FIRM-SPECIFIC CHARACTERISTICS AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) COMPLIANCE AMONG LISTED NON FINANCIAL SERVICE FIRMS IN NIGERIA

BY

SADIA FOLASHADE, LAMIDI

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BEING A DISSERTATION SUBMITTED TO THE DEPARTMENT OF ACCOUNTING AND FINANCE, SCHOOL OF BUSINESS & GOVERNANCE, FACULTY OF HUMANITIES, MANAGEMENT AND SOCIAL SCIENCES, KWARA STATE UN IVERSITY, MALETE, KWARA STATE, NIGERIA.

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CERTIFICATION

This is to certify that this research titled "Firm-specific characteristics and IFRS compliance among listed non-financial service firms in Nigeria"was carried out by Sadia Folashade, Lamidi with matriculation number:17/27MAC017 has been read and approved as meeting the requirements for the awards of Master of Science Degree in Accounting, of Kwara State University, Malete, Kwara State, Nigeria.

Dr. Mubaraq Sanni **Project Supervisor**	Signature & Date
Dr. Lukman Oke **(Co- Supervisor)**	Signature & Date
Dr. Mubaraq Sanni **Head of Department**	Signature & Date
Dean, **School of Post Graduate Studies**	Signature & Date

External Examiner Signature & Date

DEDICATION

This project work is dedicated to Al-mighty Allah who is the Apha and Omega.

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ABSTRACT

The transition from local GAAP to the celebrated IFRS is yet to meet the expectation of the various stakeholders in terms of improving the financial statements and detailed disclosure as a result of various reports of low compliance level with IFRS. This study examines the extent of the relationship between firm-specific characteristics and IFRS compliance among listed non financial service firms in Nigeria. Specifically, the study: (i) determined the extent to which internationalization of firm affects IFRS compliance among listed nonfinancial firms in Nigeria; (ii) assessed the effect of industry type on IFRS compliance among listed non-financial listed firms in Nigeria; (iii) examined the extent to which auditor type affects IFRS compliance among listed non-financial firms in Nigeria; (iv) investigated the effect of firm maturity on IFRS compliance among listed non-financial firms in Nigeria and (v) establish the differences in the level of IFRS compliance among various sector of listed non-financial firms in Nigeria. Data were drawn from the annual reports and accounts of one hundred and thirteen (113) non financial firms listed on the Nigeria Stock Exchange as at 31st December, 2017. Eighty-eight (88) firms were selected using Yamane (1964) statistical formula. Panel data regression analysis was adopted to achieve the first four objectives while Analysis of Variances (ANOVA) was used in achieving the last objective. Findings revealed that internationalization, industry type, and auditor type have both positive and significant effect on IFRS compliance at 5% level of significance with p-value of 0.000, 0.003, and 0.020; while firm maturity is not significant. More so, study found no significant difference in the level of Firm-specific characteristics and IFRS compliance practice of the listed non financial service firms in Nigeria. This study recommends that international accounting

standard board should encourage non financial service firm and their level of compliance.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

There have been various agitations on the compliance level of International Financial Reporting Standard among listed firms around the world (Okoye and Nwoye, 2018). This could be linked to various financial irregularities and global financial crises among firms in the world. In 2005, all listed companies and significant public interest across European Union (EU) were required to implement and adopt IFRS regulations. The purpose of the implementation is to increase uniformity, transparency and comparability, which in the long run aims at harmonising accounting behaviour. However, IFRS adoption is not sufficient to achieve a full enhancement of IFRS regulations, hence compliance remain the ultimate goal. However, this goal seems far from being achieved among firms in the world as they are facing challenges linked with IFRS non-compliance towards achieving the quality of financial information.

Furthermore, a number of corporate scandals were recorded in the late 1990s and the beginning of the 21st century. Example are of Africa petroleum company (Now forte plc) in 1999, Xerox in 2000, ENRON in 2001, WorldCom in 2002, Sarbanes-Oxley Act of 2002 scandal, Global Crossing in the Unites States in 2002, Parmalat in 2003, Cadbury Nigeria Plc in 2007, Adeco in 2008, and among others around the globe. In the case of Africa Petroleum Company (Now forte plc) in 1999, the auditors failed to disclose 24 billion naira credit facility in the financial statement. Also in ENRON's case, profits were overstated by five hundred and eighty-six ($586 million) dollars for four years. More so, WorldCom fraud in 2002, the operating expenses of 3.8 billion dollars was capitalized which resulted to overstatement of profit. Moreso, Sarbanes-Oxley Act of 2002 scandal, the collapsed of the company also led to the lost of investors' billion of dollars which shook public confidence in the United State security market. In Italy, Parmalat collapsed in 2003 as a result of an amount worth 8 billion Euros accounting scandals. Nigeria has had its own share of financial reporting failures with the problems in Cadbury Nigeria Plc. in 2006 (Adegbie & Fofah, 2016).

Afribank Nigeria Plc faced problem of financial reporting in 2009; Intercontinental Bank Plc. (2009), Oceanic bank 2010 and Skye bank 2018.

This situation presents a worrisome concern to various organizations as the problem continues to spiral into firm-specific characteristics across the globe. This had removed the shield to which investors can be protected and the atmosphere that inspire cross-boarder activities thereby limiting the internalization of these firms. Overtime, industries have grown and expanded across borders (Yiadom & Atsuny, 2014). The capital needs of firms have also grown with new capital secured from international markets. Different information needs of users from both domestic and international sources emerged and difficulties of financial statements comparability as a result of different standards also emerged. In line with the above, the forces of globalization has also prompt more countries to open their doors to foreign investment and as firms expand across borders, both old and new entities are increasingly acknowledging the benefits of having a uniform financial reporting framework supported by strong globally accepted accounting standards.

In most of the developed and developing countries, where IFRS compliance is of concerned, the financial reports have assisted in defining ways in which accounting numbers are presented in financial statements to avoid under-valuation of information (Katselas & Rosov 2017). Also, most of their entities developed high quality information that are transparent to users, comparable in all periods, and generated at a cost that does not exceed the benefits to users (GAAP & IAS plus, 2012). Consequently, IFRS non compliance has created the need to standardize information especially those that appear in financial reports for the benefits of potential stakeholders and public at large (Katselas & Rosov 2017). Uyar, Kilic and Gokcen (2016) assert that non compliance of IFRS is aimed at causing information asymmetry and agency problems that face many public enterprises. The study futher states that the integrity of financial reporting is highly dependent on the performance and conduct of those involved in the financial reporting ecosystem, particularly IFRS regulators.

In Nigeria, Tanko (2012) opines that just like every other system, IFRS is an institutional approach that promotes reliability, relevance and comparability of financial information. Tsegba, Sember and Tyokoso (2017) also report that the level of IFRS non compliance in Nigeria is still on the high side when compared with other developed and developing countries. Non-compliance with International Financial Reporting Standards has been a great challenge to several companies because the level of IFRS compliance varies from country to country depending on the various factors inhibiting compliance such as complex requirements associated with IFRS regulations, frequent changes of regulation, addition of new standards and lack of proactive monitoring by regulatory authorities thereby resulting to poor financial report for measurement and valuation purposes (International Financial Reporting Foundation, 2015).

1.2 Statement of the Problem

The transition from the local GAAP to the celebrated IFRS is yet to meet the expectation of the stakeholders in terms of improving the financial statement and detailed disclosure as a result of various reports of low compliance level with IFRS (Tsegba *et al.*, 2017). For example ENRON's case, profits were overstated by five hundred and eighty-six ($586 million) dollars for four years.

Industry type could have led to low compliance of firms with IFRS. This is because disclosure practices are likely to vary across industries and countries as some firms are highly more regulated than others (Isa, 2015). Hence, one industry may be subject to more rigorous regulations because one standard may not be applicable to two non-similar industries, thereby affecting the level of compliance with IFRS. More so, maturity of firms could also influence the level of compliance with IFRS (Tanko, 2012). This could be as a result of the fact that a matured firm may not want to disclose full information about its financial results and positions as this may prove to be harmful if sensitive information is disclosed to its competitors. This could influence the compliance level of firms as IFRS deals with disclosure of detailed information.

In addition, learning and application of Big four auditing knowledge requires huge investment. Therefore, the type of auditor engage by firms could also affect the level of IFRS compliance as some audit firms have little knowledge in the interpretation and application of IFRS to certain conditions. The high cost of navigating a set of different GAAP and disclosure requirements as well as difference in regulatory requirements by various countries could influence the level of compliance with IFRS as some standard applicable in local country may not be applicable in the foreign countries (Abdulraman & Hamdan (2019).

While prior research studies such as Kibir (2014) and Abata (2015); have focused on IFRS adoption, very few studies such as Tsegba *et al.*, (2017); Okoye and Nwoye (2018) examined firm-specific characteristics and IFRS compliance in Nigerian banking and insurance company. Hence, this study filled the gap identified in the literature by examining firm-specific characteristics and IFRS compliance among listed non financial firms in Nigeria. Also, to the extent of literature reviewed in Nigeria, combination of firm-specific variables such as internationalization, auditor's type, industry type, and maturity does not exist in previous studies on firms specific characteristics and IFRS compliance

1.3 Research Questions

From the foregoing, the following research questions were raised.

i. To what extent does internationalization of firm affects IFRS compliance among listed non-financial service firms in Nigeria?

ii. What is the effect of industry type on IFRS compliance among listed non-financial service firms in Nigeria?

iii. To what extent does auditor type affects IFRS compliance among listed non-financial service firms in Nigeria?

iv. What is the effect of firm maturity on IFRS compliance among listed non-financial service firms in Nigeria?

v. Are there differences in the level of IFRS compliance among various sector of listed non-financial listed firms in Nigeria?

1.4 Objectives of the study

The general objective of this study was to examine the effect of firms specific characteristics on IFRS compliance of listed non financial firms in Nigeria. The specific objectives are to:

i. determine the extent to which internationalization of firm affects IFRS compliance among listed financial service firms in Nigeria.

ii. assess the effect of industry type on IFRS compliance among listed non-financial service firms in Nigeria. iii. examine the extent to which auditor type affects IFRS compliance among listed non-financial firms in Nigeria.

iv. investigate the effect of firm maturity on IFRS compliance among listed non-financial service firms in Nigeria.

v. establish the differences in the level of IFRS compliance among various sector of non-financial service listed firms in Nigeria.

1.5 Research Hypotheses

Based on these objectives, the following research hypotheses expressed in their null forms were tested:

H_{01}: Firm internationalization do not significantly influence IFRS compliance of listed non-financial service firms in Nigeria.

H_{02}: Industry type do not significantly affect IFRS compliance of listed nonfinancial service firms in Nigeria.

H_{03}: Auditor type do not significantly affect IFRS compliance of listed nonfinancial service firms in Nigeria.

H_{04}: Firm maturity do not significantly affect IFRS compliance of listed nonfinancial service firms in Nigeria.

H_{05}: There is no significant differences in level of IFRS compliance of listed nonfinancial service firms in Nigeria.

1.6 Justification for the study

Literature reviewed showed that there are studies on firm-specific and IFRS compliance in the developed and developing countries. Notable among them were Debir and Bahadir (2014); Yiadom and Atsuny (2014); Martin and Abdiraham (2015); Gaurav Kumar and Saini (2015); Appiah, Awunyo-Victor, Mireku, and Ahiagbah (2016); Uyar, Kilic, and Gokcen (2016); Samaha and Khlif (2017); Atsuny, Gatis and Frimpong-Manso (2017). On the other hand, most of the revealed studies in Nigeria focused much on adoption while other fewer studies focused on IFRS compliance in financial, insurance and manufacturing sectors.

For examples, Kabir (2014); Musa (2015); Ironkwe and Oglekwu (2016); Tsegba *et al.*, (2017); Okoye and Nwoye (2018).

Meanwhile some studies showed positive result, some studies showed negative result, while some results showed mixed result. This may be based on the fact that a lot of previous studies focused more on financial firms. Against this back drop, this study filled the gap by focusing on firm-specific characteristics and IFRS compliance among listed non-financial firms in Nigeria. Moreso, based on the literature reviewed and the researcher's knowledge, previous studies conducted in Nigeria have not examined the difference in the level of IFRS compliance practice in various sub-sectors of the listed non financial firms in Nigeria. This study improves on the methodology by employing ANOVA to check the significance differences in the level of IFRS compliance of listed non financial firms in Nigeria.

The result of this study contributes to the academic field of knowledge by providing an in depth knowledge on firm-specific characteristics and IFRS compliance in Nigeria. Moreso, this will in no small measure assist regulatory bodies such as Securities and Exchange Commission (SEC) and Financial Reporting Council of Nigeria (FRCN) to activate the appropriate disciplinary penalties on the offenders in order to reduce various fraud and other irregularities among firms in Nigeria. This will improve the management towards financial reporting. It also serves as a body of reference for future researchers in the area of IFRS compliance. Furthermore, this study will serve as a guard to the policy makers in formulating and administering pragmatic policies in Nigeria to ensure rapid compliance with IFRS in all sectors concern.

1.7 Scope of the Study

The study covers a period of five years from 2013-2017. 2013 being a year after the Federal Government of Nigeria mandated public listed and other significant entities to comply with IFRS for statutory preparation of their financial reports, while 2017 was the year to which the financial statements of the sampled firms were available for public access. The focus on listed non financial firms in Nigeria is due to the evidence of financial irregularities affecting the sectors. For example the falsification of the company financial statements in Cadbury Nigeria

Plc (Adegbie & Fofah 2016), Africa petroleum company (Now forte plc) in 1999.

