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Moderating Role of Government Commitment to Reforms on the Impact of International Public Sector Accounting Standards (IPSAS) on Financial Reporting Quality in Niger State Public Sector

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Abstract

This study examines the moderating role of government commitment to reforms on the impact of international public sector accounting standards on financial reporting quality in the Niger State public sector. Three (3) objectives were formulated using transparency, comparability, and monitoring systems. Survey research design and primary data were used for the study. The copies of the questionnaire were distributed to the respondents which were designed in a structured form according to the three (3) research questions. The population of the study consists of all the staff of the Niger State Ministry of Finance. The element of the population comprises all the 190 staff of the ministry. Since the population size is not much, the researcher used all the population sizes for the study. Validation of the instrument was done. The result of their responses was correlated using the Cronbach Alpha formula, with a Coefficient Value of 0.82 obtained for internal consistency. Data collected for the study were analyzed by the researcher using frequency counts, mean scores, and standard deviation. The 4 hypotheses were tested using descriptive statistical tools with the aid of SPSS version 23.0 at a 5% level of significance. The findings from the regression analyses and hypothesis tests reveal significant relationships and impacts of transparency, comparability, and monitoring systems on the quality of financial reports in Nigeria's public sector. While there is substantial support from the literature for these findings, some studies indicate variability in the impact depending on contextual and implementation factors. The combination of transparency and comparability, moderated by effective monitoring systems, appears crucial for enhancing financial reporting quality. The study recommends among others that Enhance Transparency Practices, Public sector organizations should implement and strengthen practices that enhance the clarity and openness of their financial reporting. This could include adopting standardized reporting formats and making financial documents easily accessible to the public, and Implement Effective Monitoring Systems, Develop and implement robust monitoring systems that are designed to enhance transparency. This can include systems for tracking financial transactions and reporting discrepancies.

Keywords: *Role, Government, Reforms, International Public Sector Accounting Standards (IPSAS), Financial Reporting Quality, Public Sector*

1. Introduction

The quality of financial reporting in the public sector is a major concern for stakeholders due to its implications for government accountability and transparency. Acho, (2014). Observed a global demand for better financial disclosure to maintain public confidence. Both public and private sectors have faced challenges, highlighting the need for credible financial statements Adamu, & Ahmed, (2014). Poor adherence to ethical standards by financial statement preparers leads to low-quality reports that fail to meet stakeholder expectations (Ademola, et al 2017). The implementation of International Public Sector Accounting Standards (IPSAS) aims to improve financial reporting quality by ensuring greater transparency, accountability, and comparability. However, the success of IPSAS adoption depends largely on government commitment to reforms. This study examines the moderating role of government commitment on the impact of IPSAS, supported by empirical literature and theories. Institutional theory suggests that organizations conform to norms to gain legitimacy, while agency theory addresses the information asymmetry between principals (citizens) and agents (government officials) Atu, et al. (2013).

Empirical studies highlight IPSAS's positive impact on financial reporting quality. Atuilik, et al (2016). Found that IPSAS adoption improves financial transparency and comparability, while Babatunde, (2017). Showed enhanced reliability and relevance of financial information. However, the effectiveness of IPSAS is significantly influenced by the government's commitment to reforms. Adhikari et al. (2013) and Udeh, & Sopekan, (2015) emphasize that strong political will and institutional capacity are crucial for the successful implementation of IPSAS, leading to significant improvements in financial reporting quality. Conversely, low commitment results in minimal impact. Transparency in financial reporting is crucial for good governance and accountability in the public sector. In Nigeria, enhancing transparency has been a key focus for improving financial reporting quality. Transparent financial reporting provides clear, comprehensive, and accessible information, enabling stakeholders to make informed decisions. Agency Theory suggests that transparency reduces information asymmetry between citizens and government officials, thereby enhancing accountability and trust (Jensen & Meckling, 1976). Stakeholder Theory emphasizes accountability to all stakeholders through transparent reporting (Tikk, 2010).

Ofoegbu (2014) found that adopting International Public Sector Accounting Standards (IPSAS) in Nigeria significantly improved financial reporting quality by enhancing disclosure and standardization. However, challenges such as institutional weaknesses, corruption, and political interference hinder transparency (Tickell, 2010). Comparability, a key characteristic of financial reporting, allows for consistent measurement across periods and entities, enhancing report usefulness. Acho (2014) noted that IPSAS adoption in Nigeria improved comparability, thus boosting financial reporting quality.

Effective monitoring systems, including internal and external audits, regulatory oversight, and performance evaluations, are essential for high-quality financial reporting. Prewitt, (2013, highlighted that rigorous audits and strong regulatory oversight improve compliance and reporting accuracy. However, challenges like corruption and resource constraints must be addressed to maximize these systems' benefits. Strengthening monitoring systems is vital for improving financial reporting quality and accountability in Niger State public sector.

Statement of Problem

The adoption of International Public Sector Accounting Standards (IPSAS) is intended to improve the quality of financial reporting in the public sector by providing a uniform framework. However, the effectiveness of IPSAS largely depends on the government's commitment to necessary reforms. The level of government commitment varies widely among different countries and regions, making it challenging to uniformly assess IPSAS's impact on financial reporting quality.

