EFFECT OF IPSAS ADOPTION ON INVESTMENT REPORTING QUALITY AND TRANSPARENCY IN NASARAWA STATE, NIGERIA (2014-2024)

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Abstract
The study examined the effect of International Public Sector Accounting Standards (IPSAS) adoption on investment reporting quality and transparency in Nasarawa State, Nigeria, over the period 2014-2024. The study adopted a descriptive survey research design and collected primary data from accounting and audit personnel in key public finance institutions in the state. Data were analysed using Structural Equation Modelling (SEM) to examine the relationship between IPSAS adoption and investment reporting outcomes.The findings reveal mixed effects of IPSAS adoption on investment reporting. While IPSAS adoption significantly improved clarity of investment source disclosures ($\beta = 0.223$, $p < 0.01$) and reduced misreporting of government investments ($\beta = 0.278$, $p < 0.01$), challenges were observed in consistent application of IPSAS guidelines and initial accuracy of reported investments. Institutional and technical factors were found to significantly influence reporting effectiveness, with staff capacity ($\beta = 0.248$, $p < 0.01$), internal controls ($\beta = 0.196$, $p < 0.01$), and financial policies ($\beta = 0.211$, $p < 0.01$) exerting positive effects.The study concludes that IPSAS adoption has strong potential to enhance investment reporting quality in subnational governments, but its effectiveness depends largely on technical competence and institutional readiness. It recommends targeted capacity building, strengthened internal control systems, and clear financial policies to fully realize the benefits of IPSAS-based investment reporting.

Keywords: Financial transparency, investment reporting, IPSAS adoption, public sector accounting.

1.0 Introduction

Over the past decade, public financial management in Nigeria has seen increasing movement toward international-standard accounting practices, most notably through the adoption of the International Public Sector Accounting Standards (IPSAS). IPSAS, established by the IPSAS Board under the International Federation of Accountants, aims to improve the transparency, comparability, and accountability of public sector financial reporting. The adoption of these standards is especially significant for subnational governments, where fiscal discipline and trust in financial disclosures can be more fragile. In Nigeria, the federal government began its formal adoption with cash-basis IPSAS around 2014 and announced a shift toward full accrual basis accounting shortly thereafter (Zibaghafa&Okpolosa, 2024).

Despite the formal adoption of the International Public Sector Accounting Standards (IPSAS) by Nasarawa State, there remains persistent uncertainty about the quality, transparency, and usefulness of investment reporting in the state's financial statements. While the state has implemented a standardized Chart of Accounts (COA) and General-Purpose Financial Statements (GPFS) aligned with IPSAS requirements, the practical application of these standards in capturing investment activities is unclear. Empirical studies in Nigeria suggest that IPSAS adoption does not automatically translate into improved financial reporting quality, particularly at the subnational level, due to challenges such as inadequate technical capacity, limited institutional support, political interference, and resource constraints (Adedeji, 2024; Zibaghafa&Okpolosa, 2024).

Investments in the public sector, including long-term financial instruments, equity stakes in public enterprises, and infrastructure partnerships, constitute significant components of government resources. The failure to report these investments accurately can undermine transparency, hinder fiscal accountability, and compromise stakeholders' ability to make informed decisions. Preliminary reviews of Nasarawa State's financial statements indicate that while investment activities are disclosed, the depth, completeness, and quality of such disclosures in accordance with IPSAS principlessuch as fair value measurement, impairment recognition, and risk reportingremain questionable. This gap raises concerns about whether the state is achieving the intended objectives of IPSAS adoption in enhancing investment reporting.

Despite Nigeria's formal adoption of IPSAS in 2014, empirical evidence on the effectiveness of IPSAS implementation at the subnational level remains limited, particularly with respect to investment reporting practices. Existing studies largely focus on general financial reporting quality, with little attention paid to how IPSAS affects the recognition, measurement, and disclosure of government investments. This study fills this gap by providing empirical evidence on the effect of IPSAS adoption on investment reporting quality and transparency in Nasarawa State, while also examining the institutional and technical factors that condition successful implementation.

