MANDATORY IFRS ADOPTION AND ACCOUNTING QUALITY OF NIGERIAN BANKS

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ABSTRACT

This study examined the impact of mandatory adoption of International Financial Reporting Standard (IFRS) on the quality of accounting information of Nigeria banks. The study adopted the Survey research design involving the collection of data from accounting academics in selected private universities in Nigeria. Primary and secondary data were employed and copies of Questionnaire were administered to respondents. Data were also gleaned from the annual report of 12 Nigeria banks listed on the floor of the stock exchange market. Two hypotheses were formulated and tested using Simple regression and paired T-test at a significant level of 5%. Findings revealed a significant relationship between IFRS adoption and quality of accounting information. The study also contributes to knowledge as it gives an insight into the possible outcome of future research covering a wider spectrum. Consequently, the study recommended that accountants should be mandated to and probably sponsored by their various institutions/organizations to attend workshops, conferences and trainings on IFRS periodically.

Keywords: Accounting information, decision making, IFRS, multinational companies, quality

1.0 INTRODUCTION

The Nigeria banking sector according to Umoren (2015) forms one of the pillars of economic development as it aids intermediation of funds between the surplus and the deficit economic units which enables stimulation and promotion of investments, economic growth and development. For there to be any meaningful investment in the banking sector, quality accounting information regarding share price and other performance indicators must be made

available. Investors often only rely on the financial accounting information supplied by management in the financial statement to enable assessment of the risk and value of a firm before making decision on whether or not to invest (Umoren, 2015). The primary objective of financial statement according to the International Accounting Standard Board (IASB) framework is the provision of information about the financial position, financial performance and changes in financial position of an enterprise (Oseni, 2013). In addition to stating the financial position of an organization, the financial statement also provides such information as the value added, changes in equity and cashflow of an organization within a defined period to which it relates (Iyoha and Faboyede, 2011). This information provided by the financial statement is paramount to a wide range of users as it serves investment and economic decision making purpose (Okpala, 2012) such that the quality of decision (investment or economic) to be made is to an extent premised on the reliability and quality of the accounting information provided.

Before the global convergence to International Financial Reporting Standards (IFRS) by countries of the world, the preparation and presentation of financial reports was subjected to different procedures which collectively was termed Generally Accepted Accounting Principle (GAAP). Different countries had their own accounting standards, and these standards were set, issued and regulated by each country's local body. The Nigerian Accounting Standard Board (NASB) for instance happened to be the local body in Nigeria responsible for setting, issuing and regulating accounting standards from 1982 till 2011 when the Financial Reporting Council Bill was signed into law (Umoren, 2015). The differences in these accounting standards of countries degenerated into lack of harmonization of accounting information since accounting procedures adopted varied from country to country (Oseni, 2013). In lieu of the problem of harmonization, the desire for high quality financial reporting led to the formulation of acceptable global standards known as the International Accounting Standards (IAS) which was initiated in 1973 by International Accounting Standard Committee (IASC) (Garuba and Donwa, 2011). In 1997, after almost 25 years of achievement, the International accounting standard committee concluded that to continue performing their role as standard setters effectively, they must find a way to bring about a convergence between the national accounting standards and practices and high-quality global accounting standards. The IASC therefore recognized a need for a change in its structure, and the outcome of this change was a renaming of the standards-setting body from IASC to IASB in 2001 with a mandate to set globally acceptable accounting standards known as International Financial Reporting Standard.

Similarly, the emergence of Multinational Corporations necessitated the use of similar and globally acceptable accounting principles and standards in the preparation and presentation of accounting information. This therefore brought about the world-wide recognition of International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board

