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ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS IN NIGERIA: A CONCEPTUAL APPRAISAL

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ABSTRACT: *A recent reality of globalization is the harmonization of accounting standards. Accounting is said to be the language of business; if this assertion holds true, then the move by the International Accounting Standards Board (IASB) to harmonise accounting standards used in the preparation of financial statements across the world is a move in the right direction. This study examined the adoption of International Financial Reporting Standards (IFRS) in Nigeria with particular emphasis on the prospects and challenges of IFRS adoption in Nigeria. The major objective of the study was to identify the benefits and challenges of adopting International Financial Reporting Standards (IFRS) in Nigeria. The descriptive research design was used in the investigation that led to the production of this paper. Data were initially collected through review of existing literature and thereafter through questionnaire administration and personal interviews. Tables and percentages were used in summarizing data obtained. Based on the results of the study, it was found that adoption of International Financial Reporting Standards (IFRS) in Nigeria will help Nigeria and Nigerian corporations, among other benefits, secure access to global capital markets. Thus, the study concluded that Nigeria will benefit to a significant extent from the adoption of IFRS. One of the recommendations made was that Government at all levels, financial regulatory agencies, professional accountancy bodies, private and public companies and institutions, and accountancy firms should fast-track IFRS education in order to boost the acquisition of IFRS knowledge and competences.*

KEYWORDS: adoption, international, financial, reporting standards, Nigeria, appraisal

INTRODUCTION

The preparation of financial statements have always been based on generally accepted accounting principles (GAAP). Generally accepted accounting principles provide guidance and bases for recording transactions in the financial statements. Many countries of the world have in the past developed their accounting standards by applying generally accepted accounting principles. Standards developed for use in the preparation of financial statements in a particular country were referred to as local GAAP. Such standards were designed to accommodate the peculiar political, cultural, legislative as well as economic circumstances of specific nations. The need to enhance financial reporting in respect of cross-border transactions informed the establishment of the International Accounting Standards Committee (IASC) in 1973. The IASC was charged with the responsibility of developing and promoting the adoption of International Accounting Standards (IAS) by preparers of financial statements in many parts of the world. However, the mandate given to the IASC did require it to ensure that standards developed by it be accepted globally. The IASC has since inception issued a total of 30 standards.

To overcome the global coverage challenge faced by the IASC, the International Accounting Standards Board (IASB) was established to developed and publish International Financial Reporting Standards (IFRS) to be adopted globally in the preparation of financial statements.

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IFRSs are more focused on objectives and principle- based. They purport to be a set of rules that ideally would apply equally to financial reporting by public interest companies worldwide. The adoption of IFRS as issued by the International Accounting Standards Board (IASB) is expected to result in the application of a common set of financial reporting standards globally (Odia & Ogeidu, 2013). Thus, the global concern for a uniform financial reporting architecture gave rise to the movement towards international harmonization of financial reporting standards of nation states. The International Financial Reporting Standards (IFRS), which are a set of international accounting standards, define and specify how particular types of financial transactions and other events should be reported in financial statements. The IFRSs have been embraced in most parts of the world as the global benchmark for conducting and reporting financial transactions. The growing list of countries and the level of IFRS-compliance in these countries define IFRS' acceptability by the international business community (Herbert, Ene & Tsegba, 2013).

Irrespective of the world wide acceptance of IFRS, many countries, especially developing countries such as Nigeria, are still struggling with implementation of IFRS. Some countries have simply adopted IFRS as a matter of fulfilling membership obligation of multilateral government bodies such as the World Trade Organisation, global accounting bodies like the International Federation of Accountants (IFAC) and/or mandated by the World Bank and International Monetary Fund, without evaluating their economic effects in their jurisdictions. This paper begins by examining the meaning of IFRS and goes on to discuss the history of international financial reporting standards, the benefits and challenges of IFRS adoption in Nigeria.

Nigeria embraced the International Financial Reporting Standards (IFRS) in 2010 and since then some progress have been made in respect of implementation of IFRS in Nigeria. The use of IFRSs as a universal financial reporting language is gaining momentum across the globe as more countries are adopting IFRS or converging their local standards with it. Nigeria has set a road map towards the adoption of IFRS from January, 2012. Although there are arguments that IFRSs are irrelevant to developing countries, developing countries are adopting it because IFRS is a product with "network effects". IFRS is perceived as a high quality accounting standard, compared to most local accounting standards, which can help to foster increased comparability of financial statements by investors. Globalization, increased border-listing, attraction of foreign investment and aids, and other institutional factors have been the motivating factors for IFRS adoption. To enjoy the benefits enumerated above, it is imperative for Nigeria to fast track effort aimed at securing the benefits of IFRS, given its decision to adopt IFRS. Thus, the issue of how Nigeria can achieve full implementation of IFRS in order to enjoy the benefits associated with IFRS adoption spurred this study.

