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International Financial Reporting Standards (IFRS) and Reporting Quality in Nigeria: An Assessment of Selected Quoted Firms

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Abstract

This study investigates the effect of IFRS adoption on reporting quality in Nigeria. Secondary data were sourced from financial reports of a sample of 79 quoted Nigerian firms, with the help of Nimegen Centre for Economics (NiCE) qualitative reporting index for reporting quality. The study covered a period of 10 years, i.e. 2007 to 2011 as SAS regime and 2012 to 2016 IFRS regime. ANOVA test and descriptive analysis, were utilised for the analysis. The study concludes that, IFRS adoption has made significant positive difference in the extent of reporting quality. It is recommended that Nigerian firms should adopt appropriate measures to improve the level of relevance, comparability and verifiability of their financial reports through provision of more forward looking information, reduction in the use of technical jargons and appointment of more reputable audit firms.

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INTRODUCTION

The central objective of financial reporting system is to provide information capable of aiding user's decision about their interest in a firm. And for such information to satisfy user's needs, it must be qualitative in nature, i.e. relevance to the user's needs, presented in a faithful, understandable and comparative manner, verified by an independent person and supplied in a timely order. A qualitative information allow users, especially investors to assess the firm's profitability and prospect that served as basis for investment decisions. This necessitate a number of reforms in the reporting regimes that aims at improving reporting quality among various countries of the world. In Nigeria, the genesis of these reporting regime reforms could be traced back to the year 1982, when the Association of Accountants of Nigeria (AAN) now called the Institute of Chartered Accountants of Nigeria (ICAN) as the only body responsible for regulating accounting practice in the country, came up with Nigeria Accounting Standards Board (NASB) as a private accounting standards setting body. The enactment of the Nigerian Accounting Standards Board Act (NASB, Act 2003), which makes it mandatory for all companies operating in country to comply with provisions of standards issued by the Board was a major boost toward improving reporting quality.

However, at international level, there has been efforts to improve reporting quality through development and adoption of International Financial Reporting Standards (IFRS) a single set of Accounting Standards around the world. The beginning of this convergence effort is traceable to the meeting of International Congress of Accountants held in 1962, where many participants at the meeting expressed the need for development and adoption of a single set of accounting standards at international level. Moreover, after decades of campaign, structuring and endorsement, the real convergence started in 2005 with European Union (EU) decision to adopt IFRS for all its member states. Another important development in this regard was the endorsement of IFRS by the leaders of the G-20, who called on the various international accounting bodies around the world to redouble their efforts to achieve a single set of high quality global accounting standards, within the context of their independent standard-setting process, and complete their convergence project by June 2011.

This wide spread and rapid IFRS adoption was as result of a number of benefits asserted to be associated with the adoption by policy makers, professional, users and scholars, which include promotion of reporting quality, comparability, transparency, reduction in information asymmetries and cost of doing business, which may translate to improvement in firms' performance among others.

In line with this development of IFRS adoption, Nigeria as a country that depended on its local accounting standards setting body for decades, i.e. the Statement Accounting Standards (SAS) produced by Nigeria Accounting Standards Board (NASB) has in 2010 appreciated the need for converting its reporting regime to IFRS and has adopted IFRS standards with effect from 1st January, 2012 for publically listed entities. This action generated a lot of assertions and expectation among users of financial statements, professionals, policy makers and scholars that IFRS will provide better reporting quality as compared to SAS regime. On the other hand, a number of empirical evidence that include; Bhattacharjee (2009) and Ritsumeikan (2011) have argued that IFRS adoption do not improve reporting quality, more especially, in the developing countries like Nigeria. It is against this background this study examines the extent of difference in reporting quality following IFRS adoption in Nigeria. However, the study was considered timely and appropriate, because of the expectations and assertions generated by IFRS adoption in Nigeria and huge investment in terms of financial resource, time and capacity building by government, firms and international organisations on the process of IFRS adoption in the country.

