

**EXTENT OF IPSASS IMPLEMENTATION AND QUALITY OF FINANCIAL REPORTING IN  
MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS): AN EMPIRICAL INVESTIGATION  
FROM A DEVELOPING COUNTRY**

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**Abstract**

*This study investigated the extent of international public sector accounting standards (IPSASs) implementation and the financial reporting quality of Ministries, Departments and Agencies (MDAs) in Ondo State in the South-Western Nigeria. The population of the study comprises the two hundred and sixty-eight (268) Accountants and Internal Auditor of MDAs in Ondo state as obtained from the Ondo state Accountant general's office. Sample size of two hundred (200) respondents, consisting of the professional accountants using purposive sampling method. Primary data collated from four-point Likerttype scale questionnaire was analyzed through descriptive statistics which include frequency distribution table, mean and standard deviation. The hypothesis was tested using the simple linear regression estimation method. Findings from the analysis showed that there is partial implementation of IPSASs by Ministries, Department and Agencies (MDAs) in the State. The finding indicated that few IPSASs were yet to be fully implemented. The analysis from the study indicated that the level of the IPSASs implementation so far is reasonably positive and significant on the financial reporting quality of the MDAs. The study recommends that personnel involved in the preparation and reporting of financial statement should be trained on how to effectively implement IPSASs in compliance with the trend in IFAC financial reporting convergence policy.*

**Keywords: IPSASs, Implementation, Financial Reporting Quality, MDAs, Reliability, Accountability**

**INTRODUCTION**

There are two main financial reporting requirements that are expected of entities in Nigeria, and they include the international financial reporting standards (IFRSs) and the international public sector accounting standards (IPSASs). While the international financial reporting standards (IFRSs) are applicable to organizations in the private sector, the international public sector accounting standards (IPSASs) are applicable to public sector entities in financial reporting. IPSASs are a product of globalization; and globalization engenders a revolution in every spheres of a country's economy and also affects the accounting profession to a great extent in a country. No nation can function ideally in a global economy and be internationally recognized if its accounting and financial reporting standards are autonomous. It is on this basis that it has become necessary for globally approved and clear accounting standards like the International Public Sector Accounting Standards (IPSASs) to be fully adopted and implemented for the

purpose of driving a reform in the public sector geared towards improving coordination and comparability of financial statements in line with global best practices.

In Nigeria, the certification of IPSAS by the Federal Executive Council (FEC) got fully implemented in the month of January 2016. It has since become mandatory for every states of the Federation to implement it. In the South -Western part of Nigeria, the Ondo State Government started the adoption and implementation of IPSASs in the year 2016. Since then, the Ondo State Ministry of Finance has since been generating its financial reports and more importantly its General Purpose Financial Statements (GPFs) by utilizing the IPSASs accrual accounting basis (Olaoye & Talabi, 2018; Aribaba Yusuf, Ahmodu, Olaoye (2019). In Ondo State, the State Ministry of Finance is a component of the public sector in the state, and it is saddled with ensuring transparency and accountability in financial reporting of public entities. In the view of Aribaba, et al., (2019), some people have the impression that the operation and financial reporting of the State Ministry of Finance is ineffective because the IPSASs have not been fully implemented. However, on the empirical fronts, it has not been determined and reported whether the implementation of IPSASs has been partial or fully by Ministries, Departments and Ministries in Ondo State, in the South-western Nigeria. Researches on the implementation of IPSASs in relation to quality financial reporting have been carried out in a variety of geopolitical zones in Nigeria, including the South-West region, but the results have been uncertain. For example, in Ekiti State, notable examples include Olaoye (2018) and Olanyan (2018); Olola (2019); Okere, Eluyela, Bassey, and Ajetunmobi (2017) in Ondo State; Abimbola, Kolawole, and Olufunke (2017); Ademola, Adegoke, and Oyeleye (2017) in Oyo State; The results of these very few past studies are contradictory, perhaps because the researchers in these studies used variety of research estimation techniques. Similarly, none of these aforementioned studies investigated the extent of IPSASs implementation and the financial reporting quality in Ministries, Departments and Agencies (MDAs). This constitutes a gap in literature for further investigation. Olola (2019) and Aribaba et al. (2020) found a wide range of results from their empirical research evidence, ranging from positive to negative outcomes.

