EFFECT OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARD (IPSAS) ON FINANCIAL REPORT COMPARABILITY, RELEVANCE AND TIMELINESS: A STUDY OF KANO STATE

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Abstract

This study was carried out to assess the outcome of International Public Sector Accounting Standard (IPSAS) on financial reporting quality in Kano state. In executing the study, the Ex-post Facto research design was used. This involved the examination of financial reports of Kano state for the period 2016 - 2020. Data were collected through content analysis, while data analysis was done using the SPSS Correlation Analysis on the variables of comparability, relevance and timeliness. The statistical tool of SPSS Linear Regression technique was employed to test the formulated hypotheses. Findings revealed that the financial statements of Kano state show qualitative characteristics of comparability, relevance and timeliness after the implementation of International Public Sector Accounting Standards accrual basis. The implication of the findings is that, the financial reports of Kano state might have remained incomparable, irrelevance and untimed, if IPSAS was not implemented. It is therefore recommended that, other States that are yet to implement the IPSAS accrual reform should do so in order to make their financial reports to be comparable, relevant and published timely.

Keywords: IPSAS, Relevance, timeliness, comparability, financial reporting, decision making.

Introduction

International Public Sector Accounting Standards are set of accounting standards issued by the International Public Sector Accounting Standard Board for use by public sector entities around the world in the preparation and presentation of financial statements on accrual basis of accounting as well as for financial statements prepared on the cash basis of accounting. These standards are based on International Financial Reporting Standards issued by the International Accounting Standard Board (IASB). International Public Sector Accounting Standards govern the recognition, measurement, presentation and disclosure requirements in relation to transactions and events in General Purpose Financial Statements. General Purpose Financial Reports are characterized by the fact that, they are not only comprised of financial statements but also refer to other financial reports intended to meet the information needs of users who are unable to require the preparation of financial reports tailored to meet their specific information needs. General Purpose Financial Reports may include information about the past, present and the future that is useful to users - including financial and nonfinancial quantitative and qualitative information about the achievement of financial service delivery objectives in the current reporting period, and anticipated future service delivery activities and resource needs (Akenbor, and Oghoghomeh, 2014; Erin, Okoye, Modebe and Ogundele, 2016)

According to Adhikari and Mellemvik (2010); Ernst and Young (2012), International Public Sector Accounting Standard requires full compliance. No financial statement can be claimed as being International Public Sector Accounting Standard compliant if any of the requirements has not been met in full. Like International Financial Reporting Standards (IFRS), International Public Sector Accounting Standard is a principle based standard. Such financial statements are characterized by the fact that, they are issued for users who are unable to demand financial information to meet their specific information needs.

Quality financial reports plays significant role in making governments accountable to their citizens and to meets its financial management obligations (Opanyi, 2016). Quality financial reports provide information about the financial performance, financial position, cash flow statement, changes in net assets, economic resources and claims of the reporting entity on those resources. It also provides information about effects of transactions and other events that can change an entity's financial position. This will make the information therein to be useful to existing and potential investors, workers, lenders, suppliers, trade payables and other relevant stakeholders in making economic decisions about the resources provided and manage by the public entity (Bergmann, 2009; Abimbola, Kolawole and Olufunke, 2017).

The introduction of International Public Sector Accounting Standard formed an important part of public sector reforms and followed a global trend in government accounting in response to calls for greater government financial reports comparability and relevance which are core fundamental characteristics of democracy. The major purpose of IPSAS is to make for good presentation of financial statement in the public sector, majority of which is currently using the cash basis of accounting. IPSAS covers accounting of public sector entities, with exception of Government Business Enterprises (Ashbaugh and Pincus, 2001; Abdalla and Amal, 2018).

IPSAS was developed as a child of necessity, because according to Adebayo (2010) and Zakiah (2007) the present system of cash basis as being operated by a major part of the public sector, is not intended to provide information on the cost of services, earned revenues, accounts receivables, account payables, noncurrent assets and liabilities, accrued interest on external debts and inventory. Also Okoye and Oghoghomeh (2011) revealed that, cash accounting system is not significantly effective in providing accounting information for effective performance of public sector organization, because there is no indication of long-term.

