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ASSESSMENT OF IPSAS ADOPTION ON FINANCIAL REPORTING QUALITY AND ACCOUNTABILITY IN MDAs OF KWARA STATE, NIGERIA

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ABSTRACT

This study investigated impact of Accrual-Based IPSAS Adoption on Financial Reporting Quality and Accountability in MDAs in Kwara State, Nigeria with specific focuses on *how IPSAS adoption influences transparency, comparability, and timeliness of financial reporting in public sector which makes this study adopted cross sectional descriptive survey design by employing a structured feedback form targeted 232 finance and accounting personnel in Kwara State MDAs. Respondents were purposively selected based on professional experience and active involvement in financial management. Out of the targeted sampled, only 219 responses were obtained in which the collected data were analyzed and presented using chart, means, standard deviations, alongside multiple regression tested at 0.05 significance level. Findings revealed that respondents agreed that IPSAS adoption positively have impact on transparency, comparability, and timeliness of financial statements (mean = 3.94). In addition, regression analysis further confirmed this by revealed that adoption of accrual-basis IPSAS significantly improves transparency in financial reports (β = 0.538, t = 8.117, p = 0.000), leading to rejection of H_{01} at $p < 0.05$, while comparability (β = -0.071, p = 0.324) and timeliness (β = 0.091, p = 0.173) were not significant, leading to acceptance of H_{02} and H_{03} at $p > 0.05$. Based on these findings, this study concluded that IPSAS adoption significantly improves transparency in MDAs but has not yet fully enhanced comparability and timeliness due to implementation challenges. As a result of these, this study recommended that government should strengthens IPSAS enforcement, enhances staff training, and invests in digital accounting systems to improve uniformity and timeliness of financial reporting.*

***Keywords*:** IPSAS, financial reporting quality, transparency, accountability, public sector accounting, MDAs, Nigeria.

Introduction

Today, public sector accounting reforms is one of the major components of public financial management improvement strategies across the world, particularly in many countries seeking to strengthen transparency, accountability, and credibility in government reporting. One of the most significant reforms is the adoption of International Public Sector Accounting Standards, especially the accrual based IPSAS, which is designed to improve the quality and reliability of public sector financial reporting. IPSAS implementation is widely recognized as a global response to demands for improved fiscal discipline, enhanced comparability of financial statements, and stronger accountability mechanisms within government institutions (Scannell & Tawiah, 2024).

In recent years, several researchers have emphasized that accrual-based IPSAS plays a critical role in improving the quality of financial information by capturing a more complete picture of government assets, liabilities, revenues, and expenditures. This shift from cash based to accrual based accounting in order to enhances transparency through reduction in information asymmetry between government officials and citizens mainly with one goal to which is to strengthening public trust (Scannell & Tawiah, 2024). Similarly, study work conducted by Adewara et al. (2024) shows that IPSAS adoption improves comparability and consistency of financial reports across public sector entities, making it easier for stakeholders to evaluate government performance and resource utilization.

Furthermore, study by Masoud (2024) indicate that IPSAS adoption contributes significantly to strengthening public sector accountability systems by enforcing standardized reporting frameworks that limit financial misreporting and improve decision-making processes. In Nigeria today, the adoption of IPSAS has been linked to improved governance

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quality and enhanced financial transparency, even if challenges such as implementation constraints and institutional capacity still persist (Tawiah, 2022). These findings suggest that while IPSAS reforms are widely beneficial, their effectiveness depends largely on proper implementation and institutional support structures within government agencies.

In most Ministries, Departments, and Agencies throughout the world especially during this era of digital connect, public financial management, and their compliance with IPSAS requirements is essential for achieving sustainable financial accountability. Even recent study work confirms that IPSAS adoption in Nigeria has improved financial reporting transparency, accountability, and comparability, although gaps still exist in full accrual implementation and enforcement (Ijeoma & Oghoghomeh, 2024). Therefore, this study examines the impact of accrual-based IPSAS adoption on financial reporting quality and accountability in MDAs in Kwara State, Nigeria.

Statement of the Problem

Despite the introduction of International Public Sector Accounting Standards in Nigeria as part of broader public sector accounting reforms, financial accountability in many states including Kwara State, continues to face significant challenges. Even though numerous empirical studies have shown that IPSAS adoption is expected to enhance transparency, comparability, and timeliness of financial reporting but the actual level of implementation in many public institutions remains partial and inconsistent. For instance, research conducted in Nigerian MDAs by Olowookere et al. (2024) revealed that despite the fact that IPSAS adoption significantly improves financial reporting quality, issues such as inadequate staff capacity, weak ICT infrastructure, and limited enforcement mechanisms continue to hinder full compliance and effective implementation.

Similarly, findings from the work of Ogunmakin et al. (2024) in Ogun State MDAs demonstrated that IPSAS adoption has a statistically significant effect on transparency and timeliness of financial reporting; however, the study also revealed that the overall level of accountability remains moderate due to implementation gaps and weak institutional monitoring systems. In another related study, Ijeoma and Onuora (2024) found that IPSAS adoption in Nigerian public institutions enhances transparency and accountability, but the persistence of manual accounting practices and poor financial disclosure practices reduces the expected benefits of full accrual-based reporting.