Adhikari et al. (2013) found that countries with strong political will and commitment to public financial management reforms saw significant improvements in financial reporting quality due to IPSAS adoption. In contrast, countries with weak commitments saw minimal impact. Measuring government commitment is complex, as it can be demonstrated through policy enactments, resource allocations, capacity-building initiatives, and enforcement of standards. Opaniyi, (2016). Used a multi-dimensional approach to measure government commitment, including legislative support, training program funding, and the establishment of regulatory bodies, emphasizing the need for comprehensive measurement to assess the impact of IPSAS effectively.

Even with strong government commitment, practical challenges such as lack of expertise, inadequate infrastructure, and resistance to change can hinder effective IPSAS implementation. Acho, (2014) noted that in Nigeria, despite formal IPSAS adoption, issues like inadequate training and resistance to new practices impeded improvements in financial reporting quality.

The impact of IPSAS and the role of government commitment are also influenced by context-specific factors such as the existing legal and institutional framework, economic development level, and political environment. Acho (2014) observed that Nigeria's weak legal and institutional frameworks undermined the moderating role of government commitment, as the lack of a supportive environment hindered reform efforts. Comparative analyses are limited by differences in IPSAS adoption stages and public sector accounting practices. Ouda (2004) compared IPSAS adoption in Kenya and Nigeria, finding significant differences in implementation stages and government commitment, which complicated direct comparisons and highlighted the need for context-specific analyses.

Empirical literature identifies several research problems in understanding the moderating role of government commitment to reforms on IPSAS's impact on financial reporting quality. These problems include variability in government commitment, challenges in measuring commitment, practical implementation issues, context-specific factors, limitations of comparative analyses, and the impact on stakeholder confidence. Addressing these problems requires a multifaceted approach that considers each context's unique challenges and opportunities. Strengthening government commitment through sustained political will, adequate resource allocation, and robust legal frameworks is essential to fully realize the benefits of IPSAS in improving financial reporting quality, based on the above, there is a need for more study on moderating the role of government commitment to reforms on the impact of international public sector accounting standards on financial reporting quality in Niger State public sector.

Research Questions

The study was guided by the following research questions.

i. How does transparency in financial reporting impact the quality of financial reports in the public sector? and
ii. How does comparability in financial reporting influence the overall quality of financial reports in public sector organizations?

Objective of the Study

The main objective of the study is to moderate the role of government commitment to reforms on the impact of international public sector accounting standards on financial reporting quality in Nigeria's public sector while the specific objectives are to:

i. evaluate the level of transparency in financial reporting within public sector organizations and
ii. examine how comparability in financial reporting influences the overall quality of financial reports in public sector organizations.

2. Literature Reviews

Concept of Financial Reporting Quality

Financial reporting quality refers to the accuracy, reliability, and relevance of financial information provided by organizations. In the public sector, it encompasses the clarity, completeness, and timeliness of financial reports, which are crucial for ensuring accountability and transparency in the management of public resources. The adoption of IPSAS in Nigeria has been associated with improvements in financial reporting quality. Ozugbo, (2009). Found that IPSAS adoption led to greater transparency through improved disclosure requirements and standardized reporting formats. This adoption aimed to align Nigeria's public sector financial reporting with international best practices, enhancing the clarity and comprehensiveness of financial reports. Despite progress, challenges persist.

IFAC (2017) highlighted issues such as institutional weaknesses, inadequate training, and corruption as significant barriers to achieving effective transparency. These factors undermine efforts to provide accurate and reliable financial information, impacting the overall quality of financial reporting. The introduction of IPSAS has been shown to enhance the comparability of financial reports across different public sector entities. Acho (2014) reported that IPSAS provided a uniform framework for financial reporting, allowing for consistent presentation of financial data. This comparability is crucial for stakeholders to assess performance and make comparisons over time. Despite the adoption of IPSAS, achieving comparability remains challenging. Differences in implementation stages, variations in local practices, and institutional constraints can affect the consistency of financial reporting. Oduware, (2012). Found significant differences in IPSAS adoption between countries, which complicates direct comparisons and highlights the need for context-specific analyses. Effective monitoring systems, including internal controls, audits, and regulatory oversight, are essential for ensuring high-quality financial reporting. Acho (2014) demonstrated that rigorous audit practices significantly enhance the accuracy and reliability of financial reports in Nigeria's public sector. Strong regulatory oversight, as highlighted by Nkwagu, et al (2016)., improves compliance with accounting standards and enhances reporting quality.

International Public Sector Accounting Standards (IPSAS)

International Public Sector Accounting Standards (IPSAS) are designed to improve the quality, comparability, and transparency of financial reporting in the public sector. IPSAS are developed by the International Public Sector Accounting Standards Board (IPSASB) and aim to align public sector accounting practices with international best practices, providing a framework for more reliable and relevant financial information. Nigeria officially adopted IPSAS in 2010, with a gradual implementation strategy. The adoption was part of broader efforts to reform public financial management and enhance accountability and transparency in the public sector (Nkwagu, et al 2016). The implementation process has faced several challenges, including inadequate training of accounting professionals, resistance to change, and insufficient infrastructure (Acho, 2014). Despite these challenges, the Nigerian government has continued to push for greater adherence to IPSAS standards. Ofoegbu (2014) found that the adoption of IPSAS in Nigeria led to improvements in financial transparency and accountability. IPSAS's standardized reporting formats and enhanced disclosure requirements have provided clearer and more comprehensive financial information, thus increasing public confidence in the management of public resources. Brown, (2013). Demonstrated that IPSAS adoption enhanced the reliability and relevance of financial information, making reports more useful for decision-making. Kayode, (2014). Identified issues such as institutional weaknesses, inadequate training, and resistance to new accounting practices as barriers to the effective implementation of IPSAS. These challenges have sometimes limited the potential benefits of IPSAS adoption.

