

CHAPTER ONE

INTRODUCTION

Background to the Study

The low level of accountability and transparency in financial reporting and management in the public sector in Nigeria engenders a high level of corruption. The public sector in Nigeria has suffered setbacks largely due to ineffective and inefficient management as most of the public enterprises have failed to deliver on the purposes for which they were established. Accountability in the midst of mistrust and dishonesty in handling public fund is a serious issue which will be deviling the Nigerian public sector. Transparency in public sector reporting is crucial in presenting the implications of the measures on the economic crisis, both in the financial statements and the notes (Cretu, Sirbu, Gheonea & Constandache, 2011). Most successive administrations at the Federal, State and Local Government levels always lay emphasis on the problem of corruption, misappropriation and non-accountability. Despite numerous laws and relevant institutions that exist in Nigeria, there has been significant increase in the number of reported cases of all kinds of misappropriation of public funds and properties.

Financial reporting involves reporting all statutory income and other internally generated revenue reported for the period in question. Formal

records of financial activities of public institution are expressed in the financial statements which quantify the financial strength, performance and liquidity of the institution. Financial statements are the core of accounting syntheses, being the most important part of the financial reporting process and the main source of financial accounting information (Berheci, 2010). The purpose of public institutions preparing financial statements is to obtain and supply useful information to substantiate decisions and to justify how financial resources are used. The four main types of financial statements are statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows. The financial position of an institution presents the financial position of the institution at a given date. It normally comprises assets, liabilities and equity. Users of financial statements are able to assess the financial soundness of an institution in terms of liquidity risk, financial risk and business risk. Heiling (2011) noted that there is a need for the public sector (tertiary institutions) to maintain quality accounting and reporting systems that are able to accurately reflect these risks.

The preparation of financial statement by public organizations is the only means of communicating an organization's financial information to its diverse parties or stakeholders. John (2011) noted that the manner in which

an entity, whether private or public, business or educational presents information in its financial statement is of paramount importance as financial statements remain a central feature of financial reporting, and a principal means of communicating financial information to those outside an entity. The incidents of fraudulent practices and the attendant unacceptable audited financial statements by public organizations (including tertiary institutions) have contributed to the loss of confidence by the financial statements users in the ability of accounting officers to come up with viable solutions to financial problems.

Most of the accounts presented in the public sector lack proper accountability. The reporting system adopted is restricted mainly to transactions that have been settled in cash only. Other income and expenditure which have been accrued as well as prepaid are left unaccounted for (Ofoegbu, 2014). Financial statements prepared under the cash basis provide readers with information about the sources of cash raised during the period, the purposes for which cash was used and the cash balances at the reporting date. If cash basis is recognized, the financial statement will not show the accrued income and prepaid income.

The cash basis of accounting system seems to limit the provision of critical information needed in the financial statements for development,

programme planning and appraisal of performance in physical and financial terms (Jones & Browrey, 2013). The cash basis is structured in such a way that it allows for flexibility which posed challenges due to lack of standardized international reporting practices. The method of financial reporting under cash accounting system focuses on reporting inputs rather than outputs and does not provide a true picture of government financial activities at the end of every financial period. Cash basis of accounting were inadequate as it fails to take into cognizance accurate costs and all assets and liabilities made by government institutions.

Cash accounting easily neglects asset management, accumulating arrears, future liabilities – pension and contingent liabilities, and so on. This traditional cash basis of accounting aids poor budget implementation and mismanagement of funds, lack of efficiency, lack of proper accountability and transparency, lack of international comparability of accounts, inadequate disclosure requirement as well as slow decision making process (Ibanichuka & Oyadonghan, 2014). This can be traced to the fact that while using the cash basis of accounting, there is no attempt to match an expense with the revenue it generates. It means that income statement and balance sheet are not good pictures of recent business conditions and expense written against specific revenue may not have been incurred for generating the revenue.

Cash-based accounting systems previously adopted by the public sector do not give insight into the actual state of assets, finances and revenues (true and fair view) hence the need to have a clear financial reporting framework for the public sector. Governments all over the world in the quest for proper accountability opted for the adoption of International Public Sector Accounting Standards (IPSASs). The development of the IPSASs has its origin in the accounting profession as a way to improve the transparency and accountability of governments and their agencies by improving and standardizing financial reporting (Deloitte, 2015). The IPSASs accrual accounting basis is hinged on the mode of reporting which takes into account all received income and receivable income and all paid and payables for a given accounting period. Adoption is the process of starting to use a new method, system, law, among others. The adoption of IPSASs by public sector entities is driven by the need to strengthen efficiency, accountability and professionalism in the management of public resources (Nkwagu, Okoye & Nkwagu, 2016).

IPSASs are 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 (International Federation of Accountants (IFAC), 2015). Public sector

entities are entities that implement public policies through the provision of primarily non-market services and the redistribution of income and wealth, with both activities supported mainly by compulsory levies on other sectors (Tatjana, 2015). The public sector consists of governments and all publicly controlled or publicly funded agencies and enterprises and other entities that deliver public programmes, goods and services. The IPSASs is based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB) where the requirements of those standards are applicable to the public sector. They also deal with public sector specific financial reporting issues that are not dealt with in IFRS. The Federal Executive Council (FEC) in Nigeria approved the roadmap for the adoption of IFRS and IPSASs for both private and public sectors respectively in July, 2010.

The primary aim of this adoption is to enhance and strengthen the country's financial reporting standards in line with international best practice (Otunla, 2012). A sub-committee was set up in June, 2013 by Federal Account Allocation Committee (FAAC) to work out a blueprint for the implementation of IPSASs in the three tiers of government. Price Waterhouse Coopers (2014) posited that the objective of IPSASs adoption is to ensure that public interest is served and protected by developing high

quality public sector financial reporting standards and by ensuring the convergence of both national and international standards, thereby enhancing the quality and transparency of financial reporting throughout the world. All public entities are expected to fully adopt the accrual IPSASs.

In this system of accounting, the financial decisions are not seen merely from the point of view of cash inflow or outflow but also from their impact on the asset and liability position of the government, future funding requirements of assets enabling planning of their timely maintenance and replacement (FAAC, 2015). The adoption of accrual accounting by government entities will help in the assessment of financial performance as the financial statements will reflect all expenses whether paid or not and all incomes whether received or not. One of the financial reporting desires of the public sector has been to be able to consolidate its financial statements from various Government departments in a single line. This dream may only be achievable by the adoption of IPSASs which would facilitate the adoption of a uniform and detailed chart of accounts for the elements of the accounting equation (Tom, 2015).

In this modern technology era, the financial activities of tertiary institutions have increased to the extent that no institution has enough funds to take care of all its needs. As a result, most tertiary institutions have to

resort to the adoption of accrual basis of accounting for their general-purpose financial statements so as to ensure uniformity and comparability of financial reporting across institutions. According to the Federal Government of Nigeria (2013), tertiary institutions include universities, polytechnics and colleges of education, monotechnics and research institutions. They are established to meet the nation's need for socio-economic development through knowledge sharing, research and development. The financial reporting activities of tertiary institutions include: collection, keeping and disbursement of various funds, preparation of budget, putting in place adequate internal control system, records of financial transactions (that is record of assets and liabilities), complying strictly with government financial policies and regulations in the day-to-day financial administrations of the institution and preparation of financial statements (Osadugba, 2018).

An account officer manages the account of an institution, and this involves monitoring the performance of the account and advising the institution on investments to undertake. Accounts officers in tertiary institutions include Bursars and Directors, Senior Accountants & Auditors, Accounts and Store officers and Cashiers and Clerks (Nwaigburu & Mark, 2014). In tertiary institutions, Account officers make sure that the following financial records are kept for smooth running of the institution and

accountability purposes. Some of the records are student record, curricular record, evaluation records and financial records which relate to income and expenditure and include receipt for purchase, vouchers, retirement, contracts, donations and budgets. All these are recorded in the appropriate financial record for smooth running of an institution. This study focused on the adoption of IPSASs in reporting assets and liabilities, cash flow management, capturing revenues and expenses, presentation of budget information and internal control system in tertiary institutions.

IPSASs provide for high quality, robust, and full disclosure of all assets, liabilities and contingent liabilities which are very essential for assessing the true economic implication of public sector financial management. Accrual accounting provides information on an entity's overall financial position and current stock of assets and liabilities. Tertiary institutions need this information to make decisions about the feasibility of financing the services they may wish to provide and demonstrate accountability to the institution for their management of assets and liabilities recognized in the financial statements (Monari, 2015)

According to International Public Sector Accounting Standard Board handbook (2017), cash flow statements present the importance and providing manner of information about the historical changes of cash and

cash equivalents of an entity by means of a cash flow statement which classifies cash flows during the period from operating, investing and financing activities. This information allows the users to determine how the public institution raised the necessary cash to finance its activity and how the cash was used (Cenar, 2011). The cash flow statement identifies the sources of cash inflows, the items on which cash was expended during the reporting period, and the cash balance as at the reporting date. Information about the cash flows of an entity is useful in providing users of financial statements with information for both accountability and decision making purposes.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners. Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners (IPSASs handbook, 2017). The IPSASs accrual method of accounting records revenues and expenses when they are recognized, not when cash is actually transferred. Revenues are recorded when the sale has been completed, and expenses are recorded when

the goods and services that generate the expenses are matched to the revenue. Matching of revenues to expenses is a fundamental principle in accounting, and proper matching ensures earnings to reliably capture a firm's profitability (He & Shan, 2014). The income statement reports the revenues and expenses of an institution and shows the profitability of that institution for a stated period of time.

Budget is a plan of financial operation embodying an estimate in proposed revenue and expenditure as well as the proposed means of financing them for a given period, usually a year. It is an instrument of economic and social policy which must ensure that policies are translated into concrete and feasible objectives. According to FAAC (2015), the presentation of budget information in financial statements requires a comparison of (original and final) budget amounts and actual amounts to be disclosed in the financial statements of entities. All comparisons of budget and actual amounts must be presented on comparable basis to the budget. According to Ball and Plugraht (2012), consistent and appropriate use of IPSA standards provide high quality of financial reports for enhanced comparability and analysis.

The internal control system is about such measures put in place by an organization in order to ensure the achievement of its objectives. It is a set of

policies and procedures adopted by an entity in ensuring that an organization's transactions are processed in the appropriate manner to avoid waste, theft, and misuse of organization resources. Tertiary institutions strive for efficiency and transparency in their services, operations and finances. There is also a growing interest among these institutions to enhance risk management through their processes and procedures so as to promote efficient services among professionals within the institution. The most common measure over these processes and/or procedures is the system of internal control (Ndifon & Patrick, 2014).

The influencing factor in the adoption of international public sector accounting standard in financial reporting in tertiary institutions could be type of institution and years of experience. These variables are likely to affect accounting officers' mean ratings on the adoption of IPSASs. Type of institution in this research study means all conventional federal universities, polytechnics and colleges of education. Federal tertiary institutions are likely to adopt IPSASs first before the State follows. Odimmega (2015) reported that there was a significant difference in the views of accounting officers in the universities, polytechnics and colleges of education on the use of accounting techniques and standards. The knowledge, experience and expertise of accounting officers may determine the extent the adoption of

IPSAS enhances financial reporting in tertiary institutions. According to Boger in Ile and Odimegwa (2018), Nigerian tertiary institutions do not attract grants from international agencies because of lack of internal transparency and accountability. Boger further stated that experienced accounting professionals can carefully adopt generally accepted principles in preparation of financial statements in order to ensure transparency and accountability of accounting information.

Considering the above views, it seems that the adoption of Accrual Basis International Public Sector Accounting Standards in tertiary educational institutions plays a significant role in improving the capacity of institutions to provide the institutional bodies, citizens, media and other stakeholders with understandable, relevant, reliable, and comparable financial statements. The adoption is aimed at improving the tertiary educational institutions accounting and financial reporting system in consonance with global standards.

Statement of the Problem

The incidence of financial malpractices and concealment of material facts in the financial statements of public and private organizations necessitated the introduction and adoption of International Public Sector Accounting Standards across the world. The IPSASs has been identified

internationally as an effective tool for financial reporting. This is why the Federal Government of Nigeria approved its adoption in both public and private sectors of the economy in July 2010 (International Federation of Accountants (IFAC), 2012). With this directive, private and public organizations are expected to make their financial statements clear and to make full disclosures of all financial transactions.

Despite this directive, public and private organizations seem not to have fully adopted this practice in their accounting transactions. The financial statement prepared by most public institutions especially tertiary educational institutions on the cash basis system of accounting lack disclosure of certain expenses that have earlier been prepaid or accrued especially prepaid tuition fees, caution deposits, development levies, identity card levies and other levies. This makes account officers in tertiary institutions not to report transactions that have entered into excess financial transaction above their budget. This is probably why their financial statements are lacking both in accountability and transparency and fails to meet the diverse needs of the institutions, hence the need for the study on adoption of IPSASs which would convey the same information to users across various tertiary institutions in the world.

Purpose of the Study

The main purpose of this study is to determine the adoption of International Public Sector Accounting Standards (IPSASs) in financial reporting by account officers in tertiary institutions in South-East Nigeria.

Specifically, the study determined the adoption of IPSASs in:

1. reporting assets and liabilities by account officers in tertiary institutions in South East.
2. cash flow management by account officers in tertiary institutions in South East.
3. capturing revenues and expenses by account officers in tertiary institutions in South East.
4. presentation of budget information by account officers in tertiary institutions in South East.
5. internal control system by account officers in tertiary institutions in South East.

Significance of the Study

The results of this study could be of benefit to the government, tertiary institutions and accounting professional, as well as students and future researchers. State governments in the South-East of Nigeria would know from the findings of the study that account officers did not adopt

IPSASs in tertiary institution's financial reporting. This will help government to monitor tertiary institutions financial statements and in the assessment of financial performance as the financial statements will reflect expenses whether paid or not and all income whether received or not. It will also give information on whether income streams are adequate to meet short and long term liabilities and also provide comprehensive information on expenses which help in knowing the cost consequences of policies and enables comparison with alternative policies.

To the tertiary institutions, the findings of this study could help them to adopt IPSAS accrual based system of accounting that will disclose all items of revenues and expenses in the financial statements at the end of every financial year. This will help them to maintain good accounting system which helps in ascertaining the future sustainability of programmes, liquidity position and comprehensive information on the financial position, that is, assets and liabilities of the institutions can better be assessed.

To the accounting professionals, the findings of this study would broaden their knowledge and expose them to the real facts regarding the adoption of IPSASs as against the cash basis of accounting. It bridges the gap left over by cash accounting by inclusion of accrued expenses and revenues (receivables and payables), physical assets, capital work in

progress and depreciation, pension liabilities and provisions, in the accounting system. In the end, the accounting professionals would adjust and key their practice into what is expected of them as professional accountants in the preparation of financial statements.

Finally, students and researchers in accounting field would widen their scope from the information contained in this research work. The results of this study would also be useful for further academic activities and in developing and/or publishing relevant Accounting textbooks on International Public Sector Accounting Standards for national development.

Scope of the Study

The study focused on the adoption of International Public Sector Accounting Standard in financial reporting by account officers in tertiary institutions in South-East Nigeria. The study was delimited to the adoption of IPSASs by account officers in reporting assets and liabilities, cash flow management, capturing of revenues and expenses, presentation of budget information and internal system in tertiary institutions. The study did not cover the following aspects of IPSAS: - treatment of inventories, asset valuation, changes in accounting estimates and errors, financial instrument presentation, among others.

Research Questions

The following research questions guided this study:

1. What are the International Public Sector Accounting Standards (IPSASs) adopted by account officers in reporting assets and liabilities in tertiary institutions in South East?
2. What are the IPSASs adopted by account officers in cash flow management in tertiary institutions in South East?
3. What are the IPSASs adopted by account officers in capturing revenues and expenses in tertiary institutions in South East?
4. What are the IPSASs adopted by account officers in presentation of budget information in tertiary institutions in South East?
5. What are the IPSASs adopted by account officers in internal control system in tertiary institutions in South East?

Hypotheses

The following null hypotheses were tested at 0.05 level of significance:

1. Account officers in universities, polytechnics and colleges of education do not differ significantly in the adoption of International Public Sector Accounting Standards (IPSASs) in reporting assets and liabilities in tertiary institutions in South East.

2. Account officers do not differ significantly in the adoption of IPSASs in reporting assets and liabilities in tertiary institutions in South East on the basis of years of experience.
3. Account officers in universities, polytechnics and colleges of education do not differ significantly in the adoption of IPSASs in cash flow management in tertiary institutions in South East.
4. Account officers do not differ significantly in the adoption of IPSASs in cash flow management in tertiary institutions in South East on the basis of years of experience.
5. Account officers in universities, polytechnics and colleges of education do not differ significantly in the adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East.
6. Account officers do not differ significantly in the adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East on the basis of years of experience.
7. Account officers in universities, polytechnics and colleges of education do not differ significantly in the adoption of IPSASs in presentation of budget information in tertiary institutions in South East.

8. Account officers do not differ significantly in the adoption of IPSASs in presentation of budget information in tertiary institutions in South East on the basis of years of experience.
9. Account officers in universities, polytechnics and colleges of education do not differ significantly in the adoption of IPSASs in internal control system in tertiary institutions in South East.
10. Account officers do not differ significantly in the adoption of IPSASs in internal control system in tertiary institutions in South East on the basis of years of experience.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This chapter deals with a review of related literature. It is presented under the following sub-headings:

Conceptual Framework

Conceptual Framework Model for the Adoption of IPSASs

Adoption

Public Sector Accounting

International Public Sector Accounting Standards

Financial Reporting

Tertiary Institution

Theoretical Framework

Institutional Theory

Agency Theory

Theoretical Studies

Overview of IPSA Standards

Adoption of IPSASs in Reporting of Assets and Liabilities

Adoption of IPSASs in Cash Flow management

Adoption of IPSASs in Capturing of Revenues and Expenses

Adoption of IPSASs in Presentation of Budget Information

Adoption of IPSASs in Internal Control System

Empirical Studies

Reporting of Assets and Liabilities in Tertiary Institution

Cash Flow management in Tertiary Institution

Capturing of Revenues and Expenses in Tertiary Institution

Presentation of Budget Information in Tertiary Institution

Internal Control System in Tertiary Institution

Summary of Review of Related Literature

Conceptual Framework

Conceptual framework refers to a group of concepts which are systematically organized to provide a focus and a rationale for integration and interpretation of information for a study and it is usually achieved in pictorial illustrations (Mbula, Memba & Njeru, 2016). Conceptual framework ties together the interrelationships among a set of variables or interdependent concepts and offers explanation to key issues of empirical studies. The purpose of conceptual framework is to help the reader to quickly see the proposed relationship.