Statement of Problem

The need to reduce problems of financial reporting such as: lack of comparability, relevance, poor timing, amongst others, in public sector financial reporting in the time past has prompted the Nigerian government to carry out some reforms in the public sector financial accounting. Notable among the reforms is a committee set up in 1984 to harmonize the manner of presentation of financial statement in the public sector, 1998 committee in response to International Federation of Chartered Accountant (IFCA) exposure guideline for government financial reporting which proposed modified cash and modified accrual bases. 2004 Due Process Act, Fiscal Responsibility Act (2007), even current reforms in the nation's public financial sector, including the Treasury Single Account, the Integrated Personnel & Payroll Information System (IPPIS), amongst others. Despite all these reforms, it is still uncertain whether Public sector financial reports may be comparable with other public sectors financial reports within the country or may be relevant for decision making or may be prepared and signed timely, amongst others; this has further brought in the adoption of IPSAS as a reform to public sector accounting.

The main aim of IPSAS implementation is to improve the quality, reliability, credibility and integrity of General Purpose Financial Statements prepared by public sector entities so as to have a better informed assessment of the decisions governments take to allocate and administer resources. Compliance with IPSAS is said to guarantees that financial reporting by public entities conveys a "true and fair view" of the financial situation and can facilitate efficient internal control and result based financial management (Chan, 2008; Ernst and Young, 2012).

The problem of this work is to assess whether the financial reports presently prepared by Kano State after the adoption and implementation of International Public Sector Accounting Standards accrual basis, has make her financial reports comparable, relevant, prepared and signed timely.

Objectives of the study

The aim of this study is to assess the effect of International Public Sector Accounting Standards (IPSAS) on public sector financial reports Comparability, Relevance and Timeliness. The specific objectives include:

i. To examine the effect of IPSAS on public sector financial report comparability.
ii. To assess the effect of IPSAS on public sector financial report relevance.
iii. To ascertain the effect of IPSAS on public sector financial report timeliness.

Research questions

The following research questions were raised for the study:

i. What is the relationship between IPSAS accrual and financial report comparability?
ii. What is the relationship between IPSAS accrual and financial report relevance?
iii. What is the relationship between IPSAS accrual and financial reports timeliness?

Research hypotheses

The following hypotheses were formulated for the study:

i. There is no significant relationship between IPSAS accrual and financial report comparability.
ii. There is no significant relationship between IPSAS accrual and financial report relevance.
iii. There is no significant relationship between IPSAS accrual and financial report timeliness.

Quality of Financial Reporting

Financial reporting is seen as means of communicating information relating to enterprise resources, obligations, earnings, among others to interested parties (internal and external users).

Various definitions of financial reporting quality exist in extant literature. Some of which include: Tang, Chen, and Zhijun, (2008) defined financial reporting quality as the extent to which the financial statements provide true and fair information about the underlying performance and financial position of an organization. IASB (2008); Ishola (2013) sees quality financial reporting as a financial report that provides information about how the management of an enterprise has discharged its stewardship responsibility to owners on the use of the enterprise resources entrusted to them and this information must be useful to present and potential equity investors, lenders and other trade payables in making decisions in their capacity as capital providers or relevant stakeholders. Also this information should be useful to managers and directors in making decisions in the interest of the owners. Some proxies of financial reporting qualities according to Ahmed Belkaoui (2004); Babatunde, (2017); IASB, (2010); Bukenya, (2014); Beast, Bream and Boelens, (2009), include the followings:

Comparability

Comparability is the quality of information that enables users to identify similarities and differences between two sets of economic phenomena. Information about a reporting entity is more useful if it can be compared with similar information about other entities and with similar information about the same entity for another period or date. This will enable users to identify and understood similarities in, and differences among items; and the differences should not be as a result of different financial accounting treatments.

Relevance

This is regarded as a primary quality and it is when financial information is capable of making a difference in the decisions made by users. In other words, it is the ability of financial Information to influence a manager's decision by changing or confirming their expectations about the results or consequences of actions or events. This implies that, for information to meet the standard of relevance, it must bear on or be usefully associated with the action it is designed to facilitate or the result it is designed to produce. This requires that, either the information or the act of the communication exert influence on the designate actions. There are degrees of relevance. The relevance of particular information varies among users and will depend on their needs and on the particular context in which the decisions are made.

