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EFFECT OF FINANCIAL REPORTING QUALITY ON ACCOUNTABILITY IN ADAMAWA STATE ACCOUNTANT GENERAL OFFICE

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ABSTRACT

This study examined the impact of effective financial reporting proxied by faithful representation and relevance on accountability in the office of the accountant general of Adamawa State. The study was conducted in 2019 by administering one hundred and ten (110) questionnaires to the staff of accountant general's office in Adamawa State. Descriptive statistics, correlation, and multiple regression were applied in analysing the data collected. The study found that relevance (REL) has an insignificant positive effect on the accountability of office of the Accountant General Adamawa State. On the other hand, faithful representation (FR) has a significant positive effect on accountability of office of the Accountant General Adamawa State. The study also concluded that effective financial reporting proxied by faithful representation positively and significantly affected accountability in the office of accountant general of Adamawa State. This study recommended that effective financial reporting be encouraged through relevance and faithful representation in financial reporting in the accountant general's office in Adamawa State.

Keywords: Financial Reporting Quality; Faithful Representation; Relevance; Accountant General; Adamawa State.

1. INTRODUCTION

Due to rising issues with accounting standard convergence, accounting standard harmonization, economic instability, growth in disclosure requirements, stagnation in business growth and other related factors, these issues have compelled the stakeholders to focus more attention on financial reporting. Financial reporting can be considered as the basis through which the activities of enterprises and organization within these sectors are brought to the knowledge of the stakeholders. International Accounting Standards Board (2013) described financial reporting as a process of communicating financial statements and its related information from a venture to its stakeholders. Soyinka, Fagbayimu, Adegoroye, and Ogunmola (2017) affirmed that financial reporting is the process of communicating financial information to various users of accounting information in order to enable the parties involved to make investment and informed decisions, obtaining credit facilities, and other financing decisions. Financial Reporting involves the disclosure of financial information to the various stakeholders about the financial performance and financial position of the organization over a specified period of time. These stakeholders include: investors, creditors, public, debt providers, governments & government agencies.

Herath and Albarqi (2017) stated that financial reporting quality is a broad concept that includes both financial information and other non-financial information that is useful for making decisions which influence the quality of financial reporting and how this quality could be assessed and measured. According to the Financial Accounting Standards Board (FASB), the International Accounting Standards Board (IASB), the Accounting Standard Board in the United Kingdom (ASB) (UK), and the Australia Accounting Standard Board (AASB), financial reporting quality represents financial statements that provide accurate and fair information about financial position and economic performance of an entity. Kaplan (2014) affirms that financial reporting quality refers to the characteristics of a firm's financial statements. The criterion for judging this is the adherence to generally accepted accounting principles (GAAP) in the jurisdiction in which the firm or the organization operates. However, given that GAAP provide choices of methods, estimates and specific treatment of main items, compliance with GAAP by itself does not necessarily result in financial reporting of the highest quality.

International Accounting Standards Board, 2008 as cited in Soyinka, Fagbayimu, Adegoroye, and Ogunmola (2017) define financial reporting quality in terms of the fundamental and enhancing qualitative characteristics underlying decision usefulness as defined in the exposure draft (ED). The fundamental qualitative characteristics (i.e., relevance and faithful representation) are most important and determine the content of financial reporting information. The enhancing qualitative characteristics (i.e., understandability, comparability, variability and timeliness) can improve decision usefulness when the fundamental qualitative characteristics are established.

For the purpose of this study, researcher engaged the fundamental qualitative characteristics which include relevance and faithful representation as the proxy for independent variable, because these proxies are regarded as the most important financial reporting proxies. Relevance, this is the ability to influence the decisions of users. Perera and Thrikawala (2010) posit that relevant accounting information is that which enables users to make better decisions, increase their knowledge and place them in the capacity to predict future actions. This means that public or private sector is required to prepare financial report that will enable users to make better decision. Reliability; represents faithfully the transactions and events it purports to represent, faithful representation is attained when “the depiction of the economic phenomenon is complete, neutral and free from material error” (IASB 2013).

Basri and Nabiha, (2014) state that financial reporting as a process plays a veritable role in achieving absolute accountability for easy assessment of the performance of an organization. Public accountability is said to be an essential component for the functioning of our political system. It means doing things transparently in line with due process and the provision of feedback. Onyinyechi and Okafor (2016) describe accountability as a fundamental value for any system. Citizens should have the right to know what actions have been taken in their name, and they should have the means to force corrective actions when government acts in an illegal, immoral, or unjust manner. Onyinyechi and Okafor (2016) further affirm that accountability is also important for government, because it will supply government with the necessary means to enable the government to understand how programs may fail and proffers possible ways that can make programmes perform better.