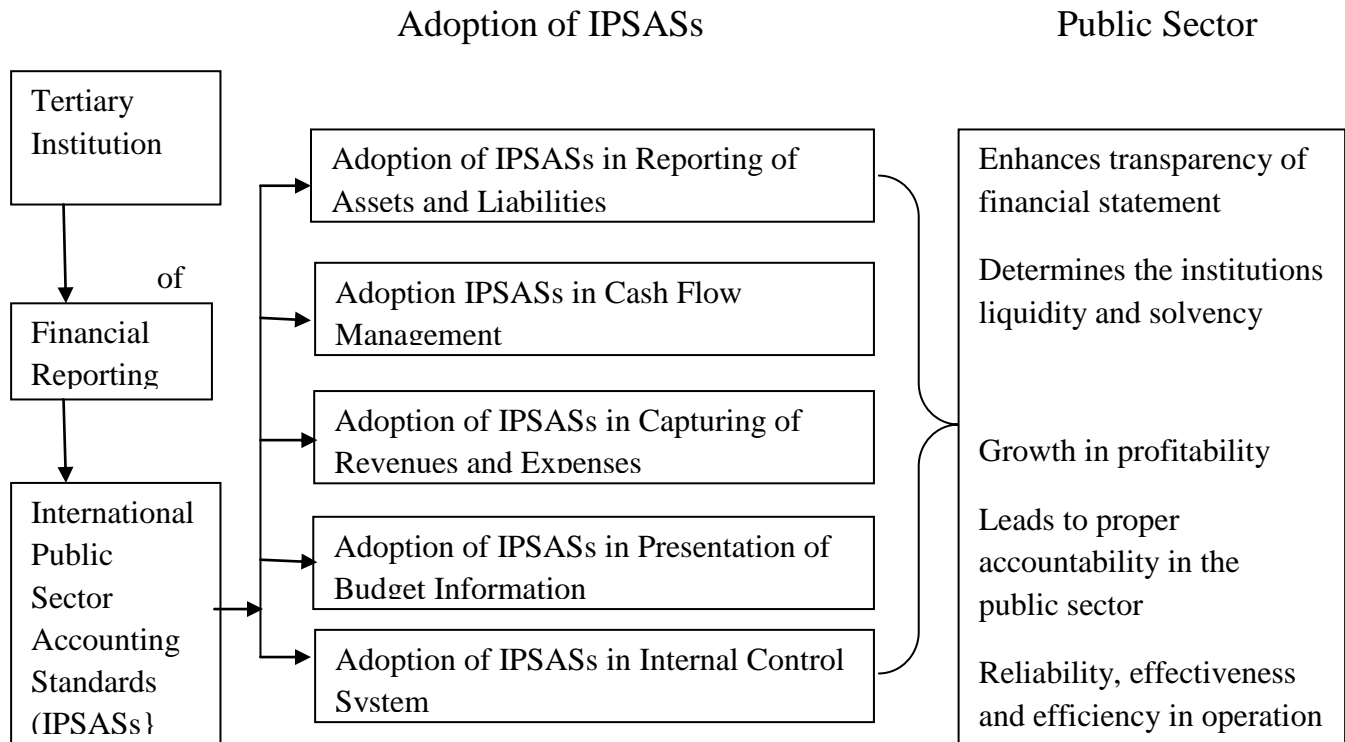


Fig. 1: Conceptual Model for the Study

Figure 1 as designed by the researcher conceptualized that every tertiary institution requires IPSASs in reporting its financial statements. The adoption of IPSASs in financial reporting activities of tertiary institutions will lead to accountability and transparency in financial statements as measured by reporting of assets and liabilities, cash flow management, capturing revenues and expenses, presentation of budget information and internal control system. This has an influence in enhancing transparency of financial statement, determines institutions liquidity and solvency, growth in profitability, leads to accountability, reliability, effectiveness and efficiency

of operation in public sector accounting. It is perceived that when tertiary institutions fully adopt IPSASs in financial reporting, it will enhance and strengthen the institutions financial reporting standards in line with international best practices.

Relevant concepts in the research title are reviewed in this section as follows:

Adoption

Adoption comes from the Old French word *adoptare*, meaning to chose for oneself. Adoption is the noun form of adopt, so it not only refers to legally taking another person into a family, it can be any time one takes something on as one's own. Adoption is the act of accepting with approval; favourable reception; its adoption by society; the proposal found wide acceptance (Houghton, 2016).

According to Laudon and Laudon (2010), adoption is the application or execution of a plan, idea, model, design, specification, standard, algorithm or policy. It is the act or instance of putting something into use; the process of checking out the effectiveness of a plan, programme or design. Adoption is a specified set of activities or standards designed to put into practice an activity or programmes of known dimensions (Fixsen, Blasé, Metz & VanDyke, 2013). According to Fixsen et al, adoption processes are

purposeful and are described in sufficient detail such that independent observers can detect the presence and strength of the "specific set of activities" related to it.

Adoption is the legal process of becoming a non-biological parent, but it also refers to the act of embracing ideas, habits, or free kittens. In the context of this study, adoption is the process of starting to use a new method, new system, new law, among others. It is the implementation of the IPSAS accrual accounting system in line with internationally accepted standards. Adopting a single set of world-wide standards will simplify accounting procedures by allowing an institution to use one reporting language throughout (IASB, 2010). A single standard will also provide investors and auditors with a cohesive view of finances.

Public Sector Accounting

Public sector refers to that segment of the national economy whose activities both economic and non-economic are under the control and direction of the government (Gberegbe & Micah in Ibanichuka & Oyadonghan, 2014). Public sector is that aspect of the economy that produces goods and services with the aim of maximizing the welfare of the populace. Public sector is concerned with providing services to the general public which would not otherwise be available or provided adequately

within the financial resources of any individual members of the public, Bammeke (2012). Public sector consists of organizations where control lies in the hand of the public, as opposed to private owners, and whose objectives involves the provision of services, where profit is not a primary objective.

Public sector accounting is used by all organizations which are not privately owned and operated, but which are established, run and financed by the Government on behalf of the public (Offordile, 2013). Public Sector accounting has been defined as a process of recording, analyzing, summarizing, reporting, interpreting and communicating of financial information about government in aggregate and in details reflecting all transactions involving the receipts, transfer and disbursement of government funds and property (Ishola 2009).

The Association of Accountancy Bodies in West Africa (ABWA) (2009) defined public sector accounting as all the financial documents and records of public institutions that relate to the collection of tax payers money and the analysis, control of expenditure, administration of trust funds, management of government stores, all the financial responsibilities and duties of the relevant organs. Public sector accounting system is the way of

accountability through which the established institutions of the public render stewardship on the revenue of the nation and how it has been disbursed.

According to Adams (2014), public sector accounting refers to all the financial documents and records of public institutions that relate to the collection of tax payers money, and the analysis, control of expenditure, administration of trust funds, management of government stores and all the financial responsibilities and duties of the relevant organs. It is a system of accountability through which the established institutions of the public render stewardship on the revenue of the Nation and how it has been disbursed. It includes the process of recording, analyzing, classifying, summarizing, communicating and interpreting financial information about the public sector in aggregate and in details, recording all transactions involving the receipt, transfer and disposition of public funds and property.

Public sector accounting uses an integrated approach to the study of public sector accounting by linking accounting theory and practice for each of the main areas of financial accounting, management accounting and auditing (Rowan & Maurice, 2010). In the context of this study, public sector accounting is a system or process which gathers, records, classifies and summarizes the financial events and interprets it to provide information to information users.

International Public Sector Accounting Standard

The International Public Sector Accounting Standards (IPSASs) are accounting standards developed by IPSAS Board for all categories of government/public sector around the world in the preparation of financial statements applicable to all levels of government. IPSASs are standards of high quality which serve as catalysts for providing sound and transparent financial statements, thereby improving operational performance, accountability and fair allocation of resources (Acho, 2014).

International Public Sector Accounting Standards (IPSASs) are financial measurement reporting rules recommended for adoption by governments around the world in the preparation of financial statements by public entities. The standards are applicable at all levels of government to harmonize their national standards in response to greater government financial accountability and transparency (Chan in Okere, Eluyela, Bassey & Ajetunmobi, 2017). The adoption of IPSASs is part of strategies for modernization by public sector to improve the level of confidence in the quality and reliability of financial reporting and encourage the provision of information for accountability and transparency.

The IPSASs set out guidance for the structure, minimum requirements, recognition, measurement and disclosure requirements in the

general purpose financial reporting intended to meet the needs of users who are unable to require the preparation of financial reports tailored for their specific needs. IPSASs provides high-quality, independently produced accounting standards, underpinned by strong due process and supported by governments, professional accounting bodies, and international development organizations, representing best practices for governments and not-for-profit organizations.

The International Public Sector Accounting Standards (IPSASs) are a series of 32 financial reporting and accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB), which represents more than 160 member bodies in 120 countries (Mike, 2014). Nowadays, regardless of different financial reporting requirements or financial characteristics, the world talk one accounting language through the adoption of unified International Public Sector Accounting Standards, (IPSASs) and International Financial Reporting standard (IFRS) that enhance comparability and international best practices.

The aim of IPSASs is to enhance the quality of general purpose financial reporting by the public sector which provides better means of assessing the resource allocation function of government and also to increased transparency and accountability in the financial management

duties of both bureaucrats and political office holders. According to Hayfron (2012), IPSASs are high quality reporting standards for the public sector and government business enterprises (GBEs), state owned enterprises (SOEs).

IPSASs are basis for the preparation and presentation of financial statements of public entities. Accounting standards are understood as rules and guidelines on the most general and complete principles, methods of basic accounting procedures, providing the basis for accounting records and financial reporting to achieve an honest, reasonable, and objective assessment of an accounting unit's financial position and operation results.

IPSASs are independently-developed financial reporting standards and are widely considered best practice for public sector organizations, as they impose the most stringent requirements of clarity and transparency.

In the context of this study, International Public Sector Accounting Standard is a modified accrual accounting system adopted by the International Accounting Standard Boards (IASB) to ensure that all revenues and expenditures are properly accounted for to enhance accountability.

Financial Reporting

Financial reporting is the act of communicating financial statements and related information from a business enterprise to third parties (external users) for sound economic decision making. Financial reporting provides

information on management's effectiveness in utilizing the resources and running the enterprise. Financial reporting is the process of producing statements that disclose an organization's financial status to management, investors and the government (Rouse, 2017).

Financial reporting involves the disclosure of financial information to the various stakeholders about the financial performance and financial position of an organization over a specified period of time. These stakeholders include – investors, creditors, public, debt providers, governments and government agencies. According to the International Accounting Standard Board (IASB) (2010), the objective of financial reporting is to provide information about the financial position, performance and changes in the financial position of an enterprise that is useful to a wide range of users in making economic decisions.

According to the Financial Reporting Council (2013), financial reporting is the periodic process of providing information in financial statements (including the notes thereto) about the financial position and performance of a reporting entity to parties (users) external to that entity to assist them in making informed decisions about allocating scarce resources. In the context of this study, financial reporting is essentially a way of following standard practices to give an accurate depiction of a company's

finances, including their revenues, expenses, profits, capital and cash flow for better understanding and appropriate decision making.

Tertiary Institutions

Tertiary institutions connote institutions of higher learning which comprises the universities, polytechnics, and other allied colleges where both undergraduate and post graduates students pursue a degree or diploma and other certificates with the aim of getting a certificate at the completion of their studies (Ibrahim, Adeyemi & Ayeni, 2016). The institutions are established to contribute optimally to national development. This is done by intensifying and diversifying its programmes for the development of both middle and high level manpower within the context of the need for the nation.

Tertiary institution also referred to as post-secondary education is the educational level following the completion of a school providing a secondary education. The World Bank (2017) defined tertiary institution as including universities as well as institutions that teach specific capacities of higher learning such as colleges, technical training institutes, community colleges, nursing schools, research laboratories, centers of excellence and distance learning centers.

Tertiary institutions, according to Modibbo (2015) are institutions of higher learning where knowledge is imparted to its seekers and researches are undertaken in various fields of human endeavor. Modibbo further asserted that tertiary institutions provide educational services and counselling to the general public at the right time. To achieve this objective, these institutions incur expenditures both of capital and recurrent nature.

According to the Federal Government of Nigeria (2013), tertiary institutions include universities, polytechnics and colleges of education, monotechnics and research institutions. They are established to meet the nations' need for socio-economic development through knowledge sharing, research and development (Asogwa, Etim & Etukafia, 2017). In the context of this study, tertiary institutions are institutions that offer undergraduate and postgraduate education which prepares individuals to be active members of their communities and societies. Tertiary education is instrumental in fostering growth and reducing poverty.

Theoretical Framework

The theoretical framework of this study is based on institutional theory and agency theory.

Institutional Theory

The institutional theory, propounded by DiMaggio and Powell in 1983, considers organizations as operating within a social framework of norms, values and assumptions about what constitutes appropriate or acceptable economic behaviour. The basic assumptions about institutional theory include: (1) adoption of structures and management practices that are considered legitimate by other organizations in their fields, regardless of their actual usefulness: (2) organizations responding to pressures from their institutional environments and adopting structures/or procedures that are socially acceptable and appropriate organizational choice; and (3) organizations conforming to predominant norms, traditions and social influences in their internal and external environments which will promote governments that gain support and legitimacy by conforming to social pressures. From the perspective of the public sector, legitimacy might be pursued from other national governments, international organizations and groups of interest.

The institutional theory states that changes in management practice or culture of an institution to new ones (example: from the traditional cash accounting to accrual based IPSAS) do not occur primarily because of the efficiency or usefulness of the new style adopted but as a result of some

institutional pressure. Three mechanisms through which institutional isomorphic change takes place have been identified: (1) coercive isomorphism which stems from external factors like international organizations dictating the use of certain style of management to governments.

The adoption of IPSAS by developing countries to a larger extent is influenced by external factors such as foreign investors, International accounting firms, and international financial organization among others; (2) mimetic isomorphism which is standard response to uncertainty and following the actions of perceived more successful organizations. As such uncertainty in tertiary institution financial system in managing their finances and inability to matching financial assets and liabilities in terms of amounts and timing might have necessitated government to emulate other public entities that are more legitimate and successful; and (3) normative isomorphism which is associated with professionalization and is concerned with cultural innovations to adopt new styles that are considered superior to the one being used. Professional bodies exhibit similar traits to their professional counterparts in that they mimic each other. These professional bodies to a larger degree influence greatly their counterparts.

The relevance of the institutional theory in this study is that changes in organizational structures or style (such as accounting rule choice) do not occur because of the benefits associated with the new style but such changes do occur as a result of the three mechanisms posited above, that is coercive, mimetic, and normative isomorphism. The institutional theory, though relevant to the present study does not emphasize on accountability in financial reporting. It focused only on organizational structure. To fill the gap, agency theory is considered.

Agency Theory

The agency theory was established by Jensen and Meckling in 1976. Agency theory (also known as the principal-agent or principal agency theory/model) describes the relationship between two or more parties, in which one party, designated as the principal, engages another party, designated as the agent, to perform some task on behalf of the principal. The theory assumes that once principals delegate authority to agents, they often have problems controlling them, because agents' goals often differ from their own and because agents often have better information about their capacity and activities than do principals. The difficulty that arises from the principal-agent relationship is that it is not possible for principals to contractually define everything that the agent should do in every conceivable

situation. The ideal or complete contract is impossible due to bounded rationality. The problems arising from the principal-agent relationship may be exacerbated by three factors: hidden information, sunk costs and opportunism.

Jensen and Meckling (1976) stated that the separation of ownership and control has resulted in an agency problem as the managers who act as agents might not always act in the best interests of the shareholders or owners, who are the principals of the firm. This might be due to the interests of both parties which are not aligned. Agency problem results in agency costs, which are the costs of the separation of ownership and control. Agency costs have been defined as the sum of the monitoring expenditures by the principal, the bonding expenditures by the agent and the residual costs. Agency costs therefore arise from the divergence of interests between shareholders and company managers; it includes the monitoring costs, bonding costs, residual loss and costs of free cash flow and debt. The agency problems arise because managers will not solely act to maximize the shareholders' wealth, they may protect their own interests or seek the goal of maximizing companies' growth instead of earnings while making decisions. Jensen and Meckling suggested that the inefficiency may be reduced as managerial incentives to take value maximizing decisions increased.

The agency theory is used to provide a coherent explanation or rationale for IPSASs adoption in any governance jurisdiction. The agency perspective resonates from the separation of ownership and control in a modern corporation and the fears that the interest of the owners (the principal) and agent (the managers) may not cohere. Accordingly, the theory presumes tension between the principal and the agent, thereby creating the demand for tension diffusion mechanisms. The use of published financial statements is one of such mechanisms. The view of the agency theory from the public sector perspective, is that, a government official is elected or appointed to act on behalf of the public as an agent, performing the work of directing and controlling resources on behalf of the public (principal).

The agency theory, therefore, calls for a strong public accountability between the agent and the principal which can be done through the use of a comprehensive financial statement exemplified by IPSAS. Public accountability is a function of the capabilities of principals to judge the performance of their agents. The agency theory has proven to be a flexible and useful approach for interpreting the effects of institutional arrangements on the accountability of public decision makers and public policy. It is also presented in this study as core to the understanding of how IPSAS could improve on accountability in public sector financial reporting.

Theoretical Studies

This section was discussed in line with the following sub-headings:

Overview of IPSA Standards

The International Public Sector Accounting Standards (IPSASs) are a series of financial reporting and accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB). Currently, there are 32 accrual basis IPSASs (Federal Republic of Nigeria, 2015). If a standard does not exist for a particular area, the organization is encouraged to look for pronouncements of the International Accounting Standards Board (IASB) including International Financial Reporting Standards (IFRS) for relevant guidance. The IFRS and other guidance standards are developed by standard setting bodies. This policy framework is based on the requirements of the IPSA Standards.

According to FRN (2015), the summary of IPSASs Accrual Basis issued to date relative to the purpose of the study includes the following:

1. **IPSASs 1 Presentation of Financial Statements:** Sets out the overall considerations for the presentation of financial statements; offers guidance for the structure of these statements and minimum requirements for their content under the accrual basis of accounting. It is based on International Accounting Standards (IAS) 1.

2. **IPSASs 2 Cash Flow Statements:** Requires the presentation of information about the historical changes in a public sector entity's cash and cash equivalents using a cash flow statement during the financial period from operating, investing and financing activities. It is based on International Accounting Standard (IAS) 7.
3. **IPSASs 9 Revenue from Exchange Transactions:** Establishes the conditions for the recognition of revenue arising from exchange transactions, requires such revenue to be measured at the fair value of the consideration received or receivable, and includes disclosure requirements. It is based on IAS 18.
4. **IPSASs 19 Provisions, Contingent Liabilities and Contingent Assets:** Establishes requirements for the recognition of provisions, and the disclosure of contingent liabilities and contingent assets. This standard ensures that only genuine obligations are dealt with in the financial statements. It is based on IAS 37.
5. **IPSASs 23 Revenue from Non-Exchange Transactions:** Deals with issues that need to be considered in recognizing and measuring revenue from non-exchange transactions, which are the main source of the United Nations revenue. No corresponding IFRS.

6. IPSASs 24 Presentation of Budget Information in Financial

Statements: Requires a comparison of budget amounts and the actual amounts arising from execution of the budget to be included in the financial statements of entities that are required to or elect to make publicly available their approved budget(s) and for which they are therefore held publicly accountable. No corresponding IFRS.

Adoption of IPSASs in Reporting Assets and Liabilities

According to the Statement No. 4 of the Financial Accounting Standard Board (FASB) (2010), assets are probable future economic benefits obtained or controlled by a particular entity as a result of past transactions or events. In real terms, assets are resources owned by a business or government. Examples of assets are cash, investments, land, buildings, roads, equipment, accounts receivables, inventories, capital assets (current financial resources) (Alba, 2014). Assets are resources controlled by an entity as a result of past events and from which future economic benefits or service potentials flow to an entity (Federal Republic of Nigeria, 2015). This implies that an asset is something that an institution can exercise control over and that future economic benefits must be expected.

According to the IFRS (2015), assets are divided into current and non-current assets. Current assets are cash and other assets expected to be

converted to cash or consumed either in a year or in the operating cycle (whichever is longer), without disturbing the normal operations of a business. These assets are continually turned over in the course of a business during normal business activity. Non-current assets are also referred to as property, plant and equipment (PPE). These are purchased for continued and long-term use in earning profit in a business. This group includes land, buildings, machinery, furniture, tools, information technology (IT) equipment (like laptops) and certain wasting resources (timberland and minerals). They are written off against profits over their anticipated life by charging depreciation expenses (with the exception of land assets).

Tertiary institutions' assets are the accumulated fiscal investments from the State in order to support higher education development. Institution assets serve as the support for higher education development, as well as the foundation and guarantee for tertiary institutions engaging in teaching, scientific research, and management (Wang, 2015). They are significant for improving higher education quality, enhancing the competitiveness of educational institutions, and achieving sustainable development of higher education. With the rapid development of modern tertiary institutions, the constantly increasing national investment and the annually enlarging size of institution assets highlight the importance of assets management and

reporting. Asset management increases efficiency with automated processes for adding and disposing of assets, transferring assets and modifying asset records. Accrual accounting requires organizations to maintain complete records of assets and liabilities to facilitate better management.

