role in promoting good governance and countering corruption, given that it offers a clearer view of financial activities than cash-based accounting.

Based on these conclusions, the following recommendations are proposed:

- 1. Intensive Training for Public Sector Accountants: There is an urgent need for training and retraining of accounting personnel in the public sector to equip them with the skills necessary to

implement and operate IPSAS effectively in Nigeria. This training should encompass both theoretical and practical aspects of IPSAS, ensuring that staff can navigate the complexities of the standards and their application in real-world scenarios.

2. Government-Led Orientation Initiatives: The government should initiate orientation programs for public sector operators, enabling them to understand and effectively drive the IPSAS implementation process within Nigeria. These programs should include workshops, seminars, and mentorship opportunities that emphasize the importance of IPSAS compliance in promoting financial accountability and integrity.

3. Active Oversight by Regulatory Agencies: Agencies such as the Financial Reporting Council of Nigeria (FRCN) and the office of the Accountant General of the Federation should actively oversee and promote successful IPSAS implementation. This involves regular audits, assessments, and support systems to help institutions adapt to the standards effectively.

4. Enforcement and Sanctions for Non-Compliance: The FRCN should establish and enforce penalties for Ministries, Departments, and Agencies (MDAs) that fail to comply with IPSAS by the designated deadline, ensuring accountability across all levels. These penalties should be clearly defined and communicated to all relevant parties to enhance adherence to standards.

5. Enhanced ICT Infrastructure: Immediate efforts are required to improve Information Communication Technology (ICT) infrastructure across Nigeria's three tiers of government to support the operational demands of IPSAS implementation. Investments in technology should facilitate data management, reporting, and analysis, making the transition to IPSAS more efficient and effective.

6. Ongoing Skill Development Initiatives: Continuous training initiatives are essential to equip public sector accountants with the knowledge and skills needed for successful IPSAS operation. This could include partnerships with educational institutions to develop specialized programs that focus on advanced accounting practices and IPSAS requirements.

7. Reassurance for Stakeholders: The government should implement policy measures to reassure stakeholders that their interests are safeguarded in the IPSAS adoption process, minimizing resistance and ensuring stakeholder support. This could involve consultations, public forums, and transparent communication strategies to involve stakeholders in the transition process actively.

8. Promotion of Collaborative Frameworks: Establishing partnerships with international accounting bodies and development organizations can provide ongoing technical assistance and guidance. Such collaborations can enhance local capacity-building initiatives and promote best practices in IPSAS implementation, ensuring a sustainable approach to financial management reforms.

9. Monitoring and Evaluation Mechanisms: It is essential to develop robust monitoring and evaluation frameworks to assess the effectiveness of IPSAS implementation continuously. Regular evaluations should identify challenges and successes, allowing for timely adjustments and improvements in the adoption process.

10. Public Awareness Campaigns: To build broader support for IPSAS implementation, public awareness campaigns should be launched to educate citizens about the importance of transparency

and accountability in public financial management. Such initiatives can foster a culture of accountability and empower citizens to demand higher standards of governance from public institutions.

In conclusion, these steps are essential to ensuring effective adoption of IPSAS, fostering transparency, and enhancing public sector financial management in Nigeria. By addressing the training needs, promoting accountability, and strengthening institutional frameworks, Nigeria can advance its commitment to good governance and improve the quality of financial reporting in its public sector. Through these concerted efforts, the transition to IPSAS will not only enhance financial transparency but also contribute to the overall development and stability of the nation's public financial management system.

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