Furthermore, a study by Tawiah (2022) established that even if IPSAS improves governance quality in many developing countries, its impact is often constrained by institutional weaknesses and lack of sustained political commitment. In Nigeria, another research has highlighted that challenges such as inadequate training, resistance to change, and poor technological integration continue to limit the effectiveness of IPSAS in improving financial reporting timeliness and comparability (Zibaghafa & Okpolosa, 2024).

Given these inconsistencies between expected outcomes and actual practice, there is a clear gap in evidence regarding how accrual-based IPSAS adoption has influenced financial reporting quality specifically in MDAs in Kwara State. This study therefore seeks to address this gap by examining the extent to which IPSAS adoption has improved transparency, comparability, and timeliness of financial reporting in order to strengthening accountability in Kwara State MDAs.

Objectives of the Study

The main purpose of this study is to investigate the impact of Accrual Based IPSAS Adoption on Financial Reporting Quality and Accountability in Ministries, Departments and Agencies in Kwara State, Nigeria with specific objectives aiming to:

1. Assess the effect of accrual-based IPSAS adoption on the transparency of financial statements in MDAs in Kwara State.
2. Examine the influence of accrual-based IPSAS adoption on the comparability of financial reports in MDAs in Kwara State.
3. Determine the effect of accrual-based IPSAS adoption on the timeliness of financial reporting in MDAs in Kwara State.

Research Questions

1. How does accrual-based IPSAS adoption affect the transparency of financial statements in MDAs in Kwara State?
2. To what extent does accrual-based IPSAS adoption influence the comparability of financial reports in MDAs in Kwara State?
3. What is the effect of accrual-based IPSAS adoption on the timeliness of financial reporting in MDAs in Kwara State?

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Research Hypotheses

H_{01}: Accrual-based IPSAS adoption has no significant effect on the transparency of financial statements in MDAs in Kwara State.

H_{02}: Accrual-based IPSAS adoption has no significant effect on the comparability of financial reports in MDAs in Kwara State.

H_{03}: Accrual-based IPSAS adoption has no significant effect on the timeliness of financial reporting in MDAs in Kwara State.

Literature Review

Public Sector Accounting Reforms

Public sector accounting reforms refer to deliberate changes in governmental accounting systems aimed at improving transparency, accountability, and efficiency in financial reporting. A major global reform in the research work is the adoption of International Public Sector Accounting Standards (IPSAS), which is designed to harmonize public sector financial reporting across countries and improve the quality of accounting information. According to Schmidthuber et al. (2022), IPSAS represents a significant shift toward standardized accrual based reporting systems that enhance comparability and credibility of government financial statements and this reform is driven by public management principles which includes efficiency, accountability, and performance based governance.

IPSAS and Financial Reporting Quality

IPSAS adoption has been widely recognized as one of the key driver to improved financial reporting quality in the public sector. Financial reporting quality is most often measured through qualitative characteristics such as transparency, relevance, comparability, and timeliness. Even in support of this statement, empirical studies have consistently shown that IPSAS implementation improves the reliability and credibility of financial statements by ensuring that public sector entities disclose complete and accurate financial information (Adewara et al., 2024). Similarly, Olowookere et al. (2024) found that IPSAS adoption significantly enhances the accuracy and completeness of financial reports in Nigerian public institutions and through these reduces information asymmetry between government and stakeholders.

In addition, Ojeh and Eze (2023) observed that IPSAS adoption improves accountability and transparency in public sector financial reporting by enforcing standardized disclosure requirements. Their findings further revealed that financial reporting quality increases when IPSAS is properly implemented, particularly in terms of comparability and consistency of financial data across MDAs.

Transparency, Comparability, and Timeliness in IPSAS Implementation

Transparency in financial reporting refers to the extent to which government financial information is openly disclosed and easily understood by stakeholders. According to Ijeoma and Oghoghomeh (2024), IPSAS adoption enhances transparency by ensuring full disclosure of financial transactions and reducing opportunities for financial misreporting in Nigerian public sector entities.

Comparability, on the other hand, enables stakeholders to evaluate financial performance across different government entities. Studies have shown that accrual-based IPSAS improves comparability by standardizing accounting treatments in order to make financial reports more consistent and reliable (Sabo et al., 2023). Furthermore, timeliness is another important dimension of financial reporting quality, as delayed financial information reduces its usefulness for decision-making. For example, study work by Olowookere et al. (2024) found that IPSAS adoption contributes to improved timeliness of financial reporting by promoting digital accounting systems and structured reporting frameworks.

Theoretical Framework

This study work is anchored on the Stakeholder Theory and the New Public Management Theory.

Stakeholder Theory

Stakeholder Theory was developed by Edward Freeman in 1984. The theory argues that organizations are responsible not only to management or government authorities but also to a wide range of stakeholders, including citizens, taxpayers, oversight institutions, creditors, and development partners. The vital idea is that financial reporting must meet the information needs of all stakeholders to ensure transparency, accountability, and trust in governance.