Given the saying that there is no gain without pain, it becomes imperative to identify the impediments to IFRS adoption in Nigeria. Though IFRS promises a lot of benefits for financial reporting by adopters, there are many challenges and obstacles which must be overcome. Transition to IFRS by developing economies such as Nigeria may not be as seamless as was experienced by most of the developed economies of the world given lack of domestic capacity and weak social and physical infrastructure. In essence, another factor that motivated this study was the issue of identifying the challenges of IFRS adoption in Nigeria with a view to determine how the challenges could be resolved.

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CONCEPTUAL FRAMEWORK

Meaning of International Financial Reporting Standards

International Financial Reporting Standards (IFRS) are standards, rules, principles, benchmarks and best practices that preparers of financial statements of public interest entities follow when preparing financial statements. These standards are issued by the International Accounting Standards Board (IASB), a technical committee of IFAC (International Federation of Accountants). IFRSs apply to private sector entities. The public sector equivalent of IFRS is the International Public Sector Accounting Standards (IPSAS). IFRSs provide guidance on the preparation of general purpose financial statements (GPFS) and are required to be followed by private sector and related organisations in the preparation of their financial statements.

IFRS is a combination of International Accounting Standards, originally issued by the International Accounting Standards Committee (IASC) and International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

Objectives of International Financial Reporting Standards

The world has become a global village and the current reality is that the world's capital markets now operate across borders, world's economies are interdependent, accounting and auditing needs strengthening, and high-quality information facilitates the allocation of global capital. To meet the financial reporting needs of diverse users of cross-border financial statements, the International Accounting Standards Board (IASB), in its wisdom thought it wise to harmonise financial reporting standards used in the preparation of financial statements globally. The objectives of IFRSs are as follows:

1. To serve as a global set of accounting standards to be adopted by preparers of financial statements of private sector entities.
2. To ensure comparability, accountability and transparency in financial reporting by private sector entities.
3. To improve the quality of general purpose financial reporting by private sector entities.
4. To enhance disclosure of financial information by private sector entities.
5. To ensure consistency in the preparation and reporting of financial information.
6. To ensure the efficient allocation of capital globally thereby : attracting investment through transparency, reducing the cost of capital, increasing world-wide investment
7. To reduce costs and increase efficiency in financial reporting; and as such facilitate standardization of information systems, eliminate wasteful reconciliations, enhance audit efficiencies, and facilitate education and training of preparers of financial statements.

Brief History of International Financial Reporting Standards

For a proper understanding of the historical development of International Financial Reporting Standards, it is important to examine the history of International Accounting Standards since

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International Accounting Standards predate International Financial Reporting Standards. Before the constitution of the international accounting standards committee (IASC) – which was the body charged with the responsibility for the development of accounting standards between 1973 and 2001 - efforts had been made by professional accounting bodies in Canada, the United Kingdom and the United States of America towards convergence of accounting standards. The first move towards accounting standards convergence was the proposal to create the Accountants International Study Group (AISG) by professional accountancy bodies in Canada, the United Kingdom and the United States in 1966 (Odia & Ogiedu, 2013). The AISG was created in 1967 to develop comparative studies of accounting and auditing practices in the three nations mentioned above. Until it was disbanded in 1977, the IASG had published 20 studies on accounting and auditing practices.

In 1972, Sir Henry Benson put forward the proposal for the setting up of the International Accounting Standards Committee (IASC) at the 40th World Congress of Accountants in Sydney and became the first elected chairman of the IASC when it was formed in 1973. Thus, the development of International Accounting Standards began in 1973 with the formation of the International Accounting Standards Committee (IASC) by accounting bodies in nine countries which are Australia, Canada, France, Germany, Japan, Mexico, the Netherlands, United Kingdom (and Ireland), and the United States of America. The purpose of the IASC is to promote worldwide acceptance of accounting standards that would improve comparability of financial information. In years subsequent to 1973, additional sponsoring members were added and by 1982 the sponsoring members comprised all the professional accountancy bodies that were members of the International Federation of Accountants (IFAC). Before the formation of the IASC, effort had been made by some countries around the world to develop accounting standards used in the preparation of financial statements in their jurisdiction.

