

Addis Ababa
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College of Business and Economics
Department of Accounting and Finance

**THE IMPACT OF IMPLEMENTATION OF INTERNATIONAL
PUBLIC SECTOR ACCOUNTING STANDARDS (IPSAS) ON
FINANCIAL REPORTING**

**IN UNITED NATIONS SECRETARIAT ORGANIZATION: THE CASE
OF UNITED NATION ECONOMIC COMMISSION FOR AFRICA.**

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Statement of declaration

I, the undersigned, declared that this study is my original work under the guidance of **Dr. Habtamu Berhanu** and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

Declared by:

Name **Efrem Tegene**

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Date _____

Statement of certification

This is to certify that Efrem Tegene Zike has carried out his research work on the topic entitled **“The Impacts of implementation of International Public Sector Accounting Standard (IPSAS) on financial reporting in United Nation Secretariat organization in the case of UNECA”**. Under my guidance and supervision accordingly, I hereby assure that his work is appropriate and standard enough to be submitted for the award of Master of Science Degree in Accounting and Finance.

Advisor:

Name **Habtamu Berhanu (PhD)**

Signature _____

Date _____

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List of Abbreviations

UN	United Nation
UNECA	United Nation Economic Commission for Africa
IPSAS	International Public Sector Accounting Standard
IFRS	International Financial reporting standard
UNSAS	United Nation system accounting standard
IFAC	International Federation of Accountants
IPSASB	International Public Sector Accounting Standards Board
UNCTAD	United Nation Conference on Trade and Development
IASB	International Accounting Standard Board
FASB	Financial Accounting Standard Board
DOA	Division of Administration
CMD	Conference Management Division
PKIMD	Publication, Knowledge and Information Management Division
PSA	Public Sector Accounting
UNAIDS	United Nation Program on HIV/AIDS
WIPS	World Intellectual Property Organization
UNDP	United Nation Development Program
IMF	International Monetary Fund
NGOs	Non-Government organization
SPSS	Statistical Package for Social Science
EU	European Union

Abstract

Implementation of IPSAS in United Nation Economic Commission for Africa has brought different advantage on financial reporting, even though, there were some problems on level of implementation in different units. The overall objectives of the study were to assess the impact of implementation of IPSAS on financial reporting. The study used mixed research approach and survey research strategy to get important information. The research follows purposive nonprobability sampling techniques to address the issue. The primary data was collected through structured questionnaire from UNECA employees and managements. The study uses primary data with the help of survey questionnaire, key informants were interviewed, and secondary data sources examined. The collected data were analyzed using descriptive and inferential statistics depending on the characteristics of the data. The raw data was analyzed using descriptive and inferential statistics. The findings of the study indicated that, cost effective, comparability, relevance, understandable, faithful representation and timeliness explain 67.9% of the variance of changes due to adoption of IPSAS for financial reports. 32.1% of the variation is caused by the factors other than the predictors included in this model. The regression analysis showed that relevance, faithful representation, understandability, comparability and timeliness are statistically significant. The research also suggested that efforts to be made with regard to equal level of implementation of IPSAS in different unit of UNECA by evaluating the existing level of implementation, by creating awareness for employees on IPSAS benefit, allocate adequate resource on IPSAS adoption and facilitate training for staffs.

Key words: IPSAS; Relevance, Reliability, Comparability, Understandability, Faithful Representation and Timeliness, UN

CHAPTER ONE

1. Introduction

Financial transactions of globalization require a combined global accounting, reporting and disclosure built on uniform standards. This has led to the adoption of International Public Sector Accounting Standards (IPSAS) in countries across the world, with this rational, public sector entities like united nation (UN) would have to make financial statements in harmony with IPSAS.

1.1. Background of the study

The IPSAS was began in 1996 when the International Federation of Accountants (IFAC) recognized the Public Sector Board (later renamed the International Public Sector Accounting Standards Board IPSASB) to advance international public-sector accounting standard in fixing general-purpose public sector financial statements global based on the process of IPSASB, this initiative was maintained by the International Monetary Fund, World Bank and the United Nations (Biraud, 2010). In general, there were two phases in the standard setting; the first stage was from 1996-2002, during which 20 international accounting standards were issued based on the adoption and adaptation of the International Accounting Standard (IAS). At second stage, which began in 2003 and after wards, there have been a series of standards issuances over the continued adaptation of IAS standards as well as the IFRS, similar to focus on specific issues in the public sector (Chan & Zhang, 2012).

In 1991, in United Nation (UN) agencies adopted a unique accounting standard called United Nations System Accounting Standards (UNSAS) that aimed to fulfill the accounting and reporting needs of the United Nations agencies. But, the unique set of accounting standards negatively disturbs the understandability and acceptability of the UN financial reports. In 2006, the UN General Assembly adopted a resolution to adopt International Public Sector Accounting Standards (IPSAS) by all UN agencies (Ababneh et al.,2019).The first IPSAS submissive financial report and statements, together with the External Audit Report, was presented at the 32nd UNAIDS Programme Committee Board (PCB) meeting in June 2013 (UNAIDS, 2013).

Hence, IPSAS is operationalized to deliver precise and inclusive accounting information with a view to representing appreciable level of accountability, stewardship and credibility (Abimbola et al., 2017). IPSAS that govern financial accounting in the business entities and gradually gaining implementation motion in public sector accounting over the past 10 years (Wang& Miraj, 2018).

IPSAS is the highlight of the worldwide unrest in government bookkeeping in response to calls for and straightforwardness. Different from accountability and transparency of IPSAS, is it a crucial prerequisite for accessing funds from World Bank. Emerging countries were also admonished by international organizations which deliver financial support to them to switch over to IPSAS. Other conations irrespective of the political and economic schemes are faced to switch over to IPSAS. As the result, IPSAS has become accepted global principles for assessing government bookkeeping rehearses around the world. As the outcome, IPSAS warrants the consideration of bookkeeping strategy creators, professionals and scholastics the same (Omolehinwa & Naiyeya, 2011).

Therefore, the preliminary goals of IPSAS were to indorse greater government accountability in all countries, better quality and reliability in accounting and financial reporting, healthier financial and economic performance, enhanced financial management and discipline, and international organization of reporting requirements. Hence, different national and international governmental organizations have started implementing accounting reforms to align with IPSAS (Chan, 2006).

In addition, according to Kanellos & Evangelos (2003) cited in Angahar & Gwar, (2019), tries to promote accountability and transparency in public sector entities directed to the adoption of IPSAS as standards that control government accounting and this have been recognized and accepted by projecting international institutions such as the World Bank and United Nations (UN) among others.

The IPSASB is an independent standard-setting board which plays significant role relating to the regulation of public sector bodies. The impartial of IPSASB is to develop high-quality international public sector accounting standards for users by public sector entities everywhere in the world for preparation of general-purpose financial statements. Thirty-two standards for public sector were issued by IPSASB, whose purpose is to improve the quality and transparency of public sector financial reporting. Therewith, IPSASB withstands that the adoption of IPSAS by governments will improve the transparency, quality and comparability of financial information reported by public sector entities around the world (Cîrsteaa, 2014).

IPSASs are mainly used accrual-based standards that provide a uniform basis for the preparation of annual financial statements at the public sector. The standards are established, refined and published by the IPSAS Board. Similarly, the broad public is addressed in public consultation stop

anticipate in and influence the process of standard development by commenting on the published exposure drafts throughout the due process. Since the IPSASs are issued by IPSAS Board as an independent organ of International Federation of Accountants (IFAC), neither governments nor international organizations are obliged to apply IPSASs (Schmidhuber et al., 2020).

IPSAS based reports offer clear information to citizens concerning the degree to which government officials comply with the appropriations authorized by their elected representatives and stakeholders including citizens are encouraged to actively participate in ensuring accountable governance through questioning non-compliance behaviors of government officials (Atuilik & Salia, 2019).

In general, the development of the IPSAS has its origin in the accounting progression as a technique to advance the transparency and accountability of governments by improving and standardizing financial reporting. In the views of this rational, the study aims to investigate the impact of IPSAS on financial reporting in UN organization.

1.2.Statement of the problem

Financial information prepared adopting the local standards harmfully affect the quality and comparability of financial information reported by the public sector entities, which may in turn jeopardize domestic and international confidence in public sector financial management. Besides, the outdated cash basis of accounting does not provide significant information that can guarantee consistency, quality, credible, transparency, accountability and harmonization of financial reporting system (Chinedu et al., 2016).

Therefore, the paradigm shift to the uniform public sector accounting standards is highly commended because it would endorse effective financial reporting in the public sector as well as enhancing the managerial system and will in the long run form the basis for improved public sector accounting information and prime to timely decision making (Okaro& Okoye, (2012) cited in Angahar & Gwar, (2019).

Chan (2003) stated that, inadequate system for financial data and lack of skilled staff caused in unsatisfactory planning, budgeting and reporting and ineffective internal controls. Cash, asset and debt positions were unreliable. Some commitments/obligations were unidentified. Pensions and

depreciation records were not maintained. These contributing factors caused uneven resource allocation and led to weak governance and accountability.

Sovereign debt crisis, which has affecting many countries, with the European Union and the United States, is caused by the absence of government transparency and accountability, weak financial management, poor public sector financial reporting and the lack of institutions for fiscal management; these weaknesses pressure the government from managing financial resources to protect the interests of the public and other investors (Adhikari, 2011).

According to Chan (2010) cited in Angahar & Gwar, (2019), the main challenges are no clear road map for reverse engineering from financial statements to accounting systems; ability to decide the future (budgeting) is a higher priority than to look back at the past (financial accounting); capacity to manage parts of a government throughout the year (special purpose reports) is more crucial than to observe the whole government at year end (annual consolidated financial statements). Likely, inadequate cooperation from government officials; difficulties associated with change; take off cost; inadequately trained accountants in the public service.

According to the report of the High Level Panel on Illicit Financial Flows from Africa commissioned by the African Union (AU) and United Nations Economic Commission for Africa (UNECA) meeting of Ministers of Finance, Planning and Economic Development, over the period 1970 and 2008 Africa lost about \$850 billion (Tanjeh, 2016).

Every year, an estimated \$88.6 billion, equivalent to 3.7% of Africa's GDP, leaves the continent as illicit capital flight, according to UNCTAD's (Economic Development in Africa Report, 2020)

Illicit financial flows (IFFs) are movements of money and assets across borders which are illegal in source, transfer or use, according to the report entitled tackling illicit financial flows for sustainable development in Africa. It shows that these outflows are nearly as much as the combined total annual inflows of official development assistance, valued at \$48 billion, and yearly foreign direct investment, pegged at \$54 billion, received by African countries – the average for 2013 to 2015.

Illicit financial flows rob Africa and its people of their prospects, discouragement transparency and accountability and eroding trust in African institutions, said UNCTAD Secretary-General Mukhisa Kituyi.

The losses comprise illicit capital flight, tax and commercial practices like mis-invoicing of trade shipments and criminal activities such as illegal markets, corruption or theft. From 2000 to 2015, the whole illicit capital flight from Africa amounted to \$836 billion. Compared to Africa's total external debt stock of \$770 billion in 2018, and makes Africa greater creditor to the world, the report says.

However, these costs can be reduced through providing quality financial report; the main aim of financial reporting is to provide high-quality financial reporting information relating to economic entities, primarily financial in nature, useful for economic decision making. Thus, delivering high quality financial reporting information is vital because it will positively influence capital earners and other stakeholders in making investment, credit, and similar resource allocation decisions enhancing overall market efficiency (FASB, (1999); IASB, (2006); IASB, (2008); IASB, (2008) cited in Beestet al., (2009).

The study by Wang & Miraj (2018) on adoption of International Public Sector Accounting Standards in Public Sector of Developing Economies -Analysis of Five South Asian Countries; the aims of the research were to found to what extent the IPSAS has been adopted in South Asia and determine the drawbacks contributing to its slow adoption process. The findings of the study show that majority of the South Asian nations have adopted the IPSASs though to different extents. Nepal, Bangladesh, Pakistan and Sri Lanka have applied the IPSAS but taking different approaches and directions, while India still uses the cash-based accounting system. Thus, the main barriers were lack of experienced staff, delay in provision of information by the public entities, and absence of a defined implementation timeframe which seem to cut across these countries, the study does not see the quality measures of financial reports which was the gap and fill by this study.

As indicated IPSAS was commenced at UN in 2006, but, the application of the program was weak and the efforts of the organization employees to adopt at daily task was minimal and employees prefers to use the usual working system and the expected outcome was not attained and higher amount of cost was incurred as well as the uniformity of report was reduced as the result the quality of the report was reduced through time which triggers the researcher to investigate the issues.

In addition, since financial reports are sensitive for error and the reliability of the financial reports can be reduced and causes for higher cost for decision makers for future planning which also initiates the researcher to investigate why IPSAS application does not enhance the financial

reporting of UN organization even after the commencement of the program starting from 2006 and after words, due to this rationale the study will try to investigate on IPSAS and its effect on financial reporting at UN organization.

In general, it is desirable to have comparability and uniformity in accounting for similar transactions in similar ways. Therefore, the purpose of the research is to investigate the impact of IPSAS on financial reporting at UN organization.

1.3.Objectives of the Study

1.3.1. General Objectives of the study

The general objective of the study is to investigate the impact of IPSAS on financial reporting in United Nation Secretariat organization particularly in UNECA.

1.3.2. Specific objectives of the study

To achieve the general objectives the study also has the following specific objectives:

- 1) To examine the existing extent of the International Public sector accounting standards adoption financial reported by United Nation.
- 2) To determine the impacts of IPSAS adoption on transparency and accountability for financial reporting at United Nation.
- 3) To investigate the relationship between IPSAS and quality of financial reports at UN organization and
- 4) To examine challenges faced in implementing IPSAS at United Nation.

1.4.Research Questions

The study answers the following research questions:

1. What looks the existing extent the International Public sector accounting standards adoption enhances credibility and comparability of financial statements reported by United Nation?
2. What is the impact of IPSAS adoption on transparency and accountability for financial reporting at UN organization?
3. What is the relationship between IPSAS and quality of financial reports at UN organization?

4. What are the major challenges faced in implementing IPSAS at UN organization?

1.5. Significance of the study

IPSAS is an official statement that clarify the confession, measurement, display and disclosure terms that address operations and events in financial statements related general purpose. It can also be general guidance leading to the rationalization and regulation of accounting work in government units. Hence, the adoption and swing into full implementation of IPSAS can enhanced the financial report quality and uniformity which has been the output of this study. United Nation accounts, budget, payroll and disbursement, treasury and trust fund units have fully aware of the gains of full disclosure requirements of IPSAS adoptions and its relationship with transparency, comparability, credibility, informative and comprehensiveness of financial information.

The results from this study is expected to restore confidence in the public sector financial reporting system at United Nation organization through considering the institutions efforts through accounting reforms aimed at ensuring high-quality, consistent, credible, transparent, accountable and harmonized financial reporting system. In addition to the fact stated before the result from this study is also given the scholars in the study subject on the opportunity to appreciate the factors that threaten organizations efforts to promote transparent and accountable employee. Finally, the result may serve as a reference point for practitioners in IPSAS implementation in other public and government institutions with similar characteristics in our country.

In addition, the findings of the study would offer a methodological basis to researchers in conducting studies that assess the success or otherwise of reform implementation and also the findings from the study might contribute to the current body of knowledge in accounting, public financial management, economics, and other related fields. Development partners, lenders, non-governmental organizations, and rating agencies might equally benefit from the study findings.

1.6. Scope of the study

Thematic scope: The scope of this study is to investigate the impact of IPSAS on financial reporting in United Nation secretariat organization. It examines the extent to which the international public sector accounting standards adoption enhances credibility and comparability of financial statements reported, determine the impact of IPSAS adoption on transparency and

accountability for financial reporting at UN organization, to examine the relationship between IPSAS applicability and quality measures and examine challenges faced in implementing IPSAS at UN organization.

Spatial scope: the study was spatially limited in United Nation Economic Commission for Africa division of administration DOA, while the other divisions like (Conference Management Division CMD, Publication, Knowledge and Information Management Division PKIMD----etc) were not the part of the study.

Time scope: The time scope of the study includes after 2014 and the level of implementation will assess at UN organizations.

