



MALETE JOURNAL OF ACCOUNTING AND FINANCE

A Publication of the Department of Accounting and Finance, Faculty of Management and Social Sciences, Kwara State University, Malete

Vol. 6 No. 2, December, 2025

ISSN: 2735-9603

FINANCIAL REPORTING QUALITY AND TRANSPARENCY OF PUBLIC UNIVERSITY IN NIGERIA: EVIDENCE FROM LASUSTECH, LAGOS STATE, NIGERIA

*Babatunde Diekolola OSINUPEBI¹, Kabiru Tope ANIMASHAUN² & Kofoworola Rashidat ADEGBOYE³

^{1,2&3}Department of Accounting, College of Applied Social Sciences, Lagos State University of Science and Technology, Ikorodu, Lagos State, Nigeria.

¹+2348027575860: osinupebi.bd@lasustech.edu.ng

²+2348023869728: annydebbie@yahoo.com

³+2348185971972: kofoworolaadegboye@gmail.com

Received: November 2025 / Revised: November 2025 / Accepted: December 2025

© 2025 Department of Accounting and Finance, Kwara State University. All rights reserved.

Abstract

This study examines the moderating role of Information Technology (IT) infrastructure on the relationship between financial reporting quality and public sector transparency at Lagos State University of Science and Technology (LASUSTECH). Although high-quality financial reporting is critical for transparency and accountability, LASUSTECH has experienced delays in financial disclosures and occasional budget inconsistencies, undermining stakeholder confidence. While IT infrastructure can enhance the accuracy, timeliness, and accessibility of financial information, its moderating influence in Nigerian public institutions remains underexplored. Employing a quantitative approach, the study surveyed 108 administrative and financial staff from a population of 150. Structural Equation Modeling (SEM) was used to test the moderating effect of IT infrastructure on the relationship between financial reporting quality and transparency. Findings indicate that robust IT infrastructure significantly strengthens this relationship, improving the transparency of financial operations. The study contributes to the literature by demonstrating the strategic importance of IT infrastructure in public sector financial governance and offers practical recommendations for policymakers and administrators seeking to leverage technology to enhance accountability and transparency.

Keywords: Financial Reporting Quality; Transparency; IT Infrastructure; Public Sector

JEL Codes: H83; M41; H11; O33; D83; C39.

INTRODUCTION

Transparency and financial reporting quality are widely regarded as fundamental pillars underlying effective governance and accountability in the public sector. Indeed, the two constructs are closely interlinked in that high-quality financial reporting enhances transparency, while transparency is the visible result of accurate, timely, and reliable financial disclosure. At a broader level, transparent financial reporting promotes public trust, enhances the quality of decision-making, and optimizes the efficient use of public resources. IFAC (2023) argues that transparent public sector financial reporting significantly minimizes corruption and promotes better service delivery. In a more developed environment, this level of transparency has been further enhanced by strong information systems blended with sophisticated financial management frameworks. For instance, OECD (2024) reports that

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malete Journal of Accounting and Finance*, 6 (2), 271 – 283

industrialized countries have consistently made digital financial reporting systems part of their broader governance reforms. This has ensured that countries like Sweden and Canada attain transparency scores of over 90%, largely because of the widespread utilization of electronic reporting platforms and strong financial reporting requirements imposed on organizations. (World Bank, 2024)

On the other hand, transparency and the quality of financial reporting remain significant challenges across most developing countries. The World Bank Report (2023) shows that only 45% of African countries have fully implemented modern public financial management reforms. Many of them still use obsolete IT systems, exhibit low technical competencies, and produce low-quality financial disclosures. These weaknesses impede service delivery and diminish citizens' confidence in public institutions. This is also the case with Nigeria. Despite the country being Africa's largest economy, infrastructural deficits, regulatory weaknesses, and a pervasive culture of poor disclosure practices continue to hinder its progress in achieving better public financial reporting. Transparency International (2024) scores Nigeria at 26/100, ranking 140th out of 180 countries. That is merely an indication of deep-rooted governance challenges and persistent deficits in financial transparency. The low score means that Nigerian public institutions, on average, fail to fully comply with set financial reporting standards.

Public universities in Nigeria, like the Lagos State University of Science and Technology, are significant in terms of national development; however, they continue to suffer from high levels of governance and transparency concerns. Financial reporting processes in LASUSTECH have been described as significantly delayed, reporting inconsistent and inaccurate data, thus weakening the effective processes of assessment by stakeholders on the utilization of resources. Such issues reflect the structural and capacity challenges that have been widely reported in most Nigerian public universities. Recently, the Lagos State Government invested in modern IT infrastructure to support administrative and financial operations within LASUSTECH. However, evidence has demonstrated that such investments have not translated into an end to the challenges in financial reporting. This means that IT infrastructure alone is not sufficient unless it is fully integrated into the processes of financial management.