According to the Statement No. 6 of the Financial Accounting Standard Board (FASB) (2010), liabilities are probable future sacrifices of economic benefits arising from present obligations of a particular entity to transfer assets or provide services to other entities in the future as a result of past transactions or events. In real terms, liabilities are the rights of creditors or debtors of a business (Alba, 2014). Liabilities are present obligations of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity's resources embodying economic benefits or service potential. A liability becomes such when an organization has an obligation to another party, and the only way to discharge this obligation is to part with cash or other asset(s) (Steve, 2011).

According to the International Financial Reporting Standards (IFRS), (2015), liabilities are classified into current, non-current and contingent liabilities. Current liabilities, also known as short-term liabilities, are debts or obligations that are due within one year. Current liabilities are closely watched by management to make sure that the company possesses enough

liquidity from current assets to ensure that the debts or obligations can be paid off. Examples of current liabilities: accounts payable, interest payable, income taxes payable, bills payable, bank account overdrafts, accrued expenses and short-term loans. Current liabilities are used as a key component in several short-term liquidity measures.

Non-current liabilities, also known as long-term liabilities, are debts or obligations that are due in over a year's time. Long-term liabilities are an important source of a company's long-term financing. Companies take on long-term debt to acquire immediate capital to fund the purchase of capital assets or invest in new capital projects. Long-term liabilities are crucial in determining a company's long-term solvency. List of non-current liabilities include: bonds payable, long-term notes payable, deferred tax liabilities, mortgage payable and capital lease. Contingent liabilities are liabilities that may occur depending on the outcome of a future event. Therefore, contingent liabilities are potential liabilities. In accounting standards, a contingent liability is only recorded if the liability is probable and the amount can be reasonably estimated. List of contingent liabilities: lawsuits and product warranties (IFRS, 2015).

Liabilities and assets are characterized as rights and obligations. Rights are the rights to receive future economic benefits in the form of cash

inflows (resources coming into the organization). Obligations are transfers of economic benefits in the form of cash outflows (resources going out of the organization). So, for something to be a liability, a right or obligation must exist (Steve, 2011). Recognizing a liability in the financial statements has an impact on the financial results for the accounting period. If one recognize a liability inappropriately, one disproportionately increase one's costs (inflate one's asset depending on where the corresponding debit entry has gone to). This increase misleads users into thinking that costs, or assets are higher than they actually should be. So understanding exactly when to recognize a liability and how to account for it correctly is vital.

The reporting disclosures of assets and liabilities in an entity's financial statements are measured at fair value. Assets and liabilities measured at fair value are first broken down into two broad categories: those that are measured at fair value on a recurring basis subsequent to initial recognition, such as trading securities; and those that are measured at fair value on a nonrecurring basis, for example, impaired assets (FASB 2010). Within these two segments, assets and liabilities are then divided among the appropriate classification level, according to the hierarchy.

When assets and liabilities are measured at fair value on a recurring basis, specific reporting requirements for each interim and annual period are

necessary. The purpose of these disclosures is to enable users to assess the inputs used to develop the measurements (FASB 2010). These disclosures include: (1) the reporting date; (2) level of classification within the fair value hierarchy (Level 1, Level 2, Level 3); (3) for Level 3 assets/liabilities, a reconciliation of the beginning and ending balances, including total gains and losses; purchases, sales, issuances, and settlements; and transfers in and out; (4) total gains or losses included in earnings that are attributable to a change in unrealized gains/losses relating to the reported assets/liabilities, as well as a description of where these unrealized gains/losses are reporting in financial statements; and (5) on an annual basis, a description of the valuation techniques used and any changes from prior periods (FASB, 2010).

The disclosure requirements for those assets and liabilities whose fair value is measured on a nonrecurring basis differ slightly from those that are measured regularly (FASB, 2010). Overall, the reporting requirements are less detailed, as these assets' and liabilities' fair values are less likely to become impacted as often as an item like a trading security. These disclosure requirements include: (1) any fair value measurements recorded during the reporting period and the reasons for the measurements; (2) the asset's/liability's level of classification within the fair value hierarchy (Level

1, Level 2, Level 3); (3) for Level 3 assets/liabilities, a description of the inputs used and the information used in developing the inputs; and (4) annually, a description of the valuation techniques used and any changes in them.

The full disclosure of all assets, liabilities (including long-term obligations of government - pension obligations) and contingent liabilities is vital for assessing the true economic implications of public sector financial management. This encourages government leaders to make decisions that focus on long-term sustainability of government operations (IFAC, 2014).

Accruals accounting requires the recognition of all assets and liabilities which meet the definition of assets and liabilities and satisfy the criteria for recognition of assets and liabilities (Brussels, 2013). However, this does not preclude an entity from choosing to move to the full accruals basis by recognizing assets and liabilities in stages. For example, it is possible to focus first on the recognition of short-term assets and liabilities such as debtors and creditors. The recognition of property, plant and equipment would often occur next, although the recognition of property, plant and equipment may occur in stages with those assets that are readily identified and measured being recognized first.

The adoption of accrual accounting would aid the monitoring of government debt and liabilities for their true economic implications. Accrual accounting improves decision making by providing information on full cost of operations and resources used to deliver services to the public and information on assets and liabilities at the end of accounting period (Rkein, 2008). The consolidated statement of financial statement position (assets and liabilities) as at 31st December, 20XX is shown in Appendix A on page 161.

Adoption of IPSASs in Cash Flow Management

Cash flow management refers to the management of an entity's cash to ensure sufficient cash to sustain the entity's daily operations, finance continued growth and provide for unexpected payments while not unduly forfeiting profit owing to excess cash holdings (Avika, 2014). According to Pandey in Akinyomi (2014), cash flow management is defined as a practice of the ability of controlling the cash inflows and outflows in a business. It also entails the ability to establish the cash balances that are held in a business at all times.

The cycle of cash inflows and outflows determine the business solvency. Cash flow analysis helps to maintain adequate cash flow for the business and to provide the basis for cash flow management (Noor , Nour Musa & Zorqan, 2012). Cash out flow is the total amount of outgoing cash

from a business in a given period of time. Cash out flow includes expenses such as salaries, supplies and maintenances and servicing debts. Cash inflow refers to funds received by a business due to sales, financing or investments. Cash inflows are used to gauge the overall financial health of a business and a business with a large and stable cash flow can be considered to be in a good financial position.

Authors like Powers and Needles (2011); Ateba and Faan (2014), have indicated that cash flow involve three main elements or activities. These activities involve the operating, financing and investment activities. The operating activities give an idea of how much cash an organization must have generated from its day-to-day delivery of its products and services. This number can and should be compared with the operating income on the income statement.

Cash inflows from operating activities include: cash receipts for the sale of goods or services, cash receipts for the collection of sale of goods or services, cash interest received, cash dividends received and other cash receipts not directly identified with financing or investing activities. Operating activities is however also accompanied by cash out flow factors which include: cash payments for trade goods purchased for resale or use in manufacturing, cash payments for notes to suppliers or trade goods, cash

payments to other suppliers and to employees, cash paid for taxes, fees, and fines, and interest paid to creditors (Ateba & Faan, 2014).

Financing activity shows whether and how much of the operating and investment activities have been financed by outside sources of finance through debt and equity. This can also mean obtaining resources from stockholders and providing them in return with dividends for their investments, and borrowing money from creditors and repaying the amount borrowed (Powers & Needles, 2011). Cash inflow from financing activities includes cash proceeds from the sale of stock, cash receipts from borrowing, and cash receipts from contributions and investment income that donors restricted for endowments or for buying, improving, or constructing long-term assets. cash outflows from financing activities include the following, cash disbursed to repay principal on long and short-term debt, cash paid to reacquire common and preferred equity instruments, dividends paid to common and preferred stockholders.

The last category is investing activity. This category of the cash flow details how much cash the business made and used in making investments in other businesses, such as the purchase of stocks or bonds of another organization. This category may also include the purchase and sale of productive assets, such as manufacturing equipment (Power & Needles

2011; Ateba & Faan, 2014). Cash in flow from investing category include; collections of principal on debt instruments of other entities, cash proceeds from the sale of equity investments, and cash received from the sale of productive assets. Cash outflows from investing activities are as follows: Cash paid to acquire debt instruments of other entities, cash payments to buy equity interest in other entities, and disbursements made to purchase productive assets.

The IPSASs Standard No. 2 recognizes two methods of preparing cash flow that is direct method and indirect method (IFAC, 2015). Under the direct method, major classes of gross cash receipts and gross cash payments are disclosed. While under indirect method, net surplus/deficit is adjusted for the effect of, for instance transactions of non cash nature like depreciation. Entities using direct method should provide a reconciliation of the surplus/deficit with the net cash from operating activities. IPSAS however, recommends direct method (The Certified National Accountant, 2015).

The presentation of cash flow statements according to IFAC (2015) calls for organizations to provide information regarding historical changes in the organizations' cash and cash equivalents. The required information must identify the sources of cash inflows, the items on which cash was expended during the period, and the cash balance as at the reporting date. This cash

flow information reveals how the public sector entity raise cash to fund activities and how, specifically, the cash was spent. Information about the cash flows of an entity is useful in providing users of financial statements with information for both accountability and decision making purposes. Cash flow information allows users to ascertain how a public sector entity raised the cash required to fund its activities and the manner in which that cash was used. In making and evaluating decisions about the allocation of resources, such as the sustainability of the entity's activities, users require an understanding of the timing and certainty of cash flows (IFAC, 2012).

The cash flow statement should report cash flows during the period classified by operating, investing and financing activities (Cretu, Sîrbu, Gheonea & Constandache, 2011). The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the entity are funded by way of taxes (directly and indirectly) or from the recipients of goods and services provided by an entity. The amount of the net cash flows also assist in showing the ability of an entity to maintain its operating capability, repay obligations, pay dividend to its owners and make new investments without recourse to external sources of financing.

The cash flow statement identifies (a) the sources of cash inflow, (b) the items on which cash was expended during the reporting period, and (c)

the cash balance as at the reporting date. Information about the cash flows of an entity is useful in providing users of financial statements with information for both accountability and decision-making purposes (IFAC, 2012). Cash flow information allows users to ascertain how an entity raised the cash required to fund its activities, and the manner in which that cash was used. In making and evaluating decisions about the allocation of resources, such as the sustainability of an entity's activities, users require an understanding of the timing and certainty of cash flows. The objective of this standard is the provision of information about historical changes in cash and cash equivalents of an entity by means of a cash flow statement that classifies cash flows during a period from operating, investing, and financing activities.

An entity that prepares and presents financial statements shall prepare a cash flow statement in accordance with the requirements of this Standard, and shall present it as an integral part of its financial statements for each period for which financial statements are presented (IPSASB, 2017). Information about cash flows may be useful to users of an entity's financial statements in (a) assessing the entity's cash flows, (b) assessing the entity's compliance with legislation and regulations (including authorized budgets

where appropriate), and (c) making decisions about whether to provide resources to, or enter into transactions with, an entity.

Users are generally interested in how an entity generates and uses cash and cash equivalents. This is the case regardless of the nature of an entity's activities and irrespective of whether cash can be viewed as the product of the entity, as may be the case with a financial institution. Entities need cash for essentially the same reasons, however different their principal revenue producing activities might be. They need cash to pay for the goods and services they provide and consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. Accordingly, this Standard requires all entities to present a cash flow statement (IPSASB, 2017).

According to Hennie, Darrel and Simonet (2011), the statement of cash flow is an integral part of the analysis of an entity because it enables the analyst to determine the following:

- a. The ability of an institution to generate cash from its operations;
- b. The cash consequences of investing and financing decisions;
- c. The effects of management's decisions about financial policy;
- d. The sustainability of an institution's cash generating capability;
- e. How well operating cash flow correlates with net income;

- f. The impact of accounting policies on the quality of earnings;
- g. Information about the liquidity and long term solvency of an institution;
- h. Whether or not the going concern assumption is reasonable and
- i. The ability of an institution to finance its growth from internally generated funds (Hennie, Darrel & Simonet, 2011: 39).

A cash flow statement provides means by which an institution can discharge its accountability for cash inflows and cash outflows during the reporting period. A cash flow statement, when used in conjunction with other financial statements, provides information that enables users to evaluate the changes in net assets/equity of an entity, its financial structure (including its liquidity and solvency), and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities (Ateba & Faan, 2014). Cash flow enhances the comparability of the reporting of operating performance by different institutions, because it eliminates the effects of using different accounting treatments for the same transactions and other events. The consolidated cash flow statement for the year ended 31st December, 20XX is shown in Appendix B on page 162.

Adoption of IPSASs in Capturing of Revenues and Expenses

The International Federation of Accountants (IFAC) (2015) defined revenue as the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets/equity, other than increases relating to contributions from owners. It includes only the gross inflow of economic benefits or service potential received or is receivable by the entity on its own account. Those amounts collected by an agent of the government/organization or on behalf of third parties are not considered as revenue. For example, the collection of union dues from employees on behalf of the union is not revenue to the entity and should be excluded from its revenue.

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners. The treatment of government expenses, for example, is impacted in terms of both measurement and timing for recognition in financial statements (Rouvet, Schumesch & Duval, 2013). Expenses must be recognized at the time the underlying economic event occurs and will include transactions for which cash payments have not yet been made. Increased effort will be required to analyze a large volume of

transactions to determine the appropriate accounting treatment. The timing of revenue recognition will also be impacted as governments will need to match with the revenue-generating activity and properly reflect the terms and conditions of grants and other cash payments received.

Revenue and expenses are recognized for financial reporting purposes when all elements of the definitions and the recognition criteria (probability and measurability) for revenue and expenses are satisfied. According to the International Public Sector Accounting Standard Board (IPSASB) (2017), common types of revenue for public sector entities include:

- a) Non-exchange revenues: direct and indirect taxes; duties; fees and fines; and other non-reciprocal transfers;
- b) Exchange revenues: sales of goods or services; dividends; interest; and net gains arising from the sale of assets; and
- c) Other gains.

Common types of expenses for public sector entities include:

- a) personnel (employee-related) expenses;
- b) cost of goods sold/services provided;
- c) physical asset use (depreciation and loss of service potential);
- d) rental and leasing costs;
- e) maintenance;

- f) interest;
- g) expenses relating to financial assets;
- h) transfers (including grants and donations) to other governments, organizations and individuals; and
- i) other losses: angles in market value; and foreign exchange losses.

The amount of work required to recognize revenues and expenses on an accrual basis depends on the extent to which an entity already has information available on those assets (IPSASB, 2017). The key IPSAS provisions for revenue recognition according to FRN (2015) stated that revenues are recognized when the outcome of a transaction involving the rendering of services can be estimated reliably. The outcome of a transaction can be measured reliably when:

1. it is possible that the economic benefits or service potential associated with the transaction will flow to the entity;
2. the following can be measured reliably:
 - a. the amount of the revenue
 - b. the stage of completion of the transaction at the reporting date and
 - c. the costs incurred and the costs to complete (FRN, 2015: 33).

The key IPSAS provisions for expenses recognition according to FRN (2015) stated that the full accrual basis recognizes expenses when service

potential or future economic benefits are consumed or otherwise diminished. For example, the costs of assets that embody future economic benefits or service potential are deferred on acquisition and are allocated to the periods in which they are used. For grants, the recognition criteria would be when the eligibility criteria have been met and the amounts can be estimated reliably (FRN, 2015: 61).

General steps in the recognition of revenues and expenses include:

- a) compiling a list of all types of revenues and expense relevant to the entity;
- b) determining the categories of revenues and expense to be used in the chart of accounts and the financial statements;
- c) preparing accounting policies for each category of revenue and expense;
- d) assessing the accuracy and completeness of existing information on each category;
- e) establishing systems to support the recognition of revenue and expense items or developing interim measures to provide reasonable estimates of revenue and expense items. The establishment of systems may be evolutionary. An entity may gradually adapt its recording

systems to improve the accuracy and reliability of information concerning revenue and expense items (IPSASB, 2017).

The major source of revenue of tertiary institutions is the tuition fees. Tuition fees is recognized on the due date for the receipt of fees and apportioned over the term of the students on a time proportion basis (Rai, 2013). Generally, tuition fees are received on a periodic basis (monthly, quarterly, half yearly or annually) in advance as per the semester period followed by the institution. In case of day scholars, it may be received on monthly basis, while in the case of boarders, it may be received half yearly. Therefore, at the end of the financial year, there is always a portion of the fees, which may pertain to the period falling in the next financial year. The fees pertaining to the next financial year should not be booked as income during the year, but should be shown as Advance Fees received from students under the head “Current liabilities” and should be charged off to Income and Expenditure Account in the next financial year.

Tertiary institutions charge fees from the students for the hostel facility in addition to the tuition and other fees. It is quite possible that the hostel fees will exceed the tuition fees many fold. Consequently, the hostel fee takes a very important pie in the total revenue. The hostel may be run by tertiary institution itself or on contract basis by an outside party. Normally, a

consolidated fee is charged from the students for hostel as well as tuition fee (Rai, 2013). The hostel fee (whether separately charged or not) is collected in advance from the students along with the tuition and other fees. In case the hostel is run in-house, separate set of books of account may be maintained for the hostel. The expenditure for running the hostel is booked as and when incurred. In cases where the hostel fee is charged separately, it will be possible to identify the income from running of the hostel. In such a case, at the year-end, a separate set of financial statements may be prepared to ascertain the total surplus/deficit from such activities. Care should be taken while auditing such financial statements that the matching concept has been consistently followed.

Tertiary institution incurs expenditure on educational and academic expenditure which includes all costs of providing the faculty with the physical supplies for imparting education to students, such as stationery, teaching aids, computer rentals, laptops, travelling, field trips, laboratories, equipment repair and maintenance, scholarships, medical facilities, fees to visiting faculties and consultants, sports expenses, recreational facilities, celebration expenses for Founder's Day, Annual Day, among others. According to FRN (2015), an entity (tertiary institution) should present, either on the face of the statement of financial performance or in the notes to

the statement of financial performance, an analysis of expenses using a classification based on either nature of expenses or their function within the entity, as appropriate. The consolidated statement of financial performance (income and expenditure) for the year ended 31st December, 20XX is shown in Appendix C on page 163.

Adoption of IPSASs in Presentation of Budget Information

Any focused organization either in the private or public sector must put in place a plan of its activities on how to generate financial resources and how to allocate or commit the resources in an efficient manner. The purpose is to achieve the predetermined target or goal in a particular period. This plan is usually referred to as a budget. It is a kind of blueprint that guides an organization to focus mainly on financial resources for expected results in a defined period. The Chartered Institute of Management Accountants (CIMA) in Adah and Mamman (2013) defined budget as a plan quantified in monetary terms, prepared and approved prior to a defined period of time, usually showing planned incomes to be generated or expenditure to be incurred during that period, and the capital to be employed to attain a given objective.

Budget is therefore a formal expression of an organizations plans, goals, and objectives which cover all aspects of the operations for a

designated time period usually one year. It is a tool used in providing organizational target and directions. Walter (2009) saw budget as a financial statement, a monetary statement or quantitative course of action prepared and approved before a given period of time stating the policies to pursue during the time and ways of achieving the target. Abdullahi (2011) described budget as the plan, forecast, standard, or even prediction depending on the nature of the organization. Reviewing these various opinions, explanations and or descriptions, budget can therefore be summarized as a conscious and objective financial and related non financial plans and guidelines of an organization to achieve a specified level of activities in a specific period.

The broad objective of budget preparation is to integrate the decision to achieve a plan. Some specific reasons for preparing budget according to Abdullah (2011) include (i) to coordinate the activities of various parts of organization, (ii) to ensure that parts are in harmony with each other, (iii) to aid the planning of the period operations, (iv) to communicate plans to the various responsibility, (v) to control activities, (vi) to evaluate the performance of officers, (vii) to motivate officers and managers to strive to achieve the organizational goal.