1.7.Organization of the study

The research report is categorized in to five chapters. Chapter one gives the background information and statement of the problem. It sets out general and specific objectives and research question, scope of the study, significance and organization of the entire paper. Chapter two discusses the key concepts that were used in the paper to address the problem in a broader perspective of literature from the theoretical, empirical and conceptual framework prospective. Chapter three concentrates on the research methodology such as research design and research approach, research strategy, sampling techniques, data sources and data collection methods and data analysis methods of the research. Chapter four illustrates research findings and interpretations and contains demographic data of respondents, the extent the International Public sector accounting standards adoption enhances credibility and comparability of financial statements reported, determine the impact of IPSAS adoption on transparency and accountability for financial reporting at the study area and examine challenges faced in implementing ISPAS at UN origination. The last chapter five shows conclusions and recommendations of the study.

CHAPTER TWO

2. Literature Review

2.1. Definition of Term

IPSAS: International Public Sector Accounting Standard

International Public Sector Accounting Standards (IPSAS): it is a full suite of standards, intended for the public sector set by an independent, international standard setter. It is also held up as the better government accounting thoughts that the global accounting career has to offer.

Public sector accounting (PSA): is cycle of recording, summing up, breaking down, conveying and deciphering monetary exchanges of government units and offices. It mirrors all degrees of exchanges, including the receipt, authority and payment of assets.

Accountability: it is the commitment to show that work has been directed as per concurred rules and principles and the official reports reasonably and precisely on execution results versus ordered jobs and plans.

Cash basis of accounting: it is the scheme of recording receipt or income during actual cash is received and record spending when actual payment is made regardless of the accounting period in which the services are provided, or benefit established.

Accrual basis of accounting: it states that revenue/ income should be recorded and recognized in the accounts when earned and not when money is received, in addition, expenses have to be recorded & recognized in the accounts when incurred and not when money is paid.

Budget: it is a plan of financial process embodying an estimation in proposed revenue and expenditure as well as the proposed means of financing them for a given period, usually a year.

A budgeting system: A budgeting system is the method adopted in preparing the budget such that organization can reap maximum result from its resources.

2.2. The concept of IPSAS

It is the set of accounting standards issued by IPSASB for public Sector Enterprises. IPSAS targets at inculcating fiscal discipline through the development of set guidelines for fair and just financial

practices and reporting by Public Sector entities. IPSASB wishes for enthrone quality, coherent and transparency necessary in public sector financial reporting (Idoko et al., 2018).

IPSAS are a set of accounting standards issued by the IPSAS Board to advance the quality of general determination financial reporting by public sector entities, UN organizations, governments and other non-profit organizations. The standards applied by public sector bodies around the world and based on International Financial Reporting Standards (IFRS) delivered by the International Accounting Standards Board (IASB), clue to better informed evaluation of resource allocation decisions, thereby increasing transparency and accountability (UNAIDS, 2013).

IPSAS were instituted with the purpose of improving public sector financial reporting. Issued and revised by the IPSASB, the standards are based on IFRS for used by public sector entities at worldwide. Variety in public financial information scheme and compliance with IPSAS created a required for harmonization in public sector accounting system, thus, IPSAS become the international reference for the development of public sector accounting systems worldwide(Pacter, (2014) cited in Wang &Miraj, (2018).

The development of IPSASs aims for harmonizing public sector accounting at an international level. IPSASs are planned to generate more comparable financial information across national boundaries and reduce differences in countries generally accepted domestic accounting principles (Schmidhuber et al., 2020).

The decisive features of IPSAS includes timely preparation and high quality reporting of accrual based financial reporting; timely reporting of not more than six months of audited financial statements; timely reporting of Public Sector Budgets and it's appreciation in sufficient manner and timely development and reporting of the principles for fiscal management and control (Idoko et al.,2018).

2.3.Theoretical Literature Review

2.3.1. Benefits of Adopting IPSAS

The main benefits of the adoption of IPSAS are commonly considered to include improved internal control and transparency regarding to all assets and liabilities more comprehensive and reliable information about costs and income, to better support governance of the organization and

improved consistency and comparability of financial statements over time and across different organizations (World Intellectual Property Organization (WIPO, 2007)).

Narayan & Godden, (2000) stated that, the basic aim of IPSAS is to advance the quality of public sector, safeguard government transparency and accountability and promote the assessment of resource assignment decisions and conformity with global best experiences and sustainability reporting.

IPSASB, (2013) stated, the adoption of IPSAS therefore enhances transparency and accountability by governments in the management of public resources. It advances the quality of financial management, smooths transactions with financiers and simplifies communication with the general public. IPSAS assure comparability of financial reporting with other countries, motivation of foreign investors to make investment in the country, and very helpful in nurturing capital from the international markets.

In addition, IPSAS standards support the accrual-basis accounting method which means that expenses are reported on the income statements when earned and expenses recorded when used. As the result, it is possible to tie the budgeted amounts and actual amounts that project when using the budget. The standards provide for disclosures that clearly clarify the differences between the budgeted & actual amounts. This information helps in signifying the efficiency and effectiveness of the public entity in management of funds and provision of services (Dissanayake, (2017) cited in Wang& Miraj, (2018).

IPSAS are independently formed accounting standards, underpinned by a strong due process & maintained by governments, professional accounting bodies and international organizations. The widely-acknowledged importance's of the adoption of IPSAS incorporates improved transparency and internal control with relating to all assets and liabilities, facilitating improved management and stewardship of resources; more comprehensive and consistent information about costs and income which better support result based management and improvement of governance and improved consistency and comparability of financial statements over time and between different organizations (United Nations General Assembly Director General, 2007).

IPSAS safeguards high standards which serve as compound for the preparation of sound and transparent financial statements and in turn improves operational performance, accountability and efficient allocation of resources (Abimbola et al., 2017).

The global tendencies of event have educated both the private and public sectors on the need to address matters that bother on transparency and accountability. Without doubt transparency and accountability is all about being responsible to those who have invested their trust, confidence and resources to one in assigned position or office (Abimbola eta al., 2017).

According to Duenya et al., (2017) explanation, the adoption of IPSAS, involving accrual accounting by government, is expected to provide a number of useful purposes, such as improving the assessment of financial performance as the financial statements will reflect all expenses, whether paid or unpaid, and all incomes, whether received or not; providing information on whether income streams are adequate to meet short and long term liabilities; making available comprehensive information on expenses which will help in knowing the cost implications of policies and enabling comparison with alternative policies; ascertainment of the future sustainability of programmers, liquidity position and comprehensive information on the financial position or assets and liabilities of government at the end of the financial year; and improving good governance .

In addition, some critical success factors of adoption of IPSASs include political will and ownership, technical capacity (training, re-training and personnel development), public orientation and enlightenment, automated information system financial ability and modular implementation.

According to Ijeoma & Oghoghomeh (2014) description, the adoption of IPSASs will generate lots of benefits such as political and economic benefits. **Political benefits** of adoption of IPSASs include:

(a) Accountability: under this IPSAS requirement for increased disclosure in accounting reports increases the level of accountability in government

(b) Transparency: IPSAS is adopted for full disclosure become an imperative of public sector accounting government

(c) Improved Credibility/Integrity: under this government accounting/reporting cannot be credible if government itself decides the rules. Hence, the needs for a body like IPSAS that will set the rules

(d) Political Leverage: to this government may be required to provide accounting information by higher or legal authority like the United Nations

(e) International Best Practice and Comparability: under this IPSAS seeks to safeguard the financial statements organized in the basis of it are internationally comparable

(f) Comparable information it assists the stakeholders in assessing how well their resources have been utilized

(g) Greater Disclosures: this IPSAS encourages full disclosure, which hinges on transparency, integrity and accountability

(h) Increased control of public agencies: the enlarged disclosure, transparency and comparability IPSAS engenders will permeate the public sector in turn yielding greater accountability. The economic benefits of adoption of IPSASs were: building confidence in donor agencies and lenders: adoption of IPSAS increases the country's eligibility to access economic benefits from donor agencies (USDP, USAID), private sector financial institutions, official institutions (IMF and World Bank); improved services delivery: As a result of greater accountability and transparency, adoption of IPSAS will improve Value for Money (VfM) expenditure; aggregate reporting: Adoption of IPSAS will ensure a holistic reporting of government financial transactions and positions and Enhanced public-private partnership arrangements: Collaborative efforts between the public and private sectors is enhanced with both running on similar set of accounting standards (IPSAS and IFRS); economic leverage: Sovereign nations are induced with the prospect of commensurate benefits. Government susceptible to economic leverage is more likely to adopt IPSAS (Ijeoma & Oghoghomeh, 2014).

2.3.2. Countries that Adopted IPSAS

The increasing request of high quality global financial reporting standards of public entities brought to the fore the fashion for adoption of IPSAS by both the developing and developed

countries. According to Adebayo, (2013), the countries that have adopted IPSAS are grouped as fully implemented and the process of IPSAS adoptions which were described as follows:

Countries that have fully adopted and implemented IPSAS were Abu Dhabi, Albania, Australia, Azerbaijan, Bangladesh, Brazil, Canada, Cayman Islands, Cyprus, Costa Rica, East Timor, Fiji, France, Georgia, Japan, Kazakhstan, Kyrgyzstan, Latvia, Liberia, Lithuania, Malaysia, New Zealand, Nicaragua, Pakistan, Palestine, Philippines, Romania, Russia, Singapore, Slovak Republic, Solomon Islands, Spain, Sri Lanka, Switzerland, Tanzania, Turkey, United Kingdom, Uruguay and Uganda (Adebayo, (2013) and Abimbola et al.,2017).

Whereas, countries that are in the process of IPSAS adoptions includes Yemen, Vietnam, Zambia, Zimbabwe, Vanuatu, Argentina, Armenia, Barbados, Afghanistan, Argentina, Cambodia, China, Estonia, Gambia, Guatemala, Honduras, Jamaica, Mauritania, Mauritius, Namibia, Peru, Swaziland, Ghana and Nigeria (Adebayo, (2013) and Abimbola et al.,(2017). Hence, the article articulates that, our country as country level does not implement IPSAS for reporting financial sector while, as organization level UN adopts the system.

However, the review of the process of adoption and post IPSAS adoption and application in some countries such as New Zealand, South Africa, Brazil, Canada and Australia revealed that IPSAS implementation and adoption by those countries enlarged efficiency and supported long-term planning and execution of policies and programs in the country (Abimbola et al., 2017).

Accounting performs at both private and public sectors are presently aimed at international harmonization and the reducing the differences in financial reporting across countries. This emergence of accounting harmonization at the international level is strongly driven by the need for financial transparency as a basis for better decision intergenerational equity, and more efficiency and effectiveness regarding public expenditures (Eulner &Waldbauer, (2018);Heald & Hodges, (2015), cited in Schmidhuber et al., (2020).

2.3.3. Impact of IPSAS adoption on Financial Reporting

According to United Nations General Assembly Director General, (2007), the influence of the adoption of IPSAS on the agency's financial statements would include the following:

- (a) The full recognition of liabilities for future employee benefits such as After Service Health Insurance (ASHI), compensation of annual leave and repatriation grants would result in, negative overall equity on the Agency's financial statements until these liabilities are funded, and increased expenses being reported for common staff costs for a given financial year;
- (b) The recognition of capital assets such as buildings, vehicles, furniture and equipment, and the reporting of depreciation expenses would have the effect of on increasing net equity (partially offsetting the negative impact on equity originating from the above, and lowering operating expenses;
- (c) The recognition of expenses on the basis of the 'delivery principle' could lead to lower expenses for a financial period compared to UNSAS accounting, where expenses include all open purchase orders and contracts irrespective of the delivery of goods and services;
- (d) The timing of recognizing income of voluntary contributions could change;
- (e) Financial statements and financial reports on voluntary contributions would change in format and content (United Nations General Assembly Director General, 2007).

The adoption of a single global accounting language for financial statements will ensure relevance, efficiency, understanding, reliability, timeliness, impartiality, comparability, transparency and accountability, resulting in accounting information is changed qualitatively and reporting that will enhance confidence and authorization of accounting information to investors and other users worldwide (Ahmad & Khan, 2010).

Murphy and Sagar (2009) cited in Atuilik & Salia, (2019) explain that financial transparency manifests in four ways: reporting entities accurately and fully disclosing all transactions including disclosures of stakeholders who have beneficial ownership in the entities, the management and shareholding structure of the entities; reporting entities and the substance of their transactions in based on internationally recognized accounting standards; regulatory authorities having access to every and all information that they may need from the organized financial statements; and there being no exceptions to the above three except in cases of national security.

2.3.4. IPSASs adoption towards Transparency and accountability

The global trends have informed the private and public both sectors on the need to address matters that bother on transparency and accountability. Without hesitation accountability and transparency

is all about being responsible to those who have invested their trust, confidence and resources to one in assigned position or office. Accountability as the responsibility to establish that work has been conducted in accordance with agreed rules and standards and the officers reports fairly and accurately on performance results vis-à-vis mandated roles and plans (Abimbola et al., 2017).

The recent shift to accrual accounting was originated by the developed countries as a part of the public sector transformation; so, the annual financial statements play an important role in the accountability of governments to their citizens and their elected legislatures. because the cash and cash moderated-based accounting does not permit obtaining the necessary information in order to offer better support for planning and managing resources and more generally for the decision-making processes, letting greater accountability, even between different entities. Therefore, the IPSAS have become de facto international benchmarks for evaluating government accounting practices and measuring accountability worldwide (Christiaens et al., 2013).

IPSAS are the collection of public sector accounting standards issued by IPSASB. Fashioned after International Financial Reporting Standards (IFRS), their private sector predecessor, IPSAS seek transparency in public sector financial reporting across jurisdictions. The conceptual framework of the newly established standards is similar to the framework contained in the IFRS used in the private sector to improve transparency to the citizens (Okolieaboh, 2013).

According to Ijeoma & Oghoghomeh (2014) clarification, IPSAS adoption must be value relevant to users of public sector financial statement like taxpayers, members of parliaments, creditors, suppliers, and media and public sector employees. Financial statements prepared based on IPSASs must present honestly the financial position, financial performance and cash flows of an entity so that users of such financial statements could make a relevant and timely value relevant decision.

Okoh and Ohwoyibo (2010), opine that comparability shows the need for government and its agencies to have unvarying set of financial statements. This similarity will place a greater demand for accountability on public officers who manage the activities of the public. This will further enhance public-private partnership because of comparability of financial reporting of public sector entities.

2.3.5. Challenges in Implementing IPSAS

According to Wang & Miraj (2018) explanation, delay in the delivery of the reports required to produce reports and restrictions of the different accounting systems are significant challenges that may take years to overcome.

In the pre-adoption era, Nigeria transition to Accrual basis of IPSAS will bring about a lot of challenges such as: systematic valuation and identification of assets and liabilities as at the date from which accrual accounting began; shortage of adequate technical resources; political ownership such as inadequate support at the highest levels of the executive; consolidation issues. The challenges may be time consuming as well as resources needed to be provided in order to carry out seminar and workshops for those who dealt with financial reporting matters of public organizations may be inadequate to fully meet up with the requirements of IPSAS (Ijeoma & Oghoghome(2014); Shehu, & Adamu (2014) cited in Olaoye & Olaniyan ,(2018).

Nigeria's shift to the accrual basis of accounting will definitely not come without challenges. The predictable challenges were systematic identification and valuation of assets and liabilities as at the date from which accrual accounting is to commence; lack of adequate technical resources; political ownership such as inadequate support at the highest levels of the executive and Consolidation issues (Ijeoma&Oghoghomeh, 2014).

The financial costs and resource costs of using IPSASs are too high, hereafter most countries are unwilling to introduce the provisions in their financial management systems. The external sustenance from the professional accounting organizations are vital to enhance awareness of the need to realize accountability and transparency in financial reports is also a factor that can contribute to successful implementation of IPSASs. Therefore, failure to incorporate external support may lead to failure (Ofoegbu, (2014); Rogosic, & Palos, (2017) cited in Ahmad & Nasserredine (2019).

In addition, there are costs to be incurred in the implementation of IPSASs. Legal bodies responsible for enforcing accounting regulations need funding to roll out application of IPSAS. These costs include research, training, technology, and consultancy there is call for political goodwill in the implementation of better accountability in the public sector due divergent views on accountability (Delloite, 2011).