REVIEW OF RELATED LITERATURE

Review of related empirical literature on IFRS adoption and reporting quality around the world indicates lack of consensus among scholars. Contradictions and inconsistencies of findings among studies from the same continent, country and sometime even using similar methodology were established. For instance; among studies from EU nations, Barth, Landsman and Lang (2007), Latridis (2012) and Muller (2014) found that IFRS adoption has a positive relation with accounting quality, while to the contrary, Tasios and Belkiaris (2012), Ahmed. Nell and Wang (2012) and Chiha,Trabelsi and Hamza (2014) found no relationship between IFRS adoption and reporting quality. Moreover, Kargin (2013), Jeanjeen and Stolowly (2008) and Paglietti (2009) reveals mix relationship between IFRS adoption and reporting quality.

Furthermore, in China where Qu, Fong and Oliver (2012) using value relevance (quantitative model) established that, IFRS adoption has improved quality of accounting reporting, Li, Liu and Luo (2014) using the same value relevance, opined that IFRS adoption has not improved reporting quality. Also in Nigeria, the same pattern of findings were discovered, Danrimi (2013) discovered a positive relationship, while Terzungwe (2013) found no significant relationship between IFRS adoption and reporting quality.

On methodological ground, majority of the studies on IFRS adoption and reporting quality across the continents and countries applied quantitative approach and specific elements of financial statement in their studies. These two models depended on data obtained from firm's financial statements, and wascriticised by lots of scholars. For instance,van Beest,Braam and Boelens (2009) argued that, the models were incapable of capturing all the factors expected to influence reporting quality based on FASB and ISAB (2008) improved conceptual framework for financial reporting.

Yoon, (2007) opined that, the financial reporting attributes used in measuring earnings quality (a quantitative approach) are interpolate which may lead to inconsistency or overlapping effects as they are not separately measured. Moreover, Kallob (2013) observed that, the accruals model (another aspect of quantitative model) only focused on one aspect of reporting quality i.e. earnings management, while value relevance, timely loss recognition model concentrated only on the financial aspect of reporting quality of relevance and reliability to the negligence of other non-financial attributes such as understandability and comparability.

In an attempt to redeem these problems associated with quantitative model, vanBeest, et al. (2009) operationalised the qualitative characteristics of financial report based on Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) improved conceptual framework for financial reporting (2008). In the model, the qualitative characteristics were divided in to two main classes i.e. the fundamental qualitative characteristics consisting of relevance with five requirements and faithful representation with another five requirements and enhancing qualitative characteristics that include; understandability with five requirements, comparability six requirements and timeliness with only one requirement which were compared against a firm financial report. A number of studies that further used this model include; Tasios and Bekiaris (2012) from Greece, Kallob (2013) from Palestine, Agyei-Mensah (2013) from Ghana and Terzungwe (2013) from Nigeria. In the case of Tasios and Bekiaris (2012), the model was modified to seek for auditors' opinions on the qualitative characteristics, following IFRS adoption in Greece through a questionnaire instead of using financial reports figures.

Terzungwe (2013) the only Nigerian study was marred by many shortcomings.One,thestudy was criticised for using a small sample size of 100 respondents as representation for all users of financial reports in Nigeria. Two it was unable to explain the representatives of various groups used as respondents in the study; in addition to the above, the study was not on any standard of financial reporting such as Statement of Accounting Standards (SAS), IFRS or Companies and Allied Matters Act (CAMA), which could be as a result of lack of proper literature review on qualitative characteristics of financial reporting. The above put together justified the need for more studies, specifically, on IFRS adoption in Nigeria that will utilise large sample size and cover the scope of reporting quality based on IASB (2001) and IFRS (2010) conceptual framework that will match IFRS adoption and convergence.

Yurisandi and Puspitusari (2015) in another qualitative study, like van Beest, et al. (2009) and Kallob (2013) assessed the effect of IFRS adoption in Indonesia. Data for the study was obtained from the financial reports of 40 Indonesian firms; the financial reports of the sampled firms were compared based on NiCE qualitative reporting index for 4 years i.e. 2009 to 2010 before IFRS adoption and 2012 to 2013 as post IFRS and paired sample test was used for the analysis. In the NiCE index, the 5 qualitative characteristics of financial reports of relevance, faithful –representation, understandability, comparability and timeliness were operationalised into 21questions (4, 5, 5, 6, and 1 respectively) with a 5-point Likert scale options. Overall, the study established that IFRS adoption has increased the level of quality in Indonesia.Specifically, a significant level of improvement was discovered for relevance, understandability and comparability, while non-significant improvement was recorded for timeliness. The major limitation of this study is in the area of data analysis, where the sample size of the study i.e., 40 firms exceeded the maximum of 30 sample statistically allowed to use t- test.