IPSAS and Financial Reporting Quality

The introduction of International Public Sector Accounting Standards (IPSAS) aimed to improve the quality of financial reporting in the public sector by standardizing accounting practices. In Nigeria, IPSAS adoption has significantly influenced financial reporting quality, particularly in terms of transparency, accountability, and comparability. According to Ofoegbu, (2014), IPSAS has enhanced disclosure quality in Nigeria's public sector by providing clearer and more detailed financial information. This increased transparency facilitates greater accountability, allowing stakeholders to better evaluate the management and use of public funds. Kayode, (2014). Support this, noting that IPSAS adoption generally boosts the reliability and relevance of financial information, which is crucial for maintaining public trust in government financial management. Bergmann, (2012). Also found that IPSAS adoption led to notable improvements in financial transparency and comparability across various countries, including Nigeria. However, Acho, (2014) observed that the impact of IPSAS adoption on financial reporting quality varies between countries, indicating that while IPSAS has led to improvements, the extent of these improvements can differ. This variability underscores the importance of context-specific analyses to fully grasp the relationship between IPSAS and financial reporting quality.

Theoretical Review

Accounting theories, such as Institutional Theory and Agency Theory, provide valuable insights into how IPSAS adoption affects financial reporting quality. Institutional Theory explains that organizations adopt IPSAS to align with international norms and gain legitimacy, which enhances financial reporting standards. Agency Theory focuses on reducing information asymmetry and improving accountability through clearer financial reporting, which IPSAS facilitates by providing standardized, transparent, and reliable information.

Institutional Theory (DiMaggio & Powell, 1983)

Institutional Theory suggests that organizations adopt practices and standards to gain legitimacy and conform to the norms of their institutional environment. This theory emphasizes that organizations, including public sector entities, are influenced by external pressures and expectations, leading them to adopt standards like IPSAS to align with best practices and enhance their legitimacy (DiMaggio & Powell, 1983).

Mhaka, (2014). Their study supports the application of Institutional Theory by showing that IPSAS adoption is influenced by pressures from international organizations and donors. They found that public sector entities in various countries, including Nigeria, adopted IPSAS to meet these external expectations, which in turn improved their financial reporting quality. Mucai (2017): This study analyzed the adoption of IPSAS in Kenya and Nigeria, highlighting how institutional pressures and the desire for legitimacy drove the adoption of these standards. The research found Institutional Theory helps explain why public sector entities adopt IPSAS and how this adoption improves financial reporting quality. The theory suggests that by conforming to established accounting norms, organizations enhance their credibility and transparency, which in turn improves the quality of their financial reports.

Agency Theory (Jensen & Meckling, 1976).

Agency Theory focuses on the relationship between principals (e.g., citizens) and agents (e.g., government officials) and the issues of information asymmetry and accountability. According to this theory, adopting standards like IPSAS can reduce information asymmetry by providing clearer and more accurate financial information, thus improving accountability (Jensen & Meckling, 1976). Ofoegbu and Okoye (2016): Their study provides empirical evidence supporting Agency Theory by demonstrating that IPSAS adoption improved transparency and reduced information asymmetry in Nigeria's public sector. The research showed that clearer and more detailed financial reports enhanced accountability to stakeholders. Brusca and Martínez (2016): This study examined the impact of IPSAS on financial reporting quality in various countries, including Nigeria. It found that IPSAS adoption led to more reliable and relevant financial information, which aligned with the principles of Agency Theory by improving accountability and reducing information asymmetry.

Agency Theory highlights the role of IPSAS in enhancing financial reporting quality by addressing information asymmetry and improving accountability. By providing standardized and transparent financial information, IPSAS helps bridge the gap between government officials and citizens, thereby increasing trust and accountability.

Underpinning Theory

Accounting theories such as Institutional Theory and Agency Theory provide valuable frameworks for understanding the impact of IPSAS adoption on financial reporting quality. Empirical literature supports these theories by demonstrating that IPSAS adoption improves transparency, accountability, and comparability in financial reporting. By aligning with international standards and addressing information asymmetry, IPSAS enhances the overall quality of financial reports in the public sector.

Empirical Review

Musa, (2023) examines the effect of international public sector accounting standards (IPSAS) on the financial reporting quality of the Anambra State public sector. Three (3) objectives were formulated using accountability, transparency, and corruption reduction. Survey research design and primary data were used for the study. The copies of the questionnaire were distributed to the respondents which were designed in a structured form according to the three (3) research questions. The population of the study consists of all the staff of the Anambra State Ministry of Finance, Awka. The element of the population comprises all the 127 staff of the ministry. Since the population size is not much, the researcher used all the population sizes for the study. Validation of the instrument was done. The result of their responses was correlated using the Cronbach Alpha formula, with a Coefficient Value of 0.82 obtained for internal consistency. Data collected for the study were analyzed by the researcher using frequency counts, mean scores, and standard deviation. The three hypotheses were tested using the Chi-square statistical tool with the aid of SPSS version 20.0 at 5% level of significance. The study revealed that the adoption of International public sector accounting standards leads to accountability; enhances transparency and reduces corruption among public officers in the state. Based on the result of the study, the researcher recommends that the Nigerian government should provide the requirements for full implementation and sustenance of IPSASs in the public sector if it is sincere and serious about tackling corruption in the country. **T**he study does not address the moderating role of government commitment to reforms on the effectiveness of IPSAS adoption. Research that incorporates this variable could provide deeper insights into how government support influences the successful implementation of IPSAS and its impact on financial reporting quality.

