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The Effect of International Public Sector Accounting Standard (IPSAS) Implementation and Public Financial Management In Nigeria.

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ABSTRACT:- This study examined the effects International Public Sector Accounting Standards (IPSAS) implementation on public sector financial management in Ekiti State, Nigeria. The study adopted a descriptive survey research design because it helps in obtaining similar information from various groups of persons through the use of an administered questionnaire. The population covered all the staffs of Ekiti State Accountant General' s Office; out of which 50 staff was selected as the sample size and this was achieved through random sampling technique. A close ended questionnaire was used to elicit the needed information from the respondents and the necessary validity and reliability of the instrument were done accordingly to authenticate the items on the questionnaire. Data generated from the respondents was analyzed through simple regression and mean and standard deviation. The findings of the study revealed that the independent variable explained about 11.2% of the systematic variation of the dependent variable. The overall fitness of the model as shown in the F statistics of 18.189 with a probability of 0.04 was statistically significant as it was lesser than the standard critical p-value of 0.05. This, therefore call for the rejection of the null hypothesis. Hence, there is a significant effect of IPSAS on the public sector financial management in the Nigerian Public sector. Hence, we conclude that IPSAS would significant influence public sector financial management in Nigeria and that the challenges of Nigerian public sector are costs associated with tracking and identifying government tangible assets. Hence, it was recommended that government at all levels; should as a matter of necessity embark on continuous training and retraining of accounting personnel who are charged with the responsibilities of preparing the accounts in order to maintain and sustain enhanced credibility of financial reporting

Keywords: IPSAS, Public Financial Management, Public Sector Accounting,

I. BACKGROUND OF THE STUDY

The traditional approach to public sector accounting is based on cash accounting under the Generally Accepted Accounting Principles (GAAP) which was copied from the private sector. The GAAP was originally meant for the private sector. It is convenient for accounting and cheap because in government, the primary objective of the financial statements has been for an individual Accounting Officer to be held to account and responsible for the way in which funds allocated in the budget have been utilized based on cash accounting. Unfortunately, The GAAP system has been criticized for poor transparency and accountability. The GAAP has failed in the public sector because the public and private sectors are different in objectives, goals, and expectation. Hence, the need for review was apparent and urgent to improve public financial resources management. The pressure to review the GAAP was more in the wake of the European Financial crisis which later became global because it was argued that the sometimes inapplicable GAAP accounting practices of the private sector being used in the public sector contributed to the event and somewhat belated response to the financial crisis. Ever since, Scholars have been concerned about accounting change in government (Sanderson 2009; IFAC, 2007).

Meaning of Public Sector

The public sector is usually composed of organizations that are owned and operated by the government. This includes federal, state and local governments. Ibhahulu (2012) described public sector as that sector of the economy established and operated by the government and its agencies distinguishable from the private sector and are organized on behalf of the whole citizens. Mathias (2004) explain that private sector accounting aim in theory is different from public sector accounting and argued that most government agencies and municipalities need to track funds generated from tax revenues and direct it towards their expenditures and other related projects or appropriations. In addition, nations may need to follow a set of standard of accounting principles different from private sector accounting rules. But with the development of international accounting standard helps countries to follow similar rules thus making preparation and presentation of similar financial statement possible.

While Public Sector Accounting according to Oshisami (1992) and Olaoye (2010) is refers to the process of recording, analyzing, classifying, summarizing, and communicating and interpreting financial information about the government in aggregate and in detail, which reflects all transactions involving receipt, transfer and disposition of government property and funds. Accounting is often said to be the language of business". It is used in the business world to describe and report the transactions entered into by all kinds of government parastatals. In any situation where money is used as a mean of exchange, this calls for the recording of the facts and figures underlying the financial transactions at least for ease of reference (Muyiwa, 2002).

1.3. PUBLIC FINANCIAL MANAGEMENT

The public sector financial management is described as a high-quality financial information in the public sector that enables an accurate and complete assessment of the impact of policy decisions, supports external reporting by governments to electorates, taxpayers, and investors; and aids internal decisions on resource allocation (planning and budgeting), monitoring, and accountability of the government (International Federation of Accountants, 2017).

