THE RISE AND RISE OF IFRS: PRACTITIONERS AND ACADEMICS IN NIGERIA

NWAIWU, J. N.
Department of Accounting,
Faculty of Management Science,
University of Port Harcourt,
Rivers State, Nigeria.
E-mail: Johnsonnwaiwu@gmail.com

MACGREGOR, T. C.
Department of Accounting,
Faculty of Management Science,
University of Port Harcourt,
Rivers State, Nigeria.

ABSTRACT
This exploratory study examines the international financial reporting standards (IFRS) adoption, empirical evidence from practitioners and academics IN Nigeria. The purpose is to evaluate the state of readiness of Nigeria for IFRS transaction as a prelude to effective IFRS adoption. The exploratory data were obtained from respondents using researcher – designed questionnaire validated by experts and shown to have a reliability of coefficient of 0.90. Frequency, descriptive, Kruskel – Wallis test and Ch-square were used in analyzing the data. The results showed significant differences between accounting students, lecturers and practitioners with respect to their degree of familiarity with IFRS. The findings compel policy dialogue with respect to inadequacy of adoption plan and minimization of perceived obstacles to seamless transition to a unified global financial reporting architecture. Based on the above, the study recommends that government at all levels, financial regulatory agencies, professional accounting bodies, private and public companies, institutions, and accountancy firms, all need to fast – track IFRS education in order to boost local acquisition of IFRS knowledge and competences.

***Keywords**: International Financial Reporting Standard, International Accounting Standard, Adoption & Harmonization, Financial reporting, council.*

INTRODUCTION

A growing number of empirical and theoretical studies have sought to question the rise and rise of "International Financial Reporting Standards" (IFRSs) adoption to developing emerging economies (see for example Ramanna & Sletten, 2009; Popoola, 2010; Cai & Wong, 2010; Pacter, 2011; IFRS, 2011; Hoogervorst & Seidman, 2012; Erhan & Beker, 2012; Herbert et al 2013; Katto, 2013; BhattacharJee & Hossin 2013; Tweedie, 2014). Such studies draw on the argument that for accounting and reporting systems to be effective, they must reflect the context within which they function (Shleifer & Vishny, 2003; Perera, 2009; Carlson, 2007; Eqsten, 2009). While it cannot be denied that some countries may have similar contextual variables, it has long been argued that the environments of developing countries significantly differ from the west and accounting technologies developed by and for the west may not be appropriate for addressing the problems in today's developing economies (Walton, 2003; Walton, 2004; UNCTAD, 2007, Walton, 2011). Since the early 1980's, various bilateral and multilateral agencies have been instrumental in the diffusion of western accounting standards to the developing world as part of the globalization trends maintain that:

> *Developing countries continue to adopt foreign accounting and educational systems. This is often expensive, and the adopting country has little control over the relevance of imported accounting. The main issue is whether the objectives of the assistance granting country (or aid-agency) and receiving country are congruent. The biggest problem developing countries have is that of too many foreign "experts" marketing half-baked solutions to problems that neither they nor the recipient nations understand. Donor agencies should collaborate more closely with the recipient country to ensure that their assistance is delivered only in accordance with national accounting development plans (Defound & Hung, 2008:163).*

Although, the IFRS (Zeyhal & Mhedhbi, 2006), has since its establishment, sought to pronounce standards that will have universal applicability, recent writings have demonstrated how the committees' pronouncements effectively mirror standards development in the USA and the UK and are therefore unsuitable for developing countries in general (Chua & Taylor, 2008; Asein, 2010). Callao et al (2007) argues that "International Financial Reporting Standards are based on Anglo-Saxon accounting models and, in fact, symbolize American hegemony with some manifestations of national sovereignty." However, "Imperialist Institutions" such as the "World Bank and International Monetary fund" have become major active agents responsible for the proliferation of IFRS, in developing countries (Meek & Swann, 2009). Indeed, Points & Cunningham (1998) observe that "foreign donor agencies are continuously trying to impose IFRS on countries created out of the former Soviet Union instead of assisting on real accounting reforms in these countries".

Notwithstanding these views about the suitability of IFRSs to developing economies, after a long period without accounting standards of it own, the Nigeria accounting profession is seeking to adopt all applicable IFRS in response to "many bilateral and multilateral agencies working in Nigeria that have been urging upon the government and loan/aid receiving agencies to adopt international financial reporting standards in order to ensure accountability and transparency in financial reporting" (Institute of Cost and Management Accountants of UK, 2001:12). The paper draws on institutional theory as elaborated by Scott (2007) and Dimaggio & Powell (2003), among others, as a theoretical lens to explore the IFRS adopting process in Nigeria. Based on archival documents and interviews with members of the various institutions and accounting practitioners, the paper critically evaluates and problematises the process and rationale for the adoption of IFRSs, in Nigeria. Our focus is not to criticize the rise and quality of IFRSs rather we contend that the decision of the differing contextual variables in Nigeria (see Murphy, 2000; Young & Guenther, 2003; Obazee, 2009; Olowo-Okene 2009). We argue that the country's heavy dependence of foreign aid which as of 1999 financed between 85% and 99% of the development budget of Nigeria (Scott, 2007), is the principal rationale for the adoption of IFRS. Indeed, over the last 31 years (1971-2002) Nigeria has received about US $37.7 billion as grants and aid from donor countries and agencies. Ideally, further argue that the IFRS adoption process in Nigeria is fraught with pitfalls leading to increased confusion and conflict among accounting practitioners and professional bodies. It is our review that the adoption process could be made less contentious through greater participation by all interested parties.