In every public sector, IPSAS adoption is strongly linked to stakeholder expectations for reliable and transparent financial information. Even numerous study work has confirmed this for instance, Scannell & Tawiah (2024) found that IPSAS improves the credibility and usefulness of government financial reports by reducing information asymmetry between government officials and the public. Furthermore, research indicates that stakeholder confidence in public financial management increases when accrual based reporting is implemented because it provides a complete picture of government assets, liabilities, and

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performance outcomes (Ijeoma & Oghoghomeh, 2024). This theory therefore explains why governments adopt IPSAS as a response to pressure from stakeholders demanding better accountability and transparency.

New Public Management Theory

The New Public Management Theory was developed by Christopher Hood in 1991. The theory arisen as a reform movement aimed at improving efficiency, effectiveness, and accountability in the public sector by adopting private sector management practices. It emphasizes performance measurement, output control, transparency, and results based governance.

NPM is closely linked to public sector accounting reforms, especially with the adoption of IPSAS. Accrual-based IPSAS is considered a key instrument of NPM because it enhances financial discipline, improves decision-making, and supports performance evaluation in government institutions. Recent literature confirms that IPSAS adoption aligns with NPM principles by promoting standardized reporting systems that improve accountability and fiscal transparency in the public sector (Schmidthuber et al., 2024). Likewise, empirical findings show that countries adopting IPSAS experience improvements in governance quality and financial reporting efficiency due to structured accrual-based accounting systems (Tawiah, 2022). However, studies also highlight that institutional weaknesses, limited technical capacity, and resistance to change can hinder full realization of NPM objectives in developing countries like Nigeria (Zibaghafa & Okpolosa, 2024).

These theories complement each other in explaining this research work. While Stakeholder Theory focuses on the demand for transparency and accountability from users of financial information on the other hand NPM Theory explains the administrative reforms that drive the adoption of IPSAS in public institutions.

Empirical Review

Adewara et al. (2024) conducted a study to examined the effect of IPSAS implementation on financial reporting quality in the Nigerian public sector with particular emphasis on transparency, accountability, and comparability. The researchers adopted a survey research design and distributed questionnaires to revenue officers of the Ekiti State Internal Revenue Service. The study population comprised 521 revenue officers, and a census sampling technique was employed. A total of 417 completed questionnaires were returned and analyzed using descriptive statistics, correlation analysis, and multiple regression techniques. The findings revealed that IPSAS implementation had a significant and positive effect on financial reporting quality. Specifically, the regression results indicated that IPSAS adoption significantly improved transparency, accountability, and comparability of financial reports in the Nigerian public sector. The study concluded that IPSAS implementation enhances the quality of financial reporting and promotes greater public confidence in government financial information. The researchers recommended that government should strengthen professionalism in public offices and impose appropriate sanctions on individuals and organizations that violate accounting and reporting standards to further improve financial reporting quality.

Ojeh and Eze (2023) carried out a study to investigate the impact of IPSAS adoption on financial reporting quality in the Nigerian public sector by examining the perceptions and experiences of government officials, accountants, auditors, and financial reporting experts. The study adopted a mixed-method research approach and utilized simple percentages and chi-square statistical techniques to analyze data collected from respondents. Two hypotheses were tested regarding the influence of IPSAS adoption and the relationship between compliance level and financial reporting quality. The findings showed that IPSAS adoption had a positive and statistically significant impact on perceived financial reporting quality in the Nigerian public sector. The chi-square results further revealed that compliance with IPSAS requirements was positively and significantly associated with improvements in financial reporting quality. The study concluded that IPSAS adoption has contributed substantially to improving accounting practices and financial reporting standards within public sector organizations. Consequently, the authors recommended that policymakers and public sector administrators should continue to support IPSAS implementation and strengthen compliance mechanisms to ensure sustained improvements in financial reporting quality.

Schmidthuber et al. (2020), in their study titled “International Public Sector Accounting Standards (IPSASs): A Systematic Literature Review and Future Research Agenda,” reviewed existing literature on IPSAS adoption and implementation globally. The study systematically analyzed 80 peer-reviewed journal articles focusing on IPSAS adoption, implementation processes, and outcomes. Using a systematic literature review methodology, the authors

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classified previous studies into three major categories: antecedents of IPSAS adoption, implementation of accrual accounting based on IPSAS, and outcomes of IPSAS adoption. The findings revealed that IPSAS contributes significantly to the harmonization of public sector accounting practices across countries and enhances the comparability of government financial information. However, the review also identified major challenges including high implementation costs, inadequate institutional pressure, technical difficulties, and concerns regarding alignment with unique public sector characteristics. The study concluded that although IPSAS adoption offers substantial benefits in terms of transparency and comparability, many countries still face challenges in achieving full implementation. The authors recommended further empirical research focusing on implementation outcomes, institutional determinants, and country-specific experiences to provide more comprehensive evidence on IPSAS effectiveness.

Tawiah (2022) conducted research to investigate the impact of IPSAS adoption on governance quality across 107 countries. Using a large panel dataset and advanced panel regression techniques, the study examined the relationship between IPSAS adoption and governance indicators. The findings demonstrated that IPSAS adoption exerted a positive and statistically significant influence on governance quality. The results showed that countries that adopted IPSAS experienced improved accountability, transparency, and government effectiveness. The study further revealed that the positive effect of IPSAS was more pronounced in developing countries than in developed countries. Specifically, the results indicated that IPSAS adoption strengthened accountability relationships between governments and citizens and enhanced public trust in governmental financial reporting. The study concluded that IPSAS serves as an important mechanism for improving governance quality and promoting transparency in public sector financial management and that policymakers, especially in developing countries, should intensify efforts toward full IPSAS implementation and strengthen institutional frameworks to maximize the benefits of accounting harmonization.