1.4. PUBLIC SECTOR ACCOUNTING

Nigerian public sector accounting is strategic in the development of the Nation through the public sector apparatus on one hand, it drives the business operations of the private sector to a large extent on the other hand. The public sector accounting financial system in Nigeria is managed by the Ministry of Finance and the budget office at the Federal level, while each of the thirty-six States of the Federation run their financial affairs through their individual Ministries of Finance and budget offices as each State is autonomous with separate budgets backed up by an appropriation law. Also, each of the seven hundred and seventy-four Local councils of the nation run their affairs separately. The three tiers maintain individual budgets that are guided by separate appropriation laws from preparation, approval, implementation of the government budgets. They are individually governed with separate functionaries. They also maintain the development of the public sector financial reports for audit and publication individually.

II. REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL REVIEW

INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS)

International Public Sector Accounting Standards (IPSASs) are a set of accounting standards issued by the International Public Sector Accounting Standards Board for use by public sector entities around the world in the preparation of financial statements (Modebe, & Ogundele, 2016). These standard is a replicate of the private sector standard (International Financial Reporting Standards) issued by the International Accounting Standards Board (IASB). IPSASs are issued by IPSASB (International Public Sector Accounting Standards Board), an independent organ of IFAC (International Federation of Accountants). The IPSASB adopts a due process for the development of IPSASs that provides the opportunity for comment by interested parties including auditors, preparers (including finance ministries), standard setters, and individuals. IPSASB's meetings to discuss the development and to approve the issuance of IPSASs or other papers are open to the public. Agenda papers, including the minutes of the meetings of the IPSASB, are published on the IPSASB's website (Heald, 2003; Acho, 2014; ICAN 2014; Frank, 2015; Erin, Okoye, Modebe, & Ogundele, 2016).

The global apprehension, eagerness for better public financial management, fiscal prudence that guarantees improved governance, accountability, and transparency have been a driving concern to both developed and developing countries. This has given rise to many reforms such as the establishment of IPSAS by IFAC which establishes and promotes the application of IPSAS for public sector entities around the world.

CHALLENGES OF IPSAS IMPLEMENTATION

In the pre-implementation era, Ijeoma and Oghoghome (2014) assert that Nigeria transition to Accrual basis of IPSAS will bring about a lot of challenges such as: Systematic identification and valuation of assets and liabilities as at the date from which accrual accounting commenced; Lack of adequate technical resources; Political ownership such as inadequate support at the highest levels of the executive; Consolidation issues. Also, Shehu, and Adamu (2014), that it challenges may be time consuming as well as resources needed to be provided in order to carry out seminar and workshops for those who dealt with financial reporting matters of public organizations may be inadequate to fully meet up with the requirements of IPSAS.

IPSAS are essential to the development of an efficient public sector accounting and reporting system in any country to identify and measure the government's expenses, revenues, assets, and liabilities properly. Therefore, the adoption of IPSAS in Nigeria in 2010 was a welcome development by all the tiers of government. However, each tier has a different capacity to withstand what it takes to implement it regarding various factors such as finance, expertise and political party alignment, which may be hindering the implementation and slow the process of better governance.

IPSASB has issued forty accrual standards, but ironically despite the benefits, none of the standards has been implemented in Nigeria. Many jurisdictions have adopted Accrual IPSAS but have not implemented them. Some have implemented them either partially or completely. Much more are on the road to implementing the standards. According to Aboagye (nd), the European Commission (EC), North Atlantic Treaty Organization (NATO) and some members of the African Union (AU) such as Ghana, South-Africa, Zimbabwe, and Botswana have adopted IPSAS.Also, the primary financial resource suppliers to developing nations such as the World Bank, the Asian Development Bank, and the United Nations have endorsed transition from Cash Basis to Accrual IPSAS for use in accounting for the financial assistance they offer. Chan (2005) explains that the reports on the accounting and auditing gap assessment, prepared by the World Bank for the South Asian countries indicate that all South Asian countries (Bangladesh, Bhutan, India, Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka) have migrated to Accrual IPSAS successfully

Despite the benefits, the implementation of this unique accounting change in government has been problematic because many governments are reluctant to accept the IPSAS reform but rather prefer to stick to the prior system of financial reporting. Notwithstanding, IFAC continues to propagate Accrual IPSAS adoption but despite the efforts the journey to adoption is still slow around the World although many countries adopted it but implementation has been an issue (IFAC, 2014). Adhemar (2006) argues that the IPSAS benefits are undermined by the fact that few governments have adopted the standards that are broadly consistent with IPSAS. For instance, IFAC (2017) finds that Anguilla and the Cayman Islands are the only Caribbean countries that have fully implemented IPSAS, many of the other Countries started the process while many more countries are facing some challenges with IPSAS implementation despite the numerous benefits.