The domain of this study is Adamawa state accountant general office which is a public sector, public sector is very fundamental to the overall development of the economy. Izedonmi and Ibadin (2013), affirm that public sector in Nigeria consists of: The Federal Government such as its ministries, departments and agencies like Central Bank of Nigeria (CBN), Independent National Electoral Commission (INEC) and Nigeria Ports Authority (NPA), the state government represented by its ministries, departments and its agencies and the local governments. These levels of government require suitable arrangements for public sector accounting that will provide sound public-sector accounting that will rely on an articulated best practice to restore confidence of the populace in governance. Kara (2012) opines that the public sector consists of entities or organizations that implement public policy through the provision of services and the redistribution of income and wealth, with both activities supported mainly by compulsory tax or levies on other sectors. This comprises governments and all publicly owned, controlled and or publicly funded agencies, enterprises, and other entities of government that deliver public programs, goods, or services.

Okere, Eluyela, Bassey, and Ajetunmobi (2017) stressed that public sector accounting and financial reporting is aimed at providing useful financial information to the users of the information. Information should possess certain attributes in order to be useful for decision making such as relevance, reliability, comparability, faithful representation, timeliness and understandability.

Subsequent upon catastrophic collapse of Enron Corporation (an American company) in 2001, the situation which eventually resulted into the dissolution of Arthur Andersen, which was considered hitherto one of the "Big five", audit and accountancy partnerships in the world, Osiorenoya (2017) describes the actions of Andersen as very disgracing and act of unprofessionalism and described Enron as an unserious organization, because of their inconsistency in reporting and poorly structured accounting standard. In 2002 just after one year of the Enron saga, another American company operating in telecommunication industry by name WorldCom also eventually collapsed and got out of business, despite WorldCom's over US$107 billion in assets. And other related accounting frauds have weakened the investors' confidence in the quality of financial reporting globally.

Many developing countries, particularly in Sub-Saharan Africa, are involved in massive corruption, poverty and high level of non-transparent in the conduct of government business. For instance, Transparency International (2015) ranked Nigeria 136 out of 175 countries on corruption perception index based on their perception of public sector transparency and accountability. Poor budget implementation and lack of accountability in the Nigerian public sector are identified as contributory factors (Ibanuchuka & Oyadonghan, 2014).

In the Nigerian context, the public sector was faced with its peculiarities as regards the quality of financial reporting which had been vividly discussed in this study. However, both financial reporting and accountability stand to lose their essence if they are based on outdated and unwholesome accounting procedures and practices that inhibit complete and accurate recording and measurement of government resource inputs and the resultant outputs. This could be caused as a result of wrong application or adoption of financial reporting quality. This paper examines the effects of financial reporting quality on accountability in Adamawa state accountant general office.

The main objective of this study is to examine the effects of financial reporting quality on accountability in Adamawa state accountant general office. The followings are the specific objectives: (i) to evaluate the effects of relevance on accountability in Adamawa state accountant general's office; (ii) to determine the effects of faithful representation on accountability in Adamawa state accountant general's office.

2. LITERATURE REVIEW

Conceptual Review

Financial Reporting

Financial reporting is the process of communicating the financial activities of an entity to the interested users for decision making. Williams, Haka, Bettner and Carcello, (2012) define financial reporting as a lens to see the whole business. Drake and Fabozzi (2012) see financial reporting as an aggregate presentation of historical and current financial information about a company or public sector. Financial reporting will report financial information about how a company or public sector is performing. Adetoso and Oladejo (2013) refer financial reporting to, as the provision of financial information about an entity to external users that is useful to them in making economic decisions, and for assessing the effectiveness of the entity's management. Typically, this information is made available annually, half yearly or quarterly and is presented in formats laid down or approved by the government and other regulators in each national jurisdiction.

Financial Reporting Quality

Katie (2011) defines financial reporting quality as the precision with which financial reporting conveys information about the firm's operations; in particular its expected cash flows. This definition is consistent with the financial accounting standards board statement of financial accounting concepts No. 8 (2010) which states that one objective of financial reporting, is to inform present and potential investors in assessing the expected firm cash flows. Kaplan (2014) sees financial reporting quality as the characteristics of a firm's financial statements. Okere, Inemesit, Eluyela and Ajetunmobi (2017) contended that the concept of financial reporting quality is wide and subsists of financial and non-financial information disclosure which is paramount for decision making. Financial reports should ascertain some qualitative criteria to prevent poor quality of information. The quality of financial reporting has been an issue of interest among regulatory bodies, shareholders, researchers and the accounting profession itself (Hassan, 2013).