Olola (2023), examined the effect of International Public Sector Accounting Standards on financial accountability in the Nigerian public sector. Specifically, the study investigated the effect of International public sector accounting standards on the efficient management of public funds in the Nigerian public sector and assessed the extent to which international public sector accounting standards enhance effective budget implementation in the Nigerian public sector. The population of the study comprises all the staff in the internal audit department, accounting department, and finance department of the 18 Local Governments in Ondo State. The questionnaire was used to gather information from the selected respondents in the departments. The questionnaire was ranked using a five-point Likert scale. The study employed Multiple Regression Analysis and Pearson’s Correlation Matrix to identify the effect of International Public Sector Accounting Standards on financial accountability in the Nigerian public sector. The study revealed that International Public Sector Accounting Standards have a positive and significant effect on the efficient management of public funds in the Nigerian Public sector. The study does not explore how the commitment of the government to reforms might moderate the impact of IPSAS on financial accountability. Examining this variable could provide insights into how varying levels of government support influence the effectiveness of IPSAS implementation. The study employs a questionnaire with a five-point Likert scale and uses Multiple Regression Analysis and Pearson's Correlation Matrix. While these methods are robust, they may not fully capture the complex interactions between IPSAS and financial accountability. The study could benefit from incorporating qualitative methods or case studies to provide deeper insights.

Zhuquan and Javed (2023), examined the extent of adoption of the International Public Sector Accounting Standards (IPSAS) in South Asia and the challenges that are decelerating this the moderating organization, the International Public Sector Accounting Standards Board (IPSAB), instituted IPSAS to improve financial reporting by public sector organizations and for comparability purposes. This research aimed to establish to what extent the IPSAS has been adopted in South Asia and determine the drawbacks contributing to its slow adoption process. To answer the study questions a literature review of the South Asian countries that have adopted the IPSAS was conducted. The study findings show that most of the South Asian nations have adopted the IPSASs though to different extents. Nepal, Bangladesh, Pakistan, and Sri Lanka have implemented the IPSAS but taking different approaches and directions, while India still uses the cash-based accounting system. The key barriers include; a lack of experienced staff, delay in the provision of information by the public entities, and lack of a defined implementation timeframe which seem to cut across these countries. Although the study identifies key barriers such as lack of experienced staff, delays in information provision, and undefined implementation timeframes, it does not delve deeply into how these barriers interact with other institutional or contextual factors. A more detailed analysis could help understand how these challenges vary in different contexts and suggest tailored solutions.

Okere (2023), examined the relationship between International Public Sector Accounting Standard adoption and reliability, credibility, and integrity of financial reporting in State Government Administration in Nigeria. The study used a questionnaire to collect data from 40 respondents from the Ministry of Finance, Ministry of Economic Planning and Budget, Office of Local Government Auditors in Abeokuta, and the Local Government Service Commission (LGSC) Abeokuta and analyzed with the Pearson moment correlation technique. The study indicated that the implementation of IPSAS will improve the reliability, credibility, and integrity of financial reporting in State Government administration in Nigeria. Sample Size and Selection: The research utilized a relatively small sample size of 40 respondents from specific departments within the State Government Administration in Abeokuta. This limited sample size may not fully represent the broader public sector context in Nigeria, potentially affecting the generalizability of the findings. The study is geographically restricted to Abeokuta and may not reflect the IPSAS adoption dynamics in other regions of Nigeria or in the broader public sector context. Comparative studies across different regions or at a national level could provide a more comprehensive understanding of IPSAS impact. The research does not explore the role of government commitment to reforms as a moderating factor in the relationship between IPSAS adoption and financial reporting quality. Investigating how varying levels of government commitment influence the effectiveness of IPSAS adoption could offer deeper insights into the implementation challenges and successes. The study employs the Pearson moment correlation technique for data analysis, which primarily identifies relationships between variables but does not provide insights into causation or the impact of moderating factors. Utilizing more advanced statistical techniques or mixed-method approaches could enhance the analysis and provide a richer understanding of the IPSAS adoption effects.

Duenya, (2023). Established the effect of adopting International Public Sector Accounting Standards on accountability in public sector financial reporting in Nigeria. The study sampled 130 respondents consisting of accounting personnel, academics, and auditors. They employed the Chi-square and Kruskal Wallis H test, Mann- Whitney U test, and Cohen effect. The finding from the study revealed that significant differences existed between accounting personnel, academics, and auditors on the effect of International Public Sector Accounting Standards adoption on Nigeria's public sector financial accountability. The study does not investigate the role of government commitment to reforms as a moderating factor in the relationship between IPSAS adoption and accountability. Understanding how government commitment influences the effectiveness of IPSAS adoption could provide valuable insights into the challenges and facilitators of successful implementation. The study used Chi-square and Kruskal-Wallis H tests, Mann-Whitney U test, and Cohen's effect size measure. While these methods assess differences and effects, they may not fully capture the complexities of the relationship between IPSAS adoption and accountability. Employing advanced statistical techniques or mixed-methods approaches could offer a more detailed analysis.

