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TRIALABILITY AND OBSERVABILITY OF ACCRUAL BASIS INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS IMPLEMENTATION IN NIGERIA

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Abstract
The study examined the effect of trialability and observability of IPSAS on accrual basis IPSASIMPL in Nigeria. 656 accounting staff of all the 29 Federal Government ministries in Abuja constitute the population of the study. The sample size of 242 was arrived at using Krejcie and Morgan table for Determining Sample Size from a Given Population. The sampling technique adopted for the study was proportionate stratified random sampling techniques. Closed ended Questionnaires were used in collecting the data for this study. The data collected was analyzed using binary logistic regression techniques with the aid of STATA 13 Software. The study revealed that Trialability (TRIALA) and Observability (OBSERV) were negative and significantly related to accrual basis IPSASIMPL in Nigeria. It was therefore concluded that TRIALA and OBSERV have negative effect on accrual basis IPSASIMPL in Nigeria. The study recommends for an increased consideration of the visibility and benefits of IPSAS on one hand and its testing capability and suitability on the other hand in order to facilitate the implementation process of accrual basis IPSAS in Nigeria.

Keywords: Federal Government Ministries, IPSASIMPL, Nigeria, Observability, Trialability
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1. Introduction
In 2010, Nigerian government made a pronouncement for the adoption/implementation of IPSAS in Nigeria (Ahmed, 2017). Since then, some ministries are yet to fully adopt the standard due to the fact that there have been some issues concerning the visibility and communicability of the result/benefit of adopting the standard to potential adopters on one hand; and testability, suitability and
trialability of the standard before the adoption on the other hand. Scholars are of the view that any system that is visible and can easily be communicated to others is more likely to be accepted and adopted (Dunk, 1989; Rogers, 1995, 2003). Likewise, a proposed standard that can be tested on a trial basis in order to test its suitability before they are adopted are used more quickly. According to the previous literatures in this field, the adoption of IPSAS is considered to be an accounting innovation (Ezzamel et al., 2014; Liguori & Steccolini, 2014). An innovation is a new idea whether invented or discovered, and may comprise a mixture of old ideas. The concept of what is new is seen generally as relative to the subject organization, situation or individual (Dunk, 1989). In the words of Rogers (1995), innovation is an idea, object, or practice viewed by individuals or other organizations as new. Rogers (2003) specified five characteristics of innovations that are perceived by the members of the social system to highly determine its rate of adoption, and defined the relationship between these attributes to rate of adoption in his theory. The five characteristics of innovations specified by Rogers were relative advantage, compatibility, complexity/ease of use/simplicity, trialability and observability.

A number of studies have documented trialability as one of the most significant variables influencing new product/service adoption (Hsbollah & Idris, 2009; Wang, 2014). Numerous research findings have confirmed that trialability has a positive effect on the e-commerce of small and medium enterprises (Seyal & Rahman, 2003), Internet banking (Ndubisi & Sinti, 2006), and E-learning (Hsbollah & Idris, 2009) adoption decisions. However, other findings in the literature contradict previous research results, which have found a negative relationship (Chong & Pervan, 2007; Hernandez & Mazzon, 2007) or a non-significant relationship between perceived trialability and intention (Alam et al., 2007; Lin et al., 2007; Peter et al., 2012). The mixed results of previous research on the relationship between trialability and adoption decisions and the effects of trialability remain a compelling and unresolved issue. To resolve the issues regarding the role of trialability in developing an effective product development/communication program, it is imperative for market operators to better grasp the cause of trialability effects.

Many studies have been conducted in other countries geared towards providing empirical evidence on how observability affects adoption decision of a new idea (Pankratz et al., 2002; Rogers, 2003; Scott et al., 2008; Sanni et al., 2013; Duan et al., 2010). Based on the above arguments and paucity of researches in this area especially in Nigeria, motivate the researchers of the present study made use of
trialability and observability as study variables and attempt to fill the Gap identified.

The main objective of this study is to investigate the effect of trialability and observability of IPSAS on IPSAS implementation in Federal Government ministries in Nigeria. However, the specific objectives of this study are to:

(i) investigate the effect of trialability of IPSAS on Accrual Basis IPSAS implementation in Federal Government ministries in Nigeria.