Chaudhry, Fuller, Coetsee, Rands, Bakker, De-Vos, Varughese, Longmore McIlwaine and Balasubramanian (2015) stated that the qualitative characteristics consist of fundamental and enhancing characteristics. The fundamental qualities include relevance and faithful representation, while enhancing qualities include comparability, verifiability, timeliness, and understandability. Beyersdoff, Bonham, Chan, Covic, Curtis, Danmola, Davies, Denton, Frykowska, Halloum, Hamilton, Kremp, Lloyd, Luke, Moll, Moore, O'Leary, Pankhurst, Qureshi, Richards, Rogerson, Seah-Tan, Sirocka, Vaidison, Waring, Williams and Zeller (2013) also explain that fundamental and enhancing qualities are the most valuable information for capital providers. The qualities that make accounting information useful have been designated its "qualitative characteristics" These characteristics are the attributes that make information useful to users.

Relevance

Information becomes relevant when it is provided to the users before it loses it stability to influence the decision-making process (Al-dmour, Abbod & Al-dmour 2017). Adetoso and Oladejo (2013) hold that relevant Information influences the economic decisions of users, helping them to evaluate past, present and future events or to confirm or correct their past evaluation. The relevance of information is affected by its nature and materiality. Information is considered to be material if its omission or mis-statement could influence financial Statements. Njoroge (2016) affirms that information is relevant when it has the ability of influencing the decisions of users. If the available information is used to make a decision, that information is considered relevant. This information has the capacity to provide predictive value, feedback value and is also timely. If information available has no impact on the decision-making process, it is irrelevant and therefore has no essence. IASB (2008) define relevance as “the capability of making a difference in the decisions made by the users in their capacity as capital providers”. Reported information therefore is useful only if it relates to the issues that are of prime concern to the users. In other words, Information is relevant if it influences or makes difference in the decision by users.

Beest, Braam, and Boelens (2009) define relevance as the capability “of making a difference in the decisions made by users in their capacity as capital providers” (IASB, 2008). Perera and Trikawala (2009) posits that relevant accounting information is that which enables users to make better decision, increase their knowledge and place them in the capacity to predict future actions. The nature of the intended use of the information, determines the relevance or irrelevance of such information. Piece of information may be useful or relevant to a particular user since he needs it for a particular purpose, the same information may be irrelevant to another user in a different situation.

Faithful Representation

Al-dmour, Abbod, and Al-dmour (2017) stated that faithful representation is the second fundamental qualitative characteristic as elaborated in the exposure draft (ED), it means that all information listed in financial report must be represented faithfully; in order to accomplish this all information and economic phenomena listed in annual reports must be complete, accurate, neutral, and free from bias and errors. Faithful representation is also the concept of reflecting and representing the real economic position of the financial information that has been reported. This concept has the value of explaining how well the obligations and economic resources, including transactions and events, are fully represented in the financial

reporting. Moreover, this quality has neutrality as a sub-notion which is about objectivity and balance (Herath & Albarqi 2017).
International Accounting Standards Board (2008) provides that faithful representation is the second fundamental qualitative characteristic as elaborated in the exposure draft. To faithfully represent economic phenomena that information purports to represent, annual reports must be complete, neutral, and free from material error. Faithful representation is attained when "the depiction of the economic phenomenon is complete, neutral and free from material error" (International Accounting Standards Board 2008). The phenomena to be presented are "economic resources, obligations and the transactions and events that change those resources and obligations". The first sub notion of faithful representation neutrality is the absence of bias intended to attain a predetermined result or to induce a particular behavior. Neutral information does not color the image it communicates to influence behavior in a particular direction (International Accounting Standards Board 2008). The neutrality is about objectivity and balance. It therefore refers to the intent of preparer and as such the preparer should strive for an objective presentation of events rather than focusing solely on the positive events that occur without mentioning negative events. The second proxy refers to the issue of bias as annual report can never be completely free from bias, since economic phenomena presented in the annual report are frequently measured under conditions of uncertainty. Many estimates and assumptions are included in the annual report. Although complete lack of bias cannot be achieved, a certain level of accuracy is necessary for financial reporting information to be decision useful.

Accountability

Onuorah and Appah, (2012) state that accountability is all about being answerable to those who have invested their trust, faith, and resources to you. Adegite, Amaeshi and Amao (2010) defines accountability as the obligation to demonstrate that work has been carried out in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and or/plans. It means doing things transparently in line with due process and the provision of feedback. Onyinyechi and Okafor (2016) define accountability as a fundamental value for any system. Kyriacou (2008) states that accountability has been defined in the following terms: "A is accountable to B when A is obliged to

inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct".
Coker 2010 as cited in Onuorah and Appah (2012) states that the various approaches to accountability based on the language of account can be grouped into: Process base accountability and performance-based accountability: The process base accountability measures compliance with preset standard and formally defined outcomes which includes fiscal and managerial accountability with reliance on the use of accounting methodologies. Performance based accountability is an approach which measures performance against broad objectives. This measure may be qualitative and the criteria against which performance is measured less precisely defined.