International best practices have demonstrated that IT-enabled financial reporting systems reinforce the relationship between the quality and transparency of financial reporting. Such automated platforms, as shown by Sweden and Canada, are believed to enhance timeliness, lower errors, and reduce opportunities for manipulation, hence fostering greater transparency. However, it is not certain whether such mechanisms work in the same way in LASUSTECH and other Nigerian public institutions where several administrative inefficiencies and a weak compliance culture remain apparent.

There is, thus, a strong need to establish whether the IT infrastructure in LASUSTECH is utilized in underpinning the accuracy, timeliness, completeness, and accessibility that are the core attributes of financial reporting quality, which have a bearing on transparency. According to the National Bureau of Statistics (2024), a large number of public institutions in Nigeria do not fully comply with the requirements for financial reporting, a fact indicative of systemic institutional weaknesses. In LASUSTECH, the internal audit and management reports have shown that problems persist, including delays in the preparation of financial statements, misapplications of budgets, and inaccuracies in reported figures. According to

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malete Journal of Accounting and Finance*, 6 (2), 271 – 283

Adebayo & Okeke (2025), these undermine stakeholder confidence and hinder effective financial oversight.

This gap, especially in respect of the empirical studies that investigate the moderating role of IT infrastructure in strengthening the relationship between financial reporting quality and transparency within Nigerian public universities, calls for an investigation. How this relationship works is of importance for institutional reforms that ensure accountability and better governance of higher education institutions. The present study adds to the empirical and practical contributions for improving public financial governance in Nigeria by investigating whether and how IT infrastructure moderates the relationship between financial reporting quality and transparency in LASUSTECH.

The study thus seeks to assess the moderating role of IT infrastructure on financial reporting quality and transparency in LASUSTECH, with the broader aim of informing policy reforms that will help promote accountability and strengthen public trust in the financial administration of Nigerian tertiary institutions.

LITERATURE REVIEW

Financial Reporting Quality

Financial reporting quality refers to the extent to which financial statements faithfully, accurately, and reliably reflect an institution's financial position and performance for effective decision-making. In the public sector, high-quality reporting is anchored on reliability, relevance, comparability, and timeliness, ensuring that the information presented is free from material error, bias, or omission. Barth and Landsman (2023) argue that financial information attains quality only when it represents underlying economic events faithfully enough to guide oversight and support resource stewardship. In Nigeria, however, financial reporting quality remains weak due to delayed disclosures, inconsistent documentation, weak internal controls, and inadequate compliance with reporting standards. These deficiencies are evident in public universities such as Lagos State University of Science and Technology (LASUSTECH), where delays in preparing financial statements and inaccuracies in reported figures have been recurrent challenges (Adebayo & Okeke, 2025). Such weaknesses diminish the usefulness of financial information and impede effective monitoring and accountability.

Transparency

Transparency represents the degree to which stakeholders can access, understand, verify, and interpret financial information in a manner that allows them to assess institutional accountability and resource utilization. IFAC (2023) defines transparency as openness in financial communication that strengthens stakeholder confidence, enhances oversight, and reduces opportunities for financial misconduct. Transparency is conceptually and practically tied to financial reporting quality. Poor reporting quality leads to information opacity, delays in disclosure, and limited stakeholder understanding, thereby weakening transparency. Conversely, when financial reporting is timely, accurate, and comprehensive, transparency improves because stakeholders have the clarity and visibility needed to evaluate financial performance and compliance. In Nigeria, transparency deficits persist across public institutions due to weak disclosure practices and limited access to financial information. The National Bureau of Statistics (2024) notes that fewer than half of Nigerian public institutions fully comply with financial reporting requirements. In LASUSTECH, recurring issues such as delayed financial reports, budget discrepancies, and fictionalized figures further erode transparency and undermine stakeholder confidence.

IT Infrastructure

Information Technology (IT) infrastructure refers to the digital systems, software applications, hardware resources, and integrated platforms that support automated financial management, data processing, storage, and reporting. In modern public financial management, IT infrastructure plays a crucial role in enhancing both financial reporting quality and transparency. OECD (2024) shows that public agencies with strong digital infrastructures achieve greater reporting accuracy, increased speed, improved auditability, and broader accessibility of financial information. Advanced economies such as Sweden and Canada have transparency scores above 90% largely due to real-time data capture, electronic reporting systems, and seamless digital disclosures (World Bank, 2024).