The remainder of this paper is organized as follows: section 2 provides a review of the related literature and the research questions and hypotheses. Section 3 discusses the research methodology, and section 4 presents the results and discussion while Section 5 wraps up the paper with summary and conclusion.

Review of Related Literature and Hypotheses

International Convergence of accounting standards is not a new idea. The concept of convergence first arose in the late 1950s in response to post World War II economic integration and related increase in cross-border capital flows (Nobes, 2006). Initial efforts focused on harmonization which entailed reducing differences among the accounting principles used in major capital markets around the world. By the 1990's the notion of harmonization was replaced by the concept of convergence – the development of a single set of high-quality international accounting standards that would be used in at least all major capital markets (Bushman & Piotroski, 2006; Cellucci, 2010; Harvis, 2009).

The need to develop a unified set of accounting standards arose from international differences that curtailed investment opportunities (IFAC, 2008 IFRS, 2011). Since accounting is affected by its environment, the culture of that environment contains the most basic value that an individual may hold; it also determines the value system of accountants. In using cultural differences to explain international differences in behaviour of accountants and in the nature of accounting practices, Gray (1988) suggests that "a country with high uncertainty avoidance and individualism will be more likely to exhibit conservative measure of income and a preference to limit disclosure of those closely involved in a business". Gray's postulation is hinged on the following proposition by Hofstede (1980).

> *"The divergence perspective recognizes country and cultural differences. The main hypothesis is that national culture continues to be a dominating influence on individuals and behaviou*rs".

Other factors that precipitated the development of a unified set of accounting standards include inflation, tax method, and legal system of a country. Jaggie & Low (2000) find, for example that companies in common law countries have higher level of disclosure. To bridge international differences, the "International Accounting Standards Committee" (IASC), was formed in 1973 by ten national professional accountancy bodies namely, "Australia, Canada, France, Germany Japan, Mexico, Netherlands, United Kingdom and Ireland, and the United States of America". Its mission was to formulate and publish, in the public interest, basic standards to be observed in the presentation of audited accounts and financial statements and to promote their worldwide acceptance. The meeting of "IASC" and "FASB" on April 1, 2001 gave the convergence a new impetus. Since then, the move towards international standards has progressed rapidly and by 2009, the European Union (EU) and over 130 other countries either require or permit the use of IFRS issued by the IASB or a local variant of them.

The unification of the different accounting standards and the evolutionary changes that led to the development of IFRS has been a topical issue in the accounting world. Since the early 1970's, various attempts have been made and are still being made to eliminate or reduce many of the major differences in accounting standards through a process know as harmonization (Herbert, 2010). Indeed, because of the inherent difficulties at the time, internationalization of accounting standards was deemed as "an endeavour of conflicts" (Choi & Mueller, 2009). This conflict is rooted in the process of standard setting which is politically motivated in some countries and, in others, through the private professional accountancy bodies. These national variations (or non-uniformity) in the process of standard setting inevitably gave rise to the prevalence of different standards in different countries.

Conceptual Difference between IFRS Adoption, Convergence and Adaptation

Despite the fact that IFRS are increasingly becoming the need of the hour across the world and given aggressive attempts by companies in globalizing their operations, some confusion still prevails over the difference between adoption, adaptation (or adoption) of, and convergence with, IFRS. Although, better still, in common parlance and even in extant literature, the terms are used interchangeably, conceptually there exists a significant difference between the two which all users of IFRS – researchers, regulators, professionals, etc. should understand and implement. It is important in any IFRS discourse to clarify this distinction.

The term 'adoption' implies that national rules are set aside and replaced by IFRS requirement. In simple terms, when a country or jurisdiction adopts IFRS, it means that the country/jurisdiction shall be implementing IFRS in the same manner as issued by the IASB and shall be 100% compliant with the guidelines issued by IASB. Within the European Union (EU), for example, the EU Regulation of 2002 allows them to adopt IFRS for their consolidated statements if a member state allows or requires this and most have allowed it, and for unconsolidated statements. For unlisted EU companies, the EU regulation of 2002 allows them to adopt IFRS for their consolidated statements if a member state allows or requires this and most have allowed it; and for unconsolidated statements, the regulation also allows member states to require IFRS (Nobes & Parker 2008). The term adoption is also used when a company chooses to use a set of accounting rules other than the national one, that is, the one regulated by its national accounting standards, as for example by financial reporting council (FRC) in Nigeria.

