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AN ANALYSIS OF THE EFFECT OF IPSAS IMPLEMENTATION ON THE ACCOUNTABILITY OF CROSS RIVER STATE PUBLIC SECTOR IN NIGERIA

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ABSTRACT: This study examines the effect of the implementation of International Public Sector Accounting Standards (IPSAS) on public accountability in the Cross River State public service in Nigeria, using transparency as a proxy for accountability. Specifically, the study evaluates the impact of the IPSAS accrual method and investigates the effect of the IPSAS cash method on transparency. A descriptive survey design was employed, targeting staff from key financial and audit departments within the Accountant General's Office. A sample of 151 respondents was selected from a population of 401 using Taro Yamane's formula. Primary data were collected through a questionnaire, and the ordered logit and probit regression models were used as statistical analysis. The findings revealed that the IPSAS accrual method (IPSASAM) has a positive and statistically significant effect on transparency, indicating that accrual-based accounting enhances the comprehensiveness

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and accountability of public financial reporting. Conversely, the IPSAS cash method (IPSASCM) shows a positive but non-significant effect, suggesting limited impact due to its focus solely on cash transactions, excluding accrued assets and liabilities. The overall model showed low explanatory power, implying that other contextual factors such as political will, institutional capacity, and governance mechanisms also play crucial roles in promoting public accountability. Based on these findings, the study concluded that while IPSAS implementation, particularly the accrual method, is a step toward improved public financial management, it must be supported by broader institutional reforms. It is recommended amongst others that the Cross River State government should support full accrual-based IPSAS implementation in its public financial management as well as put in place stronger internal controls and capacity development to enhance the limited benefits of the cash-based method.

Keywords: *IPSAS implementation, cash basis, accrual basis, public sector accountability transparency.*

1. Introduction

Public accountability and transparency are essential pillars of good governance, particularly in the public sector, where the effective management of public funds directly influences service delivery, institutional trust, and development outcomes. In Nigeria, the challenge of poor financial reporting, limited transparency, and widespread corruption has long plagued public sector operations at both the federal and state levels. In response, the Nigerian government adopted the International Public Sector Accounting Standards (IPSAS) in 2010, aiming to improve the quality, comparability, and credibility of public financial reporting across the country (Federal Ministry of Finance, 2010).

IPSAS, developed by the International Public Sector Accounting Standards Board (IPSASB)**,** provides a comprehensive framework for financial reporting in the public sector. Its implementation is expected to enhance transparency, strengthen accountability, and improve public confidence in government financial operations (Egolum & Ndum, 2021). Nigeria's adoption strategy involved two key approaches: the cash basis IPSAS, which reports transactions only when cash is received or paid, and the more robust accrual basis IPSAS**,** which recognizes financial events when they occur, regardless of cash movement.

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Cross River State, as one of the federating units in Nigeria, has aligned with the national IPSAS implementation agenda. The state has adopted both the cash and accrual methods of IPSAS in its financial reporting processes, particularly within the Accountant General's Office and its associated departments. These reforms were intended to strengthen the state's financial management system and promote public accountability. However, there is limited empirical evidence assessing whether these technical reforms have indeed translated into improved transparency and accountability within the state's public service.

While the accrual-based IPSAS is internationally recognized for providing a more complete and accurate picture of government financial performance by capturing assets, liabilities, revenues, and expenses (Ofoegbu, 2014), its successful implementation requires significant investment in infrastructure, training, and institutional reform. In contrast, the cash-based IPSAS is simpler and more cost-effective to implement but lacks the depth needed for full accountability, as it excludes non-cash transactions and future obligations (Nzewi & Enuenwemba, 2020). In the case of Cross River State, questions remain as to which of these methods has had a more meaningful impact on transparency and, by extension, public accountability. Given the state's ongoing public financial management challenges—such as budget indiscipline, weak oversight, and limited citizen engagement—it becomes crucial to assess the actual outcomes of IPSAS adoption. This study, therefore, seeks to evaluate the effect of IPSAS implementation on the public accountability the Cross River State public service**,**