Ojiakor (2009) decried over the challenges of accountability which militate against accountability in Nigeria these include ethnicity and tribalism, corruption, religious dichotomy and military culture. Achua (2009) affirms that serious consideration should be given to accountability, so as to enable government to be more accountable for the vast amounts of investment in resources at the disposal of the governments, which exercise administrative and political authority over the actions and affairs of political units of people. Government spending is a very big business and the public expect to know whether the huge outlays of money are being spent wisely for public interests or not. Onyinyechi and Okafor (2016) argue that an emphasis on accountability by citizens is one aspect of the growing emphasis on eliminating corruption and promoting transparency and accountability in public sector of the economy.

Empirical Review

Relevance of financial Reporting Quality and Accountability

Iskandar and Setiyawati (2015) examined the influence of internal accountants' competence on the quality of financial reporting, so to examine the quality of financial reporting on the financial accountability. This research uses survey methods, the sampling technique used is the purposive sampling taken from 47 local government units. The data, before being used to test the hypothesis, first tested for the validity and reliability testing, were collected through questionnaires. The results of this research show that the internal accountants' competence has

significant effects on the quality of financial reporting while the financial reporting quality has significant effect on the financial accountability.
Mironiuca, Carpb and Chersanc (2015) examined the relevance of financial reporting on the performance of quoted Romanian companies in the context of adopting the international financial reporting standard (IFRS) in Romania, in companies whose securities are admitted for transactions on a regulated market, started with the fiscal year 2012. The study also analyses in an empirical manner the influence of the Big 4 companies in the direction of improving the relevance of the reporting of the net income and of the comprehensive income for the investors on the financial market, the quality of audit being acknowledged. The informational usefulness of the net income (pre-IFRS, 2011, and post-IFRS, 2012) and of the comprehensive income (post-IFRS, 2012) is examined on a sample of 65 companies quoted in the Bucharest Stock Exchange. The results of the empirical study confirmed that the two categories of accounting results are significantly associated with the share price, reflecting an increased value relevance and usefulness for the investors on the Romanian financial market, after the adoption of the international accounting norms.

Widyaningsih (2016) conducted a study on Internal Control System on the Quality of Financial Statement Information and Financial Accountability in Indonesia where he get an overview of the implementation of internal control systems associated with financial statement information quality and financial accountability in primary schools in Bandung, Indonesia. The study used the path analysis technique to process data from 168 samples with units of analysis of the study are primary schools in Bandung, Indonesia. He found that Control environment and control activities have significant influence on the quality of financial statement information. The quality of financial statement information has significant influence on the quality of financial accountability in primary schools in Bandung. Hence, he suggested that there should be implementation of internal control system in public sector institutions, primary schools in Indonesia.

Chalam and Ng'eni (2017) conducted a study to assess the role of financial reporting in enhancing financial accountability in local governments. The study employed both primary and secondary data. The secondary data were mainly compiled from the CAG general reports of Tanzanian local governments, while primary data were collected by using structured questionnaires distributed to 28 different councils. The key respondents were, accountants, internal auditors, planning officers, procurement officers, council directors and ward councilors. The study employed statistical techniques to address the subject matter of the research problem. Among other things, the study found that quality of financial reporting is very significant in enhancing financial accountability of Tanzanian local governments. Also, it was found that the adoption of IPSASs accrual basis of accounting of local government will improve decision making, transparency and accountability.

Faithful Representation of financial Reporting Quality and Accountability

Nobes and Stadler (2014) examined the qualitative characteristics of financial information, and managers' accounting decisions: The study used publicly available data to provide direct evidence about the role of the qualitative characteristics (QCs) of financial information in managements' accounting decisions. Based on 40,895 hand-collected international financial reporting standard (IFRS) policy choices on 16 topics made by 514 large firms of 10 jurisdictions in the period 2005–2011, they identify 147 explanations of policy changes. The majority of these refer to qualitative characteristics from the conceptual framework of the standard-setter, in particular to relevance, faithful representation, comparability and understandability. Furthermore, they analyzed the circumstances under which firms explain their policy changes in terms of improved quality. They hypothesized and found that qualitative characteristics are more often referred to if the change relates to measurement (i.e., to a more important accounting policy decision). They also found that references to qualitative characteristics are positively associated both with firm size and with a measure of a jurisdiction's transparency.