Olowookere et al. (2024) carried out a study titled "Effects of International Public Sector Accounting Standards (IPSAS) Adoption on the Quality of Public Sector Accounting Information in Nigeria." With purpose of examining the influence of IPSAS adoption on the quality of accounting information in public sector organizations in Osun State, Nigeria. The study employed a survey research design involving 200 accountants working in government ministries and public institutions, from which a sample of 110 respondents was selected. Data were collected through structured questionnaires and analyzed using descriptive statistics, correlation analysis, and regression techniques. The findings showed that IPSAS adoption and transparency had a significant positive influence on accounting information quality. The regression results reported t-statistics of 33.485 and 13.880 respectively, with corresponding p-values of 0.000, indicating strong statistical significance. The study also found that full disclosure of accounting information contributed significantly to enhancing accounting information quality. The study concluded that IPSAS adoption plays a critical role in improving the accuracy, reliability, and relevance of public sector accounting information. The researchers recommended continuous training and education for public sector accountants and the establishment of monitoring teams to ensure strict compliance with IPSAS provisions across government institutions.

Ijeoma and Onuora (2024) examined the relationship between IPSAS adoption and transparency and accountability in public sector financial reporting in Nigeria. The researchers adopted a cross-sectional survey design involving staff members from federal Ministries, Departments, and Agencies located in Anambra State. The study population comprised 6,393 employees, while a sample size of 121 respondents was determined using the Taro Yamane formula. Primary data were collected through structured questionnaires and analyzed using descriptive statistics and Pearson Correlation analysis through SPSS version 26. The findings revealed that IPSAS adoption significantly enhanced financial reporting transparency with a Pearson correlation coefficient of 0.819 and a p-value of 0.000. Furthermore, IPSAS adoption significantly promoted accountability in public sector financial reporting with a Pearson correlation coefficient of 0.488 and a p-value of 0.000. The study concluded that IPSAS adoption represents a major advancement toward improving transparency and accountability within the Nigerian public sector. The researchers recommended that the Federal Government should mandate regular training and capacity-building programmes for accounting personnel across public sector institutions to ensure effective implementation and compliance with IPSAS standards.

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Methodology

This study adopted a cross sectional descriptive survey research design to examine the impact of IPSAS adoption on financial reporting quality and accountability in Ministries, Departments and Agencies in Kwara State, Nigeria and this design adopted in this research work because it allows the collection of data at a single point in time from a defined population and enables the systematic analysis of respondents' perceptions regarding IPSAS implementation and its effects on financial reporting quality indicators such as transparency, comparability, and timeliness, as well as accountability results. The population of the study comprised finance and accounting personnel working in MDAs in Kwara State including accountants, internal auditors, budget officers, and other staff directly involved in financial reporting and management functions. Only staff with a minimum of two years' professional experience were included in order to ensure that respondents had adequate exposure to accrual-based IPSAS implementation and could provide informed responses on its impact on financial reporting and accountability. A multi-stage sampling technique was employed in selecting 232 respondents from 29 MDAs in Kwara State. In the first stage, the MDAs were stratified into two main categories, namely ministries and agencies/parastatals, to ensure proper representation across government institutions. In the second stage, specific MDAs were purposively selected based on their involvement in financial management functions which include key institutions such as the Ministry of Finance, Ministry of Budget and Planning, Ministry of Local Government, Kwara State Internal Revenue Service, SUBEB, and other selected agencies. In the third stage, respondents were proportionally and purposively selected within each MDA from core finance units, including accountants, internal auditors, budget officers, bursars, and other relevant financial staff. Data were collected using questionnaire in which it was divided into two sections: Section A captured demographic information of respondents, while Section B measured accrual-based IPSAS adoption and financial reporting quality dimensions (transparency, comparability, and timeliness) as well as accountability indicators using 5 point Likert scale. The instrument was validated by experts in accounting department of Sumit University Offa, and their corrections were done before its administration. Reliability was tested using Cronbach's alpha, yielding a coefficient of 0.935, indicating high internal consistency. Out of the 232 distributed questionnaires, 219 were properly completed and returned and it was subjected to data analysis using SPSS usings analytical tools including frequency count, percentage, mean, standard deviation, multiple regression analysis at a 0.05 level of significance.

Results

Table 1: Demographic Characteristics of Respondents by Age and Qualification

Variable	Category	Frequency (f)	Percentage (%)
Age Range	20–29 years	49	22.4
	30–39 years	98	44.7
	40–49 years	55	25.1
	50 years and above	17	7.8
	Total	219	100.0
Highest Educational Qualification	ND/NCE	16	7.3
	HND/BSc	114	52.1
	Master	72	32.9
	PhD	17	7.8
	Total	219	100.0

***Source**: Author's Field survey, 2026*

The table 1 distribution of respondents by age range indicates that the majority of the respondent fall within the 30–39 years category, representing 98 (44.7%) respondents of the total sample. This suggests that most participants are in their early to mid-career stage, which is often associated with active professional engagement and accumulated practical experience. Also, 55 (25.1%) respondents are within the age of 40–49 years, 49 (22.4%) respondents are between 20–29 years while the least represented age group 17 (7.8%) of the respondents are 50 years and above.

