ADOPTION OF INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BY ACCOUNT OFFICERS IN CAPTURING REVENUES AND EXPENSES IN TERTIARY INSTITUTIONS' FINANCIAL REPORTING IN SOUTH-EAST NIGERIA

Okolocha, C. C. (Ph.D)

Department of Technology and Vocational Education
Nnamdi Azikiwe University, Awka
Anambra State, Nigeria

And

Odimmega, Chinyere Genevive

Department of Technology and Vocational Education
Nnamdi Azikiwe University, Awka
Anambra State, Nigeria
chinyere_odimmega@yahoo.com

ABSTRACT

This study assessed the adoption of International Public Sector Accounting Standards by account officers in capturing revenues and expenses in tertiary institutions' financial reporting in South-East, Nigeria. One purpose and corresponding research question guided the study and two null hypotheses. Related literature pertinent to the study was reviewed. Descriptive survey research design was adopted for the study. The population consisted of 849 account officers. A sample of 272 account officers was used for the study. A structured questionnaire developed by the researcher was used for data collection. Cronbach Alpha Method was used to establish the reliability of the instrument. The reliability index obtained was r = 0.89. Data were analyzed using mean, standard deviation and ANOVA. Mean was used to answer the research questions and standard deviation was used to explain how the responses of the respondents varied. ANOVA was used to test the hypotheses at 0.05 level of significant. Statistical Package for Social Sciences (SPSS) version 23 was used to analyze data collected. The results of the study indicated that account officers adopted International Public Sector Accounting Standards (IPSAS) in stating method of accounting for borrowing costs and measurement of employee-related expenses in tertiary institutions in South East, Nigeria. However, most of the respondents did not adopt IPSAS in reporting expenditure related to provisions that is recognized, reporting of gains and losses arising from financial instruments, correction of errors and effects of changes in accounting policies, disclosure of items of revenue and expense that are material fact and recognition, disclosing of items of property, plant and equipment and measurement of depreciation. The results also showed that there was no significant difference in the adoption of IPSASs by account officers in capturing revenues and expenses in tertiary institutions in South-East based on type of institution and years of experience. Based on the findings, the researchers recommended, among others, that the management of tertiary institutions should ensure adequate recognition of revenue and expenses in their financial reporting activities. This will help in determining the categories of revenues and expenses to be used in the chart of accounts and in financial statements preparation.

Keywords: International Public Sector Accounting Standards, Financial Reporting, Tertiary Institution, Account Officers.

Introduction

Financial reporting is the act of communicating financial statements and related information from a business enterprise to third parties (external users) for sound economic decision making. According to the Financial Reporting Council (2014), financial reporting is the periodic process of providing information in financial statements (including the notes thereto) about the financial position and performance of a reporting entity to parties (users) external to that entity to assist them in making informed decisions about allocating scarce resources. Financial reporting involves the disclosure of financial information to the various stakeholders about the financial performance and financial position of an organization over a specified period of time.

The objective of financial reporting is to provide information about financial position, performance and changes in the financial position of an enterprise that are useful to a wide range of users in making economic decisions (International Accounting Standard Board (IASB), 2010)**.** In tertiary institutions, account officers make sure that financial records are kept for smooth running of the institutions and for accountability purposes. The incidence of financial malpractices and concealment of material facts in the financial statements of public and private organizations necessitated the introduction and adoption of International Public Sector Accounting Standards (IPSASs) across the world.

The development of the IPSASs has its origin in the accounting profession as a way to improve the transparency and accountability of governments and their agencies by improving and standardizing financial reporting (Deloitte, 2015).The IPSASs accrual accounting basis is hinged on the mode of reporting which takes into account all received income and receivable income and all paid and payables for a given accounting period. Adoption is the process of starting to use a new method, system, law, among others. The adoption of IPSASs is part of strategies for modernization by public sector to improve the level of confidence in the quality and reliability of financial reporting and encourage in the provision of information for accountability and transparency.

In this system of accounting, the financial decisions are not seen merely from the point of view of cash inflow or outflow but also from their impact on the asset and liability position of the government, future funding requirements of assets enabling planning of their timely maintenance and replacement (FAAC, 2015). The adoption of accrual accounting by government entities helps in the assessment of financial performance as the financial statements reflect all expenses whether paid or not and all incomes whether received or not. Accrual transactions and timely recognition of revenues and expenses when they are incurred (regardless of cash received for revenues and paid for expenses) creates the full picture of future cash flows, thus enhancing cash management and prediction (Berger, 2018).