Also IFAC (2017) finds that implementation of IPSAS in the OECD countries have been very slow. The study also argues that while the direct adoption of international accounting standards, such as International Public Sector Accounting Standards (IPSAS) by national governments remains very low, almost 28% of the standard-setters use IPSAS as primary or explicit references for developing their national standards. According to IFAC (2017) why the direct adoption of international accounting standards by national governments remains very low was due to some factors such as cultural, technical and required expertise.

In line with the trend in globalization, Nigeria considered the IFAC expectation and a significant decision was made by the Nigerian government when the International Public Sector Accounting Standards (IPSAS) was adopted in 2010, as the latest initiative in public sector reforms in Nigeria. This decision was predicated on the need to improve good governance as a catalyst to promote accountability and transparency in the management of public sector finances in the country. The adoption was supported by the enactment of the Financial Reporting Council of Nigeria Act, No.6, 2011. The Act empowers the Council to ensure the implementation of IPSAS in the best interest of Nigerians.

It is a good thing to adopt IPSAS but its implementation is a more serious and rigorous matter. Unfortunately, since the adoption of IPSAS, Nigeria is behind in the implementation. While the Country is wasting time on implementing the cash IPSAS, they were replaced with accrual IPSASs in 2013, and yet Nigeria has not implemented any of them ever since, contrary to expectation. In view of the slow implementation of IPSAS, the Federation Account Allocation Committee (FAAC) of Nigeria at the meeting of 13th June 2011 established a Sub-Committee to work out modalities for the implementation of IPSAS in Nigeria.

It was expected that IPSAS cash basis would be applied to public sector financial reporting in 2012. The application was scheduled to start in 2012 being the year set as the deadline for the issue of first published IPSAS-compliant financial statements, but it failed. The Federal, State and Local Government Councils in Nigeria are to commence implementation of cash IPSAS by 2014 and accrual IPSASs by 2016, alas Nigeria has failed to meet the targeted dates despite the efforts of the Federal government since IPSAS adoption in 2010.

The incessant failure to implement IPSAS is quite an irony because the same Country has implemented the International Financial Reporting Standards for its private sector organizations without much delay which shows an element of a double standard attitude of some government institutions charged with the responsibility. For example, the Financial Reporting Council of Nigeria which is a government apparatus enforced the implementation of IFRS successfully in the private sector of the same Country, but this is not the case with IPSAS which is a puzzle to be resolved as to factors responsible.

Many issues have been established by scholars for the failed implementation such as the required expertise and cost (Atuilik, Adafula, and Asare, 2016; Omolehinwa, and Naiyeju, 2015; Tikk, 2010 and Tickell, 2010). Several workshops and seminars have been organized to sensitize the public, educate and train the practitioners and ensure a smooth transition to the IPSAS regime but they all failed to achieve the implementation. Unfortunately, despite the efforts, the implementation date continues to fail and has shifted several times first to January 2014 and then to January 2016 without success.

The frequent changes in implementation date have been viewed with mixed feelings among the practitioners and scholars in Nigeria. According to Ofoegbu (2014), several attempts have been made in the past towards improved financial reporting system in Nigeria, but they all failed. The study argues that existing financial reporting practice was based on laws and regulations such as Audit Ordinance Act No. 38, 1956 and Finance (Control and Management) Act No.33, 1958 all of which do not accord with the cash IPSAS.

Unfortunately, continuous delay in the implementation of IPSAS undermines the realization of the benefits, such as in the area of transparency and accountability to the disadvantage of the Nigerian citizens. In view of the foregoing, the ineptitude on the part of Nigeria to implement IPSAS raises some questions in the minds of scholars in the areas of the factors that are affecting the implementation. It is necessary to probe these factors. Besides the inconsistencies in dates of implementation of IPSAS have a great setback on Nigeria because the country cannot operate in isolation of the World. It is evident that something has to be done to reverse the trend.