In addition, regarding highest educational qualification of these respondents, the findings reveal that more than half of the respondents, 114 (52.1%) individuals possess HND or BSc qualifications, followed by 72 (32.9%) of respondents were Master's degree hold. Also, those with ND or NCE qualifications account for 16 (7.3%) of the respondent, while 17 (7.8%) of the respondents possess a PhD. The shows that all the respondents in the study

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generally well educated, with a significant number holding postgraduate qualifications, by this means enhances the reliability of their responses.

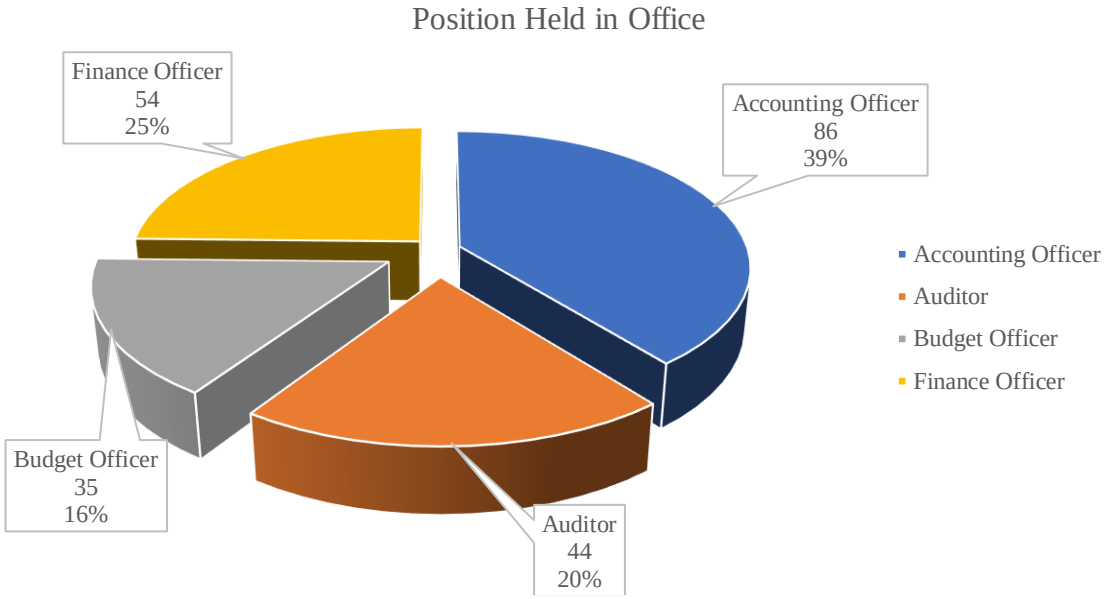


Figure 1: Position Held in Office

***Source**: Author's Field survey, 2026*

The figure 1 depict position held in office by showing that accounting officers constitute the largest proportion, with a frequency of 86 respondents representing 39.3%. Finance Officers follow with 54 respondents accounting for 24.7%, while Auditors have a frequency of 44 respondents representing 20.1%. Budget Officers represent the smallest group, with 35 respondents accounting for 16.0%.

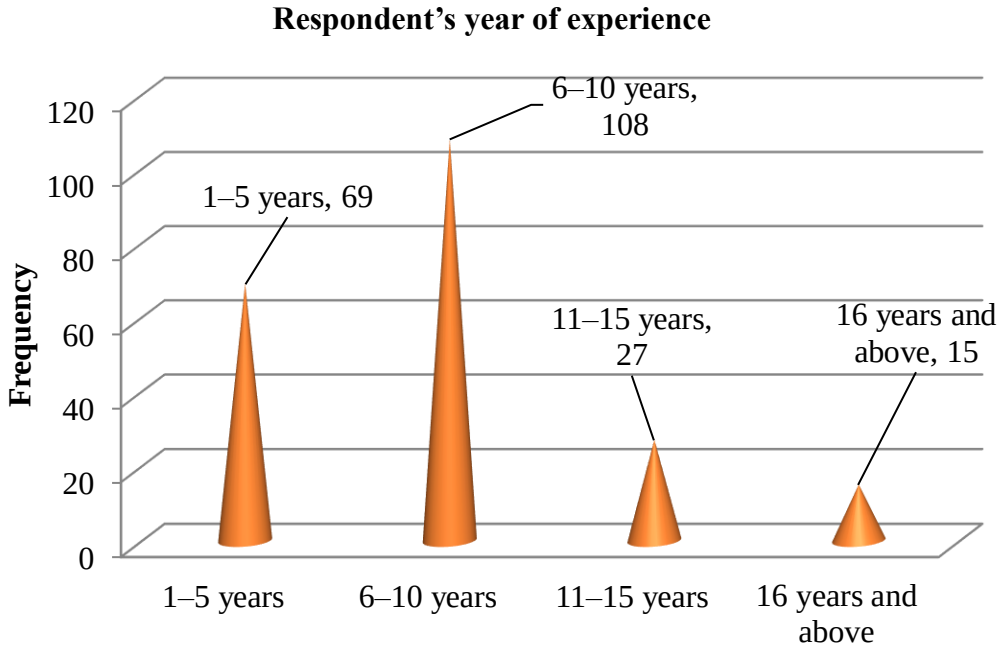


Figure 2: Respondent's year of experience

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***Source**: Author's Field survey, 2026*