CHAPTER TWO LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Firm Specific Characteristics

Appiah *et al.,* (2016) define firm-specific characteristics as an important factors such as industry, size, profitability, liquidity, ownership diffusion, audit quality, leverage, internationality, and age which influence the level of disclosure. The corporate characteristics that influence disclosure levels in developed countries may not coincide with such characteristics in developing countries because of different economies, societies, politics, and cultures. Aljifri *et al.,* (2014) describe firm-specific characteristics as industry type, listing status, and firm size as the most powerful explanatory variables when related to the variation in compliance with regulations that specify mandatory disclosure on firms.

Similarly, Demir and Bahadir (2014) opine that Big Four auditing firms, leverage, profitability, company size, and age are determined as being statistically important in explaining the level of disclosure among firms. Capkun, Collins and Jeanjean (2016) identify that companies from countries where IFRS compliance is enforced by prudential regulations are more eager to comply with IFRS. A number of affirmative of firms characteristics have been attributed to the use of uniform reporting standards exemplified by IFRS (Tsegba, *et al.,* 2017). These includes costs of staff training, education of personnel on how to prepare financial statements using IFRS principles, sector, high quick ratio, income, and internalisation..

According to World Bank, (2014) the share of cross boarder firms appear less than five percent in Nigeria, whereas in other developing countries, it amounts to virtually eighty-five per cent. Ebrahim and Fattah, (2015) define internationalization of firms as cross boarder activities which attract more investors globally. This study further adds that investor's confidence is also critical concern and compliance with IFRS reporting is a requirement for many listed entities to achieve this. Zehria and Chouaibib (2013) define internationalization as a process of upgrading the standard of economic interposition, increase access to financial and economic services, as well as monetary and economic performance of their borrowers, improve the investor's services and monetary stability. Joshi and AL-Mudhahki (2013) define internationalization as foreign listing which allow a firm to diversify its line of businesses worldwide. Tsegba *et al.,* (2017) contend that the more the firms are listed, the more visible it is to the public which lead to high signal of information to stakeholders thereby complying with IFR standards.

Isa (2015) defines industry type as manufacturing or technically productive enterprises in a particular field, country, region, or economy viewed collectively, or one of these individually. Atuny, Gatis and Frimpong-Manso (2017) also define industry as a group of manufacturers or businesses that produce a particular kind of goods or services. This study further add that industrial firms are of varying sizes and this size cannot be used to measure the size of other firms. Owusu-Ansah (1998) justifies the concept that firms' corporate disclosure practices are likely to vary across different industry type and suggested that the nature or importance of an industry type to either investors or the country might explain expected differences in corporate disclosure levels across industries. Also, industry types might be subjected to more rigorous regulations. Consequently, rigorous regulations might affect the disclosure practices of firms operating in industrial firms. In addition, Tsegba *et al.*, (2017) opine that external auditor are auditing firm that have more resources at their disposal, hence, attract more highly skilled employees to provide quality information.

Tanko (2012) defines maturity of a firm as the sustainability and survival of that firm in the market. The study also adds that the maturity of a firm in term of age is expected to reflect differently in the informational environment. Likewise, Tsegba *et al.*, (2017) describe growth of a firm as the number of years a firm is found, which may affect a firm's level of compliance with IFRS. It has also been argued that the maturity in terms of growth of firm which is managed by professional manager is subject to signal all value-relevant information in a timely manner (Tanko 2012). Palmer (2013) opines that older firms tend to have wellestablished accounting systems, and experienced managers and staff, resulting in higher quality accounting information in line with international standard. In this study firm-specific characteristics employed are internationalization, industry type, auditor type, firms maturity while firm size and profitability are taken as control variables. The peculiarity of listed non financial firms informed the choice of the firm-specific characteristics in this study.

2.1.2 Accounting Regulation and Standards

Accounting regulation and standard is a common set of principles and procedures that define the basis of financial accounting policies and practices in order to improve the transparency of financial reporting in all countries (IASB, 2015). This is in line with the view of Bova and Pereira (2012) who view accounting standard as Generally Accepted Accounting Principles (GAAP) widely accepted for preparing financial statements. Similarly, International Financial Reporting Standard Foundation (2015) opines that accounting standard was set by the International Accounting Standards Board and serve as the guideline for nonU.S. GAAP companies reporting financial statements.) Madawaki (2016) defined accounting regulation as authoritative standards and primary source of generally accepted accounting principles (GAAP) that are used as guide towards the preparation of financial statement.

Katselas and Rosov (2017) defined accounting standards as a standard that specify when and how economic events are to be recognized, measured and displayed in order to ensure that relevant and accurate information are provided about an entity. Accounting standards specify how transactions and other events are to be recognized, measured, presented and disclosed in financial statements (IASB, 2015). The objective of such standards is to provide financial information to investors, lenders, creditors, contributors and others that is useful in making decisions about providing resources to the entity.

Accounting regulation and standards can also be defined as the harmonization of the financial information presented by issuers of securities in the European Union (EU). Madawaki contend that the IAS 1-41 is regulation and standards that ensure high degree of transparency and comparability of financial statements. Also the compliance of IFRS1-17 is a substantial change in accounting regulation and standards for financial reporting in all countries (Armstrong, Barth, Jagolinzer Riedl 2010).

2.1.3 International Financial Reporting Standards (IFRSs)

The hallmark of financial reporting globally is enshrined in IASB’s conceptual framework. Attempts toward harmonisation led to the establishment of the International Accounting Standards Committee (IASC) in 1973 which released a series of standards called the International Accounting Standards (IAS). From April 2001, the International Accounting Standard Board (IASB) assumed accounting standard setting responsibilities from its predecessor body IASC with the authority of making the established standards mandatory among all it members. The IASB adopted the body of standards issued by IASC which will continue to be designated ‘IAS’ however any new standards would be published in series called the International Financial Reporting Standards (IFRS). The long awaited globally accepted accounting Standard has become a success with the development of IFRS by IASB with over 120 countries converging their standards into IFRS (Institute of Chartered Accountants England and Wales 2010).

Pelea (2013) re-emphasizes on the very main objective of financial reporting, stressed on the need for published financial statements to provide information that are quite useful to investors, creditors, and other relevant stakeholders in making investment, credit, and similar resource allocation decisions. Also, the IFRS compliance principle in accounting requires that financial statements present the most useful amount of relevant information that is necessary and not misleading. Tanko (2012) opines that consumers of financial information and users of financial reports may vary accordingly in any given market/ jurisdiction, IASB (2015) emphasis seem to rest more with the information needs of key players/participants in the capital markets. Investors as a result, have been considered the most unique utilisers of such information in financial reports, given the possible challenges of obtaining the said information directly from the firm. Financial reporting quality has thus become a major discuss given the widespread acceptance and compliance of IASB's International Financial Reporting Standards (IFRSs) globally.

As a universally accepted fact, accounting standard is seen as the language of business through which performance and position of an entity is being communicated to stakeholders in a common language. IFRS has made this statement a reality because through the acceptance of IFRS, business language can be spoken in a language which is universally known, accepted, and understood by almost all worldwide investors. Adejoh and Hasnah (2014) describe the need for a high quality and a uniform manner for which financial statements is being prepared and presented which gave rise to IFRS. Adejoh and Hasnah (2014) further define IFRS as an institution where principle based regulatory is seen as a set of published financial accounting pronouncements given by the IASB to assist accountants and auditors across the world in the preparation, presentation and reporting of transparent, high quality and comparable financial information to aid informed decision making.

These set of standards also ensures high quality threshold and designed for ease of use in general purpose financial reporting. They were formulated, established and mandated to regulate standards in the accounts sector. The Financial reporting committee was formed to improve reporting standards, interpretations and guidelines adopted by IASB and also meant to encourage professional judgment and provide relief against bogging down with lengthy rules (IASB, 2015). Tsgba *et al.*, (2017) defines IFRSs as a set of high standard that provides uniformity to firms across the world and used on daily activities. The uniformity has been instrumental in increasing transparency in the profession which had in the past been accused of lacking transparency. The increasing number of regulations and the need for operational transparency, has made firms accross the globe to implement the use of consolidated and harmonized sets of compliance controls for financial reporting (Uyar, Kilic & Gokeen (2016). Also, increase integration of international market has motivated the need for organisations around the world to execute their business in a manner to conform with IFRS regulations.

Assenso-Okofo, Ali, and Ahmed (2011) define IFRSs as a common set of accounting standards in all areas of reporting financial information (IASB, 2015). Muhammed (2018) opines that the level of regulation for financial information for corporations in several developed nations were determined by internal factors such as the legal rules of the country, the level of economic development, implicit and explicit objectives of society . Elina (2013) also defines IFRS as a set of guidelines that ensure the financial statement present the most useful amount of relevant information that is necessary and not to be misleading. Cole, Branson, and Breesch (2011) asserts that the degree of compliance for each company is measured by total number of IFRS compliance divided by total number of standards available. Akinmutimi (2011) opines that IFRS compliance offers a lot of benefits to corporate and public entities in terms of cost; easy consolidation of financial statements; better management control of internal consistencies of reporting, improved access to global financial capital markets; ability of international investors to make meaningful comparisons of investment portfolios in different countries and promotion of trade within regional economic groups.

Izedonmi (2014) asserts that the need for a uniform global financial reporting framework has been on for many years. The study further identifies the following factors supporting the compliance of IFRS as a continuous integration of world economy, increased interdependence of the international financial markets, absence of barriers of capital flows across national boundaries, increased mobility of capital across national boundaries and multiple listing by companies in capital markets within and outside their home jurisdiction. Madawaki (2012) defines IFRSs regulation as laid down principles companies follow to comply with statements of accounting standards (SAS) issued from time to time by IASB and audit carried out in accordance with generally accepted auditing standards.

Although many countries have faced challenges in their decisions to adopt and compliant with IFRS, its wide spread adoption has been promoted by the argument that the benefits outweigh the costs (Iyoha & Jimoh, 2011).

Ebrahim (2014) points out that Federal Government of Nigeria on the 2nd September 2010 officially declared IFRS adoption in Nigeria and initiated the guidelines to be followed for its accomplishment. The consent to IFRS adoption by the Federal Government of Nigeria made the country become enlisted member of those countries that have adopted IFRS across the globe. IFRSs according to Hasan (2017) was designed to be followed by companies across international boundaries to reflect its financial activities and to improve the understanding, comparability and quality of financial reporting. Umeron and Enang (2015) were of the opinion that IFRS as a standard is meant to attain these objectives; support in the standardization of the varied accounting principles and policies obtainable across the globe and enhancing comparability of financial statements. Also to facilitate the preparation and presentation of financial statements that is transparent, comparable of high quality information. Furthermore, the objectives is meant to reduce alternatives, ways of preparing financial statements and thereby eliminating the element of non comparability.

In general, compliance means conforming to rules and regulations, such as a specification, policy, standard or law. Regulatory compliance can be defined as a process by which any organization aspires to achieve the goal of quality financial information. Tsegba (2017) defined IFRS compliance as fulfillment of IFRS standards and regulations towards the preparation of financial statements. IFRS compliance increases the confidence of international stakeholders on the financial reporting (Yiadom & Atsunyo, 2014).

2.1.4 IFRS Compliance

In general, compliance means conforming to rules and regulations, such as a specification, policy, standard or law. IFRS compliance also describes the goal by which any firm aspire to comply with relevant laws, policies, and regulations. Due to the increasing number of regulations and need for operational transparency, firms are increasingly adopting the use of consolidated and harmonized sets of compliance controls for financial report (Sufian, 2018). The development of the international accounting standards began decades ago in an attempt by developed countries to create accounting standards for small developing countries that lack the resources to create their own accounting standards. But since then, and with the globalization of the business world, firms, investors, international companies, auditors, and regulators started to realize the increased significance of implementing a common set of accounting standards in all areas of the reporting chain of financial information (AICPA, 2011). Currently, one hundred and twenty countries have expressed their intention to comply with international financial reporting standards.

Prior studies uses two general approaches- unweighted and weighted for the measurement of compliance. Unweighted approach is based on assumption that each item of the disclosure is equally important while in weighted approach different items of information are given different weight. Singhvi (1967) and Hasan, Karim, and Quayes (2008) have used weighted approach to construct the disclosure index. This approach has been criticized on the ground that it is a subjective approach i.e., respondents may give weight on the same items of information differently. Considering these fact, many prior studies such as Akhtaruddin (2005); Alam (2007); Karim and Ahmed (2005); Wallace and Naser (1995) supported the employment of unweighted approach. But Atsunyo (2014); Akhtaruddin (2005) stated that unweighted approach has also some limitations such as researchers give zero score for non-applicable items and selection of nonapplicable items are subjective that leads to bias. Realizing these facts, relative unweighted approach has been considered in consistence with Sufian (2018); Yiadom and Atsuny (2014).

Therefore, this study adopt relative mandatory disclosure index (RMDI) for each company is constructed by using a dichotomous procedure where a relevant item scores one if it is disclosed and zero if it is not disclosed. For sub items, a proportionate score has been assigned by dividing one with the number of sub items. Then, non-applicable items have been selected and given N/A. Total number of non-applicable items has been deducted from total selected items to have the total number of items applicable to disclose. In this way, we can add up all the items disclosed by the firm to have the total relative disclosure score. The following formula is used for construction of RMDI: Total number of items disclosed in annual report divided by total number of items applicable to disclose in annual report. However, a total number of 120 items were adopted from the

IFRS (2018) checklist.