Also, there is a shortage of studies on the implementation of IPSAS because prior research on IPSAS have not paid much attention to the implementation but rather the benefits, whereas benefits can only accrue if IPSAS are implemented. For instance, Ijeoma and Oghoghomeh, 2014; Christiaens, Vanhee, Manes-Rossi, Aversano, and Cauwenberge, 2014 focused on the benefits of IPSAS which is a stage after implementation. Also, some earlier research focused on the implementation of International Financial Reporting Standards (Adeyemi, 2005; Adeyemo, 2014) but there are no enough studies on IPSAS. Furthermore, IPSAS issue is not adequately focused by scholars in developing economies, this study covers Nigeria which is a developing Economy. This study investigates the factors that are responsible for the slow implementation of IPSAS in Nigeria. It is expected that the identification of the mitigating factors will highlight specific issues that require attention, to improve the implementation strategy of IPSAS in Nigeria.

This study is unique in many ways, first it is on a contemporary issue on effect of implementation of international public sector accounting standard on public sector financial management in Nigeria. Second it is an attempt to cover some missing gap in the literature in the area of dearth of similar study in developing economies like Nigeria. Third, its methodological approach is in line with the trend in research design, as a contribution to the existing body of knowledge. Fourth, the findings are of significance to various stakeholders in different ways. Fifth, the recommendation emanating from the research findings are worthy of actualization in the best interest of citizens. Therefore this study seeks to fill a gap by examine the effect of implementation of IPSAS in Nigerian Public sector financial management

2.2 THEORETICAL REVIEW

2.2.1 Principal-Agent Theory

Ross and Mitnick propounded agency theory in 1972 (Ross, 1974; Mitnick, 2006). Efobi and Bwala (2013) argued that the seminal works of Meckling and Jenson (1976) and Fama and Jensen (1983) have been widely attributed to propagate the agent-principal relationship (Agency Theory). This theory opines that there are times when conflict arises between the principal (providers of capital) who in this study depicted the tax payers and the agents (managers of capital) Public office Holders, such that the principal requires the agents to effectively and efficiently utilize the resources committed into their hands. Meanwhile, the agents pursue their personal interest at the expense of the principal interest. As a result of this, there exists conflict of interest (agency problem). Consequently, the public is demanding more accountability from their elected officials through qualitative financial reports of their activities. This is in contrast to stewardship theory that states that managers, if left on their own, will indeed act as responsible stewards of the assets they control.

2.2.2. Stewardship Theory

Stewardship theory was propounded by Donaldson (1990) and held that there is no conflict of interest between managers and owners, and that the goal of governance is to find the mechanisms and structure that will facilitate the most effective coordination between the principal and their agent. Hence, this study relates the two theories to drown out the relationship between the providers of funds (Principals) and the government officials (agent) whose public resources are entrusted into their hands in order to empirically examine if IPSAS implementation has improved public sector financial management in Nigeria.

2.3 EMPIRICAL REVIEW

Roje, Vasicek and Vasicek (2010), carried out a study on accounting Regulation and IPSAS implementation: Efforts of Transition Countries toward Accrual IPSAS basis and Compliance. The study examines the comprehensiveness and effectiveness of public sector accounting and financial reporting model, taking into account the existing accounting regulations and financial reporting system in countries of Croatia, Slovenia, and Bosnia and Herzegovina all in Europe. The study which employs discussion of the status and perspectives of developing countries towards IPSAS adoption paid more attention to Croatia, Slovenia and Bosnia and Herzegovina to ascertain their level of convergence to the new international standards. The statistical tools employed were the Chi-square test and Kruskal Wallis test. Their findings shown that the level and changes of public sector accounting systems in most countries were dependent on their peculiar natures that ought to be looked at when implementing the standards pointing out that most of the countries experienced one challenge or the other in their attempts to implement the standards.

Ofoegbu, (2014) studied the new public management and accrual accounting basis for transparency and accountability in the Nigerian public sector which aimed at ascertaining the experts' perception on the implementation accrual basis of IPSASs of accounting in achieving accountability and improved quality of accounting information in the Nigerian public sector. The study administered questionnaire to 112 auditors and accountants in the public sector. The data collected were analyzed tested using standard deviations, means, and Friedman's test statistics. Findings of the study indicated that the and implementations of IPSAS and adoption Accrual IPSASs in the Nigerian public sector significantly enhance transparency though, with some challenges.