(ii) examine the effect of observability of IPSAS on Accrual Basis IPSAS implementation in Federal Government ministries in Nigeria.

In an attempt to find solutions to the issues raised, this research study seeks to provide answers to the following questions;

(i). How does trialability of IPSAS affect Accrual Basis IPSAS implementation in Federal Government ministries in Nigeria?

(ii). What is the effect of observability of IPSAS on Accrual Basis IPSAS implementation in Federal Government ministries in Nigeria?

Based on the objectives of the study, the following hypothetical statements were formulated in the course of the research.

(i). \( H_01: \) There is no significant positive relationship between trialability of IPSAS and IPSAS implementation in Federal Government ministries in Nigeria

(ii). \( H_02: \) There is no significant positive relationship between observability of IPSAS and IPSAS implementation in Federal Government ministries in Nigeria.

The research will be of great significance to stakeholders in the educational sector and other academic researchers in proving the correctness or otherwise of previous researches conducted in the same area and it would give them room to conduct further research on the subject matter. This study provides useful and timely information to the policy makers in order to better understand the attributes valued/perceived to be important by the stakeholders in IPSASs implementation decisions in Nigeria.

The remaining sections of the paper are as follows: Literature review and Theoretical framework is covered in section 2.0 and Methodology of the study in
Section 3.0, Section 4.0 Results and Discussions while Conclusions and Recommendations are presented in section 5.0

2.0 Literature Review and Theoretical Framework

This section discusses the conceptual issues on IPSAS, trialability and observability, empirical review of the relevant literature on the subject matter and the theoretical framework.

Concept of IPSAS

According to IFAC-IPSASB (2014), IPSASs are high quality global financial reporting standards for application by Public Sector entities other than Government Business Enterprises (GBEs). International Public Sector Accounting Standards (IPSASs) the new accounting and reporting systems, are a set of high quality and independently developed accounting standards aimed at meeting the financial reporting needs of the Public Sector (Aliyu, 2014). The standards are issued by IPSASB based on International Financial Reporting Standards (IFRSs) with changes appropriate to public sector issues. The majority of IPSASs use Full accrual based accounting, which recognizes full assets, liabilities, net assets/equity, revenue and expenses regardless of when the cash or cash equivalents are received or paid. The IPSASs set out requirements of recognition, measurement, presentation and disclosure of financial transactions and events in general purpose financial statements of all public sector entities (IFAC-IPSASB, 2014). When accrual basis of accounting underlies the preparation of the financial statement, such statements will include the statement of financial position, the statement of financial performance, the cash flow statement and the statement of changes in net assets/equity. When cash basis of accounting underlies the preparation of the financial statements, the primary financial statement is the statement of cash receipts and payments. Accrual based accounting based on IPSAS standards require that the public finance management and accounting of the country is developed enough to pave way for implementation.

The implementation of IPSASs would require a migration from the cash to accrual accounting. IPSASs provide a shift in focus from cash inputs, to outputs and outcomes, and thereby stimulate better management efficiencies. The transition seeks to facilitate the availability of accurate and more comprehensive information and the rendering of quality services, improved internal controls, increased transparency, and consistency and comparability of financial statements (Aggestam, 2010).
Cash Basis IPSAS

This is a comprehensive IPSAS on financial reporting under the cash basis. It establishes requirements for the preparation and presentation of a statement of Cash Receipts and Payments, as well as notes to support accounting policy. It also encourages disclosures to enhance the cash basis report. Governments of different countries are free to adopt accrual based IPSASs directly or through the adoption of cash based IPSAS as a way forward in order to implement accrual accounting. Cash basis accounting means a basis of accounting that recognizes transactions and other events only when cash is received or paid (Schaik, 2014).

