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ASSESSMENT OF THE IMPLEMENTATION OF IPSAS-ACCRUAL BASIS OF ACCOUNTING ON PUBLIC SECTOR FINANCIAL REPORTING QUALITY: EVIDENCE FROM LGAs IN KOGI STATE, NIGERIA

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Abstract

Governments need to prepare and publish high quality and transparent financial statements that are reliable and internationally recognized by using the IPSASs or equivalent standards. This is a key feature of democratic responsibility, accountability and reliability towards the public. This paper examines the implication of IPSAs accrual basis of accounting on Public Sector financial reporting quality, evidence from local Government Areas in Kogi State. The study adopted survey research design. The population of the study is 350 staff of the entire twenty-one LGAs in Kogi State; while a sample size of 210 using stratified sampling was adopted. 10 questionnaires each were distributed randomly to the staff in the account department and audit unit of the 21 LGAs in Kogi State, but only 192 Questionnaires were returned, both descriptive (frequencies and percentages) and inferential (multiple regression) statistics were used for the analysis of the data collected with the aid of SPSS 23. The result shows that accrual basis assets reporting exhibited positive and significant effect on government financial reporting quality with p value (0.00) and a coefficient of 0.346; accrual basis liability reporting exhibited positive and significant effect on government financial reporting quality with p value (0.005) and a coefficient of 0.247. The study recommends that implementation of IPSAs increases the level of financial reporting quality, government should provide enabling environment, facilities and enforce implementation of all relevant IPSAs for quality financial reporting; institute monitoring mechanism for adherence.

Keywords: *IPSAS, Financial Reporting Quality, Public Sector, LGAs, Kogi State.*

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1. Introduction

According to Deloitte (2017) the development of the IPSAS has its origins in the accounting profession as a way to improve the transparency and accountability of governments and their agencies by improving and standardizing financial reporting. Cavanagh 'et al' (2016) opine that over the past two decades, a growing number of governments have begun moving away from pure cash accounting toward accrual accounting. While accrual accounting has been the norm among private corporations for over a century, the vast majority of governments prepared their budgets and accounts on a cash basis up until the end of the last century. An increasing number of governments and intergovernmental organizations produce financial statements on the accrual-basis of accounting in accordance with IPSAS (Deloitte, 2017). It would be recalled that the three tiers of government in Nigeria adopted the IPSAS Cash Basis of Accounting effective 1, 2014 and Accrual Basis of Accounting from January 1, 2016. In implementing the reforms, the state adopted phased implementation with the IPSAS cash basis of accounting effect January1, 2017 and accrual accounting effect fiscal year 2020.

International Federation of Accountants (IFAC) (2024) asserts that accrual accounting is a system of accounting that has two features: economic events are recognized at the time they occur, regardless of when the related cash receipt and payments takes place; assets and liabilities are recognized in the balance sheet, including non-financial assets as well as financial assets, and liabilities. The move towards using accrual basis in the public sector has the potential to radically change the practice of accounting and financial reporting in the sector (The Association of Chartered Certified Accountant (ACCA), 2017). IPSAS facilitates the alignment with best accounting practices through the application of credible, independent accounting standards on a full accrual basis. It improves consistency and comparability of financial statements as a result of the detailed requirements and guidance provided in each standard (Deloitte, 2017).

Ismaili (2021) stated that governments need to prepare and publish high quality and transparent financial statements that are reliable and internationally recognized by using the IPSASs or equivalent standards. This is a key feature of democratic responsibility, accountability and reliability towards the public. On the other hand, such financial statements can be considered as an opportunity to prepare and publish quality management information for better decision making by contributing to better public service performance and sustainable public finances as a strategic objective. Okpo (2019) asserts that the public sector financial system in Nigeria has witnessed fundamental changes in the last decade. These changes are necessary in order to align the government financial sector in line with the global best practices. Aside from that, the globalization challenges have imposed on the Federal Government of Nigeria the responsibility of repositioning its financial sector to be at par with what is obtainable in other jurisdictions across the world.