Al-dmour, Abbod, and Al-dmour (2017) empirically examined, validated, and predicted the reliability of the proposed relationship between the qualitative characteristics of financial reporting and non-financial business performance via the moderating role of the organizational demographic characteristics (type, size and experience). The study used primary data collected through a structured questionnaire from 239 out 328 of shareholdings companies in Jordan, and the single key respondents' approach was employed. The data were analyzed using structural equation modelling. The results showed that the magnitude and significance of the loading estimate indicate that the qualitative characteristics of financial reporting (i.e., relevance, understandability, faithful representation, comparability and timeliness) have significantly influenced the non-financial business performance.

Stewardship Theory as Underpinning Theory

Stewardship Theory has its roots from psychology and sociology and is defined by Davis, Schoorman and Donaldson (1997) as "a steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward's utility functions are maximized". In this perspective, stewards are public sectors' executives who are elected to various offices in order to represent their people who elected them. Unlike Agency Theory, stewardship theory stresses not on the perspective of individualism (Donaldson & Davis, 1991), but rather on the role of top management being as stewards, integrating their goals as part of the public sector. The stewardship perspective suggests that stewards are satisfied and motivated when organizational success is attained and for public sector reflects the need for government and its agencies to serve the public effectively in accordance with the laws of the land, (Okoh & Ohwoyibo, 2009).

Agyris (1973) argues agency theory looks at an employee or people as an economic being, which suppresses an individual's own aspirations. However, stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust (Donaldson & Davis, 1991). It stresses on the position of employees or executives to act more autonomously so that the shareholders' returns are maximized. In the case of public sector, for good governance, public officials are required to perform works in accordance with agreed rules and standards and the officer reports fairly and accurately on performance results vis-à-vis mandated roles and plans (Adegite, Amaeshi & Amao 2010). Because good governance is an essential part of a framework for economic and financial management which includes: macroeconomic stability; commitment to social and economic equity; and the promotion of efficient institutions through structural reforms such as trade liberalization and domestic deregulation. Indeed, it will minimize poor governance which results from factors such as incompetence, ignorance, lack of institutions, the pursuit of economically inefficient ideologies, or misguided economic models, which is often linked to corruption and rent seeking.

Also, Stewardship Theory suggests unifying the role of the Chief Executive Officers and the chairmen so as to reduce agency costs and to have greater role as stewards in the public sector. It was evident that there would be better safeguarding of the interest of the public. Hence, this study is also in line with this theory.

On this basis, the stewardship theory is the underpinning of this study because it is the one that is in line with the study since stewards are public sectors' executives who are elected to various offices in order to represent their people who elected them.

3. METHODOLOGY

Survey research design method was used to collect data through the use of questionnaire. Primary data was adopted for the study. The data was generated using a well-structured questionnaire administered on a selected sample of the one hundred and ten (110) respondents from among the population of three hundred and fifty (350) staff of the Adamawa state accountant general office. The sample size was derived using purposive sampling technique, the study adopted filtering of three-point criteria for a staff to qualify as a sample. The criteria which a prospective sample staff must satisfy are as follows: The staff must be a senior officer; the staff must have been working with Accountant General Office for not less than five years and staff must have direct link with final accounts. Strict adherence to these criteria facilitates the emergence of 110 staff to serve as sample size for the study. The questionnaire was divided into two sections; Section A comprised the personal information on the respondents while Section B was on questions relating to the hypothesis. The data collected were analyzed with the use of both descriptive and inferential statistics.

Model Specification

The model for the study examines the effects of relevance and faithful representation of financial reporting on accountability. The model can be represented as follows:

ACC = f(FRQ) ………………………………………………..………………. (i)

Where: ACC = Accountability

FRQ = Financial Reporting Quality represented by:

REL = Relevance

FR = Faithful Representation

Assuming a linear relationship, we can rewrite equation (i) in an explicit form as:

$ACT = \beta 0 + \beta_1 REL + \beta_2 FR + \varepsilon$ ………………… ………………………….. (ii)

Where:

$\beta 0$ = Constant term

REL = Relevance

FR = Faithful Representation

ε = error term

4. DISCUSSION OF MAIN RESULT OF ANALYSIS

Analysis of Questionnaire Used

The data used in this study were retrieved through administration of questionnaire to the staff of Adamawa State Accountant General's Office which was used to assess the impact of faithful representation and relevance on accountability in Adamawa state Accountant General Office. The analysis of questionnaire is provided on Table 1 as follows:

Table1

Analysis of Questionnaire

Total questionnaire issued	Total retrieved	Total number not retrieved	Percentage of retrieval	Percentage of non-retrieval
128	110	18	85.94%	14.06%

Source: Field survey, 2019

From Table 1 above, it can be seen that One hundred and twenty-eight (128) questionnaires were distributed and a total of one hundred and ten (110) were retrieved making the percentage of retrieval to be 85.94 per cent. The analysis of this study was based on the one hundred and ten (110) questionnaires retrieved.