Similarly, Aliyu (2007) documented that the basic features of cash basis accounting is that revenues are recognized only when cash is received and expenses recorded only when cash is paid out irrespective of the accounting period when the benefits are received or when the services are rendered. This simply means that revenues and expenses are recorded in the books of account when received or paid for without regard to the period to which they apply. Cited among the advantages of cash bases of accounting are its simplicity, clarity and focus on disbursement of money, as well as its consistency with the importance attached to cash movement in and out of the government sector as an influence on the economy as a whole. However, the disadvantages of cash basis accounting do not make allowance for the usage of assets, and stock held at period ends, it produces an imperfect measures of economic cost, it does not reveal an accurate picture of the state of affairs at the end of the period; and it is not good for decision making concerning cost, efficiency and resources usage. Additionally, cash basis of accounting has been identified as the major cause for the unnecessary operational rush at the end of a financial year to carry out procurement transactions and process payments (Aliyu, 2007). Governments in developing countries usually adopt the cash-basis IPSAS as a stepping- stone towards the adoption of the accrual-basis IPSASs (Schaik, 2014; Nongo, 2014). The primary statement under the cash-basis IPSAS is the statement of cash receipts and payments. By adopting the cash-basis IPSAS and following the IPSASB’s encouragement to prepare the statement of cash receipts and payments in the format of a cash flow statement, governments effectively comply with IPSAS 2 Cash Flow Statements, a standard from the accrual suite of IPSAS standards (Schaik, 2014).

The cash-basis IPSAS comprises two parts. The first part, which is mandatory, sets out the requirements that must be complied with by entity which claim to be reporting in accordance with the cash-basis IPSAS. The second part of the standard, which is optional identifies additional accounting policies and disclosures that an
entity is encouraged to adopt in order to enhance its financial accountability and the transparency of its financial statements. This second part also includes explanations of alternative methods of presenting certain information (IFAC-IPSASB, 2007). According to the IFAC-IPSASB (2007), cash-basis IPSAS part 1, an entity should prepare and present general purpose financial statements which include the following components: (i) Statement of cash receipts and payments, which recognizes all cash receipts, cash payments and cash balances controlled by the entity and separately identifies payments made by third parties on behalf of the entity, (ii) Accounting policies and explanatory notes, and (iii) Comparison of the government’s publicly available budget and actual amounts (budget execution statement) and explanations of differences between budget and actual

**Accrual Basis IPSAs**
Zarandi et al., (2013) described accounting methods or basis as a type of accounting system or policy operated in entities for keeping track of income and expenses. The two main methods employed are the cash basis method and the accrual basis method. Cash basis of accounting has been the main accounting system in the public sector of many countries for many years (IFAC, IPSASB, 2007). In this type of system, revenue is not recorded until they are actually received, and expenses are recognized in the accounting records when they are actually paid (IFAC, IPSASB, 2007).

The accrual basis is a basis of accounting under which transactions and other events consisting assets, liabilities, net assets/equity, revenue and expenses are recognized when they occur irrespective of whether or not cash or its equivalent is received or paid (Aliyu, 2007). Under accrual basis, the transactions and events are recorded in the accounting records and recognized in the financial statements of the periods to which they relate (IFAC, IPSASB, 2014). Accrual basis is the superior method of accounting for the economic resources of an organisation. It results in accounting measurement based on the substance of the transactions and events (Aliyu, 2007). Zarandi et al., (2013) confirmed that accrual basis is superior over the cash basis because the information provided by it, is reliable, comprehensive, comparable and could be used to take well informed decisions.

**Concept of Trialability**
Trialability as a factor promoting the adoptability of an innovation is the opportunity for a potential user to experience using the innovation itself. Such trialability covers opportunities such as test drives, demonstration units, and simulations. The user gets the chance to try the technology without having to fully
commit to purchasing or adopting it. Trials can be great sources of information searched for and needed during the Persuasion and Implementation stages. In particular, trials directly limit or prevent forming inaccurate assumptions about the technology (Rogers, 2003).

**Concept of Observability**

The most critical factor that shapes innovation diffusion is observability. Observability refers to how visible the use of the technology is to those around. For a person to adopt a technology, seeing, hearing about, or otherwise knowing that other individuals are using that technology dramatically encourages adoption. Observing a technology stimulates awareness of the innovation and conversations among one’s peers. Rogers found evidence for the power of observability when he plotted the number of adoptions over time. Adoption of new idea is slow in the beginning as awareness of it is limited. As more and more people use the technology, the public becomes more aware of the technology and thus the rate of adoption increases until the technology is in common use and has reached a saturation point where at this point, the number of adoptions drops off as there are fewer and fewer new adopters are available (Rogers, 2003).

