ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) TO ENHANCE FINANCIAL REPORTING IN NIGERIA UNIVERSITIES

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Abstract
Nigeria has adopted international financial reporting standard (IFRS) from 1st January, 2012. The study examined the extent to which adoption of international financial reporting standards (IFRS) can enhance financial reporting system in Nigerian Universities. The population of the study comprised 160 senior accountants and internal auditors. A survey design was adopted for the study. The mean scores and Z-Test was used in analyzing the data generated for the study. The findings indicated that there are a lot of accounting areas the accountants and auditors should focus in discharging their duties. And as well a lot of implications are also involved. Mostly accountants, auditors, bursars, financial analyst, etc, are the personnel involve in the IFRS financial instruments. It was recommended among others that the curricula of our institutions should be reviewed to incorporate IFRS, so that accountants and auditors will be acquainted with IFRS guidelines and standards.

Keywords: Accountants, auditors’ international standards, financial statements and institutions.

Introduction
The introduction of an acceptable global high – quality financial reporting standards was initiated in 1973 when the international accounting standard committee (IASC) was formed by 16 professional bodies from different countries (such as United States of America, United Kingdom, France, Canada, Germany, Australia, Japan, Netherlands and Mexico) all over the world (Garuba and Donwa, 2011). This body was properly recognized in 2001 into the International Accounting Standards Board (IASB), and as well has developed accounting standards and related interpretations jointly referred to as the International Financial Reporting Standards (IFRS).
The dominance of IFRS further improved in September 2002, when the United States Financial Accounting Standard Board (FASB) and IASC undertook to work closely based on their agreement to develop high quality compatible accounting standards that could be adopted for both domestic and cross border financial reporting. These bodies so far achieved their objectives and are far advanced in the IFRS – US Generally Accepted Accounting Principles (GAAP), convergence. Although, many developing countries who do not want to be left behind took a cue from the world major economics to either adapt, adopt or converge the IFRS. Different countries on the other hand use different approaches in adopting IFRS based on their need and ability to adopt (Azobi, 2010).

As part of plans to meet international standards, the Federal Government has disclosed that new accounting system, the international financial reporting standard (IFRS) will (Umoru and Ismail, 2010) take off in Nigeria on 1st January, 2012. In Nigeria, the government has taken its stand to involve all stakeholders including institutions before it finally decided to adopt the IFRS on a gradual basis. According to Ezeokoli (2001) as cited by Ejike (2012), financial reporting has involved the full set of relationship between the company’s board, its management, its shareholders, and other stakeholders, including institutions (Universities) and the community in which it is located.

The board of directors is supposed to be accountable to shareholders in any company for effective monitoring; hence there must be an independent relationship between the board and management. This has resulted to various rules, principles and regulations which have been issued in various countries in the area of audit, accounting, and internal control and audit committees to checkmate the operations of corporate body and corporate fraud (different sectors).

The objectives and importance of introducing IFRS according to Fowokan (2011) are:

- To work actively with the national setter to bring about convergence of national accounting standards.
- IFRSs are designed for adoption by profit oriented entities.
- IFRSs require that financial statements (FS) give a true and fair view of the financial health of entities.
- To develop a single set of high quality understandable and enforceable global accounting standard that requires transparent and comparable information in financial statements.
- To help participants in various capital markets (investors, stock brokers, etc) across the globe to understand financial statements.

However, the theoretical foundations underpinning Nigerian GAPP and IFRS are not altogether similar, though, there will be increased responsibilities in setting accounting policies that fit business models, on the part of the professional accountants and auditor who must also be ready to explain and justify these policies in the context of the IFRS framework.
In order to achieve the above objectives, practical implementation of IFRS requires adequate technical capacity among preparers and users of financial statements, (auditors, accountants and regulator authorities). The fact remain to impact knowledge, one must be knowledgeable. Garuba and Donwa (2011) supporting the above view, affirmed that there is need to train the educators so as to be abreast with the IFRS. Hence, when they are well trained and equipped they will be able to impact knowledge to others. Therefore, the government, institutions, professional and corporate bodies have a great role to play in this regard especially in subsidizing the training costs of the educators.

Most of the professional bodies require tertiary education certificate as a prerequisite for enrolling for their professional examinations (NASB, 2010). The input and output of the tertiary education system have a huge impact on the success of IFRS implementations in Nigerian institutions.