Timeliness

This refers to having the information available to decision makers in time to be capable of influencing their decisions. This is because, the older the information, the less useful it will be. In other words, timeliness means that information should be made available to decision makers before it loses its capacity in influencing decisions. Timeliness refers to the amount of time it takes to make information known to others, and it is related to decision usefulness in general ().

Relationships between IPSAS and Quality of Financial Reporting

IPSAS, according to Hamisi, (2012); Armstrong, Barth, Jagolinzer, and Riedl, (2010) is a set of accounting standards issued by the International Public Sector Accounting Standard Board (IPSASB) for use by public sector entities around the world in the preparation of financial statements on accrual basis of accounting as well as for financial statements prepared on the cash basis of accounting. These standards are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). International Public Sector Accounting Standards govern the recognition, measurement, presentation and disclosure requirements in relation to transactions and events in general purpose financial statements.

The main aim of International Public Sector Accounting Standards implementation is to improve the quality, reliability, credibility and integrity of General Purpose Financial Statements by public sector entities so as to have a better informed assessment of the decisions governments take to allocate and administer resources. Compliance with International Public Sector Accounting Standards guarantees that financial reporting by public entities conveys a "true and fair view" of the financial situation and can facilitate efficient internal control and result based financial management (Chan, 2008; Kara, 2012; Obazee, 2007).

Theoretical framework

The study is anchored on agency theory of the firm. According to Ushie (2018), the conceptual foundation of corporate finance reporting is the theory of the firm that emphasizes managers as agents of the owners of the firm. When applied to public sector, the essence of the theory states that a variety of stakeholders have vested interests in the financial viability of the government. Their incentive to use government's financial statements as a source of information comes from their desire to know the amount, timing and degrees of uncertainty of the benefits they expect to receive from the government and also to assess her general performance.

Empirical reviews

Ademola, Ben-Caleb, Madugba, Adegboyegun and Eluyela (2020). Carried out a study on International Public Sector Accounting Standards (IPSAS) Adoption and Implementation in Nigerian Public Sector. The aim of the study is to evaluate the relationship between IPSAS adoption and financial reporting quality in South West Nigeria, while the specific objectives, is to analyse and ascertain the effect of IPSAS adoption on credibility and comparability of financial statements. The area of study is the public sector. The study was anchored on the stakeholder theory. Primary data collected from one hundred and eighty accountants in South West Nigeria were analysed using tabulation, graphs, factor analysis, and Goodman and Kruskal‟s gamma statistics. The empirical results indicated that IPSAS adoption exerted significant and positive relationships with financial reporting quality in relation to credibility and comparability of financial statements.

Augusto (2018). Carried out a study on the impact of IPSAS on financial reporting quality in the public sector. The main objective of the study is to examine the impact of International Public Sector Accounting Standards on financial reporting quality, while the specific objectives is examine the impact of IPSAS on financial reporting transparency, accountability, relevance, comparability and reliability. The area of study is in Internal Audit Department and Accounting offices in the public sector. The methodology involved a quantitative research approach using both primary and secondary sources. A targeted population of 33 respondents and a sample of 28 made of management, internal audit and other relevant accounting staff. Findings shows that, the implementation of IPSAS in public sector reporting will result in quality reporting and improve transparency, accountability, relevance, comparability and reliability of financial statements.

Oyewobi (2017). Carried out a research on the implications of International Public Sector Accounting Standards Adoption and Financial Report Quality in Lagos state. The specific objective of the study is to evaluate the adoption of IPSAS as well as the financial report quality. The methodology employed involved the use of primary data with a sample of 291 respondents from the public sector. The data collected where analysed using the paired sampled T-test. Findings revealed that, the adoption of IPSAS has significant influence on financial report quality characteristics of comparability, relevance, timeliness, faithful representation and understandability.