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in increase in net assets/equity, other than increases relating to contributions from owners. Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity, other than those relating to distributions to owners (IPSASs handbook, 2015). The IPSASs accrual method of accounting records revenues and expenses when they are recognized, not when cash is actually transferred. Revenues are recorded when the sale has been completed, and expenses are recorded when the goods and services that generate the expenses are matched to the revenue. Matching of revenues to expenses is a fundamental principle in accounting, and proper matching ensures earnings to reliably capture a firm's profitability (He & Shan, 2014). The income statement reports the revenues and expenses of an institution and shows the profitability of that institution for a stated period of time.

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

Tertiary institutions charge fees from the students for hostel facilities in addition to the tuition and other fees. It is quite possible that the hostel fees will exceed the tuition fees many fold. Consequently, the hostel fee takes a very important pie in the total revenue. The hostel may be run by tertiary institution itself or on contract basis by an outside party. Normally, a consolidated fee is charged from the students for hostel as well as tuition fee (Rai, 2013). The hostel fee (whether separately charged or not) is collected in advance from the students along with the tuition and other fees. In case the hostel is run in-house, separate set of books of account may be maintained for the hostel. The expenditure for running the hostel is booked as and when incurred. In cases where the hostel fee is charged separately, it will be possible to identify the income from running of the hostel. In such a case, at the year-end, a separate set of financial statements may be prepared to ascertain the total surplus/deficit from such activities. Care should be taken while auditing such financial statements that the matching concept has been consistently followed.

Tertiary institutions incure expenditure on educational and academic expenditure which includes all costs of providing the faculty with the physical supplies for imparting knowledge to students, such as stationery, teaching aids, computer rentals, laptops, travelling, field trips, laboratories, equipment repair and maintenance, scholarships, medical facilities, fees to visiting faculties and consultants, sports expenses, recreational facilities, celebration expenses for Founder's Day, Annual Day, among others. According to Federal Republic of Nigeria (2015), an entity (tertiary institution) should present, either on the face of the statement of financial performance or in the notes to the statement of financial performance, an analysis of expenses using a classification based on either nature of expenses or their function within the institution, as appropriate.

The influencing factor in the adoption of international public sector accounting standard in financial reporting in tertiary institutions could be type of institution and years of experience of the account officers. These variables are likely to affect account officers' mean ratings on the adoption of IPSASs. Type of institution in this research study means all conventional federal universities, polytechnics and colleges of education. Federal tertiary institutions are likely to adopt IPSASs first before the State institutions follow. Odimmega (2015) reported that there was a significant difference in the views of account officers in the universities, polytechnics and colleges of education on the use of accounting techniques and standards. The knowledge, experience and expertise of account officers may determine the extent the adoption of IPSAS enhances financial reporting in tertiary institutions. According to Boger in Ile and Odimmega (2018), Nigerian tertiary institutions do not attract grants from international agencies because of lack of internal transparency and accountability. Boger further stated that experienced accounting professionals can carefully adopt generally accepted principles in preparation of financial statements in order to ensure transparency and accountability of accounting information.

Considering the above views, it appears that the adoption of Accrual Basis International Public Sector Accounting Standards in tertiary institutions will help in the assessment of financial performance as the financial statements will reflect all expenses whether paid or not and all incomes whether received or not. One of the financial reporting desires of the public sector has been to be able to consolidate its financial statements from various government departments in a single line. This dream can only be achievable through the adoption of IPSASs which would facilitate the adoption of a uniform and detailed chart of accounts for the elements of the accounting equation and financial reporting system in consonance with global standards.