The need for greater transparency and accountability in government financial reporting was heightened by the global financial crisis, which reduced the resources that governments had available. In some instances, information contained in cash based financial statements had been insufficient for countries to predict and prevent sovereign liquidity crises. To attract foreign direct investment, countries have initiated financial management reform programmes, including the adoption of accrual accounting as part of broader reform programmes (ACCA, 2017). According to Deloitte (2017) the current economic crisis and the severe fiscal constraints being experienced by many governments has underscored the need for governments to transparently report all their assets and liabilities. IPSAS facilitates the alignment with best accounting practices through the application of credible, independent accounting standards on a full accrual basis.

In Nigeria, there is increasing demand for public accountability and transparency by all stakeholders in the Public Sector. Current revelations during the Public Accounts Committee (PAC) hearing on the Auditor General's reports raise issues of financial accountability and transparency. The preparation of transparent and understandable financial statements is an important way for Government bodies to demonstrate their accountability to their taxpaying stakeholders and development partners. This communication is an important part of building trust.

Zibaghafa and Okpolosa (2024) alert that the quality of financial reports in public sector entities have been challenged in many conferences and seminars both internationally and nationally as a result of the inadequacy of financial information used in the preparation of the financial reports. This paper is birthed out of curiosity to empirically established the cause and effects of the implementation of IPSAS accrual basis as affected quality financial reporting of government with emphasis on measurement and treatment of assets and liabilities from the perspective of 21 LGA$_S$ in Kogi State.

2. Theoretical Review

2.1 Institutional Theory

Institutional theory is a framework that explores how organizations are shaped by their environments. It was introduced in the late 1970s by Meyer and Rowan. The theory explains why organizations behave similarly, and how institutional pressures lead to more homogeneous organizational structures. According to Zucker (1987) institutional theories of organizations provide a rich, complex view of organizations. In this theory, organizations are influenced by normative pressures, sometimes arising from external sources such as the state, other times arising from within the organization itself. Under some conditions, these pressures lead the organization to be guided by legitimated elements, from standard operating procedures to professional certification and state requirement, which often have the effect of directing attention away from task performance. Adoption of these legitimated elements, leading to isomorphism with the institutional environment, increases the probability of survival.

According to Berthod (2016) the institutional theory of organizations puts institutions at the core of the analysis of organizations' design and conduct. From this point of view, organizations are local instantiations of wider institutions. Institutions, understood as taken-for-granted beliefs, rules, and norms, shape the creation and spreading of organizational forms, design features, and practices. Complying with institutionalized prescriptions is considered a means for gaining legitimacy, decreases uncertainty, and increases intelligibility of organization's actions and activities. Guth (2016) states that institutional theory seeks to explain the processes and reasons for organizational behavior as well as the effect of organizational behavior patterns within a broader, interorganizational context. Institutions are defined as conventional, standardized patterns of behavior found within and across organizations and giving meaning to social exchange and order. These patterns of behavior include organizational and industry standards, routines, and norms. Institutional theory suggests that organizational behaviors are copied and reproduced, establishing taken-for-granted norms and, eventually, widespread standardized expectations of practice. Understanding how adhering to institutions, or relatively fixed and formal working rules, confers legitimacy on organizations thus enables researchers to conceptually differentiate institutions from an organization's reputation, or its perceived status.

2.2 Empirical Review

Ashaju et al. (2024) investigate the relationship between accrual-based IPSAS implementation resources and government financial reporting quality in Nigeria. A cross-sectional survey research design was adopted for the study using a questionnaire. A census of the entire population of the Accountant Generals and the Auditor Generals of the thirty-six states of the federation, amounting to a finite population of seventy-two people was taken. Data collected were analyzed using descriptive statistics. The ordinary least squares regression model was adopted. The study found that professionalism, IT infrastructure, legal framework and stakeholder management significantly impact government financial reporting quality in Nigeria. Similarly, the study revealed that institutional culture does partially moderate the relationship between accrual IPSAS implementation resources and government financial reporting quality in Nigeria.

