IJNRD.ORG ISSN : 2456-4184
INTERNATIONAL JOURNAL OF NOVEL RESEARCH AND DEVELOPMENT (IJNRD) | IJNRD.ORG
An International Open Access, Peer-reviewed, Refereed Journal

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS AND ACCOUNTABILITY IN EKITI STATE LOCAL GOVERNMENT

Eloho DASHABA [1], Adebayo Wilson ADEPITI[2]* Ademola Tosin OLOFINTUYI[3]*

[1,2]Department of Accounting,
Adekunle Ajasin University,
Akungba-Akoko, Ondo State, Nigeria.

ABSTRACT

Despite the implementation of policy pronouncements and legislative measures by the government, the public sector in Nigeria continues to face significant challenges in meeting the demands of stakeholders for enhanced accountability. This study aimed to examine the effects of International Public-Sector Accounting Standards (IPSAS) on the accountability of local government in Ekiti State. The present study employed a survey research design. Primary data was acquired by the administration of a meticulously designed questionnaire. The study's population consists of 251 Treasury officers and 49 Internal Audit officers in the senior cadre of the State's 16 local government regions. The researchers employed purposive sampling in order to select the 149 and 21 samples, respectively. The data was analyzed using descriptive statistics and multivariate regression analysis. The results of the study indicate a notable and statistically significant enhancement in the quality of financial information, financial disclosure, and audit quality as a result of the implementation of IPSAS. The study's findings suggest that adherence to regulations and laws, which encompass correct financial information disclosures and high-quality audits, might contribute to the accountability effects of IPSAS. The research recommends that proper disclosure of financial information be made in order to create and display financial statements in line with IPSAS. Furthermore, it is recommended that sufficient disclosure of financial information be preserved and upheld to provide a thorough audit process within the local government of Ekiti State.

Keywords: IPSAS, financial information quality, financial disclosure, audit quality

1. Introduction

Onuorah and Appah (2012) assert that various factors, such as corruption, limited transparency, inadequate financial information quality, insufficient information disclosure, inadequate audit quality, and deficient record keeping, together contribute to the substandard compilation and presentation of financial statements in Nigeria. The adoption of international standards for public-sector accounting played a significant role in the government sector reforms aimed at enhancing government accountability in Nigeria. The accountability of the government to its constituents and the effective execution of its financial administration duties necessitate a high standard of financial reporting quality (Olola, 2019).

According to Akinleye and Alaran-Ajewole (2018), the utilization of well-defined criteria and standards to compare real-world performance has the potential to enhance governmental accountability. The positive outcome of increased cooperation and international trade is the development of a shared standard that governs the preparation and presentation of financial statements, ensuring their appropriateness, timeliness, comparability, and comprehensibility for consumers of such statements. In order to effectively respond to demands for increased governmental accountability, financial information quality must prioritize the embracement of timeliness, accuracy, and relevance in its financial data.

The impact of the freedom of information law on the accessibility of public financial information in Nigeria, specifically in relation to the International Public Sector Accounting Standards (IPSAS), remains undetermined. Balogun (2016) highlights that allegations and refutations of fiscal misconduct concerning the state's constrained resources have emerged due to the prevailing governance issues and obstacles in Ekiti state. This raises concerns regarding the core values of veracity and transparency when presenting a public report. The objective of this study was to examine the relationships between the quality and disclosure of financial information, audit quality, and the adoption of International Public Sector Accounting Standards (IPSAS) in Ekiti state. The aim was to determine whether the implementation of IPSAS has resulted in enhanced accountability within the local government context.

In the realm of local government, the presence of incorrect attitudes gives rise to a range of accountability difficulties. These challenges encompass instances of corruption, a dearth of transparency and accountability, insufficient disclosure of financial transactions, inadequate maintenance of records, a deficiency in audit review, delays in conducting audits, a lack of organizational structure, a lack of autonomy, and instances of political interference within the local government system in Nigeria (Ademola et al., 2017; Ibanuchuka & James, 2014). This passage presents an analysis of the perception of the financial system in Ekiti State, which has been marred by legal disputes, a series of allegations, and persistent refutations by successive administrations since the state's inception in 1996 (Balogun, 2016). The feasibility of engaging in financial irregularities and corrupt practices was largely facilitated by the emphasis on cash accounting rather than adherence to internationally recognized accounting standards. The global acceptance and reliability of financial statements based on cash are now insufficient. The aforementioned citation by Nkwafu and Nkwede (2016) elucidates the disparities in resource allocation and the inadequate standard of financial data inside the transactions of the financial system.

An additional concern pertains to the limited information provided by the cash basis of accounting, which fails to disclose pertinent details such as outstanding liabilities, partial payments made to contractors, and the status of ongoing projects, among other relevant factors. The cash basis accounting method lacks the provision for recognizing the depreciation of fixed assets, hence rendering it inadequate in accurately portraying the true financial position of public sector entities. The distinction between government and corporations is significant, and the objectives of governmental accounting are markedly different due to the crucial role of information disclosure in public affairs (Sunday, 2018). The level of financial information disclosure in the financial reports of Ekiti State, as per the State Auditor General's report for 2018, remains inadequate within the framework of the International Public Sector Accounting Standards (IPSAS). The primary concern to be examined is the extent to which the implementation of International Public Sector Accounting Standards (IPSAS) has enhanced the accuracy and transparency of financial information and comprehensive financial disclosure in the financial reports produced by the Accountant General. This matter has been discussed by Christian et al. (2013) and Ademola et al. (2017).