Methodology

Research design

The study design was based on Ex-Post Facto research design. This design was used because it involved the examination of the Reports of the Accountant General Financial Statements (with notes to the Accounts) of Kano state between the periods of 2016-2020, with 2016 as the timeline (Otunla, 2014).

Methods of data collection

The secondary data source was applied for the study. By this, data was collected by examining the financial statements of the State under study to ascertain whether they possessed quality financial report variables of comparability, relevance and timeliness.

Operationalization of the variables

Three variables were benchmarked for the study and were measured as follows:

Comparability

Comparability as defined by IASB (2008) is the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena. Comparability according to ACCA (2018); Babatunde (2017); Beast, *et al.*(2009), Erin *et al.*(2016) can often be measured using six items (but for the purpose of this study, three were considered, because of restricted number of pages) which together measure consistency in the use of the same accounting policies and procedures and comparability across entities within an industry. Specifically, the main items are:

1) Notes to changes in accounting policies explaining the implications of the change.
2) Notes to revisions in accounting estimates and judgments explaining the implications of the revision.
3) The extent to which the company adjusts previous accounting period’s figures, for the effect of the implementation of a change in accounting policy or revisions in accounting estimates.

Relevance

This is a primary quality and is made up of predictive value, confirmatory value and materiality. The basic proxies of predictive and confirmatory values as well as materiality, according to Beast, Bream, & Boelens, (2009), are:

1) The extent to which annual reports provide forward-looking statements.
2) Whether the annual reports disclose information in terms of business opportunities and risks. 3) Whether the company uses fair value.

Timeliness

The framework defines timeliness as having information available to decision makers before it loses its capacity to influence decisions (IASB, 2010). It is usually measured in terms of the number of days it takes for the auditor to sign the accounts after book-year end for publishing.

Procedure for data analysis

Content analysis was used to extract data from the financial reports, using the measurement variables of comparability, relevance and timeliness. The procedure used for the data analysis was that, if the variable to be measured is available in the financial statement a nominal value of '1' is assigned, but if the variable is absent, '0' value is assigned.

Statistical model specification

The study statistical model was adapted from the Basic Requirement Model (BRM) for successful implementation of accrual accounting in public sectors (Ouda, 2010; Hamisi, 2012).

The model is expressed as follows:

IPSAS = ƒ(FRC, FRR, FRT,)

IPSAS, (Y) = $b_0 + b_1FRC + b_2FRR + b_3FRT + \mathcal{E}$ **(Eqn…1)**

The a priori expectations are:

$b_1 > 0$; implies that, the higher the FRC, the higher the Y.

$b_2 > 0$; implies that, the higher the FRR, the higher the Y.

$b_3 > 0$; implies that, the higher the FRT, the higher the Y.

b_0 = a constant

$b_1 – b_3$ are unknown regression coefficients

Variable Definitions

Y (IPSAS) = International Public Sector Accounting Standard; as the dependent variable. The others shown below are the independent variables.

ƒ = function

FRR = Financial Report Comparability

FRR = Financial Report Relevance

FRT = Financial Report Timeliness

Ɛ = Error term (assumed to be purely random)

The above variables are predictive in nature as such they were measured through the content analysis techniques. See their models breakdown below:

Financial Report Comparability Model

This model relates hypothesis 1 to research question 1. It points out that, Comparability measures items such as: Notes to Changes in Accounting policies explaining the implications of the change (NCA), Notes to Revisions in Accounting estimates and judgments explaining the implications of the revision (NRA), Extent to which the State Adjusts previous accounting period's figures (ESA), will form the content of the model.

The simple regression model developed to test this hypothesis is:

FRC = ƒ(NCA, NRA, ESA)

FRC, (Y) = $b_0 + b_1NCA + b_2NRA + b_3ESA + \mathcal{E}$ … **(Eqn.2)**

The a priori expectations are:

$b_1 > 0$; implies that, the higher the NCA, the higher the Y.

$b_2 > 0$; implies that, the higher the NRA, the higher the Y.

$b_3 > 0$; implies that, the higher the ESA, the higher the Y.