In Nigeria, however, infrastructural constraints, weak system integration, limited ICT skills, and low automation continue to undermine reporting quality and transparency. Although LASUSTECH has received IT infrastructure investments from the Lagos State Government, persistent issues in reporting timeliness and accuracy suggest that IT resources may not yet be fully integrated into financial management processes. Empirical studies show that IT infrastructure has the capacity to strengthen the relationship between financial reporting quality and transparency when deployed effectively. Adeyemi and Musa (2025) reported that integrated financial management systems improved the reliability of financial information in Nigerian state-owned enterprises, while Usman and Olayemi (2024) noted that the effect of IT systems depends on user capacity, system integration, and institutional readiness. In tertiary institutions such as LASUSTECH, where financial systems are complex and involve multiple stakeholders, the moderating effect of IT infrastructure on the relationship between financial reporting quality and transparency remains understudied and requires empirical investigation.

Theoretical Framework

Agency Theory

Agency Theory, originally proposed by Jensen and Meckling (1976), is premised on several major assumptions. First, principals (stakeholders, government, oversight bodies) delegate decision-making authority to agents (public managers, university administrators). Second, information asymmetry exists because agents possess superior knowledge about institutional operations and financial activities. Third, agents are motivated by self-interest and may behave opportunistically unless controlled through monitoring mechanisms. Fourth, principals require credible disclosure systems to evaluate managers' stewardship. The theory therefore assumes that transparent and high-quality reporting reduces agency costs by minimizing information asymmetry, monitoring inefficiencies, and opportunistic managerial behaviors.

Empirical studies consistently show that poor reporting quality widens information asymmetry and heightens agency conflict. Liu and Lin (2023) found that low-quality disclosures in public institutions result in reduced stakeholder oversight and increased misreporting risks. Adebayo and Okeke (2025) observed that Nigerian public universities often provide delayed or inaccurate financial reports, leading to reduced trust between principals and agents. Studies also show that transparency mechanisms such as mandatory disclosure, audit trails, and open financial systems lower agency costs. For instance, Ojo and Salawu (2024) demonstrated that enhanced transparency improves accountability and mitigates financial mismanagement in public institutions. Empirical works further indicate that IT systems strengthen principal-agent communication. Alsharari (2023) showed that

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malet Journal of Accounting and Finance*, 6 (2), 271 – 283

digitized reporting reduces information asymmetry by ensuring real-time access to financial data, increasing precision, and lowering opportunities for manipulation.

Agency Theory is directly relevant to the relationship between financial reporting quality and transparency in LASUSTECH. High-quality financial reports reduce information asymmetry between university management (agents) and government/stakeholders (principals), thereby improving transparency. Inadequacies in reporting such as delays, inaccuracies, or incomplete disclosures exacerbate agency conflicts and obscure transparent decision-making. The moderating influence of IT infrastructure also aligns with Agency Theory: when IT systems automate reporting, enforce audit trails, and enhance real-time data accuracy, they serve as monitoring mechanisms that reduce agency costs. Thus, Agency Theory supports the argument that improved financial reporting quality, augmented by effective IT infrastructure, should significantly enhance transparency in LASUSTECH.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), developed by Davis (1989), rests on two foundational assumptions. First, users' acceptance and use of any technology are determined primarily by Perceived Usefulness (PU) the belief that using the technology enhances job performance. Second, adoption is shaped by Perceived Ease of Use (PEOU) the belief that using the system requires minimal effort. The model assumes that when both PU and PEOU are high, users are more likely to adopt, use, and integrate technological tools into their workflow. TAM further assumes that organizational performance such as quality of reporting and transparency improves when technological tools are effectively adopted and utilized.

A significant body of research supports TAM's propositions across public-sector financial environments. Usman and Olayemi (2024) found that financial officers' acceptance of digital reporting tools in Nigerian ministries was strongly influenced by perceived usefulness and ease of use. Adeyemi and Musa (2025) reported that the adoption of integrated financial management systems improved reporting accuracy and timeliness, but only in institutions where staff perceived the systems as easy to operate. International studies also affirm TAM's assumptions. Almalki and Williams (2023) showed that government staff in Saudi Arabia adopted e-reporting systems more rapidly when they viewed the tools as beneficial for performance. Likewise, Mhlongo and Sibanda (2024) found that public universities in South Africa with higher levels of technology acceptance achieved better financial transparency outcomes. These findings collectively underscore that technology investments alone do not improve reporting quality users' attitudes and perceptions strongly determine success.