Eke et al (2024) investigate the extent to which the adoption of IPSAS has influenced financial reporting quality in universities in Rivers State. Cross sectional survey research design was used for the study. The population of the study was 37 senior Accounting Personnel from the three universities studied. Data was analysed using mean and standard deviation while the hypothesis was tested using one-way Analysis of Variance. Finding shows that the adoption of international public sector accounting standards has influenced financial reporting quality in universities in Rivers State albeit to a moderate extent.

Ozor and Ugwoke (2024) investigated the impact of IPSAS on the reliability of financial reports in the public sector of Nigeria. The results indicated a positive effect of IPSAS on financial reporting reliability, consistent with agency theory principles. This implies that adopting IPSAS could enhance the quality of financial reporting in Nigerian government entities, leading to the production of high-quality reports meeting user requirements. Sabo 'et al' (2024) examines the effect of adopting IPSAS on the quality of financial reports in the Federal Ministry of Finance in Nigeria. Accountability, transparency, relevance, comparability, and full representation are the variables used. The study population comprised accountants, auditors and finance managers in agencies in the Ministry of Finance in Nigeria. The data were processed using factor analysis, and the hypotheses were tested using multiple regression. The study found that the full representation of IPSAS significantly affects the quality of financial reporting in the Federal Ministry of Finance.

Adedeji (2024) investigated the mediating/moderating role of contingency factors in the relationship between IPSAS adoption and financial reporting quality in the South Western Nigeria. The public service in the six states of the south western Nigeria is the focus of the study. A total of 400 respondents are covered in the survey and professional staff like auditors and accountants in the public service form the nucleus of the respondents. Well-structured questionnaire was constructed and administered. The data harvested was analyzed using Structural Equation Modelling. the influence of IPSASs adoption on financial reporting quality is determined by contingency factors in the sample States. This study showed that contingency factors mediate the association between IPSASs adoption and financial reporting quality.

Bolarinwa and Samson (2024) examined the effect of IPSAS adoption on the quality of financial reporting of local government councils in Lagos state. The population of the study consists of the staff of the office of auditor-general for local governments and the staff of the internal audit department of the 20 local government councils in Lagos State. The study adopted a survey design. Simple linear regression was adopted to analyse the data gathered. Findings revealed that IPSAS adoption has positive and significant effects on faithful representation of financial reports and level of comparability of financial reports in Lagos state's local government councils.

Lyezia and Asha (2024) examine the influence of financial reporting quality and efficiency in resource utilization on public sector financial performance as the results of adoption of accrual based IPSAS in Tanzania. A cross sectional-survey design was applied in collecting data from 178 public sector entities by applying a drop and pick method. PLS-SEM was employed. Findings revealed that, efficiency in resource utilization has a positive and significant influence on financial performance in the public sector entities. The relationship between financial reporting quality and public sector financial performance was not significant. These findings imply that efficiency in public resources utilization plays a major role in achieving objectives of IPSAS adoption, hence leading to improved public sector financial performance.

Zibaghafa and Chukwu (2024) investigated public sector accounting standards adoption and quality of financial reporting in higher institutions in Rivers and Bayelsa States, Nigeria. The study adopted survey research design. The study population consisted of all public higher institutions in both states and a sample size of three hundred and twenty (320) was utilized for the study. Primary and secondary sources of data were employed while univariate and multivariate analysis were used for data analysis. The study concluded that Pre- and Post-IPSAS periods has no significant influence with relevance of higher institutions in Rivers and Bayelsa States; Both Pre- and Post-IPSAS adoption period has significant difference in influencing faith representation of higher institutions in Rivers and Bayelsa States; Both Pre- and Post-IPSAS adoption period has significant difference in influencing understandability of higher institutions in Rivers and Bayelsa States; Both Pre- and Post-IPSAS adoption period has significant difference in influencing timeliness of higher institutions in Rivers and Bayelsa States; and both Pre- and Post-IPSAS adoption period has significant difference in influencing verifiability of higher institutions in Rivers and Bayelsa State.