Consequently, there is a critical need to investigate the effect of IPSAS adoption on investment reporting in Nasarawa State. The study determined whether the adoption of IPSAS has significantly improved the accuracy, transparency, and completeness of investment disclosures and to identify the institutional, technical, and operational factors that influence effective investment reporting.

Objectives

i. To examine the extent to which the adoption of IPSAS has improved the quality and transparency of investment reporting in Nasarawa State.

ii. To assess the influence of institutional and technical factors, such as staff capacity, internal controls, and financial policies, on the effectiveness of IPSAS-based investment reporting in Nasarawa State.

iii. To identify the major institutional and operational challenges affecting the effective implementation of IPSAS-based investment reporting in Nasarawa State.

2.0 Literature Review

The International Public Sector Accounting Standards (IPSASs) are a set of accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB) for use by public sector entities worldwide in the preparation of financial statements (Akinleye &Alaran-Ajewole, 2018). The IPSASB, an independent organ of the International Federation of Accountants (IFAC), is responsible for the development and issuance of these standards. In fulfilling this mandate, the IPSASB follows a due process that allows interested stakeholdersincluding auditors, preparers such as finance ministries, standard setters, and individualsto provide comments and contribute to the development of the standards (Akinleye &Alaran-Ajewole, 2018). IPSASs are intended for adoption by all levels of government, including national, regional (state, provincial, or territorial), and local (city or municipal) governments, as well as related governmental entities such as agencies, boards, and commissions.

Specific IPSAS standards directly relevant to investment reporting include IPSAS 29/41 on financial instruments, IPSAS 17 on property, plant and equipment, and IPSAS 21 on impairment of non-cash-generating assets. These standards prescribe recognition criteria, measurement bases, impairment testing, and disclosure requirements that are critical for transparent and decision-useful reporting of public sector investments.

Concept of Investment Reporting

Investment Reporting in the Public Sector refers to the systematic process by which government entities record, measure, disclose, and monitor their investments in financial and non-financial assets. These investments may include long-term financial instruments, equity holdings in public enterprises, infrastructure projects, and other strategic assets that generate economic benefits or social returns over time (Kariuki & Njeri, 2021). Effective investment reporting ensures that stakeholdersincluding citizens, oversight agencies, development partners, and policymakershave accurate and transparent information regarding the value, performance, and associated risks of public investments.

Under the IPSAS framework, public sector investments are required to be recognized at their fair value or historical cost, with appropriate disclosures on impairments, risk exposure, and returns (Akinleye &Alaran-Ajewole, 2018). Proper reporting enables governments to demonstrate accountability for public resources, support informed decision-making, and enhance fiscal transparency. However, challenges in investment reporting often arise due to valuation difficulties, weak institutional capacity, and limited technical expertise, particularly in subnational governments in developing countries (Obineme, et al., 2021).

In addition, investment reporting is increasingly recognized as a critical tool for assessing the financial sustainability and performance of public entities. By providing timely and accurate disclosures, governments can ensure that investment decisions are aligned with strategic priorities, minimize fiscal risk, and enhance public trust. The adoption of IPSAS is therefore intended not only to standardize accounting practices but also to improve the quality and reliability of investment reporting across all levels of government (Zibaghafa&Okpolosa, 2024). In this study, investment reporting quality refers to the accuracy, completeness, and faithful representation of government investments, while transparency reflects the clarity, accessibility, and adequacy of disclosures relating to investment values, risks, and performance.

Empirical Review

Zibaghafa and Chukwu (2024) examined the adoption of public sector accounting standards and the quality of financial reporting in higher institutions in Rivers and Bayelsa States, Nigeria, using a survey research design. The study involved all public higher institutions in both states, with a sample size of 320, and employed both primary and secondary data. Univariate and multivariate analyses were conducted, revealing no significant difference in relevance of financial reporting pre- and post-IPSAS adoption, while faithful representation, understandability, timeliness, verifiability, and comparability showed significant improvements. The study concluded that IPSAS adoption significantly enhances most qualitative characteristics of financial reporting, except relevance. It recommended that public sector entities adopt IPSAS principles to improve faithful representation and overall reporting quality.