The aim of a budget is to articulate a realistic plan of action taking into consideration all the necessary variables (that may affect its success or

failure) with the strong determination to achieve a specific goal. The budget is usually for a defined period of time, say one year and is referred to as annual budget. The annual budget can be broken down by month for say the first three months where quarterly budget could be developed and monitored (Watoseniyi in Adah & Mamman, 2013).

The budget preparation and presentation, setting up committee, reviewing the budget for compliance and amendment, then implementation, monitoring and control activities are to ensure that realistic performance is achieved within the budget period (Abdullah, 2011). Measuring budget performance in government tertiary institutions mainly entails setting of realistic standards, implementing and monitoring, comparing the actual achievements with predetermined objectives and controls for any variance that may occur. In practice, the stages of budget preparation will include among others: (i) determining the limiting factors, (ii) negotiation of budget with those responsible for the implementation and superior officers and (iii) coordination and review of functional budgets. The inclusion of these factors becomes obvious in order to ensure that the budget performance is satisfactory. Another obvious defect is the inability of the system to define actual performance in the year under review. In spite of these logical procedures in the process of preparing, presentation and implementation of

the incremental budgeting system, its acceptability and mainly performance are not satisfactory (Bammeke, 2008; Adams, 2009 and Abdullahi, 2011). The reservation is that, adequate attention is not given to the budgeting system in terms of performance. Besides, the same monotonous process is always adopted every year without taking notice whether or not the method is providing satisfactory results.

In Nigerian tertiary institutions, the commonest approach used in preparing budget is incremental budgeting (IB). As the name implies, it is a method where the previous year budget figures will be reviewed, usually upward to accommodate any expected increase in the following year's budget. For this approach, the only source for preparing the budget is the use of preceding year's budget figures taken little or no cognizance of other determining factors; not even with the current or previous two years' actual financial achievement/figures because hardly they will be available.

Budgeting in public institutions is normally a hierarchical process which starts at the sub-unit level and ends at the "apex" of the hierarchy, which could be outside the organization itself. Often, there are several tiers between these two levels of the budgetary hierarchy (Gachithi, 2010). Before accounting officers prepare their estimates, the Treasury would issue circular advising them on the procedures and guidelines to be followed in

preparing the estimates. The guidelines include, among other things, 'ceilings' on individual votes. A ceiling is the maximum allowed rate of growth of a budget head. The institution would request the department to prepare their budget proposals which were sent to finance department for preparation to be forwarded to budget committee. The budget committee would go through the submission and prepares the draft budget. The draft budget would be submitted to management board for consideration before it is forwarded to the Treasury.

When the Treasury received the ministerial estimates, they would study to ascertain that they conform to the instructions contained in the issued Treasury Circulars. Once this is done, a meeting is arranged with the relevant officers of the ministries concerned in order to discuss their draft estimates. Once the proposals have been discussed and agreed upon by the Treasury, the estimates are printed in readiness for presentation to parliament (Gachithi, 2010).

To ensure that public sector entities discharge their accountability obligations and enhance the transparency of their financial statements by demonstrating compliance with the approved budget for which they are held publicly accountable and, where the budget and the financial statements are prepared on the same basis, their financial performance in achieving the

budgeted results (IPSASB, 2017). IPSAS section 24 applies to public sector entities that are required or elect to make publicly available their approved budget.

According to the IFAC (2015), subject to the requirements of paragraph 21, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with International Public Sector Accounting Standards. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- (a) The original and final budget amounts;
- (b) The actual amounts on a comparable basis; and
- (c) By way of note disclosure, an explanation of material differences between the budget for which the entity is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements and a cross reference to those documents is made in the notes.

When the budget and financial statements are not prepared on a comparable basis, a separate Statement of Comparison of Budget and Actual Amounts is presented. In these cases, to ensure that readers do not

misinterpret financial information which is prepared on different bases, the financial statements could usefully clarify that the budget and the accounting bases differ and the Statement of Comparison of Budget and Actual Amounts is prepared on the budget basis (IPSASB, 2017).

In those jurisdictions where budgets are prepared on the accrual basis and encompass the full set of financial statements, additional budget columns can be added to all the primary financial statements required by IPSASs. In some jurisdictions, budgets prepared on the accrual basis may be presented in the form of only certain of the primary financial statements that comprise the full set of financial statements as specified by IPSASs – for example, the budget may be presented as a statement of financial performance or a cash flow statement, with additional information provided in supporting schedules. In these cases, the additional budget columns can be included in the primary financial statements that are also adopted for presentation of the budget. The consolidated budget report for the year ended 31st December, 20XX is shown in Appendix D on page 164.

Adoption of IPSASs in Internal Control System

The Internal Control System is about such measures put in place by an institution in order to ensure the achievement of its objectives. It is a set of policies and procedures adopted by an entity to ensure that an organization's

transactions are processed in the appropriate manner to avoid waste, theft, and misuse of organization resources (Ndifon & Patrick, 2014). The effectiveness of internal control is a determinant of the quality, performance, and efficiency of the institutions. Internal Control is a process designed and effected by those charged with governance, management, and other personnel to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of the financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Committee of Sponsoring Organizations of the Treadway Commission (COSO, 2013) defines internal control as a process, affected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. According to COSO (2013), five components of internal control include:

- a) **Control Environment** – a set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control and expected standards of conduct.

- b) **Risk Assessment** – a dynamic and iterative process for identifying and analyzing risks to achieving the entity’s objectives, forming a basis for determining how risks should be managed. Management considers possible changes in the external environment and within its own business model that may impede its ability to achieve objectives.
- c) **Control Activities** – the actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity and at various stages within business processes, and over the technology environment.
- d) **Information and Communication** – necessary for an entity to carry out internal control responsibilities in support of achievement of its objectives. Communication occurs both internally and externally and provides the organization with the information needed to carry out day-to-day internal control activities. Communication enables personnel to understand internal control responsibilities and their importance to the achievement of objectives.
- e) **Monitoring** – ongoing evaluations, separate evaluations, or some combination of the two used to ascertain whether each of the five components of internal control, including controls to effect the

principles within each component, are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner, with serious matters reported to senior management and to the board of directors.

Internal Control System, like in other organizations, is usually put in place to ensure that the objectives of tertiary institutions are achieved. Tertiary institutions therefore provide for internal audit functions through uniform accounting and audit manuals. Ojong (2013) reasoned that the effectiveness of internal control is a determinant of the quality, performance and efficiency of the tertiary educational institutions. Internal Control is a process designed and affected by those charged with governance, management, and other personnel to provide reasonable assurance about achievement of an entity's objectives with regard to reliability of the financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations (Mwindi, 2008).

Management and operations of finances in Nigerian tertiary institutions is a sole responsibility of the Bursary department of the institutions (Ibrahim, 2015). The Bursary department is central as far as the coordination of finances for the achievement of the institution's objective are concerned. Because the department is considered as most important, the

internal control measures in place are adhered to by staff of the unit. Adherence to a good set of control would encourage efficient and effective use of institution resources. This implies therefore, that adhering to the internal control process should be a measure toward achieving efficiency and quality of learning in the institutions.

For tertiary institutions to achieve its objective of providing quality financial reporting, it must establish an effective internal control system to immensely assist the management of the institutions, particularly when decisions are to be made. Ibrahim (2015) asserted that internal control is a measure which keeps an organization on course towards its objectives and the achievement of its mission and that; it minimizes wastages along the way, it ensures reliability in financial information and predicts the future with relative precision. The quality of any decision making is entirely dependent on the nature of the information made available.

Timely and reliable financial information guides management in the formulation of appropriate policies in a given organization. Ndifon and Patrick (2014) viewed internal control system as the most effective aid to financial management by ensuring accurate and complete data processing, ensuring profit maximization and provision of reasonable assurance regarding the prevention of or prompt detection of unauthorized acquisition,

use, or disposition of the institution's assets. Modibbo (2015) asserted that, collusion among employees and fraud perpetration by the staff is as a result of weak internal control system. Internal control system is said to be weak if organizations could not effectively meet up its objective through inefficiency and or improper record keeping and accounting, reluctance of staff in performing their assigned duties. Modibbo identified the following as the causes of weak internal control: management attempt at overriding the established internal controls, reluctance of senior staff to accept independent oversight, lack of good and round audit coverage, under-staff, abnormal separation of duties, and improper and untimely reconciliation of major assets and liabilities.

Lawal in Ibrahim (2015) identified the following as effect of weak internal control in an organization: it distorts the plan of the institutions, paves way to financial indiscipline, fraud, errors, irregularities, and misallocation of resources. Lawal further contended that some tertiary educational institutions management use resources meant for developing the institutions into personal gains and this trend is not possible where the control system is effective. According to Adeoye and Adeoye (2014), internal control system is a topical issue following global fraudulent

financial reporting and accounting scandals in both developed and developing countries.

According to Rai (2013), an account officer should study and evaluate the system of internal control relating to revenue in an educational institution, particularly the following aspects: (i) the systems and procedures relating to generation of revenue including authority to fix fees structure, offer scholarships/fees concessions and other terms of collection. (ii) Accounting procedures relating to recognition of revenue. Receipt books: In a manual environment, a receipt is issued to the student in lieu of the payment received. It is imperative that physical control over the receipt books is maintained. In case of most of the frauds, it has been observed that the cashier maintains parallel sets of receipt books to siphon off the money. The receipt books must be in the custody of the stores and it must be serially numbered. A new receipt book should be issued only when the old receipt book is exhausted. Cancelled receipts should be available in the receipt book with all copies. In no case, more than one receipt book should be used at one time.

Another very effective control to manage the fees would be to compulsorily receive the fees through bank demand drafts, and fees should be received in cash only for petty amounts. Billing control: the system of

billing being followed by the educational institution should be watertight and should ensure that bills are raised to each and every student at the end of the term. It must be also be ensured that accounts of all students are debited with the fee that is to be recovered from them, and the cases wherever exceptions are found, are supported by appropriate management authorizations.

The internal auditor examines the internal controls over payments with reference to the following: (a) Review of vision, mission, and ethical and organizational value system of the institution; (b) Segregation and rotation of duties; (c) Procedures for authorization; (d) Maintenance of records and documents; (e) Accountability for, and safeguarding of, assets; and (f) Independent checks. Verification: The substantive procedure for verification of the expenses involves: (a) Test of individual transactions which are often carried out on a sampling basis, depending on the internal auditor's assessment of the effectiveness of the internal controls. (b) Examine the entries in the cash book/cash payments summary with reference to the related payment vouchers. (c) In respect of payments by cheque, examine the numerical sequence of the cheques issued during the specified period, i.e., whether all the cheques issued during the period had been properly accounted for. (d) Review the cash book or cash payment summary

sheets for any unusual items and look into the same. (e) Apply appropriate analytical procedures to judge the overall reasonableness of the recorded payments. (f) Examine whether the payments have been properly classified and disclosed under appropriate account heads in the financial statements in accordance with the recognized accounting principles. In case the statute governing the organization lays down any guidelines in this behalf, also examine whether the disclosure of the payments in the financial statements complies with such requirements.

Modibbo (2015) categorized the components of internal control into preventive and detective control. While preventive control focuses on discouraging and preventing irregularities from occurring through: separation of duties, proper authorization, adequate documentation and physical control over assets, the detective control focuses on detecting errors or irregularities after they have occurred through: reviews, variance analysis, reconciliations in investigation and audit. Dandago and Rufai (2013) expanded the components to include:

- 1) Physical Control: Assets of tertiary institutions must be kept physically secured, and this is particularly important in the case of valuable items like cash, stocks, cars etc.

- 2) Arithmetic Control: The Arithmetical side of the control ensures that transaction figure are correctly calculated and recorded from the source documents.
- 3) Accounting Control: The Accounting side of the control on the other hand ensures that, the transactions are being posted into the relevant books of accounts accordingly.
- 4) Personnel Control: There is no doubt that human capital is something to be recognized within every organization. It follows that right people are assigned to the right jobs and otherwise.
- 5) Authorization and Approval: This type of control requires that all the transactions relating to the organization must be appropriately authorized and approved by officers responsible for the authorization and approval.
- 6) Management Control: This control included the use of budget or management of accounting to plan and control organizational operations and the establishment of functional internal audit unit or department.
- 7) Organizational Control: This control is saying that, there should be an organizational chart which defines responsibilities as well as identifies

lines of reporting; it is important for every employee to know the precise powers he/she has and to whom he/she should report.

- 8) Supervision Control: This control is exercised by higher-level officers in the organization in order to put activities of the subordinates under check. At times correction is necessary if subordinates are to perform their duties.
- 9) Segregation of Duty Control: Segregation of duty control ensures that no person is responsible for all aspects of a transaction. Functions normally segregated are those of authorization, approval, custody and recording. The internal auditors therefore try to ensure that these components of internal control are observed in the tertiary educational institutions.

According to Ijeoma (2014) to ascertain IPSASs compliance, accounting officers will need to determine whether appropriate internal control and corresponding testing procedures were put in place by management, as well as how effective these procedures proved to appear. In order to effectively comprehend IPSASs, the auditors will equally have to understand and use pronouncements from International Auditing and Assurance Standards Board (ISAASB), International Organization of Supreme Audit Institutions (INTOSAI).

Related Empirical Studies

This section reviews some studies that were relevant to the present study. They were discussed as follows:

Reporting of Assets and Liabilities in Tertiary Institutions

Balogun (2016) examined the impacts of International Public Sector Accounting Standards (IPSASs) in the Nigerian Public Sector (Case study of the office of the Accountant General of Ekiti State). The purpose of the study was to determine the impact of the adoption of IPSAS on the level of accountability and transparency in the public sector of Nigeria and to ascertain the contribution of adoption of IPSASs in enhancing comparability and international best practices. Three research questions guided the study. Descriptive survey research design was adopted for the study. The population of the study comprised 229 staff of the office of the Accountant General of Ekiti State. A sample of 45 staff of the office of the Accountant General was used. Questionnaire and interview were used for data collection. To ascertain the validity of the instrument, research questions were distributed to staff in the office of the Ekiti State Accountant General, not clients or customers. Pearson Product Moment Correlation Coefficient was used to test the reliability and index of 0.89 was obtained. Chi-square test was used for data analysis.

From the findings of the study, it was observed that the adoption of IPSASs is expected to increase the level of accountability and transparency in the public sector of Nigeria. It was found that the adoption of IPSASs will enhance comparability and international best practices. Also, it was denoted that the adoption of IPSASs based standards will provide more meaningful information for decision makers and improve the quality of the financial reporting system in Nigeria. It was concluded that the adoption of IPSASs in Nigeria is expected to impact operating procedures, reporting practices thereby strengthening good governance and relations with the government and the governed. Based on these, the research report recommended among others that for accountability to be successfully entrenched in public offices in Nigeria, there must be a reduction in the level of corruption, improving public sector accounting and auditing standards, legislators taking positions as champions of accountability and total restructure of public accounts committees and monitored application of the value of money in the conduct of government business.

Balogun's study is related to the present study because both focused on the adoption of IPSAS in public sector organizations. However, the two studies differ in geographical location and method of data analysis. While Balogun's study focused on the impacts of International Public Sector

Accounting Standards (IPSASs) in the Nigerian Public Sector (Case study of the office of the Accountant General of Ekiti State), the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east, Nigeria.

Monari (2015) carried out a study on the effect of adoption of International Public Sector Accounting Standards on financial reporting in the public sector in Kenya. Four research questions guided the study and four hypotheses were tested. The study employed a descriptive survey research design. The population of study comprised a total of 196 non-commercial public sector institutions that had adopted IPSASs accrual as per the data from Public Sector Accounting Standards Board. Using simple random sampling, 32 public sector institutions were selected for the study. A structured questionnaire was used for data collection. To enhance validity of the questionnaire a pilot study similar to the target population was carried out. Cronbach Alpha reliability was used to determine consistency of the instrument and coefficient index of 0.81 was obtained. Data for this study was both quantitative and qualitative hence both descriptive and content analysis techniques were employed. Data analysis used include Microsoft excel, percentages, tabulations, means and central tendencies measures.

ANOVA was used to test the hypotheses. Tables were used to summarize responses for further analysis and facilitate comparison.

The study established that the adoption of IPSASs was widespread in public sector institutions in Kenya in compliance with the PFM Act 2012. The study found out that as a result of the adoption of IPSASs by the public sector entities, there was improvement in accountability, asset management and transparency on financial reporting in public institutions. This has brought about consistency in financial reporting, enhanced decision making and has improved internal control systems. It was concluded that the adoption of IPSASs by the public sector institutions has enhanced availability of timely, relevant and reliable financial information that has enhanced decision making in the public sector. The study made recommendations that all public institutions should adopt IPSASs for better management, accountability and transparency of financial reporting. IPSASs prescribes a manner in which general purpose financial statements should be prepared to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities.

Monari's study is related to the present study in that they both emphasized on the adoption of IPSAS in financial reporting. They also adopted survey research design, used questionnaire for data collection and

ANOVA for data analysis. They differ in geographical location. While Monari's study focused on the effect of adoption of International Public Sector Accounting Standards on financial reporting in the public sector in Kenya, the present study focused on the adoption of IPSAS in financial reporting in tertiary institutions in south-east, Nigeria.

Ijeoma and Oghoghomeh (2014) conducted a study on the expectations, benefits and challenges of the adoption of International Public Sector Accounting Standards (IPSASs) in Nigeria. The objectives of this study are: to determine the impact of the adoption of IPSASs on the level of accountability and transparency in the public sector of Nigeria and to ascertain the contribution of the adoption of IPSASs in enhancing comparability and international best practices. Primary source of data was employed to generate the data of interest. Two null hypotheses were tested. The study adopted a survey research design. The population size was two hundred and fifteen accounts officers and 40 samples were drawn using the Taro Yamane sample size determination technique at 95% confidence level. The element of the population consist of junior, intermediate, senior and professional accountants, auditors (internal and external), cash officers as well as some accounting lecturers in Nnamdi Azikiwe University Awka.

The statistical tools employed were the Chi-square, Kruskal Wallis test and descriptive analysis.

From the findings of the study, it was observed that the adoption of IPSASs is expected to increase the level of accountability and transparency in the public sector of Nigeria. It was found that the adoption of IPSASs will enhance comparability and international best practices. Also, it was found that the adoption of IPSASs based standards will provide more meaningful information for decision makers and improve the quality of financial reporting system in Nigeria. In addition, it was found that the adoption of IPSASs by Nigerian government will improve comparability of financial information reported by public sector entities in Nigeria and around the world. It was thus concluded that the adoption of IPSASs in Nigeria is expected to impact operating procedures, reporting practices thereby strengthening good governance and relations with the government and the governed.

Ijeoma and Oghoghomeh's study is related to the present study because both focused on the adoption of IPSASs in Nigeria. The two studies also adopted a survey research design and used questionnaire for data collection. However, both studies differ in method of data analysis. While Ijeoma and Oghoghomeh's study focused on the expectations, benefits and

challenges of adoption of International Public Sector Accounting Standards (IPSAS) in Nigeria, the present study determined the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Cash Flow Management in Tertiary Institutions

Egbunike, Onoja, Adeaga and Utojuba (2017) conducted a study on accountants' perception of IPSASs acceptance in Nigerian public sector financial management and reporting. There are conflicting or divergent views as to what will accrue or what Nigeria stand to gain as a result of adoption or implementation of IPSASs in Nigerian public sectors financial management and reporting. Three research questions guided the study and three hypotheses were tested. Survey research design was adopted. Taro Yamane formula was used to determine the sample size of 283 from the population of 972 accountants. Data were obtained through the use of structured questionnaire administered on a sample size of 283 respondents from the offices of the Accountant and Auditor General of Kogi and Benue States. The validity of the questionnaire was determined by two experts. Cronbach Alpha reliability was used to establish the reliability of the instrument. Overall reliability coefficient of 0.78 was obtained for the instrument. Mean, standard deviation, line graph estimated marginal means

and General Linear Model Univariate analysis were used to analyze the primary data via SPSS Version 20.