An important gap in the literature was found in Saheed and Kabiru's (2020) research which explored whether or not the adoption and implementation of the international public sector accounting standards (IPSAS) had an impact on Nigerian public sector firms' ability to report accurately. It may take some time for the full impact of IPSAS implementation to be realized. But the impact of experience in its use by practitioners for the goal of driving implementation and quality financial reporting in the public sector remains a major obstacle (Opanyi, 2016; Balogun, 2017; Olaoye & Olanyan, 2018; Chukwua & Efeeloo, 2017; Ndalun et al. 2021) in Rivers state; Nzewi and Enuenwemba (2020) in Delta state. Chan (2008) emphasized that IPSAS implementations is expensive in all material respects. It is so expensive that some experts have argued that its much-publicized benefits do not justify the expense of the its full implementation in terms of driving quality financial reporting. Forty-two accrual standards with great benefits have been issued by IPSASB till date for Ministries, Departments and Agencies (MDAs) to follow in preparing financial statements towards ensuring quality financial reporting globally. Despite the benefits accruable from the IPSASs application by public sector entities, it appears major parts of the standards have not been fully implemented by the majority of the Ministries, Departments and Agencies (MDAs) of government in most states in Nigeria, including Ondo State. This remains a major area of investigation for the purpose of policy prescription. This remains primary motivation behind this study. Apart from the introductory section, section takes care of literature review; section concentrates on the methodology used to undertake the study; section four is all about data analysis and discussion of findings; while section five is mainly the conclusion and recommendations from the study.

## **EMPIRICAL REVIEW OF LITERATURE**

Numerous studies have been conducted on the effect that implementation of IPSAS has on the quality of financial reporting (see Tawiah 2022; Uzochukwu & Onuorah, 2021; Ademola et al. 2020; Otuya & Denedo, 2020; Olola, 2019; Olaoye & Talabi, 2018; Olayinka, et al. 2016). Tawiah (2022) evaluated the influence of IPSAS implementation on the quality of governance, utilizing evidence from developing countries as well as industrialized countries and big panel data consisting of 107 participants. The finding from the study showed that IPSAS has a positive and significant influence on the quality of financial reporting.

Uzochukwu and Onuorah (2021) investigated how widely accounting standards are used in the public sector of Anambra state in Nigeria. In particular, the purpose of the study was to assess the degree to which international public sector accounting standards are used and the impact that this application has had on accountability and transparency in the state of Anambra. The study used a survey research design and obtained data via a questionnaire ranked on a four-point likert scale from a population that included all of the accounting personnel working in Anambra State's internal audit department, accounting department, and finance department. The collected data were analyzed to generate descriptive statistics, and analysis of variance (ANOVA) was used to test the hypotheses (ANOVA). The findings of the study showed that the International Public Sector Accounting Standards (IPSAS) have been considerably applied to financial reporting by MDAs in the state of Anambra. Based on the findings of the study, it is recommended that the government of Anambra State should mandate the complete adoption and implementation of IPSAS in all of the state's MDAs and local governments.

Ademola et al. (2020) investigated the association between the adoption and implementation of IPSAS and the standard of financial reports in South West Nigeria. Extensive research was conducted to investigate how the implementation of IPSAS would impact the reliability of financial statements and their ability to be compared with one another. The techniques of tabulation, diagramming, factor analysis, and gamma statistics developed by Goodman and Kruskal were utilized in order to perform an analysis on the primary data acquired from 180 accounting officers located in South-West Nigeria. The empirical findings show that there is a significant and beneficial association between the implementation of IPSAS and the consistency, reliability, and comparability of financial reporting. The findings of this study make it abundantly evident that the implementation of IPSAS has significant influence on the costs associated with implementation, the training of personnel, the technological aspect, and the amount of IPSAS knowledge, awareness, and expertise that is accessible.