1.1 Statement of problem

Cross River as a state in Nigeria, is abundantly blessed with minerals. It is often referred to as "The people paradise" due to its rich cultural, expansive geographical territory, vast natural resources, profound history and heritage. Despite these remarkable attributes, the state portrays a facade of prosperity in its public accountability evident through security challenges, high unemployment rates, lack of transparency among public officials, ineffective public bureaucracy, and fraudulent practices of public servant. All these issues could directly be linked to lack of implementation of IPSAS

The Nigerian federal government fully implemented IPSAS in January 2016. Despite efforts to enhance transparency and accountability through IPSAS implementation, corruption and fraud remain prevalent issues in most states of Nigeria, Cross River State

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inclusive. Instances of embezzlement and misappropriation of funds continue to undermine the effectiveness of public finance. The current state of affairs of most state is far from satisfactory due to the existing loopholes in the system, leading to citizens not reaping the full benefits of their contributions through taxes to the government. A notable hindrance encountered in the execution of IPSAS in Nigeria may be the insufficient training provided to public sector employees. Many individuals responsible for financial reporting lack the necessary expertise or understanding of the intricate standards outlined in IPSAS. With all this bottleneck, how then is the actualization of accountability in Cross River State, Nigeria? This policy decision holds immense potential to reshape the state and set it on a path towards sustainable growth and development.

1.3 Objective of the study

The broad objective of this study is to examine the effect of IPSAS implementation on accountability of Cross River State public service in Nigeria. The specific objectives is to:

i. evaluate the impact of the IPSAS accrual method on the transparency of Cross River State public service in Nigeria,

ii. investigate the effect of the IPSAS cash method on the transparency of Cross River State public service in Nigeria.

1.4 Research question

The following questions guides the study

i. To what extent does IPSAS accrual method affects the transparency of Cross River State public service in Nigeria?

ii. To what extent does IPSAS cash method affects the transparency of Cross River State public service in Nigeria?

1.5 Research hypotheses

Ho: IPSAS accrual method has no significant effect on the transparency of Cross River State public service in Nigeria

Ho: IPSAS cash method has no significant effect on the transparency of Cross River State public service in Nigeria

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2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Theoretical framework

This study uses the Commander Theory, stakeholders' theory and social-contract theory. This is because these theories are centered on the principles of accountability and efficient resource management for the benefit of the public.

2.1.1 Commander theory

This study is anchored on commander Theory which was propounded in 1965 by Louis (Lou) Goldberg in course of his work titled "Inquiry into the Nature of Accounting" at Australia. It is one of the theories that provides a strategic platform through which financial report disclosure activities is recognized. Commander theory constitutes a theoretical foundation and basis upon which the analysis of the impact of a cross-sector transfer of accounting principles and rules to the public sector is based. According to Okere et al (2017), the assumption of the theory has it that owner(s) of resources may also be the controller/director of the resources, but in some cases, separation between control and ownership prevails. Where separation exists between the ownership and control of the resources, command is bestowed on the controller who has power and authority to direct the affairs of the institution while the owner(s) in turn, demands report and accountability from the controller.

Commander Theory in respect to government sees top public office holders- such as ministers, special advisers, and permanent secretaries etc. as commanders at the top level of a hierarchy of command who should be accountable to the state for the resources entrusted in their control through annual financial statement. Heads of departments and directors who carry out the directives of ministers in their respective departments should also be accountable of the resources at their disposal to the relevant authorities which at the end of the period will be aggregated to form consolidated financial statements comprehensive enough to permit informed judgment by the financial information users

2.1.2 Stewardship theory

The stewardship theory in the public sector has been propounded by several scholars, but some notable ones include Williamson (1985) work on stewardship theory in the public

 DOI: ***10.5281/zenodo.22107716***

sector emphasized the importance of accountability, transparency, and responsibility in government agencies, and Moe's (1984) research that focused on the role of stewardship in public administration, highlighting the need for public managers to act as responsible stewards of public resources. Aucoin's (1990) work also explored the concept of stewardship in the context of public sector reform, emphasizing the importance of accountability, efficiency, and effectiveness. These scholars, among others, have contributed to the development of Stewardship theory in the public sector, highlighting the importance of responsible management, accountability, and transparency in government agencies.

