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Research Article

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STRANDARD (IFRS): INSIGHT FROMNIGERIAN ACADEMICS AND PRACTITIONERS

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ABSTRACT

The fast pace of globalization with integration of national financial markets has stimulated the need for a common financial language (IFRS) because good financial reporting makes investment and financial decisions more efficient. Nigeria adopted the IFRS in January 2012. This exploratory study examines the state of readiness of Nigerian academics (accounting lecturers and students) and practitioners (professional accountants and auditors) to embrace IFRS adoption. The study examined three research questions; (i) the extent of IFRS familiarity by academics and practitioners; (ii) the state of readiness to embrace IFRS by academics and practitioners; and (iii) their perspectives regarding a proper national transition plan to IFRS adoption. Simple random sampling techniques were used to select a sample size of 150 made up of student, lecturers & practitioner. Questionnaires were distributed to them for data collection; Data collected were analyzed using krustal-wallis & chi-square. The results showed significant differences between accounting students, lecturers and practitioners with respect to their degree of familiarity with IFRS. Respondents believed that Nigeria was not ready for IFRS adoption and were of the view that IFRS course in accounting curriculum is the best plan to transition Nigeria companies to IFRS, followed by IFRS training for management and staff. An important policy implication to incorporate IFRS and its implementation dimensions.

INTRODUCTION

The development of a strong international financial reporting architecture has been a long standing interest to elicit frequent commentary by academics, professional accountancy bodies, regulators and men of affairs (business men, politicians, labor leaders and government). The need for international accounting standards began its journey in 1966, when the proposal to establish an international study group (ISG) was put forward by the institute of chartered accountants of England & Wales (ICAEW), American institute of certified public accountant (AICPA) and Canadian institute of Chartered Accountant (CICA). A year later precisely February 1967, this ISG resulted in the foundation of the accountants international study group (AISG), which began to publish papers on important topics regularly and thus created and wetted the appetite for change. Many of these early papers paved the way for the standards that ensured. Then in March 1973, it was finally agreed to establish as international use. Thus, in June 1973, the international accounting standards committee (IASC) was established, with the stated intent that the new international standards it released must "be capable of rapid acceptance and implementation world-wide".

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However, the IASC survived for 27years until 200L, when it was restructured and replaced by the international Accounting standard boards (IASB). The Adoption of IFRS across the world, Nigerian inclusive, represents a watershed in the annals of accounting development. The globalization of economic activity has resulted in an increased demand for high quality, internationally comparable financial information. In the globalized world, companies and investors operate beyond bothers; they have foreign affiliations in various forms. Bank establish foreign branches and correspondent banking relationship in several countries to service the incremental dimension of their growing port folio of international customers, foreign countries and their nationals, development partners, international donor agencies, civil society organization (CSO) and non-governmental organization (NGOs), all transverse the global space of accounting and finance. All these need to understand each nation accounting principles upon which resident companies prepare their financial statements.

Statement of Problems

The problems associated with this research are as follows;

- Poor knowledge of IFRS procedures and implementation of the standards in Nigeria.

- Effect of existing laws on the smooth transition process of IFRS that causes conflicts and ambiguity.
- Low level of awareness for prepares and users of financial statements, regulators, educations, auditors and other stakeholders e.t.c.
- Inadequacy of adoption plan/preparation of IFRS.

Objectives of the Study

The principal purpose of this study is, therefore, to evaluate the state of readiness of Nigeria for IFRS transition as a prelude to effective IFRS adoption. This is explored through a comparative assessment of the perspectives of Nigerian academics and practitioners. The objective can be decomposed/broken down into specific objectives for micro analysis, as stated in the research questions.

- The extents of IFRS familiarity by Nigerian Academics and practitioners.
- Whether Nigerian academics and practitioners have different perspective about IFRS readiness.
- Whether Nigeria academics and practitioners have transition plans to IFRS.

Research Questions

This survey seeks to offer answers to questions about convergence to IFRS through an evaluation of opinions and insights from a sample of accounting academics (students & lecturers) 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 question (RQ)

RQ1: To what extent are Nigerian academics and practitioners familiar with IFRS?

RQ2: Do Nigerian academics and practitioners have different perspective about the state of readiness to embrace IFRS?

RQ3: Do Nigerian academics and practitioners have different perspectives regarding a proper national transition plan to IFRS?

Research Hypotheses

The above research questions lend themselves to a number of hypotheses, stated in the null form, and associated with each research question. RQ1 yields the following three hypotheses:

HO1: There are no significant differences between Nigeria accounting lecturers and students in the level of IFRS familiarity.

HO2: There are no significant differences between Nigerian accounting lecturers and practitioners in the level of IFRS familiarity.