However, previous studies conducted by Otuya (2020), Ademola et al. (2017), and Olola (2019) have investigated and validated a strong and statistically significant correlation between the adoption of International Public Sector Accounting Standards (IPSAS) and the promotion of accountability within the public sector. Nevertheless, the analysis conducted by the researchers relied on aggregated data from several states, which varied in terms of their economic prosperity and the number of local government areas they possessed, in comparison to Ekiti State. Additionally, these governments had already implemented the International Public Sector Accounting Standards (IPSAS) prior to Ekiti State. This study aims to examine the relationship between IPSAS and accountability in the context of local government. It does so by assessing the degree of financial information quality, level of financial transparency, audit quality, and the relevance of IPSAS legislation to local government accountability. Multiple studies, such as those conducted by Erin et al. (2014), Udeh et al. (2015), and Okoye et al. (2016), have consistently demonstrated that the adoption of International Public Sector Accounting Standards (IPSAS) in Nigeria has the potential to enhance the reliability and transparency of financial information disclosed by public entities. Nevertheless, Ofoegbu (2014) asserts that the impact of adopting IPSAS on the benefits of necessary resource allocation, the enhancement of reliability, and the promotion of essential financial information remains uncertain. According to Nongo (2014), it is expected that the implementation of IPSAS will enhance the accessibility of public budget data.

Previous research conducted by John et al. (2016), Ademola et al. (2017), Okere (2017), Gideon and Abiola (2018), Oko (2018), Olola (2019), Ogbuagu (2019), Epharm and Ojile (2019), and Seiyaibo (2020) has investigated the implications of International Public Sector Accounting Standards (IPSAS) on public sector accountability in various states in Nigeria, including Abuja, Anambra, Bayalsa, Benue, Calabar, Delta, Ogun, and Oyo State, as well as other regions. Nevertheless, there has been a lack of investigation about the aspect of accountability and its relationship with the implementation of International Public Sector Accounting Standards within the local government of Ekiti State. This research examines the senior cadre treasury and audit staff throughout 16 Local Government Areas in Ekiti State. The selection of these individuals was mostly based on their role as front-line staff members responsible for managing the financial affairs of local governments. Furthermore, they were chosen due to their significant utilization of IPSAS, indicating their importance as users of this system.

This study bears relevance for policymakers, governmental authorities, local government chairpersons, and departmental heads of Ministries and Agencies (MDAs), as it can provide valuable insights for the development of effective economic policies aimed at enhancing the overall welfare of the populace. Moreover, engaging in this research endeavor enhances their comprehension of the guiding concepts of IPSAS and expands their scope of academic inquiry. Enhancing the comprehension of the extent of financial efficacy in local governance will be beneficial to the broader populace. Moreover, this will enable donors such as the United Nations Children's Fund (UNICEF) and Civil Society Organizations to make informed financial choices in their endeavor to provide the necessary assistance and support to the state government. Hence, the primary objective of this research endeavor is to examine the extent to which the local government of Ekiti State adheres to the International Public Sector Accounting Standards (IPSAS).

The research is partitioned into five distinct areas. The introduction provides an overview of the issues and concerns that are pertinent to the study's concepts. Section two is further divided into three subsections: conceptual review, theoretical review, and empirical review. Lastly, section five examines the identified gaps that have prompted the formulation of hypotheses. Section 3 provides an overview of the methodology employed in this study, while Section 4 presents the data analysis and discussion of the obtained results. Section 5 encompasses the conclusion and recommendations derived from the study.

2. Literature Review

2.1 International Public Sector Accounting Standards

The International Public Sector Accounting Standards (IPSAS) refer to a set of accounting rules that have been formulated by the International Accounting Standard Board (IASB) with the aim of guiding public sector organizations worldwide in the production of their financial reports (IPSAS Handbook, 2015). The International Public Sector Accounting Standards (IPSAS) effectively interpret legislation and regulations pertaining to government accounting and financial reporting. The International Public Sector Accounting Standards (IPSAS) are the authoritative guidelines and regulations governing government accounting and financial reporting. These standards aim to elucidate the interconnection between financial measurement and the disclosure of public financial information. The interconnection between financial measurement and public financial reporting is a subject that is examined and discussed within the framework of the International Public Sector Accounting Standards (IPSAS). The primary objective behind the development of the International Financial Reporting Standards (IFRS) was to address financial reporting concerns that are either not covered by the adoption of IFRS or lack specific IFRS guidelines.

The International Public Sector Accounting Standards Board (IPSASB) received its theoretical foundation from the International Accounting Standards Board (IASB). However, the IPSASB is presently engaged in developing its own conceptual framework to address the specific financial reporting requirements of the public sector. According to the IPSAS Handbook (2022), a total of 42 standards have been issued by IPSAS as of November 2022. Benito et al. (2007) have established a correlation between the adoption of International Public Sector Accounting Standards (IPSAS) and the implementation of several techniques employed by public organizations to enhance the dependability of financial statements. These tactics aim to promote information openness and accountability. The rules can be understood as a comprehensive set of criteria that outline the necessary standards and specifications for the financial reporting practices of public bodies. The objective of IPSAS is to elevate the quality of general purpose financial statements (GPFS), formerly known as annual financial statements, with the aim of improving the effectiveness of evaluating resource allocation decisions made by national and regional governments. Additionally, IPSAS seeks to promote transparency and accountability in these financial statements (Adegite, 2010).