The challenges and factors affecting IPSAS adoption were also technological challenges (ICTs and systems, technical training of staff, the accountant's skills in programming languages and the ability to use computer technologies), organizational challenges (related accounting skills Implementation of standards, right understanding by staff of financial information developed using standards, training employees for implementing standards, assignment of adequate human and financial resources, management's decision and commitment to adopt accrual basis, organizational structure Communication, and channels for effective implementation of standards), financial challenges (the high cost of adoption of these standards, staff training costs, the costs of adding more units and hardware and software required for the application of standards) (Whitefield & Savvas, 2016)

Augusto (2018) also described that, the cost of implementation, training, skills required and legal, political and administrative anxieties are difficulties to the full adoption of IPSAS, the fact there is a lack of empirical evidence as to whether these factors are impediments to the adoption of IPSAS.

The challenges facing the deployment of IPSASs in Lebanon include lack of comprehensive understanding of IPSASs requirements that applies in accounting practices, lack of prior experience with the IPSASs, lack of government support to promote the use of IPSASs, high cost of IPSASs implementation and poor integration of the technology that challenges the flow of financial information (Rogosic, & Palos, 2017).

The challenges faced for execution of IPSASs can be grouped into stakeholder engagement challenges, legal and structural transformational challenges, change management issues, skills capacity, the cost of implementation, the infrastructural and technological challenges, implementation approaches adopted by the nations and the external supports (Adamu, & Ahmed, 2014).

Some of the challenges faced in implementing IPSAS were:

➤ **Cost to implement**

Accounting manuals need to be rewritten; manuals must incorporate IPSAS terminologies and also conform to local requirement. The Controller and Accountant General Department is drafting an

accounting manual to assist the public sector which is likely to set the stage for the gradual and smooth take off IPSAS (Aboagye, nd).

The financial costs and resource costs of implementing IPSASs are too high, hence most countries are reluctant to introduce the provisions in their financial management systems (Ofoegbu, 2014 cited in Ahmad &Nasseredine, 2019).

➤ **Availability of qualified accountants**

Majority of the Public sector and government agencies lacks the essential personnel to adequately carry out the changes in IPSAS as opposed to the financial reporting framework currently existing in the Public Sector (Aboagye, nd).

However, failure to involve the staff members in developing a stronger corporation between audit and finance departments in an organization directed to the unsuccessful application of the IPSASs. The resistance by auditors and accountants to introduce the IPSASs guidelines in an organization has also resulted in the unsuccessful deployment of the standards in most countries (Kalulu, 2015Ahmad &Nasseredine, 2019).

➤ **Difficulties Associated with Change**

The application of IPSAS would result in use of new standards, new principles, new rules and new vocabularies which will give rise to complications and act as a challenge in its adoption (Angahar & Gwar, 2019).

The shift from cash or modified accrual-based accounting to full accrual accounting under IPSAS becomes challenging as it involves a huge volume of work and also major changes in business processes and practices (Aggestam, 2010 cited in Meseke, 2017).

➤ **The Take Cost**

The cost relating with the implementation of IPSAS is huge, it involves the cost of training and producing new accounting manuals, given the lean financial resources of the Benue State government and this may act as a challenge (Angahar & Gwar, 2019).

There are also costs to be incurred in the implementation of IPSASs. Legal bodies accountable for enforcing accounting regulations require funding to roll out implementation of IPSAS. These costs include research, training, technology, and consultancy there is call for political goodwill in the

implementation of better accountability in the public sector due divergent views on accountability (Delloite, 2011).

Big costs of implementation, shortage of qualified and trained personnel and unavailability of IT-accounting system were confirmed as a challenge in a study conducted in Iraq by (Alshujairi, 2014).

➤ **Inadequately Trained Accountants in the Public Service**

Most public sector accountants were not adequately trained as professional accountants and would find it problematic to switching over to IPSAS from the current public sector accounting system (Angahar & Gwar, 2019).

Accessibility of qualified expertise who are familiar with the international standards; readiness from those included and resistance to change are considered to be the challenges in adopting IPSAS (Prince Water House Coopers, 2012 cited in Meseker, 2017).

➤ **Time and Money Consuming**

The implementation of IPSAS compliant accounting methods needs additional commitment of time and effort from staff. Throughout the transition phase, depending on their available resources, the organizations will have either to trust for an extended period of time on support from existing staff working in addition to their regular duties or recruit many additional staff (Adamu, (2014) cited in Samuel, 2020).

IPSAS is time and money intense. It demands extra time and effort of practitioners and verifiers at the same time it demands managers to have strong IPSAS knowledge to comprehend and critically examine financial information produced using IPSAS (Adamu & Ahmed, 2014).

2.3.6. Financial Report Quality Indicators

Financial reports quality cannot be perceived directly and depends on the insights of individual users, which might be context specific. Through years, several types of measurement methods have been developed to assess and evaluate the quality of financial reporting (Verrechia, (2001) cited in Opanyi, (2016).

Another group of quality measurement method focuses on the quality of specific financial and non-financial information elements disclosed in annual reports. For example, studies that examine the association between the decisions usefulness of financial reporting information and the use of

fair value (Hirst et al, (2004) cited in Opanyi, (2016), between the quality of internal control and the risk of disclosing information and auditor's reports. However, such methods do not by definition give a comprehensive assessment of financial reporting quality.

The fundamental qualitative characteristics (relevance and faithful representation) are most significant and regulate the content of financial reporting information. The enhancing qualitative characteristics (understandability, comparability, verifiability and timeliness) can advance decision usefulness when the fundamental qualitative characteristics are established. But they cannot determine financial reporting quality on their own IASB, (2008) cited in Beest, et al., (2009).

The main indicators for quality of financial report were:

➤ **Relevance**

Relevance is referred to as the capability of making a difference in the decisions made by users in their capacity as capital providers IASB, (2008) cited in Beest, et al., (2009).

Information becomes pertinent when it is provided to the users before it loses its constancy to influence the decision-making process. Many previous literatures hassled on the standing of relevancy of information related to financial reporting, regard its role in making differences in users decisions, it boosts their capabilities and innovations in making decisions (Alfredson et al., (2007) and IASB, (2008) cited in Al-Dmour et al., (2018).

The potential that information has of making a difference in the decisions taken by users of that information is relevance. Finance information is capable of making a difference in the decisions if it has predictive value, confirmatory value, or both. Reported information therefore is useful only if it relates to the issues that are prime concerns to the users IASB, (2010) cited in Opanyi, (2016).

➤ **Faithful representation**

The second fundamental qualitative characteristic is faithful representation. To faithfully represent economic phenomena that information meanings to represent, annual reports must be complete, neutral, and free from material error. Economic phenomena represented in the annual report are

economic resources and obligations and the transactions and other events and circumstances that change them (IASB, (2008) and IASB, (2006) cited in Beest et al., 2009).

To offer a faithful representation of economic phenomena, annual reports must be complete, neutral, and free from material errors. The phenomenon's to be presented are economic resources, obligations and the transactions and events that change those resources and obligations (IASB, (2010) and FASB, (1980) cited in Opanyi, (2016)

In addition, an annual report can never be completely free from bias, since economic phenomena presented in annual reports are frequently measured under conditions of uncertainty. Many forecasts and expectations are included in the annual report. Although complete lack of partiality cannot be achieved, a certain level of accuracy is necessary for financial reporting information to be decision useful.

➤ **Understandability**

The third fundamental qualitative characteristic is understandability; it is the process of classifying, characterizing, categorizing and presenting the financial information clearly and concisely. It is indicated to, when the quality of information enables users to comprehend their meaning (IASB, (2008) cited in Beest et al., 2009).

Understandability; information can be better understood if it is classified, characterized, and presented clearly and concisely. The information with qualities allows user's comprehension of its exact meaning. Information that users do not understand is not useful even if it is relevant (IASB, (2008) cited in Opanyi, (2016).

In general, understandability is measured using items that emphasize the transparency and clearness of the information presented in annual reports such as well-organized, valuable in terms of explaining and providing more insight into earnings figures, and the presence of tabular or graphic formats may improve understandability by clarifying relationships and ensuring conciseness.

➤ **Comparability**

The fourth fundamental qualitative characteristic is comparability, yet, during the process of preparing financial report the user finds similar situations which are presented the same and, in

some cases, different situations which are presented differently (Al-Dmour et al., 2018). Comparability is the second enhancing qualitative characteristic, it is the quality of information that enables users to identify similarities in and differences between two sets of economic phenomena. In other words, similar situations should be presented the same, while different situations should be presented differently. Comparability is measured using six items that focus on consistency. Four items refer to the consistency in use of the same accounting policies and procedures from period to period within a company (IASB, (2008) cited in Beestet al., (2009).

It is also the quality of information that enables users to identify similarities and differences between two sets of economic phenomena. Comparability includes consistency which is to the use of the same accounting policies and procedures, either from period to period within an entity or in a single period across entities (IASB, (2010) cited in Opanyi, (2016).

➤ **Timeliness**

The final enhancing qualitative characteristic defined is timeliness. It is having information accessible to decision makers earlier before it loses its capacity to influence decisions. The time takes to disclose the information and is related to decision usefulness in general is timeliness. Upon examining the quality of data in annual reports, timeliness is measured using the natural logarithm of amount of days between year-end and the signature on the auditors’ report after year end is calculated IASB, (2008) cited in Beest et al., 2009).

Information becomes obtainable to make decision before it loses its capacity in influencing decisions is timelines. It also means the amount of time it takes to make information known to others, and it is related to decision usefulness in general (IASB, (2010) cited in Opanyi, (2016).

Operationalization of the Qualitative Characteristics (QCs)

Qualitative Category	Definition	Criteria/Measures of the Category
General Quality (GQ)	The conceptual framework develops objectives and concepts that lead to high-quality accounting standards and financial accounting processes, which in turn also lead to high-quality financial reporting information that is useful for making decisions	Q1: True and Fair Value, Q2: Decision Usefulness Q3: Transparency

Relevance (R)	Relevance refers to the existence of a close relationship between the financial accounting information and the objectives for which it was prepared. The relevance of that information to one or more decisions made by users is an indicator of usefulness	R1: Predictive Value R2: Feedback Value R3: Timeliness R4: Frequency and Length
Understandability (U)	Understandability is the ability to know the comprehensive meaning of information. It is enhanced through proper classification as well as concise and clear presentation. It depends on the contents of financial statements and the presentation style as well as the background and abilities of users	U1: Classification that is meaningful to users U2: Well-organized juxtaposition of data U3: Clear and sufficient notes U4: Presentations of net figures that users need
Reliability (RL)	Reliability is the characteristic that allows users to confidently depend on information. Reliability means that the method selected to measure and/or disclose its effects produces information that reflects the substance of the event. As per Sharia principles, estimates and judgments in applying accounting methods are not preferred.	B1: Representational Faithfulness B2: Neutrality B3: Substance and Form B4: Completeness B5: Verifiability B6: Consistency
Comparability (C)	Comparability allows users to identify similarities and differences among institutions and over a time horizon	C1: Comparison of the current with previous financial periods C2: Comparison with other banks or industries C3: Analysis and explanation of the implications of changes C4: Presentation of ratios, index scores, or benchmarks
Timely	Timeliness means having information available to decision makers before it loses its capacity to influence decisions	T1: prepare on time T2: indicates accurate data T3: Reduce delay of report

Source: Operationalized by the author based on the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIF framework cited in Ahmed (2020)

2.3.6.1. Relationships between IPSAS and Quality of Financial Reporting

According to Josedilton (2015), the aim of the IPSAS is to advance the information from public sector accounting, allowing the comparability and providing tools for the social control of public entities, with a view to the further understanding of bookkeeping information and its disclosure in the financial statements, provoking profound changes in management, check either in the way the public equity is managed or in the form of recognition, measuring and disclosure of equity items. IPSAS target to advance the quality of overall purpose financial reporting by public sector entities, leading to better informed assessments of the resource allocation decisions made by governments, thereby increasing transparency and accountability.

The fundamental economic function of accounting standards was to provide agreement about how important commercial transactions are to be implemented. If accounting reports were not prepared based on the standards, then the meaning of contrasts between performance in different time periods and the performance between entities are virtually terrible. The accounting quality might be improved with exclusion of alternative accounting methods that are less reflective of firm's performance and are used by managers to manage earning. Overall, evidence on voluntary IFRS adoption and accounting quality is mixed; however, there is relatively better accounting quality among the firms that adopt IFRS (Ashbaugh & Pincus, 2001)

Thus, better accounting standards made reported earnings less noisy and more accurate, henceforth more value relevant. It would also, make earning easier to estimate and would improve average analyst forecast accuracy. Yet managers in low-quality reporting regimes are able to smooth reported earnings to meet a variety of objectives, such as dropping the volatility of their own compensation, reducing the volatility of payouts to other stakeholders (notably, employee bonuses and dividends), reducing corporate taxes, and avoiding recognition of losses (Hope (2003) ;Ball et al, (2000) cited in Opanyi, (2016).

Through minimizing many international alterations in accounting standards, and standardizing reporting formats, IFRS eliminate many of the adjustments that analysts factually have made in order to make companies financial information more comparable internationally. IFRS adoption therefore could make it less costly for investors to compare firms across markets and countries. Therefore, a common set of accounting standards would solve agency problem in corporate sector, reduce information asymmetries among investors and/or lower estimation risk by increasing

comparability between lower and higher quality firms. Thus, reducing international differences in accounting standards assists to some degree in facilitating international integration of capital markets by removing barriers to cross-border acquisitions and divestiture, which in theory will reward investors with increased takeover premiums (Armstrong et al, (2007); Covrig et al, 2007) (Bradshaw et al, (2004); Daske et al, (2007); cited in Opanyi, (2016).

According to Ijeoma & Oghoghomeh (2014) explanation, a complete set of financial statements in accordance with IPSASs includes of the following components: a statement of financial position; financial performance; changes in net assets/quality; a cash flow statement; when the entity makes publicly obtainable its approved budget, a comparison of budget and actual amounts either as separated additional financial statements or as a budget column in the financial statements; and notes that comprise a summary of significant accounting policies and other explanatory notes.

2.4. Empirical Review

The study by Chinedu et al., (2016) indicated that, the International Public Sector Accounting Standards would ensure high level transparency of financial and non-financial activities and subsequently enhances credibility of financial data reported by the public sector entities other than public sector enterprises in Nigeria. And the adoption and proper operation of IPSASs report can improve comparability of financial data published by the public sector entities in the states of South East of Nigeria would create room for appealing local and foreign direct investment; foreign grants, foreign soft loan, foreign long-term loan and international financial developmental partnership.

The study by Salia & Atuilik (2018) concerning the adoption of IPSAS in Liberia: analysis of the benefits and challenges. The results revealed that IPSAS implementation improves the quality and reliability of government accounting information, aligns government financial accounting with international standards, increases government accountability and transparency and stimulates private-public sectors partnership within the economy.

Grossi (2009) undertakes a detail study and identified the most common problems, obstacles to consolidated financial statements implementation at the local level such as lack of homogeneity of the accounting of local administrations and municipal companies; lack of expertise and know-how

(insufficient knowledge about the consolidated reports); lack of staff; no obligation to completion; difficulties in obtaining necessary data and documents over time; limited transparency of annual reports of the local government; and lack of appropriate software.

Mhaka (2014) cited at Chinedu et al., (2016) study on examining the cost benefit analysis of IPSAS adoption in Zimbabwe by way of comparing the existing cash accounting basis and proposed IPSAS based accounting reporting. The study used the system of reviewing and analyzing of relevant discourse, publications and documentary materials from some professional accounting organizations, notable authors and NGOs, success stories of IPSAS adoption. The study assured that IPSAS adoption advances public sector financial information quality, and level of accountabilities; thereby growing the confidence of both domestic and foreign donor organizations to make financial assistance available for public sector entities use.

Schmidhuber et al., (2020) reviewed that, despite the various advantages of adopting IPSASs, the new accounting standards have been conveyed by critiques from the prospective of implementation costs, lack of pressure and alignment with public sector specialties. However, varied countries have rejected to adapt their governmental accounting systems to IPSAS.

Whitefield (2016) study in Nairobi on the adoption and implementation of the IPSAS: the levels of adoption and implementation of IPSAS United Nations. The results indicates, majority of the agencies have implemented IPSAS at high level. The significant level of adoption was as a result of UN general assembly agreement and resolution to encourage the agencies to implement IPSAS. The results were also confirmed majority of the agencies have at most implemented between 51 and 75% of the IPSAS modules.

The study by Abimbola et al., (2020) study on IPSAS adoption and implementation in Nigerian public sector, the finding showed that, IPSAS adoption exerted positive and significant relationship with the quality of financial reports, significant and positive relationship was found between IPSAS adoption and credibility of financial statements; adoption of IPSAS enhances comparability of financial reports and international best practices among public sector organization in Nigeria. And implementation cost, staff training, technological factor, IPSAS knowledge and awareness and availability of expertise are crucial factors affecting IPSAS implementation in Nigeria.