2.2 Theoretical Review

Different theories have been propounded relating to firm-specific characteristics and IFRS compliance. Some of these theories are stakeholder theory, signaling theory, agency theory positive theory, private interest theory and so on. This study employed the signaling theory, agency theory, and Political cost theory.

2.1.1 Signaling Theory

According to signaling theory, developed by Spencer (1977), financial reporting is said to stem from management's desire to disclose its superior performance where, good performance will enhance the management's reputation and position in the market for management services, and good reporting practice. Also, disclosing risk information and to convey specific signals to current and potential users.

Wallace (1980) posits that signaling is a kind of implicit guarantee. Signaling theory suggests that companies with good performance use financial information disclosure to send signals to the market. Clemens and James (1999) show that firms will attempt to accept the same level of disclosure as similar firms operating in the same industry since if a firm does not keep up with the same level of disclosure as others, it may be perceived by stakeholders that it is hiding bad news or negative information. As the types of financial statements produced have become standardized, potential information differentiation that a company can use to send a signal to the market through its financial statements is reduced. Companies are thus provided an incentive to signal, other than through transparency in their notes to the accounts and other voluntary disclosures, through their choice of auditor. Moreover, even voluntary disclosures that may be used as signals achieve enhanced credibility when firms comply with globally acceptable standards.

Based on the signaling theory, managers use the accounts to signal their expectations to investors who use accounting information for decision making. Manager s who expect a high level of future growth would signal that via published financial statements. Even managers of firms with poor financials would signal positive news to retain high rating among investors (Gorgan &

Gorgan, 2012). The adoption of IFRS provides opportunity for firms in developing countries to present financial statements using high quality accounting standards. Consistent with signaling theory, some IFRS adopters may send the proper signals, while others may convey deceptive signals. (Cole, Branson, & Breesch, 2011).

This study also justify that the economic consequences of IFRS adoption differ between the 'label' and 'serious' adopters. The signaling theory provides an explanatory framework for corporate disclosure (Zehria & Chouaibib, 2013). It is argued that companies that perform better than others may have more incentives to disclose more information to signal their good performance and screen themselves from companies performing less well (Akerlof, 1970).

2.2.2 Agency Theory

Jensen and Meckling (1976) propounded agency theory. The agency theory parley resonates from the fears expressed about the separation of ownership and control in a modern corporation by Singhvi (1967). The theory, propounded by Jensen and Meckling (1976), provides an explanation of the agency relationship between parties who are entrusted with the day to day management of the firm, especially with regard to accounting information namely the principal (the shareholders or owners of the firm) and the agents (managers) (Karl & Terry, 1990). Agency Theory states that the owners and managers tend to act in their own interest and it is this separation of interests that causes conflicts (Morris, 1987), hence the need for good governance mechanisms (Gaurav & Saini, 2016). In this theory, disclosure is used to reduce the agency costs and information asymmetry found between owners and managers.

The theory is a determinants of disclosure that are usually related to firm size, leverage, foreign status, industry type, ownership diffusion, type of auditor and profitability (Samaha & Khlif, 2016; Demir & Bahadir, 2014). The relevance of the theory is that it assumes that when firm incure agency cost on external auditors, there is tendency that the firm will disclose quality information to the public. A number of arguments have linked the agency theory to the nature and magnitude of information managers elect to disclose to the stakeholders. First, it is argued that managers tend to increase the amount of information provided to the owners as a means of reducing the owners' interference and to improve their positions, especially when they carry out their work properly (Bhushan, 1989). Second, managers may be motivated to disclose as much information as possible in order to differentiate themselves from poorly run corporations (Lev & Penman, 1990). Third, management may use corporate disclosure as a means of mitigating agency problems associated with informational asymmetry, a situation where one party to the contract has more information than the other parties to the same contract (Jensen & Meckling 1976; Healy & Palepu, 2001).

Consistent with these affirmative arguments for corporate disclosure and compliance with a given set of accounting standards, this study is of the view that that managers are under voluntary obligation to comply with IFRS, but their compliance levels may be affected by a tradeoff between cost of compliance and cost of sanctions emanating from partial or non-compliance.

In this research work, the monitoring roles of auditors are studied as the mechanism that mitigates agency conflicts. Zahra and Pearce (1989) argue that agency theory is the most comprehensive theory that clarifies the auditors' functions and highlights the importance of their controlling role. Watts & Zimmerman, (1978) claims that the external audit represents a crucial element of a firm's internal control system and that it provides a check and balance system that helps shareholders to monitor and control the management's activities. Given the separation of ownership from management, the directors are required to report on their stewardship by means of the annual reports and financial statements sent to the shareholders. The audit provides an external and objective check on the way in which the financial statements have been prepared and presented, and it is an essential part of the checks and balances required. Hence, it can be argued that agency theory is essential to this study since it recognizes the monitoring role of an external audit as mechanism to control management opportunistic behaviors.

2.2.3 Contingency Theory

The contingency theory was propounded by Fred Fiedler in 1958. Fiedler believed that one's effectiveness to achieve a goal depends on the strategy adopted. Contingency theory rest on the premise that there is no best way for a firm to achieve success (Gupta, 2009). Contingency theory is also an organization theory that claimes that there is no best way to organise a corporation or to make decision. Instead, the optimal course of action is contingent which dependent upon the internal and external situation (Alfraih & Almutawa, 2014) The theory also assumes that styles are flexible and that they can be modified (Gupta, 2016). The benefit of this theory is that it changes according to situation. It also allows firms to change policies according to situation. It also assists firm to enhance decision making. While the weakness of this theory is the fact that, it is a complex approach. Also contingency approach suffers from inadequately of literature. It is not sufficient to say that a firm action depends on the situation.

2.2.4 Political costs theory

Watts and Zimmerman (1986) propounded the theory of political cost. This theory argues that politicians have the power to intrude firms and redistribute wealth by imposing regulations. For instance, certain groups have incentives to lobby for regulation or break-up an industry or corporation (Watts & Zimmerman, 1986).

These demands give politicians incentives to propose such actions to defend stakeholders financially sophisticated against losses (Watts & Zimmerman, 1978). By introducing minimum disclosure requirements, regulators are able to reduce the information asymmetry inherent between firms and their stakeholders (Watts & Zimmerman, 1986). Therefore, management has incentives to ward off unwanted attention from supervisors and potential government intrusions (Watts & Zimmerman, 1978). Providing information in annual reports are asserted to reduce agency costs whereby the management has the discretion to make choices to report information for their own self-interest (Watts & Zimmerman, 1978, 1979, 1986). Thus, a firm that is under high scrutiny from regulators or authorities have incentives to disclose extensive information to avoid regulatory interventions (Watts & Zimmerman, 1986).

The relevant of the theory is that when firms disclose detailed information in financial statements, there is likelihood of providing more quality information, hence user used the information for informed decision, which thereby materialize disclosures (Watts & Zimmerman, 1978). Watts and Zimmerman (1986) further argue that size is a factor that could lead to political costs. Healy and Palepu (2001) confirm this proposition and then state that the agency theory also contains arguments for a size-disclosure relationship. The reasoning behind this argument is that large firms have higher political costs that incurs from antitrust and corporate responsibility (Watts & Zimmerman, 1978). Watts and Zimmerman (1978) further argue that external pressures like registration of firms have impact on financial reporting. Large firms are therefore more likely to provide stakeholders with extensive information in compliance with IFRS (Guerreiro, Rodrigues & Craig, 2012). Another plausible explanation discussed by Dye (2017) is that the media and the public require more information from larger firms than they do of smaller ones. In this regards, they have to compliance with IFRS.

The shortcoming behind this theory is that firms with high information also incur higher public scrutiny from stakeholders, which distract attention from various stakeholders (Gordon & Gordon, 2012). Also, the degree of pressure from the public dictates the political costs that firm's incure. Watts and Zimmerman (1978) assert that political costs affect firms decision about whether they are willing to meet, or exceed, the requirements of disclosures or if they are willing to suffer the costs of averting them (Watts & Zimmerman, 1986). By avoiding negative attention the management is able to reduce the likelihood of adverse political actions and thereby reduce its expected costs, including the legal costs the firm would incur opposing the political actions (Watts & Zimmerman, 1978). Hence, firms tend to disclose more information about their risks and uncertainties to avoid prosecution or investigations on the part of their stakeholders (Watts & Zimmerman, 1978).

2.3 Empirical Review

This sub-chapter covers the review of empirical studies on the relationship between firm specific characteristics and IFRS compliance used in this study. The objective is to critically examine the contribution of earlier researchers on the subject matter.

2.3.1 Empirical Studies from Developed Countries

Demir and Bahadir (2014) investigated the extent to which companies comply with international financial reporting standards (IFRSs) by listed companies in Turkey capital market using secondary data. Self constructed checklist issued by IASB was developed from 2011 annual report for 168 firms. The overall result of pearson correlation revealed that level of compliance for all firms to be 79% while IFRS compliance was positively related to firms being audited by Big 4 auditing firms and leverage. While other company characteristics, such as profitability, company size and age were determined to be statistically insignificant in explaining the level of compliance with IFRSs implied.

Gaurav, Kumar and Saini (2015) analyzed determinants of IFRS compliance by Canadian Companies using semi structured interview and measured by the use of self prepared checklist. The result of cross-sectional regression analysis shows

65% compliance rate while firm size, foreign sales proportion, and U.S. listing are positively associated with the IFRS compliance. However leverage ratio was negatively associated with the IFRS compliance of the sample firms.

Uyar, Kilic and Gokcen (2016) investigated the compliance extent of Turkish firms with international accounting standards (IAS) and international financial reporting standards. This study was based on 89 returned comprehensive online questionnaire survey about IAS/IFRS implementation of largest Turkish industrial firms, namely ICI 500. Pearson and spearman's rho correlation analysis was used in running the OLS analysis. The study found that listing status, training staff, foreign ownership, firm size are significant determinants of IAS/IFRS compliance, whereas leverage and profitability turned out to be insignificant.

Samaha and Khlif (2018) analyze determinants of compliance with IAS/IFRS in developed country using questionnaire. The findings of the compliance index provide evidence that firm size, auditor type, multinationality, profitability and ownership dispersion have a positive effect on IAS/IFRS compliance. In addition, investor protection level also moderates the association between corporate characteristics and compliance IAS/IFRS. The findings emphasize the need to explicitly consider the legal and institutional setting when one analyzes the effect of corporate characteristics on IAS/IFRS compliance.

2.3.2 Empirical Studies from other Developing Countries

Juhmani (2012) determined the factors influencing the extent of corporate compliance with IFRS on the sample of 41 firms listed in Bahrain Stock Exchange using secondary data. The dependent variable was proxy with self constructed checklist under the guidance of IASB. The independent variables consist of audit firm size, company age and control variables (company size, profitability and leverage). The findings of multivariate regression analysis provides evidence through SPSS statically package that the level of compliance was 46.6% for all firms, meanwhile company size and audit firm size were positively and significantly associated with IFRS compliance but company age, profitability and leverage were found to be insignificant in explaining the level of compliance with IFRS. The study concludes that there is an association between the level of compliance and corporate characteristics.

Bova and Pereira (2012) evaluated the determinants and Consequences of Heterogeneous IFRS Compliance Levels in Kenya country for both private and public-traded firms. The analysis takes advantage of a unique dataset involving firm-specific measurements of IFRS compliance using questionnaire. The study find that public, rather than private firms, exhibit greater IFRS compliance. Also, highlighting the influence of capital market openness, the also study finds that foreign ownership and share turnover were positively and significantly correlated with IFRS compliance. The study concluded that economic incentives are importance in shaping IFRS compliance.

Zehria and Chouaibib (2013) identified certain explanatory factors that are likely clarify the choice of applying IAS/IFRS compliance by developing countries in the year 2008 using secondary data. Based on a sample consisting of 74 DCs through univariate analysis, the results have indicated that the DCs most likely to compliance with IAS/IFRS have a high level of economic growth, along with a legal system of common law and an advanced educational level. The study concluded that culture, the existence of a capital market, the political system and internationality, have turned out to not significant impact on the decision to adopt IFRS.

Yiadom and Atsunyo (2014) examined the extent to which companies listed on the Ghana Stock Exchange (GSE) comply with International Financial Reporting Standards' (IFRSs) requirement using secondary data. IASB checklist was developed and applied to the 2010 financial statement of 31 companies listed on the GSE. Descriptive statistics, correlation and multiple regression analysis were used to analyse the result. ANOVA was employed to explore statistically significant differences between industry types with regards to their extent of compliance. The findings revealed an overall mean compliance of 85.8% in

Ghana. Company attributes of size, profitability, auditor type, internationality and industry type associate positively with IFRSs compliance while there is difference between industry types with regards to their compliance rate.

Dan (2014) explored firm and country attributes towards IFRS compliance by unlisted firms in the UK and Germany using, secondary data. The results revealed that the country-level institutional environment's adjusting impact on firm size, leverage, legal form, profitability and country-level institutional environment is not stable and further confirms that little evidence was found regarding the interplay between firm-level factors and country-level factors. The study concluded that the country-level institutional environment fails to strengthen or weaken the role of firm-level factors affecting IFRS compliance.