John et al. (2023) examined the relationship between IPSAS implementation and financial reporting quality in Cross River State, Nigeria, using a survey design and purposive sampling. The study targeted middle- and top-level management staff of the State Ministry of Finance,

with a sample of 19 accountants from a population of 35. Data were collected via questionnaires and analyzed using simple percentages and Pearson correlation. Results revealed a significant positive relationship between IPSAS implementation and both faithful representation and reliability of financial reports. The study concluded that IPSAS adoption enhances the faithfulness, reliability, and uniformity of financial reporting across government institutions. It recommended mandatory IPSAS implementation at all government levels, with adequate budget allocation to ensure smooth execution.

Enyinnaet al. (2023) examined the impact of IPSAS on financial reporting in Edo State, Nigeria, using a survey design with 208 chartered accountants from state ministries and agencies. Data were analyzed using descriptive and inferential statistics, with Pearson Chi-Square employed to test hypotheses. The study found that IPSAS significantly enhances financial disclosure, transparency, accountability, and comparability in public sector reporting. It concluded that IPSAS adoption substantially improves the quality of financial reporting in Edo State. The study recommended sustaining IPSAS adoption, timely publication of annual reports, online accessibility, and improved disclosure levels by reporting entities.

Aboukhadeerand Albattat (2023) determined the significance of using International Public Sector Accounting Standards (IPSAS) in impacting the quality of accounting information. The study population included a number of board directors, non-audited members, internal auditors, accountants, and department heads from various branches of government in Libya's government sector. They were given 400 questionnaires, and the data was analysed using SPSS and PLS-SEM. The four independent factors (ensuring sound governance, disclosure, board of directors' responsibilities, and shareholder rights preservation) had a substantial impact on the quality of accounting information among Libyan bank personnel. The findings show that the adoption of IPSAS will have an effect on an external audit in Libya. IPSAS standardises external audit reports and has an impact on external audit notes. The implementation of IPSAS will result in the collaboration of Libyan audit firms with global audit firms to gain experience auditing IPSAS-prepared financial statements.

Doutoradoet al. (2022) examined the moderating effect of institutional quality on the relationship between the adoption of IPSAS by the accrual regime and the level of corruption perception of Latin American governments, between 2010 and 2020. The analysis comprised a sample of 19 countries, adopting a longitudinal approach for central governments, using the statistical technique of multiple linear regression, using panel data, unbalanced, with fixed effects. The main findings indicate that the harmonization of government accounting through the adoption of IPSAS generates a positive effect on the corruption perception index in Latin American countries, causing a reduction in the perception of corruption in these countries, corroborating the findings of other studies on developing countries. This study provides a comprehensive view of IPSAS and its impact on levels of corruption, expanding the studies to the context of Latin America, where corruption is generally high and IPSAS can function adequately to reduce it, in addition to verifying its impact given the institutional quality of the country. This interaction can be understood as the result of a mechanism that increases the evidence of corrupt activities present to a greater degree in developing countries, so the institutional quality leads central governments to disclose more fiscal policies, improving general transparency and contributing to the fight against to corruption, making it possible to minimize illegal and corrupt acts to obtain better results for the public sector.

A critical review of the literature reveals that most existing studies examine IPSAS adoption in relation to overall financial reporting quality, with limited focus on investment-specific disclosures, valuation challenges, and impairment recognition. Moreover, empirical evidence

on IPSAS-based investment reporting in subnational governments within developing economies remains scarce. This study addresses this gap by providing focused empirical evidence on investment reporting outcomes under IPSAS in a Nigerian state context.