Stewardship in the public sector refers to responsible management and oversight of public resources, programs, and services to ensure they are used efficiently, effectively, and in the best interests of the public. It involves a commitment to accountability, transparency, and ethical decision-making (Onuora et al. 2024). Key elements of stewardship in the public sector are accountability, transparency, efficiency, effectiveness, ethics, responsibility, sustainability, inclusivity, and collaboration (Onuora et al. 2024). Stewardship in the public sector is essential for building trust, promoting good governance, and ensuring that public resources are used to benefit society as a whole.

2.1.3 Social contract theory

Social contract theory is associated with modern moral and political theory and is given its first full exposition and defense by Thomas Hobbes in 1965. After Hobbes in 1965, John Locke in 1985 and Jean-Jacques Rousseau in 1987 were the best-known proponents of this enormously influential theory, which has been one of the most dominant theories within moral and political theory throughout the history of the modern West. Social Contract Theory (SCT) is a philosophical framework that explains the relationship between individuals and their government. It suggests that individuals voluntarily give up some of their natural rights to a governing authority in exchange for protection, security, and social order. In this context, the government and the citizens are responsible for keeping the economy afloat.

Social contract, in political philosophy, an actual or hypothetical compact, or agreement, between the ruled or between the ruled and their rulers, defining the rights and duties of

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each (Onuora et al., 2024). In primeval times, according to the theory, individuals were born into an anarchic state of nature, which was happy or unhappy according to the particular version of the theory. They then, by exercising natural reason, formed a society (and a government) by means of a social contract (Onuora et al., 2024)

2.2 Conceptual review

2.2.1 IPSAS (International Public Sector Accounting Standards) implementation

IPSAS (International Public Sector Accounting Standards) are a set of accounting standards developed for utilization by public sector entities, such as governments, government agencies, and non-profit organizations. IPSAS are issued by the International Public Sector Accounting Standards Board (IPSASB), which is an autonomous standard-setting body. IPSAS are structured to enhance the quality and transparency of financial reporting in the public sector, by furnishing a consistent and comparable framework for accounting and financial reporting. The International Public Sector Accounting Standards are based on two systems of accounting. These are accrual system and cash basis accounting. The accrual basis of accounting consists of the statement of financial position; the statement of financial performance; the statement of changes in net assets/equity; the cash flow statement; and accounting policies and notes to the financial statements. The cash basis of accounting is the system of recording receipt or income when actual cash is being received and recording expenditure when actual payment is made irrespective of the accounting period in which the services are rendered or benefits received (Duenya, Upaa and Tsegba, 2017). IPSAS are grounded on the International Financial Reporting Standards (IFRS) utilized in the private sector, albeit adjusted to reflect the distinctive characteristics and requirements of the public sector. According to Onuora et al. (2024), some fundamental aspects of IPSAS encompass:

i. Accrual accounting: IPSAS mandates public sector entities to adopt accrual accounting, which acknowledges revenues and expenses when they are earned or incurred, irrespective of when cash is received or disbursed. Financial statements: IPSAS necessitates public sector entities to formulate financial statements, encompassing a statement of financial position, statement of financial performance, and cash flow statement.

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ii. Disclosure requirements: IPSAS mandates public sector entities to disclose specific information, such as accounting policies, significant transactions, and commitments. Asset valuation: IPSAS offers guidance on the valuation of assets, such as property, plant, and equipment, and intangible assets. Revenue recognition: IPSAS provides guidance on revenue recognition, encompassing the recognition of taxes, grants, and other revenue sources. One best way of implementing IPSAS Is the inclusion of IPSAS 1, IPSAS 2 and IPSAS 6 practices (Onuora et al., 2024).