In addition to its adoption in organized private sector accounting practice, the International Financial Reporting Standards (IFRS) were also implemented in Nigeria. However, for public sector accounting practice, Nigeria permitted the use of the International Public Sector Accounting Standards (IPSAS) (Onwubuariri, 2012). The objective is to enhance the quality of the country's accounting and financial reporting framework in order to align it with global standards of excellence. Ensuring consistency and uniformity of accounting standards is crucial for incorporating disclosure, relevance, timeliness, and other qualitative attributes into financial reports. The implementation of IPSAS by the Ekiti state government in 2018 has led to the utilization of IPSAS for the preparation and presentation of their annual consolidated financial statement. The two fundamental accounting systems, namely cash basis and accrual basis, serve as the underlying framework for the International Public Sector Accounting Standards (IPSAS).

2.2 Accountability

According to Adegite (2010), accountability refers to the obligation to provide evidence that tasks have been completed in compliance with established regulations and benchmarks, and that officers have submitted reports pertaining to the prescribed duties and objectives. Accountability can be conceptualized as the obligation to demonstrate, evaluate, and acknowledge responsibility for one's performance, encompassing the attainment of objectives in accordance with predetermined targets and accessible resources. Furthermore, this concept pertains to the ethical principle of honesty, adherence to legal regulations, and the provision of constructive criticism (Huges, 2013). Annual financial statements are crucial for ensuring governmental accountability to both the electorate and residents. According to the United Nations Development Program (UNDP, 2008), accountability refers to the obligation to demonstrate that work has been carried out in adherence to recognized norms and standards.

Johnson (2014) asserts that public accountability plays a crucial role in ensuring the effective functioning of our democratic system. The demonstration of how resources allocated to public authorities are employed is a necessary aspect of accountability, which is widely recognized as a vital component of democratic governance. Based on an assessment conducted in 2013 by the committee board of the UNAIDS program, it was determined that the implementation of International Public Sector Accounting Standards (IPSAS) will lead to an enhancement in the accountability of financial reporting. The origins of IPSAS can be attributed to the accounting profession's endeavor to enhance and establish uniformity in financial reporting, with the aim of augmenting the transparency and responsibility of governments and their affiliated entities. Undoubtedly, the implementation of stringent global standards has the potential to enhance efficiency and transparency, hence perhaps fostering greater public responsibility in the long run. The assessment of accountability is commonly conducted through the evaluation of audit quality, financial disclosure, and financial information quality.

In accordance with the conceptual framework established by the International Accounting Standards Board (IASB) and the Financial Reporting Council (FRCN), the achievement of high-quality financial information is contingent upon the adherence to the objective and qualitative characteristics of financial information reporting. The qualitative aspects of financial information render it valuable, as stated by the International Accounting Standards Board (IASB) in 2010. To promote the cultivation of informed economic decision-making, it is important to furnish individuals with financial information of superior caliber (IASB, 2010). The transmission of financial records and their associated information to stakeholders in compliance with IPSAS regulations is a fundamental responsibility of the IPSASB. According to Stephen et al. (2012), the implementation of standardized content and format in published annual reports serves the purpose of accurately conveying its intended meaning. This, in turn, facilitates more informed evaluations of the government's resource allocation decisions and promotes a sense of responsibility and transparency.

IPSAS requires complete financial disclosure for all activities in the public sector. The concept of "disclosure" pertains to the timely and transparent provision of any relevant information regarding a corporation that may impact an individual's decision to become involved with the organization. In order to acquire pertinent information through the utilization of International Public Sector Accounting Standards (IPSAS), it is imperative for users of government financial reports to be involved. The implementation of International Public Sector Accounting Standards (IPSAS) has significantly enhanced the degree of openness pertaining to transactions, assets, and liabilities. According to Ozugbo (2009), there has been an increase in financial information disclosure that effectively caters to the diverse needs of customers. Full disclosure has the potential to enhance financial reporting through its impact on content, application, and global competitiveness. The disclosure of financial information pertaining to the general government sector in accordance with the International Public Sector Accounting Standards (IPSAS) 22. Enhanced accountability is a direct outcome of sufficient disclosure of financial information.

Audit quality is conducted in compliance with generally accepted auditing standards (GAAS), as stated by the Government Accountability Office (GAO 2003). The purpose of this is to offer a reasonable level of confidence that the financial statements and accompanying disclosures that have been audited are presented in accordance with generally accepted auditing principles (GAAP) and are not significantly misrepresented, whether as a result of errors or fraudulent activities. The establishment of International Public Sector Accounting Standards (IPSAS) has led to an enhancement in the quality of audit work conducted inside the government. In accordance with the regulations set forth by the International Federation of Accountants (IFAC) and the Institute of Chartered Accountants of Nigeria (ICAN), it is imperative for individuals to exercise due diligence and possess an adequate level of technical proficiency when engaging in their professional endeavors. A quality audit encompasses fundamental elements that form an environment conducive to the frequent execution of quality audits. Auditors are obligated to adhere to relevant ethical norms, legal obligations, and auditing standards, in addition to the quality control criteria established by audit companies. Currently, it is mandated that alone audit firms with government registration are obligated to present bids for conducting audits of public enterprises in accordance with the International Public Sector Accounting Standards (IPSAS).