The study revealed that the adoption of IPSASs will increase transparency and answerability in financial management and reporting of Nigerian Public Sector. Also that adoption and implementation of IPSASs will facilitate the quality of financial accounting reporting in the Nigerian Public Sector. Another finding was that the benefits of adoption of IPSASs override the costs in the Nigerian Public Sector. It was therefore concluded that the adoption of accrual basis of accounting though has not been applied before in Nigeria but the implementation will be of immense benefits to the nation. It was recommended amongst others that efforts should be geared to enshrine the requirements of IPSASs into Nigerian regulatory framework for financial management and reporting and the constitution of the Federal Republic of Nigeria.

Egbunike, Onoja, Adeaga and Utojoba's study is related to the present study because both focused on the adoption of IPSASs in public sector financial reporting. They also adopted a survey research design and used questionnaire for data collection. However, the two studies differ in geographical location and method of data analysis. Egbunike, Onoja, Adeaga and Utojoba's study focused on accountants' perception of IPSASs

acceptance in Nigerian public sector financial management and reporting, while the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east, Nigeria.

Ohaka, Dagogo and Banyie (2016) carried out a study on International Public Sector Accounting Standards and Local Government financial management in Nigeria. The purpose of the study was to explore the opinions of professionals, experts and public sector leaders on the future impact of the adoption of International Public Sector Accounting Standards (IPSASs) by the Nigerian government, with particular reference to the local government financial management system. Three hypotheses were formulated and tested. The population of the study comprised 80 professionals from across the geographical spread of Nigeria, the three tiers of government and across at least three generations of public sector operators. Descriptive survey research design was adopted for the study. A structured questionnaire was used for data collection. A pilot test was sent to a team of public sector accountants for reliability and validity. Cronbach Alpha was used to obtain coefficient index of 0.85. The responses were examined descriptively and inferentially using t-test of means set at $p \leq 0.05$.

It was found among others that the adoption of IPSASs has the huge potential of improving transparency and accountability in local government

financial management. It was recommended that the local government should gear up to face the challenges of adopting IPSASs as it has the ultimate benefit of improving local government governance system through its effect on the financial management practices of local authorities.

Ohaka, Dagogo and Banyie's study is related to the present study because both focused on the adoption of IPSASs in the public sector. Both studies are also related in the research design and method of data collection. However, both studies differ in geographical location and method of data analysis. While Ohaka, Dagogo and Banyie's study focused on International Public Sector Accounting Standards and Local Government financial management in Nigeria, the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Opanyi (2016) carried out a study on the effect of adoption of IPSASs on quality financial reports in public sector in Kenya. One research question guided the study and a null hypothesis was tested. The design of the study was the descriptive survey design while the target population was the 19 ministries of the national government in Kenya. Data was collected using secondary means and was analyzed using descriptive statistics and t-test for differences. The study revealed that the adoption of IPSASs is adjudged to have moderate effect on the quality of financial reports in public sector in

Kenya. The study also showed no significant difference in items pertaining to transparency and accountability indicating that the goal for government reforms in achieving greater transparency and accountability may not be fully achieved. The study concluded that there existed statistically significant difference between old accounting standard-based financial reports and IPSASs-based financial reports in meeting the criteria for decision usefulness as revealed by paired-sample t-test.

Opanyi's study is related to the present study in that they both focused on the adoption of IPSASs in financial reporting. They also adopted survey research design. However, the two studies differ in geographical location, method of data collection and method of data analysis. They also differ in that Opanyi's study focused on the effect of adoption of IPSASs on the quality of financial reports in meeting the criteria for decision usefulness Kenya, the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Bingilar and Oyardonghan (2014) examined the relationship between cash flow and corporate performance in the food and beverages sector of Nigeria. The study involved a survey of Six (6) food and beverages companies quoted in the Nigerian Stock Exchange. Three research questions guided the study. Data were obtained from the annual report and accounts of

the selected companies in the Nigerian stock exchange for the period 2007-2011. The relevant data were subjected to statistical analysis using the multiple regression technique. The results of the study revealed that operating and financing cash flows have significant positive relationship with corporate performance in the food and beverage sector of Nigeria. It was also empirically verified that investing cash flow and corporate performance have significant negative relationship. The researchers recommended that regulatory authorities such as IFRSB, FRCN, CBN, NSE, SEC, NDIC, among others should encourage external auditors of these quoted food and beverages companies to use cash flow ratios in evaluating the performance of a company before forming an independent opinion on the financial statement. This will give detailed information on the company to enable investors make rational investment decisions.

Bingilar and Oyadonghan's study is related to the present study because both focus on cash flow management in financial reporting. However, the two studies differ in research design, geographical location, method of data collection and method of data analysis. They also differ in that Bingilar and Oyadonghan's study focused on the relationship between cash flow and corporate performance in the Food and Beverages sector of

Nigeria, while the present study determined the adoption of IPSAS in financial reporting in tertiary institutions in south-east Nigeria.

Capturing Revenues and Expenses in Tertiary Institutions

Nkwagu, Okoye and Nkwagu (2016) carried out a study on the implications of IPSASs adoption on financial transparency in the South Eastern Nigerian Public Sector with emphasis on its effects on credibility and comparability of financial statements prepared and presented in Ebonyi and Enugu States of Nigeria. Two research questions guided the study and two hypotheses were tested. The study adopted survey design and questionnaire was used for data collection. A sample of 88 out of 112 Accountants and Internal Auditors in the ministries of finance of Ebonyi and Enugu States of Nigeria were used. The instrument was subjected to material validity by presenting it to some experts for test and measurement. Cronbach's Alpha was adopted to ensure reliability of the instrument. The reliability test shows 0.77 representing 77% reliability. The data was analyzed using tables, likert scale rating, percentage and mean score statistics. Two hypotheses formulated were tested using one-way ANOVA model via Prism GraphPad at 5% level of significance.

Findings showed that IPSASs adoption enhances financial transparency in the Nigerian public sector as the standards pave way for

improved credibility of financial statements and also enhances comparability of financial information in the public sector. This implies that the economy of Nigeria will witness high level of transparency in her public entities if full implementation and sustenance of IPSASs is made in the country. The study recommended that Nigerian government should provide the necessary requirements for full implementation and sustenance of IPSASs in the public sector if it actually wants to enhance the credibility of financial information and at the same time prepare financial statements that can be comparable anywhere in the world.

Nkwagu, Okoye and Nkwagu's study is related to the present study because both focus on the adoption of IPSAS in financial reporting in south-east Nigeria. The two studies also adopted a survey research design, questionnaire for data collection, same area of the study and ANOVA for data analysis. While Nkwagu, Okoye and Nkwagu's study focused on the implications of IPSASs adoption on financial transparency in the South Eastern Nigerian Public Sector, the present study determined the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Olayinka, Okoye, Modebe and Ogundele (2016) conducted a study on International Public Sector Accounting Standards adoption and quality of financial reporting in the Nigerian public sector. One research question

guided the study and three hypotheses were tested. Survey research design was used to collect data through the use of questionnaire. All the ministries under Lagos State Government Civil Service were used for the study. Of a total population of three hundred and fifty, a sample size of one hundred and ninety accounting officers was selected for the study. The sample size was derived using the Taro Yamani formula. The reliability of the instrument show coefficient index of 0.82. Regression analysis and ANOVA were used for data analysis. The findings showed that IPSASs adoption has a significant positive impact on the quality of financial reporting in the Nigerian public sector. It was recommended that regulatory authorities should adopt adequate measures to ensure compliance by those saddled with the responsibility of preparing public sector financial statements. Also, measures should be taken to enhance the disclosure of relevant financial information that will help users take useful economic decisions.

Olayinka, Okoye, Modebe and Ogundele's study is related to the present study because both studies focus on the adoption of IPSASs in financial reporting in Nigerian public sector. Both studies are also related in research design, method of data collection and data analysis. However, the two studies differ in that Olayinka, Okoye, Modebe and Ogundele's study focused on International Public Sector Accounting Standards adoption and

quality of financial reporting in the Nigerian public sector, while the present study focused on the adoption of IPSAS in financial reporting in tertiary institutions in south-east Nigeria.

Tom (2015) conducted a study on the impact of implementation of International Public Sector Accounting Standards on financial reporting in Public Sector in Kenya. The purpose of the study was specifically on how the implementation of IPSASs has improved accountability, comparability and reliability of Public sector financial reporting in Kenya. The study mainly focused on the IPSAS adoption in Central Government and forty-seven Counties in Kenya. Four research questions guided the study. Three hypotheses were tested. The research used qualitative methodology through a questionnaire sent to accountants in Government ministries and Counties in Kenya. The population size of the study was Ministries and counties under the central government of Kenya. Data for the study was primarily and secondarily sourced. A pilot test was sent to a team of Ministries and Counties outside the study area for reliability and validity which obtain coefficient index of 0.78.

Data collected were then summarized, coded and tabulated using statistical package for social sciences software package (SPSS) version. Data containing the study results was then presented using pie charts, bar charts,

and graphs. The study concluded that the adoption of public sector accounting standards would improve accountability, comparability of financial statements and increase user satisfaction by enhancing their confidence on relying on them for economic decision making and therefore improving financial reporting in Kenya.

Tom's study is related to the present study because both focused on the adoption of IPSASs in financial reporting. The two studies differed in geographical location and method of data analysis. While Tom's study focused on the impact of implementation of International Public Sector Accounting Standards on financial reporting in the Public Sector in Kenya, the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Presentation of Budget Information in Tertiary Institutions

Nyikyaa, Iliya, Omaku and Bilkinsu (2017) conducted a study on refocusing tertiary institutions in Nigeria through effective budget implementation: An issue towards a knowledge-based economy. The budget units of the federal ministry of education and federal ministry of finance along with three tertiary institutions were used for this research. One research question guided the study and one null hypothesis was tested. Eighty four copies of the questionnaires were administered out of which fifty

six (56) were filled and returned representing 66.67%. Test retest reliability was used to establish the reliability of the instrument. Coefficient index of 0.79 was obtained. The statistical tools used are the regression analysis adopting the stepwise method that iterates to select variables that contribute significantly to a regression model and the Pearson product moment correlation. The result showed that budget formulation and implementation has a significant impact on the development of Nigeria tertiary institutions. It was recommended that both public and private tertiary institutions should be properly monitored for prudent management of funds and implementation of projects especially for variables that were found not significant and excluded from the model via the iterative process.

Nyikyaa, Iliya, Omaku and Bilkinsu's study is related to the present study because both focus on budget implementation and presentation in tertiary institutions in Nigeria. However, the two studies differ in method of data analysis. While Nyikyaa, Iliya, Omaku and Bilkinsu's study focused on refocusing tertiary institutions in Nigeria through effective budget implementation: An issue towards a knowledge-based economy, the present study determined the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Nkwagu, Uguru and Nkwedo (2016) conducted a study on the implications of IPSASs on accountability of Nigeria public sector with emphasis on its effects on efficient management of public funds, effective budget implementation, and checking of cases of corruption among public officers in the South Eastern States of Nigeria. Three research questions guided the study and three hypotheses were tested at 0.05 level of significance. The study which adopted survey design collected data using five point likert-scale questionnaires which was administered on a sample of 314 out of 1458 Accountants and Internal Auditors in the Ministries of Finances of South Eastern States of Nigeria. Reliability of the instruments was tested using Cronbach's Alpha which showed a result of 0.76. The data collected were analyzed using descriptive statistics. Three hypotheses formulated were tested using one-way ANOVA model via Prism GraphPad at 5% level of significance.

Findings revealed that IPSASs adoption enhances accountability in the Nigerian public sector as the standards pave way for improved management of public funds. It further showed that the application of IPSASs paves way for effective budget implementation and checks possible cases of corruption in the Nigerian public sector. This implies that the economy of Nigeria will be better off if full implementation and sustenance

of IPSASs is made in the country, having seen IPSASs as the agent of the needed change in Nigeria. The study recommended that the Nigerian government should provide the necessary requirements for full implementation and sustenance of IPSASs in the public sector if it is actually sincere and serious about tackling corruption in the country and at the same time prepare financial statements that can be comparable anywhere in the world.

Nkwagu, Uguru and Nkwedo's study is related to the present study because both focused on the adoption of IPSASs in financial reporting in the public sector. They also adopted a survey research design, geographical location, questionnaire for data collection and ANOVA for data analysis. However, both studies differ in that Nkwagu, Uguru and Nkwedo's study focused on the implications of IPSASs on accountability of Nigeria public sector in the South Eastern States of Nigeria, while the present study focused on adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Ibanichuka and Oyadonghan (2014) did a critique on cash basis of accounting and budget implementation in Nigeria. The study was a survey research conducted in Rivers, Bayelsa and Delta States in Nigeria. One research question guided the study. Four hypotheses were tested. The

researchers used a well structured questionnaire to collect primary data from 130 civil servants in the accounting and administrative cadre. The office of the director of budget from the three states was also surveyed. The reliability of the instrument was tested with test and pre-test method. The office of the director of budget in Bayelsa State was used for the pre-test. The validity of the instrument was tested with Spearman Rank correlation coefficient using the pre-test result generated. The output was 0.763 showing that the instrument was reliable for the study.

The final data collected from the field work was analyzed using descriptive statistics on the relationship between cash basis of accounting and budget implementation, financial discipline and level of public expenditure with Statistical package for social sciences (SPSS). Four hypotheses were generated and tested with paired sample “t” test using SPSS. The hypotheses were based on the relationship between cash basis and budget implementation, cash basis and financial discipline, cash basis and government expenditure, and expenditure pattern with investment inflow. The findings of the study showed that cash basis has a positive effect on budget implementation and fair presentation of the financial position of a government. The researchers recommended that the accrual basis of

accounting should be adopted by all government ministries and extra-ministerial departments in Nigeria.

Ibanichuka and Oyadonghan's study is related to the present study because both focus on budget presentation and implementation in Nigeria public sector. They also use questionnaire for data collection and survey research design was adopted for the study. However, the two studies differ in area of the study and method of data analysis. While Ibanichuka and Oyadonghan's study focused on cash basis of accounting and budget implementation in Nigeria, the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Internal Control System in Tertiary Institutions

Obara and Nangih (2017) conducted a study on International Public Sector Accounting Standards adoption and Governmental financial reporting in Nigeria: An empirical investigation. The purpose of the study was to examine the effects of IPSASs adoption of government reporting in Nigeria. Survey research design was adopted for the study. Three research questions guided the study. The population comprised 60 Directors of Finance and Supplies in selected ministries and parastatals, chartered accountants in public and private service, as well as statutory auditors to some government ministries, departments and agencies/parastatals. Primary data were sourced

amongst accountants and auditors of government ministries, departments and agencies within the Rivers State Civil Service. Cronbach Alpha reliability was used to establish the reliability of the instrument, which obtained a coefficient index of 0.82. Data generated were presented using tables and charts. They were further analyzed using simple percentages.

The study revealed that IPSASs adoption resulted in financial transparency/accountability, strengthened internal controls, boosts financial and resource stewardship and increased efficiency in decision making and good governance. The researcher therefore recommended the adoption and seamless implementation of accrual based government financial reporting system due to the attendant benefits derivable from its adoption.

Obara and Nangih's study is related to the present study because both focus on the adoption of IPSASs in financial reporting. They are also related in research design and method of data collection. Both studies differ in area of the study and method of data analysis. While Obara and Nangih's study focused on International Public Sector Accounting Standards adoption and Governmental financial reporting in Nigeria, the present study determined the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Ofoegbu (2014) carried out a study on the adoption and implementation of IPSASs in improving accountability in the Nigerian public sector financial reporting. Three research questions guided the study and three hypotheses were tested. A survey design method was adopted for the study through the use of a five point Likert scale questionnaire. The population for the study consisted of auditors, accountants in the public sector, and those in academics from Enugu State of Nigeria who possess adequate knowledge of IPSASs and totaled 146. The sample for the study was 107 respondents. Test-retest reliability was used to establish the reliability of the instrument and reliability coefficient of 0.76 was obtained. The descriptive and inferential statistics, Friedman's test statistics, and Chi-square test were used for data analysis. The findings of the study revealed that the adoption and implementation of IPSASs in Nigeria would significantly improve accountability in the public sector.

Ofoegbu (2014) study is related to the study in that they both focus on the adoption of IPSASs in financial reporting in the public sector. They are also related in research design and method of data collection. Both studies differ in geographical location and method of data analysis. While Ofoegbu's study focused on the adoption and implementation of IPSASs in improving accountability in the Nigerian public sector financial reporting,

the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Okaro and Okoye (2012) conducted a study on the perceptions of preparers of financial statements (accounting practitioners), accounting academics, and auditors in Anambra State on the intention of Nigeria to adopt IPSASs and whether the proposed benefit of improved accountability would be achieved. Two research questions guided the study and six hypotheses were tested. A survey research design was adopted for the study. A structured questionnaire was used to generate data for analysis. The population of the study was 100, made up of staff of Anambra State Auditor-General, Accountant General, Federal Auditor General's Office in Awka, Nnamdi Azikiwe University, and accounting staff of Anambra State Universal Basic Education Commission.

The study made use of a purposively selected sample of 80 respondents cutting across the three groups of accounting practitioners, accounting lecturers, and auditors. Cronbach Alpha reliability was used to establish the reliability of the instrument. Overall reliability coefficient of 0.81 was obtained. Descriptive statistics, including percentages, mean and standard deviation were used in presenting the data. The Chi-square test and one-way ANOVA test statistics were used for data analysis. The study found

that the introduction of IPSASs in the public sector would usher in an era of improved accountability and decision making in the Nigerian public sector.

Okaro and Okoye's (2012) study is related to the present study because both focus on the adoption of IPSASs in financial reporting. They are also related in research design, method of data collection and data analysis. However, both studies differ in that Okaro and Okoye's study focused on the perceptions of preparers of financial statements (accounting practitioners), accounting academics, and auditors in Anambra State on the intention of Nigeria to adopt IPSASs, while the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Shakirat (2013) conducted a study on the effects of the adoption of IPSASs on accountability in the Nigerian public sector through the perspectives of public servants and legislators. Two research questions guided the study and two hypotheses were tested. The study adopted the survey design via the use of questionnaire. The population of the study consisted of senior personnel in the accounting cadre under the office of Accountant General and Public Accounts Committee (PAC) members in four states representing three out of the six geo-political zones of Nigeria, which totalled 1,065. The sample for the study was 295 respondents. The

validity of the instrument was tested with Pearson correlation coefficient using the pretest result generated. The output was 0.793 showing that the instrument was valid for the study. The study employed Karl Pearson coefficient of correlation “r” statistics for analysis. The study evidenced, amongst others that accountability in the Nigerian public sector would improve through the adoption of IPSASs.

Shakirat’s study is related to the present study because both focus on the adoption of IPSASs in the Nigerian public sector. The two studies used questionnaire for data collection and survey research design was adopted. While Shakirat’s study focused on the effects of the adoption of IPSASs on accountability in the Nigerian public sector through the perspectives of public servants and legislators, the present study focused on the adoption of IPSASs in financial reporting in tertiary institutions in south-east Nigeria.

Summary of Review of Related Literature

The review of related literature was organized under conceptual framework, theoretical framework, theoretical studies and empirical studies. Under the conceptual framework, the concepts of adoption, public sector accounting, international public sector accounting standard, financial reporting and tertiary institution were reviewed. The adoption of accrual basis International Public Sector Accounting Standards in tertiary

institutions plays a significant role in improving the tertiary institutions accounting and financial reporting system in consonance with global standards.

Under the theoretical framework, institutional theory and agency theory were reviewed. The theories are relevant to the study since they focus on organizational structures and accountability in financial reporting activities. Under the theoretical studies, reporting of assets and liabilities, cash flow management, capturing revenues and expenses, presentation of budget information and internal control system were reviewed.

The related empirical studies reviewed showed that the adoption of IPSASs in the public sector would usher in an era of improved transparency, accountability and decision making in the Nigerian tertiary institutions. Most of the reviewed studies were focused on the adoption of IPSASs in the government ministries, but none focused on the adoption of IPSASs in financial reporting in tertiary institutions. To the best of the researcher's knowledge, no study on the present topic has been carried out in tertiary institutions in South-East, Nigeria. This has created a gap in the body of knowledge.