Statement of the Problem

The main objective of financial reporting is the provision of information that is useful to a wide range of users in making and evaluating decisions about the allocation of resources, and to demonstrate the accountability of an entity for the resources entrusted to it. The incidence of financial malpractices and concealment of material facts in the financial statements of public and private organizations necessitated the introduction and adoption of International Public Sector Accounting Standards (IPSASs) across the world. The IPSASs has been identified internationally as an effective tool for financial reporting. The objectives of financial reporting can only be achieved through the application of IPSAS accrual accounting system. This is why the Federal Government of Nigeria approved and directed its adoption in both public and private sectors of the economy. Despite this directive, public and private organizations seem not to have fully adopted this practice in their accounting transactions. The financial statements prepared by most public institutions especially tertiary educational institutions on the cash basis system of accounting lack disclosure of certain expenses that have earlier been prepaid or accrued. It is perceived that when tertiary institutions fully adopt IPSASs in financial reporting, it will enhance and strengthen the institutions' financial reporting standards in line with international best practices.

Purpose of the Study

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

Research Question

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

Hypotheses

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

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

Literature Review

Overview of IPSA Standards

The International Public Sector Accounting Standards (IPSASs) are a series of financial reporting and accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB). Currently, there are 38 accrual basis IPSAS standards (Federal Republic of Nigeria, 2015). They are:

Standard	**Title of the standard**
IPSAS 1	Presentation of Financial Statements
IPSAS 2	Cash Flow Statements
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors
IPSAS 4	The Effects of Changes in Foreign Exchange Rates
IPSAS 5	Borrowing Costs
IPSAS 6	Consolidated and Separate Financial Statements
IPSAS 7	Investments in Associates
IPSAS 8	Interests in Joint Ventures
IPSAS 9	Revenue from Exchange Transactions
IPSAS 10	Financial Reporting in Hyperinflationary Economies
IPSAS 11	Construction Contracts
IPSAS 12	Inventories
IPSAS 13	Leases
IPSAS 14	Events after the Reporting Date
IPSAS 15	Financial Instruments: Disclosure and Presentation
IPSAS 16	Investment Property
IPSAS 17	Property, Plant and Equipment
IPSAS 18	Segment Reporting
IPSAS 19	Provisions, Contingent Liabilities, Contingent Assets
IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Noncash-generating Assets
IPSAS 22	Disclosure of Financial Information about the General Government Sector

IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
IPSAS 24	Presentation of Budget Information in Financial Statements
IPSAS 25	Employee Benefits
IPSAS 26	Impairment of Cash-Generating Assets
IPSAS 27	Agriculture
IPSAS 28	Financial Instruments: Presentation
IPSAS 29	Financial Instruments: Recognition and Measurement
IPSAS 30	Financial Instruments: Disclosures
IPSAS 31	Intangible Assets
IPSAS 32	Service Concession Arrangements: Grantor
IPSAS 33:	First-time Adoption of Accrual Basis IPSAS
IPSAS 34:	Separate Financial Statements
IPSAS 35:	Consolidated Financial Statements
IPSAS 36:	Investments in Associates and Joint Ventures
IPSAS 37:	Joint Arrangements
IPSAS 38:	Disclosure of Interests in Other Entities

Adoption of IPSAS in Capturing Revenues and Expenses

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

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

Revenue and expenses are recognized for financial reporting purposes when all elements of the definitions and the recognition criteria (probability and measurability) for revenue and expenses are satisfied. According to the International Public Sector Accounting Standard Board (IPSASB) (2017), common types of revenue for public sector entities include: (a) non-exchange revenues: direct and indirect taxes; duties; fees and fines; and other non-reciprocal transfers; (b) exchange revenues: sales of goods or services; dividends; interest; and (c) net gains arising from the sale of assets; and other gains. The key IPSAS provisions for revenue recognition according to FRN (2015) are recognized when the outcome of a transaction involving the rendering of services are estimated reliably. The outcome of a transaction can be measured reliably when:

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

The key IPSAS provisions for expenses recognition according to FRN (2015) at the full accrual basis recognizes expenses when service potential or future economic benefits are consumed or otherwise diminished. For example, the costs of assets that embody future economic benefits or service potential are deferred on acquisition and are allocated to the periods in which they are used. For grants, the recognition criteria would be when the eligibility criteria have been met and the amounts estimated reliably (FRN, 2015: 61). General steps in the recognition of revenues and expenses include:

a) compiling a list of all types of revenues and expense relevant to the entity;
b) determining the categories of revenues and expense to be used in the chart of accounts and the financial statements;
c) preparing accounting policies for each category of revenue and expense;
d) assessing the accuracy and completeness of existing information on each category;
e) establishing systems to support the recognition of revenue and expense items or developing interim measures to provide reasonable estimates of revenue and expense -items. The establishment of systems may be evolutionary. An entity may gradually adapt its recording systems to improve the accuracy and reliability of information concerning revenue and expense items (IPSASB, 2017).