$b_1 – b_3$ are unknown regression coefficients and

Ɛ = captures omitted factors

Financial Report Relevance Model

This model relates hypothesis 2 to research question 2. It is made up of the following proxies: The Extent to which Annual Reports provide forward-looking statements (EAR), Whether the Annual Reports disclose information in terms of investment opportunities and risks (WAR), whether the States Uses Fair value (SUF). The regression model developed to test this hypothesis is as follows:

FRR = ƒ(EAR, WAR, SUF)

FRR, (Y) = $a_0 + a_1EAR + a_2WAR + a_3SUF + \mathcal{E}$…**(Eqn. 3)**

The a priori expectations are:

$a_1 > 0$; implies that, the higher the EAR, the higher the Y.

$a_2 > 0$; implies that, the higher the WAR, the higher the Y.

$a_3 > 0$; implies that, the higher the SUF, the higher the Y.

$a_1 – a_3$ are unknown regression coefficients and

Ɛ = captures omitted factors; $a_{0\,=}$ constant

Financial Report Timeliness Model

This model relates to hypothesis 3 and research question 3. It is usually measured in terms of the Number of Days it takes for the Auditor to sign the accounts after book-year end (NDA). The algebraic model developed to test this hypothesis is shown below:

FRT = ƒ (NDA).

FRT, (Y) = $c_0 + c_1NDA + \mathcal{E}$ …… **(Eqn. 4)**

The a priori expectation is:

$c_1 > 0$; implies that, the shorter the NDA, the better the Y.

c_1 – is unknown regression coefficient and

Ɛ = captures omitted factors.

$c_0 =$ a constant

Decision rule

Though significance of statistical test result is based on the probability of p which can be reported in three ways: If 0.01<p<0.05, report as significant; If 0.001<p<0.01, report as highly significant and If p<0.001, report as very highly significant, but the outcome of our tests in this study was based on actual beta values totals. In this light, if actual beta values total is between:
1.00 to 4.99 indicates very strong relationship and significant.
0.10 to 0.99 indicates strong of relationship and significant
0.001 - 0.09 indicates weak relationship, and not significant (Ouda, 2008; 2010; Oko, 2008; Ushie (2018), Opanyi, 2016; Chan, 2008, Hamisi 2012; Adam, Mussari and Jones, 2011)

Data Presentation and Analyses

Research Question one:

What is the relationship between IPSAS and financial report comparability?

Table 1.1: Raw data extraction

	IPSAS	NCA	NRA	ESA
2016	1.00	.00	.00	.00
2017	1.00	1.00	.00	.00
2018	.00	1.00	1.00	.00
2019	1.00	1.00	.00	1.00
2020	1.00	1.00	1.00	1.00

Source: Research Data, 2021.

Table 1.1 shows the raw data presentation relating to the variables of financial report comparability availability as extracted from the content of the financial reports of Kano State for the relevant years before and after IPSAS accrual implementation.

Table 1.2: Descriptive Statistics

	Mean	Std. Deviation	N
IPSAS	.8000	.44721	5
NCA	.8000	.44721	5
NRA	.4000	.54772	5
ESA	.4000	.54772	5

Source: Statistical analysis by SPSS.

Table 1.2 shows the descriptive statistics of table 1.1. The analysis revealed mean to be 0.8000 for the dependent variable and 0.8000, 0.4000 and .4000 for NCA, NRA and ESA respectively for the independent variables. The standard deviation shows .44721 for the dependent variable and .44721, .54772 and .54772 for the independent variables respectively.

Research Question 2:

What is the relationship between IPSAS and financial report relevance?

Table 1.3: Raw data extraction

	IPSAS	EAR	WAR	SUF
2016	1.00	.00	.00	.00
2017	1.00	1.00	.00	.00

2018	1.00	.00	1.00	1.00
2019	.00	1.00	.00	.00
2020	1.00	1.00	.00	1.00

Source: Research Data, 2021.

Table 1.3 shows the raw data presentation relating to the variables of financial report relevance availability as extracted from the content of the financial reports of Kano State for the relevant years before and after IPSAS accrual implementation.

Table 1.4: Descriptive Statistics

	Mean	Std. Deviation	N
IPSAS	.8000	.44721	5
EAR	.6000	.54772	5
WAR	.2000	.44721	5
SUF	.4000	.54772	5

Source: Statistical analysis by SPSS.