A study conducted by the NASB in 2008 on “Gap Analysis” of accounting curriculum content and statement of accounting standards in Nigerian Universities showed the low level of coverage of the local standard in tertiary institutions. This underscored the need for a concerted and coordinated effort that will assist in the introduction and sustenance of the teaching and learning of IFRS in Nigerian tertiary institutions. In this regard, Ejike (2012) buttressed the above view by attesting that the Institute of Chartered Accountants of Nigeria (ICAN) braised the trail when it organized a one-day “interactive forum for Accountants in Education” free of charge in Lagos on the 8th of March, 2012.

The accountants, auditors, etc, whether in companies or institutions are expected to abide by these rules and regulations but most of them are deviants to these rules. Hence, some of these accountants and the managements (managers) are deviants in reporting the financial statements based on true and fair views.

It is glaring that to operate in the modern day world economy and to realize the full gains of international listing; no individual country can act in isolation in its financial reporting standards.

1.2 STATEMENT OF THE PROBLEM

The management of institutions seeks to establish rules and laws to guide how they relate to each other to at least reduce conflicts. This is the essence of regulations and management. Management is not effective if it is not supported by good and globally financial reporting standards.

Orjiok (2002) viewed that public companies, institutions etc, can achieve rapid growth and development if they are made to follow the regulation guiding financial reporting. To Emenike (1997) in Ejike (2002) research into the regulation of financial regulation (FR) in public related offices/companies has been scanty over the last decades. The problem of this study therefore, is to find out whether the accountants, auditors and managements ensure the integrity and credibility of globally financial reporting system which is the key to our economic transformation and growth.
1.3 OBJECTIVES OF THE STUDY

The main objective of this study is determining the extent to which adoption of international financial reporting standards (IFRS) can enhance financial reporting system in Nigerian Universities.

Specifically, the study seeks to:
1. Ascertain the extent the accountants and auditors considered accounting areas the institutions (professionals) should focus in adopting IFRS.
2. Find out the extent the auditors and accountants considered the implications of adopting IFRS in institutions.
3. Identify the extent the accountants and auditors considered the personnel’s to be involved in IFRS for financial instruments.

1.4 RESEARCH QUESTIONS

The following questions guided the study:
1. To what extent do accountants and auditors considered accounting areas the institutions (professionals) should focus in adopting IFRS?
2. To what extent do auditors and accountants considered the implications of adopting IFRS in institution?
3. To what extent do accountants and auditors considered the personnel to be involved in IFRS financial institutions?

1.5 HYPOTHESES

The following hypotheses guided the study:
Ho_1: There is no significant difference between the responses of accountants and auditors on the accounting areas institutions (professional) should focus in adopting IFRS.
Ho_2: The mean scores of auditors and accountants do not differ significantly on the implications of adopting IFRS in an institution.
Ho_3: Accountants and auditors do not significantly differ in their mean scores on the personnel to be involved in IFRS financial instruments.

2.1 REVIEW OF RELATED LITERATURE

Research into the regulation of financial regulation (FR) in public related offices has been scanty over the last decades (Nwakaeze, 2012). Although, few authors have acknowledged that adherence to financial reporting standards requires an organization and institutions to change its culture to adapt and take the benefits of adherence to these reporting standards if organizations or institutions fails to change its culture, then benefits derivable from observing FR standards will not be achieved (Olademeji, 1995).

In support of this assertion, Olamide (2010) added that the major corporate collapses and related frauds which occurred in Nigeria and around the world have raised doubts about the credibility of operating and financial practices of institutions in Nigeria. Still to the author, this has stirred a number of professional and regulatory organizations/institutions to recommend reforms that will improve transparency in financial reporting system in order to increase audit quality and
corporate practices. In many developed nations, the applications of sound financial system are not new unlike Nigeria where it is just evolving.