The history of International Financial Reporting Standards can be traced to March 2001 when the International Accounting Standards Committee (IASC) Foundation was formed (the IASC Foundation later became the IFRS Foundation). In April, 2001, the International Accounting Standards Committee was disbanded and the International Accounting Standards Board (IASB), was established to assume accounting standard setting responsibilities. The IASB is an independent, privately-funded accounting standards setter based in London. Contributors to the IASB include major accounting firms, private financial institutions, industrial companies throughout the world, central and developmental banks and other international and professional organisations. With the establishment of the IASB, standards previously developed by the IASC were evaluated to determine their applicability given changing global circumstances with a view to reviewing or revising them. Existing IASs which were reviewed were re-designated IFRS while new standards issued subsequent to April, 2001 were designated IFRS, the first one being IFRS 1 (First time adoption of International Financial Reporting Standards) – issued in June, 2003.

Table 2.1 below highlights the IFRSs in issue at the time this study was conducted.

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Table 2.1: International Financial Reporting Standards.

IFRS No.	ISSUE/REVISION DATE	TITLE
IFRS 1	June 2003	First time adoption of International Financial Reporting Standards
IFRS 2	February 2004	Share-based payment
IFRS 3	January 2008	Business combinations
IFRS 4	March 2004	Insurance contracts
IFRS 5	March 2004	Non-current assets held for sale and discontinued operations
IFRS 6	December 2004	Exploration for and evaluation of mineral resources
IFRS 7	August 2005	Financial instruments: disclosures
IFRS 8	November 2006	Operating segments
IFRS 9	November 2009	Financial instruments
IFRS 10	May 2011	Consolidated financial statements
IFRS 11	May 2011	Joint arrangements
IFRS 12	May 2011	Disclosure of interests in other entities
IFRS 13	May 2011	Fair value measurement
IFRS 14	January 2014	Regulatory deferral accounts
IFRS 15	May 2014	Revenue from contracts with customers
IAS No.		
IAS 1 (Revised)	September 2007	Presentation of financial statements
IAS 2	December 2003	Inventories
IAS 7	December 1992	Statement of cash flows
IAS 8	December 2003	Accounting policies, changes in accounting estimates and errors
IAS 10	December 2003	Events after reporting period
IAS 11	December 1993	Construction contracts
IAS 12	November 2000	Income taxes
IAS 16	December 2003	Property, plant and equipment
IAS 17	December 2003	Leases
IAS 18	December 1993	Revenue
IAS 19	December 2004	Employee benefits
IAS 20	January 1995	Accounting for government grants and disclosure of government assistance
IAS 21	December 2003	The effects of changes in foreign exchange rates
IAS 23 (Revised)	January 2008	Borrowing costs
IAS 24	December 2003	Related party disclosures
IAS 26	January 1995	Accounting and reporting by retirement benefit plans
IAS 27 (Revised)	May 2011	Separate financial statements
IAS 28	December 2003	Investment in associates
IAS 29	January 1995	Financial reporting in hyperinflationary economies

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IAS 30	January 1995	Disclosure in the financial statements of banks and similar financial institutions
IAS 31	December 2003	Interests in joint ventures
IAS 32	December 2003	Financial instruments: presentation
IAS 33	December 2003	Earnings per share
IAS 34	February 1998	Interim financial reporting
IAS 36	March 2004	Impairment of assets
IAS 37	September 1998	Provisions, contingent liabilities and contingent assets
IAS 38	March 2004	Intangible assets
IAS 39	December 2004	Financial instruments: presentation and measurement
IAS 40	December 2003	Investment property
IAS 41	February 2001	Agriculture

The Journey Towards Adoption of International Financial Reporting Standards in Nigeria

Nigeria embraced the International Financial Reporting Standards in 2010 (September 2). Since then, some progress have been made towards its implementation. Nigeria accepted the adoption of IFRS to take advantage of the benefits associated with IFRS adoption (discussed in the next section) and position Nigeria to compete favourably with players in the global economy. Following approval by the Federal Executive Council (FEC), a timeline was established for the adoption of IFRS in Nigeria beginning from 2012. Before Nigeria embraced IFRS, the Nigeria Accounting Standards Board had been the Federal Government agency statutorily charged with the responsibility of developing and issuing Statements on Accounting Standards (SAS) used in the preparation of financial statements in Nigeria. The SAS, which had many similarities with IASB standards, were governed by Nigeria's GAAP. The Nigerian Accounting Standards Board (NASB) was originally constituted in 1982 but established by the National Assembly vide Act. No. 22 of 2003 (signed into law on 10th July, 2003).