Frequencies of Items of Accountability, Relevance, & Faithful Representation

For better understanding of respondents' views on each of the items of accountability, relevance, and faithful representation, their individual frequencies and percentages were determined and presented in the following tables.

Table 2
Frequencies of Items of Accountability

Items	Indicators	1	2	3	4	5	Total
A1	To what extent General accountability is provided by Adamawa state public sector?	20 18.2%	37 33.6%	16 14.5%	7 6.4%	30 27.3%	110 100%
A2	To what extend fiscal accountability is provided in Adamawa state public sector?	40 36.4%	6 5.4%	34 30.9%	20 18.2%	10 9.1%	110 100%
A3	To what extend Managerial Accountability is provided in Adamawa state public sector?	42 38.2%	33 30.0%	7 6.4%	20 18.2%	8 7.3%	110 100%

Table 2 above present the items of the dependent variable in this study which is Accountability. The items are represented with A1 to A6 with their respective indicators while their operationalizations are presented as 1 to 5. From the frequency result in Table 2, the highest frequency regarding A1 (To what extent General accountability is provided by Adamawa state public sector?) is 37(33.6%) that falls under the value '2', which means the extent to which general accountability is provided in Adamawa State is *'sanctions are made where justification is not adequate'*. Regarding A2 (To what extend fiscal accountability is provided in Adamawa state public sector?), the highest frequency is 40(36.4%) that falls under the value '1', which indicates that the extent to which fiscal accountability is provided in Adamawa State public sector is, *'Approval of policies and actions having financial implications by a representative body'*. This means that approvals are policies and actions that have financial implications by a representative body.

The next and the last item of accountability in this study is 'A3' (To what extend Managerial Accountability is provided in Adamawa state public sector?) and it has 42(38.2%) as the highest frequency which falls under the value '1' and indicates that the extent to which managerial accountability is provided in Adamawa State public sector is, *'Appropriate rules are observed'*.

Table 3
Frequencies of items of Relevance

S/N	Question/ Statement	1	2	3	4	5	Total
R1	To what extend do the Financial Statements Provide Predictive Value?	25 (22.7%)	60 (54.5%)	18 (16.4%)	3 (2.7%)	4 (3.7%)	110 (100%)
R2	Financial Statements are prepared on a fair value basis.	1 (0.9%)	104 (94.5%)	5 (4.5%)	0 (0.0%)	0 (0.0%)	110 (100%)
R3	Financial Statements disclose risks and opportunities the public sector exposed to.	2 (1.8%)	0 (0%)	106 (96.4%)	2 (1.8%)	0 (0.0%)	110 (100%)
R4	To what extent do the Financial Statements Provide feedback value?	4 (3.6%)	97 (88.2%)	2 (1.8%)	7 (6.4%)	0 (0.0%)	110 (100%)
R5	To what extent does that information contained in Financial Statements provide confirmative value?	3 (2.7%)	2 (1.8%)	105 (95.5)	0 (0.0%)	0 (0.0%)	110 (100%)

The frequencies of items of Relevance as a proxy for Financial Reporting Quality (FRQ) are presented in Table 3 above. From the frequency result, it shows that the highest frequency score under R1 (To what extend do the Financial Statements Provide Predictive Value?) is 60(54.5%) and under the value '2' (Focus on current period). This portrays that most financial statements prepared in Adamawa State do not concentrate on predictive value, but *'focus on current period'*. Under R2 (Financial Statements are prepared on a fair value basis), the highest frequency is 104(94.5%) that falls under the value '2'. Meaning that the financial statements are *'Most historical cost'*.

In consideration to R3 (Financial Statements disclose risks and opportunities the public sector exposed to), the highest frequency is 106(96.4%) under the value '3', Indicating that most of the financial statements disclose *'Opportunities only'*. For R4 (To what extent do the Financial Statements Provide feedback value) 97(88.2%)

under '2' is the highest frequency which indicates that the extent to which financial statements provide feedback value is, *'little feedback on the past'*. The last item under Relevance is R5 (To what extent does that information contained in Financial Statements provide confirmative value?), and based on the frequencies from Table 3, the highest frequency is 105(95.5%) under the value '3', indicating that the confirmative value provided by the financial statements of Adamawa State is *'Relating to current period'*.