IPSAS on Recognition and Presentation of Revenues and Expenses

International Public Sector Accounting Standards (IPSASs) dealing with the recognition, measurement and presentation of revenue and expenses are:

1. International Public Sector Accounting Standard IPSAS 1 *Presentation of Financial Statements* (presentation and disclosure);
2. International Public Sector Accounting Standard IPSAS 5 *Borrowing Costs* (the expensing or capitalization of borrowing costs);
3. International Public Sector Accounting Standard IPSAS 9 *Revenue from Exchange Transactions* (including revenue from the rendering of services, the sale of goods, interest, royalties, dividends and their equivalents, and exchanges of goods);
4. International Public Sector Accounting Standard IPSAS 11 *Construction Contracts* (revenue from construction contracts);
5. International Public Sector Accounting Standard IPSAS 12 *Inventories* (the initial recognition of purchases as inventories or expenses and the subsequent expensing of inventories used);
6. International Public Sector Accounting Standard IPSAS 13 *Leases* (revenue and expenses of lessors and lessees);
7. International Public Sector Accounting Standard IPSAS 16 *Investment Property* (investment properties); and
8. International Public Sector Accounting Standard IPSAS 17 *Property, Plant and Equipment* (depreciation of property, plant and equipment).

For tertiary institutions to achieve her mandate, the IPSASs that concerns income and expenditure should be considered paramount and adopted accordingly.

Theoretical Framework

The theoretical framework of this study is based on agency theory. The agency theory was established by Jensen and Meckling in 1976. Agency theory (also known as the principal-agent or principal agency theory/model) describes the relationship between two or more parties, in which one party, designated as the principal, engages another party, designated as the agent, to perform some task on behalf of the principal. The agency theory is used to provide a coherent explanation or rationale for IPSASs adoption in any governance jurisdiction. The agency perspective resonates from the separation of ownership and control in a modern corporation and the fears that the interest of the owners (the principal) and agent (the managers) may not cohere. Accordingly, the theory presumes tension between the principal and the agent, thereby creating the demand for tension diffusion mechanisms. The use of published financial statements is one of such mechanisms. The view of the agency theory from the public sector perspective is that, a government official is elected or appointed to act on behalf of the public as an agent, performing the work of directing and controlling resources on behalf of the public (principal). The agency theory, therefore, calls for a strong public accountability between the agent and the principal which can be done through the use of a comprehensive financial statement exemplified by IPSAS.

Method

Descriptive survey research design was adopted in this study. According to Nworgu (2015), a descriptive survey research design aims at collecting data, and describing in a systematic manner the characteristics, features or facts about a given population. The study was carried out in federal tertiary educational institutions in South East Nigeria. The South East is one of the six geo-political zones in Nigeria consisting of Abia, Anambra, Ebonyi, Enugu and Imo States. The population of this study comprised 849 account officers in all the eleven Federal tertiary institutions (five universities, three polytechnics and three colleges of education) in South East Nigeria. A sample size of 272 account officers derived using the Taro Yamani formula was used for the study. A structured questionnaire based on the research questions guiding the study and insight from the literature reviewed was used for data collection. The instrument was structured on four-point rating scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The questionnaire developed for this study was subjected to face validation by three experts in business education. Cronbach Alpha method was used to ascertain the internal consistency of the instrument. This yielded a coefficient value of 0.89 which was deemed reliable for the study. The researchers personally administered 272 copies of the instrument with the aid of two research assistants. Out of the 272 copies of the questionnaire distributed, 263 (representing 96.7 %) were duly completed, retrieved and used for data analysis.