**Review of Relevant Empirical Studies**

**Trialability and Accrual basis IPSAS implementation**

Trialability refers to the extent to which an innovation can be experimented. It is expected that innovations that can be tried or experimented before they are adopted are used more quickly. In the context of the present study, trialability is considered as the degree to which a proposed standard is tested on a trial basis in order to test its suitability. According to Pankratz et al. (2002), trialability is a difficult construct to measure and does not produce any significant association with the principles of effectiveness. Studies indicated that prior experience with technological innovations might increase the likelihood of future adoption (Hausman & Stock, 2003). Findings from Gardner and Amoroso (2004) showed the importance of experience (trialability) of using the Internet as a variable affecting the perceived usefulness of the Internet. Another empirical study revealed that trialability of Integrated Pest Management (IPM) Practices was positively and significantly related to its adoption in Iran (Ghane et al., 2011). In a related study conducted in Malaysia, Sanni et al., (2013), reported that trialability was positively and significantly related with the rate of adoption of e-journal among Malaysian journal publishers. Hsbollah and Kamil, (2009) measured the influence of trialability on e-
learning adoption decision and revealed that trialability is positively related to the adoption of e-learning. This is similar to what has been found by Martins et al. (2004), where trialability was the most significant variable towards influencing the internet adoption as a teaching tool at foreign language schools. The finding of Bennett and Bennett, (2003) suggests that lecturers need to be given the opportunity to pre-test the technology prior to implementation.

However, other findings in the literature contradict previous research results, which have found a negative relationship (Chong & Pervan, 2007; Hernandez & Mazzon, 2007) or a non-significant relationship between perceived trialability and intention (Alam et al., 2007; Lin et al., 2007; Peter et al., 2012). Another interesting finding of Scott et al., (2008) is that years of experience of the physicians were found to be negatively associated with the frequency of use of the Canadian Heart Health Kit (HHK). This finding perhaps suggests that older physicians are less open to adopting new ideas (Scott et al., 2008).

**Observability and Accrual basis IPSAS implementation**

Observability is the degree to which “the results of an innovation are visible to others. The easier it is for individual to observe the results of an innovation, the more likely they are to adopt” (Rogers, 2003). Within the context of this study, observability is considered to be the degree to which the results of adopting the proposed standard are visible and communicable to others. Pankratz et al., (2002) explained that when respondents perceived that members of the social system would notice changes upon implementing the innovation, they were more likely to fully adopt it. But it was observed that though observability has not always been significantly associated with the adoption decision of new idea, prior research has provided some information that observability was an important and significant predictor of adopting the Internet as a teaching tool (Martins et al., 2004). Martins et al. (2004) used Rogers’s theory to determine the factors that influenced teachers in language school to adopt the Internet as a teaching tool and they found that observability and trialability were the two most significant predictors of adoption. The study conducted by Scott et al., (2008) found two of its attributes to be more influential than the others, namely relative advantage and observability, they were positive and significantly associated with physician’s intention to use HHK. An empirical study revealed that observability of IPM Practices was positively and significantly related with its adoption in Iran (Ghane et al., 2011). In a related study conducted in Malaysia, Sanni et al., (2013) reported that observability was positively and significantly related with the rate of adoption of e-journal among Malaysian journal publishers. However, the findings of the study carried out by
Aleg and Panayiotis (2016) revealed that compatibility, triability and observability acted as negative pull factors that hindered the adoption of and implementation of IPSAS compliant financial reports. The result of another study indicates that Perceived e-learning observability have no significant effects on students’ intention to adopt e-learning while Trialability is, however, negatively related to e-learning adoption (Duan et al., 2010).

Theoretical Framework of the study
Grabiel Tarde developed the diffusion theory in 1903 and later Everett Rogers made the theory more popular in 1962 (Kaminski, 2011). Rogers explored the theory in greater in detail in 1962. In the words of Rogers (1995), innovation is an idea, object, or practice viewed by individuals or other organizations as new. Overall the diffusion of innovation is defined as “the process by which an innovation is communicated through certain channels over time among members of the social system” (Rogers, 1995:5)

Rogers (2003) specified five characteristics of innovations that are perceived by the members of the social system to highly determine its rate of adoption, and defined the relationship between these attributes to rate of adoption as follows: -

1) Relative advantage: is the degree to which “the proposed innovation is perceived to work better than the one in practice. It is not so important if the innovation has an objective, but rather if individuals perceive the innovation as advantageous. Advantages can be measured in economic terms: however social stature, convenience, and satisfaction may play a significant role”

Rogers concluded with a generalization (hypothesis) of the construct to the rate of adoption as follows: -

“The relative advantage of an innovation, as perceived by members of a social system, is positively related to its rate of adoption”.