The journey towards the adoption of IFRS in Nigeria actually began with the establishment of the Financial Reporting Council of Nigeria and the enactment of the Financial Reporting Council of Nigeria Act in 2011. The Financial Reporting Council of Nigeria Act, 2011, repealed the Nigeria Accounting Standards Board Act, 2003. Before the establishment of the Financial Reporting Council of Nigeria, the Federal Executive Council, as pointed out earlier, had designed a roadmap for the adoption of IFRS in in Nigeria. The roadmap, showing timelines for reporting using IFRS, is shown below.

Phase 1: Publicly listed Entities and Significant Public Interest Entities

Publicly listed Entities and Significant Public Interest Entities are to prepare their financial statements using applicable IFRS by January 1, 2012. The choice of January 1, 2012 is anchored on the need to effectively transit to IFRS over a three-year period. Any entity that starts preparation for transiting would need to convert its closing balances at December 2010 to IFRS-based figures which then become the opening balances as at January 1, 2011 for IFRS-based financial statements as at December 31, 2011. This provides opening balances for January 1, 2012 which is the first IFRS full financial statements as at December 31, 2012 (with 2011 as comparative year).

Phase 2: Other Public Interest Entities

All other public interest entities are expected to mandatorily adopt IFRS, for statutory purposes, by January 1, 2013.

Phase 3: Small and Medium-Sized Entities (SMEs)

IFRS for SMEs shall mandatorily be adopted as at January 1, 2014. This means that all Small and Medium-sized Entities in Nigeria are statutorily required to issue IFRS-based financial statements for the year ended December 31, 2014.

Benefits of Adoption of International Financial Reporting Standards in Nigeria

This paper shall approach the discussion on the benefits of adoption of IFRS in Nigeria by first and foremost considering the benefits that flow from adopting uniform reporting standards. According to Herbert (2010), at least five affirmative reliefs flow from adopting uniform reporting standards, the first three relating to voluntary adoption (i.e., without government fiat), while the remaining two are dictated by regulatory and user influences. The first affirmative argument, which relates to scale economies, underlies all forms of uniform contracting: uniform rules need only be introduced once. They constitute a type of 'public good', in that the marginal cost of an additional user adopting them is zero, and nobody is disadvantaged by another using them. The second advantage of uniform standards is the protection they give auditors against managers playing an 'opinion shopping' game (Ball, 2006). If all auditors are required to enforce the same rules, managers cannot threaten to shop for an auditor who will give an unqualified opinion on a more favourable rule.

The third argument supporting uniform financial reporting is the potential of eliminating informational externalities arising from lack of comparability. If firms and/or countries use different accounting standards and techniques – even if unambiguously disclosed to all users – they can impose costs on others (in economics parlance, create negative externalities) due to lack of comparability. To the extent that firms internalize these effects, it will be advantageous for them to use the same standards as others – IFRS. The fourth advantage derives from the worldwide support from multinational corporations (MNCs), regulators and users because of the belief that common standards in the preparation of corporate financial statements will facilitate international comparability from different countries. Large MNCs operating in multiple jurisdictions would be able to use one accounting language company-wide and present group financial statements in the same language as their competitors. The fifth benefit is the belief that in a truly global economy, finance professionals will be more mobile, and companies will more easily respond to their group human capital needs around the world.

These advantages imply that the IFRS offer some degree of uniformity in accounting standards that is prospective in a market setting. In addition to the above, direct and indirect advantages of IFRS adoption for investors have been isolated. Direct advantages to investors include:

1. IFRS promise more accurate, comprehensive and timely financial statement information, relative to the national standards they replace for public financial reporting in most of the countries adopting them. To the extent that financial statement information is derived from IFRS sources, this should lead to more-informed valuation in the equity markets, and hence lower risk to investors.