IPSAS adoption has linked to a number of strategies used by the public sector to advance the level of sureness in the quality and reliability of financial reports and also to enhance the delivery of information for accountability. The IPSASB recognized the aids of achieving consistent and comparable financial information across jurisdictions and believed that IPSAS will play main role in enabling these benefits to be realized. IPSASB was issued IPSAS dealing with financial reporting through the cash basis of accounting and the accrual basis of accounting. The accrual IPSAS bear aspect to IFRS in some respect (Benito et al., 2007).

Ademola et al., (2017) was also evaluating the impact of IPSAS on the financial accountability of selected local governments of Oyo State, Nigeria. The result of the study indicated that adoption of IPSAS rises the level of accountability, transparency and reduces corruption in the selected local governments.

2.5.Gaps of the study

The study by Angahar & Gwar (2019) on IPSAS implementation in Benue state public service: prospects and challenges. The findings of the study showed that the implementation of IPSAS in the Benue State public service is hindered by some challenges which include difficulties associated with change; inadequate cooperation from government officials; take off cost; inadequately trained accountants in the public service. The study was undertaken at government sectors and sees the challenges as well as opportunities acquaint due to the adoption of IPSAS, but the authors does not interrelated with IPSAS and its relationship with quality report which was the gap of the study and filled by this study. Thus, this study will try to observe the challenges and the relationship between IPSAS and quality of financial reports.

Olaoye & Olaniyan (2018) undertakes the study on examining the effects of IPSAS adoption has on public sector financial management in Ekiti State, Nigeria. The findings of the study revealed that the independent variable explained about 11.2% of the systematic variation of the dependent variable. The result of the study also assured that, there is a significant effect of IPSAS on the public sector financial management in the Nigerian Public sector. Hence, the authors conclude that IPSAS would significantly influence public sector financial management in Nigeria and that the challenges of Nigerian public sector are costs associated with tracking and identifying government tangible assets. The study gives emphasis on the significance of IPSAS on public sector financial

management and sees only financial management aspect while this study will investigate IPSAS impact on financial reporting and their relationship which was not assessed by the authors and filled by the study.

The study by Tanjeh, (2016) sought to investigate the factors influencing the acceptance of government accounting reforms in general and IPSAS in particular in Cameroon. The main findings of the study revealed that the determining factors of IPSAS acceptance in Cameroon are institutional organization, knowledge and awareness, management information system, staff training and recruitment, qualification, sex, implementation cost, political support and age. The paper finished up proposing a careful study of these factors by the government for IPSAS acceptance to happen. However, the study only sees the determining factors of IPSAS acceptance, while this study will try to investigate IPSAS role for accountability and transparency, the relationship with qualities of financial reports which was not assessed by Tanjeh.

Ijeoma & Oghoghomeh (2014) study examined the expectations, benefits and challenges of adoption of IPSAS in Nigeria. The findings of the study indicated, the adoption of IPSAS is expected to increase the level of accountability and transparency in public sector of Nigeria. The study also found that the adoption of IPSAS will enhance comparability and international best practices. Likely, the study found that adoption of IPSAS by Nigerian government helps to improve comparability of financial information reported by public sector entities in Nigeria and around the world. This study tries to the adoption of IPSAS on the Level of Accountability and Transparency in the Public Sector of Nigeria and makes comparability of financial information but does not include the quality measures of financial reports which is the gap of the study and filled by the study.

The study by Sharba & Al Baldawi (2020) in Iraq on IPSAS in the Municipal Sector of Iraq and its importance of optimal use of General Funds in Provision of Services. The study aims to clarify the concept of International Public Sector Accounting Standards (IPSAS), the scope of its application, the steps of its issuance, the interview with IAS and IFRS, and the status of its adoption through the analysis of the latest international studies for the adoption of IPSAS and plans for future reform complying with these standards. The study concludes that, there is a global trend towards IPSAS. The countries that will adopt IPSAS in 2023 were 107, which represents 72% of the proportion of successful experiences. The study only clarify the concept and the scope of

IPSAS and assess the general trends and countries that adopt IPSAS but this study will try to examine IPSAS and its role for accountability and transparency, the impact of IPSAS for quality financial report which was not assessed by Sharba & Al Baldawi.

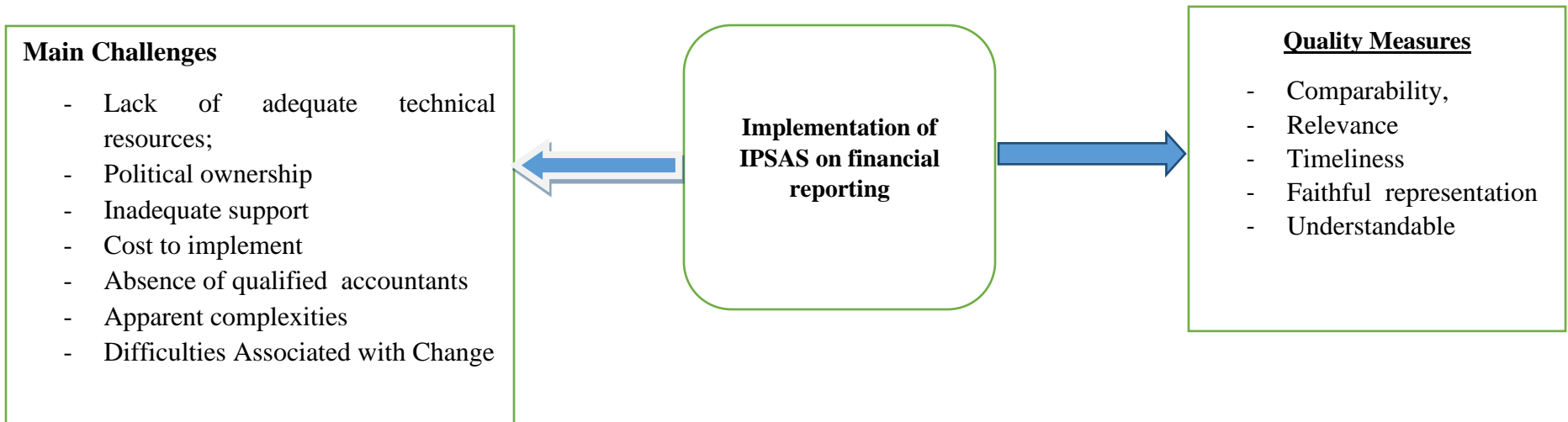
In general, IPSAS are high quality global financial reporting standards for application by public sector entities other than government business enterprises and being issued by international public sector accounting standard board IPSASB. The adoption of IPSASs increases the level of accountability and transparency in the public sectors in different country. Most of the study was undertaken by government organizations at public organizations but, this study will investigate the adoption of IPSAS and its contribution for quality financial report but not seen by any of the studies, in addition, the other specific objectives were addressed by other studies but assessed by this study through adding or reducing the determinants and the challenges depending on the working natures of accounts, budget, payroll and disbursement, treasury and trust fund units at UN organization.

2.6. Conceptual Frameworks

The globalization of financial transactions reporting and disclosure has led to the need for adoption and implementation of International Public Sector Accounting Standards (IPSAS) in various countries of the world (Adebisi et al., 2019). It is imperious that government works towards establishing trust with its several publics and constituencies. Establishing trust is done through effective information sharing. Governments should present accurate and complete information on their revenue, expenditures and other transactions, as a way of showing greater accountability and stewardship and thereby court trust from its publics and constituents (Atuilik & Salia, 2019).

However, IPSAS implementation will brings a lot of challenges such as lack of adequate technical resources; political ownership like inadequate support at the highest levels of the executive; consolidation issues and other similar inadequate support, cost to implement, absence of qualified accountants, apparent complexities and difficulties associated with change were the obstacles in implementing IPSAS .

According to Opanyi, (2016), the quality of characteristics of financial report incorporates comparability, relevance, timeliness and faithful representation these were insured through adoption of IPSAS. The figurative conceptual framework was illustrated at figure 2.1. below.



Source: Literature review and researcher own view, 2020

Figure 2.1: Conceptual Frameworks

CHAPTER THREE

3. Research Methodology

3.1.Introduction

This section point outs research methodology that includes the research design which comprises of the type of the research design, research approach, research strategy, sampling design, sources of data and its collection method and data analysis and interpretation methods of the study are explained as below.

3.2.Research Design

For this study, descriptive research design was used because, the major purpose of descriptive research is the description of the state of affairs as it exists at present and relating to describing the characteristics of a particular individual or of a group. Hence, descriptive research design helps to examine the existing extent of International Public sector accounting standards adoption for financial statements reporting by United Nation, to determine the impact of IPSAS adoption on transparency and accountability for financial reporting, to investigate the relationship between IPSAS application and its relationship for quality financial report and to describe challenges faced in implementing ISPAS at the study area.

Similarly, explanatory research was used, because an explanatory study sets out to explain and account for the descriptive information. While descriptive types of study may request ‘what’ kinds of questions, explanatory studies seek to ask ‘why’ and ‘how’ questions (Grey, 2014).

Hence, for the investigation on the impacts of IPSAS on financial reporting this study was used both descriptive and explanatory research design. Explanatory design was used to point out the relationship between IPSAS adoption and financial report quality at UN organization.

3.3.Research Approach

The study was employed both qualitative and quantitative research approach, qualitative research approach has used to gather data from finance section and unit heads with the help of interview, while quantitative research approach was employed to collect quantitative data using open and close ended questionnaires from budget unit, Payroll and disbursement unit, Account unit,

Treasury unit and Trust unit employees. Hence, mixed research approach was used because the weakness of one approach was covered by the other approach.

3.4. Research strategy

Among the research strategies, the researcher was used survey research strategy. The major purpose of survey method in research is to tell “what is”? i.e., to describe the problem or phenomenon, but many surveys go beyond a mere description of the existing situation (Singh, 2006). And it also claims to make any generalizations to a population beyond cases similar to the one studied (Kumer, 2011). Survey method is essentially cross-sectional and involves definite objectives.

Since, the study was conducted on the impact of IPSAS adoption for financial reporting, the study has used survey research strategy because it determines the present trends and see the current problems and clearly defined problem and it gives a detailed knowledge about the existing extent of International Public sector accounting standards adoption for financial reporting, the impact of IPSAS adoption on transparency and accountability for financial reporting, the relationship between IPSAS implementation and financial report quality and the challenges faced in implementing IPSAS at UN organization.

3.5. Sample Design

3.5.1. Population of the study

It is the total number population about which information is desired. For this study the population comprise of accounts unit; budget unit; payroll and disbursement; treasury unit and trust fund unit at UN organization with the total of 145 staffs (Human Resource Section).

3.5.2. Sampling Framework

It is the list of populations listed as study population; the sampling framework was included the lists of employees from accounts unit; budget unit; payroll and disbursement unit; treasury unit and trust fund unit at UN organization.

3.5.3. Sampling Units

The study units for this study were the junior and senior employees from accounting unit; budget unit; payroll and disbursement unit; treasury unit and trust fund unit. The choice of these part as unit of analysis, because, they are the most knowledgeable officials and financial reporting was undertaken by these officials.

3.5.4. Sampling Techniques

The researcher was used nonprobability sampling to address the problem. UN organization was selected purposively because the researcher believes to get adequate information about the impact of IPSAS on financial reporting. Within the UN organization, the study was carried out at accounts unit, budget unit, payroll and disbursement unit; treasury unit and trust fund unit. After knowing the number of junior and senior officials' accounts, budget, Payroll and disbursement, treasury and Trust fund unit at the UN organization the sample size was selected using Yamane (1967) formula.

In addition, non -probability sampling was also used to select respondents for interview purpose. From these purposive sampling was used to select qualified employees based on their qualification from accounts unit; budget unit; payroll and disbursement; treasury unit and trust fund unit for interview purpose.

3.5.5. Sample Size

Since it is not possible to cover all the staff in the UN organizations, the formula suggested by Yamane (1967) was applied by the study. The calculation of the sample size was done as follows:

$$n = \frac{N}{(1+N)*e^2}$$

Where,

N = population (145)

e= acceptable sampling error, 90% confidence level with 10% precision

n = estimated sample size

$$n = \frac{N}{(1+N)*e^2}$$

$$n = \frac{145}{(1+145) \cdot 0.1^2}$$

$$n = 99.3 \approx 100$$

Therefore, the sample size was 100 employees from accounting unit; budget unit; payroll and disbursement; treasury unit and trust fund unit. The sample size was distributed as follows

Table 3.1: sample Distribution

Department	Total number of employees	Weight	Sample taken	Purpose
Accounting Unit	30	0.21	21	Questioner
Budgeting Unit	25	0.17	17	Questioner
Payroll and Disbursement	55	0.38	38	Questioner
Treasury Unit	15	0.10	10	Questioner
Trust Fund Unit	20	0.14	14	Questioner
Total	145	1.00	100	

Source: UN report, 2020

Similarly, 1 accounting department head, 1 budgeting department head and 1 payroll and disbursement, 1 treasury unit and 1 trust fund units were selected purposively for interview purpose to increase the data collection activity and acquire adequate information at the study area.

3.6.Data Sources and Types

According to Kothari, (2004) view, there are several ways of getting the appropriate data which differ considerably in context of money costs, time and other resources at the disposal of the researcher. Hence, in dealing with any real problem it is often found that data at hand are inadequate and it becomes necessary to accumulate data that are appropriate. Based on this fact, the study was used primary and secondary sources. The main data sources were:

3.6.1. Primary Source of Data

For this study, primary data sources were institutions such as UN organization accounts unit; budget unit; payroll and disbursement; treasury unit and trust fund unit.

3.6.2. Secondary Source of Data

The study also uses secondary data sources such as data from financial reports or statements, accounting reports, payrolls and other significant secondary data was used.

3.7. Data Collection Tools

The main data collection methods were questionnaires, interview and document reviews. Each are describing as: -

3.7.1. Questionnaire

The researcher was collected data using open and close ended questionnaires. The questionnaires were prepared in English language. The closed ended questionnaires are preparing in the form of Likert Scales; Strongly Agree (SA), Agree (A), Undecided (UD), Disagree (DA) and Strongly Disagree (SA) formats and other significant form of questions are prepared. In addition, to get detail and personal view response open ended questions was prepared based on the specific objectives set.

3.7.2. Interview

Structured and non-structured interview was used for selected unit heads that are selected purposively. Interview was conducted for accounts unit; budget unit; payroll and disbursement; treasury unit and trust fund unit heads with the aim of getting information on the existing extent of International Public sector accounting standards adoption financial statements reporting, the impact of IPSAS adoption on transparency and accountability for financial reporting, the relationship between IPSAS and financial reporting and the challenges faced in implementing IPSAS at UN organization.

3.7.3. Document Review

Throughout the research process the researcher reviews secondary data sources such as polices, reports, books, journal articles, and publications of various associations and organization as well as other documentary reviews from the internet data adequately.

3.8.Data analysis methods

In analyzing the collected data, both qualitative and quantitative data analysis was used depending on the nature of the data. Data collected through closed ended questions was edited, coded and entered into Statistical Package for Social Science (SPSS) software version 24 program. Afterward, the data was analyzed by using inferential and descriptive statistics. Percentage, graph, and frequency tables was utilized to explain characteristics of respondents and present the collected data. The inferential statistics was analyzed using linear regression. Data obtained from official records and interviews was used to enrich, illustrate and elaborate the quantitative and qualitative findings.

3.8.1. Analytical Models

A main issue that affects directly to the nature of research in financial reporting is the measurements of quality of financial reports. This study was used the methods that operationalize the qualitative characteristics that aim to assess the quality of different aspects and dimensions of financial and non-financial information of financial reports in order to determine their usefulness. This is attained through the use of indexes or questionnaire created to capture the qualities of quantitative characteristics.

The study was developed and test a comprehensive multiple item quality index which is conceptually based on CF (IASB, 2010 cited in Opanyi, 2016) and which was based on items used in previous research and own view of the researcher.

The study was adopted a linear regression model to test between the variables in investigating the impact of IPSAS on financial report that set as a framework, the independent variables are quality measures (relevance, faithful representation, understandability, comparability, timeliness and cost effective) and financial reports quality index as dependent variable.