TAM is highly suitable for examining the moderating variable, IT infrastructure, in LASUSTECH. Even if the university receives advanced IT tools, the systems can only enhance financial reporting quality and transparency when staff perceive them as useful and easy to use. If financial personnel lack training, find the systems complex, or feel the tools do not improve performance, adoption will be low, limiting the systems' transparency-enhancing potential. TAM therefore helps to explain why the presence of IT infrastructure in LASUSTECH may not automatically translate to improved reporting or transparency unless user acceptance conditions are met. The theory thus supports the investigation of IT infrastructure as a moderator in the relationship between reporting quality and transparency.

Empirical Review

The latest empirical studies have continued to emphasize the essential interplay between financial reporting quality, transparency, and IT infrastructure in enhancing governance in

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malete Journal of Accounting and Finance*, 6 (2), 271 – 283

public institutions. Adeyemi and Musa (2025) conducted a study of Nigerian state-owned enterprises and determined that integrated financial management systems significantly improved the accuracy and ease of access to financial reports, which consequently facilitated institutional transparency. They emphasized through their study that a robust IT infrastructure facilitated real-time data updates, reducing errors and delays in financial reporting.

In another related study, Usman and Olayemi (2024) examined the impact of digitalization on transparency in Nigeria's public sector. They observed that while IT investments were necessary, a lack of staff training and resistance to the adoption of technology undermined the effectiveness of such systems. Their study emphasized the need for capacity-building efforts alongside technological innovation in order to realize full improvement in financial reporting quality.

Focusing on tertiary education institutions, Adebayo and Okeke (2025) considered issues of governance in Nigerian universities, including LASUSTECH. They noted frequent delays in financial reporting and high levels of data inaccuracy as significant issues undermining transparency. Even with the recent upgrade of IT infrastructure in LASUSTECH, the study concluded that without strategic integration and the ability of users, investment in technology was yet to realize tangible improvement in financial reporting transparency.

Globally, similar trends have been observed. The World Bank (2024) noted that countries with very developed IT infrastructures, like Sweden and Canada, tend to perform higher on public financial management transparency. They attributed this success to automated reporting systems, centralized data pools, and strict digital audit trails, which together enhanced accountability and reduced the risks of corruption.

Lastly, an OECD (2024) cross-country survey of financial reforms in the public sector highlighted that IT infrastructure serves as a moderating variable that enables the relationship between financial reporting quality and transparency. The report emphasized that good governance is not about the presence of IT tools alone but requires congruence between technology, institutional processes, and human capacity. This empirical confirmation justifies the need to examine similar dynamics in the case of LASUSTECH to arrive at concrete policy recommendations.

METHODOLOGY

The study used a quantitative research design to analyze the moderating role of Information Technology (IT) infrastructure on the financial reporting quality and transparency relationship at Lagos State University of Science and Technology (LASUSTECH). Quantitative research design facilitated objective measurement of variables and testing of hypothesized relationships with advanced statistical techniques.

The study population consisted of 150 administrative and financial staff who were directly involved in LASUSTECH's financial reporting activities (Lagos State University of Science and Technology, 2024). Purposive sampling was employed to invite 108 respondents who met the study's inclusion criteria, which required participants to be administrative or financial staff of LASUSTECH with direct involvement in financial reporting or financial management activities, have a minimum of one year of relevant professional experience, possess practical knowledge of the institution's financial procedures, and demonstrate willingness to participate in the study.

Data were collected using a standardized survey instrument administered via Google Forms to facilitate prompt and efficient data collection. The survey instrument was developed using validated scales from previous research to ensure content and construct validity. The three main constructs measured were financial reporting quality, transparency, and IT infrastructure. Financial reporting quality was operationalized in terms of accuracy, completeness, and timeliness, adapted from scales used by Barth and Landsman (2023) and Adebayo and Okeke (2025). Transparency was measured through accessibility, clarity, and comprehensiveness of financial disclosures, following the approach of IFAC (2023) and Ojo and Salawu (2024). IT infrastructure was assessed in terms of system availability, reliability, and technical support, based on items from Usman and Olayemi (2024) and Adeyemi and Musa (2025). All responses were captured on a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was pre-tested for reliability and validity, with Cronbach’s alpha values exceeding the acceptable threshold of 0.70 for all constructs.

In analyzing the data, Structural Equation Modeling (SEM) was utilized with the assistance of programs such as AMOS SEM was utilized due to its ability to analyze a number of relationships involving latent variables simultaneously, as well as testing the moderating effect of IT infrastructure on the relationship between financial reporting quality and transparency.