Ogbeide et al. (2023) investigated the extent of international public sector accounting standards (IPSASs) implementation and the financial reporting quality of Ministries, Departments and Agencies (MDAs) in Ondo State in the South-Western Nigeria. The population of the study comprises the two hundred and sixty- eight (268) Accountants and Internal Auditor of MDAs in Ondo state as obtained from the Ondo state Accountant general's office. The hypothesis was tested using the simple linear regression estimation method. The analysis from the study indicated that the level of the IPSASs implementation so far is reasonably positive and significant on the financial reporting quality of the MDAs.

Elugom and Onyeka (2023) examined the impact of international public sector accounting (IPSAS) on accountability in the public sector. The researcher used questionnaire as a direct instrument for collecting data from the sampled respondents. Simple tables of the percentages were used in analyzing the data generated. The findings revealed that IPSAS has significantly improved the level of accountability and transparency in the public sector. John et al (2023) explored the relationship between International Public Sector Accounting Standards (IPSAS) implementation and financial reporting quality in Cross River State, Nigeria. Survey research design and purposive sampling method were adopted. The population was made up of middle and top-level management staff of Cross River State Ministry of Finance, totaling 35. The results of the analyses indicated that IPSAS implementation has a significant positive relationship with faithful representation and reliability of financial reports.

Gkouma and Filos (2022) assess the impact of IPSAS on financial reporting and public management in Greece and discuss the anticipated benefits and the challenges to be encountered in the transition process. The results of the study indicate that Greece is at a premature stage regarding IPSAS. Meanwhile, research regarding the implementation of IPSAS in Greece appears to be limited. The adoption of IPSAS is expected to have significant impact on the financial statements of Greece due to the gap between IPSAS accounting principles and current accounting practices. Bello et al (2022) focused on the influence of international public sector accounting standards (IPSAS) on financial reporting quality of public health institution in Nigeria. Survey research design was chosen. Analysis of Variance and ordinary least square were used to inferentially analyze the data obtained. Findings suggests a very strong model which revealed that the total variation in the financial reporting quality of the selected FHIs was attributed to IPSAS, represented by accruals and aggregation and materiality of Financial Statements.

Ogiriki et al (2021) investigates the effect of International Public Sector Accounting Standards (IPSAS) on the quality of financial reporting in federal agencies in Nigeria. The results reveal that the adoption of IPSAS-Accrual is highly beneficial to the Nigeria Public Sector. The adoption of IPSAS will increase the accountability and transparency in the Nigeria public sector. The adoption of IPSAS has positive effect on revenue generation of the government. Seiyaibo (2020) examines the adoption of International Public Sector Accounting Standards (IPSAS) and its impact on reducing Corruption in the Nigerian Public Sector. Utilizing survey research design, primary data were obtained by means of structured questionnaires administered on three hundred (300) respondents comprising accounting practitioners from the public sector and academia in Bayelsa State Nigeria, Data analysis was conducted using Chi-square statistical tools and SPSS ("Statistical Product and Service Solutions") version 22.0, The study revealed that accrual based IPSAS provides more information to forensic accountants in executing their job effectively.

Otuedon and Ogodogun (2020) examine the effect of International Public Sector Accounting Standard (IPSAS) on financial reports' relevance and faithful representation in Kaduna state. Ex-post Facto research design was applied. This involved the examination of financial reports of Kaduna state for the periods 2015 to 2017 with 2016 as a timeline. Data analysis was done through content analysis, while the statistical tool of SPSS Multiple Regression technique was employed to test the formulated hypotheses. Findings revealed that the financial statements of Kaduna state exhibit the qualitative characteristics of relevance and faithful representation after the implementation of International Public Sector Accounting Standards accrual basis