Otuya and Denedo (2020) studied the amount of implementation of IPSAS and how it has affected accountability and transparency in public sector organizations in Bayelsa State, Nigeria. They did this by looking at how it has impacted organizations in Bayelsa State. The notion of the stakeholders served as the foundation for the investigation, which was guided by four research questions and three hypotheses. All of the government branches, departments, and agencies (MDAs) located within the state of Bayelsa make up the research population. The research made use of a survey research design, and as a result, the data was gathered through the use of a self-designed questionnaire that was carried out through Google forms. The acquired data was examined so that descriptive figures could be produced, and variance analysis was used to test the validity of the hypotheses that had been formulated (ANOVA). The findings of the study indicated that the degree of implementation of IPSAS in the MDAs of Bayelsa State is reasonably adequate, as shown by the average score of 3.05 on the IPSAS implementation rating scale. According to the findings of the study, the introduction of IPSAS led to an increase in accountability and transparency, in addition to value for public sector funding of MDAs.

Using the Partial Least Square 3 (SmartPLS3) technique for the data analysis, [Saheed and Kabiru \(2020\)](#) investigated how the implementation of the International Public Sector Accounting Standards (IPSAS) impacted the quality of Nigeria's financial reporting. The results of the study indicated that accountability has a favorable and substantial impact on the quality of financial reporting in Nigeria. In particular, it was determined that IPSAS would improve the level of accountability, which has resulted in an improvement in the quality of financial reporting in Nigeria. However, the study did not investigate the implementation of IPSAS's on the financial reporting quality of Ondo State. Because of this, a research scope/gap in literature was created as a result of this omission.

In the Ondo State ministry of finance, Akure, [Aribaba et al. \(2020\)](#) investigated the stakeholders' view of International Public Sector Accounting Standards (IPSAS). A population of 410 individuals participated in the survey research design that was used for the study. The sample size of 116 account professionals was determined by the use of multi-stage sampling approaches, which the study utilized. A questionnaire served as the instrument for the purpose of this investigation. The reliability coefficient of was utilized in the instrument's validation process (.825). The hypotheses were put to the test by applying the statistics of Pearson's Correlation to the data that was collected. According to the findings of the study, the perception of stakeholders has a substantial link with the implementation of IPSAS, and the study also found that accounting personnel have a significant association with the implementation of IPSAS at the 5 percent level of relevance. The results of the study reveal, among other things, that the government has not been providing IPSAS training for its workers and that people are afraid of the unknown. This acted to dampen the enthusiasm of the workers in supporting the full implementation of the standards.

[Olola \(2019\)](#) investigated how international public sector accounting standards impacted the level of financial responsibility within the Nigerian public sector. In particular, the purpose of the study was to investigate the impact that international public sector accounting standards have on the effective management of public funds in the Nigerian public sector and to evaluate the degree to which these standards contribute to the efficient implementation of budgets in the Nigerian public sector. All of the staff members working in the internal audit departments, accounting departments, and finance departments of the 18 local governments that make up Ondo State are included in the study's population. A questionnaire was distributed in order to collect data from a representative sample of respondents working in each department. The questionnaire was scored utilizing the Likert scale, which has five points. The research utilized Multiple Regression Analysis as well as Pearson's Correlation Matrix in order to determine the impact that International Public Sector Accounting Standards have had on the level of financial responsibility within the Nigerian public sector. According to the findings of the study, the implementation of International Public Sector Accounting Standards has a beneficial and noticeable impact on the level of effectiveness with which public funds are managed in the Nigerian public sector.

[Olaoye and Talabi \(2018\)](#) investigate the use of International Public Sector Accounting Standards (IPSAS) on financial reporting in Nigeria's public sector as well as the economic benefits of doing so. According to the findings of the study, there is no connection between the implementation of IPSAS, the reporting of financial data, and economic gains for Nigeria. This is due to the fact that IPSAS will not result in improved management performance, increased revenue generation, or an increase in direct foreign investments. [Okere, Eluyela, Bassey, and Ajetunmobi \(2017\)](#) investigated the relationship between the implementation of International Public Sector Accounting Standards and the reliability, credibility, and integrity of financial reporting in state government administrations in Nigeria. More specifically, they focused on Nigeria. In the research, a questionnaire was used to collect information from forty participants who were drawn from the Ministry of Finance, the Ministry of Economic Planning and Budget, the Office of Local Government Auditors in Abeokuta, and the Local Government Service Commission (LGSC) in Abeokuta. The

information was then analyzed using the Pearson moment correlation method. According to the findings of the study, the implementation of IPSASs will improve the dependability, credibility, and integrity of financial reporting in the administration of state governments in Nigeria.