Figure 2 backed figure 1 on years of service in the MDA reveals that respondents with 6–10 years of service form the largest group, with a frequency of 108 respondents representing 49.3%., followed by those with 1–5 years of service, with 69 (31.5%) respondents. Respondents with 11–15 years of experience have a frequency of 27 respondents representing 12.3%, while those with 16 years and above have the lowest frequency of 15 respondents representing 6.8%. Overall, the figure shows none of the respondent use for this study have any experience less than 1 years, majority of them have enough year of experiment in service.

Analysis of Research Questions

1. How does accrual-based IPSAS adoption affect the transparency of financial statements in MDAs in Kwara State?
2. To what extent does accrual-based IPSAS adoption influence the comparability of financial reports in MDAs in Kwara State?
3. What is the effect of accrual-based IPSAS adoption on the timeliness of financial reporting in MDAs in Kwara State?

Table 2: Respondents' Perceptions on IPSAS Adoption in MDAs

S/N	Statement	Frq.	SA	A	N	D	Mean	STD
1.	My MDA has fully implemented accrual-basis IPSAS and integrated it into accounting processes, software, and reporting procedures.	219	107 (48.9%)	85 (38.8%)	16 (7.3%)	11 (5.0%)	4.31	0.832
2.	Staff in my MDA have received adequate training and guidance to effectively apply accrual-basis IPSAS.	219	75 (34.2%)	110 (50.2%)	23 (10.5%)	11 (5.0%)	4.13	0.810
3.	IPSAS adoption has strengthened compliance with accounting standards.	219	60 (27.4%)	109 (49.8%)	36 (16.4%)	14 (6.4%)	3.97	0.862
4.	IPSAS has enhanced clarity and understandability of financial statements.	219	49 (22.4%)	122 (55.7%)	41 (18.7%)	7 (3.2%)	3.97	0.750
5.	IPSAS reports provide detailed disclosures promoting accountability.	219	41 (18.7%)	131 (59.8%)	39 (17.8%)	8 (3.6%)	3.93	0.744
6.	IPSAS improves transparency of revenue and expenditure flows.	219	40 (18.3%)	132 (60.3%)	43 (19.6%)	4 (1.8%)	3.94	0.705
7.	IPSAS ensures uniform accounting treatment across reporting periods.	219	27 (12.3%)	140 (63.9%)	41 (18.7%)	11 (5.0%)	3.83	0.728
8.	IPSAS financial statements are comparable across MDAs.	219	34 (15.5%)	130 (59.4%)	45 (20.5%)	10 (4.6%)	3.85	0.754
9.	IPSAS enhances year-on-year comparability of financial reports.	219	30 (13.7%)	143 (65.3%)	36 (16.4%)	10 (4.6%)	3.88	0.703

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10.	IPSAS facilitates prompt preparation and submission of financial statements.	219	33 (15.1%)	123 (56.2%)	48 (21.9%)	15 (6.8%)	3.79	0.804
11.	Accrual-basis accounting reduces delays and ensures timely reporting.	219	28 (12.8%)	133 (60.7%)	48 (21.9%)	10 (4.6%)	3.81	0.721
12.	Timely IPSAS reporting enables informed and evidence-based decision-making.	219	32 (14.6%)	136 (62.1%)	42 (19.2%)	9 (4.2%)	3.87	0.714
Total / Average		**2628**	**556 (21.2%)**	**1494 (56.9%)**	**458 (17.4%)**	**120 (4.6%)**	**3.94**	**0.760**

***Source**: Author's Field survey, 2026*

The analysis in Table 2 above present respondents' perceptions regarding the influence of accrual-basis IPSAS adoption on the transparency, comparability, and timeliness of financial statements in MDAs in Kwara State. The table overall results reveals that respondents generally hold a positive view of IPSAS implementation in MDAs. For instance, items 1–3 reflects respondents' views on the overall implementation and compliance impact of accrual-basis IPSAS in MDAs. Item 1 shows that 107 respondents (48.9%) strongly agreed and 85 respondents (38.8%) agreed that their MDA has fully implemented IPSAS in accounting processes, software, and reporting, yielding a mean of 4.31 and SD of 0.832. Item 2 reveals that 75 respondents (34.2%) strongly agreed and 110 respondents (50.2%) agreed that staff have received adequate training to effectively apply IPSAS, with a mean of 4.13 and SD of 0.810. For Item 3, on whether IPSAS adoption has strengthened compliance with accounting standards, 60 respondents (27.4%) strongly agreed and 109 respondents (49.8%) agreed, giving a mean of 3.97 and SD of 0.862. Collectively, these responses indicate that respondents perceive high levels of IPSAS adoption, supported by training, and see it as enhancing compliance.