2.2 FINANCIAL REPORTING REGULATIONS AND REGULATORS IN NIGERIA

There are various financial reporting regulations and regulators in Nigeria. The Regulatory Bodies are thus:

- The Corporate Affair Commission (CAC)
- The Nigeria Accounting Standard Boards (NASB) now Financial Reporting Council of Nigeria (FRCN)
- The National Insurance Commission (NAICOM)
- The Central Bank of Nigeria (CBN)
- The Security and Exchange Commission (SEC)
- The Nigeria Stock Exchange Commission (SEC)
- Institute of Chartered Accountants of Nigeria (ICAN)
- Nigeria Deposit Insurance Corporation (NDIC)

Other regulators include:

- The Companies and Allied Matters Act 1990 as Amended
- The Banks and other Financial Institutions Act (BOFIA 1991)
- The Insurance Act of 2003
- Investment and Security Act of 1999
- Companies Income Tax Act 2004 (as amended)
- Petroleum Profit Tax Act 2004
- Pension Reform Act 2004, and
- Federal Inland Revenue Service (Establishment) Act 2007

The practice of accountancy profession globally is governed by sets of rules and guidelines. These rules and guidelines, however, are compiled into standard. There are two sets of standards governing the accounting practice in Nigeria. They include:

- International Standards - International Accounting Standards (IAS)
- Local Standards – Statement of Accounting Standards (SAS)

Unveiling the need for IFRS, the minister of commerce and industry (Senator Jubril Martin Kuye) noted that the search for global accounting standards as captured by the IFRS was as a result of the collapse of US energy giant, Enron when accounting profession came wider scrutiny and led to global questioning of accounts experience, integrity and existence of standards in the world of business. The minister also advised that all other public interest entities are expected to mandatorily adopt IFRS for statutory purposes by January 1st 2013, while small and medium sized entities (SMSs) shall mandatorily adopt the system on January 1st 2014. This call for a better understanding and appreciation of the risks involved and would necessitate that financial statements prepared in Nigeria irrespective of the sector use global financial reporting benchmarks (Garuba et al, 2011).

2.3 EMPIRICAL REVIEW

In a study carried out by Nwakaeze (2010) title “regulation of financial reporting for accountability in public companies in Nigeria, sought to correlate the non compliance with the financial standards and governance code in 20 selected public quoted companies
on the Nigerian stock exchange (NSE) in the Delta State. The population of the study was made up of 20 public companies quoted on NSE. The instrument for data collection was questionnaire. Data collected was analyzed using percentages and chi – square. The study revealed that there is a general problem of accurate financial reporting of accounts of some public companies which resulted in misleading of the prospective investors and the general public at large. The authors recommend that stipulated penalties go to deviants as to enforce a credible reporting system.

In another study carried out by Oladimeji (1997), titled “The role of behavioural accounting for effective service delivery in corporate accounts of public companies” sought to ascertain the effect of corruption on corporate accounts and behavioural accounting as a measure to achieving public objective. The population for the study comprised 30 public companies in Imo State.

The instrument for data collection was a questionnaire, using 5 – point Likert type of scale. The data generated was analyzed using simple percentages for the research questions, Chi-square and regression analysis for testing the hypotheses formulated for the study. It was found that behavioural accounting recognizes the extent to which internal and external influences in the course of operating the system of accounting changes corporate objectives of the organization.

It recommends the governance to emphasize the effectiveness of what is submitted to them. It was observed that these studies are similar to the present study in the area of instrumentation (use questionnaire). Though, the researchers used percentages, Chi-square and regression analysis but the present study used mean and Z-test statistics.

2.4 THEORETICAL FRAMEWORK

This study was based on the theory of the pure – impression – management model (PIMM) of accounting propounded by Keppler in 1995. The theory states that accountability serves as a linkage construct by continually reminding people of the need to:

a) Act in accordance with the prevailing form and content of financial reporting.

b) Advance compelling, justification/excuses for conduct that deviate from the form and content of financial reporting.

In the real sense, financial reporting cannot be accepted by general public or would – be investors if certain guidelines/standards that are generally expected are not followed and observed. This theory on the other hand, recognizes that uniformity and observance of relevant standards are meant for the smooth functioning of the public companies. This theory is relevant to the present study in that it focuses on behavioural aspect of accounting. Accountability is the missing link in the seemingly perpetual level – of analysis controversy, the connection between individual decision makers and the collectives within which they live and work.

The concept accountability serves as a linkage construct by continually reminding people of the need to:

a. Act in accordance with the prevailing norms.
b. Advance compelling justifications or excuses for conducts that deviates from those norms.

The PIMM recognizes that a large measure of trust and self accountability is necessary for the smooth functioning of institutions. Therefore, if PIMM of accountability is properly utilized by the management of companies or institutions in Nigeria, it will fetch a good result on public accountability.