2) Compatibility is the extent of consistency of an innovation with existing organizational ways and the need of the potential users. Innovations consistent with past experiences, values and the need of users diffuse more quickly that those not in line with values and norms of the social system. Rogers hypothesized as follows: -

“The compatibility of an innovation as perceived by members of a social system is positively related to its rate of adoption”
3) Complexity refers to the extent to which innovation is viewed as simple or difficult to adopt and use. Easy and simple to use innovations, which allow for rapid development of skills, are more easily adopted than those perceived as complex and difficult.

Rogers concluded with a generalization (hypothesis) of the construct to the rate of adoption as follows:

“The complexity of an innovation as perceived by members of a social system is negatively related to its rate of adoption”.

If intended users perceive the innovation as simple and easy to use, then the above hypothesis can be restated as follows

“The uncomplex (ease of use) of an innovation as perceived by members of a social system is positively related to its rate of adoption”.

4) Trialability: is the degree to which “an innovation may be experimented with on a limited basis. New ideas that can be tried before the potential adopter has to make a significant investment into the innovation are adopted more quickly”.

Rogers hypothesized as follows:

“The trialability of an innovation as perceived by members of a social system is positively related to its rate of adoption”

5) Observability: is the degree to which “the results of an innovation are visible to others. The easier it is for individual to observe the results of an innovation, the more likely they are to adopt” (Rogers, 2003).

Rogers hypothesized as follows:

“The observability of an innovation as perceived by members of a social system is positively related to its rate of adoption”

The study is underpinned by the theory explained above. The theory provides an evidence of how both the dependent and independent variables intermingled together to explain the implementation of accrual basis IPSASs in Nigeria.
In order to establish the relationship between the dependent variable and independent variables, a proposed research framework for the study was developed based on the theory that underpin the study and review of empirical literature. The review of the empirical literature enables the researcher to identify the independent variables of the study. The independent variables identified are: trial-ability of IPSAS and observability of IPSAS. However, the dependent variable is Accrual Basis IPSAS Implementation.

Consequently, the research framework is depicted in figure 1

3.0 Methodology

The study adopted descriptive survey and correlation research designs. The descriptive survey design focuses on the assessment of the respondents’ perceptions on the attributes important in the IPSASIMPL decisions. The study used correlation design to measure the relationship between the dependent variable and independent variables. The objective of the study is to determine direction and extent of the relationship between the independent and dependent variables. The population of the study consists of 656 accounting staff of 29 federal ministries in Nigeria. The study collected data through the closed questionnaire for (trialability and observability) adopted from (Moore & Benbasat, 1991; Taylor & Todd, 1995; Sarel & Marmorstein, 2003). The questionnaires were administered on the total sample of 242 respondents consisting accountants, internal auditors and budget officers. Out of 242 administered questionnaires, 226 were collected back and only 220 were useable for the analysis.
Logistic regression technique was adopted in analyzing the data and explaining the relationship between the dependent variable IPSASIMPL measured as dichotomous/binary variable (i.e. “1” for implementation and non-implementation “0”); and the independent variables measured using seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree) on the questionnaire items. Descriptive statistics was being employed to give a clear picture of the basic characteristics of the data and correlation was employed to examine the relationship between all pairs of independent variables. The study model is as follows:

\[ \text{Logit} \ IPSASIMPL_i = \beta_0 + \beta_1 \text{Trialability}_i + \beta_2 \text{Observability}_i + e_i \]

Where;

\( \IPSASIMPL_i \) = Accrual Basis International Public Sector Accounting Standards Implementation,
\( \text{Trialability}_i \) = Trialability
\( \text{Observability}_i \) = Observability
\( \beta_0 \) = Intercept,
\( \beta_1, \ldots, \beta_5 \) = Coefficient of the independent variables,
\( e_i \) = Error Term.