(IASB) in 2001. Following this, Nigerian banks in 2012 were mandated to adopt International Financial Reporting Standards in the preparation and presentation of their financial statements. By this adoption, it is evidenced that expectations are high on IFRS that it would enhance the financial statement (Umoren, 2015). However, there has been increasing debate on the impact of IFRS adoption globally, some authors such as Ball (1995); Ball et al (2000); Ball, Robin, and Wu (2003); Schipper (2005); Ball (2006); Soderstrom and Sun (2007); Zeff (2007); Leuz and Wysocki (2008); Jamal et al (2010) Hail et al (2010a); Hail et al (2010b) and Abdul-Baki, Uthman and Sanni (2014) opine that IFRS leads to competition and argue that a single global set of financial reporting standard is not optimal. Some of these authors argue that the potential IFRS adoption benefit would ultimately be wiped out by the differential or tax implementation. On the other hand, authors such as Diamond and Verrecchia (1991); Baiman and Verrecchia (1996); Leuz and Verrecchia (2000); Easley and O'Hara (2004); Barth, Konchitchki, and Landsman (2006); Assidi and Omri (2012); Okpala (2012); Oseni (2013); Umoren and Enang (2015) that IFRS has a positive impact on the quality of accounting information. The objective of this study therefore is to contribute to this debate by investigating the impact of IFRS since its adoption in Nigeria (2012) on the financial statement of Banks. This study also seeks to examine the significant difference in the performance of banks under IFRS and under Nigeria GAAP using ROA and ROE as a performance measurement tool. To the best of the researcher's knowledge, there is no literature on this yet using ROA & ROE as a performance tool. The rest of this paper is organized as follows: Section 2 contains the review of different literature. Section 3 contains the methodology of the study. Section 4 reveals the analysis of the result while Section 5 concludes the paper.

2.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1 Nigeria and Adoption of IFRS

Nigeria, a country in Western Africa with a total population of over 175 million with a gross domestic product of 552.64 billion dollars (2013 estimate) is said to have the largest market for goods and services in Africa. The country has an active Nigerian Stock Exchange with 185 listed companies (African Market, 2015) and a combined market capitalization of Nigerian naira totally 18.949 trillion as at September, 2014 (Umoren and Enang, 2015). Globally, accounting practice is guided by a set of laid down rules, regulations and standards that of a necessity must be adhered to in the preparation and presentation of financial statements. The Nigerian Accounting Standard Board which was established in 1982 as a private sector initiative and became a government agency in 1992 is an organization charged with the responsibility of setting accounting standards in Nigeria. By its inclusion in section 335(1) of the Companies and allied Matters Act of 1990 (as amended to date), the NASB was given a legal backing. Similarly,

with the enactment of the NASB Act of 2003, NASB was once again given full autonomy as a legal entity empowered to develop, set, publish and update statement of accounting standards to be adhered to and applied by companies in the preparation and presentation of their financial statement, and full autonomy as a legal entity.

According to Umoren and Enang (2015), the World Bank observed that the Nigeria Accounting Standard Board (NASB) does not have the financial, human resources and infrastructure for monitoring and enforcing compliance with its established standards. It was further observed through an examination of published financial statement that there are compliance gaps between the Statement of Accounting Standard (SAS) and actual practice. In corroboration with this, a 2010 report that was commissioned by the International Monetary Fund (IMF) expressed that NASB lacks adequate funding to carry out its statutory role. This gap and shortcomings thereby brought about a recommendation for the creation of a new independent (independent of both ICAN and ANAN) oversight body called the Financial Reporting Council (FRC) that would monitor and enforce accounting and auditing requirements regarding the financial statements for Nigeria and other African nations. In lieu of this, the FRC Bill on 18th of May, 2011 was signed and passed into Act thereby repealing the Nigerian Accounting Standard Board. According to Olusegun (2011),

> *"More meaningful and decision enhancing information can now be arrived at from financial statements issued in Nigeria because accounting, actuarial, valuation and auditing standards, used in the preparation of these statements, shall be issued and regulated by this Financial Reporting Council. The FRC is a unified independent regulatory body for accounting, auditing, actuarial, valuation and corporate governance. As such, compliance monitoring in these areas will hence be addressed from the platform of professionalism and legislation" (p.25)*

2.2 IFRS Adoption and Accounting Quality

International Financial Reporting Standards (IFRS) is a body of perspective rules and guidelines with global reach and appeal which provides guidance on how multi-national and business in the global world could actualize their goal of proper book-keeping, transparency, uniformity, comparability and enhancing public confidence in financial reporting (Tendeloo and Vanstraelen, 2005). In lieu of this, failure of companies and businesses to apply IFRS in the preparation and presentation of their financial statement would result to inconsistencies, lack of transparency and accountability, distortion of reports etc. This would invariably degenerate into poor financial reporting practices and the dissemination of accounting information that is below standard or of less value to stakeholders.