IPSAS 1 is the inaugural standard in the International Public Sector Accounting Standards (IPSAS) series, titled as presentation of financial statements. It delineates the guidelines for preparing and presenting financial statements in the public sector. Some pivotal aspects of IPSAS 1 according to Onuora et al. (2024);

i. Ensure that financial statements are presented in a fair, consistent, and transparent manner and is applicable to all types of public sector entities, including governments, government agencies, and non-profit organizations. It is financial statements mandates the preparation of at least two primary financial statements: Statement of Financial Position (Balance Sheet) and Statement of Financial Performance (Income Statement) and requires conspicuous identification of the entity, the reporting period, and the currency utilized in the financial statements.

ii. Comparative information: Calls for the presentation of comparative information for the preceding period.

iii. Consistency: Demands consistency in presentation and classification of items in the financial statements.

iv. Materiality: Mandates disclosure of material items and aggregation of immaterial items.

v. Offsetting: Prohibits offsetting of assets and liabilities, except in particular circumstances.

vi. Disclosure: Demands extensive disclosures to provide a comprehensive understanding of the entity's financial position and performance.

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IPSAS 2 is the subsequent standard in the International Public Sector Accounting Standards (IPSAS) series, titled as cash flow statements. It offers guidelines for preparing and presenting cash flow statements in the public sector. Some crucial aspects of IPSAS 2 according to Onuora et al. (2024) includes:

i. Purpose: To ensure that cash flow statements are presented in a manner that provides lucid and consistent information about an entity's cash flows.

ii. Scope: Applicable to all types of public sector entities, including governments, government agencies, and non-profit organizations.

iii. Cash flow statements: Requires the preparation of a cash flow statement that delineates: Cash flows from operating activities, Cash flows from investing activities, Cash flows from financing activities.

iv. Classification: Demands classification of cash flows into the three categories above.

v. Disclosure: Calls for disclosure of: Major sources and uses of cash, Cash and cash equivalents Restrictions on cash and cash equivalents

vi. Presentation: Requires presentation of the cash flow statement in a manner that reconciles beginning and ending cash and cash equivalents.

vii. Consistency: Necessitates consistency in presentation and classification of cash flows.

IPSAS 6 is the sixth standard in the International Public Sector Accounting Standards (IPSAS) series, titled consolidated financial statements. It provides guidelines for preparing and presenting consolidated financial statements in the public sector. Some critical aspects of IPSAS 6 according to Onuora et al. (2024). are:

i. Purpose: To ensure that consolidated financial statements are presented in a manner that offers a comprehensive view of the financial position and performance of a group of entities.

 DOI: ***10.5281/zenodo.22107716***

ii. Scope: Applicable to public sector entities that exert control over one or more other entities.

iii. Consolidation: Mandates the preparation of consolidated financial statements that amalgamate the financial statements of the controlling entity and its controlled entities.

iv. Control: Defines control as the authority to govern the financial and operating policies of another entity.

v. Consolidation principles: Sets forth principles for consolidating financial statements, encompassing: full consolidation, proportionate consolidation, and equity method.

vi. Disclosure: Calls for disclosure of the consolidated financial statement, the list of controlled entities, and the nature of the relationship between the entities.

2.2.2 Public sector accountability

Accountability has been variously defined by authors. For instance, Toluyemi et al. (n.d), Nzewi and Enuenwemba (2020) described it as the obligations that anyone holding a position of trust and care has to give appropriate answer or reply to all stakeholders for actions and level of achievement in the performance of his duties. Other authors saw it as being answerable and responsible to another party on level of achievements of objectives of programmes and activities (Otuya & Ovuakporaye 2020; Ogbuagu & Onuora 2019). Similarly, it is seen as the requirement to record and explain the use of resources given for a particular purpose. It is also described as ensuring that programmes are implemented according to schedule programme objectives. According to Egolum et al. (2021), accountability can be defined the obligation to demonstrate that work has been conducted in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and plans. It means doing things transparently in line with due process and the provision of feedback. Accountability can also be defined as obligations to demonstrate, review, and take responsibility for performance, both in the results achieved in the light of agreed expectations, and the means