Alfraih and Almutawa (2014) investigated the association between firm-specific characteristics and corporate financial disclosure among Kuwait Stock Exchange (KSE)-listed firms. The extent of corporate disclosures among all KSE-listed firms in 2010 was measured using a self-constructed disclosure index. The results show that the mean level of mandatory disclosures for all KSE-listed firms in 2010 was 74%. The regression results revealed that older, highly leveraged, larger, and profitable KSE listed firms are associated with high levels of disclosures. The study concluded that high quality and rigorous external audits promoted corporate disclosures.

Carlin and Tran (2014) assessed the compliance quality of a large sample of Hong Kong listed firms that are matured IFRS adopters using primary data. The results of regression analysis provide strong evidence of substantial deviation from required practice amongst a large sample of listed firms in a sophisticated economic jurisdiction.

Youssef and Mohamed (2014) analysed the degree of compliance toward methods of implementation of IFRS as issued by the IASB in Morocco, using primary sources. A sample of listed companies from six countries opting for different methods of implementation of IFRS. The results founds that the compliance methods of implementation of IFRS influences positive relevance of accounting information through OLS analysis and that this relevance is better for the listed companies of countries which have chosen a compliant method of implementation IFRS as issued by the IASB.

Ballas *et al.*, (2014) investigated the compliance with IFRS disclosure requirements and ultimately the quality of financial statements in 58 Greek firms from 2006 to 2008. The checklist was based on the IFRS disclosure requirements, under the "dichotomous approach" and the "partial compliance unweighted method. The results of univariate tests and a multivariate regression model revealed that ownership structure and the type of the external auditor applied are significant factors explaining compliance. Leverage, size and profitability appear to have less explanatory power. The study concluded that closely-held firms exhibit higher compliance rate, while disclosure compliance is not associated with firms' profitability, leverage and size.

Martin and Abdiraham (2015) examined what factors are likely to influence the compliance with IFRS by 64 listed firms in Nairobi Securities Exchange as at 31st December 2016 by the census approach. Secondary data covers the study for a period of five years from 2012 to 2016 with compliance measured using Beest, Braam and Boelus compliance index. The result of ANOVA revealed 46% of all firms compliance while profitability have negative and insignificant relationship with disclosure index. On the other hand the study finds that the relationship between leverage and disclosure index was positive but insignificant. However in the case age of firm and disclosure index there is positive and significant relationship. The study concludes that the key factors that influence the compliance of IFRS by firms are age of firms and firm size.

Appiah *et al.,* (2016) identified firm-specific characteristics that influence IFRS compliance by listed firms in Ghana for a period of five years using, secondary data. Random effect was used to examined the influence of the predictive panal data OLS analysis on the level of IFRS corporate compliance. The result reveals a positive significant relationship between the level of compliance and firm size, auditor type, cross-listing and sector (information and communications technology (ICT) and agro-forestry). On the contrary, the level of compliance exhibits a negative significant association with leverage and firm age. It is observed that the level of compliance is not related to profitability.

Venegas and Salazar (2016) described and analyzed the factors that explain the level of compliance with the Financial Reporting Standards (FRS) in a group of social economy enterprises. The mixed methods of data for a sample of 21 companies were developed. The results indicated that professional training was significant while the control variables such as firm size, leverage and profitability were insignificant. The study concluded that the companies should promote staff training and retention, especially staff with experience in accounting to achieve compliance in the adoption of IFRS.

Atsuny *et al.,* (2017) carried out a comparative study on the successful application of IFRS compliance in Ghana and Kenya using secondary data for self constructed checklist. Pearson product moment correlation was used in analyzing the data through SPSS. Results of the study showed that company attributes; size, profitability, auditor type, industry type and internationality have positive relationship and significant with companies‟ rate of IFRS compliance in Ghana but leverage was not significant. In Kenya auditor type, industry type and internationality were statistically significant with IFRS compliance. The study revealed a significant difference in compliance rate with IFRS between Ghana and Kenya. The study concluded that Kenya recorded a higher level of IFRS compliance than Ghana.

Ballas (2018) investigated the Greek compliance with IFRS disclosure requirements and ultimately the quality of financial statements, using a checklist based on the IFRS disclosure requirements for a sample of 58 listed, non-finance from 2006 and 2008 financial statements. The result of univariate tests and a multivariate regression revealed a positive association between the engagement of a Big-4 international auditing firm and the compliance rate, while disclosure compliance is not associated with firms' profitability, leverage and size. This study concluded that there is significant relationship between auditor types. This study therefore concluded that accounting regulators who set disclosure requirements and capital market should be interested in Greek firms' compliance with IFRS disclosure requirements.

Abdulraman and Hamdan (2019) investigated the association between five firmspecific characteristics and the level of mandatory compliance with Financial Reporting Standards by Malaysian SMEs. A disclosure index is used to measure the extent of compliance of 105 sampled firms' annual reports financial year 2013. The results revealed and concluded an overall compliance of 96 per cent. Regression results report that only firm size and profitability have a positive and negative significant association, respectively. The study recommended that the regulatory bodies in Malaysia should strategize and encourage compliance with

IFRS by non-listed firms.

2.3.3 Empirical Studies from Nigeria

Kabir (2014) examined the associations between disclosure practices among the largest public listed companies in Nigeria. Checklists of un-weigheted index of 76 sample companies were constructed. The results of SPSS indicated 43% compliance among companies. The results further revealed that firm size and industry type have positive association with voluntary segments disclosure. In addition, negative association is observed between firm listing age, growth, return on investment, ownership diffusion and voluntary segments disclosure.

Abdul-Baki,Uthman and Sanni (2014) examined the potential of financial ratio as financial measure before IFRS and Nigeria GAAP regimes. The study was conducted through comparison of the ratios that were computed from IFRS based financial statements and Nigerian GAAP based financial statements. A one sample kolmogorov-smirnov test was conducted to test data normality. MannWhitney U test was employed in testing whether significance difference exists between the pair of ratios when the normality test showed a non-normal distribution of the data set. The result of the Mann- Whitney U test showed that there is no significant difference between the pair of ratios at 5% level of significance. The study concludes that the disclosure of IFRS compliant set of financial statements was not attributable to higher performance evaluation, through ratios, of the case firm. Rather, such disclosure could have been motivated by the capital needs theory or signaling theory.

Musa (2015) investigated the impact of IFRS adoption and other associated explanatory variables on audit timeliness in Nigerian deposit money banks for the period 2010 to 2013. Panel regression analysis reveals a positive significant impact of IFRS adoption on audit timeliness. Results also indicate that firm age, firm size and auditor firm type are significant predictors of audit timeliness in Nigeria deposit money banks. The study recommends that auditor firms should make stringent efforts to acclimatize with the complexities of the IFRS transition process so as to reduce audit report delays.

Aliyu and Tariro (2015) investigated the compliance of IFRS with scholarly literatures of Nigeria firms from 2005 to 2014. The study adopted the mixed mode (both annual report and Questionnaires). Data were analysed using multivariate regression of SPSS. The findings revealed that investors at Nigerian stock market are generally impressed by greater compliance with IFRS mandatory disclosure.

Yahaya, Joseph, and Safiya, (2015) examined international financial reporting standards‟ adoption and value relevance of accounting information of listed deposit money banks in Nigeria with the use of secondary date. The paper examines post-IFRS adoption value relevance of accounting information using two models. First, a price model which used proxies such as market price per share, book value of equity per share, earnings per share and cash flow per share. Second, a return-model which used proxies such as annual return, earning per share, change in earning per share, were used. According to both sub-samples just a coefficient of earnings per share level is statistically significant. The results of the return model also indicates adoption of IFRS improved relevance of accounting numbers in the deposit money banking sector. And also

Abata (2015) examined the impact of IFRS compliance on financial reporting practices of corporate establishments in Nigeria. Data were collected from 50 employees of KPMG with use of structured questionnaire and analysed using mean scores, standard deviation and Pearson Chi-square analysis through SPSS statiscal package. The findings revealed that greater percentage of the respondents believe that IFRS provides better information for regulators than the local GAAP, thereby increasing the transparency and comparability of financial statements in Nigeria. The study concluded that financial reports prepared under IFRSs enhanced best practices in a corporate organization, provides greater benefits than the former GAAP (SAS), promotes cross border investment and access and relatively improve the performance of companies.

Ironkwe and Oglekwu (2016) investigated the corporate performance in terms of IFRS adoption on the profitability of Listed Manufacturing Companies in Nigerian. Pre-IFRS Adoption (2009-2011) and the Post-IFRS Adoption (20122014) using secondary data. A descriptive statistics and Analysis of Variance (ANOVA) were used in analyzing the performance of the two periods as it relates to EPS and ROE. Results gotten from the analyses showed that there is an inverse relationship between Risk and Return. Except for EPS which had a marginal appreciation of 2.3%, ROE showed a substantial reduction of 15.7% on performance in the Post Adoption Periods. Analyses from the tested hypotheses showed that, there is no significant impact of Pre/Post Adoption of IFRS on EPS and ROE.

Alade, Olweny, and Oluoch (2017) examined IFRS and its influence on value relevance at the Nigerian stock market in Nigeria. Panel data were sourced from sixty-nine Nigerian listed firms for a period of four years of IFRS adoption at the Nigerian stock market (i.e. 2012 – 2015) using self constructed checklist. The results of the sampled firms were 91% overall compliance. Consistently with the study, results of the panel regression model also indicate that greater compliance with IFRS mandatory disclosure requirements is positive and significantly value relevant at the Nigerian stock market but more for financial industry category.

Thus, the study concluded and recommended that stock market regulators and accounting standards setters should engage in issuance of all-inclusive IFRS compliance checklist to measure listed firms' compliance with IFRS periodically.

Tsegba *et al.*, (2017) determined the extent of IFRS compliance by listed financial services companies and insurance companies in Nigeria. Also influence of firm characteristics on the level of compliance was also determined. The instrument employed for collation of the secondary data was a checklist developed by Ernest & Young and KPMG for the financial services sector as at 31st December 2014. The multiple regression technique and Wilcoxon Rank Sum Test were conducted through SPSS. The study founds overall compliance to be 85% while profitability is positive and significantly associated with IFRS compliance, firm size and auditor type are positive but insignificantly associated with IFRS compliance while leverage and internationality are negative and insignificantly associated with IFRS compliance. Furthermore, the study found that compliance with IFRS by DMB is higher than INC but the difference is not statistically significant. The major conclusion reached in this study was that compliance with IFRS by listed financial services companies in Nigeria is not driven by firm attributes.

Nwoye *et al.*, (2017) focused on Nigerian banks and global ranking on IFRS compliance impact. The study covered three (3) years of IFRS Based financial reporting of Nine (9) Nigerian banks that made the list of 1000 World banks in the 2015 global ranking of banks. Furthermore, all IFRS based financial statements of these banks for the years 2012 (IFRS adoption and transition date in Nigeria) to 2014 reporting year, were purposively sampled and selected for content analyses purpose with aid of the multiple regression analytical tool using SPSS version 22. The outcome of the analysis showed that the level of compliance of Nigerian banks to IFRS disclosure guidelines has indeed improved the acceptability of her financial reporting practices globally. It was also discovered that significant contributions were made by the independent variables in explaining the compliance quality level of IFRS disclosure practices upheld by the Nigerian banks.

Okoye and Nwoye (2018) determined whether any significant difference exists in the compliance quality of the post IFRS Financial Statements prepared in Nigeria and Ghana in their first five years of IFRS adoption. The use of the content analysis scoring system was adopted as the core instrument for data collection. A total of 44 manufacturing companies for both Nigeria and Ghana listed on the floors of the Nigerian and Ghana Stock Exchanges were purposively sampled and scored for quality compliance on a 4-point rating scale through post IFRS compliant financial statements for the years 2007–2011 (Ghana) and 2012–2016 (Nigeria) respectively. Scores derived were however analyzed using the Mann Whitney U Test, and the results showed that significant difference exist in the compliance quality of post-IFRS Financial Statements prepared by public listed manufacturing companies in Nigeria and Ghana, with Nigeria having better IFRS disclosures compliance edge over Ghana. The study concluded that the regulatory approach to IFRS implementation in both countries apparently differs.

2.4 Summary and Gaps Identified in Literature

Having reviewed the various concepts, theories and empirical evidences relating to firm-specific characteristics and IFRS compliance. The body of literature reviewed showed that the subject matter of research, that is, firm-specific characteristics and IFRS compliance, have been covered extensively in the foreign literature. Emperical studies emanating from Nigeria in this regard are few. This potends the need for further research studies. For example; Bova and Pereira (2012); Zehria and Chouaibib (2013); Youssef and Mohamed (2014); Martin and Abdiraham (2015); Appiah *et al.,* (2016); Uyar *et al.,* (2016); Atsuny *et al.,* (2017). In Nigeria most studies focussed much on Adoption and fewer on compliance. For example; Abata (2014); Nwoye and Mary-Fedelis (2017); Tsegba *et al.*, (2017); Okoye and Nwoye (2018). Meanwhile, some studies showed positive findings while some study showed negative findings. Also some studies showed mixed result. Therefore, this study examine firm specific characteristics and IFRS compliance among listed non financial firms in Nigeria.

The previous studies have not employ combination of variable used in the study that is internationalization, industry type, auditor type and firm maturity. For example, Abata (2014); Nwoye and Mary-Fedelis (2017); Tsegba *et al.*, (2017). Meanwhile, there studies showed positive effects of firm-specific characteristics and IFRS compliance, while some study showed negative result. whereas some studies showed mixed result. Hence, the need for further research.