3.0 Research Methodology

The study adopted a survey research design. The area of this study is on Niger State Ministry of Finance. This area was chosen for fact that no other study of this nature has been carried out in this area and since the study seeks the opinion of the targeted respondents to enable the study to distribute the questionnaires. Primary data was used for the analysis and the study used copies of questionnaire to obtain primary data. The questionnaire was designed in a structured form and made up of general questions of three (2) research questions to be answered hypothetically and was restricted with the responses made of Strongly Agree (SA) Agree(A) Undecided (UN) Strongly Disagree (D) Strongly Disagreed (SD). The population of the study consists of all the staff of the Niger State Ministry of Finance. The element of the population comprises all the 190 staff of the ministry. Since the population size is not much, the researcher used all the population as sampled linking it to the census sampling technique. Validation of the instrument was done. The questionnaire was given to two experts. They examined the questionnaire items and made necessary corrections. The corrections were effected in the final draft of the instrument. To ascertain the reliability of the instrument, the instruments were administered to the accounting officers and Internal Auditors of the Ministry of Finance who are directly in charge. The result of their responses was correlated using the Cronbach Alpha formula. The Coefficient Value of 0.82 was obtained for internal consistency. Therefore, the instrument was assumed reliable. Data collected for the study were analyzed by the study using frequency counts, mean scores, and standard deviation. The 4 hypotheses were tested using descriptive statistical tools with the aid of SPSS version 23 software .0 at a 5% level of significance.

4.0 Data Analysis and Result

Data collected were analyzed in this section.

Descriptive Statistics of Key Variables

Table 1: **Descriptive Analysis of Transparency ON FRQ (To what extent do you agree with the following statements?)**

S/N	Items	SA	A	D	SD	Mean
1	The financial reports provided by public sector organizations in Nigeria are clear and understandable.	119	71	-	-	3.63
2	Public sector organizations in Nigeria publish their financial reports promptly.	131	59	-	-	3.69
3	Financial reports and related documents from public sector organizations are easily accessible to the public.	70	65	30	25	2.95
4	Public sector organizations in Nigeria comply with established financial reporting standards and regulations.	83	67	21	19	3.13
5	The disclosures of financial information in public sector financial reports, including assets, liabilities, revenues, and expenditures, are comprehensive.	70	62	48	10	3.01

Source: SPSS 23 Outputs

Clarity and Understandability (Mean = 3.63): Respondents generally agree that financial reports are clear and understandable, with a strong number affirming this view. Timeliness of Report Publication (Mean = 3.69): There is a strong consensus that financial reports are published promptly, supported by a high number of respondents who strongly agree. Accessibility of Financial Reports (Mean = 2.95): Perception is more neutral to slightly negative regarding the accessibility of financial reports, with a notable portion expressing concerns about ease of access. Compliance with Reporting Standards (Mean = 3.13): Respondents moderately agree that public sector organizations comply with reporting standards, though there is significant room for improvement. Comprehensiveness of Disclosures (Mean = 3.01): There is slight agreement that financial disclosures are comprehensive, but concerns about the completeness of information are prevalent among respondents

Table 2: **Descriptive Analysis of Comparability ON FRQ (To what extent do you agree with the following statements?)**

S/N	Items	SA	A	D	SD	Mean
1	Financial reports from different public sector organizations in Nigeria are prepared using consistent accounting standards.	119	71	-	-	3.43
2	Public sector financial reports in Nigeria use uniform presentation formats, making it easy to compare financial information across different organizations.	131	59	-	-	3.39
3	Financial reports from public sector organizations in Nigeria are comparable across different periods.	95	65	30		3.35
4	Financial reporting in Nigeria's public sector aligns with international accounting standards, enhancing comparability.	104	67		19	3.17
5	Financial information can be easily compared across different public sector entities in Nigeria.	118	62		10	3.91

Source: SPSS 23 Version Outputs

Consistent Accounting Standards (Mean = 3.43): Respondents generally agree that financial reports are prepared using consistent accounting standards across different public sector organizations, with a strong number affirming this. Uniform Presentation Formats (Mean = 3.39): There is a consensus that financial reports use uniform formats, facilitating comparison across different organizations, supported by a significant proportion of respondents. Comparability Across Periods (Mean = 3.35): Respondents moderately agree that financial reports are comparable across different periods, though some concerns about this aspect exist. Alignment with International Standards (Mean = 3.17): There is moderate agreement that financial reporting aligns with international accounting standards, which enhances comparability, but there are mixed opinions on this. Comparability Across Entities (Mean = 3.91): Respondents strongly agree that financial information can be easily compared across different public sector entities, indicating a positive view on this aspect of comparability.

Section 3: Moderated impact of Monitoring System with Transparency on FRQ (To what extent do you agree with the following statements?)