Table 1.4 shows the descriptive statistics of table 1.3. The analysis revealed mean to be 0.8000 for the dependent variable and 0.6000, 0.2000 and .4000 for EAR, WAR and SUF respectively for the independent variables. The standard deviation shows .44721 for the dependent variable and .54772, .44772 and .54772 for the independent variables respectively.

Research Question Three:

What is the relationship between IPSAS and financial reports timeliness?

Table 1.5: Raw data extraction

	IPSAS	NDA
2016	1.00	.00
2017	1.00	.00
2018	.00	.00
2019	1.00	.00
2020	1.00	1.00

Source: Research Data, 2021.

Table 1.5 shows the raw data presentation relating to the variables of financial report timeliness availability as extracted from the content of the financial reports of Kano State for the relevant years before and after IPSAS accrual implementation.

Table 1.6: Descriptive Statistics

	Mean	Std. Deviation	N
IPSAS	.8000	.44721	5
NDA	.2000	.44721	5

Source: Research Data, 2021.

Table 1.6 shows the descriptive statistics of table 1.5. The analysis revealed mean to be 0.8000 for the dependent variable and 0.2000 for the independent variables. The standard deviation stood at .44721 for the dependent and independent variables.

Hypotheses Testing

Hypothesis 1

H_0: There is no significant relationship between IPSAS and financial report comparability.

H_1: There is significant relationship between IPSAS and financial report comparability.

Below are the results of the test carried out:

Table 1.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.829(a)	.688	-.250	.50000	.688	.733	3	1	.673

a Predictors: (Constant), ESA, NRA, NCA

Source: Statistical analysis by SPSS.

From table 1.7, the multiple regression (R) is .829, regression squared (R^2) .688, adjusted R squared (coefficient of variation) -.250 and standard error of the estimate .50000. Change statistics in the table shows R^2 change .688 which means all the independent variables under the variable of financial report comparability interprete 68.8% of the variance in IPSAS.

Table 1.8: ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.550	3	.183	.733	.673(a)
	Residual	.250	1	.250		
	Total	.800	4			

a Predictors: (Constant), ESA, NRA, NCA

b Dependent Variable: IPSAS

Source: Statistical analysis by SPSS.

Table 1.8 provides a statistical test of whether or not the means of the independent variables are equal or otherwise. However, the multiple correlations put together have an F ratio of .733.

Table 1.9: Coefficients (a)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Boun	Upper Bound

							d	
1	(Constant)	1.000	.500		2.000	.295	-5.353	7.353
	NCA	-.250	.661	-.250	-.378	.770	-8.654	8.154
	NRA	-.500	.500	-.612	-1.000	.500	-6.853	5.853
	ESA	.500	.500	.612	1.000	.500	-5.853	6.853

a Dependent Variable: IPSAS

Source: Statistical analysis by SPSS

Table 1.9 shows the unstandardized multiple regression coefficients of: NCA (-.250), NRA (-.500) and ESA (.500). Most importantly are the standardized regression coefficients (Beta) which are actually tested for significance. The Beta for NCA is -.250, NRA (-.612) and ESA (.612). The Beta values express significant influence on the dependent variable, especially ESA that has a Beta value of .612 and a t value of 1.000. The test also revealed NCA and NRA having negative values of Beta and t, this also translates to a very strong significant impact on the dependent variable, though on the negative side.

Decision

Based on the tests carried out, the regression result is shown as follows:

FRC, (Y) = $b_0 + b_1$NCA + b_2NRA + b_3ESA + Ɛ

FRC, (Y) = 1.000 + -.250NCA + -.612NRA + .612ESA +.50000 = 1.25.

Based on our decision rule, the regression result above invalidates the null hypothesis. This is for the fact that, all the coefficients taken together (1.25) predict the dependent variable. Therefore the null hypothesis which states that there is no significant relationship between International Public Sector Accounting Standards and financial report comparability is hereby rejected.

Hypothesis two

H_0: There is no significant relationship between IPSAS and financial report relevance.

H_1: There is significant relationship between IPSAS and financial report relevance.