➤ **Definition of Main variables**

Comparability: Comparability is the level of standardization of accounting information that allows the financial statements of multiple organizations to be compared to each other. This is a fundamental requirement of financial reporting that is needed by the users of financial statements. Comparability was measured through:

C1: Comparison of the current with previous financial periods

C2: Comparison with other banks or industries

C3: Analysis and explanation of the implications of changes

C4: Presentation of ratios, index scores, or benchmarks

Relevance: Relevance is the concept that the information generated by an accounting system should impact the decision-making of someone perusing the information. This improves the speed with which various internal and external parties receive the financial statements, which improves the relevance of the information they receive. Relevance in accounting means the information we get from the accounting system will help the end-users to take important decisions. End users can be either internal or external stakeholders. Internal stakeholders include managers, employees, and business owners. By external stakeholders, we mean investors, lenders etc. Therefore, relevance in accounting indicates the capacity of influencing the end-users of the financial statement in their decision-making process. This can be measures using:

R1: Predictive Value

R2: Feedback Value

R3: Timeliness

R4: Frequency and Length

Timeliness: The timeliness of accounting information refers to the provision of information to users quickly enough for them to take action. The accounting department typically compiles and reports these variances following the end of the month. Timeliness principle in accounting refers to the need for accounting information to be presented to the users in time to fulfill their decision-making needs. This variable was measured using:

T1: prepare on time

T2: indicates accurate data

T3: Reduce delay of report

Reliability: Accounting reliability refers to whether financial information can be verified and used consistently by investors and creditors with the same results. Basically, reliability refers to the trustworthiness of the financial statements. Reliability can be measured:

B1: Representational Faithfulness

B2: Neutrality

B3: Substance and Form

B4: Completeness

B5: Verifiability

B6: Consistency

Faithful representation: it is the concept that financial statements be produced that accurately reflect the condition of a business. General purpose financial reports represent economic phenomena in words and numbers. To be useful, financial information must not only be relevant, it must also represent faithfully the phenomena it purports to represent. Faithful representation means representation of the substance of an economic phenomenon instead of representation of its legal form only. A faithful representation seeks to maximize the underlying characteristics of completeness, neutrality and freedom from error.

FR1: Complete

FR2: Neutral

FR3: Free from error

Understandability: is the concept that financial information should be presented so that a reader can easily comprehend it. This concept assumes a reasonable knowledge of business by the reader but does not require advanced business knowledge to gain a high level of comprehension. Understandability is the concept that financial information should be presented so that a reader can

easily comprehend it. This concept assumes a reasonable knowledge of business by the reader, but does not require advanced business knowledge to gain a high level of comprehension. Adherence to a reasonable level of understandability would prevent an organization from deliberately obfuscating financial information in order to mislead users of its financial statement.

Understandability can be measured using

U1: Classification that is meaningful to users

U2: Well-organized juxtaposition of data

U3: Clear and sufficient notes

U4: Presentations of net figures that users need

The empirical model is thus:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where: Y = the changes due to adoption of IPSAS for financial reports at UN

β_0 = Constant or intercept

β = Regression model coefficient (Parameters),

X1 = Relevance,

X2 = Faithful Representation,

X3 = Understandability,

X4 = Comparability,

X5 = Timeliness

X6 = cost effectiveness

ε = Error term

CHAPTER FOUR

4. Data Analysis and Interpretation

4.1.Introduction

The International Public Sector Accounting Standard (IPSAS) is the hub of global revolution in government accounting, in response to calls for greater government financial accountability and transparency. Data analysis and interpretation section was the core of the study portrays the demographic characteristics of sample respondents, the existing extent of the International Public sector accounting standards adoption financial statements reported by United Nation, the impacts of IPSAS adoption on transparency and accountability for financial reporting at United Nation, the relationship between IPSAS and quality of financial reports at UN organization and the challenges faced in implementing IPSAS at United Nation.

4.2.Response Rate

For this research data collection instruments were open and close ended questionnaires and interview. Questionnaires are distributed to junior and senior employees working at accounts unit; budget unit; payroll and disbursement unit; treasury unit and trust fund unit at the UN organization. For sampled employees 100 questionnaires were distributed and only 95 questionnaires were collected while 5 questionnaires were not returned. Hence, the response rate was 95% ($95/100=95\%$). Therefore, greater parts from distributed questionnaires were collected.

4.3. Research Reliability Test

Reliability is concerned with the ability of an instrument to measure consistently. The number of test items, item interrelatedness and dimensionality affect the value of alpha. There are different reports about the acceptable values of alpha, ranging from 0.70 to 0.95. Therefore, to ensure the reliability of questionnaires instruments reliability test was check for questionnaires.

As shown in table 4.1 below, the reliability test score on the impact of IPSAS on financial reporting in UN organization was 0.919. Therefore, the reliability test was good consistence and good reliable and insures the proceeding of the study.

Table 4.1: Research Reliability Test

Case Processing Summary			
		N	%
Cases	Valid	95	100.0
	Excluded ^a	0	.0
	Total	95	100.0

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

Reliability Statistics	
Cronbach's Alpha	N of Items
.919	46

Source: survey result, April 2021

4.4. Demographic characteristics of Respondents

At this section sampled respondent departments, gender, marital status, educational level and work experience was described in the form of table, percentage and graph as follows.

4.4.1. Departments at UN

At UN organization IPSAS was mostly practiced and to evaluate the applicability level based on department employee's reply, 35(36.8%) respondents were from payroll and disbursement unit, 20(21.1%) were included for the study from accounts unit, 16(16.8%) were allotted from budget unit, 14(14.7%) were taken from trust fund units and 10(10.5%) were parts of treasury unit and the impact of IPSAS on financial reporting in United Nation Secretariat organization particularly in UNECA was determined based the replies of the identified departments employees.

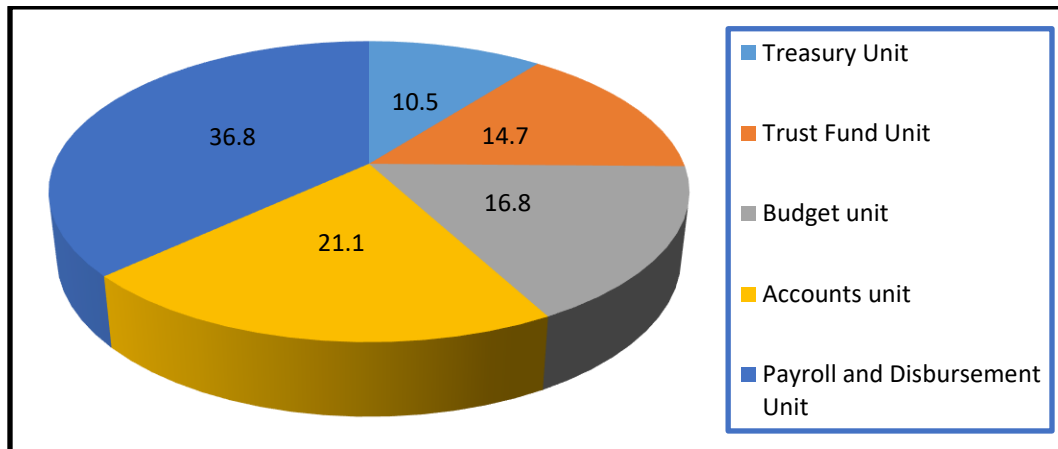


Figure 4.1: Departments taken

Source: survey result, April 2021

4.4.2. Respondents Demographic characteristics

As shown in Table 4.2 below, 52(54.7%) informants were male and 43(45.3%) are female respondents. Male respondents were higher than female respondents, hence, majority of respondents were male who works at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units at the study area.

Concerning the marital status of repliers, 55(57.9%) of the respondents were married and 31(32.6%) are single. The remaining 7(7.4%) and 2(2.1%) from the respondents were divorced and widowed respectively. Thus, more than, half from the informants for this study were married and feels responsible, become committed for the appropriate application of International public sector Accounting Standards at UN organization, because the married employees were mostly wants to settle and stay permanently at one place so; no any time was wasted for job seeking and reduces their absence at their work place and devotes on their work performance for the achievement of IPSAS at the study area.

In relation to educational level of respondents, the majority of the respondents 74(77.9%) have degree, while 21(22.1%) of the respondents were master's degree holders. Therefore, the response rate indicates that, greater parts from the sample have the required educational status which helps them to easily understand the procedure, guidelines, policy and legislations upon International public sector accounting Standards at UN organization.

In regarding to work experience of employees of UN organization, from the sample 47(49.5%) have 6- 10 years of work experience, 33(34.7%) of them have 1-5 years of work experience, 15(15.8%) have above 10 years of work experience through works at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units. The results of the study shows that, majority of respondents have sufficient work experience which helps them to easily understand and implement International public sector accounting Standards at UN organization and their experience at the sector helps them to reduce the errors during application of the technological advancement scheme and helps them to easily identify the major techniques and procedure at their respective units. The response rate was shown at Table 4.2 below.

Table 4.2: Demographic characteristics of Respondents

variables	options	Response Rate	
		Frequency	Percent
Sex	Male	52	54.7
	Female	43	45.3
	Total	95	100.0
Marital status	Single	31	32.6
	Married	55	57.9
	Divorced	7	7.4
	Widowed	2	2.1
	Total	95	100.0
Educational Level	Degree	74	77.9
	Masters	21	22.1
	Total	95	100.0
Work Experience	1-5 years	33	34.7
	6-10 years	47	49.5
	above 10 year	15	15.8
	Total	95	100.0

Source: survey result, April 2021

4.5. The Existing Extent of the IPSAS Adoption Financial Statements Reported by United Nation

Under this section the payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units' implementation of IPSAS for financial reporting, the used financial reporting standard and the evaluation of the existing practice of financial report at organization and respondent reply was described as follows.

4.5.1. The Units Application of IPSAS for Financial Reporting

Respondents chosen from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units were asked on the proper use of IPSAS for financial reporting and 88(92.6%) replied that, financial reports are prepared through the application of International public sector accounting Standards, while 7(7.4%) assured that, at their respective departments International public sector accounting Standards was not use in practice during reporting financial performances at the selected study area.

Similarly, the application rate was varied with departments based on ratio of samples taken from each department such as at accounts unit 95%, payroll and disbursement unit 94.2%, trust fund unit 92.8%, treasury unit 90% and budget unit 87.5% which indicates majority units at UN organization were applied and practiced IPSAS for financial reporting purpose.

Table 4.3: the application of IPSAS for financial reporting at Departments

		Does unit implement IPSAS for financial reporting		Total
		Yes	No	
Department	Accounts unit	19	1	20
	Budget unit	14	2	16
	Payroll and Disbursement Unit	33	2	35
	Treasury Unit	9	1	10
	Trust Fund Unit	13	1	14
Total		88	7	95

Source: survey result, April 2021

For those said yes, at accounts unit 19(21.6%), at budget unit 14(15.9%), at payroll and disbursement unit 33(37.5%), treasury unit 9(9.5%) and at trust fund unit 13(14.8%) was used IPSAS for financial reporting at UN organizations.

Table 4.4: the unit from UNECA mostly used IPSAS

Departments	Response rate	
	Frequency	Percent
Accounts unit	19	21.6
Budget unit	14	15.9
Payroll and Disbursement Unit	33	37.5
Treasury Unit	9	10.2
Trust Fund Unit	13	14.8
Total	88	100.0

Source: survey result, April 2021

4.5.2. Financial Reporting Standard at UN Departments

At UN organization, employees from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units answered that, their respective unit use IPSAS for reporting financial performances 88(92.6%) response rate, while the other 4(4.2%) and 3(3.2%) informants indicate their respective unit used UNSAS and IFRS standards for reporting financial performances respectively at UN organization. Thus, the response rate proved that, at UN organization financial performances are reported for users using IPSAS standards.

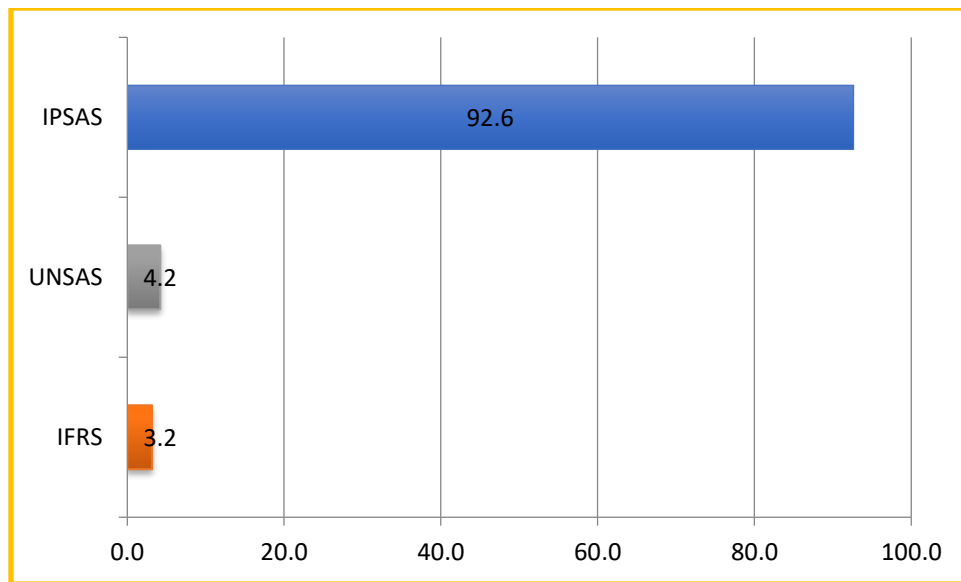


Figure 4.2: Financial Reporting standards

Source: survey result, April 2021

Yunusa, (2014) pointed that, the International Public Sector Accounting Standard (IPSAS) are accounting standard developed by IPSAS board for all categories of government/public sector around the world in the preparation of their financial statements applicable to all levels of government. IPSAS are standards of high quality which serve as catalyst for providing sound and transparent financial statements, thereby improving operational performance, accountability and fair allocation of resource. As the result, the use of IPSAS application at UN organizations can facilitate and improve operational performance, accountability and equitable distribution of resources at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units.

4.5.3. The Evaluation of the Existing IPSAS Practice of Financial Report at the Organization

The existing practice of IPSAS for reporting financial performance was evaluated by employees from different departments and as depicted at Table 4.5 below, 45(47.4%) evaluate the performance was good, 28(29.5%) rating very good and 12(12.6%) ranking moderate at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units for the application of IPSAS for financial performance reporting at UN organization. Whereas, 6(6.3%) and 4(4.2%) rating the application of IPSAS standards was weak and very weak respectively. Therefore, we can conclude that, IPSAS application for financial reporting was good 76.9% at the chosen departments at UN organization which reduces the manual ways of working and minimize the risk of error and promote the quick information transmission and maximize the delivery of information for internal and external users.

Table 4.5: the existing IPSAS practice for financial reporting

Level of Practice	Response Rate	
	Frequency	Percent
Very weak	4	4.2
Weak	6	6.3
Moderate	12	12.6
Good	45	47.4
Very good	28	29.5
Total	95	100.0

Source: survey result, April 2021

The proper application of IPSAS specifically at the study area annual budgeting system paves way for quick disclosure of budget performance. The most critical issue is that the lack of international standards reduces the transparency and accountability of NGOs. Reporting standards should therefore be seen as one component of a wider agenda of understanding and improving NGO effectiveness. The uses of IPSAS standards substantially improve transparency, accountability and performance of NGOs while at the same time making life NGOs much easier. Thus, IPSAS would therefore bring considerable benefit to donors as well as the public at large and it is time to adopt IPSAS to promote NGOs performance (Sanni, 2017). Thus, UN to ensure the financial reports transparency and accountability the application of IPSAS was the required standard which was proved through reaching at the stage of good performance at UN organization.

4.6. The Impacts of IPSAS Adoption on Transparency and Accountability for Financial Reporting at United Nation

The proper adoption and application IPSAS for financial reporting helps to ensure transparency and secure accountability which helps to reduce error and associated misconducts. To see the views of selected officials for this study and figure out their agreement level about six questionnaires were prepared and the level of agreement was described as follows.

At payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units the introduction of IPSAS improved the overall financial reports transparency and respondents were strongly agreed 46(48.4%) and agreed 29(30.5%) concerning the introduction of IPSAS improved the overall financial reports transparency, while 5(5.3%) and 4(4.2%) informants were disagreed and strongly disagreed on the IPSAS significant for financial reports transparency and the others 11(11.6%) were undecided on the relationship between IPSAS and financial reports transparency at the study area. Therefore, at UN organization departments, IPSAS introduction helps to improve financial report transparency.