Mhaka, (2014) examined IPSAS, A Guaranteed way of Quality Government Financial Reporting; a comparative analysis of the existing cash accounting and IPSAS Based Accounting Reporting. The study was aimed at examining the cost benefit of IPSAS adoption in Zimbabwe by way of comparing the existing cash accounting basis with the proposed IPSAS based accounting reporting. The study adopted a well qualitative method of reviewing and analyzing of relevant discourse, publications, and documentary materials from some professional accounting organizations. Findings shown that IPSAS adoption enhances and improves the quality of public sector financial information, assets managements and the level of accountabilities of government reporting; thereby increasing the confidence of both domestic and foreign donor organizations to make financial assistance available for public sector entities.

Shehu, and Adamu (2014), explored the challenges of first time adopters of International Public Sector Accounting Standards (IPSAS) in Nigeria. Their research was more of qualitative review of the Pre-IPSAS adoption. Their findings revealed that, first time adopter will be expecting to comply with the requirement of the standard when switching to IPSAS. Also the challenges include it is time consuming as well as resources need to be provided in order to carry out seminar and workshops for those who dealt with financial matters of an organization.

Nkwagu, Uguru and Nkwede (2016), examined the implications of international public sector accounting standards on financial accountability in the Nigerian public sector: Their study adopted survey design and administered questionnaires on a sample of 314 out of 1458 Accountants and Internal Auditors in the ministries of finances of south Eastern states of Nigeria. The data was analyzed using descriptive statistics. Hypotheses formulated were tested using one-way ANOVA model via Prism GraghPad at 5% level of significance. Their Findings unveil that IPSASs adoption enhances accountability in the Nigerian public sector as the standards pave way for improved management of public funds. It further showed that application of IPSASs paves way for effective budget implementation and checks for possible cases of corruption in the Nigerian public sector.

Ademola, Adegoke, and Oyeleye, (2017), their study evaluated the impact of International Public Sector Accounting Standard (IPSAS) on the financial accountability of selected local governments of Oyo State, Nigeria. Their study which adopted survey design collected data using five point likert-scale questionnaires which was administered on sample of 105 Accountants and Internal Auditors in some selected local governments of Oyo State Nigeria. The data was analyzed using descriptive statistics. The hypotheses formulated were tested using chi-square analysis at 5% level of significance. The result of the study showed that adoption of IPSAS increases the level of accountability, transparency and reduces corruption in the selected local governments.

In view of scholars findings' regarding the prospect and challenges of Accrual IPSAS (Roje, Vasicek and Vasicek 2010; Nkwagu, Uguru and Nkwede, 2016; Shehu, and Adamu, 2014; Mhaka, 2014; Ofoegbu, 2014; Ademola, Adegoke, and Oyeleye, 2017). Yet cases of corruption is been reported in the Nigerian public sector which IPSAS adoption and framework ordinarily opt to have detected or prevented, for example, IDPs Contracts Scam in North East (Samson, 2016) and NNPC scandal of $25 Billion (Dirisu, 2017). This study seeks to fill a gap by investigating the effect of implementation of IPSAS in Nigerian Public sector.

III. METHODOLOGY

The study adopted a descriptive survey research design because it helps in obtaining similar information from various groups of persons through the use of an administered questionnaire. The population covered all the staff of Ekiti State Accountant General's Office (188 staff); out of which 50 staff was selected as the sample size and this was achieved through random sampling technique. A close ended questionnaire was used to elicit the needed information from the respondents and the necessary validity and reliability of the instrument were done accordingly to authenticate the items on the questionnaire. Data generated from the respondents was analyzed through simple regression and mean and standard deviation. Simple regression was used to analyze the first objective while mean and standard were used to analyze the second objectives. The regression model was specified below:

$$IPSAS = \alpha_0 + \alpha_1 FINMAN + U$$

Where:
IPSAS= International Public Sector Accounting Standards
FINMAN = Financial Management
α_0 = constant of the equation
α_1 = coefficient of the predictor variable
U=Stochastic Error Term

IV. RESULTS AND ANALYSIS

A. REGRESSION ANALYSIS

Dependent variable: FINMAN.