Table 4
Frequencies of items of Faithful Representation

S/N	Question/Statement	1	2	3	4	5	Total
F1	Financial Statements are free from material, or materials, errors.	0 (0%)	0 (0%)	0 (0%)	3 (2.7%)	107 (97.3%)	110 (100%)
F2	Financial Statements are free from bias.	33 (30.0%)	20 (18.2%)	30 (27.3%)	27 (24.5%)	0 (0%)	110 (100%)
F3	The financial reports include an auditor's report	0 (0%)	0 (0%)	0 (0%)	8 (7.3%)	102 (92.7%)	110 (100%)
F4	Financial statements are prepared under the going concern assumption.	1 (0.9%)	78 (71.0%)	2 (1.8%)	9 (8.2%)	20 (18.2%)	110 (100%)

The frequency result of Faithful Representation is presented in Table 4 above. The result shows that the highest frequency under F1 (Financial Statements are free from material, or materials, errors) is 107(97.3%) out of the 110 responses. This falls under the fifth value which indicates that financial statements are *'Free from errors*. Under F2 (Financial Statements are free from bias), the highest frequency is 33(30%) under the value'1', indicating that the number of items requiring critical judgment and estimation by the management are *'6 and above'*. However, in consideration to F3 (The financial reports include an auditor's report), the highest frequency is 102(92.7%) that falls under the 5th value, indicating that the auditor's report is always *'Unqualified opinion'*. The highest frequency under the last item of Faithful Representation is F4 (Financial statements are prepared under the going concern assumption) is 78(71%) which falls under '2'. This shows that the statement that the financial statements are prepared under the going concern assumption is *'Mentioned in the directors' report only'*.

Descriptive Statistics

The result of descriptive statistics (mean, median, minimum, maximum, standard deviation, skewness, and kurtosis) is presented in Table 5 thus:

Table 5
Descriptive Statistics Results

	ACT	REL	FR
Mean	3.800000	2.838961	3.541558
Median	4.000000	2.857143	3.571429
Maximum	5.000000	3.571429	4.428571
Minimum	1.000000	2.142857	2.571429
Std. Dev.	0.926669	0.289690	0.349978
Skewness	-0.428070	0.107613	-0.057440
Kurtosis	2.985645	3.166943	2.949301
Jarque-Bera	3.360412	0.340046	0.072270
Probability	0.186336	0.843645	0.964510
Sum	418.0000	312.2857	389.5714
Sum Sq. Dev.	93.60000	9.147310	13.35083
Observations	110	110	110

Source: E-Views 9 output

Table 5 above is the descriptive statistic of the accountability model. The mean value of accountability (ACT) is 3.8000units, while the minimum and the maximum values are1.0000 and 5.0000 respectively. The standard deviation of 0.9267 indicates that the data deviates from the mean value from both sides by 0.9267 units, which implies that there is no wide dispersion of the data from the mean value because the standard deviation is not greater than mean value. The skewness value of -0.4281 and the kurtosis value of 2.9857 mirrors normal negative skewness and platykurtic having a flat curve because ACT has more lower values than the mean. The jarque-bera of the ACT of 3.3331 and the corresponding probability value of 0.2256 shows that the data of ACT negatively skewed and normally distributed.

The mean value of relevance (REL) is 2.8390 units, while the minimum and the maximum values are 2.1429 and 3.5714 units respectively. The standard deviation of 0.2897 indicates that the data deviates from the mean value from both sides by 0.2897, which implies that there is no wide dispersion of the data from the mean value because the standard deviation is less than the mean value. The skewness value of 0.1076and the kurtosis value of 3.1669 mirrors normal positive skewness and leptokurtic having a peaked curve because REL has more higher values than the mean. The jarque-bera of the R of 0.3401 and the corresponding probability value of 0.1863 shows that the data of REL positively skewed and normally distributed.

The mean value of faithful representation (FR) is 3.5416, while the minimum and the maximum values are 2.5714 and 4.4286 respectively. The standard deviation of 0.3500 indicates that the data deviates from the mean value from both sides by 0.3500, which implies that there is no wide dispersion of the data from the mean value because the standard deviation is less than the mean value. The skewness value of -0.0574and the kurtosis value of 2.9493 mirrors a normal negative skewness and platykurtic having a flat curve because FR has more lower values than the mean. The jarque-bera of the FR of 0.0723 and the corresponding probability value of 0.9645 shows that the data of FR negatively skewed and normally distributed.

Correlation Analysis

Table 6 presents the results of correlation which tests for the direction of relationship between dependent and independent variables of the study.