3.1 RESEARCH PROCEDURE

The population of the study comprised 160 senior accountants and internal auditors, in Nigerian Universities. The study was carried out only in government universities in Nigeria excluding the private universities. A survey design was adopted in the study. Because the population was few all was studied, so there was no sample. The instrument for data collection was a questionnaire constructed by the researchers. A modified Likert type of scale ranging from 0 to 4 was adopted. The instrument was validated by some experts, it yield reliability co-efficient of 0.68 depicting that the instrument was highly reliable. The researchers analyzed the research questions using mean scores and z-test score while the hypotheses were analyzed also using z-test statistics. Any item that is 2.50 and above was accepted while any item blow 2.50 was rejected.

For the hypotheses, when the significant probability is less then 0.05 level, of significant a null hypothesis is accepted as significant. On the other, when the significant probability level is greater than 0.05 level of significant, the null hypothesis is rejected as not significant

4.1 PRESENTATION AND ANALYSIS OF DATA

This section presented, analyzed and interpreted data collected for the study under the following headings: (a) analysis of research questions (b) testing of hypotheses (c) findings of the stud, and (d) discussion of findings.

RESEARCH QUESTION 1

To what extent do accountants and auditors considered the accounting areas institutions (professionals) should focus in the adopting 1 FRS in Nigeria?

This research question was answered using the level of extent which accountants and auditors attached to the accounting areas institutions (professionals) should focus in adopting the 1FRS in Nigeria.

TABLE: Mean (x) and z-test for accounting areas institutions (professionals) should focus in adopting the IFRS in Nigeria

<table>
<thead>
<tr>
<th>S/No</th>
<th>Accounting Areas</th>
<th>Mean Accountant</th>
<th>Mean Auditors</th>
<th>Z-Test Score</th>
<th>Significant Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Preparation and Presentation of statement</td>
<td>2.94</td>
<td>3.31</td>
<td>3.611</td>
<td>0.0003</td>
<td>S</td>
</tr>
<tr>
<td>2.</td>
<td>Disclosure requirements</td>
<td>3.52</td>
<td>3.30</td>
<td>2.739</td>
<td>0.00064</td>
<td>S</td>
</tr>
<tr>
<td>Measure basis of assets &amp; Liabilities</td>
<td>Accounting errors</td>
<td>Correction of prior year</td>
<td>3.44</td>
<td>2.95</td>
<td>4.452</td>
<td>0.0001</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------</td>
<td>--------------------------</td>
<td>------</td>
<td>------</td>
<td>-------</td>
<td>--------</td>
</tr>
<tr>
<td>Expenses on reorganization</td>
<td></td>
<td></td>
<td>3.43</td>
<td>3.37</td>
<td>0.597</td>
<td>0.5510</td>
</tr>
<tr>
<td>Property held by a leasee</td>
<td>Under operating lease</td>
<td></td>
<td>2.84</td>
<td>3.19</td>
<td>-4.165</td>
<td>0.0001</td>
</tr>
<tr>
<td>Decommissioning and Restoration cost</td>
<td>Restoration cost incurred through the production of Inventory</td>
<td></td>
<td>3.57</td>
<td>3.38</td>
<td>0.598</td>
<td>0.0031</td>
</tr>
<tr>
<td>Exceptional and Extra</td>
<td>Ordinary item</td>
<td></td>
<td>3.20</td>
<td>2.90</td>
<td>-4.265</td>
<td>0.0001</td>
</tr>
<tr>
<td>Revenue Recognition</td>
<td></td>
<td></td>
<td>3.13</td>
<td>3.35</td>
<td>-3.050</td>
<td>0.0024</td>
</tr>
<tr>
<td>Segment reporting</td>
<td></td>
<td></td>
<td>3.83</td>
<td>3.79</td>
<td>0.591</td>
<td>0.5610</td>
</tr>
<tr>
<td>Nomenclatures and format</td>
<td></td>
<td></td>
<td>3.32</td>
<td>3.59</td>
<td>2.961</td>
<td>0.0032</td>
</tr>
<tr>
<td>Preparation of tax computation</td>
<td>Tax compliance</td>
<td></td>
<td>2.80</td>
<td>2.66</td>
<td>0.854</td>
<td>0.3986</td>
</tr>
<tr>
<td>Approach adopted for audit</td>
<td>Of tax estimates</td>
<td></td>
<td>2.95</td>
<td>3.00</td>
<td>3.156</td>
<td>0.0425</td>
</tr>
</tbody>
</table>