Consequently, this study attempts to fill in these gaps namely; literature, conceptual, methodological and sampling gaps in the following manner respectively: Firstly, as the need for more empirical studies were expressed, the study served as another effort to expand the frontiers of knowledge and debate on the relationship between IFRS adoption and reporting quality in Nigeria. Findings of this study served as a verification and affirmation to divergent views between policy makers, professionals, financial users and research studies on the relationship and effects IFRS adoption on quality reporting. It also provides literature bases for further researches on the subject matter. Secondly; as noted in the review, that both quantitative, qualitative and specific financial statements attribute modes has limited the scope of reporting quality concept, to address this gap, the study have introduced verifiability and timeliness as variables in the study so as to capture the concept of reporting quality based on IFRS 2011 qualitative characteristic of financial reports.Thirdly; for methodological gaps, the study utilized NiCE reporting quality index (only used in U.S.A and Indonesia) and analysis of reporting quality variance between the two regimes of SAS and IFRS. Fourthly; the study utilized a sample of 79 quoted Nigerian firms which is a very large sample compared to some of the previous studies that were conducted on single firm.

METHODS

A cohort longitudinal research design was applied in the study; the study examined the same set of sample firms' financial statements at different times without any manipulation. Data on the extent of difference in reporting quality between SAS and IFRS regime was extracted from the financial reports and accounts of a sample of 79 quoted firms for 10 years, 5 years before IFRS (2007 to 2011) under SAS regime and another 5 years (2012 to 2016) under IFRS regime. The data extraction was based on Nijmegen Centre for Economics (NiCE) qualitative characteristics measurement of reporting quality index, developed by van Beest, et al. (2009) and used by Yurisandi and Puspitasari (2015). Purposive sampling technique was applied, which resulted in the selection of 79 firms from the population of 192 quoted firms operating in Nigerian as at 31 December 2016, as sample of the study. The use of this technique is necessary, since, not all the 192 firms exist within the study period (2007 to 2016); the study only considered firms that operated within the study period. Thus, all companies that either began operations after 2007 or stopped operations within the study period were removed from the sample. This sample frame selection was also justified by the use of smaller sample size of 40 USA firms by van Beest,et al. (2009) and 45 Indonesians firms by Yurisandi and Puspitasari (2015).

A five point Likert scale reporting quality index was adopted through a content analysis of the sampled firms financial reports and accounts for a period of 5 year (2007 to 2011) before IFRS and 5 years (2012 to 2016) after IFRS adoption. The content analysis was made based on the NiCE qualitative characteristics measurement of reporting quality index. In the index IFRS 2011 qualitative characteristic of relevance, faithful representation, understandability, comparability, verifiability and timeliness were operationalised into to 21 questions with a 5-point Likert scale option. However, verifiability and timeliness are the two qualitative characteristic not captured by NiCE model were added into the model. The 5-point Likert scale options attracts between a minimum score of 1 points (poor position) and a maximum score of 5 points (excellent position).

One Way Independent ANOVA test was utilised for the data analysis. This is because, the method (One Way Independent ANOVA test) allows reporting quality a continuous dependent variable to scale against categorical variable reporting regime, which was proxied by SAS and IFRS regimes in the study. The study considered sampled firms as a one factor, to be observed at different interval independently i.e. during SAS and IFRS regime. In testing the hypothesis, the means scores generated through NiCE reporting quality index for SAS regime were compared against the means score after IFRS regime. Moreover, the test was carried out at 5 % level of significance.

$H_0: \mu_d = 0$

$H_a: \mu_d \neq 0$

Test Statistic:

$$t = \frac{\bar{d}}{s_d/\sqrt{n}}$$

Where $\bar{d}$ is the mean of the differences between two samples, s_d is the standard error of $\bar{d}$ and n is the sample size.

ANALYSIS OF DATA

The study presents the data collected for analysis, Descriptive statistics and inferential statistic (ANOVA test) were carried-out. The Descriptive statistics was used to estimate the means score, while ANOVA was used to test the extend of difference in reporting quality following IFRS adoption. The presentation and analyse were based on the 6 qualitative characteristics index of relevance with 3 requirements (R1 to R3), faithful representation and understandability, 5 requirements each,(F1 to F5 and U1 to U5), comparability 6 requirements (C1 to C6), verifiability with 2 requirements (V1 to V2) and timelines with 1 requirement i.e. making a total of 22 requirements form the index.