Theoretical Framework

Theoretical frameworks that explained the impact of International Public Sector Accounting Standards (IPSAS) on financial reporting quality in Nasarawa State, Nigeria are discussed below:

Institutional Theory

The institutional theory which was propounded by DiMaggio and Powell (1983), considers organisations as operating within a social framework of norms, values, and assumptions about what constitutes appropriate or acceptable economic behaviour (Oliver, 1997). DiMaggio and Powell (1983) identified three mechanisms through which institutional isomorphic change takes place viz: coercive isomorphism which stems from political influence and legitimacy problems; mimetic isomorphism which is a standard response to uncertainty and normative isomorphism which is associated with professionalization. In the context of transition to IPSAS Accrual Accounting in the public sector, a form of coercive isomorphism is the pressure international lending agencies (IMF, the World Bank, and ADB) exert on the use of accrual accounting on developing countries as a required prerequisite to follow to access a loan (Adebisi et al, 2019). Similarly, the concept of mimetic isomorphism can be perceived in the case of developing countries following accounting practice used in developed countries where its application has been successful.

Adegun and Adebisi (2016) noted that all three factors of coercive, mimetic, and normative isomorphism intermingled to influence the adoption and implementation of accrual basis IPSAS in Nigeria. Using the foregoing theoretical framework, it can be argued that the implementation of accrual basis IPSAS in Nigeria's public sector can be likened to a form of normative isomorphism which makes its financial reporting system conform with the other professional accounting bodies and international best practices around the world. From the perspective of the public sector, legitimacy might be pursued from other national governments, international organisations, and groups of interest (Baker &Morina, 2006).

Three mechanisms through which institutional isomorphic change takes place have been identified: (1) coercive isomorphism which stems from external factors like international organisations dictating the use of certain style of management to governments; (2) mimetic isomorphism which is standard response to uncertainty and following the actions of perceived more successful organisations; and (3) normative isomorphism which is associated with professionalization and is concerned with cultural innovations to adopt new styles that are considered superior to the one being used (DiMaggio & Powell, 1983; Olola, 2019; Uzochukwu &Onuora, 2021). The importance of the institutional theory in this study is that. changes in organisational structures or style (such as accounting rule choice) do not occur because of the benefits associated with the new style but such changes do occur because of the three mechanisms posited above, that is coercive, mimetic, and normative isomorphism influence the adoption and implementation of accrual basis IPSAS in Nigeria.

Institutional Legitimacy Theory

Institutional Legitimacy theory, which was modified by Mark C. Suchman in one of his publications "Managing Legitimacy: Strategic and Institutional Approaches" in 1995, was taken from Richard Cantillon's political economics theory, which was published posthumously in 1932. The legitimacy theory of Suchman was a refinement of Karl Emil Maximilian Weber's

legitimacy theory published in 1968 in the work "Economy and Society." Legitimacy, according to Suchman, is a broad belief or assumption that an entity's activities are desirable, legitimate, or appropriate within a socially formed system of norms, values, beliefs, and definitions. The idea went on to say that companies or institutions are administered by a select few who seek legitimacy for their social, environmental, and economic activities through the presentation of yearly reports.

As a result, the quality of information contained in the annual report released to the public and other interested parties can lend credibility to the state's operations. As a result, citizens regard the legitimate organization as not only more deserving, but also more meaningful, predictable, and trustworthy. It goes on to say that legitimacy requires the existence of a credible collective narrative or reasoning that explains what the organization is doing and why it is doing it. The theory acknowledges the impact of accounting reports on income, power, and wealth distribution, and subsequently considers accounting reports as social and political documents. It also assumes that full financial transparency is a tool for sustaining, reconstructing, and legitimizing people's political, economic, social, and cultural actions (Van Der Lean, 2009).

Institutional Theory explains the adoption of IPSAS as a response to coercive pressures from international development partners, mimetic pressures arising from global accounting convergence, and normative pressures linked to professionalization. Institutional Legitimacy Theory complements this perspective by explaining how improved investment reporting under IPSAS serves as a legitimacy-seeking mechanism through which governments demonstrate accountability, transparency, and responsible stewardship of public investments.