Table 1 contains 12 accounting areas institutions (professionals) should focus in adopting IFRS in Nigeria. Accountants and auditors indicated means ratings equal to and greater than 3.00 in six of these accounting areas. Accountant alone revealed the same mean in two accounting areas while auditors had the same mean rating in three of the accounting areas. The above results indicated very high extent values which accountants and auditors attached to these accounting areas. Accountant and auditors had mean ratings of 2.50-2.99 in only one accounting area. Accounting alone had the same level of responses in four of the accounting areas while auditors in two of the accounting areas. These responses revealed high extent values which accountants and auditors attached to the accounting areas so indicated. Accountants and auditors did not rate any of the accounting areas below 2.50. The results showed ratings of relevance attached to the accounting areas by accountants and auditors. Nine of the accounting areas were significant while three were not significant.
Research Question 2: To what extent do auditors and accountants considered the implications of adopting IFRS in institutions?

Analysis related to the 7 implications of adopting IFRS in Nigeria financial reporting system with the level of agreement and mean rating against each of the implications were presented in Table 2

Table 2: Mean (x) and z-test to each of the implications suggested for adopting IFRS

<table>
<thead>
<tr>
<th>S/No</th>
<th>Accounting Areas</th>
<th>Accountant</th>
<th>Auditors</th>
<th>Z-Test Score</th>
<th>Significant Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>More entities (such as Joint ventures, special Purpose operations and Franchises may be considered)</td>
<td>3.73</td>
<td>3.4</td>
<td>3.300</td>
<td>0.0010</td>
<td>S</td>
</tr>
<tr>
<td>2.</td>
<td>Liabilities will be Recognized and measured differently</td>
<td>3.78</td>
<td>3.49</td>
<td>3.235</td>
<td>0.0300</td>
<td>S</td>
</tr>
<tr>
<td>3.</td>
<td>Development costs will be deferred &amp; amortize</td>
<td>2.79</td>
<td>2.89</td>
<td>-1.176</td>
<td>0.2402</td>
<td>NS</td>
</tr>
<tr>
<td>4.</td>
<td>Impaired charges will be recognized earlier and measured differently</td>
<td>2.94</td>
<td>2.76</td>
<td>2.155</td>
<td>0.0316</td>
<td>S</td>
</tr>
<tr>
<td>5.</td>
<td>Financial assets &amp; liabilities will be measured different</td>
<td>3.96</td>
<td>3.92</td>
<td>0.522</td>
<td>0.6017</td>
<td>NS</td>
</tr>
<tr>
<td>6.</td>
<td>Depreciation computation will be more complicated</td>
<td>3.44</td>
<td>3.29</td>
<td>1.799</td>
<td>0.0727</td>
<td>NS</td>
</tr>
<tr>
<td>7.</td>
<td>Focus more on the economics underlying transactions &amp; events</td>
<td>2.72</td>
<td>2.64</td>
<td>0.843</td>
<td>0.3997</td>
<td>NS</td>
</tr>
</tbody>
</table>

Table 2 contains 7 implications for adopting IFRS which were generated for the study. Auditors and accountants indicated mean ratings equal to and greater than 3.00 in four out of sevens implications for adopting IFRS. These results revealed rating scores of very high extent values which auditors and accountants attached to these implications. Accountants and auditors indicated 2.50 – 2.99 in three of the implications for adopting IFRS. These showed ratings of a high extent attached to the implication by auditors and accountants. However, none of the implications for adopting IFRS was rated below 2.50
by accountants and the auditors. These results indicated that all the implications were considered relevance for adopting IFRS.

Significant exists in three implications while four were not significant.

**Research Question 3**

To what extent do accountants and auditors considered the personnel’s to be involved in IFRS financial instruments?

The data collected were analyzed and the results are presented in table 3 below.