Table 1. Descriptive Results of Relevance for SAS Regime in Comparison with IFRS Regime

Relevance	SAS Regime Mean Score	IFRS Regime Mean Score
R1	2.476793	3.236287
R2	1.21519	2.168776
R3	2.232068	3.177215
Total Average	1.974684	2.860760

Source: Author's calculation using Stata 13.00.

Table 1, shows the mean and total average mean scores of relevance for SAS and IFRS regimes. Usingthe mean scores of the 3 requirements i.e. R1, R2 and R3 have all shown improvement from SAS regime to IFRS, for example R1 increases from 2.476793 to 3.236287, R2 from 1.21519 to 2.168776 and R3 2.232068 to 3.177215. On the overall there has been an increase from 1.974684 to 2.860760 which is 0.886076 points. This indicated that, IFRS adoption have improved reporting relevance in Nigeria.

Table 2. Descriptive Results of Faithful-Representation for SAS Regime Comparison with IFRS Regime

Faithful Representation	SAS Regime Mean score	IFRS Regime Mean Score
F1	2.109705	2.919831
F2	2.261603	3.054852
F3	2.518987	3.046414
F4	2.409283	3.953586
F5	1.919831	1.919831
Total Average	2.243882	2.978903

Source: Author's calculation using Stata 13.00.

Table 2 indicates descriptive result of Faithful-representation, as one of the qualitative reporting characteristics. From this table, out of 5 requirements of faithful-representation (F1 to F5), 3 requirements F2 to F4 have all showed some level of improvement from SAS regime to IFRS regime, while F1 and F5 witnessed a decrease as result of IFRS adoption, but on the overall faithful-representation have improved by 0.735021 points.

Table 3. Descriptive Results of Understandability for SAS Regime Comparison with IFRS Regime

Understandability	SAS Regime Mean Score	IFRS Regime Mean Score
U1	2.054852	3.016878
U2	2.367089	3.253165
U3	2.670886	3.443038
U4	3.443038	2.156118
U5	1.012658	1.126582
Average Total	1.911392	2.599156

Source: Author's calculation using Stata 13.00.

The Table above 3, explained mean score of understandability as one of the qualitative characteristic of financial reporting. From the Table the change in the mean scores of the requirements are as follows; U1 have improved from 2.054852 to 3.016878, U2, from 2.367089to 3.253165, U3, from 2.670886 to 3.443038, U5 from 1.012658 to 1.126582. On other hand, U4 have shown a decrease in mean score from 3.443038 to 2.156118 after IFRS adoption, but finally, IFRS adoption has improved understandability of financial reports by 0.68764 points.

Table 4. Descriptive Results of Comparability for SAS Regime Comparison with IFRS Regime

Comparability	Before IFRS Adoption Mean Score	After IFRS Adoption Mean Score
C1	2.067511	3.012658
C2	2.075949	3.008439
C3	2.670886	3.443038
C4	1.451477	2.156118
C5	2.303797	3.122363
C6	2.721519	3.527426
Total Average	2.215189	3.045007

Source: Author's calculation using Stata 13.00.

It was evidenced from Table 4 that, the average total mean score of comparability for SAS regime was 2.215189, while the mean score for IFRS is3.045007, this indicates an increase in the mean scores by0.829818 as result of IFRS adoption. The same pattern of appreciation was found with all the 6 requirements of comparability, where C1 moved from 2.067511 to 3.012658, C2, from 2.075949 to 3.008439, C3 from 2.670886 to 3.443038, C4 from 1.451477 to 2.156118, C5 2.303797 to 3.122363 and finally, C6, increase from 2.721519 to 3.527426. This reveals IFRS based financial statements are more comparable to SAS based financial statements. In essence, the result indicated that Nigerian firm's financial statements are likely to be more comparable within themselves and with financial statement of companies from other countries of the world who have adopted IFRS as their reporting regime.

Table 5. Descriptive Results Verifiability for SAS Regime Comparison with IFRS Regime

Verifiability	Before IFRS Adoption Mean Score	After IFRS Adoption Mean Score
V1	2.303797	3.101695
V2	2.371738	3.071658
Total Average	2.3377675	3.0866765

Source: Author's calculation using Stata 13.00.