Model	**coefficients**	**Std Error**	**R 0.335**	**R2 0.112**	**F 18.189**	**Prob 0.000**
Constant	1.48	0.444				
IPSAS	0.445	0.104				

Source: Researchers' compilation (2019)
Table 1: Simple Regression

In the table above, the R-square, which showed the overall explanatory power of the model, revealed that the independent variable explained about 11.2% of the systematic variation of the dependent variable. The overall fitness of the model as shown in the F statistics of 18.189 with a probability of 0.04 was statistically significant as it was lesser than the standard critical p-value of 0.05. This, therefore call for the rejection of the null hypothesis. Hence, there is a significant effect of IPSAS on the public sector financial management in the Nigerian Public sector.

B. MEAN AND STANDARD DEVIATION ANALYSIS

S/N	**Items**	**Mean**	**Std Deviation**	**Remarks**
1.	Excessive costs associated with tracking and identifying government tangible assets	3.14	0.702	Agreed
2.	Implementing IPAS comes with a lot of difficulties in reconciling budget and financial statement information	2.98	0.804	Agreed
3.	Consolidation issues in respect of elimination of all inter-agency transactions, and balances	2.89	0.838	Agreed
4.	Lack of qualified Accountants to adequately carryout the changes in IPSAS as opposed to the Financial reporting frame work currently existing in Nigeria.	2.98	0.884	Agreed
5.	Some terminologies used in IPSAS could not be applied to country's financial reporting system due to some uniqueness	2.83	0.993	Agreed

Table 2: Responses of the Respondents on the Challenges of IPSAS Implementation

H_01: The Implementation of IPSAS in public sector financial reporting will not significantly enhance comparability of financial statements of public sector in Nigeria.

Decision Rule: Accept H_0 if p-value > significance level, Reject H_0 if p-value < significance level.

Table 4 Ranks

	Option	**N**	**Mean Rank**
Responses	NS	5	8.50
	SD	5	5.00
	D	5	10.50
	A	5	23.00
	SA	5	18.00
	Total	**50**	

Key: SA= Strongly Agree, A= Agree, D= Disagree, SD= Strongly Disagree, NS= Not Sure

Table 5 Test Statistics [a,b]