3.0 Methodology

The study employed a descriptive survey design to examine the relationship between the variables of interest. It focuses specifically on Nasarawa State, targeting employees from the Ministry of Budgeting and Physical Planning, the Office of the Accountant-General, and the Office of the Auditor-General. The total population for the study consists of 527 employees across these government agencies. Using Taro Yamane's formula, the appropriate sample size was determined, and a combination of stratified and simple random sampling techniques was employed to select respondents for the study.

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

$$n = \frac{527}{1 + 527(0.05)^2} = \frac{527}{1 + 1.3175} = \frac{527}{2.3175} \approx 227$$

Whereas:

n = sample size

N= population size (527)

e = margin of error (usually 0.05 for 95% confidence level)

Thus, the study worked with a sample size of 227 respondents.

The study collected primary data using a structured questionnaire, designed to gather information from respondents regarding the extent to which IPSAS has contributed to achieving financial reporting quality in Nasarawa State. The questionnaire consisted of four sections covering demographic information, IPSAS adoption indicators, investment reporting quality, and institutional factors. Responses were measured on a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5).Cronbach's alpha values for all constructs exceeded the 0.70 threshold, indicating acceptable internal consistency. Convergent and discriminant validity were assessed using factor loadings and average variance extracted (AVE).

For data analysis, the study employed the Structural Equation Modelling (SEM) technique. SEM is a multivariate statistical approach that allows for the estimation of parameters in a system of simultaneous equations, providing a robust framework for examining complex relationships among observed and latent variables.SEM was adopted because it allows for simultaneous estimation of multiple relationships among latent constructs and provides a robust framework for testing complex models involving mediating and institutional variables.Ethical approval was obtained from the relevant state authorities, and informed consent was secured from all respondents.

4.0 Results and Discussion of Findings

Table 1:

Descriptive Statistics

Construct	No	Mean	Std.Dev.
Accuracy of Reported Government Investments	227	2.84	0.91
Transparency of Investment Disclosures	227	3.12	0.88
Consistent Application of IPSAS Guidelines	227	2.76	0.95
Clarity of Investment Information	227	3.48	0.82
Reduction in Investment Misreporting and Errors	227	3.61	0.79
Staff Capacity and Competence	227	3.05	0.87
Strength of Internal Control Systems	227	3.22	0.84
Financial Policies and Guidelines	227	3.30	0.81
Quality & Transparency of Investment Reporting	227	3.36	0.76
Effectiveness of IPSAS-Based Investment Reporting	227	3.41	0.74

Source: Fieldwork, 2025.

The descriptive statistics reveal moderate to high perceptions of IPSAS adoption and its influence on investment reporting in Nasarawa State. The mean score for at 3.48 indicates that respondents generally agree that IPSAS-based financial statements provide clearer information on government investments. Similarly, with a mean of 3.61, suggests that respondents perceive a notable reduction in misreporting and errors following IPSAS adoption.Conversely, it recorded relatively lower mean values of 2.84 and 2.76 respectively. These results support your regression findings, which showed significant negative relationships for these variables, implying transitional challenges such as inadequate technical capacity and difficulties associated with the shift from cash-based to accrual accounting.

For institutional variables, all recorded mean values above 3.00, indicating a moderate level of institutional readiness for IPSAS implementation. This aligns with the regression results showing that these factors significantly enhance the effectiveness of IPSAS-based investment reporting.The descriptive statistics suggest that while IPSAS adoption has improved clarity, disclosure, and error reduction in investment reporting, challenges remain in achieving consistent application and full accuracy. These findings reinforce the need for targeted training, strengthened internal controls, and improved financial policies to maximize the benefits of IPSAS adoption in Nasarawa State.

Regression Analysis

The regression analysis examined the relationship between IPSAS adoption and investment reporting in Nasarawa State.