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used. In other words, the government is accountable when it conducts its business in an open, transparent and responsive manner (Duenya *et al*., 2017)

Accountability is to be achieved in full, including its constructive aspects, then it must be designed with care. The purpose of accountability should go beyond the naming and shaming of officials, or the pursuit of sleaze, to a search for durable improvements in economics management to reduce the incidence of institutional recidivism. Olola (2019) argued that the factors and forces which militate against accountability in Nigeria include ethnicity and tribalism, corruption, religious dichotomy and military culture. Accountability is seen as a means by which achieved programme benefits reach the target groups and funds provided are used for intended purposes (Nzewi & Enuenwemba 2020). Based on the aforementioned, this study sees accountability as the obligation of individuals, organizations, or government entities to elucidate, justify, and assume responsibility for their actions, decisions, and policies. It encompasses being answerable to others for one's performance, behaviour, and outcomes. Accountability is the acknowledgment of and assumption of responsibility for actions, products, decisions, and policies such administrations, governance, and implementation, including the obligation to report, justify, and be answerable for resulting consequences.

In public sector, accountability has expanded beyond the basic definition of "being called to account for one's actions. It is frequently described as an account-giving relationship between individuals, e.g. "A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct." Accountability is an assurance that an individual or organization is evaluated on its performance or behaviour related to something for which it is responsible. The term is related to responsibility but is regarded more from the perspective of oversight. In a wider sense, accountability implies a willingness to be judged on performance. Accountability promotes transparency, trust, and good governance by ensuring that individuals and organizations are held responsible for their actions and are accountable to those affected by their decisions.

Onuora et al. (2024).stressed that the key elements of accountability include: transparency which deals with openly sharing information and actions, responsibility which is an aspect of taking ownership of actions and decisions, answerability which provides explanations

 DOI: ***10.5281/zenodo.22107716***

and justifications, consequences which is the face of penalties or sanctions for poor performance or wrongdoing, and enforcement, having mechanisms in place to ensure accountability is upheld. Accountability is essential in public sectors as it ensure officials and institutions are accountable to citizens. It benefits amongst others include: builds trust, promotes good governance, encourages transparency, improves performance, supports learning and growth (Onuora et al., 2024).

2.2.3 IPSAS (International Public Sector Accounting Standards) and public sector accountability

IPSAS (International Public Sector Accounting Standards) plays a crucial role in enhancing accountability in public financial management. Onuora et al. (2024). stressed that IPSAS contributes to accountability in the following ways:

Transparency: IPSAS promotes transparency by requiring comprehensive financial reporting, which enables stakeholders to access accurate and reliable financial information. Accountability for resources: IPSAS ensures that public sector entities account for the resources entrusted to them, including funds, assets, and liabilities.

Financial discipline: IPSAS promotes financial discipline by requiring entities to prepare accurate budgets, track expenses, and report on financial performance.

Performance measurement: IPSAS enables the measurement of financial performance, which helps assess the effectiveness and efficiency of public sector entities.

Comparability: IPSAS facilitates comparability across entities and countries, enabling benchmarking and identification of best practices.

Stewardship: IPSAS emphasizes the importance of stewardship, ensuring that public sector entities manage resources in a responsible and sustainable manner.

Governance: IPSAS supports good governance by providing a framework for financial reporting, which helps hold public sector entities accountable for their actions.

Risk management: IPSAS requires entities to disclose risks and uncertainties, promoting proactive risk management and mitigation strategies.

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Value for money: IPSAS helps ensure that public sector entities achieve value for money by requiring them to account for the economy, efficiency, and effectiveness of their operations.