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2. Small investors are less likely than investment professionals to anticipate financial statement information from other sources. Improving financial reporting quality through uniform standards allows them to compete better with professionals, and hence reduces the risk of adverse selection through a better-informed professional (known as 'adverse selection') (Diamond & Verrecchia, 1991; Leuz & Verrecchia, 2000).

3. By eliminating many international differences in accounting standards, and standardizing reporting formats, IFRS eliminate many of the adjustments analysts historically make in order to make companies' financials more comparable internationally. IFRS adoption has the potential to reduce the cost of processing financial information. The gain would be greatest for institutions that create large, standardized-format financial databases.

4. Reducing the cost of processing financial information will most likely increase market efficiency, that is, the efficiency with which the stock market incorporates it in prices. Investors are expected to gain from increased market efficiency.

5. Reducing international differences in accounting standards assists to some degree in removing barriers to cross-border acquisitions and divestitures, which in theory will reward investors with increased takeover premiums (Bradley, Desai, & Kim, 1988).

In addition, IFRS offer several additional indirect advantages to investors. First, it is expected that IFRS should induce higher information quality which, in turn, should reduce the risk of equity investment and the risk to less-informed investors due to adverse selection. Theoretically, therefore, IFRS should lead to a reduction in firms' costs of equity capital, which would increase share prices, and make new investments more attractive, ceteris paribus. Another indirect advantage of IFRS is the potential improvement in transparency and usefulness of financial statement information in contracting between firms and other stakeholders, notably lenders and managers (Watts, 1977; Watts & Zimmerman, 1986). Increased transparency causes managers to act more in the interests of shareholders. In particular, timely loss recognition in the financial statements increases the incentives of managers to attend to existing loss-making investments and strategies more quickly, and to undertake fewer new investments with negative net present values (Ball, 2001; Ball & Shivakumar, 2005).

The increased transparency and loss recognition timeliness promised by IFRS therefore could increase the efficiency of contracting between firms and their managers, reduce agency costs between managers and shareholders, and enhance corporate governance. The potential gain to investors arises from managers acting more in their (i.e., investors') interests. In other words, the increased transparency and loss recognition timeliness promised by IFRS could increase the efficiency of contracting in debt markets – between firms and lenders – with potential gains to equity investors in terms of reduced cost of debt capital.

The discussion on the benefits of adoption of IFRS in Nigeria can also be approached from the perspective of the benefits of global harmonization as pointed out by BBP Learning Media (2012). Accordingly, the benefits of IFRS based on the benefits to users and preparers of financial statements includes:

1. Investors, both individual and corporate, would be able to compare the financial results of different companies internationally as well as nationally in making financial decisions.

2. Multinational companies would benefit from harmonisation for many reasons including the following: better access would be gained to foreign investor funds; management control would be improved because harmonization would aid internal communication of financial information; appraisal of foreign entities for take-overs and mergers would be more straightforward; it would be easier to comply with the reporting requirements of overseas stock exchanges; preparation of group accounts would be easier; a reduction in audit costs might be achieved; and transfer of accounting staff across national borders would be easier.

3. Governments of developing countries (like Nigeria) would save time and money by adopting IFRS and, if these were used internally, governments of developing countries could attempt to control the activities of foreign companies in their own country. Companies would not have to hide behind foreign accounting practices which are difficult to understand.

4. Tax authorities would find it easier to calculate the tax liability of investors including multinationals who receive income from overseas sources.

5. Large international accounting firms would benefit as accounting and auditing would be much easier if similar accounting practices existed throughout the world.

6. Adoption of common accounting practices would aid regional economic groups in promoting trade within their geographic region.

In their contribution to the benefits of IFRS adoption in Nigeria, Odia & Ogiedu (2013) pointed out that adoption of IFRS will lead to: greater transparency and understandability, lower cost of capital to companies and higher share prices (due to greater confidence of investors and transparent information), reduced national standard-setting costs, ease of regulation of securities markets, easier comparability of financial data across borders and assess to investment opportunities, increased credibility of domestic markets to foreign capital providers, potential foreign merger partners and potential lenders. It will also facilitate easier international mobility of professional staff across national boundaries. Furthermore, adoption of IFRS will help multinational