According to Umobong and Akani (2015) there is no uniform definition of accounting quality despite the fact that accounting quality is a concept that numerous research papers have and still refer. Barth et al. (2008) define accounting quality as the ability of accounting measures to reflect the economic position and performance of a firm. In the words of Watts (2003), other definitions of accounting quality focus more on the reliability of financial information. With the sole aim of investigating the differences in the quality of accounting information pre and post IFRS adoption by manufacturing firms in Nigeria over a five year period, Umobong and Akani (2015) embarked on a research on IFRS adoption and accounting quality of quoted manufacturing firms in Nigeria. With the use of multiple regression analysis and t-test to analyse data gathered, the findings of the study indicate a decline in accounting quality under IFRS using earnings management, value relevance and timely loss recognition as independent variables. .

Okpala (2012) carried out a study on "Adoption of IFRS and financial statement effects: The perceived implications on FDI and Nigeria economy". Stratified random sampling method was adopted and primary data was used to elicit responses with 123 structured questionnaires administered. The result of this study showed that IFRS adoption has neither made much impact in making timely and accurate reports available nor has it in any way made the financial statement more reliable. The findings of a research carried out by Onalo, Lizam and Kaseri (2015), on International financial reporting standards and the quality of banks financial statement information: Evidence from an emerging market-Nigeria indicates that IFRS adoption engenders higher quality of banks financial statement information especially when compared to local GAAP. Ames (2013), Lin, Riccardi and Wang (2012), Paglietti (2009), Paananen and Lin (2009) amongst others discard the assertion that there is a positive significant relationship between IFRS adoption and high accounting quality. In lieu of these inconsistencies regarding the impact of the adoption of IFRS on accounting quality, there is a need to further investigate the relationship between the adoption of IFRS and quality of accounting information. This therefore served as a basis for formulating the underlisted hypothesis:

H₁: There is a significant relationship between IFRS adoption and quality of accounting information of banks

2.3 Performance of Banks under Nigerian GAAP and under IFRS

Performance measure involves the comparism between actual results and established standard in order to determine the variance and take corrective actions. At international and local level, there have been instances where ratios have been used as a measure of performance. Liu and O'Farrell (2009) engaged financial ratios in the comparism of strengths and weaknesses of firms in the US and China. Kumbirai and Webb (2010) employed financial ratios to measure the profitability,

liquidity and credit quality performance of five large South African based commercial banks. Regarding adopting ratios for examining the effects of IFRS mandatory adoption on various variables, a good number of studies have been carried out. Blanchette, Racicot and Girard (2011) embarked on a study with the sole objective of providing empirical evidence of the impact of IFRS on the financial ratios of Canadian companies by comparing financial ratios computed under IFRS with those obtained under Canadian GAAP. Data was collected from audited financial statements prepared under IFRS and Canadian GAAP, while Least-square regression was also used to analyse the relationship between IFRS and Canadian GAAP. Their findings revealed that IFRS impact on financial ratios is driven by fundamental difference in application.

Abdul-Baki, Uthman and Sanni (2014) carried out a study on "Financial ratios as performance measure: A comparison of IFRS and Nigerian GAAP". The study was conducted through the comparison of ratios that were computed from IFRS based financial statements and Nigerian GAAP based financial statement. A One–Sample Kolmogorov-Smirnov Test was conducted to test for data normality. Mann-Whitney U test was employed in testing whether there is any significant difference between the pairs of ratios when the normality test showed a non-normal distribution of the data set. The result of the Mann-Whitney test revealed that there is no significant difference in the financial ratios used in measuring performance under the Nigerian GAAP and IFRS. It was revealed that the non-existence of a significant difference between Nigerian GAAP and IFRS based financial ratios implies that the fact that a company is IFRS compliant in the disclosure of accounting information may not be attributable to a short term performance evaluation of the achievement of the company based on a number of financial ratios computed from IFRS.

Okafor and Ogiedu (2011) carried out a study on "potential effects of the adoption and implementation of international financial accounting standards (IFRS) in Nigeria". Copies of Questionnaire were administered and data were analyzed using a non-parametric test known as Chi Square. Findings from these study revealed that International financial reporting standards have potential for producing greater benefits than the Generally Accepted Accounting Principles and can equally improve business performance.