CHAPTER THREE

METHOD

This chapter presents the procedure that was adopted for the study. The presentation is done under research design, area of the study, population of the study, sample and sampling technique, instrument for data collection, validation of the instrument, reliability of the instrument, method of data collection and method of data analysis.

Research Design

Descriptive survey research design was adopted in this study. According to Nworgu (2015), a descriptive survey research design is the one which aims at collecting data, and describing in a systematic manner the characteristics, features or facts about a given population. Since this study involved the collection of opinions of accounts officers in federal universities, polytechnics and colleges of education in South East Nigeria on the adoption of IPSASs in financial reporting, the survey design was considered appropriate.

Area of the Study

The study was carried out in federal tertiary educational institutions in South East Nigeria. The South East is one of the six geo-political zones in Nigeria consisting of Abia State, Anambra State, Ebonyi State, Enugu State and

Imo State. The zone is predominantly occupied by the Igbos. The major language of the people of the zone is Igbo but because of the presence of financial and other institutions in the area, people from other nations, states and of different languages operate in the zone in large numbers. Furthermore, the zone is predominantly Christians and their major occupations include teaching comprising public servants in financial and commercial establishments, as well as large scale farming.

The choice of the area for the study was informed by the high value placed on education by the government of the five states in the zone. This high value for education indicates that the zone is among the educationally advantaged zones. This is indicated by the number of tertiary educational institutions in the zone. These numbers of institutions in the zone cannot be said to be immune to adopting IPSAS in financial reporting activities without empirical evidence, hence the choice of the area.

Population of the Study

The population of this study consisted of 849 accounts officers in all the eleven federal tertiary institutions (five universities, three polytechnics and three colleges of education) in South East Nigeria. The population distribution by institutions is attached as Appendix G page 172.

Sample and Sampling Technique

A sample is a selected group from the targeted population on which information is obtained. According to Kothari (2011), sampling may be defined as the selection of parts of an aggregate or totality on the basis of which judgment or inference about the aggregate or totality is made. It is the process of obtaining information about an entire population by examining only a part of it. Using sampling techniques, a researcher is guaranteed that the characteristics of the population are accurately reproduced in the sample. The sample size of 272 accounts officers was used for the study. The sample size was derived using the Taro Yamani formula. Applying the Taro Yamane formular, $n = N/1+N (e)^2$

n = sample size

N = population

e = error limit

Therefore, $n = 849/1+849(0.05)^2$

$n = 849/3.1225$

$n = 271.90$

Based on the above calculation, the sample size of 272 with error limit of 5% was considered appropriate for this study. Thereafter, stratified random sampling technique was used to select them from the strata. By

apportioning the account officers in tertiary institutions in every strata, the number of accounts officers to be sampled in every strata was calculated. The sample distribution according to the institution type is represented as Appendix H page 173.

Instrument for Data Collection

Data for this study was collected using a structured questionnaire titled “Adoption of IPSAS in Financial Reporting (AOIPSASIFR)” developed by the researcher based on the insight gained from literature review and the research questions guiding the study. The instrument is shown as Appendix F page 166. The questionnaire was made up of two sections, A and B. Section A dealt with background information of the respondents covering type of institution and years of experience. Section B contained 53 items in five clusters of B1 to B5 according to the research questions. Items; 1-11 were used to gather data on adoption of IPSAS in reporting of assets and liabilities, 12-23 were used to elicit data on adoption of IPSAS in cash flow management, 24-35 are used to elicit data on adoption of IPSAS in capturing revenues and expenses, 36-43 are used to gather data on adoption of IPSAS in presentation of budget information and 44-53 are used to collect data on adoption of IPSAS in internal control system

The respondents were requested to rate the items on a four-point scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD) with values 4, 3, 2 and 1 respectively.

Validation of the Instrument

To ascertain the face validity of the instrument for the study, the researcher submitted it together with the research topic, purpose of the study, research questions and hypotheses to two experts in business education and one expert in the measurement and evaluation, from the Faculty of Education Nnamdi Azikiwe University, Awka and Federal College of Education (Technical) Asaba. These experts were requested to validate the instrument relative to the appropriateness of the structure, instructions, item statements and content coverage, and also to freely modify the sections as they deemed fit. As a result of the validation, some of the items in clusters B1, B3, B4 and B5 were modified. The corrections made by these experts increased the questionnaire items in section B from 52 to 53. Their suggestions were incorporated in producing the final version of the instrument.

Reliability of the Instrument

To ascertain the internal consistency of the instrument, the researcher conducted a pilot test whereby copies of the instrument were administered to

20 accounts officers from Federal Universities, Colleges of Education and Polytechnics in Delta State who were not part of the population of the study. Cronbach Alpha using Statistical Package for Social Sciences (SPSS) version 23 yielded coefficient values of 0.81, 0.83, 0.89, 0.79 and 0.84 for the five clusters. These coefficient values indicate that the instrument was reliable for the study as recommended by Uzoagulu (2012) that the coefficient value of 0.70 or above is good enough for the instrument to be considered reliable for survey studies. The computation is attached as Appendix I on page 174.

Method of Data Collection

The researcher personally administered 272 copies of the instrument with the aid of five research assistants who were briefed on the following issues: (a) the purpose of the research; (b) the response pattern; and (c) the participants of the study. The researcher and the research assistants handed over the instrument to all the respondents. Out of the 272 copies of the questionnaire distributed, 263 (representing 96.7 %) were duly completed, retrieved and used for data analysis.

Method of Data Analysis

Mean and standard deviation were used to analyze data in relation to the research questions. While mean scores were used to provide answer to

the research questions, the standard deviation was used to show the closeness or otherwise of the responses of the respondents. One way analysis of variance (ANOVA) was used for testing the hypotheses at 0.05 level of significance. Answer to a research question was based on the real limits of numbers below:

Responses	Values	Real Limits
Strongly Agree	4	3.50 - 4.00
Agree	3	2.50 - 3.49
Disagree	2	1.50 - 2.49
Strongly Disagree	1	0.50 - 1.49

For the hypotheses, p-value was used for decision making. Where the calculated p-value was less than or equal to the stipulated level of significance 0.05 ($p \leq 0.05$), it implied that there was significant difference between respondents' mean scores. Under this condition, the null hypothesis of no significant difference was rejected. On the other hand, if the p-value was greater than or equal to the alpha level of 0.05 ($p \geq 0.05$), the null hypothesis of no significant difference was accepted. Statistical Package for Social Sciences (SPSS) version 23 was used to analyze the data.

CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

This chapter presents the data and the statistical analysis of the study. Data collected with respect to the five research questions and ten null hypotheses were analyzed and presented in Tables 1-15, while analysis of demographic data of the respondents were presented in Appendix J page 177 .

Research Question 1

What are the IPSASs adopted by account officers in reporting assets and liabilities in tertiary institutions in South East?

Analysis of data relating to this research question is presented in Table 1

Table 1**Mean Responses on the IPSASs Adopted by Account Officers in Reporting Assets and Liabilities (N = 263)**

S/No Assets and Liabilities	Mean	SD	Decision
1. Presentation of current assets in order of liquidity	2.44	0.77	Disagree
2. Presenting separately current and non-current assets in its financial statement position	2.61	0.77	Agree
3. Presentation of current and non-current liability separately	2.94	0.68	Agree
4. Presentation of liability in order of maturity.	2.64	0.82	Agree
5. Disclosure of amount expected to be recovered for each asset	1.83	0.68	Disagree
6. Disclosure of amount expected to be recovered for each liability	1.51	0.60	Disagree
7. Stating balances carried over from one accounting period to the next accounting period.	2.97	0.68	Agree
8. Receivables from exchange transactions	1.79	0.66	Disagree
9. Payables from exchange transactions	1.63	0.64	Disagree
10. Stating the end of reporting period covered by the financial statement	2.75	0.66	Agree
11. Stating when current liability is expected to be settled	2.79	0.67	Agree

The item by item analysis in Table 1 shows that items 2, 3, 4, 7, 10 and 11 with mean scores ranging from 2.61 to 2.94 are the International Public Sector Accounting Standards adopted by accounts officers' in reporting assets and liabilities in tertiary institutions in South-East, Nigeria. Items 1, 5, 6, 8 and 9 with the mean scores ranging from 1.51 to 2.44 are the IPSASs not adopted by accounts officers in reporting of assets and

liabilities. The standard deviations of 0.60 to 0.82 are relatively small showing homogeneity in responses.

Research Question 2

What are the IPSASs adopted by account officers in cash flow management in tertiary institutions in South East?

Analysis of data relating to this research question is presented in Table 2

Table 2

Mean Responses on the IPSASs Adopted by Account Officers in Cash Flow Management (N = 263)

S/No	Cash Flow Management	Mean	SD	Decision
12.	Classification of cash flows during the period	2.58	0.73	Agree
13.	Reporting cash flows from operating activities	2.44	0.78	Disagree
14.	Reporting cash flows from investing activities	2.27	0.66	Disagree
15.	Reporting cash flows from financing activities	2.29	0.86	Disagree
16.	Reporting cash receipts and payments for the acceptance and repayment of deposits	1.99	0.75	Disagree
17.	Disclosure of the components of cash and cash equivalents	1.92	0.67	Disagree
18.	Reconciling the amounts of cash and cash equivalents in the statement	2.32	0.81	Disagree
19.	Disclosing cash inflow from interests	2.86	0.73	Agree
20.	Disclosing cash outflow from interest	2.84	0.72	Agree
21.	Disclosing cash inflow from dividends	2.67	0.67	Agree
22.	Disclosing cash outflow from dividends	1.87	0.69	Disagree
23.	Disclosing cash advances and loans made within the period under review	1.98	0.65	Disagree

As displayed in Table 2, the data show that items 12, 19, 20 and 21 with the mean scores ranging from 2.58 to 2.86 are the International Public Sector Accounting Standards adopted by accounts officers in cash flow management in tertiary institutions in South East. Items 13, 14, 15, 16 17 18, 22 and 23 with mean scores ranging from 1.87 to 2.44 are the IPSASs not adopted by accounts officers in cash flow management. The standard deviations of 0.66 to 0.81 are within the same range showing homogeneity in account officers' responses.

Research Question 3

What are the IPSASs adopted by account officers in capturing revenues and expenses in tertiary institutions in South East?

Analysis of data relating to this research question is presented in Table 3

Table 3**Mean Responses on the IPSASs Adopted by Account Officers in Capturing of Revenues and Expenses (N = 263)**

S/No	Capturing of Revenues and Expenses	Mean	SD	Decision
24.	Disclosure of gains and losses in the disposal of non-current assets	1.81	0.64	Disagree
25.	Reporting expenditure related to a provision that is recognized	2.13	0.34	Disagree
26.	Reporting of gains and losses arising from financial instruments	2.13	0.34	Disagree
27.	Stating method of accounting for borrowing costs	2.61	0.62	Agree
28.	Correction of errors and effects of changes in accounting policies	2.47	0.66	Disagree
29.	Disclosure of items of revenue and expense that are material	2.47	0.81	Disagree
30.	Disposals of items of property, plant and equipment	2.25	0.43	Disagree
31.	Recognition and measurement of depreciation	2.21	0.41	Disagree
32.	Recognition and measurement of employee-related expense	2.63	0.70	Agree
33.	Identification and recognition of bad and doubtful debts	1.62	0.68	Disagree
34.	Recognition and disclosure of grants, donations and transfers made or received	1.67	0.71	Disagree
35.	The treatment of losses on revaluation of assets	2.27	0.71	Disagree

The item by item analysis in Table 3 show that items 27 and 32 with mean scores ranging from 2.61 to 2.63 are International Public Sector Accounting Standards adopted by account officers in capturing revenues and expenses in tertiary institutions in South East. Items 24, 25, 26, 28, 29, 30, 31, 33, 34 and 35 with mean scores ranging from 1.62 to 2.27 are the

IPSASs not adopted by account officers in capturing revenues and expenses. Out of 12 items only 2 are adopted by accounts officers. The standard deviation of 0.60 and 0.76 are relatively small showing greater consensus of opinions.

Research Question 4

What are the IPSASs adopted by account officers in presentation of budget information in tertiary institutions in South East?

Analysis of data relating to this research question is presented in Table 4

Table 4

Mean Responses on the IPSASs Adopted by Account Officers in Presentation of Budget Information (N = 263)

S/No	Budget Information	Mean	SD	Decision
36.	Showing the original and final budget amounts	2.26	0.76	Disagree
37.	Presenting actual budget on a comparable basis	2.20	0.76	Disagree
38.	Comparing of budgeted amount and actual amount spent	2.28	0.68	Disagree
39.	Presenting an explanation of changes between the original and approved budget	2.62	0.65	Agree
40.	Disclosing of budgetary basis and classification basis adopted	2.18	0.74	Disagree
41.	Disclosure in notes to the financial statement the period of the approved budget	2.74	0.69	Agree
42.	Identifying in notes the faculties included in the approved budget	1.81	0.64	Disagree
43.	Making approved budget publicly and available	1.79	0.68	Disagree

The item by item analysis in Table 4 show that items 39 and 41 with the mean scores ranging from 2.62 to 2.74 are International Public Sector Accounting Standards adopted by account officers in presentation of budget information in tertiary institutions in South East. Items 36, 37, 38, 40, 42 and 43 with mean scores ranging from 1.79 to 2.28 are the IPSASs not adopted by account officers in presentation of budget information. The standard deviations of 0.64 to 0.76 are relatively small showing that the respondents are not wide apart in their responses.

Research Question 5

What are the IPSASs adopted by account officers in internal control system in tertiary institutions in South East?

Analysis of data relating to this research question is presented in Table 5

Table 5**Mean Responses on the IPSASs Adopted by Account Officers in Internal Control System (N = 263)**

S/No	Internal Control System	Mean	SD	Decision
44.	Reviewing departments monthly financial reports	2.51	0.76	Agree
45.	Evaluation of funding sources annually to assess the sustainability of current funding levels	2.60	0.81	Agree
46.	Evaluation of departmental employee annual performance in accordance with institutions systems	2.82	0.75	Agree
47.	Monitoring of payroll reports to identify unapproved or strange personnel	2.04	0.70	Disagree
48.	Regular reconciliations between subsidiary and control ledgers	2.17	0.72	Disagree
49.	Segregation of duties within department in receiving and depositing cash and cheques	1.97	0.68	Disagree
50.	Matching receiving documents to purchase orders and invoices	2.09	0.72	Disagree
51.	Periodic review of costs	2.15	0.69	Disagree
52.	Establishment of guidelines for providing credit	2.07	0.71	Disagree
53.	Establishment of guidelines for cash budgets	2.14	0.70	Disagree

The item by item analysis in Table 5 shows that items 44, 45 and 46 with the mean scores ranging from 2.51 to 2.82 are the International Public Sector Accounting Standards adopted by account officers in internal control system in tertiary institutions in South East. Items 47, 48, 49, 50, 51, 52 and 53 with mean scores ranging from 1.97 to 2.17 are the IPSASs not adopted by account officers in internal control system. The standard deviation for all

the items ranges from 0.68 to 0.81 which show that the respondents are not wide apart in their responses.

Result of Test of Hypotheses

Hypothesis 1

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in reporting assets and liabilities in tertiary institutions in South East.

Data Obtained in respect of the first hypothesis are analyzed and presented in Table 6.

Table 6

Analysis of Variance on the Adoption of IPSASs by Account Officers in Reporting Assets and Liabilities in Tertiary Institutions in South-East

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	0.968	2	0.484			
				.077	.926	Not sig
Within Groups	1703.08	260	6.534			
Total	1704.16	262				

As shown in Table 6, there is no significant difference among the three groups in terms of their responses on the adoption of IPSASs in reporting assets and liabilities in tertiary institutions in South East, as the F-

ratio (2, 260) is .077 and *P-value* (.926) is greater than the stipulated 0.05 level of significance. Therefore, the null hypothesis is accepted.

Hypothesis 2

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in reporting assets and liabilities in tertiary institutions in South East on the basis of years of experience.

Data Obtained in respect of the second hypothesis are analyzed and presented in Table 7.

Table 7

Analysis of Variance on the Adoption of IPSASs by Account Officers in Reporting Assets and Liabilities based on Years of Experience

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	1.82	2	0.968	.142	.867	Not sig
Within Groups	1702.23	260	6.534			
Total	1704.16	262				

The analysis in Table 7 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in reporting assets and liabilities in tertiary institutions in South East based on years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260)

is .142 and *P-value* (.867) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 3

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in cash flow management in tertiary institutions in South East.

Data Obtained in respect of the third hypothesis are analyzed and presented in Table 8.

Table 8

Analysis of Variance on the Adoption of IPSASs by Account Officers in Cash Flow Management in Tertiary Institutions in South East

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	2.304	2	1.008			
				.140	.869	Not sig
Within Groups	1958.83	260	7.488			
Total	1960.99	262				

As shown in Table 8, there is no significant difference among the three groups in terms of their adoption of IPSASs in cash flow management in tertiary institutions in South East, as the F-ratio (2, 260) is .140 and *P-value* (.869) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 4

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in cash flow management in tertiary institutions in South East on the basis of years of experience.

Data Obtained in respect of the fourth hypothesis are analyzed and presented in Table 9.

Table 9

Analysis of Variance on the Adoption of IPSASs by Account Officers in Cash Flow Management based on Years of Experience

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	1.152	2	0.576			
				.078	.925	Not sig
Within Groups	1959.84	260	7.488			
Total	1960.99	262				

The analysis in Table 9 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in cash flow management in tertiary institutions in South East on the basis of years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260) is .078 and *P-value* (.925) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 5

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East.

Data Obtained in respect of the fifth hypothesis are analyzed and presented in Table 10.

Table 10

Analysis of Variance on the Adoption of IPSASs by Account Officers in Capturing Revenues and Expenses in Tertiary Institutions in South-East

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	0.864	2	0.432	.114	.892	Not sig
Within Groups	1057.68	260	4.032			
Total	1058.54	262				

As shown in Table 10, there is no significant difference among the three groups in terms of their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East, as the F-ratio (2, 260) is .114 and *P-value* (.892) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 6

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East on the basis of years of experience.

Data Obtained in respect of the sixth hypothesis are analyzed and presented in Table 11.

Table 11

Analysis of Variance on the Adoption of IPSASs by Account Officers in Capturing Revenues and Expenses in Tertiary Institutions in South-East on the Basis of Years of Experience

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	16.416	2	8.208	2.055	.130	Not sig
Within Groups	1042.13	260	4.032			
Total	1058.54	262				

The analysis in Table 11 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East on the basis of years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260) is 2.055 and *P-value* (.130) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 7

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in presentation of budget information in tertiary institutions in South East.

Data Obtained in respect of the seventh hypothesis are analyzed and presented in Table 12.

Table 12

Analysis of Variance on the Adoption of IPSASs by Account Officers in Presentation of Budget Information in Tertiary Institutions in South-East

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	3.968	2	1.984			
				.387	.679	Not sig
Within Groups	1335.81	260	5.12			
Total	1339.78	262				

Data in Table 12 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in presentation of budget information in tertiary institutions in South East, as the F-ratio (2, 260) is .387 and *P-value* (.679) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 8

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in presentation of budget information in tertiary institutions in South East on the basis of years of experience.

Data Obtained in respect of the eighth hypothesis are analyzed and presented in Table 13.

Table 13

Analysis of Variance on the Adoption of IPSASs by Account Officers in Presenting Budget Information in Tertiary Institutions in South-East on the Basis of Years of Experience

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	23.68	2	11.84	2.337	.099	Not sig
Within Groups	1316.16	260	5.056			
Total	1339.78	262				

The analysis in Table 13 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in presentation of budget information in tertiary institutions in South East on the basis of years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260) is 2.337 and *P-value* (.099) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 9

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in internal control system in tertiary institutions in South East.

Data Obtained in respect of the ninth hypothesis are analyzed and presented in Table 14.