Furthermore, based on the extant literature reviewed and to the best of the researcher's knowledge, most of the previous studies (Tsegba *et al.*, 2017; Nwoye and Mary-Fedelis 2017; and Okoye and Nwoye 2018) concentrated on banking, insurance and manufacturing companies . This study is different as it concentrates on all listed non financial firms in Nigeria.. Also the previous studies such as Tsegba *et al.*, (2017); Nwoye and Mary-Fedelis (2017); and Okoye and Nwoye (2018) has not study the effect of (industry type and firm maturity) as firmspecific characteristics on IFRS compliance.

In addition, previous studies such as Nwoye and Mary-Fedelis (2017); Tsegba *et al.,* (2017); Okoye and Nwoye (2018); have largely used agency theory only to underpin their studies. This study employed the assumptions of both agency theory and signaling theory to capture all the variables in the study. The literature reviewed on the study area further proved that most of the previous studies covered two to three (2-3) years time framed. This study extends the time frame by looking at five (5) years in order to fill the gap. In order to have a more robust result, this study further improve on the work of Tsegba *et al.,* (2017) by employing ANOVA to determine the significant differences in the level of IFRS compliance among the various non financial firms in Nigeria thereby filling a gap. Lastly, it therefore becomes imperative to fill all the lacuna identified in the previous studies by determining firm-specific characteristics and IFRS compliance among listed non financial firms in Nigeria.

2.5 Theoretical Framework

This study is guided by the agency theory and the contingency theory. Agency theory tends to address the issue of information asymmetry which leads to conflicts and dissimilar interests between the principals (shareholders) and the agent (manager) which makes managers to take opportunistic behavior of manipulating the financial statements. Agency theory posits that, to prevent the managers from manipulating the accounting figures in order to mislead the stakeholders, there is need for an external auditor to attest to the financial statement prepared by the management in order to signal quality of financial information. To solve the problem, agency theory assumes that the agent should prepare the financial statement in line with accounting standards (IFRS) that is accepted globally. This standards deal with disclosing detailed information about the activities of the firm.

Contingency theory explores the preposition that certain disclosure practices of IFRS compliance are contingent upon highly regulated industry and the type of auditor employed. Big four auditing firm have experience and strategy to produce quality financial. Meanwhile the disclosures of financial information practices are primarily influenced by firm specific characteristics. The theory also assumes that a firm is most effective when the firm's attributes matched with the situation and environment around them.

The agency theory perceives that auditor type and firm size are associated with higher compliance with IFRS. The reason being that large audit firms have the necessary resources to identify and report any manipulations in the financial statement. This sends signal to the market that the financial statements prepared have credible and reliable information than those audited by the non-big four audit firms.

Summarily, both agency and contingency theory posits that complying with IFRS requirements leads to higher quality information. The theory assumes that to ensure compliance, firms usually considered some factors such as auditor type and industry type. It assumes that the type of auditor and firm's industry could influence the level of compliance with IFRS requirements. Complying with

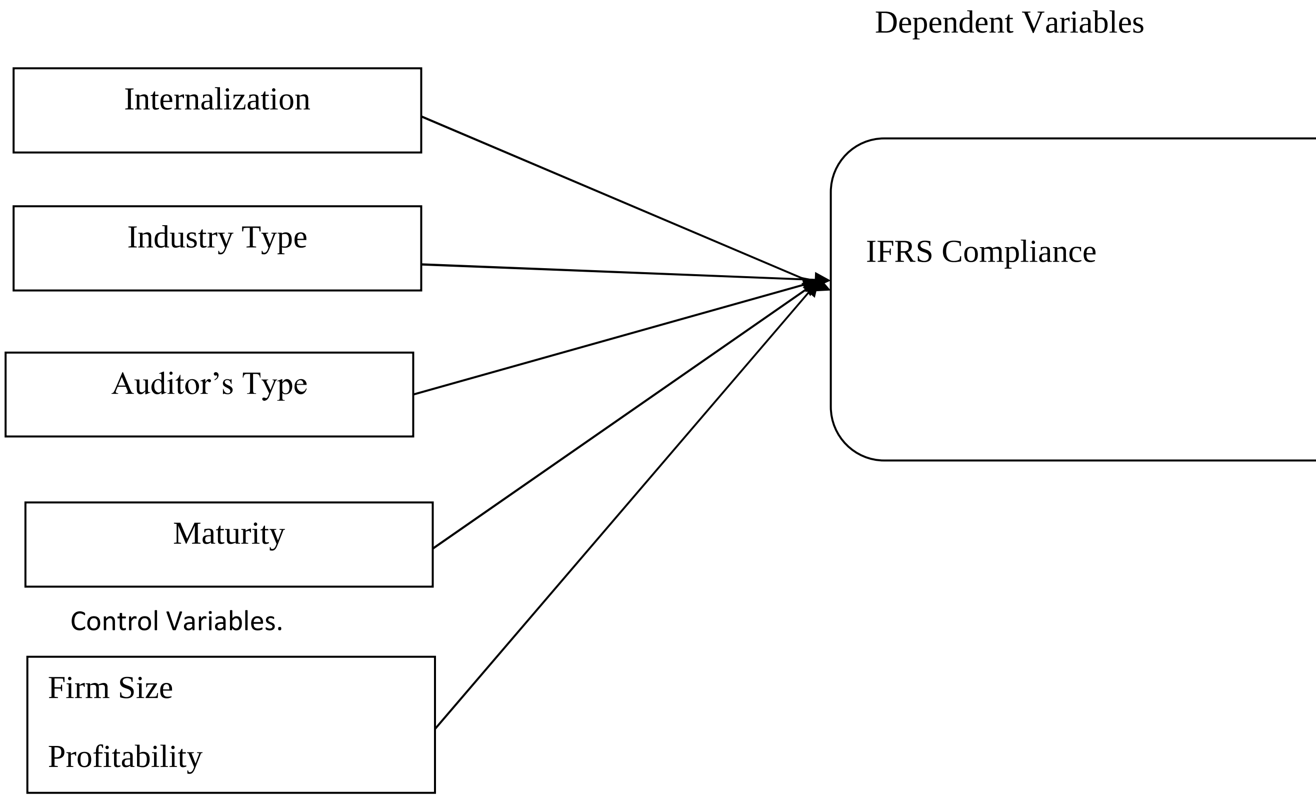
international financial reporting standards signals to the international market that the information provided by a firm on its financial statement is reliable. Disclosing detailed information differentiate matured firm from non matured firm. Therefore, contingency theory assumes that providing adequate information about firm's activities could attract investors from foreign countries.

Figure 1.1 Conceptual Frameworks

FIRM-SPECIFIC CHARACTERISTICS AND IFRS COMPLIANCE

Independent Variables

Source: Author’s Computation (2019).



The above conceptual model illustrates the link the between firm-specific characteristics and

IFRS compliance. Independent variables are firm-specific characteristics which include internationalization, industry type, auditor type and firm’s maturity. While the dependent variable is IFRS compliance proxy with Relative Mandatory Disclosure Index (RDMI).

CHAPTER THREE

METHODOLOGY

3.1 Research Design

This study employed ex-post facto research design. Ex-post facto is a type of research that is undertaken after the event has already taken place, data are already in existence and cannot be manipulated (Ijaiya, 2013). This design was chosen because the data used were already in existence in the sample firms' financial statement and can neither be manipulated nor influenced by the researcher. Hence, this study was conducted after the period under review.

3.2 Population of the study

The population of the study consists of all non financial firms listed on the floor of the Nigerian Stock Exchange as at 31st December, 2017. As at that date, there were one hundred and thirteen (113) non financial firms listed on the floor of Nigerian Stock Exchange (NSE Fact book, 2017). This covers ten (10) sectors which are agriculture sector, conglomerate sector, construction and real estate sector, consumer goods sector, health care sector, ICT sector, industrial goods, natural resources, Oil & Gas sector, services sector.

Table 3.1 Population of the study

S/N	Sectors	No of Firm
1	Agriculture	5
2	Conglomarate	6

3	Construction & real Estate	9
4	Consumer goods	21
5	Health care	10
6	ICT	7
7	Industrial goods	14
8	Oil and Gas	12
9	Services	25
10	Natural goods	4

Source: Authors compilation stock exchange fact book, (2019).

3.3 Sample Size and Sampling Technique

The sample size for the firms is 88 firms using Taro Yamani of 1964 (see appendix 3). Therefore, the stratifies technique was used to determine the proportion of sampled firm from each sector. Four (4) firms from agriculture sector, four (4) firms from conglomerate sector, eight (8) firms from construction and real estate sector, eighteen (18) consumer goods sector, seven (7) firms from health care sector, five (5) firms from ICT sector, eleven (11) firms from industrial goods, eight (8) firms from Oil & Gas sector, twenty (20) from services sector, three (3) firms from natural resources. This can be depict below:

Using Taro Yamane formular = $\frac{N}{1+N(0.05)^2} = \frac{113}{1+113(0.05)^2} = 88$

Table 3.2 : Calculation of sample size for each sectors using proportion

Sectors	Population of each sub-sector	Proportion of each sector	No. of firms selected
Agriculture	5	$\frac{5}{113}$ X 88 = 3.89%	4

Conglomarate	6	$\frac{6}{113}$ X 88 = 4.67%	4.11=4
Construction & real Estate	9	$\frac{9}{113}$ X 88 = 8.00%	8.1= 8
Consumer goods	21	$\frac{21}{113}$ X 88 = 18.35%	18.39=18
Health care	10	$\frac{10}{113}$ X 88 = 7.78%	6.8=7
ICT	7	$\frac{7}{113}$ X 88 = 5.45%	4.79= 5
Industrial goods	14	$\frac{14}{113}$ X 88 = 11.90%	9.6= 11
Oil and Gas	12	$\frac{12}{113}$ X 88 = 10.61%	8.22=8
Services	25	$\frac{25}{113}$ X 88 = 19.5%	17.13=20
Natural goods	4	$\frac{4}{113}$ X 88 = 3.1%	2.7=3

Source: Authors compilation stock exchange fact book, (2019).

3.4 Sources and Data Collection Method

The study made use of the annual report and accounts of the sampled firms listed on the floor of the Nigerian Stock Exchange as its main source of data for the periods of 2013 to 2017. Both qualitative and quantitative data were sourced from the annual report of the sampled firms. This is due to the fact that both the dependent and independent variables are expected to be stated in the financial statement. The qualitative was informed of content analysis as it deals with disclosure of standards. However, the instrument employed for disclosure of the dependent variable was a self-constructed checklist index based on IASB index applied to each annual report of the 88 sampled firms to check compliance level. The checklist was developed for 22 firms' specific standards. This includes IAS 1,

IAS 2, IAS7, IAS 8, IAS 10, IAS11, IAS12, IAS 16, IAS 17, IAS 18, IAS19, IAS 23, IAS 24, IAS 36, IAS 37, IAS 38, IAS 39, IAS 40, IFRS 3, IFRS6, IFRS 7 and IFRS 8.

3.5 Data Analysis Technique

This study adopts the use of both descriptive and inferential statistics. The descriptive statistics used were means, standard deviation, minimum and maximum values of the variables in order to depict the snapshot of the components of both dependent and independent variables. Prior to testing the hypothesis, normality test was conducted using Skewness and Kurtosis. Furthermore, other diagnostic test carried out includes the Heteroskedasticity test which was done using Breusch Pagan/Cook-Weiberg test and hausman test was employed in testing the appropriateness of the model to be used between fixed effect and random effect.

The inferential statistics employed was panel regression analysis technique. Panel regression analysis was employed to test hypotheses one to four. However, Analysis of Variance (ANOVA) was conducted to explore differences among the firms with regard to their rate of IFRS compliance disclosure requirement using hypothesis five.

This method of analysis was adopted to show the variation which could either be fixed effect or random effect. Analysis of variance (ANOVA) and Tukey HSD

Multiple Comparisons Test were employed in testing the hypothesis five. Tukey HSD Multiple Comparisons post-hoc Test is said to be best for all possible pairwise comparisons when sample sizes are not equal or confidence intervals are needed and the observations tested are independent within and among the groups (Day & Quinn, 1989). This is due to the nature of data that was employed in this study which is inform of panel data analysis i.e. (88 firms over 5years). STATA statistical packages was employed in running the data and 5% significance level was used in the acceptance or rejection of the hypotheses.

3.5.1 Scoring the Items of Disclosure Index

Previous studies used two approaches- unweighted and weighted. Unweighted approach is based on assumption that each item of the disclosure is equally important while in weighted approach different items of information are given different weight. Singhvi (1967) and Hasan, Karim, and Quayes (2008) have used weighted approach to construct the disclosure index. This approach has been criticized on the ground that it is a subjective approach i.e., respondents may give weight on the same items of information differently. Considering these fact, many prior studies such as Akhtaruddin (2005); Alam (2007); Karim and Ahmed (2005); Wallace and Naser (1995) supported the employment of unweighted approach. But Atsunyo (2014); Akhtaruddin (2005) stated that unweighted approach has also some limitations such as researchers give zero score for nonapplicable items and selection of non-applicable items are subjective that leads to bias. Realizing these facts, relative unweighted approach has been considered in consistence with Sufian (2018); Yiadom and Atsuny (2014).

Under this approach, a relative mandatory disclosure index (RMDI) for each company is constructed by using a dichotomous procedure where a relevant item scores one if it is disclosed and zero if it is not disclosed. For sub items, a proportionate score has been assigned by dividing one with the number of sub items. Then, non-applicable items have been selected and given N/A. Total number of non-applicable items has been deducted from total selected items to have the total number of items applicable to disclose. In this way, we can add up all the items disclosed by the firm to have the total relative disclosure score. The following formula is used for construction of RMDI: Total number of items disclosed in annual report divided by total number of items applicable to disclose in annual report. However, a total number of 120 items were adopted from the

IFRS (2018) checklist.