Mean and standard deviation were used to analyze data in relation to the research questions. While mean scores were used to provide answer to the research questions, the standard deviation was used to show the closeness or otherwise of the responses of the respondents. One way analysis of variance (ANOVA) was used for testing the null hypotheses at 0.05 level of significance. The application of Statistical Package for Social Sciences (SPSS) version 23 was used for data analysis. For the hypotheses, p-value was used for decision making. Where the calculated p-value is less than or equal to the stipulated level of significance 0.05 ($p \leq 0.05$), it implies that there was significant difference between respondents' mean scores. Under this condition, the null hypothesis of no significant difference is rejected. On the other hand, if the p-value is greater than or equal to the alpha level of 0.05 ($p \geq 0.05$), the null hypothesis of no significant difference is accepted.

Results

Research Question

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

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

Table 1
Mean Responses on the IPSASs Adopted by Account Officers in capturing of Revenues and Expenses N = 263

S/No	Revenue and expenses	Mean	SD	Decision
1.	Disclosure of gains and losses in the disposal of non-current assets	1.81	0.64	Disagree
2.	Reporting expenditure related to a provision that is recognized	2.13	0.34	Disagree
3.	Reporting of gains and losses arising from financial instruments	2.13	0.34	Disagree
4.	Stating method of accounting for borrowing costs	2.61	0.62	Agree
5.	Correction of errors and effects of changes in accounting policies	2.47	0.66	Disagree
6.	Disclosure of items of revenue and expense that are material	2.47	0.81	Disagree
7.	Disposals of items of property, plant and equipment	2.25	0.43	Disagree
8.	Recognition and measurement of depreciation	2.21	0.41	Disagree
9.	Recognition and measurement of employee-related expense	2.63	0.70	Agree
10.	Identification and recognition of bad and doubtful debts	1.62	0.68	Disagree
11.	Recognition and disclosure of grants, donations and transfers made or received	1.67	0.71	Disagree
12.	The treatment of losses on revaluation of assets	2.27	0.71	Disagree

The item by item analysis in Table 1 shows that items 4 and 9 with mean scores ranging from 2.61 to 2.63 are the International Public Sector Accounting Standards adopted by accounting officers in capturing revenues and expenses in tertiary institutions in South East. Items 1, 2, 3, 5, 6, 7, 8, 10, 11 and 12 with mean scores ranging from 1.62 to 2.27 are the IPSASs not adopted by accounting officers in capturing revenues and expenses. The standard deviation of 0.60 and 0.76 are within the same range showing greater consensus of opinions.

Result of Test of Null Hypotheses

Hypothesis 1

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

Data obtained in respect of the first hypothesis are analyzed and presented in Table 2.

Table 2

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

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	0.864	2	0.432	.114	.892
Within Groups	1057.68	260	4.032		
Total	1058.54	262			

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

Hypothesis 3

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

Data obtained in respect of the second hypothesis are analyzed and presented in Table 3.

Table 3

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

	Sum of Squares	df	Mean Square	F	P-value
Between Groups	16.416	2	8.208	2.055	.130
Within Groups	1042.13	260	4.032		
Total	1058.54	262			

The analysis in Table 3 shows that there is no significant difference among the three groups in terms of their adoption of IPSASs in capturing revenues and expenses in tertiary institutions in South East on the basis of years of experience (0-5 years, 6-10 years and above 10 years), as the F-ratio (2, 260) is 2.055 and *P-value* (.130) is greater than the stipulated 0.05 level of significance. Therefore the null hypothesis is accepted.

Discussion

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

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

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

Conclusion

The findings of the study revealed that account officers did not adopt IPSAS in capturing of revenues and expenses in tertiary institutions in South East. This is worrisome since accounting standards are designed to improve the quality of general purpose financial reporting by tertiary institutions, leading to better informed assessment of resource allocation decisions made by governments. IPSASs when properly adopted will help to increase transparency, accountability and quality of financial reporting system in tertiary institutions in Nigeria.

Recommendations

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

1. The Federal Government should include International Public Sector Accounting Standards in the curriculum of accounting education in tertiary institutions. This will help to improve existing financial management mechanism and policies to enable accrual-based accounting and IPSAS to be adopted.
2. Training and retraining through government support (Tetfund and Institutional Internally Generated Revenue) to motivate and encourage accounting officers to update their skills in reporting revenues and expenses.
3. The management of tertiary institutions should ensure adequate recognition of revenues and expenses in their financial reporting activities so as to account for accrued and prepaid income and expenses for the accounting period. This will help in determining the categories of revenues and expenses to be used in the chart of accounts and in financial statements preparation.

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