On other hand, convergence with IFRS means that the country's accounting standard board (e.g. FRC of Nigeria) in applying IFRS would work together with IASB to develop high quality compatible accounting standards over time. Convergence is then the gradual process of changing a country's accounting rules towards IFRS. Thus, it is, to all intents and processes, a particular form of harmonization or standardization. Most countries follow the convergence path towards IFRS. However, with IFRS convergence, a country may deviate to a certain extent from the IFRS as issued by the IASB, in which case some differences may still remain since compliance is partial, rather than total as with adoption.

The argument favouring convergence is forcefully maintained by the U.S. Essentially, the US GAAPs and regarded as the gold standard; thus, abandoning them would be deemed as giving up a competitive advantage. Protagonists of continued convergence over adoption aver that adoption is just not right for the U.S. now. Their position is premised on the notion that the U.S is the largest capital market in the world and hence unique in critical ways. Therefore, they maintain that giving up significant control of the standard setting process and throwing the U.S. regulatory and litigation system out of balance is too risky for the U.S. Company. Other issuers without significant customers or operations outside the United States tend to resist IFRS adoption because they do not see an immediate customers or operations outside the United States to resist IFRS adoption because they do not see an immediate market incentive to prepare IFRS financial statements. They also believe that the significant costs associated with IFRS adoption outweigh the benefits (AICPA IFRS: FAQ's on http://www.ifrs.com/ifrs-fags.html). Another term that raises confusion in the IFRS lexicon is adoption". In simple terms, any transition to IFRS that entails the modification of IASB's standards to suit national/jurisdictional peculiarities or interests even without compromising the accounting standards and disclosure requirements is referred to as adoption.

"A Summing Up"

The implementation "trajectory of IFRS" involves three action words: "adoption, adapt and converge". Put differently, with respect to "IFRS," should a country adopt, adapt or converge? In general, although IFRS adoption is the ultimate objective and offers similarities in both challenges and benefits, however, national differences (socio-cultural and political) persist. Thus, every country/jurisdiction will inevitably follow its own path towards achieving adoption. Clearly, many countries face cultural, legal, and/or political obstacles to an immediate adoption of IFRS. As a result of those impediments, countries may decide to follow the path and strategies that will enable them to best achieve the objective. A country may implement strategies of (i) immediate full adoption of IFRS, (ii) continuous convergence with IFRS, or (iii) modify the standards to suit their national peculiarities, without compromising the preparation and disclosure requirements of IFRS. Both (ii) and (iii) approaches provide necessary preparation for eventual adoption of IFRS in the presence of hurdles to full adoption. In both cases too, the country decides to gradually bring its national standards to a point where the amounts reported in the financial statements are the same as in IFRS financial statements. In so doing, there is a conscious realization that the ultimate objective is to make full adoption of IFRS possible because only then will a country avail itself of the full advantages of using the standards. In effect, while convergence or adaptation (or adoption) may be warranted as a desideratum, they are by no means an end, which full adoption presents.

Finally, there is a presumption that the simplest, least costly straightforward option for a country is to adopt the complete body of IFRS in a single step rather than opting for piecemeal or long-term gradual process of convergence or adaptation to ensure adoption is a significant change, but the alternatives are not easier or cheaper either. In fact, they could be more difficult and of less benefit to a country in the long run. In reality, there are four basic approaches to IFRS implementation in a jurisdiction. These include processes where (a) IFRS are, by definition, fully integrated domestic accounting principles, (b) IFRS are integrated into domestic accounting standards, using the exact words in the IFRS, but with possibility of local jurisdiction restricting accounting provided in the IFRS and provision of additional commentary to assist implementation: (c) IFRS are incorporated into local legislation without amendments after a formal review, and (d) IFRSs are the benchmark towards which domestic accounting standards are moving, through a gradual process of convergence or harmonization. These approaches can be trichotomized into adoption, convergence, and adaptation.

IFRS Practitioners and Academics

The IFRS represent a unified global commitment to developing a single set of high quality, global accounting standards whose aim is to provide transparent and comparable information that is in the public interest through general purpose financial statements (Herbert 2010). This commitment has led to a growing acceptance of "IFRS" as a basis for financial reporting across the world. The momentum represents a fundamental change for both national and global accounting systems and professions. Aspects of national systems that are critical to a successful transition to "IFRS" include the tertiary educational system and the accounting profession. Important components of the former (i.e. the tertiary education system) for "IFRS" implementation are accounting lecturers and students who, in various contexts, complement the accounting profession in the developing of accounting practice. Thus, the "IFRS" have been accepted by over 126 countries around the world, including Nigeria, as a common accounting and financial language (Herbert 2010). Indeed, Nigeria had in 2010 signaled its willingness to adopt the "IFRS" in 2012. This dateline is anchored on the understanding of a progression along the milestones and timelines enunciated in the country roadmap. However, as the "Financial Reporting Council" (FRC), formerly "Nigerian Accounting Standard Board" (NASB), duly acknowledged, the transition framework for effective and meaningful adoption may be derailed if any of the milestones and timeless is ignored.