Public trust: IPSAS contributes to building public trust by demonstrating accountability, transparency, and responsible financial management practices in the public sector.

The adoption of IPSAS can yield various advantages to public sector entities, including: Improved transparency, enhanced accountability and credibility, enhanced better decision making, increased comparability and refined management of public resources (Onuora et al., 2024_. For instances, IPSAS 1 furnishes a groundwork for the preparation and presentation of financial statements in the public sector, fostering transparency, accountability, and comparability. Also, IPSAS 2 provides a comprehensive depiction of an entity's cash flows, enabling users to evaluate its capacity to generate cash, settle its debts, and finance its operations. By embracing IPSAS 2, public sector entities can furnish stakeholders with a clearer comprehension of their cash flow activities, leading to more informed decision-making and enhanced resource allocation. Notwithstanding, IPSAS 6 aims to provide a comprehensive view of the financial position and performance of a group of entities, enabling users to assess the financial position and performance of the group as a whole (Onuora et al., 2024).

2.4 Empirical review

Onuora et al. (2024) empirically investigated the extent to which the adoption of international public sector accounting standards has ensured public financial management in Nigeria using Abia State, and Ebonyi State as a reference point. Three hypotheses were formulated to guide the investigation and the statistical test of parameter estimates was conducted using least square regression model. Data were collected using questionnaire survey administered to the Accountants, Auditor's, administrative staff, and some contractors to the state government who are in business. Findings from the study indicates that the presentation of financial statements information about government sector cash flow statements, consolidated financial statement as positive effect on Nigeria public financial management.

 DOI: ***10.5281/zenodo.22107716***

Egolum and Ndum (2021) investigated the effect of international public sector accounting standards (IPSAS) on financial reporting quality of Anambra State public sector. The analysis work used a survey research design and primary data obtained from 127 employees of one of the ministries in the state of Anambra. Descriptive statistics and Chi square statistical tool were utilized. It was found out that the adoption of international public sector accounting standards encourages accountability, enhances transparency, and reduces corruption among public officials in the state.

Ademola et al. (2020) investigated the relationship between the adoption of IPSAS and the standard of financial reports in South West Nigeria. The effect on integrity and comparability of the financial statements of the IPSAS adoption was explicitly examined. Factor analysis and gamma statistics by Goodman and Kruskal have been used to analyze primary data obtained from hundred and eighty accounting officers in South West, Nigeria. The empirical results revealed positive relationship between IPSAS adoption and financial reporting consistency, credibility and comparability exist. The results from this study clearly reflects the important effects of IPSAS implementation on the costs of implementation, training of staff, technology factor, IPSAS knowledge, awareness, and expertise available.

Nzewi and Enuenwemba (2020) evaluated the impact of IPSAS on the Delta State ministry of finance. One hundred eighty-five (185) participants from Delta State Ministries, Departments, and Agencies (MDAs) were selected for the survey research design. Regression analysis was used to assess the data collected from the main source. The adoption of international public sector accounting standards was found to boost the efficiency and accountability of public employees.

Ofoegbu, (2014) studied the new public management and accrual accounting basis for transparency and accountability in the Nigerian public sector which aimed at ascertaining the experts' perception on the implementation accrual basis of IPSASs of accounting in achieving accountability and improved quality of government financial reporting; a comparative analysis of the existing cash accounting and IPSAS Based Accounting Reporting. The study was aimed at examining the cost benefits of IPSAS adoption in Zimbabwe by way of comparing the existing cash accounting basis with the proposed IPSAS based accounting reporting. The study adopted a well qualitative method of

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reviewing and analyzing of relevant discourse, publications, and documentary materials from some professional accounting organizations. Findings shown that IPSAS adoption enhances and improves the quality of public sector financial information, assets managements and the level of accountabilities of government reporting; thereby increasing the confidence of both domestic and foreign donor organizations to make financial assistance available for public sector entities.