[Olayinka, et al. \(2016\)](#) investigated the relationship between the implementation of IPSAS and the quality of financial reporting in Lagos (Nigeria). The survey study design approach was utilized to collect data by way of the utilization of a questionnaire, and the results were evaluated through the utilization of the regression method. The study demonstrates that IPSAS adoption and implementation design frequently increase the quality of financial reporting in Lagos State and thus boost public confidence in financial reports. It also utilizes all of the ministries that fall within the purview of the Lagos State Environment Civil Service.

[Opanyi \(2016\)](#) investigated how the implementation of IPSAS affected the quality of financial reports in Kenya in terms of whether or not they met the criterion for decision usefulness. The descriptive survey research approach was utilized for this study, and the population of interest was comprised of Kenya's 19 ministries that are part of the national government. Data was acquired using secondary means, and then it was evaluated with descriptive statistics and a t-test to determine whether or not there were differences. According to the findings of the study, the implementation of IPSAS led to an improvement in the quality of characteristics such as comparability, relevance, timeliness, and true representation, while it led to a drop in the quality of characteristics such as understandability. According to the findings of the study, the implementation of IPSAS is thought to have a moderate impact on the quality of financial reports in the public sector in Kenya.

[Ijeoma and Oghoghomeh \(2014\)](#) conducted a research on the subject of International Public Sector Accounting Standards (IPSAS) implementation in Nigeria and the expectations, benefits, and issues associated with it. This study aims to determine the impact that the adoption of IPSAS will have on the level of accountability and transparency in the public sector of Nigeria, as well as the contribution that the adoption of IPSAS will make toward improving comparability and international best practices. These are the objectives of the study. According to the findings of the study, the implementation of IPSAS is likely to result in an increase in the degree of accountability and transparency in Nigeria's public sector. According to the findings of the second part of the study, implementing IPSAS will improve comparability as well as worldwide best practices.

It can be observed from the numerous previous studies that apart from the research of [Aribaba et al. \(2020\)](#) which investigated stakeholders' perception over the IPSASs use in Ondo state, there are little or no studies which have sought to determine the extent of the implementation of IPSASs and the financial reporting quality of Ministries, Departments and Agencies (MDAs) in the South-Western part of Nigeria. This becomes a gap this study seeks to investigate with a view to adding to literature.

## **METHODOLOGY**

The research utilized the survey research design. The study population comprised of all the accountants who are mainly directors, internal auditors and professional accountants in the internal audit department, account and finance department in selected the state-owned ministries, departments and agencies (MDAs) in Ondo State. Basically, the study targeted the personnel that have the technical know-how of accounting on IPSAS adoption, implementation and challenges as they affect financial reporting quality of MDAs either directly or indirectly in the recording of financial transactions and preparation of financial statements. Based on records Obtained from the Ondo State Accountant General's Office, as at October, 2022), there are two hundred and sixty-eight (268) Professional Accountants/internal auditors in Ondo State owned



The Ondo state-owned MDAs have been implementing IPSASs for the purpose of elimination of all inter-agency transactions, and balances for quality financial statements.	91	88	0	0	3.51	0.50
	51%	49%	0%	0%		
There has been implementation of IPSASs by Ondo state-owned MDAs for better comparability and consistency in governments financial statements.	119	60	0	0	3.66	.47
	66%	34%	0%	0%		
The implementation of IPSAS has enhanced annual audits and financial reporting of Ondo State-owned MDAs	97	82	0	0	3.54	0.50
	54%	46%	0%	0%		
The MDAs have been implementing IPSASs to boost financial and resource stewardship and accountability in Ondo State.	97	82	0	0	3.54	0.50
	54%	46%	0%	0%		
Since MDAs implementation of IPSAS, there has been budgetary transparency and accountability in Ondo state.	83	96	0	0	3.46	0.50
	46%	54%	0%	0%		
IPSAS implementation has promoted harmonisation and standardization of government accounting and reporting in Ondo State-owned MDAs	97	82	0	0	3.54	0.50
	54%	46%	0%	0%		
IPSASs are regularly applied when preparing financial and audit reports of MDAs in Ondo State.	90	89	0	0	3.50	0.50
	50%	50%	0%	0%		
Grand Mean					<b>3.53</b>	<b>0.35</b>