The adoption of "IFRS" reflects a fundamental shift in national accounting systems and professions. Critical constituents of a national system for a successful transition to "IFRS" include the tertiary educational system and the accounting profession. On this premise, the Joining of anecdotal evidence with paucity of published research about the dimensions of IFRS adoption in Nigeria tends to suggests that not much is known about this new financial language in the Nigerian academic environment and even in the world of work. Two key questions are critical in this conclusion (a) How prepared are the companies, accounting educators and professionals for "IFRS" adoption? (2) To what extent is the gap in knowledge bridged by academics through "IFRS" curriculum development and professional development? To be sure, the transition to "IFRS" and its implications for preparers and users of financial statements, regulators, professionals, academics, and other stakeholders are yet to be empirically assessed in Nigeria. As the "FRC" acknowledged in its roadmap, "the implementation of "IFRS" requires considerable preparation both at the country and entity levels to ensure coherence and provide clarity on the authority that "IFRS" will have in relation to other existing national laws" (NASB, 2010).

Effective implementation of "IFRS" demands considerable and adequate technical capacity among preparers, users, auditors, regulatory bodies, investors and even the public. Technical capacity therefore is a basic requirement for effective implementation of "IFRS". "Countries that implement "IFRS" face a variety of capacity related issues, depending on the approach they take. One major challenge encountered in the implementation process is the shortage of skilled accountants and auditors who are technically complement in implementing "IFRS" and IAS (United Nations, 2008). The level of preparedness of any programme of knowledge at both micro levels can be ganged through the degree of familiarity of the phenomenon at both the academic and professional levels. Thus, if a given knowledge base is sustained through programmes of academic and professional study, a presumption of systematic effort towards understanding the content and practice of the phenomenon can reasonably be made.

Put differently, a comparative analysis of a country's academics and practitioners provides an insight into the state of its readiness for IFRS adoption. Thus, this study examines whether the Nigerian academics (Accounting lecturers and students) as well as practitioners (auditors, accountants, and financial analysts) are ready to embrace adoption of "IFRS" are a common accounting and financial reporting language. The Joint views of academics and practitioners are helpful in reviewing the accounting curriculum to incorporate important emergent changes of the kinds occasioned by the IFRS. Global synthesis of international accounting and financial reporting standards cannot do justice to the peculiar characteristics and circumstances of the various countries covered. As argued by Wallace (1996), only a survey of the specific country studies can provide an in-depth understanding of the accounting situation. This is pursued through a survey and collection of data on the perception of academics and practitioners regarding familiarity, readiness, benefits and challenges, and proper plans to be used in the process of adoption of IFRS. Such a survey is needed because (a) the concerns of these critical stakeholders on the relevance of extant IFRS research, and (b) their views on IFRS research agenda might help to suggest new emphasis and new directions for seamless country adoption.

IFRS Board Classifies Nigeria as an IFRS Country

"International Financial Reporting Standards" (IFRS), which were initially called International Accounting Standards (IAS), are gaining acceptance worldwide. In the last few years, the international accounting standard setting process has been able to claim a number of successes in achieving greater recognition and use of IFRS (Ofurum, Egbe & Micah, 2014). The board of the "International Financial Reporting Standards" (IFRS) has officially classified Nigeria as an IFRS country. This classification follows the successful implementation of the first two phases of the National Road Map for the adoption of "IFRS" in Nigeria. As disclosed by the chief Executive Officer, Financial Reporting Council of Nigeria (Obazee: 2014) during a courtesy visit by the president of the Institute of Chartered Accountants of Nigeria (ICAN) to the council).

"The IFRS foundation (usually called International Accounting Standards Board) has not only classified Nigeria has an IFRS country officially, they shall be coming to Nigeria in November to "train the trainers" on IFRS for SMEs at our instance (Obazee, 2004:21). "IFRS" is a set of International Accounting Standards that state how particular transactions and events should be reported in the financial statement of companies (Egwuatu, 2014). The standards, which replace the old international accounting standards, are issued by the international accounting standards (IABS), for the purpose of making international comparison of companies as easy as possible. The journey to adoption of IFRS in Nigeria started in July 2010, when the Federal Executive Council approved the Road map for the Nigeria's adoption of the standards. This was followed with the enactment of the financial reporting council on Nigeria Act in 2011, which led to the transformation of the Nigeria Accounting Standards Board to The Financial Reporting Council (FRC). The FRC among other things is charged with the responsibility of implanting the road map for adoption of IFRS in Nigeria. In 2012, Nigeria commenced phased adoption of the IFRS in 2012, with the implementation of the road map for the adoption of IFRS in Nigeria.