3.0 Materials and Methods

Survey research design was employed for the study. The population of the study is the entire 350 staff of internal audit unit and account department of the 21-local government area in Kogi state as at January 2025. Stratified random sampling techniques was adopted; assessing each local government area as stratum and randomly selecting 10 staff from each stratum, given a sample size of 210 staff. Ten (10) questionnaire each were randomly distributed to the respondent in the account department and audit unit of the entire 21 local government area of Kogi State (Adavi, Ajaokuta, Ankpa, Bassa, Dekina, Ibaji, Idah, Igalamela-Odolu,Ijumu, Kabba-Bunu, Kogi, Lokoja, Mopa-muro, Ofu, Ogori-magongo, Okehi, Okene, Olamaboro, Omala, Yagba East, Yagba West). The total sample size was 210 and only 192 questionnaires were returned by the respondents.

3.1 Analytical Framework and Model Specification

The model of Eniola and Memba (2016) was adapted and modified in order to suit the objective of this study. The model was stated as:

$FP = \beta 0 + \beta 1\ (FAM) + \beta 2\ (CM) + \beta 3\ (IM) + \beta 4\ (ARM) + \varepsilon$

Where:

FP represent financial Performance; FAM represents fixed asset management; CM represents cash management; IM represents inventory management; ARM represents account receivables firm growth during the year. This model was modified to obtain the model for this study thus:

$FRQ = \beta_0 + \beta_1 ABAR + \beta_2 ABLR + e$

Where:

FRQ = Financial Reporting Quality

ABAR = Accrual Basis Asset Reporting

ABLR = Accrual Basis Liability Reporting

e = Stochastic term

$\beta_0 \ldots\ldots \beta_4$ = regression coefficient

Data Presentation

Table 1: Demography of Respondents

S/N	VARIABLE	FREQUENCY	PERCENTAGE %
1	**Gender:**		
	Male	118	66.5
	Female	74	38.5
	Total	**192**	**100**
2	**Age:**		
	Below 30years	20	10.4
	31-40years	92	47.9
	41-50years	55	28.6
	Above 50	25	13.0
	Total	**192**	**100**
3	**Highest Educational Qualification:**		
	O'level	0	0
	ND/DIPLOMA/NCE	22	11.5
	HND/BSc.	100	52.1
	Postgraduate	70	36.5
	Total	192	**100**
4	**Marital Status**		
	Single	15	7.8
	Married	172	89.6
	Divorced	5	2.6
	Total	**192**	100
5	**Department:**		
	Account	173	90.1
	Audit	19	9.9
	Total	192	100

Source: *Field Survey, 2025 (SPSS 23)*

From the table 1 above which shows the demographic presentation of the respondents. The gender of the respondents is (61.5%) and (38.5%) male and female respectively, we concluded that the number of males more than that of female respondents. The ages of the respondents as shown from the above table, (10.4%) were 30years and below, (47.9%) were between the ages of 31 to 40years, (28.6%) were between 41 to 50 years, (13.0%) respondents were between 50years and above. We confirmed that ages 31 to 40years were the highest among the respondents. The highest educational qualifications of the respondents show that (0%) have O'level while (11.5%) have ND/ NCE/ Diploma, (52.1%) have HND/BSc. and (36.5%) have postgraduate. From this analysis, we confirmed that respondents with HND/BSc have the highest number. The marital status of the respondents shows that (7.8%) were single, (89.6%) were married and (2.6%) were divorced. Finally, the department of the respondents were also capture in the questionnaire. (90.1%) were in account department, and (9.9 %) were in audit unit. We concluded that majority of the respondents were in the accounting department.

Table 2: Reliability Test (Cronbach's Alpha)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.944	.945	16

Source: *Field Survey, 2025 (SPSS 23) Output*

Using the rule of Geory and Mallery (2003), the table 2 which shows the reliability test of the variables. The result for the variable shows an excellent result of 0.944. Based on this its assumed that the degree to which an instrument yields is consistent.

3.2 Analysis

How has Accrual Basis Asset Reporting (ABAR) by Government affects Financial Reporting Quality of LGAs in Kogi State? Below are the description and presentation of the sampled respondents' answers to the question in table 3.