	Response
Chi-Square	20.078
Df	4
Asymp. Sig.	0

a. Kruskal-Wallis Test; b.Grouping Variable: Option

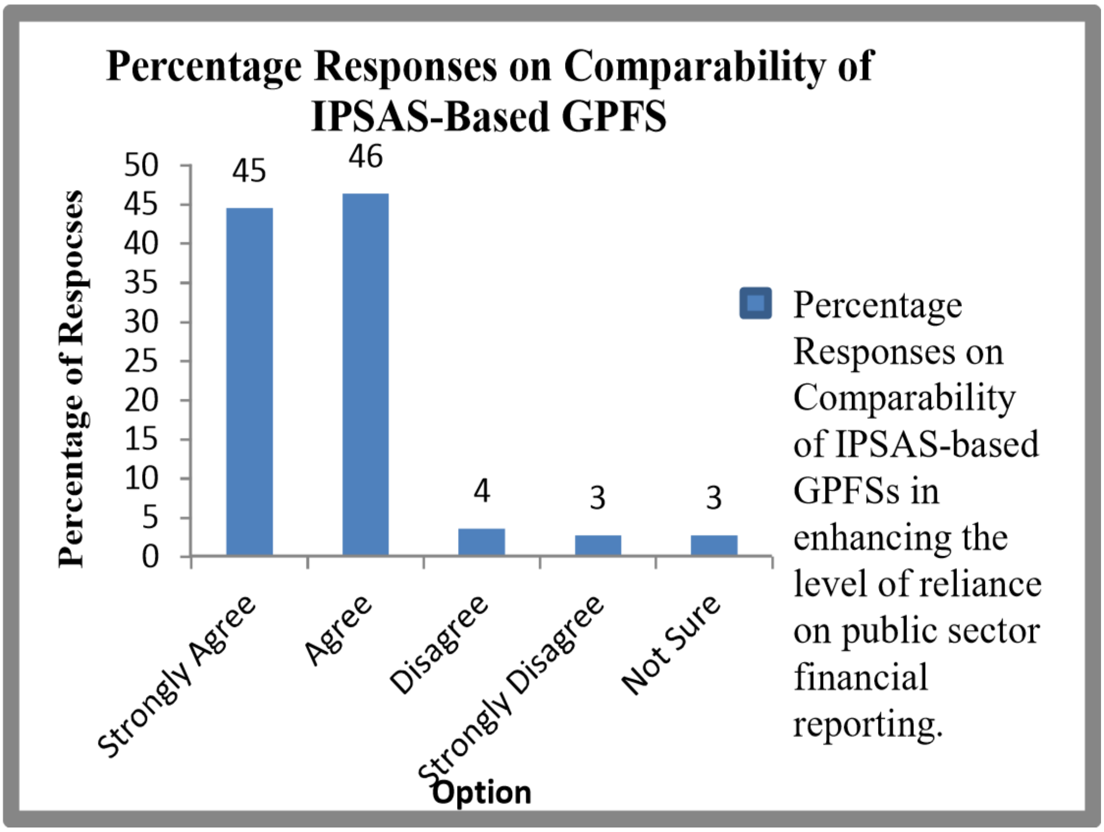

Figure 1. Percentage Distribution of Responses on Comparability of IPSAS-Based GPFS

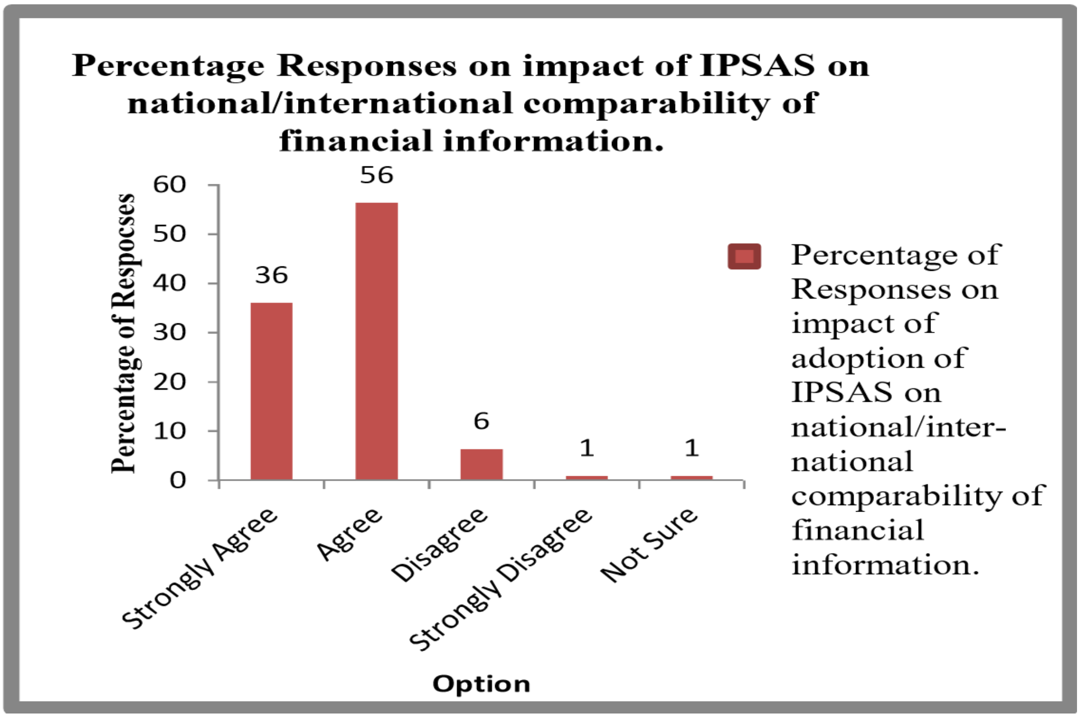

Figure 2. Percentage Distribution of Responses on National/International Comparability of IPSAS-Based Financial Information

Source: Researchers' compilation (2019)

V. DISCUSSION

The analysis above revealed that the respondents unanimously agreed that excessive costs associated with tracking and identifying government tangible assets; a lot of difficulties in reconciling budget and financial statement information; consolidation issues in respect of elimination of all inter-agency transactions and balances; lack of qualified accountants to adequately carryout the implementation of IPSAS as opposed to the financial reporting frame work currently existing in Nigeria and some terminologies used in IPSAS that could not be applied to countries financial reporting system due to some uniqueness that constituted the challenges of IPSAS in Nigeria with mean and standard deviation of 3.14 and 0.702; 2.98 and 0.804; 2.89 and 0.838; 2.98 and 0.884 and 2.83 and 0.993 respectively.