2.4 IPSAS and Accountability

The current global circumstances are compelling public and private entities to address significant challenges pertaining to financial transparency and accountability. Undoubtedly, the significance of upholding financial accountability towards tax payers, lenders, donors, and other resource providers who have entrusted their funds, faith, and confidence to individuals in positions of authority, whether by appointment or election, cannot be overstated. According to IFAC (2012), it is imperative for governments worldwide to depend on IPSAS in order to safeguard the interests of the general public and other investors in the management of entrusted resources. To ensure transparency, IPSAS has mandated that public officers must openly commit to being held accountable. This includes the requirement for public officers to disclose all their business transactions, without using confidentiality as a means to conceal them (McCarthy, 2007).

The topics of investigation in the studies conducted by Erin et al. (2016), Okeke et al. (2017), Udeh and Sopekan (2015), and Ijeoma (2014) encompassed transparency, credibility, reliability, and value. The comparability, integrity, and relevance of financial reporting. There exists a shown correlation between the International Public Sector Accounting Standards (IPSAS) and the efficacy of financial reporting within the public sector of Nigeria. IPSAS-based reporting promotes the complete disclosure of enterprises' financial conditions and the government's operational performance in regard to the respective budgets. Legislators, as primary stakeholders of financial accounts in the government sector, are provided with a framework to accurately determine the extent to which government employees have exceeded authorization limits. This is achieved through a thorough analysis of cost data, which enables the evaluation of compliance with legislative permission boundaries.

2.4 Commander Theory

The concept of the commander was initially introduced by Louis (Lou) Goldberg in 1965, as documented by Ademola (2017). The proposed concept pertains to the field of bookkeeping and presents a strategic framework for identifying and categorizing actions related to the disclosure of financial reports. The examination of the effects resulting from the application of accounting rules and regulations from one sector to another, namely from the private sector to the government sector, is predicated upon a constitutional theoretical foundation. The core concept of the idea posits that individuals who own resources may also assume the role of controlling or directing those resources, but this is not always applicable. In situations where control and ownership of resources are shared, the Controller is entrusted with command, authority, and operational capabilities to manage the institution's operations. However, the Owner(s) are required to seek accounting and responsibility from the Controller in return.

The commander hypothesis posits that individuals holding key governmental posts, including ministers, permanent secretaries, local government chairmen, special advisers, and similar roles, should assume responsibility for the management and oversight of public assets entrusted to them. The accountability for the management of public resources should be attributed to directors and departmental heads who are responsible for implementing the directions of Ministers within their respective departments. The relevance of commander theory to the study is heightened due to its emphasis on comprehensive disclosure of financial and non-financial activities in accordance with IPSAS regulations. The investigation is grounded in the Commander idea.

2.5 Empirical Review

Okere et al. (2017) conducted an evaluation of the quality of financial reporting and Public Sector Accounting Standards in the context of the Ogun State Government Administration in Nigeria. The research methodology employed in this study consisted of a survey research design and subsequent regression analysis. The results indicated that the use of IPSAS in the state government administration of Nigeria will enhance the accuracy, reliability, and credibility of financial reporting. In 2017, Ademola et al. conducted a study examining the impact of international public sector accounting standards on financial accountability within select local governments in Oyo State, Nigeria. As part of the research, a survey was conducted on the office of internal auditors and auditors within the chosen local government. The survey utilized a Likert scale, consisting of a five-point questionnaire. The report indicates that the implementation of IPSAS has contributed to enhanced accountability, transparency, and reduced corruption within the chosen local government. The study conducted by Oko (2018) examined the impact of implementing International Public Sector Accounting Standards (IPSAS) on financial reporting within the public sector, specifically focusing on the Ministry of Finance in Calabar. The research approach utilized in this study was empirical in nature. A cohort of 40 individuals was selected at random from the entire staff of the Ministry of Finance, Calabar, and administered questionnaires to collect data. Hypotheses were investigated using the regression model, analysis of variance (ANOVA), and coefficients. The study indicates that the application of IPSAS has resulted in improved levels of financial reporting transparency, asset management, and accountability within public bodies. The study conducted by Williams and Hussein (2019) examined the impact of implementing International Public Sector Accounting Standards (IPSAS) on accountability and transparency in the management of public funds in developing countries, specifically focusing on Liberia. Descriptive statistics were utilized in order to analyze the data. The analysis of variance (ANOVA) test was employed to investigate the data. The findings of the study indicate that the adoption of International Public Sector Accounting Standards (IPSAS) in Liberia has a positive impact on the quality and reliability of public financial accounting.

Olola (2019) conducted a study to examine the influence of international public sector accounting standards on financial accountability within the Nigerian public sector. The research employed Pearson's correlation matrix and multiple regression analysis techniques. The study's population consists of all personnel working in the internal audit, accounting, and finance departments across the 18 local governments in Ondo State. The research revealed that the implementation of International Public Sector Accounting Standards (IPSAS) exerts a significant and favorable impact on the effective administration of public finances within the Nigerian public sector. The study conducted by Okolocha (2019) examined the utilization of International Public Sector Accounting Standards by account officers in tertiary institutions located in the South-East region of Nigeria, with a specific focus on the recording of revenues and expenses. The research utilized a descriptive survey methodology, and a one-way analysis of variance (ANOVA) was conducted to evaluate the null hypothesis. The study found that there are no significant variations in the utilization of International Public Sector Accounting Standards (IPSAS) among Account Officers in tertiary institutions in the South-East region, based on the kind of institution and years of experience.