Table 3. Effect of Accrual Basis Asset Reporting (ABAR) by Government on Financial Reporting Quality of LGAs in Kogi State: Accrual Basis Asset Reporting

SN	Statement	SA	A	UN	D	SD
ABAR1	Accrual based IPSAS has made some changes to the accounting methods for assets, mostly long-term assets.	107 55.7%	75 39.1%	2 1.0%	4 2.1%	4 2.1%
ABAR2	It brings about the full disclosure of all assets and liabilities irrespective of when payment is made	95 49.5%	87 45.3%	2 1.0%	8 4.2%	0 0%
ABAR3	IPSAS require the cost of assets to be disclosed and capitalized when acquired, including property and equipment, and depreciated over their estimated life	125 65.1%	56 29.2%	2 1.0%	6 3.1%	3 1.6%
ABAR4	Government's assets generally are used to either discharge liabilities or to provide future services	97 50.5%	90 46.9%	2 1.0%	3 1.6%	0 0%

Source: *Field Survey, 2025 (SPSS 23)*

From the table 3 above, it shows that most of the respondent shows a level of agreement with the statement that accrual based IPSAS has made some changes to the accounting methods for assets, mostly long-term assets 55.7% (107) and 39.1 %(75) for strongly agreed and agreed respectively, 1.0 %(2) were neutral, 2.1%(4) were disagreed and 2.1%(4) was strongly disagreed that" *Accrual based IPSAS has made some changes to the accounting methods for assets, mostly long-term assets*"*(ABAR1*). 49.5% (95) and 45.3 % (87) were strongly agreed and agreed to the second statement "*It brings about the full disclosure of all assets and liabilities irrespective of when payment is made (ABAR2)"* while 1.0 % (2) were neutral and 4.2% (8) were disagreed. Also, 65.1 % (125) and 29.2% (56) are strongly agreed and agreed to the third statement "*IPSAS require the cost of assets to be disclosed and capitalized when acquired, including property and equipment, and depreciated over their estimated life (ABAR3)" while 1 % (2) was neutral, 3.1% (6) were disagreed and 1.6% (3) were strongly disagreed*. 50.5% (97) and 46.9% (90) were strongly agreed and agreed to the fourth statement *"Government's assets generally are used to either discharge liabilities or to provide future services (ABAR4)*" while 1% (2) were undecided and 1.6% (3) were disagreed.

Question Two: Does Accrual Basis Liability Reporting (ABLR) by Government affect Financial Reporting Quality of LGAs in Kogi State? Below are the description and presentation of the sampled respondents' answers to the question in table 4.

Table 4: Effect of Accrual Basis Liability Reporting (ABLR) by Government on Financial Reporting Quality of LGAs in Kogi State: Accrual Basis Liability Reporting

SN	Statement	SA	A	UN	D	SD
ABLR1	accrual accounting is a system of accounting where all liabilities are recognized in the statement of Financial Position	122 63.5%	61 31.8%	7 3.6%	2 1.0%	0 0%
ABLR2	Accrual based IPSAS has made some changes to the accounting methods for liabilities, mostly long-term liabilities	113 58.9%	62 32.3%	14 7.3%	3 1.6%	0 0%
ABLR3	Accrual based IPSAS brings about the full disclosure of all liabilities irrespective of when payment is made	110 57.3%	78 40.6%	2 1.0%	2 1.0%	0 0%
ABLR4	All information about all of a government's liabilities and exposure to potential liabilities is vital if governments are to manage their cash flow and make informed decisions about the financing of future services and resource allocation	130 67.7%	60 31.3%	2 1.0%	0 0%	0 0%