3.6 Definition and Measurement of Variables

There are two variables in the study which are dependent and independent variables. The dependent variable is the IFRS compliance which was proxy using relative mandatory compliance index which is measured as total number of items disclosed in annual report divided by total number of items applicable to disclose in annual report. The independent variable is firm specific characteristics. The control variables are profitability and firm size. This is in line with Venegas and

Salazar (2016).

Table 3.3 Definition and Measurement of Variables

Variables	**Construct**	**Definition and Measurement**	**Sources**
Dependent variable:			
IFRS compliance	RMDI	Measured as total number of items disclosed in annual report divided by total number of items applicable to disclose in annual report. Dichotomous variable donted by 1 if the firm disclosed, otherwise 0.	Sufian (2018); Yiadom and Atsuny (2014); Sejjaaka (2003).
Independent variables:			
Internationalization	INT	This was measured dummy variable donted by 1 (one) if the firm operates in more than one country, and 0 (zero) therwise.	Chau and Cray (2002); Tsegba *et al.*, (2017). Appiah *et al.*, (2017)
Industry Type	INDTYPE	This was measured by a set of dummy variables coded 'one' for agric and congl, 'two' for health and ICT, 'three' for constr and consumer gds, 'four' industrial and oil & gas, 'five' for services and natural gds.	Sufian (2018), Fekete *et al.*, (2008). Al-Shammari, (2005); Tower *et al.*, (1999).
Auditor Type	AUD	Auditor type was measured by a dummy variable coded 'one' if the company was audited by one of the big four audit firms (Price water house Coopers, Deloitte & Touche, Ernst & Young, and 'zero' for those	Tsegba *et al.*, (2017); Yiadom and Atsuny (2014); Juhmani (2012); Wallace
		otherwise.	and Naser (1995).

Maturity	MATU	Firm's age in years listed on NSE	Dimir and Bahadir (2014); Juhmani (2012).
Control variables:			
Firm size	FSIZE	This is measured by natural logrithm of total asset.	Tsegba *et al.*, (2017); Uyar *et al.*, (2016); Juhmani (2012);
Profitability	PROFIT	This is measured by natural logrithm of profitability.	Uyar *et al.*, (2016); Juhmani (2012);

Source: Authors compilation from the Literature, (2019).

Prior studies have shown that IFRS compliance is affected by several factors. The control variables used were company's size and profitability which were intended to capture the effects of these external factors on IFRS compliance. It has also been argued that the larger the firm size, the higher the likelihood that the firm comply with IFRS. Abata (2014) found that larger firms are associated with higher political costs, and that there is a higher incentive for larger firms.

Profitable firms are considered to be in good condition and have incentives to distinguish themselves from less profitable firms, in order to raise capital on the best available terms. Therefore, profitable companies voluntarily tend to show more detailed disclosures to advertise their various activities so as to disclose more information than less-profitable firms. Prior empirical studies such as Juhmani (2012);

Alfraih and Almutawa (2014); Ballas *et al*., (2014); Tsegba *et al.*, (2017) have shown that profitability influences the extent of disclosure in annual reports. The perspective of agency theory, entail that management of a very profitable firm, will value information in order to obtain personal advantages. Therefore, they will disclose more detailed information as a means of justifying their position.

3.7 Model Specification

The study examined firm specific characteristics and IFRS compliance of listed non financial firms in Nigeria. The model of Martin and Abdiraham (2015) was employed. Their model was written as :

IFRS Compliance = $\beta 0+ \beta 1$ Firm size + $\beta 2$ Profitability + $\beta 3$ Leverage + $\beta 4$ Firm age $+\varepsilon$ Y.

The model of this study is modified as an extension of Martin and Abdiraham (2015). This is because their model did not include internationalization, industry type and auditor type. Therefore, the model of this study is written as:

$RMDI_{it} = \beta_0 + \beta_1 INT_{it} + \beta_2 INDTYPE_{it} + \beta_3 AUD_{it} + \beta_4 MATU_{it} + \beta_5 FSIZE_{it} + \beta_6 PROFIT_{it} + \varepsilon_i$

The model is employed with modification as follows;

$IFRSCOMP_{it} = f(FC)$ Where:

IFRS comp = IFRS Compliance proxy with RMDI

FC = Firm-specific characteristics

It also follows that;

FC = INT; INDTYPE; AUD; MATU; FSIZE; PROFIT.

Therefore:

$RMDI_{it} = \beta_0 + \beta_1 INT_{it} + \beta_2 INDTYPE_{it} + \beta_3 AUD_{it} + \beta_4 MATU_{it} + \beta_5 FSIZE_{it} + \beta_6 PROFIT_{it} + \varepsilon_i$ where: $RMDI = \dfrac{\sum_i^m 1\, d_i}{\sum_i^n 1\, d_i}$ where: m = number of item actually presented n = number of total possible items that are apply di = index item i

1 if the information (item) is supplied and 0 otherwise.

Where:

RMDI = Relatively Mandatory Disclosure Index

INT= Internationalization of firm in ithyear

INDTYPE = Industry Type of the firm in ith year

AUD = Auditor Type the firm in ith year

MATU = Maturity of the firm in ith year

FSIZE = Firm Size of the firm in ith year PROFIT = Profitability of the firm in ith year β_0 = intercept or constant of the coefficient $\beta_1 – \beta_3$ = are the parameters of the estimate $\beta_4 – \beta_5$ = are the control variables ε = error term ***a priori expectation*** The *a priori* expectation of the study is that β_1, β_2, β_3, $\beta 4>0$, $\beta 5$ and $\beta 6>0$.

CHAPTER FOUR

RESULTS AND DISCUSSION OF FINDINGS

4.1 Descriptive Statistics

The result in table 4.1 shows the descriptive analysis of the data collected through mean, standard deviation, minimum and maximum values in order to summarize the large data set.

Table 4.1: Descriptive statistics

Variables	**Mean**	**S.D**	**Min**	**Max**
IFRS CMPLIANCE	0.64	0.127	0.250	0.720
INTERL	0.78	0.418	0.000	1.000
INDUSTRY	3.29	1.341	1.000	5.000
AUDTYPE	0.72	0.4510	0.000	1.000
MATURITY	20.34	14.249	4.000	58.00
PROFIT	7.35	1.692	1.320	12.000
FIRMSIZE	7.70	5.000	1.278	11.000

Source: Field Survey, (2019).

Table 4.1 presents the descriptive statistics of the variables such as mean, standard deviation, maximum value and minimum value between the dependent and the independent variables. The dependent variable is IFRS compliance proxy with relatively mandatory disclosure index (RMDI), while the independent variable is the firm-specific characteristics proxy with variables such as; internalization

(INTERL), industry type (INDUSTRY), auditor's type (AUDTYPE), maturity (MATURITY). While profitability (PROFIT) and firm size (FIRMSIZ) were control variables ranging from (2013- 2017) among listed non-fiancial firms in Nigeria.

Result in table 4.1 shows that IFRS compliance measured through disclosure index has an average value of 0.64 implies that on average, the sample firms complied with 64% of the IFRS requirement. The table also shown that IFRS compliance has a standard deviation of 0.127, with minimum and maximum value of 0.250 and 0.720 respectively. This implies that the level of IFRS compliance among listed non financial firms in Nigeria ranges from 25% to 72% which is still on the moderate side. The result in table 4.1 also revealed that internalization has an average value of 0.78, implies 78% of the sample firms were listed on international market. The standard deviation of 41.8% signifies that the data is widely dispersed from the mean value of the sample non-financial listed firms with 0.000 and 1.000 as minimum and maximum value respectively.

Table 4.1 also revealed that industry has an average value of 3.29. The average value of 3.29, indicates that on average, the sample firms mostly falls under the consumer goods sector, health sector, ICT sector, and industrial goods sector. The standard deviation of 1.341 implies that data is widely dispersed from the mean value of the sample firms. While the minimum and maximum values are 1 and 5 respectively. The minimum value of 1 implies that industries with the lowest value while the maximum value of 5 implies that the highest value for industries with the used of muilti-dummy variables. Furthermore, table 4.1 result shows that the mean value of auditor type for the period under review is 0.72, implies that 72% of the

sample firms employed one of the services of the big 4 audit firm during the period under study. The standard deviation of 0.4570 also implies that data is widely dispersed from the mean value of the sample firms. While the minimum and maximum values of auditor type were 0.000 and 1.000
respectively. The minimum value of 0 implies that the sample firms that does not employed one of the service of the big 4 audit firm during the period under study. The maximum value of 1 implies that the sample firms that employed one of the service of the big 4 audit firm during the period under study.

Moreover, table 4.1 result shows that the average mean of maturity for the period under review is 20.34. The average age of the sample firms was 20 years. The standard deviation of 14.249 implies that data is widely dispersed from the mean value of the sample firms. While the minimum and maximum values of firm maturity were 4 and 58 respectively. The minimum value of 4 implies that firms with the lowest age were firms under 4 years while the maximum value of 58 implies that the oldest age is 58 years. Also, table 4.1 also reveals that profitability has an average value of 7.35 with standard deviation of 1.692. The standard deviation of 1.692 implies that data is widely dispersed from the mean value of the sample firms. While the minimum and maximum values are 1.320 and 12.000 respectively. The minimum value of 1.3 implies that firms with the lowest profit while the maximum value of 12 implies firms with highest profit. Also, table 4.1

also reveals that firm size has an average value of 7.70 with standard deviation of 5.000. The standard deviation of 5.000 implies that data is widely dispersed from the mean value of the sample firms. While the minimum and maximum values are 1.278 and 11.000 respectively. The minimum value of 1.3 implies firms with lowest size while the maximum value of 12 implies firms with highest size.

4.2 Diagnotic Tests

The diagnotic tests including normality distribution test, multicollinearity test, heteroskedasticity test and Hausman, specification test are presented under this section.

Table 4.2 Normality Distribution of Data

Variables	INTERL	INDUSTRY	AUDITYP	MATUR	PROFIT	FIRMSIZE
Skewness	1.3349	5.1154	-2.970	2.024	1.027	0.294
Kurtosis	0.233	1.321	1.221	0.970	2.309	0.927

Source: Field Survey, (2019).

The result in table 4.2 shows, the normality of the distribution of the data collected, using skewness and kurtosis statistics, have been widely used in testing the normality distribution of data set. The rule of thumb is that any value of skewness and kurtosis that falls outside ±3 has problem of normality distribution (Peck & order, 2015). It could be deduced from the result in table 4.2 that all variables do not have normality of distribution problems because none of the variable has values that falls outside the range of -3 to +3. **Table 4.3: Multi-collinearityTest - Variance Inflation Factors**

Variable	VIF	1/VIF
Internalization	1.86	0.537634

Industry	2.02	0.495011
Auditor type	2.72	0.367647
Maturity	1.60	0.624985
Profitability	2.21	0.452488
Firm size	2.12	0.471698
Mean VIF	2.08	

Source: Field Survey, (2019).

Table 4.3 above depicts the result of multicollinearity test with the use of variance inflation factors (VIF) of the independent variables. There result also reveals that there is absence of serious/severe multicollinearity problem among the variables as indicated by VIF for each variable which is less than 10, and the average VIF also exceeds the value of 0.05. The decision criterion for the Variance Inflation Factor is that a value of 10 and above implies the presence of perfect multicollinearity (Hair, Anderson, Tatham & Black).

Table 4.4 Breusch-Pagan/ Cook-Weisberg Test for Heteroskedasticity

	Chi2	**P-value**
IFRS Compliance	17.17	0.0607
Model	Accept	Accept

Source: Field Survey, (2019).

The result in table 4.4 shows that the p-value (0.0607) is greater than 5% significance level, the null hypothesis was rejected. Therefore, these models do not face any heteroskedasticity problem. This implies that the correlation coefficients between independent variables are fairly small.

Table 4.5 Hausman test

	Chi2	Prob value
IFRS compliance	14.40	0.0255
H_0	Accept	Accept

Source: Field Survey, (2019).

Table 4.5 which show the result of hausman test. Hausman test was computed to check the model that is appropriate between fixed-effects and random-effects regression. The result shows that random-effects model is most appropriate as indicated by P-value (0.0255) which is less than 0.05 level of significance.

4.3 Regression Results

Table 4.6 was used to provide answers to the research questions raised and also to test the hypotheses formulated in chapter one.

Table 4.6: Regression Analysis

Variables	Coefficient	Std error	t-value	p-value
INTERl	0.0339813	0.0116147	2.93	0.003**
INDUSTRY	0.0138666	0.00319125	4.35	0.000*
AUDITORTYPE	0.0148655	0.0059378	2.34	0.020**
MATURITY	-0.0000994	0.000282	0.35	0.724
PROFIT	0.0058067	0.002925	1.99	0.047**
FIRMSIZE	0.0002505	0.0039394	0.06	0.949
Cons	0.5245478			
F-stat	0.3804			
Wald X^2	64.92			

R^2	0.5007			

Source: Field Survey, (2019).
* denotes Significant at 1%.
** denotes Significant at 5%.