Table 5 shows the mean scores of verifiability for SAS and IFRS regimes. As indicated in the Table, verifiability has two requirements i.e. V1 and V2 that all show certain level of improvement, for example, V1 increased from a mean score of 2.3377675 to 3.101695 and V2 moved from 2.371738 to 3.071658 following IFRS adoption in Nigeria. In conclusion, IFRS adoption have improved reporting quality by 0.748909 mean scores compared to SAS regime.

Table 6. Descriptive Results of Timeliness for SAS Regime Comparison with IFRS Regime

Timeliness	Before IFRS Adoption Mean Score	After IFRS Adoption Mean Score
T1	3.852321	4.28692

Source: Author's calculation using Stata 13.00.

Table 6 explained the mean score of timeliness as one and last qualitative characteristic of financial report according to NiCE index of reporting quality. The Table, reveals an improvement in timelines from 3.852321 (SAS regime) to 4.28692 (IFRS regime). This indicates companies published their financial reporting more promptly after IFRS adoption in Nigeria.

Table 7. Results of ANOVA Test

Source	Partial SS	df	MS	F	Prob F
Model	224.401483	84	2.67144623	89.60	0.0000
R1	.050080863	4	.012520216	0.42	0.7943
R2	1.69916456	3	.566388188	19.00	0.0000
R3	1.50057683	3	500192278	16.78	0.0000
F1	.080837835	3	026945945	0.90	0.4393
F2	1.35991708	4	.33997927	11.40	0.0000
F3	.344824517	4	.086206129	2.89	0.0222
F4	.324868684	3	.108289561	3.63	0.0131
F5	.503048011	3	.16768267	5.62	0.0009
U1	.365079603	4	.091269901	3.06	0.0167
U2	.801270532	4	.200317633	6.72	0.0000
U3	.917127644	4	.229281911	7.69	0.0000
U4	1.07793983	3	.359313276	12.05	0.0000
U5	1.04399609	3	.347998698	11.67	0.0000
C1	1.22669345	3	.408897818	13.71	0.0000
C2	1.10063337	4	.275158342	9.23	0.0000
C3	.3622616	4	.0905654	3.04	0.0174
C4	.144616037	4	.036154009	1.21	0.3049
C5	.319238536	4	.079809634	2.68	0.0316
C6	.590636561	4	.14765914	4.95	0.0007
V1	.298426748	3	.099475583	3.34	0.0195
V2	.064761571	3	.02158719	0.72	0.5381
T1	.241527882	4	.060381971	2.03	0.0902
IT	.631793533	6	.105298922	3.53	0.0020
Residual	11.5985167	389	.029816238		
Number of obs				473	
Root MSE				0.172674	
R-square				0.9509	
Adj R-square				0.9402	
Total	236	473	.498942918		

Source: Author's calculation using Stata 13.00

From Table 7it was discovered that, the result of R1, i.e.0.050080863 partial sum squares, at 4 degrees of freedom, 0.42F-value with probability value 0.7943, was not significant. Also partial sum squares and F-value are less than 1, which also indicate lack of significance difference in R1between SAS and IFRS regimes. On the other hand, the sum of squares of R2 and R3 with 3 degrees of freedom stool at 1.6992 and 1.5005 with significant F-value of 19.00 and 16.78 at 1% level of significant respectively. This indicates a significant difference exists in the level of R2 and R3 between SAS and IFRS regimes.

The Table also contains the result of variance analysis for the second qualitative characteristic faithful-representation. From the Table, It was discovered that,F2, F3, F4 and F5 with 11.40, 2.89, 3.63 and 5.62 F-values and 0.0000, 0.0222, 0.0131 and 0.0009 p-value are significant at 1%, 5%, 5% and 5% respectively. This result indicates a significant difference and improvement the reporting quality during IFRS regime against the former SAS regime in Nigeria. From the Table, it was further revealed that, F1 with .080837835 sum of squares, 3 at degrees of freedom with0.90 F-value and 0.4393 p-value is not significant, this is due to higher p-value of 44% which is by per greater 5% chosen by the study. This indicates absence of significant difference in the value of F1 between the two regimes of SAS compared to IFRS.