Source: *Field Survey, 2025 (SPSS 23)*

From the table 2.2.4 above, it shows that most of the respondent shows a level of agreement with the statement that Accrual Basis Liability Reporting (ABLR) by Government **on** Financial Reporting Quality of LGA_S in Kogi State. 63.6% (122) and 31.8 %(61) for strongly agreed and agreed respectively, 3.6 %(7) were neutral and 1%(2) were disagreed that" *accrual accounting is a system of accounting where all liabilities are recognized in the statement of Financial Position"(ABLR1*). 58.9% (113) and 32.3 % (62) were strongly agreed and agreed to the second statement "*Accrual based IPSAS has made some changes to the accounting methods for liabilities, mostly long-term liabilities (ABLR2)"* while 7.3 % (14) were neutral and 1.6%(3) were disagreed. Also, 57.3 %(110) and 40.6%(78) are strongly agreed and agreed to the third statement "*Accrual based IPSAS brings about the full disclosure of all liabilities irrespective of when payment is made (ABLR3)" while 1 %(2) was neutral and 1%(2) were disagreed*. 67.7% (130) and 31.3% (60) were strongly agreed and agreed to the fourth statement *"All information about all of a government's liabilities and exposure to potential liabilities is vital if governments are to manage their cash flow and make informed decisions about the financing of future services and resource allocation (ABLR4)*" while 1% (2) were undecided.

Table 5: Financial reporting Quality

SN	Question	SA	A	UN	D	SD
FRQ 1	Financial reporting quality represents financial statements that provide accurate and fair information about the underlying financial position and economic performance of government entity	106 55.2%	67 34.9%	12 6.3%	2 1.0%	5 2.6%
FRQ 2	The maintenance of financial reporting quality is a crucial concern for organizations due to pressure for compliance with increased regulations and legal requirements	137 71.4%	37 19.3%	8 4.2%	2 1.0%	8 4.2%
FRQ 3	Financial reporting quality represents financial statements that provide accurate and fair information about the underlying financial position and economic performance of government entity.	119 62.0%	59 30.7%	6 3.1%	5 2.6%	3 1.6%
FRQ 4	financial reporting quality in the public sector is judged by how well those entrusted with management of public trust and resources are able to manage such responsibilities and render good account through an act of stewardship by way of financial statements	108 56.3%	68 35.4%	4 2.1%	7 3.6%	5 2.6%

Source: *Field Survey, 2025 (SPSS 23)*

From the table 2.2.6 above, it shows that most of the respondent shows a level of agreement with the statement raised for financial reporting quality (FRQ). 55.2% (106) and 34.9 %(67) for strongly agreed and agreed respectively, 6.3 %(12) were neutral, 1%(2) were disagreed and 2.6%(5) were strongly disagreed that" *financial reporting quality represents financial statements that provide accurate and fair information about the underlying financial position and economic performance of government entity*"*(FRQ1*). 71.4% (137) and 19.3 % (37) were strongly agreed and agreed to the second statement "*The maintenance of financial reporting quality is a crucial concern for organizations due to pressure for compliance with increased regulations and legal requirements (FRQ2)"* while 4.2 % (8) were neutral and 1.%(2) were disagreed and 4.2 % (8) were strongly disagreed. Also, 62 %(119) and 30.7%(59) are strongly agreed and agreed to the third statement "*financial reporting quality represents financial statements that provide accurate and fair information about the underlying financial position and economic performance of government entity (FRQ3*)" while 3.1 %(6) was neutral, 2.6%(5) were disagreed and 1.6%(3) were strongly disagreed. 56.3% (108) and 35.4% (68) were strongly agreed and agreed to the fourth statement *"financial reporting quality in the public sector is judged by how well those entrusted with management of public trust and resources are able to manage such responsibilities and render good account through an act of stewardship by way of financial statements (FRQ4)*" while 2.1% (4) were undecided, 3.6% (7) were disagreed and 2.6% (5) were strongly disagreed.

4.0 Results

4.1 Test of Hypotheses

The tables below show the result obtained from multiple regression for the hypotheses. They are interpreted accordingly

Table 6: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.584[a]	.341	.330	.46176	1.742

a. Predictors: (Constant), ABLR, ABAR
b. Dependent Variable: FRQ

From the 'Table 6' above, The R value is 0.584 which indicate a good level of prediction of the independent variables (Accrual Basis Asset Reporting, Accrual Basis Liability Reporting). Also, the R^2 which is the coefficient of determination, that is the proportion of dependent variable (Financial reporting quality) that can be explain by the independent variables (Accrual Basis Asset Reporting and Accrual Basis Liability). The value of the R^2 is 0.341 that is the independent variables can explain approximately 34% of the dependent variable. Also, the Dubin-watson test shows a value of 1.742 which is less than 2, this implies that the model is appropriate.