Table 14

Analysis of Variance on the Adoption of IPSASs by Account Officers in Internal Control System in Tertiary Institutions in South-East

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	4.5	2	2.3	.409	.665	Not sig
Within Groups	1434.7	260	5.5			
Total	1439.2	262				

As shown in Table 14, there is no significant difference among the three groups in terms of their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East, as the F-ratio (2, 260) is .409 and *P-value* (.665) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Hypothesis 10

Account officers in universities, polytechnics and colleges of education do not differ significantly in their adoption of IPSASs in internal

control system in tertiary institutions in South East on the basis of years of experience.

Data Obtained in respect of the tenth hypothesis are analyzed and presented in Table 15.

Table 15

Analysis of Variance on the Adoption of IPSASs by Account Officers in Internal Control System in Tertiary Institutions in South-East on the Basis of Years of Experience

	Sum of Squares	df	Mean Square	F	P-value	Remark
Between Groups	13.6	2	6.8	1.244	.290	Not sig
Within Groups	1425.6	260	5.5			
Total	1439.2	262				

Data analysis in Table 15 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in internal control system in tertiary institutions in South East on the basis of years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260) is 1.244 and *P-value* (.290) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Summary of Findings

Findings of the study are summarized as follows:

1. *Reporting of Assets and Liabilities:* Account officers did not adopt the following under reporting assets and liabilities in their daily financial activities: presentation of current assets in order of liquidity, disclosure of amount expected to be recovered for each asset and liability, receivables and payables from exchange transactions in tertiary institutions in South East. Only six items were adopted in their financial activities.
2. *Cash Flow Management:* Account officers did not adopt International Public Sector Accounting Standards (IPSASs) in reporting cash flows from operating, investing and financing activities, reporting cash receipts and payments, reconciling the amounts of cash and cash equivalent, disclosing cash advances and loans in tertiary institutions in South East. Only four items were adopted by account officers in their financial reporting activities.
3. *Capturing of Revenues and Expenses:* Account officers did not adopt International Public Sector Accounting Standards (IPSASs) in capturing revenues and expenditures in the disposal of non-current assets, correction of errors and effects of changes in accounting

policies, disclosure of items of revenue and expense that are material fact and recognition of depreciation, bad and doubtful debts in their financial activities in tertiary institutions in South East. Only two items were adopted.

4. *Presentation of Budget Information:* Account officers did not adopt International Public Sector Accounting Standards (IPSASs) in presentation of original and final budget amounts, actual budget on a comparable basis, identifying facilities included in the approved budget and making approved budget publicly in their financial statements in tertiary institutions in South East. Only two items were adopted in their financial activities.
5. *Internal Control System:* Account officers did not adopt International Public Sector Accounting Standards (IPSASs) in internal control system as they relate to monitoring of payroll reports, regular reconciliations, segregation of duties, periodic review of cots and establishment of guidelines for providing credit in their financial reporting in tertiary institutions in South East. Only three items were adopted in their financial activities.
6. Account officers in universities, polytechnics and colleges of education did not differ significantly in the adoption of IPSASs in

reporting assets and liabilities, cash flow management, capturing revenues and expenses, presentation of budget information and internal control system in tertiary institutions in South East.

7. Account officers did not differ significantly in the adoption of IPSASs in reporting assets and liabilities, cash flow management, capturing revenues and expenses, presentation of budget information and internal control system in tertiary institutions in South East on the basis of years of experience.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This chapter presents the findings of the study, draws conclusion and makes recommendations and suggestions for further studies.

Discussion of Findings

The findings of this study are organized and discussed based on the research questions guiding the study as well as the hypotheses tested.

Reporting of Assets and Liabilities in Tertiary Institutions

The results of the study indicated that account officers adopted International Public Sector Accounting Standards (IPSAS) in presenting separately current and non-current assets and liabilities in its financial statement position, presents liability in order of maturity and stating balances carried over from one accounting period to the next accounting period in tertiary institutions in South East. Also, account officers did not adopt IPSAS in presentation of current assets in order of liquidity, disclosure of amount expected to be recovered for each asset and liability, receivables and payables from exchange transactions. This implies that most of the IPSA Standards on reporting of assets and liabilities were not adopted by account officers in their financial reporting activities in Nigeria. This finding could lead to inability to control fraud, improper verification and valuation of

assets, lack of funds in meeting short-term and long-term liabilities, embezzlement in tertiary institutions' financial reporting in Nigeria.

The findings disagree with that of Ijeoma and Oghoghomeh (2014), Monari (2015) and Balogun (2016) who found that as a result of the adoption of IPSAS by the public entities, there was improvement in accountability, asset management and transparency in financial reporting in public institutions. Supporting this view, Balogun (2016) asserted that IPSAS helps in ascertaining the future sustainability of programmes, liquidity position and comprehensive information on the financial position, (that is, assets and liabilities of government can be better assessed). This implies that the adoption of IPSAS in tertiary institutions in South East is expected to give disclosures on accounts of contingent assets and contingent liabilities, disclosures of the amount receivables and payables from exchange transactions so that risks associated with the guarantees issued can be better assessed by the user of financial statements.

The test of the first and second hypotheses indicated that account officers did not differ significantly in the adoption of IPSAS in reporting assets and liabilities in tertiary institutions in South East on the basis of type of institution and years of experience. Therefore, it followed that the null hypotheses of no significant difference was accepted. This disagrees with the

findings of Monari (2015) who observed that account officers differ significantly in their adoption of IPSAS in public sector entities.

Cash Flow Management in Tertiary Institutions

The results of the study revealed that account officers adopted International Public Sector Accounting Standards (IPSAS) in classification of cash flows during the period, disclosing cash inflow and outflow from interests and dividends in tertiary institutions in South East. Moreover, majority of the respondents did not adopt IPSAS in reporting cash flows from operating, investing and operating activities, reporting cash receipts and payments for the acceptance and repayment of deposits. Also, the respondents did not adopt IPSAS in reconciling the amounts of cash and cash equivalents in the statement, disclosing cash inflow from dividends and cash and advances and loans made within the period under review. This implies that account officers did not adopt IPSASs in disclosing cash flows from operating, investing and financing activities which will help the institution to ascertain the future sustainability of programmes in Nigeria.

The findings of the study corroborates that of Ohaka, Dagogo and Bayie (2016) who observed that the adoption of IPSAS has the huge potential of improving transparency and accountability in government financial management. Cash flow statement provides means by which an

institution can discharge its accountability for cash inflows and cash outflows during the reporting period. Also Bingilar and Oyadonghan (2014) stated that auditors and accounts officers should use cash flow ratios in evaluating the performance of an organization before forming an independent opinion on the financial statement. This will give detailed information on the organization to enable investors make rational investment decisions and the cycle of cash inflows and outflows determine the institution's solvency and ability of an institution to finance its growth from internally generated funds.

The findings from the test of third and fourth hypotheses revealed that account officers did not differ significantly in the adoption of IPSAS in cash flow management in tertiary institutions in South East on the basis of type of institution and years of experience. It followed therefore that the null hypotheses was accepted. This agreed with the study of Opanyi (2016) whose result showed no significant difference in items and that the adoption of IPSAS is adjudged to have moderate effect on the quality of financial reports in public sector. The findings of Bingilar and Oyadonghan (2014) revealed that operating and financing cash flows have significant positive relationship with corporate performance in public sector in Nigeria.

Capturing of Revenues and Expenses in Tertiary Institutions

The results of the study indicated that account officers adopted International Public Sector Accounting Standards (IPSAS) in stating method of accounting for borrowing costs and measurement of employee-related expenses in tertiary institutions in South East. However, most of the respondents did not adopt IPSAS in reporting expenditure related to a provision that is recognized, reporting of gains and losses arising from financial instruments, correction of errors and effects of changes in accounting policies, disclosure of items of revenue and expense that are material fact and recognition, disclosing of items of property, plant and equipment and measurement of depreciation. The account officers also did not adopt IPSAS in identification and recognition of bad and doubtful debts, disclosure of grants, donations and transfers made or received and the treatment of losses on revaluation of assets in tertiary institutions in South East. This implies that account officers find it difficult to reflect expenses paid or not and all income whether received or not in their financial statements in tertiary institutions in Nigeria. This could be as a result of cost implications on enormous disclosure requirements which increase the volume of pages of financial statements.

The findings disagree with that of Nkwagu, Okoye and Nkwagu (2016) who stated that revenues and expenses are recognized for financial reporting purposes when all elements of the definitions and the recognition criteria for revenue and expenses are satisfied. They also reported that IPSASs adoption enhances financial transparency in the Nigerian public sector as the standards pave way for improved credibility of financial statements and also enhances comparability of financial information in the public sector. This implies that the recognition of revenue and expense in tertiary institutions will help in determining the categories of revenues and expense to be used in the chart of accounts and the financial statements; preparing accounting policies for each category of revenue and expense. Olayinka, Okoye, Modebe and Ogundele (2016) also stated that disclosures of relevant financial information will help users make useful economic decisions. This implies that if tertiary institutions recognizes and discloses items of revenue and expense that are material, disclosure of grants, donations and deposits or transfers made or received, it could be used to solve problems associated to the difficulties in providing clear financial accounting in prepaid tuition fees, caution deposits, development levies and other related accounting issues in the financial affairs of the institutions in the country.

Furthermore, testing of the fifth and sixth hypotheses indicated that account officers did not differ significantly in the adoption of IPSAS in capturing revenues and expenses in tertiary institutions in South East on the basis of type of institution and years of experience. Therefore, the null hypothesis was accepted. The findings corroborates that of Olayinka, Okoye, Modebe and Ogundele (2016) who reported that IPSAS adoption has a significant positive impact on the quality of financial reporting in the Nigerian public sector.

Presentation of Budget Information in Tertiary Institutions

The results of the study revealed that account officers adopted International Public Sector Accounting Standards (IPSAS) in presenting an explanation of changes between the original and approved budget and disclosures in notes to the financial statement for the period of the approved budget in tertiary institutions in South East. Moreover, most of the respondents did not adopt IPSAS in showing the original and final budget amounts, presenting actual budget on a comparable basis and comparing of budgeted amount and actual amount spent. Also, the account officers did not adopt IPSAS in disclosing of budgetary basis and classification of basis adopted, identifying in notes the faculties included in the approved budget and making approved budget publicly and available. This could be as a

result of inability of account officers to state the total revenue, total expenses and net cash flows from operating, investing and financing activities in presenting the budget in financial statements due to lack of knowledgeable personnel and training.

The findings are similar with the findings of Nyikyaa, Iliya, Omake and Bilkinsu (2017) who stated that budget formulation and implementation has a significant impact on the development of Nigeria tertiary institutions and institutions should be properly monitored for prudent management of funds and implementation of projects. Ibanichukwu and Oyadonghan (2014) also reported that traditional cash basis of accounting aids poor budget implementation and mismanagement of fund as well as lack of accountability and transparency. Presentation of budget information in financial reporting of tertiary institutions in Nigeria requires a comparison of budget amounts and the actual amounts arising from the execution of the budget to be included in the financial statements. Furthermore, Nkwagu, Uguru and Nkwedo (2016) stated that the adoption of IPSASs paves way for effective budget implementation and checks possible cases of corruption in the Nigerian public sector. This implies that the economy of Nigeria will be better if full implementation and sustenance of IPSASs is made in the country especially tertiary institutions.

The test of the seventh and eighth hypotheses revealed that account officers did not differ significantly in the adoption of IPSAS in presentation of budget information in tertiary institutions in South East on the basis of type of institution and years of experience. Therefore, the null hypothesis was accepted. This disagrees with Nkwagu, Uguru and Nkwedo (2016) who found that there was significant difference among account officers on the adoption of IPSAS in the public sector entities.

Internal Control System in Tertiary Institutions

The results of the study indicated that account officers adopted International Public Sector Accounting Standards (IPSAS) in reviewing department's monthly financial reports, evaluation of funding sources and evaluation of departmental employee-related annual performance in accordance with institutions systems in tertiary institutions in South East. Majority of the respondents did not adopt IPSAS in monitoring of payroll reports, regular reconciliations between subsidiary and control ledgers and segregation of duties within departments in receiving and depositing cash and cheques. They also did not adopt IPSAS in matching receiving documents to purchase orders and invoices, periodic review of costs, establishment of guidelines for providing credit and establishment of guidelines for cash budgets in tertiary institutions. This could be as a result

of inability of account officers to evaluate the system of internal control relating to disclosing revenues and expenses in educational institutions in the aspects of procedures relating to generation of revenue such as fixing fees structure, offer scholarships and other items of revenue. It could also be as a result of technology and infrastructure.

Existing technology in most tertiary institutions in Nigeria makes the adoption of IPSASs difficult. Adoption of IPSASs requires the upgrading/replacement of some existing information technology system, data structure to enable adequate internal control system. This implies that account officers in tertiary institutions in Nigeria have not fully adopted IPSASs accounting guideline and policies in the preparation of the financial statements. This will give room for fraudulent practices as a result of non-compliance or existence in accounting guidelines and policies which may scare away both domestic and foreign donor agencies in rendering financial assistance to educational institutions.

This finding disagree with that of Obara and Nangih (2017) who found that IPSAS adoption resulted in financial transparency and strengthened internal controls which leads to increased efficiency in decision making and good governance. Internal control is a set of policies and procedures adopted by an entity to ensure that an organization's transactions

are processed in the appropriate manner to avoid waste, theft, and misuse of organization resources. In support of this, Ofoegbu (2014) and Okaro and Okoye (2012) stated that the introduction of IPSAS in the public sector would usher in an era of improved accountability and decision making in the Nigerian public sector. For tertiary institutions to achieve the set objective of providing quality financial reporting, they must establish an effective internal control system to immensely assist the management of the institutions, particularly when decisions are to be made. The quality of any decision making is entirely dependent on the nature of the information made available. Timely and reliable financial information guides management in the formulation of appropriate policies in a given organization. This implies that account officers in tertiary institutions should study and evaluate the system of internal control relating to revenue recognition to ensure accurate and complete records.

The findings from the test of the ninth and tenth hypotheses indicated that account officers did not differ significantly in their mean ratings on the adoption of IPSAS in internal control system in tertiary institutions in South East on the basis of type of institution and years of experience. It followed therefore that the null hypotheses was accepted.

Conclusion

From the findings of the study, it was revealed that account officers did not adopt IPSAS in reporting of assets and liabilities, cash flow management, capturing of revenues and expenses, presentation of budget information and internal control system in tertiary institutions in South East. Accounting standards are designed to promote global confidence in organizations' reporting. International Public Sector Accounting Standard is a set of reporting modules of governmental activities to project, promote, protect and sustain good governance globally as far as possible within the jurisdictions that have been adopted. Therefore, it is importance that the adoption of IPSAS based procedure and regulations/standards would enable the provision of more meaningful information for decision makers and improve the quality of financial reporting system in tertiary institutions in Nigeria.

Implications of the Study

The findings of this study have some educational implications for professional accountants and the ancillary staff of the accounts department as well as the auditors of tertiary institutions. Accounts officers in tertiary institutions should adopt International Public Sector Accounting Standards (IPSAS) in their financial reporting activities and measures that will promote

the image and credibility of the accounting profession. Again the accountants' professional learning at the tertiary level of education is highlighted as an effective measure to enhance the adoption of IPSAS in the preparation of financial statements. Updating the knowledge and skills of account officers to be in tandem with current trends in an ever dynamic society becomes inevitable so that they will be competent enough in maintaining good accounting systems. This will help to ensure that recorded transactions are valid, properly authorized, complete, properly classified, reported in the proper period, properly valued and summarized correctly.

The findings of the study also has far reaching implications to the accounting education students' creativity, information and communication technology abilities and keeping of accounting records for self employment and sustainable development in tertiary institutions . The contribution to new knowledge in this study included the development of advice for all participants working within and related to the field of education and in particular accounting education the benefit of field visit to the accounting firms where students would acquire requisite accounting skills in reporting quality financial statements at the end of every accounting period.

Recommendations

Based on the findings of the study, the following recommendations are therefore made:

1. The Federal Government should include International Public Sector Accounting Standards in the curriculum of accounting education in tertiary institutions. This will help to improve more the existing financial management mechanism and policy to enable accrual-based accounting and IPSAS to be adopted.
2. Measures should be taken by tertiary institutions to enhance the disclosure of relevant financial information that will help in reporting assets and liabilities. This will facilitate the analysis of transactions (that is, avoiding understatement of assets or the overstatement of liabilities) and stock positions between institutional units and serve as a framework for assessing the sources and uses of financing and degree of liquidity for these units.
3. There should be manpower development by various tertiary institutions to train highly qualified and professional accountants as well as build and develop accounting information system together with information technology. This will help in reporting all statutory

- income and other internally generated revenue reported for the accounting period.
4. The management of tertiary institutions should ensure adequate recognition of revenue and expense in their financial reporting activities. This will help in determining the categories of revenues and expenses to be used in the chart of accounts and in financial statements preparation.
 5. An effective internal control system should be established by management of universities, polytechnics and colleges of education. This will help to avoid manipulation or embezzlement by staff.
 6. Accounting departments in the institutions should initiate intensive and extensive research programmes into the theories, practices of accounting and investigation so that appropriate policies and standards would be followed by accountants while discharging their duties.

Suggestions for Further Study

The result of the present study suggests that further studies could be undertaken in the following areas:

1. Perception of accounts officers on the adoption of IPSAS in financial reporting in tertiary institutions.

2. Adoption of International Public Sector Accounting Standards (IPSAS) by accounts officers in cash flow management of public institutions.
3. Constraints to the adoption of International Public Sector Accounting Standards (IPSAS) by accounts officers in tertiary institutions.