Below are the results of the test carried out:

Table 1.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.612(a)	.375	-1.500	.70711	.375	.200	3	1	.889

a Predictors: (Constant), SUF, EAR, WAR

Source: Statistical analysis by SPSS

From table 1.10, the multiple regression (R) is .612, regression squared (R^2) .375, adjusted R squared (coefficient of variation) -1.500 and standard error of the estimate .70711. Change statistics in the table shows R^2 change to be .375 which means all the independent variables under the variable of financial report relevance interprete 37.5% of the variance in IPSAS.

Table 1.11: ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.300	3	.100	.200	.889(a)
	Residual	.500	1	.500		
	Total	.800	4			

a Predictors: (Constant), SUF, EAR, WAR
b Dependent Variable: IPSAS
Source: Statistical analysis by SPSS

Table 1.11 provides a statistical test of whether or not the means of the independent variables are equal or otherwise. However, the multiple correlations put together have an F ratio of .200.

Table 1.12: Coefficients(a)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.000	.707		1.414	.392	-7.985	9.985
	EAR	-.500	.866	-.612	-.577	.667	-11.504	10.504
	WAR	-.500	1.323	-.500	-.378	.770	-17.309	16.309
	SUF	.500	.866	.612	.577	.667	-10.504	11.504

a Dependent Variable: IPSAS
Source: Statistical analysis by SPSS

Table 1.12 shows the unstandardized multiple regression coefficients of: EAR (-.500), WAR (-.500) and SUF (.500). Most importantly are the standardized regression coefficients (Beta) which are actually tested for significance. The Beta for EAR is -.612, WAR (-.500) and SUF (.612). The Beta values express significant influence on the dependent variable, especially SUF that has a Beta value of .612 and a t value of .577. The test also revealed EAR and WAR having negative values of Beta and t, this also translates to a very strong significant impact on the dependent variable, though on the negative side.

Decision

Based on the tests carried out, the regression result is shown as follows:

FRR, (Y) = $a_0 + a_1EAR + a_2WAR + a_3SUF + \varepsilon$

FRR, (Y) = 1.000 + -.612EAR + -.500WAR + .612SUF + .70711= 1.20711

Based on our decision rule, the regression result above invalidates the null hypothesis. This is for the fact that, all the coefficients taken together (1.20711) predict the dependent variable. Therefore the null hypothesis which states that there is no significant relationship between International Public Sector Accounting Standards and financial report Relevance is hereby rejected.

Hypothesis three

H_0: There is no significant relationship between IPSAS and financial report timeliness.

H_1: There is significant relationship between IPSAS and financial report timeliness

Below are the results of the test carried out:

Table 1.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.250(a)	.063	-.250	.50000	.063	.200	1	3	.685

a Predictors: (Constant), NDA

Source: Statistical analysis by SPSS

From table 1.13, the multiple regression (R) is .250, regression squared (R^2) .063, adjusted R squared (coefficient of variation) -.250 and standard error of the estimate .50000. Change statistics in the table shows R^2 change to be .063 which means the independent variable under the variable of financial report timeliness interprete 6.3% of the variance in IPSAS.

Table 1.14: ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.050	1	.050	.200	.685(a)
	Residual	.750	3	.250		
	Total	.800	4			

a Predictors: (Constant), NDA

b Dependent Variable: IPSAS

Source: Statistical analysis by SPSS

Table 1.14 provides a statistical test of whether or not the means of the independent variables are equal or otherwise. However, the multiple correlations put together have an F ratio of .200.

Table 1.15: Coefficients(a)

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	95% Confidence Interval for B

		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.750	.250		3.000	.058	-.046	1.546
	NDA	.250	.559	.250	.447	.685	-1.529	2.029

a Dependent Variable: IPSAS

Source: Statistical analysis by SPSS

Table 1.15 shows the unstandardized multiple regression coefficients of NDA to be .250. Most importantly is the standardized regression coefficient (Beta) which is actually tested for significance. The Beta for NDA is also .250.