Nzewi and Enuenwemba (2020) conducted a study to examine the effects of the implementation of international public sector accounting standards on the public sector in Delta state, Nigeria. A total of 185 individuals employed by various Ministries, Departments, and Agencies (MDAs) in Delta State were chosen as participants for the survey research. This sample was picked from a population of 343 individuals. The study's findings indicate that the implementation of International Public Sector Accounting Standards (IPSAS) has a positive impact on accountability and transparency within ministries. A research investigation conducted by Akinleye et al. (2018) examined the influence of IPSAS on the provision and caliber of information in Nigeria. A total of 242 participants were selected as the sample for the study, with representation from both Abuja and Ado Ekiti. The data that was obtained was subjected to analysis using the ANOVA method in SPSS. The research conducted shown that the implementation of IPSAS in the Nigerian public sector has resulted in improved information dissemination, hence fostering increased levels of accountability and transparency.

2.4 Gap in Literature

Previous research conducted by John et al. (2016), Ademola et al. (2017), Okere (2017), Gideon and Abiola (2018), Oko (2018), Olola (2019), Ogbuagu (2019), Epharm and Ojile (2019), and Seiyaibo (2020) has investigated the implications of International Public Sector Accounting Standards (IPSAS) on public sector accountability in various Nigerian states, including Abuja, Anambra, Bayalsa, Benue, Calabar, Delta, Ogun, and Oyo State, as well as other regions. Nevertheless, there has been a lack of investigation about the aspect of accountability and adherence to International Public Sector Accounting Standards inside the local government of Ekiti State. The examination of these research findings indicates that, within the framework of local government accountability in Ekiti State, there is presently no known study that has particularly investigated the significance of IPSASs (International Public Sector

Accounting Standards) on the quality of financial information, the disclosure of financial information, and the quality of audits. Based on the preceding information, the further hypotheses for the study were formulated as follows:

H_0 1: IPSAS has no significant improvement on financial information quality of Ekiti State Local Government Areas.

$H_0$2: IPSAS has not significantly improved the level of financial disclosure of Ekiti State local governments Areas.

H_0 3: IPSAS has not significantly enhanced audit quality of Ekiti State local government Areas.

2. Methodology

The study employed a survey research design. This study employed a primary data source by means of giving a questionnaire to the targeted respondents. The study's population consists of 251 personnel from the Treasury department and 49 employees from the Internal Audit department, representing sixteen local governments in Ekiti state (local government commission). The sample size of the study consisted of 169 respondents. The sample size was determined using the formula established by Krejcies and Morgan. In this study, data collection was conducted using a systematic, closed-ended questionnaire to ensure the acquisition of comprehensive and reliable information. The survey was partitioned into two components, denoted as A and B. Section A encompassed the collection of respondents' demographic information, while section B focused on the evaluation of worldwide public sector accounting standards. Specifically, section B assessed the precision, comprehensiveness, and transparency of financial information, as well as the caliber of the audit process. The questionnaire was designed to evaluate many elements by employing a five-point scale ranging from "firmly Agreed" (5) to "firmly Disagreed" (1), with a set of questions or statements utilized for each assessment.

The questionnaire was developed by drawing upon previous research conducted by Ademola et al. (2017) and Okere (2017), which encompass relevant variables and measures employed in this study. Nevertheless, the adjustment was made in order to enhance the robustness of the investigation. A preliminary investigation is conducted on a limited sample of informed participants to assess the credibility and adequacy of their responses, with the aim of validating the suitability of the research instrument in the context of Ekiti State. The assessment of the reliability of the research instrument was conducted by employing the Cronbach's alpha test, a statistical method commonly used for validation purposes. Typically, the coefficient is situated within the range of 0 to 1. However, it is worth noting that the coefficient does not have a lower bound. The degree of internal consistency of the scale's items has a negative correlation with the proximity of Cronbach's alpha coefficient to 1.0. It is important to acknowledge that a high Cronbach's alpha coefficient of 78% indicates favorable internal consistency among the items of a scale. However, it is crucial to recognize that this does not automatically suggest that the scale is unidimensional. Factor analysis is a statistical method used to assess the dimensionality of a scale. However, it falls beyond the scope of the present inquiry.

Table 1: Constructs Reliability and Validity

Label	Obs	Sign	Corr	Corr.cov	alpha	Items
ipsas	148	+0.3536	0.0884	.0196688	0.4700	10
finrpq	148	+ 0.7776	0.4933	.0014918	0.0602	10
findis	148	+0.8473	0.4012	.0025116	0.1574	10
audq	148	+0.2499	0.0261	.220584	0.4955	5

Test scale .0114327 0.4283 mean (unstandardized items)

Source: Authors' Compilation (2022)

Table 2: Summary of Variables, Measurement and Sources of Data

VARABLES	DESCRIPTION	MEASUREMENTS	SOURCES
Independent Variable (IPSAS)	IPSAS are set of standards issued by the IPSASB for use by public sector entities.	Mean score of response to questions 1-10 in section B of the questionnaire	IPSAS hand book (2015)

Dependent variable Financial information	Financial information is data about the monetary transactions of a business or person.	Mean score of response to question 1-10 in section C of the questionnaire	Accounting tools (2021).
Financial information disclosure	Disclosure is the process of making all relevant information about a business available to the public in a timing manner.	Mean score of response to question 1-10 in section D of questionnaire	Omaim *et al*.,(2010)
Audit quality	Audit quality encompasses the key elements that create an environment which maximizes the likelihood that quality audits are performed on consistent basis.	Mean score of response to question 1-5 in section E in the questionnaire	Dang (2004). Framework on Audit Quality-IFAC

Source: Authors' Compilation (2022)

3.2 Data Analysis Techniques

In order to examine the effect of IPSAS on accountability of Ekiti State local government, data gathered were analyzed using descriptive statistics and regression analysis.