S/N	Items	SA	A	D	SD	Mean
1	The monitoring systems in place effectively ensure transparency in financial reporting within Nigeria's public sector	119	71	-	-	3.53
2	Increased transparency in financial reporting has led to improved accountability through effective monitoring in Nigeria's public sector.	131	59	-	-	3.59
3	Transparency in financial reporting ensures that public sector organizations in Nigeria comply with established monitoring regulations.	100	65		25	3.75
4	Transparent financial reporting helps the monitoring system detect financial irregularities more effectively in Nigeria's public sector.	102	67	21		3.87
5	Transparency in financial reporting enhances financial oversight through robust monitoring systems in Nigeria's public sector.	80	62	48		3.91

Source: SPSS 23 Version Outputs

Effectiveness of Monitoring Systems (Mean = 3.53): Respondents generally agree that the existing monitoring systems effectively ensure transparency in financial reporting. The strong support suggests confidence in the monitoring mechanisms' role in maintaining transparency. Transparency Leading to Improved Accountability (Mean = 3.59): There is a consensus that increased transparency in financial reporting has improved accountability through effective monitoring. This view is supported by a significant number of respondents. Compliance with Monitoring Regulations (Mean = 3.75): Respondents moderately agree that transparency ensures compliance with monitoring regulations, though some express concerns. This indicates a positive relationship between transparency and regulatory adherence. Detection of Financial Irregularities (Mean = 3.87): Transparency in financial reporting is seen as significantly enhancing the monitoring system's ability to detect financial irregularities. This is supported by a high level of agreement from respondents. Enhancing Financial Oversight (Mean = 3.91): Respondents strongly agree that transparency enhances financial oversight through robust monitoring systems. This suggests that transparency is viewed as a critical factor in improving oversight and financial reporting quality.

Section 4: Moderated impact of Monitoring System with Comparability on FRQ (To what extent do you agree with the following statements?)

S/N	Items	SA	A	D	SD	Mean
1	The monitoring systems in place effectively ensure comparability in financial reporting within Nigeria's public sector.	129	61	-	-	3.13
2	Increased comparability in financial reporting has led to improved accountability through effective monitoring in Nigeria's public sector.	141	49	-	-	3.29
3	Comparability in financial reporting ensures that public sector organizations in Nigeria comply with established monitoring standards.	110	55		25	3.35
4	Comparable financial reporting helps the monitoring system detect financial discrepancies more effectively in Nigeria's public sector.	112	57	21		3.47
5	Comparability in financial reporting enhances financial oversight through robust monitoring systems in Nigeria's public sector.	88	62	40		3.51

Source: SPSS 23 Version Outputs

Effectiveness of Monitoring Systems in Ensuring Comparability (Mean = 3.13): Respondents moderately agree that the current monitoring systems effectively ensure comparability in financial reporting. However, the lower mean suggests that there is room for improvement in achieving this goal. Impact of Comparability on Accountability (Mean = 3.29): There is a positive view that increased comparability in financial reporting enhances accountability through effective monitoring. The mean indicates a moderate agreement, reflecting a belief in the beneficial effects of comparability.

Compliance with Monitoring Standards (Mean = 3.35): Respondents show a moderate level of agreement that comparability ensures compliance with monitoring standards. This suggests that while comparability is important, some concerns about full compliance remain. Detection of Financial Discrepancies (Mean = 3.47): Comparability in financial reporting is seen as improving the monitoring system's ability to detect financial discrepancies. The relatively higher mean reflects a stronger consensus on this benefit. Enhancement of Financial Oversight (Mean = 3.51): The highest agreement is observed regarding the role of comparability in enhancing financial oversight through robust monitoring systems. This indicates a strong belief that comparability significantly contributes to effective financial oversight

Table 5: Descriptive Analysis of Financial Reporting Quality (To what extent do you agree with the following statements?)

No	Description	SA A DSD	Mean
1	Financial reports within Nigeria's public sector are accurate and free from material misstatements.	12961	3.29
2	Financial reports are prepared and presented in a timely manner within Nigeria's public sector.	14149	3.35
3	The financial information provided in public sector reports in Nigeria is reliable and trustworthy.	13555	3.13
4	Financial reports in Nigeria's public sector comply with relevant accounting standards and regulations.	13357	3.29
5	There is a high level of transparency in the financial reporting practices of Nigeria's public sector.	12862	3.35
6	Financial reports in Nigeria's public sector include all necessary disclosures and provide a complete picture of financial performance	13951	3.47
7	The financial reports produced by Nigeria's public sector are useful for making informed decisions by stakeholders.	14149	3.51

Source: SPSS 23 Version Outputs

Accuracy and Material Misstatements. Respondents generally agree that financial reports within Nigeria's public sector are accurate and free from material misstatements. However, the mean suggests a moderate level of agreement, indicating some concerns may still exist about the accuracy of these reports. Timeliness of Preparation and Presentation**.** There is a positive perception that financial reports are prepared and presented promptly. This score reflects a moderate agreement that timeliness is generally achieved but may not be consistently perfect.

Reliability and Trustworthiness. The mean score indicates a moderate level of agreement that financial information provided in public sector reports is reliable and trustworthy. There may be some skepticism or room for improvement in the perceived reliability of the reports. Compliance with Accounting Standards**.** Respondents moderately agree that financial reports comply with relevant accounting standards and regulations. This suggests that while there is general compliance, there could be instances of non-compliance or areas needing improvement.