The Table; further shows the result of 5 requirements of understandability (U1 to U5) have0.365079603, 0.801270532, 0.917127644, 1.07793983and 1.04399609 sum of squares and 3.06, 6.72, 7.69, 12.05 and 11.67 F-values, are all significant at 10%, 1%, 1%, 1% and another 1% respectively. In essence, there was significant difference and improvement in all the understandability requirements during IFRS regime. The results also indicates an inverse relationship between F-values and p-values i.e. the higher the F-value the lower the p-value, this is so, because, F-value determines the nature and type of relationship existing among the mean scores of the two regimes, while, the p-values indicates the probability of occurrences of such a relationship.

Enclosed as part of Table 7was comparability result, it was evidence from the Table, that, requirement C4 with 0.144616037 sum of squares, 4degrees of freedom, 1.21 F-value (Indicating positive variance) is not significant due to a higher p-value of approximately 30%(0.3049). The result suggest a positive but not significant difference exist between SAS and IFRS with regard to requirement C4. It was also found from the Table, thatC1, C2, C3, C5 and C6 have 13.71, 9.23, 3.04, 2.68, 4.95 F-value and 0.0000, 0.0000, 0.0174, 0.0316, 0.0007 probability values are significant at 1%, 1%, 10%,10% and 5% respectively. Principally, the result suggested a positive and significant difference exist in the level of these requirements during IFRS as against SAS regime.

It was observed from Table 7 that, verifiability has two requirements. While, V1 with 0.298426748 sum of squares, at 3 degrees of freedom 3.34 F-value and 0.0195 p-value, is significant at 10%, V2 with 0.064761571 sum of squares, at 3 degrees of freedom, 0.72 F-value and 0.5381 (53%) p-value is not significant. The test suggest significant positive variation exists in the value of V1 under IFRS regime compared SAS regime and positive but insignificant variation for the level of V2. Table 6 reveals the result of variance analysis for timeliness as the last qualitative characteristic of financial reports.

The Table (7) shows T1 (timeliness) has 0.241527882 sum of squares,4 degrees of freedom,2.03 F-value and 0.0902 probability value, is significant at 10%. This, may be connected to the facts that, companies in Nigeria prepare and publish their annual reports more promptly after IFRS adoption than during SAS.

RESULT AND DISCUSSION

The following findings were established on the extent of difference in reporting quality between SAS and IFRS regimes in Nigeria. The findings were arranged sequentially based on the 6 qualitative characteristics:

IFRS adoption has increased reporting relevance. This is as a result of an improvement in the level of information provision concerning business risk and opportunities, and the use of both historical and fair value cost accounting in preparation and presentation of financial reports by companies in Nigeria. Additionally, financial reports under IFRS show more market events and significant transactions that are bound to affect the company. However, absence of significant difference in the presence of forward looking statements was witnessed from SAS to IFRS regimes. A significant positive difference in the extent of faithful-representation of financial reporting from SAS to IFRS regime was found. This significant improvement was witnessed on basis of choice of accounting policy, discussion of both positive and as well negative events in the annual report and disclosure of audit reports. Furthermore, a significant decrease on the extent of provision of information on valid argument that support user's decision and the extent of disclosure of information on corporate governance activities of the firm's was noted after IFRS adoption.

The study also found a significant difference in the level of report understandability because of IFRS adoption. IFRS adoption has improved the extent to which annual reports are presented in an organised manner, provision of more note to issues in the balance sheet, presentation of information in graphs and table for users and provision of information in the glossary. While, increase in the use of technical jargons which most times confuse users was also witnessed in the IFRS based annual reports. In essence, the result indicated that Nigerian firms' financial statements are more comparable within themselves and with financial statements of companies from other countries of the world who have adopted IFRS as their reporting regime. There was significant difference in reporting verifiability following IFRS adoption in Nigeria. This is because; more reputable audit firms audit accounts of companies after IFRS adoption compared to SAS era. The study noted that, companies published their financial reporting more promptly after IFRS adoption in Nigeria.