HO3: There are no significant differences between Nigerian accounting students and practitioners in the level of IFRS familiarity.

RQ2 gave rise to the following three hypotheses;

HO4: Nigerian accounting lecturers and students do not have significant differences in their perspectives regarding their state of readiness to embrace IFRS.

HO5: There are no significant differences between Nigerian accounting lecturers and practitioners on their perspectives on the state of readiness of embrace IFRS.

HO6: There are no significant differences between Nigerian accounting students and practitioners on their perspectives on the state of readiness to embrace IFRS.

Research Question3 (RQ3) gives rise to the following three hypotheses:

HO7: Nigerian accounting lecturers and students do not have different perspectives regarding a proper national transition plan to IFRS.

HO8: Nigeria accounting lecturers and practitioners do not have different perspectives regarding a proper national transition plan to IFRS.

HO9: Nigeria accounting students and practitioners do not have different perspectives regarding a proper national transition plan to IFRS.

Significance of the Study

This study examines whether the Nigerian academics (accounting, lecturers and students) as well as practitioners (auditors, accountants, and financial analysis) are ready to embrace adoption of IFRS as a common accounting and financial reporting language.

Review of Literature

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 increases 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 1990s the notion of harmonization was replaced by the concepts of convergence, the development of a single set of high quality international accounting standards that would be used in at least all major capital market. The need to develop a united set of accounting standards arose from international differences that curtailed investment opportunities (IFAC 2008). Since accounting is affected by its environment, the culture of the 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 uncertainly avoidance and individualism will be more likely to exhibit conservative measure of income and a preference to limit disclosure to those closely involved in a business, Gray's postulation is hinged on the following proposition by Hoistede (1980); the unification of the different accounting standards and the evolutionary changes that led to the development of IFRS have been a topical issue in the accounting world. Since the early 1970s, 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 known as harmonization (Hebert 2010).

Indeed, because of the inherent difficulties at the time, internationalization of accounting standards was deemed as "an endeavor of conflict" (Choi &Mueller 1934:470). This conflict is rooted in the process of standard setting which is politically motivated in some counties and, in other, through the private professional accountancy bodies. These national variation (or non-uniformity) in the process of standards in different countries.

Conceptual Difference Between ifrs Adoption, Convergence and Adaptation

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 (Adoption) of, and convergence with IFRS. Although 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 e.t.c, should understand and implement.

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. The term 'adoption' is also used when a company chooses to use a set of accounting rules other than the national accounting standards, as for example by financial reporting council (FRC) in Nigeria.

On the other hand, convergence is then the gradual process of changing a 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 purposes a particular form of harmonization or standardization. With IFRS convergence, a county 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.

A Summing up

The implementation trajectory of IFRS involves three action words; adopt, 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 offer 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/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. In a case where a country decides to gradually bring its national standards to a point where the amount reported in the financial statements are the same as in IFRS financial statement. In so doing, there is a conscious realization that the ultimate objective is to make full adoption of IFRS possible because only they will a country avail itself of the full advantage of using the standards. In effect, while convergence or adaptation (or adaption) may be warranted as a desideratum, they are by no means an end, which full adoption presents. There is a presumption that the simplest, least costly and most straight forward 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 adaption.

Present status of ifrs adoption In Nigeria

In line with developments in other countries and jurisdiction, the FRC (formerly Nigeria Accounting standards board)first published in 2010 a roadmap which outlined specific milestones that would lead to the adoption of IFRS. Projected in three distinct milestones and timelines, the roadmap would commence with Public (listed) companies and significant public interest entities in Nigeria by 2012

- Other public interest entities in 2013
- Small and medium-sized entitles in 2014.

The report sought the amendment of relevant laws and regulations that had one provision or the other impacting on financial reporting in Nigeria to ensure uniformity and removal of conflicts and ambiguity. The following are specific: the companies and allied matters act (CAMA) 1990, banks and other financial institutions act (BOFIA) 1991, investments and securities act (ISA) 2007, e.t.c

The report also recommends the passage and signing into law of the financial reporting council bill as soon as possible since it has the capacity to bring all financial reporting regulations under one umbrella and thus ensures ease of compliance. Furthermore, the report canvasses for an early country wide intensive capacity building program to facilitate and sustain the process of adoption. Also, the report recommends the establishment of IFRS centre of excellence as an institutional platform for capacity building. Finally, the report council for Nigeria to ensure proper enforcement of IFRS (Herbert 2010). This bill has since been signed into a law, and in2011 the NASB transited in FRC.