**TABLE 3: Mean (x) and z-test for personnel to involved in IFRS financial instruments**

<table>
<thead>
<tr>
<th>S/No</th>
<th>Accounting Areas</th>
<th>Mean Auditors</th>
<th>Mean Accountant</th>
<th>Z-Test Score</th>
<th>Significant Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Accountant</td>
<td>3.37</td>
<td>3.44</td>
<td>0.598</td>
<td>0.5610</td>
<td>NS</td>
</tr>
<tr>
<td>2</td>
<td>Portfolio Managers</td>
<td>3.33</td>
<td>3.53</td>
<td>2.970</td>
<td>0.0040</td>
<td>S</td>
</tr>
<tr>
<td>3</td>
<td>Financial Analysts</td>
<td>3.86</td>
<td>3.78</td>
<td>1.3452</td>
<td>0.2349</td>
<td>NS</td>
</tr>
<tr>
<td>4</td>
<td>Internal Auditors</td>
<td>3.49</td>
<td>3.88</td>
<td>-0.145</td>
<td>0.8294</td>
<td>NS</td>
</tr>
<tr>
<td>5</td>
<td>Securities Analysts</td>
<td>3.30</td>
<td>3.42</td>
<td>2.186</td>
<td>0.02931</td>
<td>S</td>
</tr>
<tr>
<td>7</td>
<td>Senior/Managers</td>
<td>2.50</td>
<td>2.80</td>
<td>11.564</td>
<td>0.0001</td>
<td>S</td>
</tr>
<tr>
<td>7</td>
<td>Credit/Investment Bankers</td>
<td>2.76</td>
<td>2.64</td>
<td>0.843</td>
<td>0.3997</td>
<td>NS</td>
</tr>
<tr>
<td>8</td>
<td>External Auditors</td>
<td>3.80</td>
<td>3.60</td>
<td>1.799</td>
<td>0.0727</td>
<td>NS</td>
</tr>
<tr>
<td>9</td>
<td>Finance Director/Controllers</td>
<td>2.79</td>
<td>2.85</td>
<td>1.176</td>
<td>0.2402</td>
<td>NS</td>
</tr>
<tr>
<td>10</td>
<td>Bursars</td>
<td>3.96</td>
<td>3.93</td>
<td>0.532</td>
<td>0.6017</td>
<td>NS</td>
</tr>
</tbody>
</table>

Table 3 contains 10 personnel to be involved in IFRS financial instruments. Auditors and accountants indicated means ratings equal to and greater than 3.00 in seven
of the personnel to be involved in IFRS financial instruments. The above results indicate very high extent values which auditors and accountants attached to these personnel. Auditors and accountants had mean ratings of 2.50-2.99 in three of the personnel to be involved in IFRS financial instruments. These responses revealed high values which auditors and accountants attached to the personnel so indicated. Also, none of the items in table 3 was rated below the mean rating of 2.50. These results indicated that auditors and accountants considered all these personnel for IFRS financial instrument.

### Test of Hypotheses

The three hypotheses formulated for this study were tested as follows:

**H0₁**: Accountants and auditors on & the accounting area institutions (professionals) should focus in adopting IFRS

This hypothesis (H₀₁) was tested using the mean response ratings of accountants and auditors. The mean rating was tested with a z-test.

**Table 4: Results of z-test difference between the mean responses of accountants and auditors on accounting areas institution (professionals) should focus in adopting IFRS**

<table>
<thead>
<tr>
<th>Group</th>
<th>Sample Size</th>
<th>Mean (x)</th>
<th>Std Dev</th>
<th>Std Error</th>
<th>Z-Test Score</th>
<th>Significant Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>100</td>
<td>2.89</td>
<td>1.1256</td>
<td>0.0143</td>
<td>0.853</td>
<td>0.3341</td>
<td>NS</td>
</tr>
<tr>
<td>Auditors</td>
<td>60</td>
<td>2.85</td>
<td>1.1823</td>
<td>0.0121</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

With the z-test score value of 0.853 the z-test is at 0.05 level of significant since 0.3341 is greater than 0.05. This means that there is no significant difference in the rating of accounting areas institutions (professionals) should focus in adopting IFRS in Nigeria by accountants and auditors.

Therefore, the null hypothesis, which states that they not differ significantly on accounting areas institutions (professionals) should focus in adopting IFRS IN Nigeria, is accepted.

**H₀₂**: The mean scores of auditors and accountants do not differ significantly on the implications of adopting IFRS in an institution.

This hypothesis was tested using the mean response ratings of auditors and accountants. The mean rating was tested with a z-test.