However, the similarities and differences of this study with respect to time, population, environment and economic factors and methods, with some studies on the relationship or effect of IFRS adoption on reporting quality, have equally made its findings to certain extent agree and disagree with some of these studies. For example, with respect to individual qualitative characteristics, the study is consistent with Terzungwe (2013) that IFRS adoption in Nigeria have led to a moderate improvement in reporting quality for relevance, but inconsistent for the rest of the characteristics. Danrimi (2013) another made in Nigeria study and Jansson, Jansson and Koch (2012) conjured that IFRS adoption has improved comparability. Kallob (2013) concurred with findings for relevance, faithful-representation and understandability, but refused to agree that IFRS adoption has improved comparability and timeliness. In a bit more recent study Yurisandi and Puspitusari (2015), that used the NiCE index for relevance, faithful-representation, understandability, comparability and timeliness, affirmed the findings of the study that IFRS adoption have improved relevance, understandability and comparability, but opposed the study position on faithful-representation and timeliness.

Moreover, on the overall reporting quality, the same pattern of consistent and inconsistency with findings of the study was found, example, Landsman and Lang (2007), van Beest, et al. (2009), Latridis (2010), Chen, et al. (2010), Tasios and Bekiaris (2010), Palea (2013) and Muller (2014) concurred with findings of the study that, IFRS adoption have improved reporting quality. Contrary to the findings Ahmed, et al. (2012), Paananen (2008), Jeanjean, and Stolowy (2008) discovers a negative relationship between IFRS adoption and quality of financial reporting, saying IFRS adoption has completely not improved accounting reporting.

Young, et al. (2013), Lin and Chen (2013), Li, et al. (2014), Rudra and Bhattacharjee (2012), disagree with findings of this study and concluded that IFRS adoption has no positive effect on accounting quality. While Qui, et al. (2012), lee, Walker and Z (2013), Nnadi (2013), Liou (2012) and Uyar (2013) agrees that, IFRS adoption have positively influenced accounting quality. Moreover, Kargin (2013) and Arum (2013) indicated a partial relationship between IFRS adoption and accounting quality. However, this result suggest that Nigeria unlike Botswana, Haiti, Nepal, Panama, Papua New Guinea, Tajikistan, and Venezuela are practical evidences of examples of countries that have substantially adopted IFRS, but yet to achieve desirable improvement from such adoption.

Moreover, the following conclusions were reached in the study based on the findings and discussions: IFRS adoption has made significant difference in the level of reporting relevance in Nigeria. That IFRS adoption has led to improvement in the level of information disclosure on business opportunities and risks, various market events and significance transaction that effected the company. It has also encouraged the used of combination of historical cost accounting and fair value accounting in the preparation and presentation of financial reports: IFRS adoption has led to a significant positive difference in the extent of faithful-representation of financial reports in Nigeria. With IFRS adoption, the level of completeness, accuracy, neutrality and correctness of firms' financial reports have increased in Nigeria:

Adoption of IFRS in Nigeria has significant difference in level of financial reports understandability. The study recognized significant level of enhancement in understandability of financial reports following IFRS adoption in Nigeria. Nigerian firm's financial reports are now more comprehensive for user's needs: There is a significant level of difference in reporting comparability following IFRS adoption in Nigeria. IFRS adoption has improved the level of comparability of financial reports in Nigeria: IFRS adoption has a significant difference in extent of verifiability of financial reports. Companies employed more reputable audit firm's following IFRS adoption in Nigeria: Adoption of IFRS had caused significant difference in the extent of reporting timeliness. IFRS adoption, has led to more prompt publication of financial reports in Nigeria

CONCLUSION

In line with the findings of the study, these recommendations are proffered: There is the need for firms in Nigeria to improve level of financial reporting relevance. This could be possible through disclosure of more forward looking information and disclosure of more information related to business risk and opportunities and all other information that possess predictive and confirmatory values that aid investors and other decision makers to take appropriate and efficient decisions about the firm: The study also recommend for more understandability and comparability of firms' annual reports in Nigeria. To achieve this, firms and Financial Reporting Council of Nigeria (FRCN) needs to reduce the rate of use of technical jargons, which confused users as noted in the IFRS based annual reports. Similarly, provision of glossary in the annual reports will be of great importance: It is also recommended that, the level of verifiability needs to be enhanced: Firms in Nigeria need to appoint more reputable audit firms that are respected for their integrity and professional norms: The Financial Reporting Council of Nigeria (FRCN) shall change its approach from post-financial reporting compliance audit, to pre-financial reports compliance audit, i.e. FRCN must certify a firms' financial report before it can be published.

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