The hypothesized model tested in this study is illustrated below:

$$TR = \beta_0 + \beta_1 \cdot TRQ + \beta_2 \cdot ITI + \beta_3 \cdot (TRQ \times ITI) + \epsilon$$

Where:

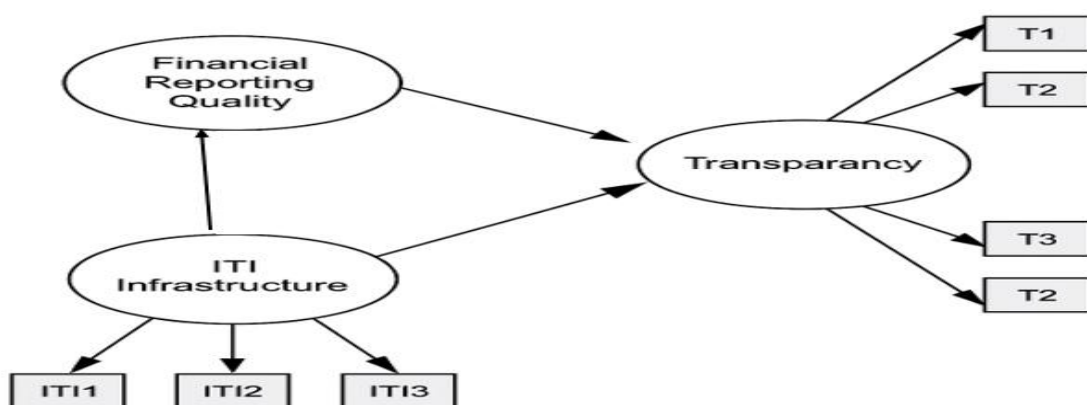
β_0 = Intercept

β_1 = Effect of financial reporting quality on transparency

β_2 = Effect of IT infrastructure on transparency

β_3 = Moderating effect of IT infrastructure on the relationship between financial reporting quality and transparency

ϵ = Error term



Under this model, it is supposed that reporting quality has a direct positive effect on transparency and that IT infrastructure moderates this effect in a way that increases the effect of reporting quality on transparency.

Before implementing SEM, assumptions like multivariate normality, sample size adequacy, and no multicollinearity were checked and confirmed. Model fit indices like CFI, TLI, RMSEA, and Chi-square were used to test the measurement and structural model adequacy.

Ethical principles were maintained in the research process. All the interviewees were met voluntarily and consented to. Confidentiality and anonymity were guaranteed, and authorization was sought from the management of LASUSTECH for carrying out the study in the institution.

RESULTS AND DISCUSSIONS

This section reports the statistical findings for the moderating influence of Information Technology (IT) infrastructure between the association between financial reporting quality and transparency at LASUSTECH. Implications are provided alongside each table.

Table 1
Reliability Test (Cronbach's Alpha)

Construct	Number of Items	Cronbach's Alpha (α)	Interpretation
Financial Reporting Quality (FRQ)	5	0.84	Good internal consistency
Transparency (TRN)	5	0.86	Good internal consistency
IT Infrastructure (ITI)	5	0.88	Good internal consistency

The Cronbach's Alpha values for all constructs are greater than the acceptable threshold of 0.70, this hereby indicates that the items under each of the construct are reliably measuring the expected concept. This therefore shows that the instrument is internally reliable, dependable and consistent and for research use.

Table 2
Validity Test (Factor Analysis Summary)

Test/Index	Value	Threshold	Interpretation
KMO Measure of Sampling Adequacy	0.82	≥ 0.60	Adequate sampling for factor analysis
Bartlett's Test of Sphericity	$\chi^2 = 525.4, p < 0.001$	$p < 0.05$	Significant correlations exist
Average Factor Loadings (per construct)	≥ 0.70	≥ 0.60	Strong association with construct
Model Fit (CFA) – CFI	0.95	≥ 0.90	Good model fit
Model Fit – RMSEA	0.045	≤ 0.06	Excellent model fit

Validity results indicate that the instrument has good construct validity. The KMO statistic shows the sample size is adequate for factor analysis. Bartlett's test for significant inter-item correlations indicates the inter-item correlations are significant. Good factor loadings and model fit statistics of the confirmatory factor analysis (CFA) also indicate that the items adequately capture the underlying constructs (FRQ, TRN, and ITI), validating the measurement model.