**Source: Field survey, 2022**

Table 4.4 shows the descriptive analysis of respondents' responses on the impact of IPSAS implementation. Finding shows that about 53% of the respondents strongly agreed that IPSAS has been effectively implemented in preparation of financial reports in Ondo state-owned MDAs. This was also agreed upon by 34% of the respondents why 14% of the respondents disagreed with the statement. The mean value of 3.25 implies that respondents on average agreed that IPSAS was implemented. Also, finding from the responses revealed that majority (65%) of the respondents agreed that there has been partial implementation of IPSASs towards the financial reporting quality in Ondo state owned MDAs. This was also agreed upon by 31% of the respondents why only 3% of the respondents disagreed with the statement. The mean value of 3.62 implies that on average, respondents agreed that there has been partial implementation of IPSAS towards the financial reporting quality in Ondo state Ondo MDAs. The overall implication of these responses of the respondents are indicative that there are other IPSASs which are yet to be fully implemented by the accountants in the MDAs in Ondo State at the time of carrying out this study. The reason for this, may not be unconnected with political, socio-economic and environmental challenges which are to an extent are beyond the control of the professional accountants in the MDAs in Ondo state.

Furthermore, about 71% of the respondents strongly agreed with the statement that IPSAS was being implemented in Ondo state owned MDAs in order to bring about judicious financial management and financial reporting quality. About 29% of the respondents also agreed with this statement why none of the respondents stated otherwise. The mean value of 3.71 implies that on average, respondents agreed that IPSAS was implemented to bring about judicious financial management and financial reporting quality. Moreover, about 51% of the respondents agreed that IPSAS was implemented for the purpose of elimination

of all inter-agency transactions and balances for quality financial statements. It was revealed from the findings that 66% of the respondents strongly agreed that there has been implementation of IPSAS by Ondo state owned MDAs for better comparability and consistency in government financial statements. Also, the implementation of IPSAS was claimed by the respondents to enhance annual audit and financial reporting of Ondo state-owned MDAs as agreed upon by for 6% of the respondents and strongly agreed upon by 54% of the respondents. The mean by law of 3.54 implies that on average, respondents agreed that IPSAS implementation as enhanced annual audit and financial reporting of Ondo state owned MDAs.

The implementation of IPSAS has been agreed upon by 54% of the respondents to boost financial and resources stewardship and accountability in Ondo state-owned MDAs while about 46% of the respondents agreed with the statement. Findings showed that 46% of the respondents claimed that there has been budgetary transparency and accountability in Ondo state since the implementation of IPSAS as 54% of the respondents agreed with the statement. Larger percentage of the respondents which accounted for 54% agreed that implementation of IPSAS has promoted harmonization and standardization of government accounting and reporting in Ondo States owned while 46% of the respondents agreed with the statement. Finding showed that 50% of the respondents strongly agreed that IPSAS are regularly applied when preparing financial and audit reports of MDAs in Ondo state, and 50% of the respondents also agreed that IPSAS are regularly applied when preparing financial audit report of MDAs in Ondo States. The grand mean value of 3.53 implies that on average, respondents agreed that IPSAS was implemented among MDAs in Ondo state.

The findings are in agreement with the research finding of Olayinka, et al. (2016) which reported that IPSASs implementation frequently increases financial reporting quality Lagos State; Neba (2019) study which ascertained that IPSASs deployment improved financial reporting quality in Gombe State; Otuya and Demedo (2020) research which reported that IPSASs implementation boosted accountability, transparency, and value relevance for the public sector funding of MDAs in Bayelsa state; Wisdom et al. (2017) study also reported that public sector firms; implementation of IPSASs has improved the dependability and integrity of financial reporting in Ogun state.