Under the roadmap, all companies quoted on the stock exchange and companies with significant public interest are required to adopt IFRS by January 1st 2012. In the second phase other public interest entities are expected to implement IFRS by January 1st 2013, while the phase requires that small and medium-sized entities should implement IFRS by January 1st 2014.

Obazee said that by 2015, the FRC would require "Not for profit" entities to comply with IFRS. ICAN, he said, "should take the lead in preparing them, ensuring your members are their accountants, external auditors, and assurance providers. This project should start now, in order to consolidate on the gains of the implementation of IFRS in the country, FRC would soon release the National Code of corporate governance.

Prior Studies

With the globalization of capital markets, the need for harmonization of accounting standards heightened in order to help standardize companies, financial statements, especially international investors whose interests span across the globe. Since financial information is a medium of communicating financial transactions, it became imperative that different countries' accounting standards be harmonized to form a single set of accounting standard, to improve the rate at which investment and credit decisions are taken and aid international comparability of companies' performance both within and outside the reporting countries. According to Tumer (1993), "the greatest benefit that would flow from harmonization would be the comparability of international financial information.

Since the evolution of IFRS, several affirmative arguments have been canvassed. For example, Ewert and Wagenhofer (2005) offer strong arguments in support of the need to tighten accounting standards to reduce the level of earnings management and improve reporting quality. Others, such as Armstrong et al (2007) and Coving, Defond & Hund (2007), aver that IFRS make it less costly for investors to compare firms across markets and countries. They suggest that even if the quality of corporate reporting itself does not improve, it is possible that the financial information provided becomes more useful to investors.

The view of Nobes & Parker (2008), Herbert (2013) towards harmonization is that even fi a number of accountants from different countries or the same country are given the same transactions from which to prepare a financial statement, they will not produce identical statements. Although they follow the same rules, no set of rules covers every eventuality or is prescriptive to the minute details and they offer reasons for obstacles to harmonization (Nobes & Parker 2008). Other researchers, such as Saudagaran (2001), Dunn, (2002) and Mednick (2002), have examined the obstacles to harmonization of accounting, including cultural and political barriers. These studies provide affirmative arguments about the benefits of the harmonization process, such as improving the comparability of international accounting information, enabling the flow of international investments, and making consolidation of divergent financial reporting more cost – effective.

However, these studies duly acknowledge that the most severe impediments to harmonization and convergence in global accounting standards are the extent of differences in accounting policies and practices of various countries, lack of vigilant, effect standard –setting bodies in some countries, and diversity in political and economic factors worldwide. Another reason for inter-country differences in accounting principles relates to variations in the countries' levels of socio-economic development – their legal systems, taxation systems, capital market development, their level of inflation in their methods of enterprise financing, in their private sector development and sophistication, and in the political and cultural traits. These determine the regulatory aims and philosophy behind them (Beke, 2010).

Studies reporting improvement in financial reporting quality following voluntary IFRS adoption include Barth, Landsman & Lang (2008) and Gassen & Sellborn (2007). Barth

(2007) examined accounting quality before and after the introduction of IFRS for a sample of 327 firms (1,896 observations) that voluntarily adopted IFRS between 1994 and 2003. They found evidence of lower earnings management, higher value relevance and more timely recognition of losses after the introduction of IFRS, compared to the pre-transition local GAAP accounting. Their results are consistent with higher accounting quality after the IFRS introduction across countries.

Daske et al (2007) examined the economic consequences of requiring IFRS for financial reporting world-wide and found increase in market liquidity and equity valuations around the time of the mandatory introduction of IFRS. However, evidence of the effect on firms' cost of capital is mixed. Furthermore, Dasket et al (2007) reported that capital market benefits were more pronounced in countries with strict enforcement regimes and for firms that voluntarily switched to IFRS, but less pronounced for countries where local GAAP was closer to IFRS or where IFRS convergence strategy was in place, and in industries with higher voluntary adoption votes. The IFRS are expected to improve the comparability of financial statements, strengthen corporate transparency, and enhance the quality of financial reporting.

Prior studies pertaining to adoption either investigated market reactions to several events regarding the European Union's Movement toward mandatory IFRS reporting in different countries. Results of market event studies of mandatory IFRS reporting are mixed and inconclusive. For example, comprix, Muller & Standford – Harris (2003) find insignificant but negative market reaction to four key events associated with mandatory IFRS reporting for EU firms. Armstrong et al (2007) report a positive (negative) market reaction to 16 events that increase (decrease) the likelihood of IFRS adoption from 2002 to 2005 with more positive effects for firms with high pre-adoption information asymmetry or lower quality pre-adoption information environments and firms that are domiciled in common law countries.