Table 4.6 below shows, 54(56.8%) respondents were agreed, 22(23.2%) respondents were strongly agreed, 10(10.5%) samples were undecided, 6(6.3%) were strongly disagreed and 3(3.1%) were disagreed concerning financial statements that are IPSAS based are objective and free from bias as an impact to enhance transparency and accountability at UN organizations. Thus, majority respondents were agreed that, financial statements that are IPSAS based are objective and free from bias at the study area.

Respondents from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units were agreed, strongly agreed, undecided, disagreed and strongly disagreed on IPSAS adoption made the financial reports to be more comprehensive and integrated with the number of respondents 57(60%), 20(21.1%), 8(8.4%), 6(6.3%) and 4(4.2%) respectively. Hence, majority from sample respondents agreed that, IPSAS adoption made the financial reports at UN organization departments to be more comprehensive and integrated.

IPSAS adoption is essential in building detailed, relevant and qualitative financial reports at UN organization units was agreed 64(67.4%), strongly agreed 13(13.7%), disagreed 8(6.4%), strongly disagreed 6(6.3%) and undecided 4(4.2%) on the issue, thus, majority

employees from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units were agreed that IPSAS adoption is essential in building detailed, relevant and qualitative financial reports at the selected organization.

Table 4.6 below shows, 43(45.3%) and 33(34.7%) respondents were strongly agreed and agreed that IPSAS based financial reports are easily understandable, lacks technical jargons and complexity at their units respectively while 10(10.5%) informants were undecided on the matter and the remaining 7(7.4%) strongly disagreed and 2(2.1%) disagreed on IPSAS based financial reports are easily understandable, lacks technical jargons and complexity seen at their respecting departments. Thus, majority respondents from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units were agreed that, IPSAS based financial reports are easily understandable, lacks technical jargons and complexity at UN organization.

The remaining impact was IPSAS adoption was communicate value relevance to beneficiaries of financial report and employees were agreed 56(58.9%, strongly agreed 26(27.4%), undecided 8(8.4%), disagreed 3(3.2%) and strongly disagreed 2(2.1%) on the issue, hence, majority respondents from payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units were agreed that, IPSAS adoption was communicate value relevance to beneficiaries of financial report at UN organization.

Therefore, majority respondents were agreed that, IPSAS introduction helps to improve financial report transparency, financial statements that are IPSAS based are objective and free from bias, IPSAS adoption made the financial reports at UN organization departments to be more comprehensive and integrated, IPSAS adoption is essential in building detailed, relevant and qualitative financial reports, IPSAS based financial reports are easily understandable, lacks technical jargons and complexity and IPSAS adoption was communicate value relevance to beneficiaries of financial report at UN organization units. The response rate was shown at Table 4.6 below.

Table 4.6: The impacts of IPSAS adoption on transparency and accountability

Option		Response rate				
		Strongly Agree	Agree	undecided	disagree	Strongly disagree
Introduction of IPSAS improved the overall financial reports transparency	Frequency	46	29	11	5	4
	percentage	48.4	30.5	11.6	5.3	4.2
Financial statements that are IPSAS based are objective and free from bias.	Frequency	22	54	10	3	6
	percentage	23.2	56.8	10.5	3.1	6.3
IPSAS adoption made the financial reports to be more comprehensive and integrated	Frequency	20	57	8	6	4
	percentage	21.1	60	8.4	6.3	4.2
IPSAS adoption is essential in building detailed, relevant and qualitative financial reports	Frequency	13	64	4	8	6
	percentage	13.7	67.4	4.2	6.4	6.3
IPSAS based financial reports are easily understandable, lacks technical jargons and complexity	Frequency	43	33	10	2	7
	percentage	45.3	34.7	10.5	2.1	7.4
IPSAS adoption will communicate value relevance to beneficiaries of financial report	Frequency	26	56	8	3	2
	percentage	27.4	58.9	8.4	3.2	2.1

Source: survey result, April 2021

According to Ijeoma and Oghoghomeh, (2014) view, in addition, some critical success factors of adoption of IPSASs include: political will and ownership, technical capacity (training, re-training and personnel development), public orientation and enlightenment, automated information system financial ability and modular implementation. Also, the adoption of IPSASs will generate lots of benefits such as political and economic benefits. Political benefits of adoption of IPSASs include:

Accountability: IPSAS requirement for increased disclosure in accounting reports increases the

level of accountability in government; Transparency: where IPSAS is adopted, full disclosure becomes an imperative of public sector accounting government; Improved Credibility/Integrity: government accounting/reporting cannot be credible if government itself decides the rules. Hence, the need for a body like IPSAS that will set the rules; Political Leverage: Government may be required to provide accounting information by higher or legal authority like the United Nations; International Best Practice and Comparability: IPSAS seeks to ensure that financial statements prepared in the basis of it are internationally comparable; Comparable information assists the stakeholders in assessing how well their resources have been utilized; Greater Disclosures: IPSAS encourages full disclosure, which hinges on transparency, integrity and accountability; Increased control of public agencies: the increased disclosure, transparency and comparability IPSAS engenders will permeate the public sector in turn yielding greater accountability(Ijeoma and Oghoghomeh,2014).

Thus, the use of IPSAS have varied significance such as to the level of accountability in financial reports, insure credibility of reports, to provide accounting information by higher or legal authority, full disclosure of financial reports which hinges on transparency, integrity and accountability as stated by Ijeoma and Oghoghomeh, similarly it was also described by UN organization employees chosen from payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units at the study area.

4.7.The Relationship between IPSAS and Quality of Financial Reports at UN Organization

4.7.1 Assumptions Testing in linear Regressions

The basic assumptions should be satisfied in order to maintain at a validity and robustness of the regressed result of the research under the linear regression models. Hence, this study has conducted the assumption tests such as, multi-Co linearity, linearity and normality tests.

4.7.1.1.Multi Collinearity

Collinearity diagnostics on the variables as part of the linear regression procedure is done using tolerance and variance inflation factor (VIF). Tolerance is an indicator of how much of the variability of the specified independent is explained by the other independent variables in the model. If this value is very small(less than 1.0), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multi Collinearity, furthermore, the other value

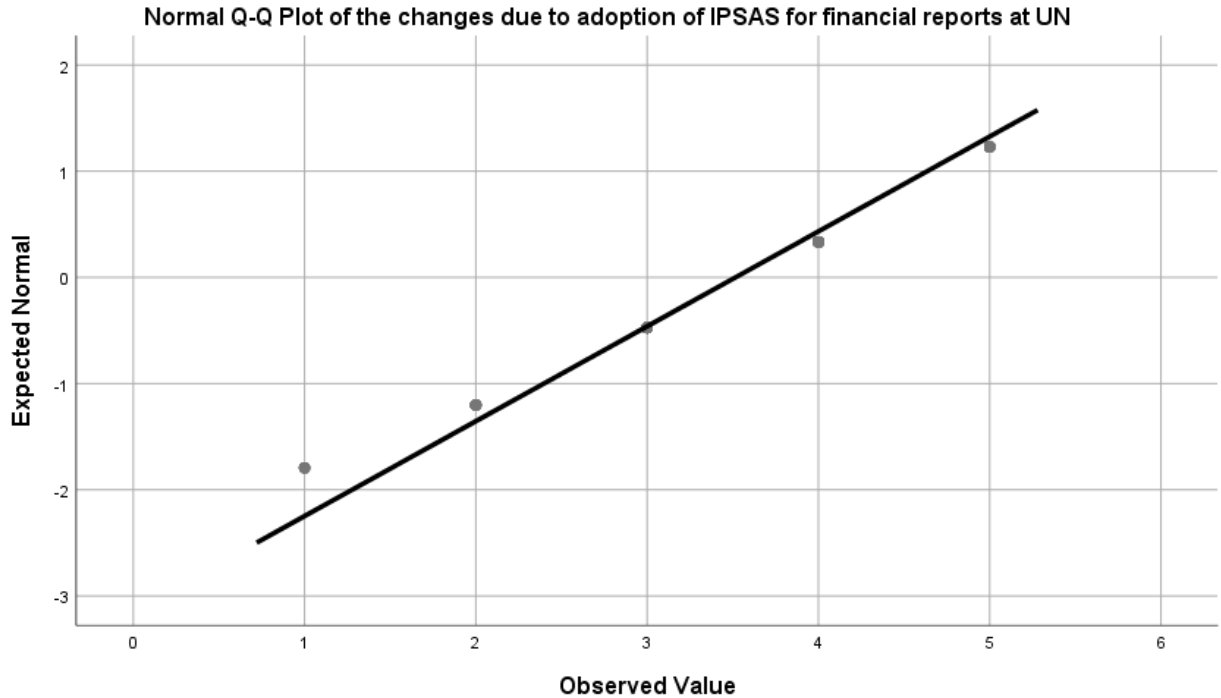
given is the VIF, which is just the inverse of the tolerance value (1 divided by tolerance). VIF values above 1.0 would a problem of collinearity, indicating multi collinearity. The result shows that the tolerance value for each independent variable (Understandable, comparability, relevance, faithful representation, cost effective and timeliness) is (0.976; 0.960, 0.901, 0.900, 0.891 and 0.863) respectively. Therefore, multi Collinearity assumption is not violated. This is also supported by the VIF value, which is 1.025, 1.041, 1.110, 1.111, 1.122 and 1.158 which is well above the cut-off 1.0.

Table 4.7 multi Collinearity assumption

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.537	.585		.919	.361		
	Comparability	.175	.054	.199	3.230	.002	.960	1.041
	Relevance	.109	.049	.142	2.230	.028	.901	1.110
	Timeliness	.015	.056	.018	.274	.785	.863	1.158
	Faithful representation	-.254	.060	-.270	-4.243	.000	.900	1.111
	Understandable	.129	.048	.165	2.697	.008	.976	1.025
	Cost effective	.630	.060	.668	10.428	.000	.891	1.122
a. Dependent Variable: the changes due to adoption of IPSAS for financial reports at UN								

As indicated at Figure 4.3 below, normality, linearity of residuals: one of the ways that these assumptions can be checked is by inspecting the residuals scatter plot and the normal probability plots of the regression standardized residuals that were requested as part of the analysis. These are presented in normal Q-Q Plots of regression standardized residuals graph. In normal probability plots the points would lie in reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. The finding from normal Q=Q Plot reveals no violation of normality assumptions.

Figure 4.3: Normality of regression of residuals



4.7.1.2. Normality test

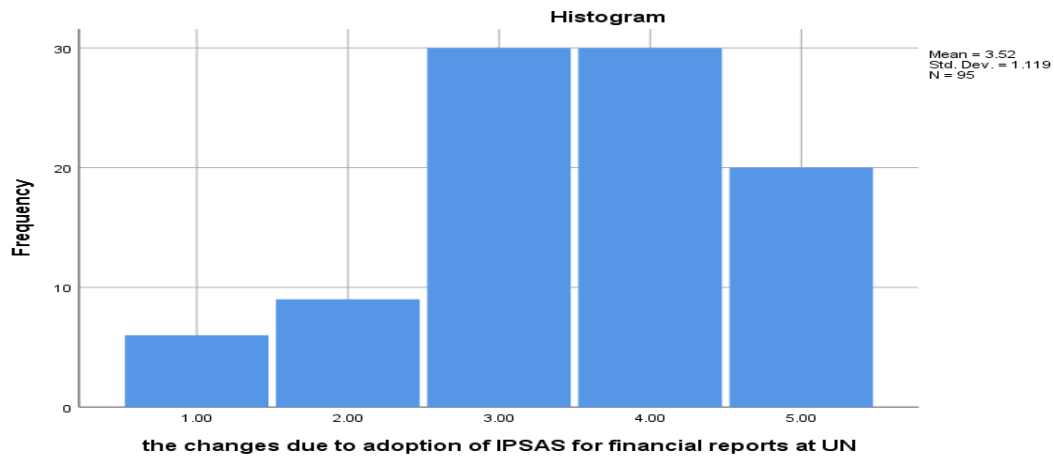
Table 4.8 below shows that, the Kolmogorov–Smirnov and Shapiro–Wilk test statistics for testing normality of data among informants on the changes due to the adoption of IPSAS for financial reports at UN; as the result normality exists if these tests are not significant. Thus, if the significance value (p-value) of these tests is less than 0.05, the data is considered to be normal; otherwise, normality assumption is violated. Looking at the values of these tests in Table it may be concluded that the scores on the changes due to adoption of IPSAS for financial reports at UN is (p 0.00) at both Shapiro–Wilk test statistic and Kolmogorov-Smirnov was significant, because the Shapiro–Wilk test statistic and Kolmogorov-Smirnov for the scores on all the variables is significant.

Table 4.8 Test of normality

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
The changes due to adoption of IPSAS for financial reports at UN	.194	95	.000	.893	95	.000
a. Lilliefors Significance Correction						

This fact was also insured at Figure 4.4 below, the figure shows there is a normal distribution on the changes observed at financial reports of UN organization as the results of financial report quality measures support.

Figure 4.4: The normal distribution of response



4.7.1.3. Autocorrelation Test

Autocorrelation test is used to see that there is a linear relation between the errors on a series of observations. To check the next assumption, we need to look at is the Model Summary box. Here, we can use the Durbin-Watson statistic to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For assumption the values of the residuals are independent to be met, we want this value to be close to 2. Values below 1 and above 3 are cause for concern and may render your analysis invalid. In this case, the value is 2.282, so we can say this assumption has been met. Thus, the autocorrelation test result indicates that the financial report quality measures and the changes seen as the result of the measures have autocorrelation based on the findings of the study.

Table 4.9 Autocorrelation test

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.824 ^a	.679	.657	.65573	2.282
a. Predictors: (Constant), Cost effective, Comparability, Relevance, Understandable, Faithful representation, Timeliness					
b. Dependent Variable: the changes due to adoption of IPSAS for financial reports at UN					

4.7.2. Linear Regression

Under this section the relationship between report quality measures (such as cost effective, comparability, relevance, understandable, faithful representation, timeliness) and respondents evaluation on the changes due to adoption of IPSAS for financial reports at UN (in terms of report before deadlines, report on exact days, reduce report delay with 1-3 days, reduce report delay with 3-6 days and reduce report delay with 7-10 days frequencies).

Table 4.10: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.824	.679	.657	.65573
a. Predictors: (Constant), Cost effective, Comparability, Relevance, Understandable, Faithful representation, Timeliness				

Source: survey result, April 2021

R is the square root of R^2 , which indicating the strength and the direction of linear relationship between the dependent variable (the changes due to adoption of IPSAS for financial reports) and the independent variables (cost effective, comparability, relevance, understandable, faithful representation, timeliness). Thus, the result shown, the quality measures are positively correlated, and the strength of relationship is strong at 0.824.

The R-square in at data analysis is 0.679, which suggests that, cost effective, comparability, relevance, understandable, faithful representation and timeliness explains 67.9% of the variance of changes due to adoption of IPSAS for financial reports. 32.1% (100% - 67.9%) of the variation is caused by the factors other than the predictors included in this model.

Adjusted R-square adjusts the value of R^2 when the sample size is small, because an estimate of R^2 obtained when the sample is small tends to be higher than the actual R^2 in the population. A value of 0.657 indicates true 65.7% of variation in the outcome variable is explained by the predictors which are to keep in the model. High discrepancy between the values of R-squared and Adjusted R Square indicates a poor fit of the model. Adjusted R^2 will always be less than or equal to R^2 . As R^2 always increases and never decreases, it can appear to be a better fit with the more

terms added to the model and the adjusted R^2 penalizes one from being completely misleading as the result, the model was fit for this study because the Adjusted $R^2(0.657)$ less(<) than $R^2(0.679)$. The standard error (0. 65573) of a model fit is a measure of the precision of the model. It is the standard deviation of the residuals. It shows how wrong one could be if s/he used the regression model to make predictions or to estimate the dependent variable or variable of interest. As R^2 increases the standard error will decrease. On average, our estimates of the changes due to adoption of IPSAS for financial reports with this model will be wrong by 0.655 which is not an ignorable amount given to insure the adoption of IPSAS for financial reporting at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units in UN organization

Table 4.11: ANOVA table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.887	6	13.315	30.965	.000 ^b
	Residual	37.839	88	.430		
	Total	117.726	94			
a. Dependent Variable: How do you evaluate the changes due to adoption of IPSAS for financial reports at UN?						
b. Predictors: (Constant), Cost effective, Comparability, Relevance, Understandable, Faithful representation, Timeliness						

Source: survey result, April 2021

The SPSS output table labeled ANOVA (table 4.11) provides the results of the test of significance for R and R^2 using F- statistics. In this analysis, the P-value is well below 0.05(P= 0.000). Hence, from the result we can conclude that, the R and R^2 between independent variables and dependent variable is statistically significant. The F-test, the linear regression's F-test F = 30.965 and 94 degrees of freedom the test is highly significant, thus we can assume that there is a linear relationship between the variables in our model.