Hypothesis one

Table 2:
IPSASadoptionand quality and transparency of investment reporting

DV: INVESTMENT REPORTING	Estimate	S.E.	C.R.	P
IPSAS_ADOPTION_1	-.135	.058	-2.328	.020
IPSAS_ADOPTION_2	.112	.075	1.493	.136
IPSAS_ADOPTION_3	-.189	.062	-3.048	.002
IPSAS_ADOPTION_4	.223	.066	3.379	.001
IPSAS_ADOPTION_5	.278	.079	3.521	.000

Source: Fieldwork, 2025

The findings in Table 1 indicate that the adoption of IPSAS has a varied impact on investment reporting in Nasarawa State. Specifically, IPSAS_ADOPTION_1, which reflects the improvement in the accuracy of reported government investments, has a significant negative relationship with investment reporting quality (estimate = -.135, p = .020). This suggests that while the adoption of IPSAS aims to enhance accuracy, the initial implementation may introduce complexities or errors due to the transition from cash-based to accrual-based accounting or inadequate staff capacity (Zibaghafa& Chukwu, 2024; Aboukhadeer, Azam &Albattat, 2023). Similarly, IPSAS_ADOPTION_3, which represents the consistent application of IPSAS guidelines in the recognition and reporting of government investments, also shows a significant negative effect (estimate = -.189, p = .002), implying that adherence to IPSAS principles may face practical challenges that temporarily hinder reporting quality during the early stages of adoption.

In contrast, IPSAS_ADOPTION_4, which measures the extent to which financial statements prepared under IPSAS provide clearer information about government investment sources, exhibits a strong positive and significant effect (estimate = .223, p = .001). Likewise, IPSAS_ADOPTION_5, representing the reduction in investment misreporting and errors due to IPSAS adoption, shows a significant positive effect (estimate = .278, p = .000). These results suggest that certain aspects of IPSAS adoption, such as improved disclosure frameworks, structured reporting formats, and rigorous error-checking mechanisms, significantly enhance the transparency, reliability, and overall quality of investment reporting. These findings align with previous studies by Enyinna, Eke, and Ajabor (2023) and John, Ofem, Ajayi, and Nwankwo (2023), who reported that IPSAS adoption improves faithful representation, comparability, and accountability in Nigerian public sector financial reporting.

IPSAS_ADOPTION_2, which captures the impact of IPSAS adoption on the transparency of investment disclosures, is positive but statistically insignificant (estimate = .112, p = .136). This indicates that while IPSAS adoption has the potential to enhance transparency, its effect may be limited by factors such as inconsistent implementation across departments, weak institutional support, or insufficient technical expertise. Gkouma and Filos (2022) note that inconsistent adoption and transitional challenges are common during the initial implementation of IPSAS, particularly in public sector entities, which can temporarily constrain improvements in transparency and reporting quality.

From an accounting perspective, these findings have important implications. The negative effects observed for IPSAS_ADOPTION_1 and IPSAS_ADOPTION_3 suggest the need for comprehensive capacity-building programs, training, and institutional support to ensure

accurate recognition and reporting of investments. The positive effects of IPSAS_ADOPTION_4 and IPSAS_ADOPTION_5 demonstrate that when properly implemented, IPSAS improves the clarity of investment information and reduces misreporting, thereby enhancing decision-making, fiscal accountability, and stakeholder confidence (Aboukhadeer, Azam &Albattat, 2023; Doutorado, Mestrado&Doutor, 2022). Overall, the study indicates that the adoption of IPSAS in Nasarawa State has significant potential to improve the quality and transparency of investment reporting, but realizing these benefits requires targeted interventions to overcome technical and institutional challenges.

The negative coefficients associated with IPSAS_ADOPTION_1 and IPSAS_ADOPTION_3 reflect transitional implementation challenges rather than inherent deficiencies of IPSAS. Similar short-term disruptions have been documented in developing country contexts where accrual-based standards are introduced without adequate technical readiness.