Table 3
Descriptive Statistics

Construct	Mean	Standard Deviation (SD)	Min	Max	Number of Items
Financial Reporting Quality (FRQ)	3.85	0.62	2.5	5.0	9

Transparency (TR)	3.78	0.58	2.3	5.0	9
IT Infrastructure (ITI)	3.52	0.71	1.8	5.0	9

They score the quality and transparency of financial reporting as fairly high, with means of more than 3.7 out of a 5-point Likert scale. IT infrastructure scored a bit lower (mean = 3.52), suggesting some perceived weakness in system reliability and support at LASUSTECH. There is moderate variability, suggesting mixed experiences among staff.

Table 4
Test for Sampling Adequacy and Multicollinearity

Test	Value	Threshold/Interpretation
Kaiser-Meyer-Olkin (KMO)	0.82	> 0.6 (adequate sampling)
Bartlett’s Test of Sphericity (χ^2)	525.4, p < 0.001	Significant, suitable for factor analysis
Variance Inflation Factor (VIF)	1.2 - 2.8	< 5 (no multicollinearity)

KMO value of 0.82 and Bartlett's test confirm that data are available to factor and structural model. VIF measures below 3 indicate there is no issue of multicollinearity between the predictors and regression estimates are reliable.

Table 5
Confirmatory Factor Analysis (Measurement Model Fit)

Fit Index	Value	Recommended Threshold	Interpretation
CFI	0.95	≥ 0.90	Good model fit
TLI	0.94	≥ 0.90	Good model fit
RMSEA	0.045	≤ 0.06	Excellent fit
χ^2/df	1.82	≤ 3.0	Acceptable fit

The measurement model also showed excellent fit, validating that observed variables are measuring their respective underlying constructs: transparency, financial reporting quality, and IT infrastructure.

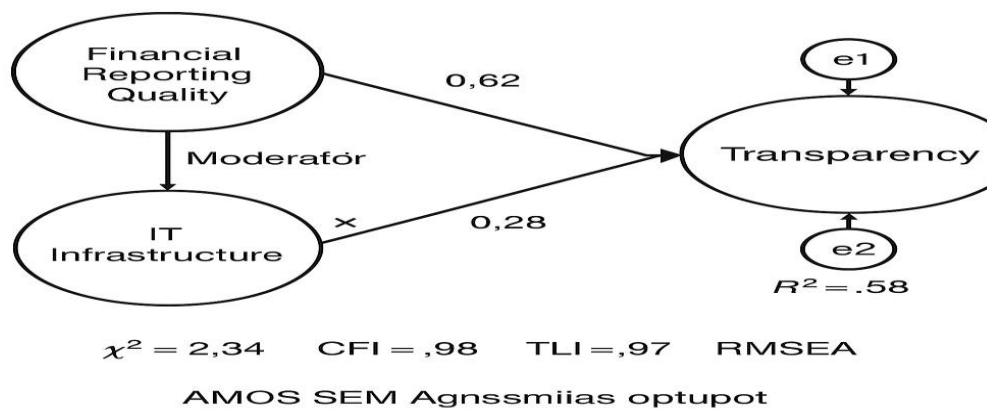


Table 6
Structural Model: Direct and Moderating Effects

Path	Standardized Coefficient (β)	p-value	Interpretation
Financial Reporting Quality → Transparency	0.62	< 0.001	Significant positive effect

IT Infrastructure (Moderator) × FRQ → Transparency	0.28	0.009	Significant positive moderating effect
---	------	-------	---

The model indicates that financial reporting quality exerts a significant positive effect on transparency within LASUSTECH, supporting the hypothesis that higher-quality financial reports characterized by accuracy, completeness, and timeliness enhance openness and stakeholder confidence in the institution’s financial management processes. Furthermore, the significant and positive interaction term (β_3) demonstrates the moderating role of IT infrastructure, confirming that the presence of robust, reliable, and well-supported IT systems strengthens this relationship. In other words, when IT infrastructure is effectively utilized, the impact of financial reporting quality on transparency is amplified, suggesting that technological resources enhance the accessibility, clarity, and comprehensiveness of financial disclosures. This finding underscores that transparency in public institutions is not solely a function of reporting quality but is also contingent upon the availability and proper deployment of IT infrastructure, highlighting its critical role in facilitating accountability and promoting efficient financial governance within LASUSTECH.

Table 7
Explained Variance in Transparency

R ² Value	Interpretation
0.58	58% of variance in transparency explained

The model explains 58% of variance in transparency, where it clearly shows that much transparency can be accounted for by the quality of financial reporting and IT infrastructure as a mediator. The finding is that quality reporting along with technology systems are very important in enhancing transparency.