**Table 2: Results of a z-test difference between the mean response of auditors and accountants on the implications of adopting IFRS in institutions**

<table>
<thead>
<tr>
<th>Group</th>
<th>Sample Size</th>
<th>Mean (x)</th>
<th>Std Dev</th>
<th>Std Error</th>
<th>Z-Test</th>
<th>Significant Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>100</td>
<td>2.89</td>
<td>1.1256</td>
<td>0.0143</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditors</td>
<td>60</td>
<td>2.85</td>
<td>1.1823</td>
<td>0.0121</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 5: Result of Z- Test of difference between the mean responses of personnel to be involved in IFRS financial instruments

<table>
<thead>
<tr>
<th>Group</th>
<th>Sample Size</th>
<th>Mean (x)</th>
<th>Std Dev.</th>
<th>Std Error</th>
<th>Z-Test Score</th>
<th>Significant Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountants</td>
<td>100</td>
<td>1.77</td>
<td>0.9506</td>
<td>0.0689</td>
<td>0.856</td>
<td>0.4895</td>
</tr>
<tr>
<td>Auditors</td>
<td>60</td>
<td>1.68</td>
<td>0.931</td>
<td>0.065</td>
<td>0.956</td>
<td>0.4351</td>
</tr>
</tbody>
</table>

The data presented on table 5 showed that with the z-test value of 0.956 and significant probability of 0.4351, z-test is not significant at 0.05 level since 0.4351 is greater than 0.05. This means that there is no significant difference in the rating of the implication of adopting IFRS in institutions by auditor and accountants. Therefore, the null hypothesis which states that the responses of accountants and auditors will not differ significantly in the implications of adopting IFRS in an institution is accepted.

**Ho₃:** Accountant and auditors do not significantly differ in their mean responses regarding the personnel’s to be involved in IFRS financial instruments.

This hypothesis (Ho₃) was tested using response ratings of auditors and accountants. The mean ratings were tested with z-test.

### Table 6: Result of Z- Test of difference between the mean responses of personnel to be involved in IFRS financial instruments

With the z- test score value of 0.856 the z- test is not significant at 0.05 percent level of significance since 0.4895 is greater than 0.05. This means that there is no significant difference in the rating of personnel to be involved in IFRS financial instruments. Therefore, the null hypothesis, which states that they do not differ significantly on the personnel to be involved in financial instruments, is accepted.

### 4.2 FINDINGS

1. A total of 12 accounting areas institution (professional) should focus in adopting the IFRS in Nigeria were validated in the study. Six of the accounting areas had a mean rating of 3.00 and above from accountants and auditors. The accounting areas are: (1) disclosure requirements measure basis of assets and liabilities, (2) expenses on reorganization (3) decommissioning and restoration cost incurred through the production of inventory, (4) revenue recognition, (5) segment reporting and (6) nomenclatures. Accountants received the same values in 2 accounting areas while auditors in 3. The above accounting areas received very great extent values which accountants and auditors attached to them.
A total of one accounting area had a mean rating of 2.50 – 2.99 from both accountants and auditors. The accounting area is preparation of tax computations/ Tax compliance requirements.

Accountants rated the same on 4 accounting areas while auditors rated 3. These results gave a rating of high extent values. However, none of these accounting areas was rated below 2.50 mean values.

2. It was found that out of 7 implications for adopting IFRS generated for this study, auditors and accountants rated 4 implications 3.00 and above. The implications for adopting IFRS are: (1) More entities (such as joint ventures, special purpose operations and franchises) may be considered. (2) Liabilities will be recognized and measured differently, (3) financial assets and liabilities will be measured different, and (4) depreciation computation will be more complicated. These implications for IFRS revealed ratings of very high extent values attached to them by the respondents.

Auditors and accountants had mean ratings of 2.50 – 2.99 in 3 of the implications for adopting IFRS as follows: (1) development costs will be deferred and amortized, (2) impaired charges will be recognized earlier and measured differently, and (3) focus more on the economics underlying transactions and events. These responses received mean ratings of high extent values. None of these implications was rated below 2.50. These revealed an indication that both accountants and auditors considered the implications relevant to give attention.

3. Out of 10 personnel to be involved in IFRS financial instruments suggested, accountants and auditors mean ratings of 3.00 and above in 7 items. The Personnel are as follows: (1) accountants (2) portfolio managers, (3) financial analysts, (4) internal auditors, (5) securities analysts, (6) credit/ investment bankers, and (7) Bursars. These revealed ratings of very extent values attached to them by the respondents.

Accountants and auditors had mean ratings of 2.50 – 2.99 in 3 of the personnel suggested as follows: (1) senior managers (2) creditor/investment bankers, and (3) financial directors/controllers. These responses received mean ratings of high extent value. The respondents do not however rate any item below 2.50. These showed on indication that both accountants and auditors considered these personnel important in adopting IFRS financial instruments.