Companies fulfill disclosure requirements for stock exchanges around the world (Armstrong, Barth, Jagolinzer & Riedl, 2010; Covrig, Defond & Hung 2007; Daske, Hail, Leuz & Verdi, 2008). Other benefits of IFRS adoption include: lower susceptibility to political pressures than national standards, continuation of local implementation guidance for local circumstances and the tendency for accounting standards to be raised to the highest possible quality level throughout the world. (Choi, Frost, Carol & Meck, 1999; Alfredson et al, 2004). The net market effect of convergence is a function of two effects. The first is the direct informational effect - whether convergence increases or decreases accounting quality. The second is the expertise acquisition effect or whether investors become experts in foreign accounting, which depends on how costly it is to develop the expertise. Therefore, ex ante net market effect of convergence is uncertain. In summary, the benefits of adopting IFRS (in Nigeria) include, but not limited to:

1. Minimised barrier to global competition for capital

2. Increase in global comparability thereby promoting a more informed global marketplace

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3. IFRS enables management and auditors to exercise more professional judgment
4. IFRS creates uniformity in global financial reporting including audit reports
5. IFRS is the globally accepted accounting language

Challenges of Adopting International Financial Reporting Standards in Nigeria

Irrespective of the prospects and perceived benefits of adopting IFRS in Nigeria, a plethora of obstacles have been identified especially in relation to the implementation of IFRS. Most of these challenges as pointed out by Obazee (2007) relate to technical and cultural issues, mental models, legal impediments, educational needs and political influences. Some of the challenges of adopting international financial reporting standards in Nigeria as identified in this study include:

1. Lack of education, understanding and experience by preparers of financial reports: This is a major problem in the adoption of IFRS in Nigeria. Many preparers of financial statements in Nigeria are not conversant with the technicalities involved in the preparation of IFRS. This challenge in further compounded by the fact that many accountants in Nigeria have become accustomed to the application of the local GAAP (the statements on accounting standards). Thus, to be effective in the application of IFRS will require a long period of learning and experience.

2. Initial cost of adoption: To effectively implement IFRS require enormous expenditure. The three tiers of government and organisations in Nigeria will have to expend significant amount of money in deploying accounting software compatible with IFRS, training of accounting personnel responsible for preparing financial statements, valuation of assets to ensure they met recognition criteria, etc. High cost of setting up an IFRS compliant accounting system could discourage or prolong implementation.

3. Lack of political will and corruption: one of the benefits of IFRS adoption is the increased transparency and accountability that is associated with financial reporting under IFRS. The Nigerian operating environment is bedeviled with insincerity from political leaders in government and corruption. Thus, the effort of government at implementing IFRS may be undermined or scuttled by political office holders and public servants who do not subscribe to transparency and accountability.

4. Perceived uncertainties about IFRS: The average Nigerian still believes that IFRS is a foreign practice or the white man’s method. So many people do not believe that the adoption of IFRS in Nigeria is a possibility, hence the lack of support towards achieving implementation.

5. Lack of Legislative Support and Commitment: apart from the establishment of the Financial Reporting Council of Nigeria (FRCN), the development of a roadmap to the adoption of IFRS by the council and the enlightenment campaigns being carried out by the council, there has not been further legislative support for IFRS adoption and implementation in Nigeria. Up till now, the National assembly has not come up with a bill making the adoption of IFRS by organisations in Nigeria compulsory, hence the slow acceptance and implementation of IFRS in Nigeria since it was embraced in 2010.

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METHODOLOGY

The descriptive research methodology was adopted in conducting the investigation which lead to the production of this paper. This method afforded the researcher the opportunity to gather evidence about the concept being studied and as such provide explanations to enhance readers' understanding of the concept. Data was initially gathered through a review of existing literature materials and thereafter through questionnaire administration and personal interviews.

DATA ANALYSIS AND DISCUSSION OF RESULTS

Data obtained in the course of this study are analysed below using tables and percentages.

Table 4.1: Analysis of Research Question 1

Question	Response Options	No. of Respondents Who Choose the Options Specified	Percentage (%)
Do you think that Nigeria will benefit from adoption of International Financial Reporting Standards?	Yes	23	92
	No	1	4
	Undecided	1	4
Total		**25**	**100**

The data analysed in table 4.1 above indicates that 92% of the respondents covered were of the opinion that Nigeria will benefit from adoption of International Financial Reporting Standards, 4% of the respondents covered do not think that Nigeria will benefit from adoption of International Financial Reporting Standards, while the remaining 4% were undecided. Given that 92% of the respondents asserted that Nigeria will benefit from the adoption of International Financial Reporting Standards, we conclude that a number of benefits will accrue to Nigeria for adopting International Financial Reporting Standards.