4.0 Results and Discussions

In this section, the results are presented and discussed. The presentation starts with descriptive statistics, followed by correlation matrix and lastly logistic regression.

Descriptive Statistics

Section 1 of the questionnaire is for demographic information and Section 2 of the questionnaire asked respondents to indicate on a Likert scale of 1 (strongly disagree) to 7 (strongly agree), the extent to which they consider each of the 10 individual items of trialability and observability attributes to be important in their IPSASIMPL decision. The full results are presented in the appendix. Table 1 presents the summary of the descriptive statistics of the dependent and independent variables.
Table 1: Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>IPSASIMPL</th>
<th>TRIALA</th>
<th>OBSERV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>0.66</td>
<td>6.27</td>
<td>6.55</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.47</td>
<td>0.64</td>
<td>0.67</td>
</tr>
<tr>
<td>Minimum</td>
<td>0</td>
<td>4.71</td>
<td>5</td>
</tr>
<tr>
<td>Maximum</td>
<td>1</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Observations</td>
<td>172</td>
<td>220</td>
<td>220</td>
</tr>
</tbody>
</table>

Source: Output of Summary statistics using STATA software

The results reveal that the average IPSASIMPL is 0.66 and the standard deviation is 0.47. Since the variable is binary, the minimum and maximum are 0 and 1 respectively. This indicates that there is no much difference between the mean and standard deviation which shows that most of the observation is clustered at the center. TRIALA averages 6.27 and the standard deviation is 0.64 and lying between 4.71 and 7. The mean value of the OBSERV variable is 6.55, having standard deviation, minimum and maximum of 0.67, 5 and 7 respectively. It is worth noting that the mean of all independent variables have wide differences with their respective standard deviation. This attests to the fact that responses regarding the importance of these variables in explaining IPSAS implementation differs significantly across the respondents as well as the Federal Government Ministries. The wide disparity between the mean and the standard deviation indicates that the data may not be normally distributed, which will pose valid questions on the reliability of the result. This study goes ahead to perform goodness of fit test and the result is presented alongside the regression result. Overall, the summary statistics reveals the basic characteristics of the data. However, it does not yield itself to drawing inferences and hence making valid conclusions. This necessitates the use of logistic regression which is presented later.

The correlation matrix is presented in Table 2. The full result is contained in the appendix.

Table 2: Correlation Matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>IPSASIMPL</th>
<th>TRIALA</th>
<th>OBSERV</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPSASIMPL</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TRIALA</td>
<td>-0.1979</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>OBSERV</td>
<td>-0.2377</td>
<td>0.1740</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Source: Output of Summary statistics using STATA software
Table 2 is the correlation matrix table. The correlation matrix explains the relationship among all pairs of variables in a study. It is useful in explaining the compatibility of independent variables in a regression model. High correlations between independent variables (above 0.80) according to Gujarati (2004) mean excessive relationships and could distort and inflate standard errors leading to spurious result. Though, there is the need for advance tests of multicollinearity such as the Variance Inflation Factor (VIF), the Pearson correlation is often used as an alternative test of exact correlations.

The result further indicates that all the two variables i.e. TRIALA and OBSERV have negative correlation or inverse relationship with IPSASIMPL. This implies that these variables move in the opposite direction with IPSASIMPL. On the contrary, the two independent/explanatory variables i.e. TRIALA and OBSERV are positively related to each other. This is an unexpected result because the ministries expected to be given a trial period for testing and experimenting the standard before adopting it but provision for such has not been made by the standard setters. Again, staffs are expected to have experience on the standard before the implementation that will boost their morale and ability to apply it more effectively. They are also expected to consider the visibility, communicability and the changes that may be notice by the members of the social system after adopting IPSAS. On the other hand, those institutions that have difficulty in observing the benefits of the standard and less experienced and qualified staff to man the IPSASIMPL process, they will be unable to convey the merits of innovation (IPSASs) to the government and it can lead to later implementation difficulties.

The summary of the logistic regression output is given in Table 3. The full results are contained in the appendix.