Ifrs Education and Training

The IFRS represents a unified global commitment to developing a single set of high quality, global accounting standards whose aims is to provide transparent and comparable information that is in the public internet 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 profession. 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 (that is, the tertiary education system) for IFRS implementation are accounting lecturers and students who in various contexts, complement the accounting profession in the development 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. Indeed, Nigeria had in 2010 signaled its willingness to adopt the IFRS in 2012. The adoption of IFRS reflects a fundamental shift in national accounting system and profession. Critical constituents of a national system for a successful transition to IFRS demands considerable and adequate technical capacity among preparers, users, auditors, regulatory bodies, investors, investors and even the public. Technical capacity therefore is a basic requirement for effective implementation of IFRS.

International Financial Reporting Standards {ifrs} and Corpoate Governance

Corporate governance has been shown to be a global frontier issue in corporate management, more so in developing economics with weak regulatory systems, weak/opportunistic legal institutions, and corrupt/ inept leadership (Herbert & Isegba 2011). Effective corporate governance requires accurate and reliable financial information (Judge, Li & Pinsker 2010). The provision of accurate and reliable information has historically followed national standards, where each nation has developed and pursued its own financial standards. However, since the 1980s, in particular, the imperatives of globalization and advances in information communication technology (ICT) have increasingly integrated national economics as well as consolidated financial markets into a global market. As a consequence, the need for a common set of financial standards became not only desirable but imminent.

The upshot of the concern for a uniform financial reporting framework gave rise to the movement towards harmonization of IFRS throughout the global economy. As important aspect of IFRS is the obligation of increased comparable disclosure by international companies. Research has found a strong association between the level of disclosure about the transition to IFRS and superior corporate governance (CG}. The disclosure of such good CG indices as the frequency of board and audit committee meetings, choice of auditor and board size has been shown to increase with IFRS transition. With the globalization of capital market the need for harmonization of accounting standards heightened in order to help standardize company's financial statements, especially international investors whose interests span across the globe. Since financial transaction it became imperative that different countries accounting standards be harmonized to form a single set of accounting standard. Accounting to Turner (1983) "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 & Wagenhofer (2005) offer strong arguments in support of the need to tighten accounting standards to reduce the level of earning management and improve reporting quality. Others such as Armstrong etal (2007) and covrig, Defond & Hung {2007}, avers that IFRS make it less costly for investor to compare firms across markets and countries. They suggested that even if the quality of corporate reporting itself does not improve, it is possible that the financial information provided becomes more uses to investors. The view of Nobes & Parker (2008) towards harmonization is that even if a number of accountants from different countries or the same country are given the same transaction from which to prepare a financial statement, they will not produce identical statements. Daske etal (2007) examined the economic consequences of requiring IFRS for financial reporting worldwide and found increase in market liquidity and equity valuations around the time of mandatory introduction of IFRS. However, evidence of the effect on firms cost of capital is mixed. Furthermore, Daske etal (2007) reported that capital market benefits were more pronounced in 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 towards mandatory IFRS reporting or examined the impact of mandatory IFRS adoption in financial reporting in different countries. Results of markets event studies of mandatory IFRS reporting are mixed and inconclusive.

IFRS UP TO DATE

Ifrsc (the ifrc Interpretation Committee is the Interpertative body of the ifrs Foundation)

It mandates is to review on a timely basis widespread accounting issues that have arisen within the context of current international financial reporting standard (IFRS). The work of the interpretation committee is aimed at reaching consensus on the appropriate accounting treatment (IFRS interpretations) and providing authoritative guidance on those issues.

In developing interpretations, the interpretations committee works closely with similar national committees. The interpretation covers both:

- Newly identified financial reporting issues not specifically dealt with in IFRS and
- Issues where unsatisfactory or conflicting interpretations have developed, or seem likely to develop in the absence of authoritative guidance.