Abata (2015) carried out a study on "The impact of international financial reporting standards (IFRS) adoption on financial reporting practice in the Nigerian banking sector" with a specific objective of determining whether the quantitative differences in the financial reports prepared by Nigerian listed banks under Nigeria GAAP and IAS/IFRS are statistically significant or not. With the use of one sample t-test to test the hypothesis formulated, it was revealed that the quantitative differences in the financial reports prepared under Nigerian GAAP and IAS/IFRS are statistically significant. The analysis also revealed a better performance (in terms of

profitability) under IFRS than under Nigerian GAAP. Based on this, the underlisted hypothesis was formulated to be tested:

H₁: There is a significant relationship between IFRS adoption and quality of accounting information of banks

Drawing from the literature, the hypotheses to be tested in this study are stated below in their alternate *forms:*

H₁: There is a significant relationship between IFRS adoption and quality of accounting information of banks
H₁: There is a significant difference in the performance of banks under IFRS and under Nigeria GAAP

3.0 METHODOLOGY

The purpose of this study is to examine the impact of mandatory adoption of International Financial Reporting Standard (IFRS) on the quality of accounting information of banks in Nigeria. The Nigerian banking sector was selected as the focus of this paper because of the criticality of its role in the Nigerian economy (Abata, 2015). The survey research method for the purpose of this study was employed with reasons lying in the fact that it focuses on obtaining subjective opinion of respondents and aims at drawing an accurate assessment of the entire population by studying samples derived from the population usually in the form of questionnaire (Osuala, 2005). Primary and secondary sources of data were adopted in the course of this study. The primary data was obtained from the group of respondents through a properly constructed questionnaire which was analysed and used to test hypothesis one. The questionnaire was constructed using a four and five-point Likert scale and was divided into three sections; Section's A and B were on questions pertaining to hypothesis one (1) while Section C comprises personal information of the respondents. For the purpose of ensuring the validity of the questionnaire, as recommended by Bryman and Bell (2007), the questionnaire was reviewed by experts both within and outside the field of accounting (Okpala, 2012; Okafor & Ogiedu, 2011). Pilot survey was adopted for the reliability test and it yielded correlation coefficient of 0.735. It was structured in line with the research questions and hypothesis of the study (Okpala, 2012).

There are currently twenty-one (21) commercial banks in Nigeria out of which fifteen are listed on the floor of the stock exchange market (African market, 2015). Due to data availability, the paper therefore focused on the annual reports of these banks (Abata, 2015) which was analysed and used to test for hypothesis two (2). These banks were also considered because they are listed in the Nigerian stock exchange market therefore enabling easy access to their annual reports

which is the major source of the researcher's secondary data as suggested by Uwalomwa (2011). The data covered a period of 6 years from 2009-2011 (Pre-adoption) and 2012-2014 (Post-adoption).

Information was elicited from accounting academics of the three (3) private universities in Ado-odo, Ota, Ogun state Ado-odo, local government in Ota was selected because it is the only local government in Nigeria with the highest number of private universities in Nigeria. Accounting academics were chosen as the target audience because they have been following the trends in IFRS adoption and had held and attended seminars, conferences and workshops on the subject matter either as participants or to deliver lecture (Ojeka, 2013). To buttress the reason for their selection, the subject of IFRS is currently being taught in many universities in Nigeria (both private and public). A total of 45 copies of the questionnaire were administered and 41 were gathered.

The data collected were analysed with the use of both descriptive and inferential statistics. Simple regression analysis which was used to test hypothesis one is a parametric test used to test the extent of the relationship between one independent variable (IFRS adoption) and one continuous dependent variable (quality of accounting information). Paired sample t-test on the other hand is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups.

3.1 Variables

All the variables for the purpose of this study were measured using interval scale. The main variables for this study are IFRS adoption as independent variable and accounting quality as the dependent variable. This study is a comparative analysis that assesses accounting quality pre- and post- IFRS adoption in Nigeria banking industry hence, for the purpose of this study, IFRS would be proxied using knowledge/skill, disclosure and transparency. Accounting quality on the other hand would be proxied using the characteristics of financial statement which are Reliability, Relevance/Timeliness and Understandability as suggested by Barth et al (2006). Questions were asked on these qualities with responses rated on a four point likert scale of 1 (low level) to 5 (high level). To test hypothesis two, performance of banks would be proxied using return on asset and return on equity.