**Table 3: Summary of Logistic Regression Result**

| Variable | Coefficient | Std. Error | Z     | Prob.>|z| |
|----------|-------------|------------|-------|-------|
| Constant | 10.4619     | 2.8020     | 3.73  | 0.000 |
| TRIALA   | -0.6369     | 0.3050     | -2.09 | 0.037 |
| OBSERV   | -0.8587     | 0.3256     | -2.64 | 0.008 |
| R²       | 0.0729      |            |       |       |
| LR chi² (5) | 15.93   |            |       |       |
| Prob     | 0.0003      |            |       |       |

*Source: Summary of Regression Result using STATA software*
The estimated regression model is expressed thus:

\[ \text{Logit } \text{IPSASIMPL}_i = 10.46 - 0.64\text{TRIALA}_i - 0.86\text{OBSERV}_i + e_i \]

From the regression result on table 3, TRIALA has a coefficient of -0.6369 with a z-value of -2.90 which is significant at 5%. This implies that the IPSASIMPL rate or chance decreases at 0.64% as a result of 1% increase in TRIALA. A negative linear relationship exists between IPSASIMPL and OBSERV which is significant at 1% level of significance. This also implies that 1% increase in OBSERV led to 0.86% decrease in IPSASIMPL while holding other predictors in the model constant. Based on the logistic regression result, the two hypotheses stated earlier were accepted because the result of the study indicates that there is no positive and significant relationship between trialability and observability and accrual basis IPSASIMPL in the Nigerian Federal Government Ministries.

This finding is unexpected owing to the fact that it is not in line with and does not support the theory underpinning the study. It is therefore, a pointer to the fact that Ministries lacks prior experience with IPSAS innovations and cannot observe its benefits which might reduce the likelihood of its future adoption. The findings of this study contradict the result of the similar/related studies conducted by Ghane et al., (2011), Sanni et al., (2013), Hsbollah and Kamil, (2009), Martins et al. (2004) to investigate the effect of trialability and observability on rate of adoption of new ideas/innovations and all the studies empirically documents positive and significant relationship between trialability and the rate of adoption of the innovation. However, the findings of the study support the findings of Chong and Pervan, (2007), Hernandez and Mazzon, (2007), Scott et al., (2008), Duan et al., (2010), Aleg and Panayiotis (2016) which provided evidence of negative interaction between Adoption of a new system and its trialability and observability. The present study also contradicts the findings of Alam et al., (2007), Lin et al., (2007), Peter et al., (2012), Duan et al., (2010) which reported a non-significant relationship between perceived trialability and observability, and intention to adopt a new system.

The table also reveals that the overall coefficient of determination \((R^2)\) is 7.29% which implies that all the independent variables provide an explanation about the changes in the IPSASIMPL decisions. The even noisy and variability of data could be the reasons for the low \(R^2\) in this study. In order to boost the value of \(R^2\), additional input variable(s) is (are) required to be added to the model. The LR Chi2 of 15.93 signifies that the overall model is significant at 1% level of significance.
Hence the model could be used for IPSASIMPL decisions in 2022. This further indicates that there is a linear relationship between the dependent and independent variables used in the regression model.

5.0 Conclusion and Recommendations
This study examined the effect of trialability and observability on IPSASIMPL decision in Nigeria. From the foregoing analysis and findings reported, a conclusion with respect to IPSASIMPL may be drawn. All the two independent variables (TRIALA and OBSERV) have inversely/indirect effect on IPSASIMPL in Federal Government Ministries in Nigeria.

Based on the conclusions, the study suggests that the policy-setters may be able to consider TRIALA and also consider the OBSERV of IPSAS when taking a decision to implement/adopt a new standard i.e. IPSAS. Also the study recommends for an increased consideration of the visibility and benefits of IPSAS on one hand and its testing capability and suitability on the other hand in order to facilitate the implementation process of accrual basis IPSAS in Federal Government Ministries in Nigeria.

A limitation of this study is that it focuses on the perceptions of Federal Government Ministries’ accountants, internal auditors and budget officers only. This limits the generalizability of the findings. Although these officers are the major participants in IPSASIMPL decisions in Nigeria, the perceptions of other stakeholders or observers of IPSASIMPL might report different perceptions on important attributes of IPSAS Implementation in Nigeria. Also, Federal Government Ministries are just one organ of government. This organ has the benefit for this study and hence allowed the examination of IPSASIMPL decisions in Nigeria.

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