The table in the SPSS output labeled coefficient (table 4.12 below) provides information that is useful for understanding the regression equation. Under the column unstandardized coefficient and sub column B, the numerical values on the first row labeled (constant) is the value for intercept (a) in the regression equation. The numerical values on the second row, labeled as cost effective,

comparability, relevance, understandable, faithful representation and timeliness in this case representing the independent variable is the value for the slope (b) in the regression equation.

Table 4.12: coefficient Table

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.537	.585		.919	.361
	Comparability	.175	.054	.199	3.230	.002
	Relevance	.109	.049	.142	2.230	.028
	Timeliness	.015	.056	.018	.274	.785
	Faithful representation	-.254	.060	-.270	-4.243	.000
	Understandable	.129	.048	.165	2.697	.008
	Cost effective	.630	.060	.668	10.428	.000

a. Dependent Variable: How do you evaluate the changes due to adoption of IPSAS for financial reports at UN?

Source: survey result, April 2021

The empirical model was stated as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon$$

Where: Y= the changes due to adoption of IPSAS for financial reports at UN

β_0 = Constant or intercept

β = Regression model coefficient (Parameters),

X1 = Relevance

X2 = Faithful Representation

X3 = Understandability

X4 = Comparability

X5 = Timeliness

X6 = Cost effective

ε = Error term

Our expectation the changes due to adoption of IPSAS for financial reports at UN would then be $y = 0.537$ (constant) + 0.63 (Cost effective) - 0.254 (Faithful representation) + 0.175 (Comparability) + 0.129 (Understandable) + 0.109 (Relevance) + 0.015 (Timeliness) = 3.48 . Therefore, the changes due to adoption of IPSAS for financial reports at UN will increase at the rate of 3.48 as the results of the above quality measures at the selected organization.

The Standardized Beta Coefficients give a measure of the contribution of each variable to the model. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The t and Sig (p) values give a rough indication of the impact of each predictor variable – a big absolute t value and small p value suggests that a predictor variable is having a large impact on the criterion variable.

Accordingly, standardized coefficients are called beta weights, given in the “beta” column. The beta weight measure how much the outcome variable increases (in standard deviations) when the predictor variable is increased by one standard deviation assuming other variables in the model are held constant. These are useful measures to rank the predictor variables based on their contribution (irrespective of sign) in explaining the outcome variable.

Hence in this case, cost effective is the highest contributing (0.668) predictor for the changes due to adoption of IPSAS for financial reports at UN, and the next is faithful representation (-0.270), the third comparability (0.199), the fourth understandable (0.165), the fifth contributor is relevance (0.142) the last determinant is timeliness (0.018).

In addition, the unstandardized coefficients column gives an indication of what would happen if there were to increase one of the independent variables by exactly one unit. For example, if the cost effective were to increase by one unit, we would expect the changes due to adoption of IPSAS for financial reports at UN increase by 0.060 rates. Overall, the results indicate that we have found a useful model that satisfies the assumptions of regression analysis.

However, the model significantly predicted the changes due to adoption of IPSAS for financial reports at UN $F(6, 88) = 30.965, p(.000) < 0.05$. Out of six independent variables, five variables cost effective $p(0.000) < 0.05$; faithful representation $p(0.000) < 0.05$; comparability $p(0.002) < 0.05$; understandable $p(0.008) < 0.05$ and relevance $p(0.028) < 0.05$ have significant determining role for the changes due to adoption of IPSAS for financial reports at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

While the other independent variable such as timelines have insignificance contributions for the changes due to adoption of IPSAS for financial reports at the study area for this particular study.

Furthermore, Acho (2014) unveiled that the adoption of IPSASs would significantly improve financial reporting quality and recording systems in Nigerian public sector which would in no

doubt enhance comparability and reduce other ill practices in the sector.

Similarly, Ijeoma and Oghoghomeh (2014) found that the adoption of IPSASs would enhance comparability and international best practices. Likewise, the adoption of IPSASs based standards would provide more meaningful information for decision makers and improve the financial report quality system in Nigeria. The study suggested that the adoption of IPSASs by Nigerian government would improve comparability of financial information reported by public sector entities in Nigeria.

Qualitative characteristics are the attributes that make financial information useful and these comprises of relevance, faithful representation, comparability, verifiability, timeliness and understandability. Qualitative characteristics are distinguished as fundamental or enhancing depending on the way they affect the usefulness of the information (IASB, 2008).

Thus, based on different study and the findings of the study, report quality measures such as cost effective, faithful representation, comparability, understandable and relevance have significant roles for the changes due to adoption of IPSAS for financial reports at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

4.7.3. IPSAS Adoption and Comparability of Financial Reports

Respondents were requested to articulate their agreement level through considering their particular unit/department at what level does the listed IPSAS standards were adopted and stated the level at which each content was applied at the departments.

Selected informants were strongly agreed with 52(54.7%) response and agreed at 30(31.6%) response ratio on IPSAS adoption enhanced comparability, strong internal controls and better financial management at their respective units, on the contrary, 7(7.4%) were strongly disagreed and 4(4.2%) were disagreed about IPSAS adoption enhanced comparability, strong internal controls and better financial management and the remaining 2(2.1%) informants were undecided/ neutral and does not want to express the adoption rate at their specific units. Thus, majority from the sampled employees were agreed on IPSAS adoption enhanced comparability, strong internal controls and better financial management at payroll and disbursement unit,

accounting unit, budget unit, trust fund units and treasury units.

Employees who were involved for this study were strongly agreed, agreed, undecided, disagreed and strongly disagreed in relation to IPSAS adoption ensured comparability of financial information among institutions with the responses of 38(40%), 36(37.9%), 8(8.4%), 7(7.4%) and 6(6.3%) respectively. Hence, the data indicates, majority from the informants from the UN organization assured that IPSAS adoption ensured comparability of financial information among institutions at higher rate which helps the institutions to easily compare between institutions and make decision for future investment case or for other purpose.

The other implication of adoption of IPSAS to ensure the organization financial transactions are reported holistically at the payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units was strongly agreed by 46(48.9%), agreed by 37(38.9%), disagree by 5(5.3%), strongly disagreed by 4(4.2%) and undecided by 3(3.2%) employees of UN organization. Thus, greater employees were agreed that, adoption helps IPSAS to ensure their organization financial transactions and reported holistically at particular departments selected for this study.

As revealed at Table 4.13 below, employees were strongly agreed 48(50.5%), agreed 28(29.5%), disagreed 9(9.5%), strongly disagreed 7(7.4%) and 3(3.2%) regarding to IPSAS adoption ensured that financial reports are comparable globally at UN payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units it implies their financial reports can be compared with similar or other organizations at global level. Therefore, majority informants were agreed that, the adoption of IPSAS helps to ensure their financial performance reports can be comparable at global level and delivered in external users for their decision.

The other issue in IPSAS adoption was the standard assisting the stakeholders in evaluating their resources that have been optimally employed was strongly agreed by 43(45.3%), agreed by 37(38.9%), undecided by 6(6.3%), strongly disagreed by 5(5.3%) and disagreed by 4(4.2%) respondents at UN organization. Therefore, from the response rate we can conclude that, IPSAS adoption assisted the stakeholders in evaluating their resources that have been optimally employed was agreed by majority respondents at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units.

In general, major sampled respondents were agreed that, IPSAS adoption helps to enhance comparability, strong internal controls and better financial management, to ensure comparability of financial information among institutions, to ensure organization financial transactions are reported holistically, to ensure financial reports are comparable globally and to assisted the stakeholders in evaluating their resources that have been optimally employed at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units of UN organization.

Table 4.13: IPSAS adoption and comparability of financial reporting

Option		Level of agreement				
		Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
IPSAS adoption enhanced comparability, strong internal controls and better financial management	Frequency	52	30	2	4	7
	percentage	54.7	31.6	2.1	4.2	7.4
IPSAS adoption ensured comparability of financial information among institutions	Frequency	38	36	8	7	6
	percentage	40	37.9	8.4	7.4	6.3
Adoption of IPSAS ensured that organization financial transactions are reported holistically	Frequency	46	37	3	5	4
	percentage	48.4	38.9	3.2	5.3	4.2
IPSAS adoption ensured that financial reports are comparable globally	Frequency	48	28	3	9	7
	percentage	50.5	29.5	3.2	9.5	7.4
IPSAS adoption assisted the stakeholders in evaluating their resources that have been optimally employed	Frequency	43	37	6	4	5
	percentage	45.3	38.9	6.3	4.2	5.3

Source: survey result, April 2021

Eurostat report, prepared by Ernst and Young (2012 cited in Oyewobi, 2017), supplied overview information and comparison of public accounting and auditing practices in the 27 European Union (EU) member States, and found out that eight (Estonia, France, Hungary, Malta, Poland, Spain, Sweden, and The United Kingdom) European Union member states applied accounting standards that were 75% or more aligned with IPSASs for their central government public sector entities. Thus, IPSAS adoption have significance contribution to compare accounting

information and easy the decision-making process and enhances the use and adoption of the standard for EU members and UN organization.

4.7.4. Factors Affecting IPSAS Implementation at UN Organization

The implementation of IPSAS was affected by different factors which hinder the proper adoption of the standards and the views of employees selected from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units was described as follows.

The from the factors that affect IPSAS standard at UN department was the costs associated implementation and have high 58(61.1%), very high 25(26.3%), low 5(5.2%), medium 4(4.2%) and very low 3(3.2%) effects for implementing IPSAS at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units. The effect level was high with average score of (4.37) and the variation rate was near to (1.01) standard deviation score, thus, the cost relating to implementation of IPSAS for financial report have higher which hinders for proper adoption of the standard at the study area.

The other factor was staff training because the adoption of IPSAS for financial reporting needs to acquaint training on how to use the standard and the procedures used, the guidelines and policy recommends and the familiarity with the standard becomes true at the study area. Sampled respondents were rate the staff training with having very high 53(55.8%), high 28(29.5%), low 6(6.3%), medium 5(5.3%) and very low 3(3.2%) effects with hindering the financial reporting using IPSAS at the study departments and the effects mean score was (4.28) mean score which high state and the respondents variation on the high effect of staff training was varied with (1.03) standard deviation at the study area. Therefore, at UN departments for using IPSAS for undertaking financial reporting was highly affected by staff training related problems among departments at the selected study area.

Technological factor was affects IPSAS use for financial reporting with very high 56(58.9%), high 25(26.3%), medium 7(7.4%), low 5(5.3%) and very low 2(2.1%) at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units and the effect was high with mean score (4.34) and the effect rate was varied among respondents with (0.97) standard deviation, thus, technological advancement have higher hindering effects for adoption of IPSAS during financial reporting at UN organization selected departments.

Knowledge and awareness have very high, high, medium, very low and low effects for the proper adoption of IPSAS at UN organization departments with response rate of 52(54.7%), 20(21.1%), 17(17.9%), 5(5.3%) and 1(1.1%) respectively, knowledge and awareness have high effects with mean score rate (4.19) and varied among respondents with (1.10) standard deviation, thus, insures knowledge and awareness related factors have high influencing effects for the adequate adoption of IPSAS for financial reporting of payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organizations.

In addition, availability of expertise have very high 48(50.5%), high 23(24.2%), medium 17(17.9%), very low 4(4.2%) and low 3(3.2%) effects for the suitable application of IPSAS for reporting financial performances and implies expertise availability have mean score rate of (4.13) and this was varied between respondents was at (1.05) standard deviation score, thus, availability of qualified and skillful expertise have higher effects and hinders the application and performance of IPSAS for preparing financial reports at UN organization departments.

The other factors that affect IPSAS using rate for financial report was cultural factor and the real effect was evaluated by sampled respondents with having medium 53(55.8%), high 16(16.8%), very low 12(12.6%), very high 9(9.6%) and low 5(5.3%) effects to hinder the use of IPSAS for the reporting of financial performance at UN organization departments and the mean score was (3.05) which was rated at medium effects and the rate of medium effect and varied among respondents with (1.06) standard deviation. Thus, cultural factor has medium influencing effects for the use of IPSAS for financing financial reports at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of selected study organization.

Institutional commitment is one of the factor that affects the implementation of IPSAS for reporting the financial performance at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units and this factors impact from the prospective of their specific unit is very high 48(50.5%), high 28(29.6%), medium 12(12.6%), very low 4(4.2%) and low 3(3.2%) by sampled informants at UN organization. Thus, institutional commitment have higher effects average (4.18) mean score and the level of effect was varied among respondents (1.05) standard deviation score, hence, majority informants were agreed that, institutional commitment have higher effects that adversely affects the adoption of IPSAS for reporting financial

performance of UN organizations.

UN organizations units rated the impacts of environment on IPSAS adoption for reporting financial performances with having medium 45(47.4%), high 29(30.5%), very high 13(13.7%) and low and very low with equal response rate 4(4.2%) at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units, thus, the average score of respondents was (3.45) and varied with (0.93) standard deviation among respondents, hence, environmental factor have medium effect for the application of IPSAS for providing information in the form of reports the financial data to internal and external users.

The factor relating to legislative factors have very high 48(50.5%), high 34(35.8%), medium 8(8.4%), very low 3(3.2%) and low 2(2.1%) effects that hinders the application of IPSAS for financial reporting at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units of UN organization. The average mean score is (4.2) and the score was varied among respondents with (0.94) standard deviation which implies there is lower variation among respondents in regarding to how legislative issue affect the adoption of IPSAS for financial reporting at the selected departments. Therefore, from the findings of the study we can conclude that, legislative related factors have higher hindering effects for the adequate adoption of IPSAS for financial reporting at the UN organization.

The other factors that delays the use of IPSAS for financial reporting was sociological factors and informants rated this with having medium 39(41.1%), very high 24(25.3%), high 20(21.1%), very low 9(9.5%) and 3(3.2%) effects at UN organization and the average response mean score is (3.49) and the responses variation rate among respondents was (1.18) standard deviation this insures employees were rated the effect at medium level and the effects status was highly varied among respondents at the study area. However, majority respondents were rating the effect of sociological factors at higher level at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of selected organizations.

Political factor have medium 40(42.1%), very high 31(32.6%), high 11(11.6%), low 9(9.5%) and very low 4(4.2%) effect for the implementation of IPSAS for financial reporting and the average mean score is (3.59) and varied between respondents with (1.16) standard deviation which shows political factor have medium effects and respondents rate the effects with higher

variation at the selected study area. Thus, majority from respondents rated the effect of political related problem having medium effects on IPSAS adoption for financial report performance at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

Table 4.14: factors that affect IPSAS implementation at UN

Option		Level of effects						
		Very high	High	medium	low	Very low	Mean	Std. Deviation
Implementation Cost	Frequency	25	58	4	5	3	4.3684	1.01114
	percentage	26.3	61.1	4.2	5.3	3.2		
Staff Training	Frequency	53	28	5	6	3	4.2842	1.03824
	percentage	55.8	29.5	5.3	6.3	3.2		
Technological Factors	Frequency	56	25	7	5	2	4.3474	.97597
	percentage	58.9	26.3	7.4	5.3	2.1		
Knowledge and Awareness	Frequency	52	20	17	1	5	4.1895	1.10410
	percentage	54.7	21.1	17.9	1.1	5.3		
Availability of Expertise	Frequency	48	23	17	3	4	4.1368	1.08775
	percentage	50.5	24.2	17.9	3.2	4.2		
Cultural factors	Frequency	9	16	53	5	12	3.0526	1.05557
	percentage	9.6	16.8	55.8	5.3	12.6		
Institutional Commitment	Frequency	48	28	12	3	4	4.1895	1.05482
	percentage	50.5	29.5	12.6	3.2	4.2		
Environmental Factor	Frequency	13	29	45	4	4	3.4526	.93135
	percentage	13.7	30.5	47.4	4.2	4.2		
Legislative factors	Frequency	48	34	8	2	3	4.2842	.94151
	percentage	50.5	35.8	8.4	2.1	3.2		
Sociological factors	Frequency	24	20	39	3	9	3.4947	1.18388
	percentage	25.3	21.1	41.1	3.2	9.5		
Political factors	Frequency	31	11	40	9	4	3.5895	1.16230
	percentage	32.6	11.6	42.1	9.5	4.2		

Source: survey result, April 2021

Based on the response of sampled employees, the factors that affect IPSAS implementation at UN at payroll and disbursement unit, accounting unit, budget unit, trust fund units and treasury units at very high level are staff training, technological factors, knowledge and awareness, availability of expertise, institutional commitment and legislative factors and implementation

cost have high effects while the factors that have medium effect were cultural factors, environmental factor, sociological factors and political factors at the selected study area.