Accountants and auditors do not differ in the degree of relevance they ascribed to accounting areas 3 (57%), implications for adopting IFRS in Nigeria 4 (57%) and the personnel to be involved in financial instruments 7(70%) but they differ in accounting areas 9 (75%), implications 3 (43%) and the personnel’s 3 (30%) of the IFRS.
Generally, there was no significant difference between the responses of accountants and auditors in accounting areas, implications of adopting IFRS and the personnel to be involved in IFRS financial instruments.

4.3 DISCUSSION OF FINDINGS

The operation of universities/companies in Nigeria had more operational problems than structural ones. This is in line with the findings of Nwakaeze (2010), that there is a general problem of accurate financial reporting of accounts of same public companies which resulted in misleading of the prospective investors and the general public at large. From the information above it is believed that Nigerian public related offices does not require any serious reforms structurally, but only needs strict adherence to the already laid down guidelines and regulations and an up dating governance code to accord with the prevailing circumstances.

The expectation from institutions/companies, etc, is still low, and the expectation of investors have not improved. The evidence provided by Egwuonwu (2007) suggests that mere submission of annual reports and accounts timely is unlikely to solve the problem of public accountability, rather those reports should have made and incorporated in the observances of the prevailing standard of financial reporting. Hence, accountability is the link in the seemingly perpetual level of analysis controversy and the connection between individual decision makers and collectives within which they live and works in institutions.

Transitioning from national financial reporting standards to IFRS has the potential to create a need for clarification of the provision of certain IFRS in relation to certain country-special circumstances. In this regard, financial reporting cannot be accepted by general public or would be investors if certain guidelines/ standards that are generally expected are not followed and observed.

As there are a lot of personnel to be involved in IFRS financial instruments, there are also shortage of expertise in the field of IFRS which can affect not only the institutions but also private sectors, regulators and other governmental agencies. This is in consonance with the findings of Oladimeji (1997) that behavioural accounting recognizes the extent to which internal and external influences in the course of operating objectives of the organ. The institutions recognizing this means it can achieve the objectives of accountability in Nigeria.

4.4 CONCLUSIONS

Based on the findings of this study the following conclusions were drawn:

1. The present condition of public accountability of institution in Nigeria needed to be rescued. This of course, when those who are corrupt are often the management of such institutions, it has been a huge challenge to successfully encourage them to reform their behaviour in accordance with the tenet of accountability and financial reporting standards and guideline.

2. There are a lot of accounting areas which accountants and auditors should focus in discharging their duties. A competent accountant or auditor discharges his duty
effectively and efficiently when he acquires a lot of skills. Though, some areas were not actively utilized by these officers.

3. In adopting IFRS in the Nigerian institutions there are a lot implications involved. Hence, this also affects not only the institutions but also the private sector and other governmental agencies.

4. The personnel highly involved in the IFRS financial instruments include not only the accountants, financial analyst, bursars, auditors but it also include security analyst, financial controllers etc.

4.5 RECOMMENDATION

Based on the findings and discussions above, the following recommendations are made:

1. The curricula of our tertiary institutions should be reviewed to incorporate IFRS so that our accountants and auditors will be conversant with IFRS guidelines and standards.

2. There should be a linkage programme between the NASB, in conjunction with the NUC and professional accounting bodies as to design a programme for fast tracking the teaching and learning of IFRS in Nigeria tertiary institutions, so as to equip graduates of accounting with the required skills and knowledge to meet the expected surge in the demand for IFRS professionals.

3. In order to achieve effective training and capacity building needed for effective implementation of IFRS, and IFRS centre of excellence should be established. That is training should entirely dedicated to the teaching and learning of IFRS, so that classroom sessions are blended with real life situations.

4. Website on IFRS and related matters on a repository of information as it relates to financial reporting or solutions to issues relating to SAS should be encouraged by the government.

5. A “train the trainer” programme should also be recommended for lectures in tertiary institutions. They lecturers of these accounting graduates should also be exposed on the current trend of IFRS in the tertiary institutions in Nigeria, so that they will be able to inculcate the ideas of knowledge of IFRS to the recipients. For one to impart knowledge, one has to be knowledge.

6. The management of the institutions should encourage their accountants and auditors to attend Mandatory Continuous Professional Education (MCPE) workshops, conferences and seminars. As this is the way our educators, accountants, auditors and potential accountants would be up to date with the new accounting world and discharge their duties effectively.
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Note: Nigerian Accounting Standard Board is now Financial Reporting Council of Nigeria.