() : denotes P-value, while the value denotes Coefficients

The result in table 4.6 reveals the linear relationship between some firm-specific characteristics and IFRS compliance among listed non-financial service firms in Nigeria. The results from Table 4.6 indicate that the independent variables of the model explain 50.07% of the variations in the dependent variables. Therefore, the coefficient of determinations (R^2 value is 0.5007). The remaining 49.93% represents the other independent variables not included in the model. The table also shows that the model is fitted as evidenced by the F-Statistic of 38.04 which is significant at 1% level of significance as indicated by the P-value of 0.0000.

Following the fitness of the model, the test of hypotheses formulated in chapter one was conducted.

4.3.1 Restatement and Test of Hypothesis one

H_{01}: Internationalization of firms does not significantly affect IFRS compliance level among listed non-financial service firms in Nigeria.

Based on the result in table 4.6, it could be seen that internationalization of firm has significant positive effect on IFRS compliance level with a beta coefficient 0.0340, with p-value 0.003, at 5% level of significant. Therefore, the null hypothesis which states that firm internalization has no significant effect on IFRS compliance is rejected leading to the acceptance of the alternative hypothesis. This implies that if a firm has diverse cross boarder activities as well as listed on foreign stock exchange, this will lead to 3.3% increase in IFRS compliance by listed non-financial service firms in Nigeria since they have more foreign to trade with. Furthermore, cross-border listed firms would also establish a clear and welldefined set of rules which is always in line with IFRS compliance. With internationality, the firm becomes more exposed to the market, which increases its chance to attract excellent talents from all over the world.

4.3.2 Restatement and Test of Hypothesis two

H_{02}: Industry type has no significant effect on IFRS compliance among listed nonfinancial service firms in Nigeria.

The result in table 4.6 indicates that industry type also has significant positive effect on IFRS compliance among listed non-financial service firms in Nigeria by the coefficient 0.0139 with P-value 0.000 at 5% level of significance. The null hypothesis which states that industry type has not significant effect on IFRS compliance among listed non-financial service firms in Nigeria was rejected leading to the acceptance of the alternative hypothesis. This implies that when a firm operates in a highly regulated industry it will leads to 1.4% increase in IFRS compliance by listed non-financial firms in Nigeria. This also implies that the extent of compliance and disclosure with IFRS enables industries to have advantages in a competitive environment. This will also encourage industries to signal quality financial statement.

4.3.3 Restatement and Test of Hypothesis three

H_{03}: Auditor type does not significantly affect IFRS compliance among listed non-financial service firms in Nigeria.

The result in table 4.6 indicates that auditor type also has significant positive effect on IFRS compliance among listed non-financial service firms in Nigeria as indicated by coefficient 0. 01486 with P-value 0.020 at 5% level of significance.

The null hypothesis which states that auditor type has no significant effect on IFRS compliance was rejected leading to the acceptance of alternative hypothesis which states that auditor type has significant effect on IFRS compliance. This implies that auditing of a firm's account by one of the "big four auditing firms, will leads to 1.4% increase in IFRS compliance level among listed non-financial service firms in Nigeria. This also implies that external auditor perform better service because they have greater reputation at stake, more resources at their disposal, attract more highly skilled employees, have narrow tendency to compromise standards thereby, providing better service compared to small audit firms.

4.3.4 Restatement and Test of Hypothesis four

H_{04}: Firm maturity does not significant affect IFRS compliance among listed nonfinancial firms in Nigeria.

The result in table 4.6 indicates that firm maturity has positive insignificant effect on IFRS compliance among listed non-financial service firms in Nigeria as indicated by coefficient -0.00009 with P-value 0.724 at 5% level of significance. The null hypothesis which states that maturity has no significant effect on IFRS compliance was accepted leading to the rejection of alternative hypothesis which states that firm maturity has significant effect on IFRS compliance. This implies that whether a firm is old or new has nothing to do with IFRS compliance during the period under review. Also regardless of whether a firm is listed on Nigeria stock exchange has nothing to do with IFRS compliance.

The result in table 4.6 also indicates that the control variable, profitability has significant positive effect on IFRS compliance among listed non-financial service firms in Nigeria as indicated by coefficient 0.0058 with P-value 0.047 at 5% level of significance. The null hypothesis which states that profitability does not significant affect IFRS compliance was rejected, leading to the acceptance of alternative hypothesis which states that profitability significantly affect IFRS compliance. This implies that every 1% increase in profit of a firm will lead to 0.058% increase in IFRS compliance among listed non-financial service firms in Nigeria.

Finally, for the second control variable, firm's size has no significant effect on IFRS compliance as indicated by coefficient 0.00026 with P-value 0.949 at 5% significance level. The null hypothesis which states that firm size does not significant affect IFRS compliance was accepted leading to the rejection of alternative hypothesis. This implies that whether large or small a firm is will not affect IFRS compliance.

4.3.5 Restatement and Test of Hypothesis five

H_{05}: There is no significant difference in IFRS compliance among various subsectors of non-financial service listed firms in Nigeria

The table below provides answer to research question four as well as test of hypothesis four.

Table 4.7: Result from the Analysis of ANOVA

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig**
Between Group	.194	93	0.22	1. 346	.213
Within Group	4.494	280	.016		
Total	4.689				

Source: Field Survey, (2019).

The result in table 4.7 shows the differences in the level of IFRS compliance among the sub-sectors of non-financial service listed firms in Nigeria with the use of Analysis of Variance (ANOVA). The result shows that level of IFRS compliance were not significantly different among various sub-sectors of non financial listed firms in Nigeria as indicated by F-stat of 1.346 with prob. of 0.213% at 5% level of significance. This implies that there is no significance difference in the level of IFRS compliance among non-financial service listed firms in Nigeria

4.4 Discussion and Implications of Findings

The study shows that firm-specific characteristics measured through internationalization, industry type, auditor type and maturity. Internationalization, industry type, auditor type has significant positive effect on IFRS compliance and there is insignificant positive effect between maturity and IFRS compliance of the selected non financial firms in Nigeria.

The first objective seeks to determine the extent to which internationalization of firm affect IFRS compliance among non-financial service listed firms in Nigeria. The study found out that internalization of firms has significant and positive effect on IFRS compliance among listed non-financial service firms in Nigeria. These firms would upgrade the standard of economic interposition, increase access to financial and economic services, increase economic performance of their borrowers, improve the investors’ services and monetary stability. This result also implies that when a firm is internationalized, the firm would be able to access more markets, since there are more investors and there is a lot of time to trade. Furthermore, internationalized listed firms would also establish a clear and welldefined set of rules which is always in line with IFRS compliance. Firm’s directions, goals, strengths and weaknesses are also evaluated through outside entities like an accounting firm, among others. This result also support the view that firm with internationalized license are front-liners and perform well in the stock market. With internationality, the firm becomes more exposed to the market, which increases its chance to attract excellent talents from all over the world. Also, being internationalized listed firm requires a firm's equity incentive plan to be more lucrative than those of firms that are not, which helps it create a pool of hardworking and great talents.

The result is also in line with a-*prior* expectation as the researcher expects that when a firm is listed in both local and international stock exchange, it would comply more with the requirements of IFRS compared with firms that are only listed on local stock exchange. The result is in line with the findings of Yiadom and Atsunyo (2014); Appiah *et al.,* (2015); Uyar *et al.,* (2016); Samaha and Khlif (2016); Venegas and Salazar (2016); and Atsuny *et al.,* (2017). They found out that internalization of firm has significant positive effect on IFRS compliance.

The finding is inconsistent with the results of Kabir (2014) and Tsegba *et al.,* (2017) where their results show negative relationship between firm internalization and IFRS compliance.

The second objective seeks to assess the effect of industry type on IFRS compliance among non-financial service listed firms in Nigeria. The study also found that industry type is positively and significantly affect IFRS compliance. This implies that the extent of compliance and disclosure with IFRS may vary across industries. Hence, there may be variation across sectors. The result supports the assumption of the contingency theory which states that highly regulated industries are able to signal quality financial information than non regulated firm. This finding also supports a-*prio*r expectation that industry type affects IFRS compliance. This study corroborate with the following studies

Yiadom and Atsunyo (2014); Yiadom and Atsunyo (2014); Dan (2014); Kabir (2014); Martin and Abdiraham (2015); Appiah *et al.,* (2015); Tsegba *et al.,* (2017); and Atsuny *et al.*, (2017) as they found out that industry type has positive and significant effect on IFRS compliance. But in opposite direction with study of Samaha and Khlif (2016) and Alfraih & Almutawa (2014) that found that industry type with negative and insignificant effect on IFRS compliance.

The third objective seeks to examine the extent to which auditor type affect IFRS compliance among non-financial service listed firms in Nigeria. This study found out that auditor type has significant and positive effect on IFRS compliance of listed non financial firms. This provides evidence of higher integrity and objectivity associated with reputable "big four auditors. As such, they are more independent than small auditor type. Thus, Big 4 audit firms are more likely to encourage their stakeholders to comply with IFRS mandatory requirements. Therefore, when financial statement is audited by big four firms, it would increase the level of IFRS compliance in the financial statement. This finding also supports the a-*prior* expectation that big four auditors have a stronger incentive to protect their reputation. The study also the assumption of contingency theory which state that the firm that employ the service of Big four tends to signal quality information to the market. This is line with the following studies Juhmani 2012;

Demir and Bahadir (2014); Yiadom and Atsunyo (2014); Appiah *et al.*, (2015); Samaha and Khlif (2016); and Tsegba *et al.*, (2017). These studies found out that auditor type like big four auditor were positive and significant on IFRS compliance. However, contradict the study of Ballas *et al.*, (2014); Alfraih and Almutawa (2014) who found negative result with auditor type and IFRS compliance.

The fourth objective seeks to investigate the effect of firm maturity on IFRS compliance among non financial service firms in Nigeria. This study found out that firm maturity has no significant effects on IFRS compliance. The result of the study does not support the assumption of agency theory which states that matured firms can afford agency cost in order to reduce conflict of interest between manager and stakeholders. This also negates the *prior* expectation that firm maturity in terms of age affect IFRS compliance. This study concurs with the result of Martin and Abdirahma (2015) and Appiah *et al*., (2016). Their findings revealed that maturity (age) were negative and insignificant on IFRS compliance. While this contradicts the result of Jumahni (2012) and Kabir (2014) who found positive and significant between maturity and IFRS compliance.

The fifth objective seeks to investigate if there is significance difference on IFRS compliance among listed non financial service firms in Nigeria. The ANOVA result found out that there is no significance differences among IFRS compliance and sub-sectors of listed non financial service firms in Nigeria.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

Despite the awareness of IFRS compliance to the expanding numbers of firms, the quality of information disclosed by non-financial service firms has not been impressive and this can be traced to various accounting scandal and financial irregularities around the world. This had also removed the shield to which investors can be protected and the atmosphere that inspire cross-border activities thereby limiting the compliance level of these firms. It is against this backdrop that the study examines the effect of firm-specific characteristics and IFRS compliance among listed non financial service firms in Nigeria.

The study adopted the ex-post facto research design to study all non financial service firms listed on the NSE as at 31 December 2017. The data were sourced from the annual reports and accounts of sampled firms and were analyzed through the descriptive and inferential statistics. Data collected were analyzed using panel regression technique and ANOVA. Panel regression analysis was employed in testing the hypotheses one to four while analysis of variance was employed in testing the hypothesis five. The study adopted the model of Martin and Abdirahma (2015) which was modified and extended in order to include other variables used in the study. IFRS compliance (dependent variable) was measured through relative mandatory disclosure index under the guidance of 2018 IFRS disclosure checklist while the firm-specific characteristics (independent variable) was measured through internationalization, auditor’s type, industry type, and firm maturity.

It is evident from the analysis that listed non-financial firms in Nigeria do not conform 100% in their audited financial reports based on compliance index. The mean compliance for the sample firms was 50.07%. The study found that internationalization, auditor’s type industry type and profitability affect IFRS compliance among listed non financial firms in Nigeria while firm maturity turned out to be insignificant among listed non financial firms in Nigeria. However, the ANOVA result also revealed that there is no significant differences in the level of IFRS compliance among types of listed non financial service firms in Nigeria.

5.2 Conclusion

Based on the empirical results of the hypotheses tested in chapter four; it was concluded as follows:

Internationalization, auditor's type and industry type have significant positive effect on IFRS compliance of listed non financial service firms in Nigeria. This will go a long way to restore the confidence of investors and stakeholder towards the audited accounting information in the financial statements. Firm's maturity do not constitute a significant of IFRS compliance. Also, there is no significant difference in the level of IFRS compliance among the various sectors of nonfinancial service listed firm in Nigeria. Hence, this study concludes that internationalization, auditor's type, industry type, and profitability positive effects on IFRS compliance of listed non-financial service firms in Nigeria. The study also concluded that non financial service firms comply with IFRS in no relation to the type of business.

5.3 Recommendations

Based on the findings of this study, the following recommendations were made in Nigeria.

i. Based on the result that internationalization has positive effect on IFRS compliance in the Nigerian non-financial service firms, this study recommends that international accounting standard board should encourage registration for internalization of firms.

ii. Based on the result that industry type improves the level IFRS compliance in the Nigeria non-financial service firms, this study also recommends that international accounting standard board should monitor industries compliance level in order to maintain credibility, prestige and finally to be capable of raising more capital.

iii. Based on the result that auditor type positively affect the level IFRS compliance in the Nigerian non-financial firms, this study recommends that, the listed firms in Nigeria should include the employment of external auditors like Big four auditors in their policy to benefit from the comprehensive knowledge of IFRS towards compliance of financial statement.

iv. Based on the result that firm maturity does not affect the level IFRS compliance in the Nigeria non-financial service firms, this study therefore recommends that, IFRS Regulatory authorities such as IFRS regulators, Financial Reporting Council of Nigeria (FRCN), the Nigerian Stock Exchange (NSE), and the Securities and Exchange Commission (SEC) should educate and promote IFRS compliance among non-financial service firms.

v. Based on the result of the last objective, there exist no significant difference in the level of IFRS compliance among various sub-sectors of non financial listed firms, this study thus recommend that government and other regulatory bodies should organize programmes that will highlight the importance of IFRS compliance in listed non financial non-financial service firms in Nigeria.