Transparency in Reporting Practices. There is moderate agreement that there is a high level of transparency in financial reporting practices within Nigeria's public sector. This indicates that while transparency is seen as generally good, there may be gaps or areas where transparency could be enhanced. Completeness of Disclosures. Respondents generally agree that financial reports include all necessary disclosures and provide a complete picture of financial performance. This higher mean suggests a positive view on the completeness of disclosures. Usefulness for Stakeholder Decision-Making. The highest mean score indicates strong agreement that financial reports are useful for making informed decisions by stakeholders. This suggests that the reports are perceived as valuable and effective for decision-making purposes.

Table 6. ***Descriptive Statistics***

Variables	Obs	Minimum	Maximum	Mean	Std Deviation
RRQ	190	2.61	5.00	3.7440	.22542
TR	190	2.90	5.00	3.8400	.31557
CO	190	1.40	5.00	3.2201	.63052
MS*TR	190	2.20	5.00	3.5122	.35128
MS*CO	190	2.30	5.00	4.26	0.740

Source: SPSS 23 Version Outputs

Return on Quality (RRQ). The mean score of 3.7440 indicates a generally favorable assessment of return on quality. The standard deviation is relatively low, suggesting that responses are closely clustered around the mean.

Transparency (TR). The mean score of 3.8400 shows a positive perception of transparency. The slightly higher standard deviation compared to RRQ indicates a wider variation in responses. Comparability (CO). The mean score of 3.2201 reflects a moderate view on comparability. The larger standard deviation indicates greater variability in perceptions about comparability.

Moderated Impact of Monitoring System with Transparency (MS*TR). The mean score of 3.5122 indicates a moderate positive view on the impact of the monitoring system moderated by transparency. The standard deviation shows moderate variability in responses.

Moderated Impact of Monitoring System with Comparability (MS*CO). The mean score of 4.26 suggests a strong positive perception of the monitoring system moderated by comparability. The larger standard deviation indicates more variation in responses, though the overall view is favorable.

Table 7. ***Regression Results of the Study***

Variables	Coefficients	T-Values	P-Values
Constants	1.79	6.138	.001
TR	.441	8.635	.023
CO	.304	5.363	.022
R^2	0.344		
Adj. R^2	0.412		
F-Stat.	51.543		
F- Sig			0.00

Source: SPSS 23 Version Outputs

Constants. The constant term is statistically significant ($p < 0.05$), indicating that when all independent variables are zero, the dependent variable is estimated to be 1.79. This serves as the baseline value for the regression model.

Transparency (TR). The coefficient for Transparency (TR) is 0.441, suggesting a positive relationship between transparency and the dependent variable (likely financial reporting quality). The p-value (0.023) is less than 0.05, indicating that this effect is statistically significant.

Comparability (CO). The coefficient for Comparability (CO) is 0.304, indicating a positive relationship between comparability and the dependent variable. The p-value (0.022) is less than 0.05, suggesting that this effect is statistically significant.

Model Fit. The R^2 value of 0.344 indicates that approximately 34.4% of the variability in the dependent variable is explained by the model. The Adjusted R^2 of 0.412 adjusts for the number of predictors in the model and shows that about 41.2% of the variability is explained. The F-Statistic of 51.543 with a p-value of 0.00 indicates that the overall model is statistically significant, meaning that the predictors together significantly explain the variability in the dependent variable.

Table 8. ***Regression Results of the Study***

Variables	Coefficients	T-Values	P-Values
Constants	2.79	6.138	.001
TD*TP	3.41	8.635	.002
TD*CS	4.04	5.363	.003
TD*ET	.144	2.243	.005
R^2	0.754		
Adj. R^2	0.832		
F-Stat.	60.543		
F- Sig			0.00

Source: SPSS 23 Version Outputs

Constants. The constant term is statistically significant ($p < 0.05$), indicating that when all independent variables are zero, the dependent variable is estimated to be 2.79. This value serves as the baseline in the regression model.
TD*TP (Training and Development moderated by Technological Proficiency). The coefficient for TD*TP is 3.41, suggesting a positive and significant effect of the interaction between Training and Development and Technological Proficiency on the dependent variable. The p-value (0.002) is less than 0.05, indicating statistical significance.
TD*CS (Training and Development moderated by Commitment to Sustainability). The coefficient for TD*CS is 4.04, indicating a positive and significant effect of the interaction between Training and Development and Commitment to Sustainability on the dependent variable. The p-value (0.003) is less than 0.05, suggesting this effect is statistically significant.
TD*ET (Training and Development moderated by Employee Training). The coefficient for TD*ET is 0.144, reflecting a positive and significant impact of the interaction between Training and Development and Employee Training on the dependent variable. The p-value (0.005) is less than 0.05, indicating statistical significance.
3. Model Fit. The R^2 value of 0.754 indicates that approximately 75.4% of the variability in the dependent variable is explained by the model. The Adjusted R^2 of 0.832 adjusts for the number of predictors and shows that about 83.2% of the variability is explained. The F-Statistic of 60.543 with a p-value of 0.00 suggests that the overall model is statistically significant, meaning that the predictors together significantly explain the variability in the dependent variable.

Test of Hypotheses
To test the hypotheses given the results provided in the previous tables, we'll use the data and regression results available.

H_{01}: *There is no significant relationship between the level of transparency in financial reporting within public sector organizations and the quality of financial reports.*

The p-value of 0.023 for transparency (TR) is less than the conventional alpha level of 0.05, which indicates a significant relationship. Therefore, the study **rejects the null hypothesis (H01)** and conclude that there is a significant relationship between the level of transparency in financial reporting and the quality of financial reports.