4. Data Analysis and Discussion of Findings

4.1 Descriptive Statistics

The table provides descriptive statistics for the two outcome variables, including measures such as the mean, standard deviation, minimum, and maximum values. In this study, the variables employed are subjected to descriptive statistics, which provide a comprehensive analysis of the data interaction. These statistics encompass crucial measures, such the minimum, maximum, mean, and standard deviation.

Table 3: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Ipsas	148	4.104	.177	3.5	4.6
Finfpq	148	4.208	.275	3.6	4.8
Findis	148	4.068	.402	3.4	8
Audq	148	4.467	.147	4.1	4.8

Source: Authors' **Computation (2022)**

The average opinions of respondents on International Public Sector Accounting Standards stand at (IPSAS) 4.104 with associated standard deviation of .0177, minimum opinion of 3.5 and maximum is 4.6. This suggests that respondents' opinion revolve around agreement opinions. On the financial information (FININF) views, the mean stands at 4.208 other connected variables of standard deviation, minimum and maximum views are as follows: 0.275, 3.6, and 4.8 respectively. This implies that financial information views of the respondents' tense toward concurred. The financial disclosure (FINDIS) thought, has the mean opinion of 4.068 and other parameters are standard deviation, maximum and minimum opinions stand at 4.068, 0.402, and 5 respectively. The average of opinions of respondents on audit quality stands at (AUDQ) 4.467 with associated standard deviation of 0.147, minimum opinion of 4.1 and maximum is 4.8. This submits that respondents' opinion revolves around strongly agreement opinions.

Table 4: Spearman's rank correlation coefficients

Variables	ipsas	Finfrq	findis	Findis	Audq
(1)	1.000				
(2)	0.126	1.000			
(3)	0.123	0.615	1.000		
(4)	0.123	0.615	1.000	1.000	
(5)	-0.060	0.064	0.128	0.128	1.000

Spearman rho = 0.128

Source: Authors' Computation (2022)

Based on the findings of the Spearman's rank correlation coefficient, a modest yet positive correlation is observed between the dependent and independent variables. The association between IPSAS and audit quality is characterized by a negative and unsatisfactory correlation. Upon examining the correlation between the dependent and independent variables, it is evident that there exists no statistically significant correlation between the variables. This suggests the absence of multicollinearity. The multivariate regression model demonstrates statistical significance at the 5% level, as seen by the F-statistic values of models 1 through 3 and the associated P-value of 0.000. This indicates that the model is valid and appropriate for utilization in statistical inference. The R-squared values of models 1 to 3 indicate that the independent variable IPSAS explains over 99% of the systematic variations in the dependent variable accountability at the local level throughout the observed timeframe. This finding implies that the factors utilized in this research are insufficient in explaining the dependent variable within the context of local government. The unexplained fraction of the dependent variable, amounting to 1%, can be attributed to the exclusion of highly significant independent variables that have the potential to explain the dependent variable but fall beyond the scope of this study.

Table 5: Multivariate Regression Result

VARIABLES	(1) FININF	(2) FINDIS	(3) AUDQ
IPSAS	1.024*** (0.00615)	0.990*** (0.00854)	1.086*** (0.00505)
Observations	148	148	148
1qR-squared	0.995	0.989	0.997
F statistics	27721.0	13445.56	46256.62
Probability value	0.000	0.000	0.000

Standard errors in parentheses*** p<0.01, ** p<0.05, * p<0.1

Source: Authors' Computation (2022)

IPSAS (MLS = 1.024(0.000)) as an independent variable to financial information quality (FINFIQ) appears to have positive and statistically significant improvement on financial information (Accountability) at 1% level. Hence, the study rejects null hypothesis 1 IPSAS has no significant improvement on financial information of Ekiti State local governments). ***IPSAS (MLS = 0.990(0.000))*** as explanatory variable to financial disclosure (FINDIS) suggest to have positive and statistically significant improvement on level of financial disclosure (Accountability) at 1% level. This therefore means the study rejects null hypothesis 2 that IPSAS has not significantly improve the level of financial disclosure of Ekiti State local governments). ***IPSAS (MLS = 1.086(0.000))*** as exogenous variable to audit quality (AUDQ) give the impression to have a positive and statistically significant improvement on audit quality (Accountability) at 1% level. Thus, the study reject null hypothesis 3 that IPSAS has not significantly improve audit quality of Ekiti state local governments).

4.4 Discussion of Findings

Despite the implementation of governmental initiatives in the form of policy declarations and legislative measures, the public sector in Nigeria has persistently encountered challenges in meeting the anticipated standards of accountability as perceived by stakeholders. The primary objective of this study was to provide assistance to the government and relevant stakeholders in comprehending the significance of International Public Sector Accounting Standards (IPSAS) in promoting accountability within the public sector of the nation. Based on the findings of the study, it can be inferred that the financial information quality, financial information disclosure, and audit quality exhibit a high level of excellence. The researchers conducted an analysis of the multivariate regression model to assess the influence of the independent variables on accountability and to test the hypothesis H01. The results presented in Table 4 reveal a positive association between IPSAS and responsibility. This is supported by the coefficient estimate of 0.00615 from the MLS regression model, which is statistically significant at the 5% level with a p-value of 0.000. The results suggest that there has been a statistically significant improvement in the quality of financial reporting in local governments in Ekiti State following the adoption of IPSAS.