Some studies (e.g., Lang et al, 2006; Leuz, 2000) support anecdotal evidence (e.g., KPMG 2006, 2007; E Y, 2007) which suggests that IFRS financial reports are not only affected by home-country institutions, but also retain a strong national identity. Application of accounting standards is affected by unique cultural and economic factors of the country in which the standards are applied (Smith, 2008). Daske et al (2007) find that serious IFRS adopters experience significant declines in their cost of capital and substantial improvements in their market liquidity compared to label adopters. Their findings further seemed to suggest that IFRS were designed for large corporations and unfavorable to the reporting needs of smaller firms. Recent studies (Barth, 2008; Ball, 2006; and Nobes, 2006) examined the feasibility of IFRS, including the potential advantages of producing more accurate, timely, and complete financial information, eliminating international differences in accounting standards, and removing barriers to the global capital markets. Barriers of IFRS convergence addressed in these studies are the persistence of international differences under IFRS, the existence of market, legal, and political differences, and IFRS enforcement issues (Smith, 2008). Barth (2008) identifies challenges and opportunities created by global financial reporting for the education and research activities of U.S.A academics.

Challenges of IFRS Implementation

The move to a new reporting system (Like IFRS brings many challenges for different stakeholders involving in the process such as regulators, prepares, and auditors and users. In particular, the challenge for regulators is to identify to what extent national GAAP will be similar or distant from IFRS (Heidhues & Patel, 2008). This, in turn, requires the practitioners to develop or obtain an in-depth analysis what changes in hardware, software, reporting processes are required; what transitional workload adding to the normal day-to-day activities AKPA, 2001). Managing public perceptions around the changes in financial statements are another challenge for the management of adopting firms (PWC, 2011). From the perspective of auditors, they need to well plan so that their professional staff have the necessary skills at the time the clients begin the process of conversion, but not so early that the knowledge is out of date or forgotten from lack of use (Deloitte, 2008).

Furthermore, Jermakowics (2004) listed some key challenges in the process of adopting IFRS including;

i. The complicated nature of some standards of IFRS (e.g. impairment test in IAS 36).
ii. The lack of guidance of first time IFRS reporting (e.g. IFRS)
iii. The underdevelopment of capital market
iv. The weak enforcement of law and regulations.

Tokar (2005) added that for the country that has a different official language other than English, timely IFRS translation into the national language is another obstacle during the transition period. The task of implementing IFRS is further complicated by the fact that IFRS are continually evolving, and not finalized (fox et al, 2013). This challenge makes it more difficult for a smooth transition to a status of full compliance under IFRS (Joshi et al 2008). Several authors have also expressed their concerns about how IFRS will be taught to students and professionals will keep up to date with new standards (Heidhues, 2008; Wong, 2004).

Research Questions and Hypotheses

This survey seeks to offer answers to questions about convergence to IFRS through an evaluation of opinions and new perspectives from a sample of accounting academics and practitioners regarding the relevance, benefits, challenges and ways of convergence to uniform global financial reporting framework. Specifically, the study seeks to provide answers to the following research questions.

1. Does IFRS exert any significant effect on Academics in Nigeria?
2. Can IFRS exert any significant influence on practitioners in Nigeria?

Research Hypotheses

The above research questions led to two hypotheses, stated in the null form, and associated with each research questions:

H_{01}: IFRS does not exert any significant effect on Academics in Nigeria.

H_{02}: IFRS cannot exert any significant influence on practitioners in Nigeria.

Methodology

Descriptive survey and causal – comparative research were adopted for this study. The researcher – designed questionnaire that was validated by experts in accounting, finance and corporate reporting, and its reliability established using Pearson product moment correlation (PPMC) in a test-retest interval of two months was used. It gave reliability coefficient of 0.90, which is considered to be high enough. The instrument was administered on a sample of 200 respondents drawn from among auditors General’s Office, Accountant General’s Office, Federal Inland Revenue Service, Union Bank Plc, Ecobank Plc, Fidelity Bank, University of

Port Harcourt, and University of Science and Technology, Nkpolu Port Harcourt. The area of study was limited to Rivers State, Lagos State, and the Federal Capital Territory Abuja.

The data collected were analysed using frequency analyses, descriptive, multiple regression analysis and statistical techniques. The SPSS (Statistical Package for Social Science) version 20.0 was used to analysis the data and tests the hypotheses.

Model Specification

The general format of the panel model can be expressed as:

$$\underline{\mathbf{Y_{\mu}}} = \alpha+\beta_k X_{ki,\,t} + \mu_i,\, t \qquad - \quad - \quad - \qquad (1)$$

Where by the dimension of cross sectional units is represented by i and that of time series is represented by t. Y_i, t denotes the Academics and Practitioners (Educations and Training) measured, which the dependent variable of the model; β_k X_k represents the parameters to estimated with k = 1, 2, and so on showing the independent variables; μ_i, t represents the stochastic error term.