3.2 Model Specification

$Y = f(x_1, x_2, x_3)$…………………………………………………………………………….. (1)

$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \mu$ …………………………………………… ………… (2)
Therefore,

Quality of accounting information $= \beta_0 \text{Timeliness} + \beta_0 \text{Reliability} + \beta_0 \text{Understandability} + \mu$

Where:

X= Independent variable = Adoption of IFRS

x_1= Knowledge and skills

x_2= Disclosure

x_3= Transparency

Y= Dependent variable = Quality of Accounting Information

y_1= Timeliness/Relevance

y_2= Reliability

y_3= Understandability

β_0= Intercept

μ= Error term/Stochastic variable

4.0 RESULTS

Hypothesis one: *There is a significant relationship between IFRS adoption and quality of accounting information of banks*

4.1.1   **Model Summary**[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.42 4[a]	.180	.113	1.468	.180	2.703	3	37	.059	1.998

a. Predictors: (Constant), Adoption of IFRS has brought about the application of knowledge and skills in the preparation of financial statement , The adoption of IFRS has help improve transparency of accounting information, Adoption of IFRS has enhanced the disclosure off accounting information

b. Dependent Variable: Quality of accounting information

4.1.2   **ANOVA**[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	17.478	3	5.826	2.703	.059[b]
	Residual	79.741	37	2.155		
	Total	97.220	40			

a. Dependent Variable: Quality of accounting information

b. Predictors: (Constant), Adoption of IFRS has brought about the application of knowledge and skills in the preparation of financial statement , The adoption of IFRS has help improve transparency of accounting information, Adoption of IFRS has enhanced the disclosure off accounting information

4.1.3   **Coefficients[a]**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	4.264	2.167		1.968	.057	-.127	8.655
Adoption of IFRS has enhanced the disclosure off accounting information	.468	.409	.199	1.143	.260	-.362	1.298
The adoption of IFRS has help improve transparency of accounting information	.444	.299	.251	1.486	.146	-.161	1.049
Adoption of IFRS has brought about the application of knowledge and skills in the preparation of financial statement	.333	.436	.118	.763	.451	-.551	1.217

Dependent Variable: Quality of accounting information

The table above shows the regression effect of IFRS mandatory adoption on the quality of accounting information of banks. The R square value in table 4.1.1 is 0.18 which when expressed in percentage terms indicates that the model (IFRS mandatory adoption) explains 18% of the variance in quality of accounting information of banks. The ANOVA Table shows the statistical significance of the result. The model herein reaches statistical significance at 10% (Significance= 0.059; $p<0.1$). Table 4.1.3 which is the co-efficient table shows which of the variables included in the model contributed to the prediction of the dependent variable. The Beta value with the highest beta coefficient from the co-efficient table above (Table 4.1.3) is 0.251. This implies that the variable "transparency" makes the strongest but statistically insignificant (with a significant value of 0.267) unique contribution to explaining the dependent variable (quality of accounting information). The lowest beta coefficient on the other hand is 0.118 indicating that the variable "knowledge and skills application" makes the weakest and statistically insignificant (with a significant value of 0.451) contribution explaining the dependent variable.

Hypothesis two: *There is a significant difference in the performance of banks under IFRS and under Nigeria GAAP*

4.2.1   **Paired Samples Statistics**

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	ROAI	.0250	36	.04240	.00707
	ROAG	.0079	36	.02514	.00419
Pair 2	ROEI	-.0099	36	.69614	.11602
	ROEG	-.0184	36	.47872	.07979

Field Survey, 2015

4.2.2   **Paired Samples Correlations**

		N	Correlation	Sig.
Pair 1	ROAI & ROAG	36	.050	.771
Pair 2	ROEI & ROEG	36	-.014	.934

Field Survey, 2015

4.2.3   **Paired Samples Test**

		Paired Differences					t	Df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	ROAI – ROAG	.01711	.04819	.00803	.00080	.03341	2.130	35	.040
Pair 2	ROEI – ROEG	.00858	.85051	.14175	-.27919	.29636	.061	35	.952