VI. FINDINGS

Major in the discovery made was that there is a significant effect of IPSAS on the public sector financial management in Nigeria. This implies that IPSAS has paved the way for transparency and probity in Nigerian public sector. The corollary of this finding is that IPSAS could positively influence fund management in the Nigeria Public sector when used by qualified Accountants. Hence, it should be used by all government parastatals and institution in a bid to achieve efficiency of operations, effectiveness of public officers and drastic reduction in the corruption and mismanagement level among public officers. This finding corroborated the findings of Ademola, Adegoke, and Oyeleye, (2017); Shehu, and Adamu (2014) and Mhaka, (2014) Their Findings unveil that IPSASs adoption enhances and improves the quality of public sector financial information, assets managements and the level of accountabilities of government reporting; thereby increasing the confidence of both domestic and foreign donor organizations to make financial assistance available for public sector entities; and that it application paves way for effective budget implementation and checks for possible cases of corruption in the Nigerian public sector.

It was also discovered that excessive costs associated with tracking and identifying government tangible assets; difficulties in reconciling budget and financial statement information; consolidation issues in respect of elimination of all inter-agency transactions and balances; lack of qualified accountants to adequately carryout the changes in IPSAS as opposed to the financial reporting frame work currently existing in Nigeria and some terminologies used in IPSAS that could not be applied to countries financial reporting system due to some uniqueness constituted the challenges of IPSAS in Nigeria. This outcome was in line The results is collaborated with Roje, Vasicek and Vasicek (2010) and Ofoegbu, (2014), their results shown that the level and changes of public sector accounting systems in most countries were dependent on their peculiar natures that ought to be looked at when implementing the standards pointing out that most of the countries experienced one challenge or the other in their attempts to implement the standards.

VII. CONCLUSION AND RECOMMENDATIONS

Based on the findings of this study, it was concluded that IPSAS would significant influence public sector financial management in Nigeria and that the challenges of Nigerian public sector are costs associated with tracking and identifying government tangible assets; difficulties in reconciling budget and financial statement information; consolidation issues in respect of elimination of all inter-agency transactions and balances; lack of qualified accountants to adequately carryout the changes in IPSAS as opposed to the financial reporting frame work currently existing in Nigeria and some terminologies used in IPSAS that could not be applied to countries financial reporting system due to some uniqueness that constituted the challenges of IPSAS in Nigeria. It was therefore recommended that government should employ professional Accountants; government at all levels; should as a matter of necessity embark on continuous training and retraining of accounting personnel who are charged with the responsibilities of preparing the accounts in order to maintain and sustain enhanced credibility of financial reporting and management by the public sector entities and that the Federal Government should enact an enabling law to back up the adoption and implementation of IPSAS and more importantly institute appropriate sanctions to ensure full compliance.

2.2. CONCLUSION

This study concludes that political buy-in among the various functionaries of government is a major factor affecting the implementation of IPSAS in Nigeria. This study has largely achieved its aim of contributing to the debate on accounting change regarding the implementation of IPSAS. It also achieved its objective of investigating the factors that affect the implementation of IPSAS in Nigeria

2.3. RECOMMENDATIONS

- The factors mitigating against the adoption of IPSAS in Nigeria should be addressed to achieve the implementation of IPSAS in Nigeria in compliance with the trend in IFAC financial reporting convergence policy
- Given the findings in this study, moral-suasion is recommended as a way to improve the acceptance of IPSAS among all the functionaries of Government, collectively, in solidarity and conformity with one another, for effective political-buy-in and ownership of the accounting change of successful implementation of IPSAS in Nigeria.
- A timely implementation of IPSAS is desirable to enjoy the benefits of a transparent government in the best interest of Nigerians.

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