5.4 Contribution to Knowledge

This study examined firm-specific characteristics and IFRS compliance among non financial listed firms in Nigeria. Previous academic researchers such as Juhmani 2012; Demir and Bahadir (2014); Yiadom and Atsunyo (2014); Appiah *et al.,* (2015); Samaha and Khlif (2016); and Tsegba *et al.*, (2017) have assessed firm-specific characteristics and IFRS compliance on financial services and insurance. This study contributes to knowledge by expanding the scope to non financial firm in Nigeria. Also variables like internationalization, firm size, profitability, auditor type were used in previous studies. This study contribute to knowledge by improving on the work of Tsegba *et al.*, (2017) to include the effect of (maturity and industry type) on IFRS compliance among non financial listed firms in Nigeria extend to five (5) years. This study also employed ANOVA to test the significance differences in the level of IFRS compliance among selected non financial firms in Nigeria.

5.5 Limitations and Delimitation of the Study

The focus of this study are restricted to non financial firms listed on the floor of the Nigeria Stock Exchange, this is because several authors such as Mary- Fidelix (2017); Tsegba *et al.,* (2018) have focused on listed financial firms. The study also focused on four firm-specific characteristics which include

Internationalization, Industry type, Auditors type and Maturity. Although, there are several other proxies but evidences of the above listed are scarce in extant literature to the extent of the researcher's knowledge.

Another limitation is that, the study did not conduct a survey of opinions from the stakeholders in the Nigerian non financial firms because the annual reports examined were the best means to elicit accurate information on compliance with IFRS.

Nevertheless, the above limitations does not affect the findings of this study in any way, due to the adequate empirical and supportive evidences available in the study as the results are reliable and fit for policy formulation.

5.7 Suggestion for Further Research

The findings of this study required suggestion for further studies on firm specific characteristics and IFRS compliance. Further studies can incorporate other variables and IFRS standards that are not captured in this study. This study further suggests that mixed method research design can be employ in order to increase the robustness of the results.

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APPENDIX

1) Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic
IFRSCOMP	0.250	0.720	0.64	0.127	0.064	-0.782

INTERL	0.0000	10000	0.78	0.418	-1.330	-0.233
INDUSTRY	1.000	5.000	3.29	1.341	-0.115	-0.233
AUDTYPE	0.000	1.000	0.72	0.4510	-0.970	-1.321
MATURITY	4.000	58.00	20.34	14.249	-0.024	-1.221
PROFIT	1.320	12.000	7.35	1.692	-1.027	-0.970
FS	1.278	11.000	7.70	5.000	0.294	2.3089

2) . vif
Variable VIF 1/VIF interl
1.86 0.537634 indust
2.02 0.495011 audtype
2.72 0.581384 maturity
1.60 0.624985 profit
2.21 0.452488 firmsize
2.12 0.471698
Mean VIF 2.08
. estimates store pooled

3) Breusch and Pagan Lagrangian multiplier test for Hausman test

rmdi[id,t] = Xb + u[id] + e[id,t]

Estimated results:

| Var sd = sqrt(Var)

---------+-----------------------------

rmdi | .016224 .1273734 e

| .0168442 .1297851

u | 0   0

Test: Var(u) = 0

chibar2(01) =   14.40

Prob > chibar2 =   0.0255

. estimates store Breusch

4) . xtreg rmdi interl indust audtype maturity profit firmsize, re

Random-effects GLS regression   Number of obs   =   290

Group variable: id   Number of groups   =   58 R-

sq: within = 0.5007   Obs per group: min =   5

between = 0.3769   avg =   5.0

overall = 0.4984   max =   5

Wald chi2(6)   =   64.92 corr(u_i, X)   = 0 (assumed)

Prob > chi2   =   0.0000

-- |

rmdi | Coef.   Std. Err.   z   P>|z| [95% Conf. Interval] -------------

+--   interl |

.0339813   .0116147   2.93   0.003   .0112168   .0567458   indust |

.0138666   .0031912   4.35   0.000   .0076119   .0201213   audtype |

.0148655   .0059378   2.34   0.020   .0022287   .0255044   maturity |

-.0000994   .000282   -0.35   0.724   -.0006522   .0004533   profit |

.0058067   .002925   1.99   0.047   .0000738   .0115397   firmsize |

.0002505 .0039394 0.06 0.949 -.0074706 .0079715 _cons |

.5245478 .0325441 16.12 0.000 .4607625 .5883331

-------------+--

F(3,229) = 6.11

corr(u_i, Xb) = -0.9481 Prob > F = 0.0005 sigma_u

| 0

sigma_e | .12978515

rho | 0 (fraction of variance due to u_i)

. estimates store random

ANOVA

5) RMDI

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.194	9	.022	1.346	.213
Within Groups	4.494	280	.016		
Total	4.689	289			

Multiple Comparisons

Dependent Variable: RMDI

LSD

(I) FACTOR	(J) FACTOR	Mean	Std. Error	Sig.	95% Confidence Interval

	Difference (I-J)			Lower Bound	Upper Bound
1	-.001	.052	.980	-.10	.10
2	-.057	.047	.233	-.15	.04
3	-.053	.044	.179	-.14	.03
4	-0.025	.047	.260	-.15	.04
5	-.049	.049	.320	-.15	.05
6	-.067	.045	.136	-.16	.02
7	-.097*	.047	.041	-.19	.00
8	-.077	.044	.082	-.16	.01
9	-.104*	.046	.025	-.20	-.01
10	- 0.051	.043	0.136	-.12	

-.

Population of the study (List of non financial Firms)

Agriculture:	20. Union dicon salt plc	**Oil & Gas:**
1. Ellah lakes plc	21. Vitafoam nig plc	1. Mobil
2. Ftn cocoa processors plc		2. Anino international plc
3. Okomu oil palm plc	**Health care**:	3. Capital oil plc
4. Presco plc	1. Ekocorp plc	4. Conoil plc
5. Livestock feeds plc	2. Evans medical plc	5. Eterna plc
	3. Fidson healthcare plc	6. Forte oil plc
Conglomerate:	4. Glaxo smithkline consumer nig. Plc	7. Japaul oil & maritime services plc
1. A.g. Leventis Nigeria plc	5. May & baker nigeria plc	8. Mrs oil nigeria plc
2. Chellarams plc.	6. Morison industries plc	9. Oando plc
3. John holt plc	7. Neimeth international pharmaceuticals plc	10. Rak unity pet. Comp. Plc
4. SCOA Nig. Plc.	8. Nigeria-german chemicals pl	11. Seplat petroleum development company ltd
5. UACN plc	9. Pharma-deko plc	12. Total nigeria plc
6.Transitional corporation of Nigeria plc	10.Union diagnostic & clinical services plc	

Constrution & real estate:	**ICT:**	
1. Arbico plc	1. Chams plc	
2. Julius berger nig. Plc	2. Courteville business solutions plc	**Services**:
3. Roads nig plc	3. Cwg plc	1. Academy press plc
4. Skye shelter fund plc	4. E-tranzact international plc	2. Afromedia plc
5. Skye shelter fund plc	5. Ncr (nigeria) plc	3. Associated bus company plc
6. Smart products nigeria plc	6. Omatek ventures plc	4. C & i leasing plc
7. Updc real estate investment trust	7. Tripple gee and company plc	5. Capital hotel plc
8. Uacn property development co. Limited		6. Caverton offshore support grp plc
9.Union homes real estate investment trust (reit)	**Industrial goods:**	7. Daar communications plc
	1. Austin laz & company plc	8. Global spectrum energy services plc
Consumer goods:	2. Berger paints plc	9. Ikeja hotel plc
1. Cadbury nigeria plc	3. Beta glass plc.	10.Interlinked technologies plc
2. Champion brew. Plc.	4. Cap plc	11. Juli plc
3. Dangote flour mills plc	5. Cement co. Of north.nig. Plc	12. Learn africa plc
4. Dangote sugar refinery plc	6. Cutix plc	13. Medview airline plc
5. Dn tyre & rubber plc	7. Dangote cement plc	14. Newrest asl nigeria plc
6. Flour mills nig. Plc	8. First aluminium nigeria plc	15. Nigerian aviation handling company plc
7. Golden guinea brew. Plc	9. Greif nigeria plc	16. R t briscoe plc
8. Honeywell flour mill plc	10. Lafarge africa plc	17. Red star express plc
9. International breweries plc	11. Meyer plc	18. Secure electronic technology plc
10. Mcnichols plc	12. Notore chemical ind plc	19. Studio press (nig) plc
11. Guinness Nig plc	13. Portland paints & products nigeria plc	20. Tantalizers plc
12. Multi-trex integrated foods plc	14. Premier paints plc	21. The initiates plc
13. N nig. Flour mills plc		22. Tourist company of nigeria plc
14. Nascon allied industries plc		23. Trans-nationwide express plc
15. Nestle nigeria plc	**Natural resources:**	24. Transcorp hotels plc
16. Nigerian brew. Plc	1. Aluminium extrusion ind. Plc.	25. University press plc
17. Nigerian enamelware plc	2. B.O.C. Gases plc	
18. P z cussons nigeria plc	3. Multiverse mining and exploration plc	
19. Unilever nigeria plc	4. Thomas wyatt nig. Plc	

(4) Sample frame

Agriculture:	**Health care**:	**Services**:
1. Ellah lakes plc	1. Ekocorp plc	1. Academy press plc
3. Okomu oil palm plc	2. Evans medical plc	2. Afromedia plc
4. Presco plc	3. Fidson healthcare plc	3. Associated bus company plc
	4. Glaxo smithkline consumer nig. Plc	4. C & i leasing plc
Conglomerate:	5. May & baker nigeria plc	5. Capital hotel plc
1. A.g. Leventis Nigeria plc	6. Morison industries plc	6. Caverton offshore support grp plc
2. Chellarams plc.	7. Neimeth international pharmaceuticals plc	7. Daar communications plc
3. John holt plc	8. Pharma-deko plc	8. Global spectrum energy services plc
4. SCOA Nig. Plc.	**ICT:**	9. Ikeja hotel plc
5. UACN plc	1. Chams plc	10.Interlinked technologies plc
	2. Courteville business solutions plc	11. Juli plc
Constrution & real estate:	3. Cwg plc	12. Learn africa plc
1. Arbico plc	4. E-tranzact international plc	13. Medview airline plc
2. Julius berger nig. Plc	5. Ncr (Nigeria) plc	14. Newrest asl nigeria plc
3. Roads nig plc	**Industrial Goods**	15. Nigerian aviation handling company plc
4. Skye shelter fund plc	1. Austin laz & company plc	16. R t briscoe plc
5. Skye shelter fund plc	2. Berger paints plc	17. Red star express plc
6. Smart products nigeria plc	3. Beta glass plc.	18. Secure electronic technology plc
7. Updc real estate investment trust	4. Cap plc	19. Studio press (nig) plc
8. Uacn property development co. Limited	5. Cement co. Of north.nig. Plc	20. Tantalizers plc
	6. Cutix plc	
Consumer goods:	7. Dangote cement plc	**Natural resources:**
1. Cadbury nigeria plc	8. First aluminium nigeria plc	1. Aluminium extrusion ind. Plc.
2. Champion brew. Plc.	9. Greif nigeria plc	2. B.o.c. Gases plc
3. Dangote flour mills plc	10. Lafarge africa plc	3. Multiverse mining and exploration plc
4. Dangote sugar refinery plc	11. Meyer plc	
5. Dn tyre & rubber plc		
6. Flour mills nig. Plc	**Oil & Gas:**	
7. Golden guinea brew. Plc	1. Mobil	

8. Honeywell flour mill plc	2. Anino international plc	
9. International breweries plc	3. Capital oil plc	
10. Mcnichols plc	4. Conoil plc	
11. Guinness Nig plc	5. Eterna plc	
12. Multi-trex integrated foods plc	6. Forte oil plc	
13. Nig. Flour mills plc	7. Japaul oil & maritime services plc	
14. Nascon allied industries plc	8. MRS oil nigeria plc	
15. Nestle nigeria plc		
16. Nigerian brew. Plc		
17. Nigerian enamelware plc		
18. P z cussons nigeria plc		
19. Unilever nigeria plc		

Firm-specific standards

Standard	Title
IAS 1	Presentation of Financial Statement
IAS 2	Inventories
IAS 7	Statement of Cash Flows
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events After the Reporting Period
IAS 11	Construction Contracts
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosure
IAS 36	Impairment of Assets
IAS 37	Provision, Contigent Liabilities and Contigent assets
IAS 38	Intangible Assets
IAS 39	Financial Instruments: Recognition and Measurement
IAS 40	Investment Property
IFRS 3	Business Combination

IFRS 6	Exploration for and Evaluation of Mineral Resource
IFRS 7	Financial Instrument : Disclosure
IFRS 8	Operating Segement