The next set Items 4–6 addresses the clarity, accountability, and transparency of financial statements under IPSAS. For Item 4, 49 respondents (22.4%) strongly agreed and 122 respondents (55.7%) agreed that IPSAS has enhanced the clarity and understandability of financial statements, with a mean of 3.97 and SD of 0.750. Item 5 shows that 41 respondents (18.7%) strongly agreed and 131 respondents (59.8%) agreed that IPSAS reports provide detailed disclosures promoting accountability (mean = 3.93, SD = 0.744). Regarding Item 6, which examines transparency in revenue and expenditure flows, 40 respondents (18.3%) strongly agreed and 132 respondents (60.3%) agreed, resulting in a mean of 3.94 and SD of 0.705. These findings indicate that respondents perceive IPSAS as significantly improving the readability, accountability, and transparency of financial statements.

Also, Items 7–9 focuses on comparability of financial reports across periods and MDAs. Item 7 shows that 27 respondents (12.3%) strongly agreed and 140 respondents (63.9%) agreed that IPSAS ensures uniform accounting treatment across reporting periods, with a mean of 3.83 and SD of 0.728. For Item 8, 34 respondents (15.5%) strongly agreed and 130 respondents (59.4%) agreed that IPSAS financial statements are comparable across MDAs (mean = 3.85, SD = 0.754). Item 9, on year-on-year comparability, recorded 30 respondents (13.7%) strongly agreeing and 143 respondents (65.3%) agreeing (mean = 3.88, SD = 0.703). The responses demonstrate that IPSAS adoption is viewed as enhancing consistency in reporting across different MDAs.

The final set of Items 10–12 highlights the impact of IPSAS on timely reporting and decision-making. For Item 10, 33 respondents (15.1%) strongly agreed and 123 respondents (56.2%) agreed that IPSAS facilitates prompt preparation and submission of financial statements (mean = 3.79, SD = 0.804). Item 11 indicates that 28 respondents (12.8%) strongly agreed and 133 respondents (60.7%) agreed that accrual-basis accounting reduces delays and ensures timely reporting (mean = 3.81, SD = 0.721). Regarding Item 12, 32 respondents (14.6%) strongly agreed and 136 respondents (62.1%) agreed that timely IPSAS reporting enables informed and evidence-based decision-making (mean = 3.87, SD = 0.714). These findings show that respondents perceive IPSAS adoption as improving both the timeliness and usability of financial statements for effective decision-making.

All together the average mean score of 3.94 and standard deviation of 0.760 for all twelve items show that respondents have a strong positive view of accrual-based IPSAS adoption and this shows that IPSAS has helped to improve transparency, comparability, and timeliness of financial reporting in MDAs in Kwara State.

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Hypotheses Testing

H_{01}: Accrual-based IPSAS adoption has no significant effect on the transparency of financial statements in MDAs in Kwara State.

H_{02}: Accrual-based IPSAS adoption has no significant effect on the comparability of financial reports in MDAs in Kwara State.

H_{03}: Accrual-based IPSAS adoption has no significant effect on the timeliness of financial reporting in MDAs in Kwara State.

Table 3: Regression Analysis of IPSAS Accrual-Basis Adoption

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	0.538	0.289	0.279	0.6302	0.289	29.179	3	215	0.000	1.418

***Predictors**: (Constant), Timeliness of Financial Reports, Transparency of Financial Reports, Comparability of Financial Reports*

***Dependent Variable**: IPSAS Accrual-Basis Adoption*

ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	34.762	3	11.587	29.179	0.000
Residual	85.381	215	0.397		
Total	120.143	218			

COEFFICIENTS

Predictor		B	Std. Error	Beta	t	Sig.	Collinearity Statistics	
							Tolerance	VIF
H_0	(Constant)	1.364	0.366	–	3.726	0.000	–	–
H_{01}	Transparency of financial reports	0.682	0.084	0.538	8.117	0.000	0.752	1.330
H_{02}	Comparability of financial reports	-0.093	0.094	-0.071	-0.988	0.324	0.634	1.576
H_{03}	Timeliness of financial reports	0.115	0.084	0.091	1.368	0.173	0.755	1.325

***Source**: Author's Field survey, 2026* *Dependent Variable: IPSAS Accrual-Basis Adoption*

The analysis in table 3 presents the regression results examining the relationship between IPSAS accrual-basis adoption and the selected dimensions of financial reporting quality stating whether adoption of accrual-basis IPSAS significantly affects the transparency, comparability, and timeliness of MDA financial statements in Kwara State. As shown in the first model table, the regression model yielded R = 0.538 and R^2 = 0.289, indicating that 28.9% of the variance in IPSAS adoption is collectively explained by the predictors. The Durbin-Watson statistic of 1.418 recommends no serious autocorrelation problem in the residuals, as the value is reasonably close to 2. The ANOVA table results (F = 29.179, p = 0.000 < 0.05) confirm that the overall model is statistically significant, at the 0.05 significant level for the whole model.