Table 4.2: Analysis of Research Question 2

Question	Response Options	No. of Respondents Who Choose the Options Specified	Percentage (%)
To what extent do you think Nigeria has achieved IFRS implementation?	To a significant extent	5	20
	Not to a significant extent	20	80
	Undecided	0	0
Total		**25**	**100**

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Table 4.2 above indicates that 20% of the respondents covered were of the opinion that Nigeria has to a significant extent achieved IFRS implementation, 80% of the respondents covered were of the opinion that Nigeria has not to a significant extent achieved IFRS implementation. Given that 80% of the respondents asserted that Nigeria has not to a significant extent achieved IFRS implementation, we conclude that Nigeria is yet to significantly achieve IFRS implementation.

Table 4.3: Analysis of Research Question 3

Question	Response Options	No. of Respondents Who Choose the Options Specified	Percentage (%)
What in your opinion are the benefits that will accrue to Nigeria for adopting International Financial Reporting Standards?	Minimises barriers to global competition for capital	5	20
	Increase in global comparability thereby promoting a more informed global marketplace	3	12
	enables management and auditors to exercise more professional judgment	3	12
	creates uniformity in global financial reporting including audit reports	4	16
	Others	10	40
Total		**25**	**100**

From the data analysed in table 4.3 above, 20% of the respondents asserted that IFRS adoption minimises barriers to global competition for capital, 12% were of the opinion that IFRS adoption results in increase in global comparability thereby promoting a more informed global marketplace, 20% of the respondents stated that IFRS adoption enables management and auditors to exercise more professional judgment, while 16% pointed out that IFRS adoption creates uniformity in global financial reporting including audit reports. The remaining 40% relate to the other benefits of IFRS adoption presented in the literature review section of this paper.

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Table 4.4: Analysis of Research Question 4

Question	Response Options	No. of Respondents Who Choose the Options Specified	Percentage (%)
What in your opinion are the challenges of adopting IFRS in Nigeria?	Lack of education, understanding and experience by preparers of financial reports	8	32
	Initial cost of adoption	6	24
	Lack of political will and corruption	5	20
	Perceived uncertainties about IFRS	3	12
	Lack of Legislative Support and Commitment	3	12
Total		**25**	**100**

In an ascending order, Table 4.4 shows that the challenges of adopting IFRS in Nigeria, as pointed out by the respondents, are lack of education, understanding and experience by preparers of financial reports (32%); initial cost of adoption (24%), lack of political will and corruption (20%); perceived uncertainties about IFRS (12%); and lack of legislative support and commitment (12%).

CONCLUSION AND RECOMMENDATIONS

Conclusion

The International financial reporting standards have come to stay. The adoption of IFRS continues with many countries setting timetable or roadmap for adoption expecting to reap the benefits of IFRS adoption. In Nigeria, significant progress has been made, yet more needs to be done in order for IFRS to be fully implemented. Even though Nigeria has adopted IFRS, Nigeria's implementation readiness is still uncertain and remains an empirical issue. A critical assessment of countries where IFRS has been adopted and implemented reveals that countries like Nigeria which has just adopted IFRS or those countries about to adopt or converge their local GAAP with IFRS must be adequately prepared. Thus, with adequate preparation and commitment from all and sundry, IFRS implementation in Nigeria is a possibility.

Recommendations

The following recommendations are advanced based on the outcome of this study:

1. Government at all levels, financial regulatory agencies, professional accountancy bodies, private and public companies and institutions, and accountancy firms should fast-track IFRS education in order to boost the acquisition of IFRS knowledge and competences.

2. Adequate resources should be put in place to support the sustainable implementation of IFRS. This includes having consultative groups available to respond promptly to concerns by users and to provide for their ongoing training. Assisting key stakeholders, including regulators with training, and possessing the required resources to interpret and apply the requirements of IFRS is a critical element underlying the successful implementation of IFRS.

3. The accounting curriculum of the Nigerian tertiary education system should be reviewed to incorporate IFRS and IPSAS and their implementation dimensions.

4. There should be continual training of preparers of financial statements, auditors, regulators, and analysts as this is an important factor in the transition to IFRS. Thus, capacity building of the various stakeholders by the accounting profession is a necessity.

5. The Financial Reporting Council of Nigeria should commence monitoring of private sector organisations to ensure that IFRS is being adopted in the preparation of their financial statements; defaulting organisations should be sanctioned.

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