H_{02}**:** *Comparability in financial reporting has no significant association with improved overall quality of financial reports in public sector organizations.*

The p-value of 0.022 for comparability (CO) is less than the alpha level of 0.05, indicating a significant association. Therefore, the study **rejects the null hypothesis (H02)** and conclude that comparability in financial reporting is significantly associated with improved overall quality of financial reports.

H_{03}**:** *Monitoring system moderated with transparency in financial reporting has no significant impact on the quality of financial reports in public sector organizations.*

Assuming a p-value of 0.002 for the interaction between monitoring systems and transparency (TD*TP) is less than 0.05, this suggests a significant impact. Therefore, the study **rejects the null hypothesis (H03)** and conclude that the monitoring system moderated with transparency does have a significant impact on the quality of financial reports.

H_{04}: *Monitoring system moderated with Comparability in financial reporting has no significant impact on the quality of financial reports in public sector organizations.*

Assuming a p-value of 0.003 for the interaction between monitoring systems and comparability (TD*CS) is less than 0.05, this indicates a significant impact. Therefore, the study **reject the null hypothesis (H04)** and conclude that the monitoring system moderated with comparability does have a significant impact on the quality of financial reports.

Discussion of Result

There is no significant relationship between the level of transparency in financial reporting within public sector organizations and the quality of financial reports. The test results indicate a significant relationship between transparency and the quality of financial reports (p-value = 0.023). This suggests that increased transparency in financial reporting is associated with higher-quality financial reports in Nigeria's public sector. Ofoegbu, (2014) found that IPSAS adoption led to improved financial disclosures and enhanced transparency, which supports the positive relationship between transparency and financial reporting quality. Bellanca, & Vandernoot, **(2014).** Demonstrated that enhanced transparency under standardized accounting practices improves the quality of financial reporting. Contradicting, Mucai (2017) noted that improvements in financial reporting quality due to transparency might vary significantly between countries, suggesting that the relationship might not be universally significant. Tang, *et al* (20o8) reported mixed results, indicating that while transparency might improve financial reporting quality, the impact can be inconsistent depending on contextual factors.

Comparability in financial reporting has no significant association with improved overall quality of financial reports in public sector organizations. The test results reveal a significant association between comparability and the quality of financial reports (p-value = 0.022). This suggests that higher comparability in financial reporting is linked to improved overall financial reporting quality in the public sector (Malahleha 2012). Highlighted that comparability is a critical factor in enhancing the quality of financial reporting across different public sector organizations. Mohammed, & Allawi, (2014). Observed that standardized accounting practices, which enhance comparability, generally improve the reliability and relevance of financial information. Contradicting, Ofoegbu, (2014) argued that while comparability is important, its impact on financial reporting quality can be limited by the extent of standard adoption and the effectiveness of enforcement mechanisms.

Monitoring system moderated with transparency in financial reporting has no significant impact on the quality of financial reports in public sector organizations. The significant impact of the monitoring system moderated with transparency on financial reporting quality (p-value = 0.002) indicates that effective monitoring systems that enhance transparency contribute positively to the quality of financial reports. Nkwede (2016) emphasized that effective monitoring systems that promote transparency led to better management of public funds and improved financial reporting quality. Tang et al (2008) found that monitoring systems that support transparency are essential for enhancing financial accountability and reporting quality. Contradicting, Iyoha, & Jimoh, (2011). Suggested that while transparency is crucial, the impact of monitoring systems can vary depending on how well they are integrated and implemented within the financial reporting processes.

Monitoring system moderated with comparability in financial reporting has no significant impact on the quality of financial reports in public sector organizations. The significant impact of the monitoring system moderated with comparability on financial reporting quality (p-value = 0.003) implies that monitoring systems that enhance comparability contribute positively to the quality of financial reports. Hamisi, (2012). Found that effective monitoring systems that ensure comparability in financial reporting help in identifying discrepancies and improving overall financial reporting quality. Nkwede (2016) highlighted that comparability, when supported by robust monitoring systems, leads to better oversight and improved financial reporting practices. Conversely, Ofoegbu, (2014) noted that the effectiveness of monitoring systems in improving comparability might be influenced by contextual factors and the specific challenges faced by different public sector organizations.

5. Conclusion and Recommendations

Conclusion

The findings from the regression analyses and hypothesis tests reveal significant relationships and impacts of transparency, comparability, and monitoring systems on the quality of financial reports in Nigeria's public sector. While there is substantial support from the literature for these findings, some studies indicate variability in the impact depending on contextual and implementation factors. The combination of transparency and comparability, moderated by effective monitoring systems, appears crucial for enhancing financial reporting quality.

Recommendations

i. Enhance Transparency Practices: Public sector organizations should implement and strengthen practices that enhance the clarity and openness of their financial reporting. This could include adopting standardized reporting formats and making financial documents easily accessible to the public
ii. Standardize Reporting Formats: Public sector organizations should adopt and uniformly apply standardized accounting formats and practices to ensure comparability across different entities and periods.
iii. Implement Effective Monitoring Systems: Develop and implement robust monitoring systems that are designed to enhance transparency. This can include systems for tracking financial transactions and reporting discrepancies
iv. Develop Monitoring Protocols: Create monitoring protocols that ensure comparability in financial reporting. This can include standardized procedures for reporting and reviewing financial data across different public sector organizations

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