While at the same time examining individual predictors, coefficient results revealed that transparency had a significant positive effect on IPSAS adoption (β = 0.538, t = 8.117, p = 0.000), leading to rejection of H_{01}. However, comparability (β = -0.071, t = -0.988, p = 0.324) and timeliness (β = 0.091, t = 1.368, p = 0.173) were statistically insignificant, leading to acceptance of H_{02} and H_{03}. This indicates that transparency is the key driver of accrual-basis IPSAS adoption, while comparability and timeliness do not independently influence adoption. Furthermore, the collinearity diagnosis statistics show that all tolerance values are above 0.10

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and all VIF values are below 10 (VIF ranges from 1.325 to 1.576). This indicates that multicollinearity is not a concern, and the independent variables are sufficiently distinct from one another.

Discussion of Findings

The findings of this study reveal important insights into the effect of accrual-based IPSAS adoption on financial reporting quality with positive effects on transparency, comparability, and timeliness of financial reporting. From this study research work, the findings reveal that accrual-based IPSAS adoption has a generally positive effect on financial reporting quality in MDAs in Kwara State. Specifically, this study shows that IPSAS adoption has significantly improved the transparency of financial statements by enhancing clarity (mean = 3.97), promoting full disclosure of revenue and expenditure (mean = 3.94), and improving accountability in reporting processes (mean = 3.93). It also indicates that IPSAS adoption has improved the comparability of financial reports by promoting more uniform accounting treatments (mean = 3.83) and enhancing consistency across reporting periods and MDAs (mean = 3.88), although this improvement is more moderate in practice as reflected in the overall comparability range (mean = 3.83–3.88). Furthermore, the findings demonstrate that IPSAS adoption has contributed positively to the timeliness of financial reporting by encouraging faster preparation and submission of financial statements (mean = 3.79) and supporting more informed decision-making (mean = 3.87), even though some delays still persist in practice (mean = 3.81). These findings are consistent with empirical evidence from Ijeoma and Onuora (2024), who found that IPSAS significantly improves transparency and accountability in Nigerian public sector reporting, and Adewara et al. (2024), who also reported improvements in transparency, accountability, and comparability following IPSAS implementation. However, the observed variations in comparability and timeliness align with Schmidthuber et al. (2020), who noted that implementation challenges often limit the full realization of IPSAS benefits in public sector accounting systems.

The discussion of hypotheses further confirms mixed outcomes regarding the effect of IPSAS adoption on financial reporting quality as hypothesis one revealed that transparency of financial reports has a positive and significant effect on IPSAS accrual-basis adoption ($\beta = 0.538$, $t = 8.117$, $p = 0.000$), leading to the rejection of H_{01}. This confirms that IPSAS adoption significantly enhances transparency in MDAs, supporting findings by Ijeoma and Onuora (2024), who reported a strong positive relationship between IPSAS adoption and transparency. The hypothesis two showed that comparability of financial reports has a negative and statistically insignificant effect on IPSAS adoption ($\beta = -0.071$, $p = 0.324$), leading to the acceptance of H_{02}. This suggests that IPSAS has not significantly improved comparability in practice, which contradicts Adewara et al. (2024) but aligns with Schmidthuber et al. (2020), who highlighted implementation gaps as a major limitation in achieving full comparability benefits. Furthermore hypothesis three indicated that timeliness of financial reporting has a positive but statistically insignificant effect on IPSAS adoption ($\beta = 0.091$, $p = 0.173$), resulting in acceptance of H_{03}. This implies that even if IPSAS promotes timely reporting in principle, practical constraints such as inadequate capacity and institutional delays limit its effectiveness, supporting the view of Tawiah (2022) that IPSAS outcomes are often constrained by implementation challenges in many developing countries.

Conclusion

Grounded on the analysis results and findings of this study, it was concluded that accrual-based IPSAS adoption has contributed positively to financial reporting quality in Ministries, Departments, and Agencies in Kwara State particularly in terms of transparency, comparability, and timeliness. The results showed that respondents generally agreed that IPSAS adoption enhances transparency, comparability, and timeliness of financial reporting. However, the results revealed that even though transparency of financial reports had a positive and statistically significant effect on IPSAS accrual-basis adoption, comparability and timeliness exhibited positive but statistically insignificant effects. This implies that the major benefit currently derived from IPSAS implementation in the selected MDAs is the improvement in transparency through better disclosure, clarity, and accountability in financial reporting. Even if respondents perceived improvements in comparability and timeliness, these dimensions have not yet achieved significant influence and this is possibly due to implementation challenges and varying levels of compliance. This means that even though IPSAS adoption has improved financial reporting practices, its full benefits have not yet been fully achieved because of implementation and institutional challenges. However, IPSAS still remains an important reform for improving public sector accountability and the quality of financial reporting.

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Recommendations

1. The government should strengthen the implementation and enforcement of accrual-based IPSAS by ensuring strict compliance with reporting standards and disclosure requirements in order to further improve transparency and enhance the credibility of financial statements.
2. Government should also organize regular training, workshops, and capacity building programmes for accountants and finance officers in MDAs to improve their knowledge and technical skills in IPSAS implementation and if this is done, it will usually promote uniform accounting practices and improve the comparability of financial reports.
3. Lastly, government should invest in modern accounting information systems and digital financial reporting platforms to support the efficient preparation and submission of financial statements in order to reduce delays in reporting, improve timeliness, and support better evidence based decision making in public sector organizations.

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