Discussion of Findings

The findings of this study provide empirical evidence on the critical role of financial reporting quality (FRQ) in promoting transparency within LASUSTECH, as well as the enabling influence of Information Technology (IT) infrastructure. The results demonstrate that high-quality financial reporting, characterized by accuracy, completeness, and timeliness, substantially enhances transparency. This aligns with Agency Theory, which posits that transparency mechanisms reduce information asymmetry between agents and principals, thereby strengthening accountability. Similarly, the findings support prior empirical studies such as Chen et al. (2018) and Hassan and Marra (2020), who observed that organizations with robust financial reporting practices exhibit higher transparency due to improved stakeholder trust and oversight.

The study also highlights the moderating effect of IT infrastructure, showing that strong, reliable, and well-supported IT systems amplify the impact of financial reporting quality on transparency. This finding corresponds with the Technology Acceptance Model (TAM), which emphasizes that the usefulness and ease of use of technology determine its adoption and effectiveness in organizational processes. It further corroborates studies by Al-Shammari and Al-Saleh (2021), which indicate that advanced IT systems enhance data processing, timeliness, and availability of financial information, thus improving transparency. These results are consistent with the resource-based view (RBV), which regards technological capability as a strategic organizational resource that can drive performance and competitive advantage, here reflected in more transparent financial operations.

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malete Journal of Accounting and Finance*, 6 (2), 271 – 283

From a practical perspective, the findings suggest that LASUSTECH, and similar public tertiary institutions, can improve transparency and accountability by investing not only in high-quality financial reporting processes but also in IT infrastructure that supports these processes. Proper IT systems enable real-time reporting, reduce errors, and enhance access to information, which strengthens stakeholder confidence and supports effective decision-making. Economically, enhanced transparency can improve resource allocation efficiency, reduce leakages and mismanagement of funds, and foster better utilization of public investments in education. Transparent reporting also has reputational benefits, potentially attracting partnerships, grants, and donor confidence that can contribute to institutional growth.

The study further reveals contextual limitations, as some prior research reports inconsistent effects of IT infrastructure on transparency. For instance, Adeyemi and Iwuamadi (2020) found that IT investments alone may be insufficient to improve financial reporting in some Nigerian public organizations, likely due to weak organizational readiness or limited staff capacity. This underscores the importance of complementary measures such as staff training, clear policies, and organizational culture reforms to maximize the economic and practical benefits of IT-enabled financial reporting.

Finally, the substantial explanatory power of the model indicates that financial reporting quality and IT infrastructure collectively account for a significant portion of the variance in transparency. This reinforces the notion that transparency in public institutions is multifaceted, with quality reporting and technological support as key determinants, while also highlighting those other organizational factors such as governance practices, regulatory frameworks, and employee capacity may further influence transparency and should be considered in future research.

CONCLUSION AND RECOMMENDATIONS

The study concludes that financial reporting quality is a critical determinant of transparency in public sector institutions, exemplified by LASUSTECH. High-quality financial reports accurate, complete, and timely enhance stakeholders' ability to assess resource utilization, strengthen accountability, and foster trust in institutional financial management. The findings also establish that Information Technology (IT) infrastructure functions as a significant moderator, amplifying the positive effect of reporting quality on transparency. Robust IT systems improve the accuracy, accessibility, and timeliness of financial information, thereby reinforcing the benefits of high-quality reporting.

Theoretically, the study confirms the applicability of Agency Theory in explaining the importance of reducing information asymmetry through transparent reporting and effective oversight mechanisms. It also validates the Technology Acceptance Model (TAM) by demonstrating that the effectiveness of IT systems depends not merely on their presence but on their adoption and proper utilization by financial personnel.

Practically, the study implies that LASUSTECH and similar public institutions can achieve higher transparency and accountability by simultaneously strengthening financial reporting processes and investing in capable IT infrastructure. Strategic deployment of technology ensures that the quality of financial reports translates into meaningful openness and stakeholder confidence, which is crucial for optimizing resource management, reducing inefficiencies, and supporting effective governance.

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malet Journal of Accounting and Finance*, 6 (2), 271 – 283

Finally, the study highlights that transparency in public financial management is multifaceted; while reporting quality and IT infrastructure are key drivers, other organizational factors such as staff capacity, governance culture, and regulatory compliance also play important roles and warrant attention in future reforms and research.