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Appendix A

Consolidated Financial Statement Position as at 31st December, 20xx

	Notes	20XX ₪	20XX ₪	20XX-1 ₪	20XX-1 ₪
ASSETS					
Current Assets					
Cash and Cash Equivalent	26	X		X	
Receivables	27	X		X	
Prepayments	28	X		X	
Inventories	29	X		X	
Total Current Assets	A		X		X
Non-Current Assets					
Long Term Loans	30	X		X	
Investments	31	X		X	
Property, Plant & Equipment	32	X		X	
Investment Property	33	X		X	
Intangible Assets	34	X		X	
Total Non-Current Assets	B		X		X
Total Assets	C = A + B		XX		XX
LIABILITIES					
Current Liabilities					
Deposits	35	X		X	
Short Term Loans & Debts	36	X		X	
Unremitted Deductions	37	X		X	
Payables	38	X		X	
Short Term Provisions	39	X		X	
Current Portion of Borrowings	40	X		X	
Total Current Liabilities	D		X		X
Non-Current Liabilities					
Public Funds	41	X		X	
Long Term Provisions	42	X		X	
Long Term Borrowings	43	X		X	
Total Non-Current Liabilities	E		X		X
Total Liabilities	F = D + E		XX		XX
Net Assets:	G = C - F		XX		XX
NET ASSETS/EQUITY					
Capital Grant	44	X		X	
Reserves	45	X		X	
Accumulated Surpluses/(Deficits)	46	X		X	
Minority Interest	47	X		X	
Total Net Assets/Equity:	H = G		XX		XX

Appendix B

Consolidated Cashflow Statement for the Year Ended 31st December, 20xx

ANNUAL BUDGET 20XX ₦	CashFlow from operating activities: Receipts	Notes	ACTUAL YEAR 20XX ₦	20XX ₦
xx	Statutory Allocation FAAC	1	xx	xx
xx	Value Added Tax Allocation	1	xx	xx
	Sub-total – Statutory Allocation		xx	xx
xx	Direct Taxes	2	xx	xx
xx	Licenses	2	xx	xx
xx	Mining Rates:	2	xx	xx
xx	Royalties	2	xx	xx
xx	Fees	2	xx	xx
xx	Fines	2	xx	xx
xx	Sales	2	xx	xx
xx	Earnings	2	xx	xx
xx	Sales/Rent of Government Buildings	2	xx	xx
xx	Sales/Rent on Lands and Others:	2	xx	xx
xx	Repayments General	2	xx	xx
xx	Investment Income	2	xx	xx
xx	Interest Earned	2	xx	xx
xx	Re-imburement	2	xx	xx
	Sub-total – Independent Revenue		xx	xx
xx	Other Revenue Sources of the Government	3	xx	xx
0.00	Total Receipts		0.00	0.00
	Payments:			
xx	Personnel Costs (Including Sales on CRF	4	xx	xx
xx	Federal/States/LGC Contribution to position	5	xx	xx
xx	Overhead Charges	6	xx	xx
xx	Consolidated Revenue Fund Charges	7	xx	xx
xx	Subvention to Parastatals	8	xx	xx
xx	Other Operating Activities			
xx	Other Transfers		0.00	0.00
0.00	Total Payments		0.00	0.00
	<i>Net Cash Flow from Operating Activities</i>			
	CashFlows from Investment Activities			
xx	Capital Expenditure: Administrative Sector	11	xx	xx
xx	Capital Expenditure: Economic Sector	11	xx	xx
xx	Capital Expenditure: Law and Justice	11	xx	xx
xx	Capital Expenditure: Regional Development	11	xx	xx
xx	Capital Expenditure: Social Service Sector	11	xx	xx
xx	Capital Expenditure: Funded from Aid/Grant	10	xx	xx
0.00	<i>Net Cash Flow from Investment Activities</i>		0.00	0.00
	CashFlows from Financial Activities			
xx	Proceeds from Aid and Grants	10	xx	xx
xx	Proceeds from External Loan	19	xx	xx
xx	Proceeds from Internal Loans: FGN	20	xx	xx
xx	Proceeds from Internal Loan: NTBs etc	21	xx	xx
xx	Proceeds from Development of Nat. Resource	23	xx	xx
	Proceeds of Loans from Other Funds	24	xx	xx
-xx	Repayment of External Loans	19	xx	xx
-xx	Repayment of FGN/Treasury Bonds	20	xx	xx
-xx	Repayment of Internal Loans NTBs	21	xx	xx
-xx	Repayment of Loans from development of res	23	xx	xx
	Repayment of Loans from Other Funds	24	xx	xx
0.00	<i>Net Cash Flow from Financing Activities</i>		0.00	0.00

Appendix C

Consolidated Statement of Financial Performance for the Year Ended 31st December, 20xx

Previous Year Actual (20XX-1)		Notes	Actual 20XX	Final Budget 20XX	Supplementary Budget 20XX	Initial/Original Budget 20XX	Variance on Final Budget
₦			₦	₦	₦	₦	₦
			A	B(C+D)	C	D	E(B-A)
	REVENUE						
X	Government Share of FAAC	1	X	X	X	X	X
X	Government Share of VAT	2	X	X	X	X	X
X	Tax Revenue	3	X	X	X	X	X
X	Non-Tax Revenue	4	X	X	X	X	X
X	Investment Income	5	X	X	X	X	X
X	Interest Earned	6	X	X	X	X	X
X	Aid & Grants	7	X	X	X	X	X
X	Debt Forgiveness	8	X	X	X	X	X
X	Other Revenues	9	X	X	X	X	X
X	Transfer from other Govt Entit	10	X	X	X	X	X
XX	Total Revenue (a)		XX	XX	XX	XX	XX
	EXPENDITURE						
X	Salaries & Wages	11	X	X	X	X	X
X	Social Benefits	12	X	X	X	X	X
X	Overhead Cost	13	X	X	X	X	X
X	Grants & Contributions	14	X	X	X	X	X
X	Subsidies	15	X	X	X	X	X
X	Depreciation Charges	16	X	X	X	X	X
X	Impairment Charges	17	X	X	X	X	X
X	Amortization Charges	18	X	X	X	X	X
X	Bad Debts Charges	19	X	X	X	X	X
X	Public Debt Charges	20	X	X	X	X	X
X	Transfer to other Govt Entities	21	X	X	X	X	X
XX	Total Expenditure (b)		XX	XX	XX	XX	XX
	Surplus/(Deficit) from Operating Activities for the period c = (a-b)						
	Gain/Loss on Deposit of Asset	22	X	X	X	X	X
	Gain/Loss on Foreign Exchange	23	X	X	X	X	X
	Share of surplus/(deficit) in Associates & Joint Ventures	24					
	Total Non-Operating Revenue/Expenses) (d)		XX	XX	XX	XX	XX
X	Surplus/(Deficit) from Ordinary Activities e= (c+d)		X	X	X	X	X
(X)	Minority Interest Share of Surplus/(Deficit) (f)	25	(X)	(X)	(X)	(X)	(X)
XX	Net Surplus/(Deficit) for the Period g= (e-f)		XX	XX	XX	XX	XX

Appendix D

Consolidated Budget Report for the Year Ended 31st December, 20xx

Description	Actual 20XX	Final Budget 20XX	Supplementary Budget 20XX	Initial/ Original Budget 20XX	Variance on Final Budget
	₦	₦	₦	₦	₦
	A	B(C+D)	C	D	E(B-A)
REVENUE					
Government Share of FAAC	X	X	X	X	X
Government Share of VAT	X	X	X	X	X
Tax Revenue	X	X	X	X	X
Non-Tax Revenue	X	X	X	X	X
Investment Income	X	X	X	X	X
Interest Earned	X	X	X	X	X
Aid & Grants	X	X	X	X	X
Debt Forgiveness	X	X	X	X	X
Other Revenue	X	X	X	X	X
Transfer from other Government Entities	X	X	X	X	X
Total Revenue (a)	XX	XX	XX	XX	XX
RECURRENT EXPENDITURE					
Salaries & Wages	X	X	X	X	X
Social Benefits	X	X	X	X	X
Overhead Cost	X	X	X	X	X
Subsidies	X	X	X	X	X
Depreciation Charges	X	X	X	X	X
Impairment Charges	X	X	X	X	X
Amortization Charges	X	X	X	X	X
Bad debts Charges	X	X	X	X	X
Public Debt Charges	X	X	X	X	X
Transfer to other Government Entities	X	X	X	X	X
Total Recurrent Expenditure (b)	XX	XX	XX	XX	XX
Capital Expenditure Based on Sectors					
Administrative Sector	X	X	X	X	X
Economic Sector	X	X	X	X	X
Law and Justice Sector	X	X	X	X	X
Regional Sector	X	X	X	X	X
Social Sector	X	X	X	X	X
Total Capital Expenditure = c	XX	XX	XX	XX	XX
Total Expenditure: d= b + c	XXX	XXX	XXX	XXX	XXX
Budget Surplus/(Deficit): e = a - d	XXX	XXX	XXX	XXX	XXX

Appendix E

Transmittal Letter

Department of Technology and Vocational Education
Faculty of Education
Nnamdi Azikiwe University
Awka

28th March, 2018

Dear Sir / Madam

REQUEST FOR COMPLETION OF A QUESTIONNAIRE

I am a postgraduate student of the above institution carrying out a research on “Adoption of International Public Sector Accounting Standards in Financial Reporting in Tertiary Institutions South East Nigeria.”

As an accounts officer, you have been identified as an important resource person in respect of this study. you are hereby requested to respond to the content of this questionnaire as honestly as possible to assist in this investigation.

This research work is an academic exercise and you are assured that your responses will be used only for the stated purpose and treated with confidentiality.

Thanks for your anticipated co-operation.

Yours faithfully

Signed

Odimmega Chinyere Genevive
Researcher
08031900415

Appendix F

Questionnaire on Adoption of IPSAS in Financial Reporting (QAOIPSASIFR)

SECTION A: Background Information

Instruction: Please supply the required information by ticking (√) in the appropriate spaces as it applies to you.

Type of Tertiary Institution

University

Polytechnic

College of Education

Years of Experience

0 – 5 years

6 years to 10 years

Above 10 years

SECTION B

Listed below in clusters B1 – B5 are items on the adoption of IPSAS in financial reporting in tertiary institutions in South-East. In your opinion as an accounts officer, kindly indicate with a tick (√) on the adoption of IPSAS in financial reporting.

Use the following response categories to indicate your rating:

SA – Strongly Agree

A – Agree

D – Disagree

SD- Strongly Disagree

B1: Adoption of IPSAS in reporting of assets and liabilities.

S/No	Items on adoption of IPSAS in reporting of assets and liabilities.	SA	A	D	SD
	Adoption of IPSAS in:				
1	Presentation of current assets in order of liquidity				
2	Presenting separately current and non-current assets in financial statement position				
3	Presentation of current and non-current liability separately				
4	Presentation of liability in order of maturity.				
5	Disclosure of amount expected to be recovered for each asset				
6	Disclosure of amount expected to be recovered for each liability				
7	Stating balances carried over from one accounting period to the next accounting period.				
8	Receivables from exchange transactions				
9	Payables from exchange transactions				
10	Stating the end of reporting period covered by the financial statement				
11	Stating when current liability is expected to be settled				

B2: Adoption of IPSAS in cash flow management

S/No	Items on adoption of IPSAS in cash flow management.	SA	A	D	SD
	Adoption of IPSAS in:				
12	Classification of cash flows during the accounting period under review				
13	Reporting cash flows from operating activities				
14	Reporting cash flows from investing activities				
15	Reporting cash flows from financing activities				
16	Reporting cash receipts and payments for the acceptance and repayment of deposits				
17	Disclosure of the components of cash and cash equivalents				
18	Reconciling the amounts of cash and cash equivalents in the statement				
19	Disclosing cash inflow from interests				
20	Disclosing cash outflow from interest				
21	Disclosing cash inflow from dividends				
22	Disclosing cash outflow from dividends				
23	Disclosing cash advances and loans made within the period under review				

B3: Adoption of IPSAS in capturing revenues and expenses

S/No	Items on adoption of IPSAS in capturing revenues and expenses.	SA	A	D	SD
	Adoption of IPSAS in:				
24	Disclosure of gains and losses in the disposal of non-current assets				
25	Reporting expenditure related to a provision that is recognized				
26	Reporting of gains and losses arising from financial instruments				
27	Stating method of accounting for borrowing costs				
28	Correction of errors and effects of changes in accounting policies				
29	Disclosure of items of revenue and expense that are material				
30	Disposals of items of property, plant and equipment				
31	Recognition and measurement of depreciation				
32	Recognition and measurement of employee-related expense				
33	Identification and recognition of bad and doubtful debts				
34	Recognition and disclosure of grants, donations and transfers made or received				
35	The treatment of losses on revaluation of assets				

B4: Adoption of IPSAS in presentation of budget information

S/No	Items on adoption of IPSAS in presentation of budget information.	SA	A	D	SD
	Adoption of IPSAS in:				
36	Showing the original and final budget amounts				
37	Presenting actual budget on a comparable basis				
38	Comparing of budgeted amount and actual amount spent				
39	Presenting an explanation of changes between the original and approved budget				
40	Disclosing of budgetary basis and classification basis adopted				
41	Disclosure in notes to the financial statement the period of the approved budget				
42	Identifying in notes the faculties included in the approved budget				
43	Making approved budget publicly and available				

B5: Adoption of IPSAS in internal control system.

S/No	Items on adoption of IPSAS in internal control system.	SA	A	D	SD
	Adoption of IPSAS in:				
44	Reviewing departments monthly financial reports				
45	Evaluation of funding sources annually to assess the sustainability of current funding levels				
46	Evaluation of departmental employee annual performance in accordance with institutions systems				
47	Monitoring of payroll reports to identify unapproved or strange personnel				
48	Regular reconciliations between subsidiary and control ledgers				
49	Segregation of duties within department in receiving and depositing cash and cheques				
50	Matching receiving documents to purchase orders and invoices				
51	Periodic review of costs				
52	Establishment of guidelines for providing credit				
53	Establishment of guidelines for cash budgets				

Appendix G

Population Distribution of Account Officers in Federal Tertiary Institutions South East Nigeria

STATE	S/NO	NAME OF INSTITUTION	NUMBER OF ACCOUNTS OFFICERS
Abia	1	Michael Okpara University of Agriculture Umudike	63
Anambra	2	Nnamdi Azikiwe University Awka	137
	3	Federal Polytechnic Oko	76
	4	Federal College of Education (Technical) Umunze	33
Ebonyi	5	Federal University Ndufu Alike Ikwo	71
	6	Federal Polytechnic Uwana-Afikpo	53
	7	Federal College of Education Eha-Amufu	29
Enugu	8	University of Nigeria Nsukka	137
Imo	9	Federal University of Technology Owerri	157
	10	Federal Polytechnic Nekede	50
	11	Alvan Ikoku Federal College of Education Owerri	43
Total			849

Appendix H

Sample Distribution of Account Officers

S/NO	STATE	NAME OF INSTITUTION	ACCOUNT OFFICERS	ACCOUNT OFFICERS using Taro Yamane formula
1	Abia	Michael Okpara University of Agriculture Umudike	63	7.4% of 272= 20
2	Anambra	Nnamdi Azikiwe University Awka	137	16.14% of 272= 44
3		Federal Polytechnic Oko	76	9.07% of 272= 24
4		Federal College of Education (Technical) Umunze	33	3.87% of 272= 11
5	Ebonyi	Federal University Ndufu Alike Ikwo	71	8.36% of 272= 23
6		Federal Polytechnic Uwana-Afikpo	53	6.24% of 272= 17
7		Federal College of Education Eha-Amufu	29	3.42% of 272= 9
8	Enugu	University of Nigeria Nsukka	137	16% of 272= 44
9	Imo	Federal University of Technology Owerri	157	18.49% of 272= 50
10		Federal Polytechnic Nekede	50	5.88% of 272= 16
11		Alvan Ikoku Federal College of Education Owerri	43	5% of 272= 14
Total			849	272

Appendix I

Cronbach Alpha Reliability Output

Reliability

ADOPTION OF IPSAS AND REPORTING OF ASSETS AND LIABILITIES

Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.810	11

Reliability

ADOPTION OF IPSAS AND CASH FLOW MANAGEMENT

Case Processing Summary

		N	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.829	12

Reliability**ADOPTION OF IPSAS AND CAPTURING REVENUES AND EXPENSES****Case Processing Summary**

		N	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.894	12

Reliability**ADOPTION OF IPSAS AND PRESENTATION OF BUDGET INFORMATION****Case Processing Summary**

		N	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.792	8

Reliability**ADOPTION OF IPSAS AND INTERNAL CONTROL SYSTEM****Case Processing Summary**

		N	%
Cases	Valid	20	100.0
	Excluded ^a	0	.0
	Total	20	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.841	10

Appendix J

Data Analysis Output

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Presentation of current assets in order of liquidity	263	2.4373	.77340
Presenting separately current and non-current assets in its financial statement position	263	2.6122	.76777
Presentation of current and non-current liability separately	263	2.9354	.67649
Presentation of liability in order of maturity.	263	2.6388	.82120
Disclosure of amount expected to be recovered for each asset	263	1.8251	.67664
Disclosure of amount expected to be recovered for each liability	263	1.5095	.60446
Stating balances carried over from one accounting period to the next accounting period.	263	2.9658	.67872
Receivables from exchange transactions	263	1.7909	.66395
Payables from exchange transactions	263	1.6274	.64050
Stating the end of reporting period covered by the financial statement	263	2.7490	.65800
Stating when current liability is expected to be settled	263	2.7871	.67132
Valid N (listwise)	263		

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Classification of cash flows during the period	263	2.5817	.73097
Reporting cash flows from operating activities	263	2.4411	.77862
Reporting cash flows from investing activities	263	2.2700	.65915
Reporting cash flows from financing activities	263	2.2852	.85519
Reporting cash receipts and payments for the acceptance and repayment of deposits	263	1.9886	.75404
Disclosure of the components of cash and cash equivalents	263	1.9163	.67156
Reconciling the amounts of cash and cash equivalents in the statement	263	2.3156	.81214
Disclosing cash inflow from interests	263	2.8555	.72709
Disclosing cash outflow from interest	263	2.8365	.71508
Disclosing cash inflow from dividends	263	2.6654	.66698
Disclosing cash outflow from dividends	263	1.8707	.68686
Disclosing cash advances and loans made within the period under review	263	1.9848	.64778
Valid N (listwise)	263		

Descriptive Statistics

	N	Mean	Std. Deviation
Disclosure of gains and losses in the disposal of non-current assets	263	1.8099	.64351
Reporting expenditure related to a provision that is recognized	263	2.1293	.33615
Reporting of gains and losses arising from financial instruments	263	2.1331	.34031
Stating method of accounting for borrowing costs	263	2.6122	.61916
Correction of errors and effects of changes in accounting policies	263	2.5665	.66132
Disclosure of items of revenue and expense that are material	263	2.5703	.81130
Disposals of items of property, plant and equipment	263	2.2510	.43439
Recognition and measurement of depreciation	263	2.2129	.41016
Recognition and measurement of employee-related expense	263	2.6274	.69755
Identification and recognition of bad and doubtful debts	263	1.6236	.68164
Recognition and disclosure of grants, donations and transfers made or received	263	1.6730	.70947
The treatment of losses on revaluation of assets	263	2.2738	.70519
Valid N (listwise)	263		

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Showing the original and final budget amounts	263	2.2624	.75891
Presenting actual budget on a comparable basis	263	2.1977	.76097
Comparing of budgeted amount and actual amount spent	263	2.2814	.68567
Presenting an explanation of changes between the original and approved budget	263	2.6236	.64717
Disclosing of budgetary basis and classification basis adopted	263	2.1787	.73775
Disclosure in notes to the financial statement the period of the approved budget	263	2.7376	.69044
Identifying in notes the faculties included in the approved budget	263	1.8137	.63568
Making approved budget publicly and available	263	1.7947	.68493
Valid N (listwise)	263		

Descriptives

Descriptive Statistics

	N	Mean	Std. Deviation
Reviewing departments monthly financial reports	263	2.5057	.75600
Evaluation of funding sources annually to assess the sustainability of current funding levels	263	2.6008	.81278
Evaluation of departmental employee annual performance in accordance with institutions systems	263	2.8175	.75473
Monitoring of payroll reports to identify unapproved or strange personnel	263	2.0380	.70337
Regular reconciliations between subsidiary and control ledgers	263	2.1673	.72216
Segregation of duties within department in receiving and depositing cash and cheques	263	1.9658	.68432
Matching receiving documents to purchase orders and invoices	263	2.0875	.71779
Periodic review of costs	263	2.1521	.69325
Establishment of guidelines for providing credit	263	2.0684	.71186
Establishment of guidelines for cash budgets	263	2.1407	.70385
Valid N (listwise)	263		

Oneway

ANOVA

assets and liabilities

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.968	2	0.484	.077	.926
Within Groups	1703.075	260	6.534		
Total	1704.164	262			

Oneway

ANOVA

assets and liabilities

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.815	2	0.968	.142	.867
Within Groups	1702.228	260	6.534		
Total	1704.164	262			

Oneway

ANOVA

Cashflow management

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.304	2	1.008	.140	.869
Within Groups	1958.832	260	7.488		
Total	1960.992	262			

Oneway

ANOVA

Cashflow management

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.152	2	0.576	.078	.925
Within Groups	1959.84	260	7.488		
Total	1960.992	262			

ANOVA

Capturing revenues and expenses

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.864	2	0.432	.114	.892
Within Groups	1057.68	260	4.032		
Total	1058.544	262			

Oneway

ANOVA

Capturing revenues and expenses

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.416	2	8.208	2.055	.130
Within Groups	1042.128	260	4.032		
Total	1058.544	262			

Oneway**ANOVA**

Presentation of budget information

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.968	2	1.984	.387	.679
Within Groups	1335.808	260	5.12		
Total	1339.776	262			

Oneway**ANOVA**

Presentation of budget information

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	23.68	2	11.84	2.337	.099
Within Groups	1316.16	260	5.056		
Total	1339.776	262			

Oneway**ANOVA**

Internal control system

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.5	2	2.3	.409	.665
Within Groups	1434.7	260	5.5		
Total	1439.2	262			

Oneway**ANOVA**

Internal control system

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	13.6	2	6.8	1.244	.290
Within Groups	1425.6	260	5.5		
Total	1439.2	262			