Table 6
Correlation Statistics Results

Variables	ACCT	REL	FR
ACCT	1.00000		
REL	0.09862	1.00000	
FR	0.34108	0.08693	1.00000

Source: E-Views 9 output

Table 6 presents the correlation result of financial reporting quality and accountability in accountant general office in Adamawa state. Accountability

(ACT) is the dependent variable and relevance (REL) and faithful representation (FR) serve as independent variables. The results revealed a positive correlation between Accountability (ACT) and the independent variables; relevance (REL) and faithful representation (FR) as indicated by their corresponding correlation coefficients of 0.09863 and 0.34108 respectively. Precisely, these results implies that accountability is positively and significantly correlated with relevance and faithful representation. This therefore portrays that financial reporting in the office of accountant general of Adamawa State positively correlated with accountability.

Multiple Regression Result

Table 7 presents the result of multiple regression on examining the effect of financial reporting quality (proxied by relevance (REL) and faithful representation (FR)) on accountability (ACT). From the regression result on Table 7, the value of R^2 is 0.8821 (88.21%) indicating that 88.21 per cent of the total variation in accountability in the accountant general office of Adamawa state was explained by financial reporting quality as proxied by relevance (REL) and faithful representation (FR).

Moreover, as shown in Table 7, the model used in this study is found to be significant based on the F-statistics and probability values (F=4.632; p<0.01), indicating a goodness of fit and validity of the model used. In addition, the Durbin-Watson statistics of 2.0381 shows that there was no presence of serial correlation among the error values thus successive error terms are independent and non-correlated. Similarly, there was no presence of multicollinearity of the explanatory variables in this study as their Variance Inflation Factor (VIF) values are 1.0353 and 1.0402 for relevance (REL) and faithful representation (FR) respectively. These values are far from the threshold of 10 (maximum) as suggested by Hair, Black, Babin, and Anderson (2014). Additionally, the Durbin-Watson statistic 2.0381 in table 3 was observed to be higher than R^2 0.8821 indicating that the model is non-spurious (meaningful). Similarly, the Durbin-Watson statistics 2.0381 shows that there was no presence of serial correlation among the error values thus successive error terms are independent and non-correlated.

Table 7
Multiple Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.	VIF
Constant	0.033985	1.427421	0.023808	0.9811	
REL	0.178628	0.288640	0.618862	0.5374	1.035334
FR	0.968652	0.239486	4.044718	0.0001	1.040259
R-squared	0.882132	Mean dependent var		3.800000	
Adjusted R-squared	0.842812	S.D. dependent var		0.926669	
S.E. of regression	0.857952	Akaike info criterion		2.584463	
Sum squared resid	76.55243	Schwarz criterion		2.731762	
Log likelihood	-136.1455	Hannan-Quinn criter.		2.644209	
F-statistic	4.631983	Durbin-Watson stat		2.038108	
Prob(F-statistic)	0.000741				

Source: E-Views 9 output

From the multiple regression result in Table 7, The beta coefficient of relevance (REL) is found to be statistically insignificant at ten per cent 10% (β=0.1786; P>0.10). This indicates that any increase in relevance (REL) may not lead to any significant increase in the accountability of Adamawa State Accountant General's office. However, the beta coefficient of the second independent variable; faithful representation (FR) is 0.9686 with a probability value of 0.0001 (β=0.9686; P>0.01). This indicates that any increase in faithful representation (FR) by 1 (100%) would result to an increase in accountability in the office of the accountant general Adamawa State by 0.9686 (96.86%). The result is consistent with the theoretical expectation of this study which says financial reporting can lead to accountability in public and private offices.

CONCLUSION

This study examined the effect of financial reporting quality of the accountability of office of the accountant general Adamawa State. In achieving the established objectives, the study utilized faithful representation and relevance as proxies of financial reporting quality, and multiple regression was utilized to analyzed that data collected from 110 staff of Adamawa State Accountant General's Office through administration of questionnaire. From the result obtained, the study found that relevance has insignificant positive effect on accountability, while faithful representation has a significant positive effect on accountability of office of the accountant general Adamawa State. Based on these findings, the study recommends that effective financial reporting be encouraged through relevance and faithful representation in financial reporting in the accountant general's office in Adamawa State.

Equally important, despite the contribution made by this study in examining the effect of financial reporting quality of the accountability of office of the accountant general Adamawa State, it considers only two proxies of financial reporting utility (that is, relevance and faithful representation) while ignoring other proxies of financial reporting quality. Hence, this is an avenue for future studies to consider other elements of financial reporting quality not covered by this study like understandability, comparability, and timeliness to be used against accountability. Moreover, further studies can use same variables in a different domain (Ministry in this case).

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