Table 7: Anova Table

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.742	3	6.914	32.426	.000[b]
	Residual	40.086	188	.213		
	Total	60.828	191			

a. Dependent Variable: FRQ
b. Predictors: (Constant), ABLR, ABAR

From the 'Table 7' (the Anova table) which shows whether the overall regression model is of good fit or not. the value of p is 0.000 which shows that the independent variables are statically significantly predict the dependent variable. This shows that the regression model is a good fit of the data.

Table 8: Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.693	.353		4.795	.000
	ABAR	.346	.082	.376	4.217	.000
	ABLR	.247	.087	.233	2.842	.005
	ABDR	.401	.093	.035	2.439	.001

a. Dependent Variable: FRQ

H_{01}: Accrual Basis Asset Reporting by Government has no significant effect on the Quality of Financial Reporting of LGA_S in Kogi State

From the 'Table 8' it can be seen that accrual basis asset reporting by government have a positive and significant effect on the quality of financial reporting of LGA_S in Kogi State, the p value (0.00) is less than 0.05 level of significance with a coefficient of 0.346. This shows that accrual basis asset reporting by government can increases the quality of financial reporting by approximately 35%. This means that accrual basis asset reporting by government may boast the quality of financial reporting based on this result we reject our null hypothesis that accrual basis asset reporting by government has no significant effect on the quality of financial reporting of LGA_S in Kogi State and accept the alternate hypothesis that accrual basis asset reporting by government has significant effect on the quality of financial reporting of LGA_S in Kogi State.

H_{02} There is no significant effect of Accrual Basis Liability Reporting by Government on the Quality of Financial Reporting of LGA_S in Kogi State.

From the 'Table 8' it can be seen that accrual basis liability reporting by government have a positive and significant effect on the quality of financial reporting of LGA_S in Kogi State, the p value (0.005) is less than 0.05 level of significance with a coefficient of 0.247 This shows that accrual basis asset reporting by government can increases the quality of financial reporting by approximately 25%. This means that accrual basis liability reporting by government may boast the quality of financial reporting. Based on this result we reject our null hypothesis that accrual basis asset reporting by government has no significant effect on the quality of financial reporting of LGA_S in Kogi State and accept the alternate hypothesis that accrual basis liability reporting by government has significant effect on the quality of financial reporting of LGA_S in Kogi State.

4.2 Discussion of Contributions

The empirical analysis shows that accrual basis asset reporting and accrual basis liability reporting have a positive and significant effect on financial reporting quality, while accrual basis depreciation reporting has a positive and insignificant influence on financial reporting quality. This shows that these two variables (accrual basis asset reporting and accrual basis liability reporting) are important in order to achieve quality financial reporting.

From the outcome of the analysis above, the study discovered that the independent variables (accrual basis asset reporting and accrual basis liability reporting have a positive and significant effect on financial reporting quality, which invariability indicated that the implication of IPSAs accrual basis of accounting on public sector financial reporting is positive and significant. Although, majority of authors that have carried out research in related arear focuses on IPSAS adoption and implementation.

4.3 Limitations and Suggestions for Further Study

The findings of this study are limited to public sector/government financial reporting and to fundamental treatments of selected items (IPSAS treatment of Asset and Liability) Another limitation is that, the researcher could not access comprehensive pre adoption secondary data for more robust comparison analysis and findings However, these limitations did not affect the empirical findings of this study as a result of the adequate empirical supportive evidence available in the study the results are reliable and fit for policy formulation. The researcher however suggests evaluation of the measurement and treatment of other financial items apart from assets and liabilities to see their effect on quality financial reporting.

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