Decision

Based on the tests carried out, the regression result is shown as follows:

FRT, (Y) = $c_0 + c_1$NDA + Ɛ

FRT, (Y) = .750 + .250NDA + .50000 = 1.50000

Based on our decision rule, the regression result above invalidates the null hypothesis. This is for the fact that, all the coefficients taken together (1.50000) predict the dependent variable. Therefore the null hypothesis which states that there is no significant relationship between International Public Sector Accounting Standards and financial report timeliness is hereby rejected.

Discussion of findings

From hypothesis one, there is significant relationship between IPSAS and Financial Report Comparability. In relation to the tests carried out, the regression result was FRC, (Y) = 1.000 + -.250NCA + -.612NRA + .612ESA +.50000 = 1.25. Based on our decision rule, this result is significant as actual Beta values (1.25) >1 which indicates very strong relationship between the dependent and the independent variables. This finding agrees with the work of Ademola, Ben-Caleb, Madugba, Adegboyegun and Eluyela (2020), which carried out a study on International Public Sector Accounting Standards (IPSAS) Adoption and Implementation in Nigerian Public Sector. Their findings revealed that, IPSAS adoption exerted significant and positive relationships with financial reporting quality in relation to credibility and comparability of financial statements amongst others.

In hypothesis two, there is significant relationship between IPSAS and Financial Report Relevance. From the output of table 1.12 shows the unstandardized multiple regression coefficients of: EAR (-.500), WAR (-.500) and SUF (.500). The Beta for EAR is -.612, WAR (-.500) and SUF (.612). The Beta values express significant influence on the dependent variable, especially SUF that has a Beta value of .612 and a t value of .577. The test also revealed EAR and WAR having negative values of Beta and t, this also translates to a very strong significant impact on the dependent variable, though on the negative side. Based on the tests carried out, the regression result was FRR, (Y) = 1.000 + -.612EAR + -.500WAR + .612SUF + .70711= 1.20711

Based on our decision rule, this result is significant as actual Beta values (1.20711) >1 which indicates very strong relationship between the dependent and the independent variables. This finding agrees with the works of Augusto (2018) who carried out a study on the impact of IPSAS on financial reporting quality in the public sector. Her findings shows that, the implementation of IPSAS in public sector reporting will result in quality reporting and improve transparency, accountability, relevance, comparability and reliability of financial statements, amongst others.

In hypothesis three, there is no significant relationship between IPSAS and Financial Report Timeliness. From the output of table 1.15 the unstandardized multiple regression coefficients of NDA was .250.The Beta for NDA was also .250. Based on the tests carried out, the regression result was FRT, (Y) = .750 + .250NDA + .50000 = 1.5000

In relation to our decision rule, this result is significant as the totals of Beta values (1.5000) >1. This indicates a strong relationship between the dependent and the independent variable. This finding agrees with the works of Oyewobi (2017) who carried out a research on the implications of International Public Sector Accounting Standards Adoption and Financial Report Quality in Lagos state whose findings revealed that, the adoption of IPSAS has significant influence on financial report quality characteristics of comparability, relevance, timeliness, faithful representation and understandability.

Conclusion

From the above findings, the study concludes that:

The implementation of IPSAS accrual in the Kano State public sector has enhanced her financial report comparability. This will enable users to identify and understood similarities in, and differences among items in her financial reports. The implementation of IPSAS accrual in Kano State has enhanced financial report relevance. We can now say that, financial reports of the State exhibits predictive value**,** confirmatory value and high degree of materiality. IPSAS accrual implementation has also enhanced financial report timeliness. Timeliness refers to having the information available to decision makers in time for it to be capable of influencing their decisions. Though the State did not keep to timeliness variable at the early years of her IPSAS accrual implementation, but when the variable was eventually taken into consideration, it resulted in a strong relationship.

Recommendations

Based on the findings revealed by the study, the following recommendations were made:

i. All states should be encouraged to implement IPSAS accrual in their financial reporting to make their financial comparable locally and internationally.
ii. States that are still implementing IPSAS cash basis should migrate to IPSAS accrual in order to improve their financial reporting and make them relevant
iii. All Accountant General of States should keep to IPSAS guidelines of signing the financial reports on time (60 days after the year-end) before they lose their capacity to influence decisions.

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