The conclusion aligns with the results of a study conducted by Ademola et al. (2017), which demonstrate that the implementation of IPSAS enhances the legitimacy and transparency of some Local Governments, while concurrently reducing instances of corruption. The findings of Okere et al. (2017) align with the notion that the implementation of IPSAS has the potential to enhance the reliability, trustworthiness, and ethical standards of financial reporting within State Government administration.Moreover, the study conducted by John et al. (2016) revealed that the implementation of International Public Sector Accounting Standards (IPSAS) holds significant promise in enhancing accountability and transparency in the financial administration of local governments. The findings of the study suggest that the implementation of International Public Sector Accounting Standards (IPSAS) has a positive influence on enhancing accountability within the local government of Ekiti State.

Table 4.3 presents the outcomes of the multivariate regression analysis conducted on financial disclosure (FINDIS) in relation to the accountability of local government areas. The results reveal a substantial positive association between financial openness and local government accountability in Ekiti State. This is supported by the statistical analysis, which yielded a correlation coefficient of 0.00854 and a p-value of 0.000, both of which are statistically significant at the 5% level. The implications of the findings suggest that enhanced financial transparency within the local governments of Ekiti State will lead to heightened levels of accountability. The results align with the research conducted by Ijeoma et al. (2014), which revealed that the implementation of IPSAS-based standards in Nigeria would enhance the integrity of financial reporting by facilitating the provision of essential information for decision-making purposes.

The findings align with the research conducted by Akinleye et al. (2018), which indicates that there is a growing trend towards accountability and transparency in the public sector of Nigeria. Additionally, there has been an improvement in the quality of information dissemination. The findings shown in Table 5 provide empirical evidence that the implementation of International Public Sector Accounting Standards (IPSAS) has had a positive impact on the quality of audits conducted in Local Government Authorities (LGAs) in Ekiti State. The results of the study indicate that the implementation of International Public Sector Accounting Standards (IPSAS) had a positive effect on the quality of audits. The statistical analysis revealed that the coefficient of the Modified Likelihood Score (MLS) was estimated to be 0.000505, and the associated p-value was found to be 0.000, showing a statistically significant relationship at the 5% level of significance. Based on the findings, it can be observed that the audit quality in the Local Government Area (LGA) of Ekiti State has demonstrated improvement as per the International Public Sector Accounting Standards (IPSAS).

5. Conclusion and Recommendations

The study concluded that the IPSAS standards pertaining to proficient financial management were officially declared and enforced with the aim of enhancing the accountability of local governments in Ekiti State. Key factors that were taken into account encompassed the disclosure of information, the promptness of reporting, the accurate portrayal of financial data, and the level of assurance provided by the audit process. The findings of the study align with prior research indicating that the adoption of IPSAS-based financial reporting enhances the trustworthiness of financial statements in the public sector. This, in turn, instills greater assurance among stakeholders and international donors who heavily rely on these financial reports to determine the allocation of aid and investment opportunities. Based on the outcomes of the study, the following recommendations were proposed.

It is imperative for the EKITI State Government to ensure that all reporting segments, including the local governments within the state, adhere to the requirements outlined by the International Public Sector Accounting Standards (IPSAS) while preparing and submitting their financial reports. This measure will enable those responsible for record preservation to effectively maintain precise financial information, so enhancing the accountability and reliability of reporting divisions. The objective of this advice is to enhance the caliber of financial information utilized for the allocation of resources to the state. Enhancing the comprehensive disclosure of relevant financial information is crucial by implementing strategies that facilitate users in making informed and prudent economic decisions. The concept of information disclosure holds significant relevance, making it a core principle under the International Public Sector Accounting Standards (IPSAS). The objective of this recommendation is to provide financial report users with the necessary knowledge to efficiently utilize financial resources within the state economy.

It is imperative for the government to actively advocate for the comprehensive disclosure of information, as the provision of correct and complete information significantly enhances the quality of audits. In accordance with the International Public Sector Accounting Standards (IPSAS), it is imperative for government financial reports to incorporate extensive explanatory notes. This practice is essential as it instills auditors with the necessary confidence and certainty to effectively discharge their responsibilities, hence lending greater significance to their input. This measure will foster a culture of responsibility and transparency within the government.

REFERENCES

Ademola, A. Adegoke, Kolawole & A. Oyeleye, Funke, (2017). Impact of international public sector accounting standards (IPSAS) Adoption. *Asian Journal of Economics, Business and Accounting*) 3(2):1-9, 2017: Article No. AJEBE 33866 ISSN: 2456-639.

Adebayo, PA. (2010). International public sector accounting standards: *A practical guide to reporting entities in Nigeria.*

Adegite, E.O.(2010). Accounting, accountability and national development. *Nigeria Accountant,43(1):56*-64.

Akinleye, G.T.,& Alaran-Ajewole, A.P.(2018). Effect of international public sector accounting Standards (IPSAS).

Balogun, E.O. (2016). The impacts of international public sector, *International journal of Advanced Academic Research Social & Management Science*, 2(7), 714-769.

Benito, B.,Brusca, I., & Montesions, V. (2007). The harmonization of government financial information system: the role of IPSASs, International Review of Administrative Sciences,*73 (2)*, 293-317.

Christians, J., Vanhee, C., Rossi, F. & Aversano, N. (2013). The effect of IPSAS on reforming governmental financial reporting: An *International Comparison. International Review of Administrative Sciences, 76*,537-554.