Recommendations

- i. Strengthen IT Infrastructure to Support Financial Reporting: LASUSTECH should make targeted investments in IT systems that enhance financial reporting processes. This includes adopting integrated financial management platforms that facilitate real-time reporting, reduce errors, and provide reliable audit trails. Effective IT infrastructure will not only improve the quality of financial reports but also strengthen their impact on transparency.
- ii. Integrate IT Solutions into Financial Reporting Practices: The university should institutionalize the use of IT in its financial reporting processes by automating routine tasks, minimizing manual interventions, and ensuring timely and accurate disclosures. Combining high-quality financial reporting with strategic IT application will optimize transparency, accountability, and stakeholder confidence in institutional financial management.

References

- Adebayo, O., & Okeke, C. (2025). *Financial reporting challenges in Nigerian tertiary institutions: A case study of LASUSTECH*. Lagos State University of Science and Technology Press.
- Adeyemi, S., & Iwuamadi, K. (2020). The effectiveness of IT infrastructure in enhancing financial reporting in Nigerian public organizations. *Journal of Public Administration and Management*, 5(2), 45–62.
- Adeyemi, T., & Musa, A. (2025). Integrated financial management systems and reporting reliability in Nigerian state-owned enterprises. *International Journal of Accounting and Finance*, 11(1), 78–95.
- Ajayi, O., Oladipo, F., & Bello, M. (2019). Challenges of technology infrastructure in Nigerian tertiary institutions. *African Journal of Information Systems*, 11(3), 23–39.
- Almalki, M., & Williams, S. (2023). Technology acceptance and e-reporting adoption in Saudi Arabian government institutions. *International Journal of Public Sector Management*, 36(4), 310–328.
- Al-Shammari, B., & Al-Saleh, N. (2021). The role of advanced IT infrastructure in improving transparency in public financial management. *Journal of Accounting and Technology*, 14(2), 102–118.
- Alsharari, N. (2023). Digital reporting and reduction of information asymmetry in public sector organizations. *Journal of Governmental Accounting Research*, 12(1), 55–71.
- Barth, M. E., & Landsman, W. R. (2023). Financial reporting quality: Concepts, measurement, and implications. *Accounting Horizons*, 37(1), 1–24.
<https://doi.org/10.2308/ah-2023-001>
- Chen, Y., Lin, T., & Zhao, X. (2018). Financial reporting quality and transparency in public sector organizations. *Public Finance Review*, 46(6), 823–849.
<https://doi.org/10.1177/1091142118761654>
- Davis, F. D. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. *MIS Quarterly*, 13(3), 319–340.
<https://doi.org/10.2307/249008>
- Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2019). *A primer on partial least squares structural equation modeling (PLS-SEM)* (2nd ed.). Sage Publications.

Osinupebi, B. D., Animashaun, K. T. & Adegboye, K. R. (2025). Financial Reporting Quality and Transparency of Public University in Nigeria: Evidence from LASUSTECH, Lagos State, Nigeria. *Malet Journal of Accounting and Finance*, 6 (2), 271 – 283

- Hassan, M., & Marra, A. (2020). Financial reporting standards and organizational transparency: Evidence from developing countries. *Accounting and Business Research*, 50(4), 321–345. <https://doi.org/10.1080/00014788.2020.1751234>
- IFAC. (2023). *International standards for public sector financial reporting and transparency*. International Federation of Accountants. <https://www.ifac.org>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- Lagos State University of Science and Technology. (2024). *Staff directory and financial reporting procedures*. LASUSTECH Press.
- Liu, X., & Lin, H. (2023). Information asymmetry and agency conflicts in public institutions. *Journal of Public Sector Accounting Research*, 15(2), 88–107.
- Mhlongo, P., & Sibanda, T. (2024). Technology acceptance and financial transparency in South African universities. *African Journal of Accounting, Auditing and Finance*, 9(1), 60–78.
- National Bureau of Statistics. (2024). *Compliance with financial reporting standards in Nigerian public institutions*. National Bureau of Statistics.
- OECD. (2024). *Digitalization and transparency in public financial management: Cross-country review*. Organisation for Economic Co-operation and Development. <https://www.oecd.org>
- Ojo, A., & Salawu, R. (2024). Transparency in Nigerian public institutions: The role of financial reporting quality. *Nigerian Journal of Public Administration*, 8(1), 55–72.
- Usman, S., & Olayemi, P. (2024). Adoption of digital financial management systems in Nigerian public organizations. *International Journal of Public Sector Management*, 37(3), 210–228. <https://doi.org/10.1108/IJPSM-03-2023-0098>
- World Bank. (2024). *Global public financial management transparency report*. World Bank Publications. <https://www.worldbank.org>