Results of Data Analysis and Discussion

We present the data, analysis and interpretation of results.

Table 1 Summary of Questionnaire Administration

Nature of organization	No. of questions sent	No. returned	Percentage (%)
Auditor-General Office	20	14	70
Accountant- General's Office	20	9	45
Federal Inland Revenue Service	20	10	50
Union Bank Plc	20	5	25
Eco Bank Plc	20	3	15
Fidelity Bank Plc	20	5	25
Uniport	40	17	42.5
UST	40	40	100
Total	200	103	51.5%

Table 1 shows that 103 responses were received out of 200 questionnaires administered, representing 51.5% response rte. Fifty-seven responses (71.25%) were received from academics (lecturers and students) and 46 (38.3%) from practitioners. The overall response rate (51.5%) as well as the response rates for both academics and practitioners were quite impressive and compared very favorably with most survey studies (see. Rezaee, Smith & Ezendi, 2010; and Moqbel & Bakay 2010).

Table 2 Characteristics of sample Respondents (N = 103)

Gender: Male: 56(53.9%) Female: 47(46.1%) 1 – Missing	Occupation: Students: 43(41.7%) Lecturers: 18(17.5%) Practitioners: 42(40.8%)	Industry classification: Banking, finance, insurance etc.: 23.5% Professional services. 32.35% (Accounting, Auditing, consultancy, etc. Public Administration: 41.15% (Federal, State, Local Government)
Age (years): less than 20: 14 (13.6%) 21-30:39(37.9%) 31-40:22(21.4%) Over 40:2%(27.2%)	Work experience (yrs) 1-4: 19.35% 5-10: 30.64% Over 10 yrs: 50.01%	

Table 2 presents the characteristics of the respondents. It shows that the respondents are fairly balanced in terms of gender. In terms of industry classification, more than half of the practitioners either work in professional accountancy firms or in banks, etc. thus, the respondents can be presumed to have a good grasp of the issues and challenges in IFRS adoption.

Research question 1:

To what extent are Nigerian academics and practitioners familiar with IFRS?

Table 3 Familiarity with IFRS

Statement	Students		lecturers		practitioners		
	Mean responses	Std Dev	Mean response	Std Dev	Mean response	Std Dev	k-W Chi Sq
Please indicate the extent of your familiarity with IFRS by ticking any of the responds ranging from 1 – not familiar to 5- very familiar	3.0233	1.1017	4.2778	.4609	4.000	.9877	.000

Table 3 shows that the accounting lecturers and practitioners are more familiar with IFRS than the students, with a mean of 4.28 for accounting lecturers and 4.00 for practitioners as against students' mean response of 3.02 on a 5-point scale. However, the kruskel – Wallis test of the null hypothesis of no significant difference between accounting students lecturers and practitioners with respect to their mean responses regarding the degree of familiarity with IFRS (that is that their mean response are the same) is rejected. The high significance level of the mean responses (.000 or 100.0%) indicates that there is certainly a true difference in the extent of familiarity with IFRS by students. lecturers and practitioners in the population from which the sample was drawn.

A further test was carried out along the line of Moqbel & Bakay (2010). Here, the levels of IFRS familiarity by academics (students and lecturers) were collapsed and dichotomized into: Familiar and unfamiliar. The reason for this dichotomy was to consolidate and compare the levels of academics' familiarity with practitioners, as was done in the above USA study. The chi-square test of no significant differences between academics and practitioners is also rejected.

This finding is in line with the USA study where the respondents were found not to be familiar with IFRS. Thus, on the bases of the tests above, hypotheses 01-03 are rejected.

Table 4A: Awareness of IFRS

Statement	Students		lecturers		practitioners		
	Mean response	Std Dev	Mean response	Std Dev	Mean response	Std Dev	k-W Chi - Sq
Have you heard about IFRS?	1.4651	.50477	1.0000	.00000	1.000	.000	.000

Table 4A and QB are meant to explore this familiarity level more deeply. Obviously, both the lecturers and practitioners have heard of IFRS, which the responses from students were not that definite. However, the differences in their responses were not statistically significant.

Table 4B: Source of Awareness of IFRS

Source/ Respondent	NEWS Media	Lecture/ Professional	Internet/ Others	Total
Students	6	13	4	23
Lecturers	2	16	0	18
Practitioners	6	35	1	42
Total	14	64	5	82
percentage	16.9%	77.1%	6.0%	100%

Respondents who claimed to have heard of IFRS were asked how they came to know about it. Table 4B is an analysis of the results and reveals that an overwhelming majority of the (77.1%) became aware of IFRS from professional lecturers, workshops and seminars. The respondent's next source of IFRS awareness – a distant second – was the news media, while other sources such as the internet were surprisingly negligible, given the growing ubiquity of internet as both information and knowledge medium.