Erin,O., Okoye, L.N., Modebe, N.J & Ogundele, O.(2016). International public sector accounting standards (IPSAS) adoption and quality of financial reporting in the Nigeria public Sector. *ESUT Journal of Accountancy*, *7*(2),22-30.

Ephraim, A. K. & Ojile A.C. (2019). An assessment of ipsas compliance in local Government system in benue state. *Multi- Displary International Journal*. ISSN: 2425-0252.

Gideon, T. A & Abiola P.A-A. (2018). Effect of international public sector accounting standards (IPSASs) on information delivery and quality in Nigeria. *Research journal of finance and accounting* 1SSN222-1697(paper) ISSN222-2847,9(6).

Huges, J. (2013). A compilation and certification program for developing countries, *International Journal of Governmental Financial Management 3*(1), 1-14.

Ibanuchuka, E. & James, O. (2014). A critiques of cash based accounting and budget Implementation in Nigerian. *European Journal of Accounting, Auditing and Finance Research*, *2(3)*, 69-83.

Ijeoma, N.B. (2014). The impact of international public sector accounting standards IPSAS on reliability, credibility and integrity of financial reporting in the state government administration in Nigeria, *International journal of Technology enhancement and emerging engineering research*, *2*(3), 2347-4289.

IASB, (2010). The conceptual frame work for financial reporting.

IFAC, (2015). International public sector accounting standards (ipsas) board, handbook of international public sector accounting pronouncements. *New York: IFAC subcommittee.*

IPSASB, (2017). Handbook of International public sector accounting pronouncements.2017 Edition, I.*New York: IPSAS Board. Jensen, M. C. &Meckling, W. H.(1976). Theory of the Firm: Managerial Behavior*, *Agency Costs and Ownership Structure. Journal of Financial Economics*, *3(4)*: 305-360

John, O. Daibi, W.D & James L.O (2016). International Public Sector Accounting Standards (IPSAS) and Local Government Financial Management in Nigeria.*Journal of Accounting and Financial Management* ISSN 2504-8856,2(3)

Nkwafu, I.C., Uguru, L. C & Nkwede, F.E. (2016). Implications of international public sector accounting standards on financial accountability in the Nigeria public sector: A study of south Eastern States. *ISOR journal of Business and Management*, *18*(7), 107-118.

Nongo, J.Y., (2014). IPSAS issue for public finance management executive- IPSAS outlook,*2*.78-91.

Nzewi, U. C. & Enuenwemba, F. (2020). Effect of adoption of international public sector accounting standards (IPSAS) in the public sector of Delta state. *International Journal of Advance Academic Research (Social and Management Sciences) 6.*

Ofoegbu, G. N. (2014). New public management and accrual accounting basis for transparency and accountability in the Nigeria public sector.*Journals of Business and Management, 16*(7), 104-113.

Ogbuagu, N. M.(2019). Effect of IPSAS adoption on accounting and aransparency in the Nigeria public sector organizations. *Journal of Accounting and financial Management*,*5*(3).

Okere,W., Bassey, I. Eluyela, D. & Opeyemi, A.(2017). Public sector accounting standards and quality of financial reporting: A Case Study of Ogun State Government Administration in Nigeria. https//www.researchgate.net/publication/322634147.

Oko, S.U. (2018). An assessment of the impact of international public sector accounting standards IPSAS on public sector financial reporting in Nigeria. A Study of the Ministry of Finance Calabar. *International journal of research in business, Economics and management2*(6).

Okolocha, C.C.(2019) Adoption of international public sector accounting standards by account officers in capturing revenue and expenses in tertiary institutions financial reporting in South east Nigeria. *International journal of education and research,7*(9)

Olola, O. A.(2019) Effects of international public sector accounting standards on financial accountability in Nigeria public sector. *European Journal of Accounting, Auditing and Finance Research*,*7*(3).41-54.

Okoye, E. I.,& Ani, W.U. (2016). Annals of government and public sector accounting. Nimo: Rex Charles And Patrick Limited,*3*(2),143-154.

Onwubuariri, P. (2012). Improving Nigeria public sector accounting standards, Nigeria journal for development research,*1*(4) ,134-151.

Otuya,S.(2020). Inclusive financing and wealth redistribution: the role of micro finance banks in Nigeria. *Economics and Scial Science Academic Journal*, *2*(2), 10-20.

Ozugbo, M. (2009). Financial reporting for good governance in public sector entities in Nedaw, Nakura Publication Ltd,*2*(1),45-66.

Seiyaibo, C.M. (2020). Has the adoption of international public sector accounting standards (IPSAS) reduced corruption in the Nigeria public sector? *International Journal of Academic Research in Accounting, Finance and Management Sciences 10*(1)189-196.

Stephen, E., Mercy N., & Wynne A. (2012). Annual financial reporting by governments-existing and practices in sub-Saharan Africa, African Capacity Foundation, 3. 134-146.

Sunday, M. (2018). The impact of the adoption of international public sector accounting standard (IPSAS) on the quality of public sector accounting in Nigeria, *A case study of the federal secretariat, Bauchi,1*.32-51.

Udeh, F. & Sopekan, S.(2015), Adoption of IPSAS and the quality of public sector financial reporting in Nigeria. *Research Journal of Finance and Accounting*,*6*(20), 141-149.

Williams, A.A. & Hussein, S. (2019). Impact of IPSAS adoption on transparency and accountability in managing public funds in developing countries: *Evidence from Liberia. Journal of Accounting and Taxation. 11*(6), 99-110.