Field Survey, 2015

A paired sample t-test was conducted to evaluate whether or not there is a significant difference in the performance of banks under IFRS and Nigeria GAAP. The result of the comparism of the return of asset (which is one of the performance measurement tool) under Nigeria GAAP and under IFRS revealed a significant value of 0.040 which is lower than the cut-off value of 0.05 therefore signifying a significant difference in the performance of banks under Nigeria GAAP and under IFRS. The paired sample statistics in table 4.2.1 shows a higher return of asset (ROA) with a mean value of 0.0250 under IFRS compared to the return of asset with a mean value of 0.0079 under Nigeria GAAP. The return of equity (ROE) under Nigeria GAAP and under IFRS on the other hand revealed a significant value of 0.952 which is higher than the cut-off value of 0.05, which therefore indicates that there is no significant difference in the performance of banks under Nigeria GAAP and under IFRS. From the table above (Table 4.1.1), the Return of Equity under IFRS has a mean value of -0.0099 and a standard deviation value of 0.69614 While the mean value under Nigeria GAAP is -0.0184 and a standard deviation value of 0.47872 indicating a statistical significant decrease in performance of bank under Nigeria GAAP using ROE as a performance measurement tool. The mean decrease in performance of banks under Nigeria GAAP was with a 95% interval ranging from -0.27919 to 0.29636. The eta squared statistics for pair one (1) is 0.133 indicating a small effect size while the eta squared statistics for pair two (2) is 0.106

4.3 Discussion of findings

The main aim of this study is to examine the impact of mandatory adoption of International Financial Reporting Standard (IFRS) on the quality of accounting information of Nigeria firms. This study engaged two objectives which are: To determine the significant relationship between IFRS adoption and quality of accounting information; To determine the significant difference in the performance of banks under IFRS and under Nigeria GAAP.

4.3.1 Significant relationship between IFRS adoption and quality of accounting information Hypothesis one states that "there is a significant relationship between IFRS adoption and quality of accounting information. To test this, Regression analysis was ran and as a result, the null hypothesis was rejected, while the alternate hypothesis which states that "there is a significant relationship between IFRS adoption and quality of accounting information of banks. This empirical finding is consistent with the result of a research carried out by Onalo, Lizam and Kaseri (2015), on International financial reporting standards and the quality of banks financial statement information: Evidence from an emerging market-Nigeria where it was revealed that IFRS adoption engenders higher quality of banks financial statement information especially when compared to local GAAP.

4.3.2 Significant difference between the internal auditors' competence and the quality of accounting information.

Hypothesis two states that "there is no significant difference between the performance of banks under IFRS and under Nigeria GAAP. To test this, paired sample t-test was ran and the result showed a significant difference in the return of asset of banks under IFRS and under GAAP. There was no significant difference in return on equity under IFRS and under Nigeria GAAP. This empirical finding is consistent with the result of a research carried out by Abdul-Baki, Uthman and Sanni (2014) carried out a study on "Financial ratios as performance measure: A comparison of IFRS and Nigerian GAAP". The result of the Mann-Whitney test revealed that there is no significant difference in the financial ratios used in measuring performance under the Nigerian GAAP and IFRS.

5.0 CONCLUSION AND RECOMMENDATIONS

The review of several studies has shown a significant relationship between the adoption of IFRS and the quality of accounting information of banks in Nigeria. The result of this study is also in tandem with the result of the studies carried out by various authors suggesting that there is a significant relationship between the adoption of IFRS and the quality of accounting information of banks in Nigeria. The reason for this may perhaps lie in the fact that Nigerian GAAP has from the scratch complied with IAS and IFRS (NASB, 2009). As such with the mandatory adoption of IFRS, most accountants with little trainings find it easy to comply with IAS/IFRS in the

preparation and presentation of accounting information. In addition, many authors have augured that adoption of IFRS would enhance the transparency and disclosure of accounting information. These and many more are possible reasons for the significant relationship between IFRS adoption and quality of accounting in information. Conclusively, the result of this study adds to the body of literatures that have examined the impact of IFRS on various financial ratios specifically return on assets and returns on equity. This study similarly gives an insight into the possible outcome of future research covering a wider spectrum.

Accounting academics/Accountants must be mandated by their various institutions/organizations to periodically undergo trainings (e.g. MCPE, conferences and workshops) on IFRS. This is because data collated showed that most respondents are of the opinion that IFRS is difficult to understand. This might be because some of them got chartered before the adoption of IFRS and they never went for trainings on IFRS.

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