Table 3:
Technical factors and effectiveness of IPSAS-based investment reporting

DV: INVESTMENT REPORTING EFFECTIVENESS	Estimate	S.E.	C.R.	P
STAFF_CAPACITY	.248	.071	3.493	.000
INTERNAL_CONTROLS	.196	.065	3.015	.003
FINANCIAL_POLICIES	.211	.068	3.103	.002

Source: Fieldwork, 2025

The results in Table 2 indicate that institutional and technical factors, namely staff capacity, internal controls, and financial policies, significantly influence the effectiveness of IPSAS-based investment reporting in Nasarawa State. Staff capacity shows a positive and statistically significant relationship with investment reporting effectiveness (estimate = .248, p = .000), suggesting that the knowledge, skills, and competence of accounting personnel play a crucial role in accurately applying IPSAS principles. This finding aligns with previous studies emphasizing that adequate training and professional expertise are critical for the successful implementation of IPSAS and the production of high-quality financial information (Zibaghafa& Chukwu, 2024; Aboukhadeer, Azam &Albattat, 2023).

Internal controls also exhibit a significant positive effect (estimate = .196, p = .003), indicating that robust governance mechanisms, audit trails, and oversight procedures enhance the reliability, accuracy, and transparency of investment reporting under IPSAS. Strong internal controls help to minimize errors, prevent misreporting, and ensure that all financial transactions are recorded in accordance with established accounting standards (Doutorado, Mestrado&Doutor, 2022).

Similarly, financial policies demonstrate a significant positive relationship with investment reporting effectiveness (estimate = .211, p = .002). This suggests that well-defined policies, procedures, and reporting frameworks are essential in guiding the consistent recognition, measurement, and disclosure of government investments. Clear financial policies support compliance with IPSAS requirements, facilitate comparability across reporting periods, and enhance stakeholder confidence in the accuracy of investment information (Enyinna, Eke &Ajabor, 2023).

From an accounting perspective, these findings highlight the critical role of institutional and technical readiness in achieving the full benefits of IPSAS adoption. Effective investment reporting is not solely a function of adopting IPSAS but also depends on the capacity of

personnel, the strength of internal controls, and the clarity of financial policies. Together, these factors ensure that IPSAS-based financial statements provide reliable, transparent, and decision-useful information for policymakers, oversight agencies, and development partners. Therefore, policymakers in Nasarawa State should prioritize targeted training programs, strengthen internal control systems, and review financial policies to enhance the effectiveness of IPSAS-based investment reporting.

5.0 Conclusion and Recommendations

This study examined the effect of IPSAS adoption on investment reporting in Nasarawa State, focusing on both the quality and transparency of reported government investments. The findings indicate that IPSAS adoption has a mixed impact on investment reporting. Certain aspects of adoption, such as enhanced clarity of investment sources and reduced misreporting, significantly improve the accuracy, reliability, and transparency of investment reporting. However, other aspects, including the consistent application of IPSAS guidelines and the initial improvement in reported investment accuracy, revealed challenges that may be attributed to limited staff capacity, transitional complexities, and varying institutional readiness. Additionally, the study revealed that institutional and technical factorsnamely staff capacity, internal controls, and financial policiesplay a significant role in determining the effectiveness of IPSAS-based investment reporting. Overall, the study confirms that IPSAS adoption has the potential to enhance investment reporting in Nasarawa State, provided that technical and institutional challenges are adequately addressed.

i. Based on these findings, the study recommends that government agencies in Nasarawa State prioritize comprehensive training and capacity-building programs for accounting staff to ensure accurate and consistent application of IPSAS principles in investment reporting.

ii. Strengthening internal control mechanisms is also crucial to minimize errors, enhance accountability, and improve the reliability of investment information.

iii. The state government should implement clear and comprehensive financial policies that guide the recognition, measurement, and disclosure of investments, thereby enhancing comparability across reporting periods.

v. Furthermore, a phased and monitored approach to IPSAS adoption is recommended to address transitional challenges effectively and allow for continuous improvement.

iv. Finally, the government should ensure the provision of adequate resources, including modern accounting systems and technical support, to facilitate the smooth implementation of IPSAS and improve the overall transparency and quality of investment reporting in Nasarawa State.

Study Limitations

This study is limited by its cross-sectional design, focus on a single state, and reliance on self-reported data, which may be subject to response bias.

Directions for Future Research

Future studies should adopt longitudinal designs, conduct comparative analyses across states, and incorporate secondary financial statement data to provide deeper insights into IPSAS-based investment reporting.

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