Nkwagu et al. (2016) examined the implications of international public sector accounting standards on financial accountability in the Nigerian public sector: Their study adopted survey design and administered questionnaires on a sample of 314 out of 1458 Accountants and Internal Auditors in the ministries of finances of South Eastern states of Nigeria. The data was analyzed using descriptive statistics. Hypotheses formulated were tested using one-way ANOVA model via Prism GraghPad at 5% level of significance. Their findings unveiled that IPSASs adoption enhances accountability in the Nigerian public sector as the standards pave way for improved management of public funds. It further showed that application of IPSASs paves way for effective budget implementation and checks for possible cases of corruption in the Nigerian public sector.

Ademola et al. (2017) evaluated the impact of International Public Sector Accounting Standard(IPSAS) on the financial accountability of selected local governments of Oyo State, Nigeria. Their study which adopted survey design collected data using five point likert-scale questionnaires which was administered on sample of 105 Accountants and Internal Auditors in some selected local governments of Oyo State Nigeria. The data was analyzed using descriptive statistics. The hypotheses formulated were tested using chi-square analysis at 5% level of significance. The result of the study showed that adoption of IPSAS increases the level of accountability, transparency and reduces corruption in the selected local governments available.

Nzewi and Enuenwemba (2020) evaluated the impact of IPSAS on the Delta State ministry of finance. One hundred eighty-five (185) participants from Delta State Ministries, Departments, and Agencies (MDAs) were selected for the survey research design. Regression analysis was used to assess the data collected from the main source. The adoption of international public sector accounting standards was found to boost the efficiency and accountability of public employees.

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Oyewobi and Salawu (2019) examined the adoption of IPSASs as well as the financial report quality in Lagos State. All of the public sector employees in the State of Lagos were included in the research work, which made use of an important data source. Using a stratified random sampling technique, 291 out of 300 public sector accountants and auditors were selected as the sample size. Pair T-test was used to determine that the quality of financial reports in Lagos State has been significantly impacted by the introduction of IPSASs.

Opaniyi (2016) looked into how the introduction of International Public Sector Accounting Standards influenced how financial reports met the requirements for being useful in making decisions. Secondary sources of data collected for the study gathered from 19 Kenyan national government ministries. The study's analysis used descriptive statistics and a t-test for differences. The author also discovered that the quality of financial reports in Kenya's public sector is deemed to be moderately affected by the use of IPSAS.

3. METHODOLOGY

This study was conducted using a descriptive survey design. The study's participants were 401 made of staff of inspectorate, audit, pension, administration, final account, payroll, treasury, Debt unit, Sub-Account and sub- treasury department from different ministries stationed in Accountant General Office of Cross River State. A sample size of 160 was chosen and was calculated using Taro Yamane's (1967) formula. The data was acquired from primary sources, using a questionnaire. To ensure content validity, the questionnaire was reviewed by the supervisor and experts in accounting and auditing to confirm that all items adequately measured internal audit practices and SOE performance.

The model specification used for analyzing the collected data was the least square method. It is denoted by:

ACCT = f (IPSASIMP)…………………………………………..1

The econometric form of the model is specified as:

ACCT = $\beta_0 + \beta_1$ IPSASIMP + ε -- (2)

Where ACCT = Accountability (dependent variable)

 DOI: ***10.5281/zenodo.22107716***

IPSASIMP = IPSAS Implementation (Independent variable)

The is further replaced by the proxies for IPSAS Implementation measured by IPSAS accrual method and IPSAS cash method as proxies for IPSAS Implementation while transparency is the proxy for public accountability of Cross River State public service in Nigeria. The regression model is expressed below as;

TRANS= $\beta_0+\beta_1$IPSASAM + β_2IPSASCM + e_t…………………………………..…..…...2

Where TRANS = transparency is the proxy for public accountability of Cross River State public service

IPSASAM = IPSAS accrual method

IPSASCM = IPSAS cash method

β_1 is the y intercept while β_1, and β_2 are coefficients of the independent variables

e_t = Stochastic term error within the period

The study adopted the ordered logit and probit regression. The ordered regression model is applicable to a response variable that has ordered rank outcomes for a dependent variable as it is for this study.