4.8.The Challenges Faced in Implementing IPSAS at United Nations

Employees from UN organization specifically from payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units were asked to rate the challenges mostly faced by their department during using IPSAS for financial reporting.

The challenge relating to lack of adequate technical resources have medium 36(37.9%), very high 28(29.5%), high 19(20%), low 10(10.5%) and very low 2(2.1%) challenges faced in implementing IPSAS at UN organization. Thus, majority respondents were rated lack of adequate technical resources have higher hindering challenges for the proper practice of IPSAS for financial reporting at UN organization.

As indicated at Table 4.15 below, 39(41.1%), 35(36.8%), 11(11.6%) and at equal 5(5.3%) response rate assured that, political ownership have medium, very high, high, low and very low respective challenges that hinder the implementation of IPSAS for financial report at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization. Therefore, from the findings of the study we can conclude that, political ownership has higher implementing challenges for using IPSAS standards for financial reporting at UN organization selected departments.

The challenge relating to costs incurred for implementing the standard have very high 35(36.8%), high 24(27.4%), medium 24(25.3%), very low 6(6.3%) and low 4(4.2%) level of challenges for IPSAS during financial reporting at the study area. Thus, at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization the costs associated with implementation have higher effect that hinder the proper implementation IPSAS for financial reporting.

The challenge relating to absence of qualified accountants have medium 46(48.4%), high 21(22.1%), very high 15(15.8%), low 8(8.4%) and very low 5(5.3%) level of challenges that hinders the proper practice of IPSAS for financial reporting at the study organization. Therefore, for implementing IPSAS for financial reporting at payroll and disbursement unit, accounts unit,

budget unit, trust fund units and treasury units of UN organization have medium hindering effects.

For the adoption of IPSAS during preparing financial performance reports the ways of working requires various complexities such as apparent complexities with having very high 30(31.6%), high 29(30.5%), medium 24(25.3%), low 7(7.4%) and very low 5(5.3%) hindering effects to implement the standard at the selected organization, thus, the implementation of IPSAS for financial performance was challenged by apparent complexities at higher rate at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

The remaining challenge in this case was difficulties associated with change have very high, high, medium, low and very low hindering challenges for the implementation of IPSAS for financial performance reporting with the response rate of 39(41.1%), 26(27.4%), 20(21.1%), 5(5.3%) and 5(5.3%) respectively. Therefore, majority respondents indicated that the challenges associated with difficulties related to change have higher effects for adequate performance and practice of IPSAS for preparing financial performance reports at UN organization departments.

In general, from the challenges that have higher hindering effects for the implementation of IPSAS at financial reporting were inadequate support, cost to implement, apparent complexities and difficulties associated with change, while the challenges having medium level of challenge incorporates lack of adequate technical resources, political ownership, Absence of qualified accountants at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

Table 4.15: The challenges faced in implementing IPSAS at United Nation

Challenges		Response rate				
		Very high	High	medium	low	Very low
Lack of adequate technical resources	Frequency	28	19	36	10	2
	Percentage	29.5	20	37.9	10.5	2.1
Political ownership	Frequency	35	11	39	5	5
	Percentage	36.8	11.6	41.1	5.3	5.3
Inadequate support	Frequency	29	26	28	6	6
	Percentage	30.5	27.4	29.5	6.3	6.3
Cost to implement	Frequency	35	26	24	4	6
	Percentage	36.8	27.4	25.3	4.2	6.3
Absence of qualified accountants	Frequency	15	21	46	8	5
	Percentage	15.8	22.1	48.4	8.4	5.3
Apparent complexities	Frequency	30	29	24	7	5
	Percentage	31.6	30.5	25.3	7.4	5.3
Difficulties Associated with change	Frequency	39	26	20	5	5
	Percentage	41.1	27.4	21.1	5.3	5.3

Source: survey result, April 2021

According to Adamu, and Ahmed, (2014), the challenges facing the implementation of IPSASs can be classified into stakeholder engagement challenges, legal and structural transformational challenges, change management issues, skills capacity, the cost of implementation, the technological and infrastructural challenges, implementation approaches adopted by the nations and the external supports.

In addition, during the transition phase, depending on their available resources, the organizations will have either to rely for an extended period of time on support from existing staff working in addition to their regular duties or recruit many additional staff and the adoption of IPSAS compliant accounting methods requires additional commitment of time and effort from staff (Samuel, 2020).

The financial costs and resource costs of implementing IPSASs are too high; hence most countries are reluctant to introduce the provisions in their financial management systems. The external support from the professional accounting organizations are required to enhance awareness of the need to realize accountability and transparency in financial reports is also a

factor that can contribute to successful implementation of IPSASs (Ofoegbu, 2014).

IPSAS adoption is a complex and comprehensive change management process. While it offers numerous benefits over the medium and long term, it also entails short-term costs and challenges that need to be seriously addressed by the executive heads of all the organizations concerned (Samuel, 2020).

Thus, from the study by Samuel, Ofoegbu, Adamu and Ahmed and the findings of the study, different challenges were faced that hindering the adequate and proper implementation of IPSAS for reporting financial performances at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organizations.

CHAPTER FIVE

5. CONCLUSIONS AND RECOMMENDATIONS

5.1.Introduction

The analyses data showed that, IPSAS adoption and implementation can have various benefits for the organization, however, during implementation of the standard various challenges were happened at accounts unit, payroll and disbursement unit, trust fund unit, treasury unit and budget unit of UN organization. This section illustrates conclusions from main findings of the study and suggestions given to minimize the challenges and enhance the use of IPSAS for financial performance reporting at UN organization.

5.2.Conclusions

The proper use of IPSAS for financial reporting was the current phenomenon through considering the benefits get, at UN organization financial reports are prepared through the application of International public sector accounting Standards, however, the application rate was varied with units such as at accounts unit, payroll and disbursement unit, trust fund unit, treasury unit and budget unit which indicates majority units at UN organization were applied and practiced IPSAS for financial reporting purpose.

IPSAS application for financial reporting was good at the chosen at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units UN organization which reduced the risk of error and promote the quick information transmission and maximize the delivery of information for internal and external users.

The proper adoption and application IPSAS for financial reporting helps to ensure transparency and secure accountability which helps to reduce error and associated misconducts, the findings of the study assured that, IPSAS introduction helps to improve financial report transparency, financial statements that are IPSAS based are objective and free from bias, IPSAS adoption made the financial reports at UN organization departments to be more comprehensive and integrated, IPSAS adoption is essential in building detailed, relevant and qualitative financial reports, IPSAS based financial reports are easily understandable, lacks technical jargons and complexity and IPSAS

adoption was communicate value relevance to beneficiaries of financial report at UN organization units.

To investigate the relationship between report quality measures (such as cost effective, comparability, relevance, understandable, faithful representation, timeliness) and respondents evaluation on the changes due to adoption of IPSAS for financial reports at UN (in terms of report before deadlines, report on exact days, reduce report delay with 1-3 days, reduce report delay with 3-6 days and reduce report delay with 7-10 days frequencies) was evaluated using linear regression model. Thus, the data analysis result ensures, cost effective, comparability, relevance, understandable, faithful representation and timeliness explains 67.9% of the variance of changes due to adoption of IPSAS for financial reports, while 32.1% (100%- 67.9%) of the variation is caused by the factors other than the predictors included in this model.

Thus, the model significantly predicted the changes due to adoption of IPSAS for financial reports at UN. Out of six independent variables, five variables cost effective; faithful representation; comparability; understandable and relevance have significant determining role for the changes due to adoption of IPSAS for financial reports at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

The findings of the study concluded that, IPSAS adoption helps to enhance comparability, strong internal controls and better financial management, to ensure comparability of financial information among institutions, to ensure organization financial transactions are reported holistically, to ensure financial reports are comparable globally and to assisted the stakeholders in evaluating their resources that have been optimally employed at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization.

The implementation of IPSAS was affected by different factors which hinder the proper adoption of the standards such as staff training, technological factors, knowledge and awareness, availability of expertise, institutional commitment and legislative factors and implementation cost have high hindering effects while the factors that have medium effect were cultural factors, environmental factor, sociological factors and political factors at the study area.

The challenges mostly faced by payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units during using IPSAS for financial reporting were inadequate support,

cost to implement, apparent complexities and difficulties associated with change, lack of adequate technical resources, political ownership and absence of qualified accountants at the selected organization.

5.3.Recommendations

IPSAS aims at inculcating fiscal discipline through the development of set guidelines for fair and just financial practices and reporting by Public Sector entities. It is presently the focus of worldwide transformation in Public sector accounting in reaction to quest for more prominent coordination and comparability of financial statements through global best practices. However, the implementation of IPSAS at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization was faced with challenges which adversely affect the standards adoption and the researcher recommends the following remedial measures for responsible organs:

➤ Evaluate the existing IPSAS implementation level

The findings of the study reveals, IPSAS implementation at payroll and disbursement unit, accounts unit, budget unit, trust fund units and treasury units of UN organization was varied and have different performance rate, thus to insure the full adoption of IPSAS for disclosing financial performances at each units, UN organization should find out the gaps seen at each unit, the sources of the gaps and the occurrence of unexpected hindrances through evaluating the existing performance through setting schedule based on the nature of work at the units. The organization should put measures in place to check compliance to IPSAS by units and violators should be punished accordingly to serve as deterrent to others.

➤ Create awareness for employees on IPSAS benefits

IPSAS implementation have tremendous benefits like increasing level of accountability, providing information for decision making thus helping to enhance the service delivery quality thereby strengthening good governance and relations between the organization and Donors or financial resource providers. Thus, IPSAS knowledge and awareness should be created using favorable means of awareness creation ways and work with integrated manner and the employees at large should be sensitized on the numerous benefits obtainable by IPSAS adoption.

➤ **Allocate adequate budget for IPSAS adoption**

IPSAS implementation is viewed as an expensive project which organizations are either unable or unwilling to undertake especially with so many developmental needs seeking for attention. It involves several costs like staff training costs, hardware and software acquisition costs and consultancy cost among others. This makes IPSAS implementation difficult for the organization. As result, many organizations are unable to implement properly IPSAS because of inadequate finances on their part. Therefore, UN organization as an institution is willing to partake in the numerous benefits offered by IPSAS adoption, considerable amount of money should be set aside so that full IPSASs would be adopted and implemented quickly at the organization.

➤ **Facilitate training for staffs**

The availability of staff training was one of the factor that hinder the implementation of IPSAS in UN organization, thus, the institution should facilitate training, because, staff training is imperative for successful IPSAS implementation and that without training and re-training of accounting professionals, IPSAS implementation may not be sustainable and may yield little or no proper result. Therefore, at UN organization should design manuals and training document that will help to train the accounting staffs in different unit in a continuous way based on the level staffs and the level of technicality needed in the functional areas.

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Annex

College of Business and Economics
Department of Accounting and Finance

Questionnaire for UNECA organization employees

Dear Respondents, I would like to express my deepest appreciation for your generous time, honest and prompt responses.

This questionnaire is designed to collect data about **“The Impact of IPSAS on financial reporting in UN organization”**. The information will be used as a primary data for the research for partial fulfillment of Master of Science Degree in Accounting and Finance at Addis Ababa University. The data you will provide are believed to have a great value for the success of this research. I assure you that all data will be used for academic purpose only. As a result, you are not exposed to any harm because of the information you provide. Finally, this research is to be evaluated in terms of its contribution to our insight about the impact of IPSAS on financial reporting at UN organization.

Thank you in advance for your honest cooperation!!

General Instructions

- No need of writing your name
- In all cases where answer options are available please tick (X) in the box provided
For additional response and suggestions use space provided

Part I. Demographic Information

1. **Department:** 1) Accounts unit 2) Budget unit 3) Payroll and Disbursement Unit 4) Treasury Unit 5) Trust Fund Unit
2. **Category:** 1) General Service 2) National officer 3) Professional
3. **Gender:** 1) Male 2) Female
4. **Marital status:** 1) Single 2) Married 3) Divorced 4) Widowed
5. **Educational level:** 1) Diploma 2) Degree 3) Masters 4) Other (please specify)
6. **Work experience in year:** 1) Less than 1 year 2) 1 to 5 years 3) 6 to 10 years 4) More than 10 years

Part II: Objective Related questions

I. The existing extent of the International Public sector accounting standards adoption financial statements reported by United Nation

1. Does your unit implement IPSAS for financial reporting? 1) yes 2) no
2. If your answer is “Yes” to question number 1, which unit from UNECA mostly use?
1)Accounts Unit 2) Budget Unit 3) Payroll and Disbursement Unit 4) Treasury Unit 5) Trust fund Unit 6) any other
3. What is your organization financial reporting standard? 1) IFRS 2) UNSAS 3) IPSAS 4) any other -----
4. How do you rate the existing practice of financial report at your organization? 1) very good 2) good 3) moderate 4) weak 5) very weak

II. The impacts of IPSAS adoption on transparency and accountability for financial reporting at United Nation

5. State your level of agreement concerning the impact of IPSAS Adoption on transparency and accountability and chose from the provided options as stated below.

No	Option	Response rate				
		Strongly Agree	Agree	undecided	disagree	Strongly disagree
1	Introduction of IPSAS improved the overall financial reports transparency					

2	Financial statements that are IPSAS based are objective and free from bias.					
3	IPSAS adoption made the financial reports to be more comprehensive and integrated					
4	IPSAS adoption is essential in building detailed, relevant and qualitative financial reports					
5	IPSAS based financial reports are easily understandable, lacks technical jargons and complexity					
6	IPSAS adoption will communicate value relevance to beneficiaries of financial report					

III. The relationship between IPSAS and quality of financial reports at UN organization

6 How do you evaluate the changes due to adoption of IPSAS for financial reports at UN? A) Reduce report delay with 7-10 days B) Reduce report delay with 3-6 days C) Reduce Report delay with 1-3 days D) Report exact days E) Report before deadlines

7 For the following options please state your response on IPSAS adoption for quality financial report through putting (X) symbol for each quality criteria

No	Quality report criteria	Response rate				
		Very high	High	medium	low	Very low
1	Comparability					
2	Relevance					
3	Timeliness					
4	Faithful representation					
5	Understandable					
6	Cost effective					

8 How do you rate IPSAS adoption and comparability of financial reports and state your level of agreement for each option through marking(X)

No	Option	Response rate				
		Strongly Agree	Agree	undecided	disagree	Strongly disagree
1	IPSAS adoption enhanced comparability, strong internal controls and better financial management					
2	IPSAS adoption ensured comparability of financial information among institutions					
3	Adoption of IPSAS ensured that organization financial transactions are reported holistically					
4	IPSAS adoption ensured that financial reports are comparable globally					
5	IPSAS adoption assisted the stakeholders in evaluating their resources that have been optimally employed					

9 How do you evaluate the adoption of IPSAS for financial reports at UN? 1) very high 2) high 3) medium 4) low 5) very low

10 From the following options please state your response rate on the factors that affect IPSAS implementation and put (X) symbol for each option

No	Option	Response rate				
		Very high	High	medium	low	Very low
1	Implementation Cost					
2	Staff Training					
3	Technological Factors					
4	Knowledge and Awareness					
5	Availability of Expertise					
6	Cultural factors					
7	Institutional Commitment					
8	Environmental Factor					
9	Legislative factors					
10	Sociological factors and					
11	Political factors					

Any other -----

IV. The challenges faced in implementing IPSAS at United Nation

11 From the challenges faced in implementing IPSAS at United Nation, please indicate the challenges and state the level of effect

No	Challenges	Response rate				
		Very high	High	medium	low	Very low
1	Lack of adequate technical resources					
2	Political ownership					
3	Inadequate support					
4	Cost to implement					
5	Absence of qualified accountants					
6	Apparent complexities					
7	Difficulties Associated with Change					

12 How to solve the challenge faced in implementing IPSAS at UNECA organization?