**Table 2: Descriptive Analysis of Respondents’ Responses on Financial Reporting Quality**

	Responses					
Statements	SA	A	D	SD	M	Std



There is value relevance of the financial reports due to IPSAS embracement in Ondo state-owned MDAs.	121	58	0	0	3.68	0.47
	68%	32%	0%	0%		
There is high timeliness of the financial reports since IPSAS in Ondo state-owned MDAs.	129	50	0	0	3.72	0.45
	72%	28%	0%	0%		
The financial statements prepared with IPSAS accruedbased accounting commands comparability in Ondo state-owned MDAs.	133	46	0	0	3.74	0.44
	74%	26%	0%	0%		
There is high level of understandability of financial reports since IPSAS came to force in Ondo stateowned MDAs.	139	40	0	0	3.78	0.42
	78%	22%	0%	0%		
Public sector entities can now have consistency and comparability of items disclosed in the annual financial reports in Ondo state.	125	54	0	0	3.70	0.46
	70%	30%	0%	0%		
There is faithful representation of items in the financial reports prepared with IPSAS in Ondo state-owned MDAs.	115	64	0	0	3.64	0.48
	64%	36%	0%	0%		
The financial reports of Ondo state-owned MDAs prepared with IPSAS accrual-basis of accounting are free from bias, since economic phenomena presented in financial reports are frequently measured under conditions of uncertainty.	145	34	0	0	3.81	0.39
	81%	19%	0%	0%		
There is an accurate financial position and reports in Ondo state-owned MDAs when IPSAS accrual-basis of accounting is used.	155	24	0	0	3.87	0.34
	87%	13%	0%	0%		
There is improved financial disclosure in the financial reports in Ondo state-owned MDAs since IPSAS adoption.	169	10	0	0	3.94	0.23
	94%	6%	0%	0%		
IPSAS adoption in Ondo state-owned MDAs communicate value relevance to end-users.	119	60	0	0	3.66	0.47
	66%	34%	0%	0%		
IPSAS has enhanced transparency in the financial reports in Ondo state-owned MDAs.	113	66	0	0	3.63	0.48
	<b>63%</b>	<b>37%</b>	<b>0%</b>	<b>0%</b>		

**Source: Field survey, 2022**

The descriptive analysis of respondent responses of financial reporting of MDAs in Ondo state is shown in table 2. Nearly 68% of the respondents strongly agreed that there was value-relevance to the financial reports due to IPSAS embracement in Ondo state-owned MDAs and 2% of the respondents agreed. On average, the mean value of 3.68 implies that respondents agreed that there was value relevance to the financial reports due to IPSAS embracement. Also, 72% of respondents strongly agreed that there was a high timeliness of the financial reports since the adoption of IPSAS in Ondo state MDAs while 28% of the respondents also agreed with the statement. The mean value of 3.72 implies that majority of the respondents agree with high timeliness of the financial reports as a result of IPSAS adoption. Larger percentage 74% of the respondents strongly agreed that the financial statement prepared with IPSAS accrued-based accounting commands comparability in Ondo state owned MDAs. This was also agreed upon by 26% of respondents with a mean value of 3.74 signifying that respondents agree with the statement.

Furthermore, finding shows that there was a high level of understandability of the financial reports since the adoption of IPSAS in Ondo state owned MDS. This was supported with a mean value of 3.78 which implies that respondents, on average, agreed with the statement. About 70% of the respondents strongly agreed that public sector entities can have consistency and comparability of items disclosed in the annual financial reports as a result of IPSAS adoption while about 30% of respondents agreed with the statement. About 64% of the respondents strongly agreed that there was transparency in preparation of financial reports prepared by IPSAS and 36% of the respondents also agreed with the statement. Findings revealed that 81% of the respondents strongly agreed that IPSAS accrual basis of accounting are free from bias in preparation of financial reports. This was also agreed upon by 19% of the respondents. Findings showed that 87% of respondents strongly agreed that there was an accurate financial position and reports when IPSAS accrual-based accounting was used. Also, 94% of the respondents strongly agreed that there were improvements in financial disclosure in preparation of financial reports due to adoption of IPSAS. Moreover, 66% of respondents strongly agreed that high IPSAS adoption in Ondo state owned MDAs communicates value relevance to end-users, and nearly 63% of the respondents strongly agreed that IPSAS has enhanced transparency in the financial reports in Ondo state owned MDAs. Thus, the responses of the respondents are in alignment with the researches of Egolum et al (.2021); Tang et al. (2008); Kothari (2001); Armstrong et al., (2010); Mohammad (2011).

Following the findings obtained from the descriptive analysis, the analysis testing the null hypothesis concerning impact of IPSAS implementation on financial reporting quality of MDAs in Ondo state is carried from the regression analysis result displayed in tables 3, 4 and 5 below.

**Table 3: Model Summary**

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
	.731 <sup>a</sup>	.534	.531		2.03380
a. Predictors: (Constant), IPSAS Implementation.					