4. RESULT AND FINDINGS

4.1 Analysis of ordered regression estimates

Table 4: Ordered Logit and probit results for public accountability and its predictor in Cross River State Public Service

	Probit			Logit		
TRANS	Coef.	z-stat.	Prob.	Coef.	z-stat.	Prob.
IPSASAM	.419954	1.96	0.050	.7078636	1.99	0.046
IPSASCM	.3242227	1.66	0.097	.5065652	1.58	0.114
Psuedo R^2		0.0171			0.0172	
LR statistic		6.43	0.0401		6.47	0.0393

Source: Researchers' computation, 2025 from STATA 14. * Significant at 5 per cent

 DOI: *10.5281/zenodo.22107716*

The results from Table 4 revealed that the logit model is more robust than the probit model for predicting internal audit effectiveness. However, the model's overall explanatory power is weak, with the LR chi-square test showing a non-significant result (p-value = 0.0393) and a Pseudo R-squared value of only 0.0172, meaning that the predictor variables (IPSAS accrual method and IPSAS cash method) collectively explain about 2% of the variation in transparency is the proxy for public accountability of Cross River State public service. This suggests that other unmeasured factors (e.g., political will, institutional capacity, corruption, oversight mechanisms, citizen engagement) have much larger roles in determining public accountability. In other words, improving public accountability could requires a multi-dimensional approach, not just technical reforms like IPSAS. Strengthening governance structures, anti-corruption agencies, and civil society participation is crucial.

Findings revealed that IPSAS accrual method (IPSASAM) has a positive and significant effect on transparency is the proxy for public accountability. This implies that government financial reporting and decision-making are more transparent and accountable when using accrual accounting. This supports continued investment in transitioning fully from cash-based to accrual-based IPSAS. Similarly, IPSAS cash method (IPSASCM) has a positive but non-significant effect on transparency, proxy for public accountability. This implies that while adopting the IPSAS cash method, there is slightly improve of transparency in public financial management. While cash basis only captures cash transactions and ignores accrued liabilities or assets, it limit the scope of financial reporting. Notwithstanding, these findings corroborates with study of Egolum and Ndum (2021) who found that the adoption of international public sector accounting standards encourages accountability, enhances transparency, and reduces corruption among public officials in the state. It also tangent with the study of Nzewi and Enuenwemba (2020) who found that the adoption of international public sector accounting standards boost the efficiency and accountability of public employees, and that of Ofoegbu, (2014) whose study found that IPSAS adoption enhances and improves the quality of public sector financial information, assets managements and the level of accountabilities of government reporting.

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5. Conclusion and recommendations

This study investigated the impact of the implementation of International Public Sector Accounting Standards (IPSAS), specifically the cash and accrual methods, on transparency as a proxy for public accountability in the Cross River State public service. Notably, the IPSAS accrual method (IPSASAM) showed a positive and statistically significant effect on transparency. This implies that accrual-based accounting provides a more comprehensive and transparent view of government financial performance, supporting greater accountability in public financial management. As such, the results support the continued transition from cash-based to accrual-based IPSAS in public sector entities. Conversely, while the IPSAS cash method (IPSASCM) also showed a positive effect, it was not statistically significant, indicating that while it may contribute marginally to transparency, its impact is limited due to the exclusion of non-cash transactions and liabilities. In conclusion, while IPSAS, particularly the accrual method, represents a step toward better public financial management, its effectiveness depends heavily on the broader institutional environment and the political commitment to transparency and reform. Based on the aforementioned, the following were recommended;

i. The state government should scale up training, infrastructure, and support for full accrual IPSAS implementation, as it clearly contributes to better transparency and accountability.

ii. Since the IPSAS cash method shows a positive but non-significant effect on transparency, it should be accompanied by strong internal controls, enhanced disclosure requirements, and capacity development to maximize its limited benefits in the short term.

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