Research Question 2: Do Nigerian academics and practitioners have different perspectives about the state of readiness to embrace IFRS adoption?

The disparity between the trial and the IFRS awareness made may reveal an underlying lacuna in the state of readiness by relevant national institutions and stakeholders. Research question 2 sought to unravel this by enquiring into the perspectives of three groups of respondents about the country's state of readiness to embrace IFRS adoption. The results are shown in table 5.

Table 5 Extent of Readiness for IFRS adoption

Statement	students		Lecturers		practitioners		
	Mean response	Std Dev	Mean response	Std Dev	Mean response	Std Dev	k-W Chi - Sq
Please indicate the extent to which you think auditors, accountants, and accounting students are ready for the convergence to IFRS by ticking any of the responds ranging from 1=not ready to 5 = very ready	2.628	1.254	3.611	1.290	3.643	1.144	.000

Research question 2 (RQ2) of this study is designed to ascertain the extent to which respondents' think that accountants, auditors, accounting students and other accounting and fiancé professionals are ready for the adoption of IFRS. Respondents' answers are anchored on the five-point scale, with 1= not ready to 5 = very ready. Table 5 shows that most of the respondents are not ready. The differences in responses regarding the extent of readiness for adoption between academics and practitioners are not statistically significant.

The results indicate that the three groups of respondents do not have different perspectives about the state of readiness. Precisely, they are not ready to embrace.

Research Question 3: Do Nigerian academics and practitioners have different perspectives regarding a proper national transition plan to IFRS?

Table 6 Respondents' perspectives on plan to transition Nigerian companies.

A proper plan to transact in Nigerian company's requires					Total
statement	IFRS training for investors	IFRS training for auditors	IFRS training for management	IFRS source accounting curriculum	
Students	6(42.8%)	9(50.0%)	13(44.8%)	15(35.7%)	43(41.7%)
Lecturers	4(28.6%)	4(22.2%)	2(6.9%)	8(19.1%)	18(17.5%)
Practitioners	4(28.6%)	5(27.8%)	14(48.3%)	19(45.2%)	42(40.8%)
Total	14(13.6%)	18(17.5%)	29(28.1%)	42(40.8%)	103(100%)

Research question 3 seeks to elicit the perspectives of academics and practitioners regarding a proper plan to transition to IFRS. Precisely, do they (academics and practitioners) have different perspective about the transition plan by government for Nigerian companies? The results of respondents' perceptions are presented in table 6 in the order of importance to a proper plan, respondents believe that IFRS course in accounting curriculum is the best plan to transition all Nigerian companies to IFRS. About 41 percent of the respondents rate this as number one priority plan. This is followed by IFRS training for management and staff.

The significance of updating accounting curriculum to incorporate IFRS must be underscored on the precept that accounting students are the future accountants whose knowledge for familiarity with IFRS must invariably be involved in their work place, sooner or later. Equally important is the need to engage management and staff in systematic IFRS training through workshops, seminars, conferences or other structured approaches. The differences in responses between each of the three dyads – accounting lecturers and students, accounting lecturers and practitioners, and accounting students and practitioners, were tested and found not to be statistically significant, thus leading to acceptance of the null hypothesis in each case.

Conclusion and Recommendations

International Reporting Standards (IFRS), regarded as principles – based standards, have received global acceptance and have been adopted by many countries, and are being considered by some, such as the USA. Adoption offers companies, especially multinational or prospective ones, the facility and opportunity to demonstrate to the international investment community that their financial statements are IFRS – compliant. Adoption not only makes the complete application of all the standards as issued by the IASB. These are sufficient prospects in themselves which neither convergence non adaptation offers. Thus, while convergence or adaptation is good, adoption is the ultimate benchmark of maximizing the full benefits of IFRS.

The initiative of federal government of Nigeria in fully adopting IFRS was a positive step which, however, ought to have been prefaced by a systematic dialogue and interrogation with critical stakeholders in order to establish a proper understanding of the trajectories of adopting IFRS as a global financial reporting language.

This study has thrown up reservations about the progress as well as many unresolved issues of the January 2012 adoption of IFRS by Nigeria. The findings of this study compel policy dialogue with respect to inadequacy of adoption plan/preparation and minimization of perceived obstacles to seamless transition to a unified global financial reporting architecture. An important policy implication is the urgency of accounting curriculum review in Nigeria's tertiary education system to incorporate IFRS and its implementation dimensions. Clearly, government at all levels, financial regulatory agencies, professional accountancy bodies, private and public companies and institutions, and accountancy firms, all need to fast-tract IFRS education in order to boost local acquisition of IFRS knowledge and competences.

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