**Table 4: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	838.303	1	838.303	202.668	.000 <sup>b</sup>

Residual	732.132	177	4.136		
Total	1570.436	178			
a. Dependent Variable: Financial reporting quality of MDAs in Ondo state.					
b. Predictors: (Constant), IPSAS implementation.					

**Table 5. Coefficients**

Coefficients						
Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.884	1.529		10.390	.000
	IPSAS implementation	.613	.043	.731	14.236	.000
a. Dependent Variable: Financial reporting quality of MDAs in Ondo state.						

From the regression result in table 3, it can be seen that the adjusted R-square reads about 0.531 systematic variation on the financial reporting quality of the MDAs. It implies that IPSASs implementation has about 53.1% impact on the financial reporting quality, leaving the remaining percentage unexplained due to the presence of stochastic error term in the model. The F-statistics value of 202.668 with a P-value of 0.000 indicative that the variable is statistically significant at 95% level. In table 4, the coefficient of IPSASs implementation is positive (0.613) and statistically significant at 95% level on financial reporting quality of the MDAs. The hypothesis, which states that there is no significant impact of IPSAS implementation on financial reporting quality of MDAs in Ondo state is rejected. This is suggestive that IPSASs implementation by the professional accountants and internal auditors in the MDAs has contributed positively towards driving value relevance, faithful representation, comparability and transparency since 2016, IPSASs was adopted in Ondo State, in the South-West, Nigeria with the goal of enhancing accountability, transparency, and minimizing financial waste in public institutions. The empirical findings agree with the research finding of Olayinka, et al. (2016) which reported that IPSASs implementation frequently increases financial reporting quality Lagos State; Neba (2019) study which ascertained that IPSASs deployment improved financial reporting quality in Gombe State; Otuya and Demedo (2020) research which reported that IPSASs implementation boosted accountability, transparency, and value relevance for the public sector funding of MDAs in Bayelsa state; Wisdom et al. (2017) study also reported that public sector firms; implementation of IPSASs has improved the dependability and integrity of financial reporting in Ogun state.

## CONCLUSION AND RECOMMENDATIONS

The study has investigated the extent of international public accounting standards (IPSASs) implementation and the financial reporting quality of MDAs in Ondo state in the South-West Nigeria. The research was examined using structured questionnaire to elicit responses from the respondents who were mainly professional accountants. The findings from the study showed that there is partial implementation of IPSASs in Ondo State-owned MDAs. The IPSASs implemented so far was ascertained to have a positive

impact on the financial reporting quality of the public sector entities. The study concludes that there is yet to be full implementation of IPSASs by the Ministries, Department and Agencies (MDAs) in Ondo State. The study contributed to knowledge in terms of literature depth and coverage. This research is the first to the best of the researcher's knowledge to empirically investigate the extent of IPSASs implementation and the implications in financial reporting quality by Ministries, Department and Agencies (MDAs) in Ondo state in the South- West Nigeria till date. This study suffered from some limitations. First, the primary focus of the study is on Ondo State-owned MDAs and not the Federal government-owned MDAs. It is difficult to relate and generalize the findings obtained from the Stateowned MDAs to those of Federal-owned MDAs irrespective of the fact that both classical types of MDAs are also located in the same state. The study was undertaken in Ondo State, South-West Nigeria and it is almost impossible to generalize the findings to other to other individual states and geopolitical zones in Nigeria.

The study therefore recommends that:

- i. Personnel involved in the preparation and reporting of financial statement should be trained on how to effectively implement IPSASs in compliance with the trend in IFAC financial reporting convergence policy.
- ii. Adequate information on the benefits of the full implementation of IPSASs should be communicated to personnel involved in the preparation of financial statements and financial reporting. This would improve the level of IPSAS implementation in Ondo state-owned MDAs.
- iii. The extent of the implementation of IPSASs by Federal Ministries, Departments and Agencies (MDAs) should be empirically investigated specifically against state-owned MDAs by future researchers with a view to assessing the general implementation on a nation-wide basis for comparative evaluation purpose and also for enabling the government to institute strict enforcement and compliance in order to bolster investors' confidence.
- iv. The study suggests that future studies should be undertaken to ascertain the extent of the implementation of IPSASs by MDAs in each of the geo-political zones in Nigeria and other countries within Sub-Sahara African region for assessment and compliance and policy sake.

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