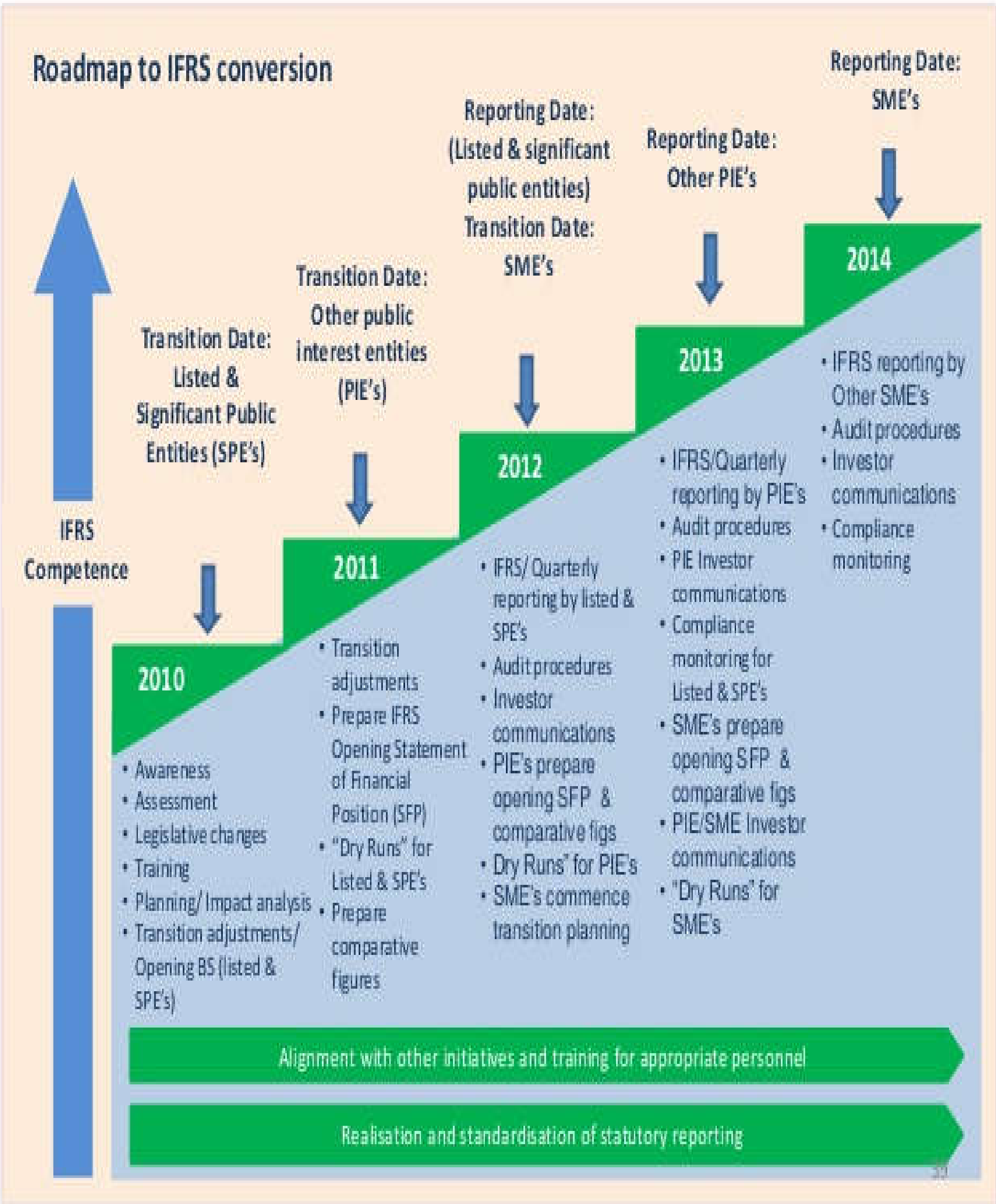
The interpretations committee comprises 14 voting members drawn from a variety of countries and professional backgrounds. They are appointed by the trustees of the IFRS foundation and are selected for their ability to maintain an awareness of current issues as they arise and the technical ability to resolve them.IFRIC interpretations are subject to IASB approval and have the same authority as a standard issued by the IASB.

Road Map to Ifrs

The adoption of IFRS is more than just an accounting exercise. This is because accounting and reporting represent approximately a quarter of conversion efforts, other areas include system changes for capturing and reporting data. It is also important to note that the impact of IFRS accounting polices decisions of a parent on the subsidiary, data capture for accounting and management reporting, availability of technical resources, acquisitions and dispositions, executive compensation calculations and the basis of incentive pay, debt

TITLE	DESCRIPTION	DATE ISSUED	EFFECTIVE
IFRS1	First time adoption of international reporting standards	24 Nov 2008	1 July 2009
IFRS2	Share based payment	19 Feb 2004	01 Jan 2005
IFRS3	Business combinations	01 Jan 2008	01 Jan 2009
IFRS4	Insurance contracts	31 Mar 2004	01 Jan 2005
IFRS5	Non-current assets had for safe and discontinued operation	31 Mar.2004	01 Jan. 2005
IFRS6	Exploration for and evaluation of mineral resources	09 Dec.2004	01 Jan.2005
IFRS7	Financial instrument; disclosures	18 Aug 2005	01 Jan.2007
IFRS8	Operating segments	30 Nov 2006	01 Jan. 2009
IFRS9	Financial instrument	24 July 2014	01 Jan.2018
IFRS10	Consolidated financial statement	12 May 2011	01 Jan 2013
IFRS11	Joint arrangement	12 May 2011	01 Jan 2013
IFRS12	Disclosure of interests in other entities	12 May 2011	01 Jan 2013
IFRS13	Fair value measurement	12 May 2011	01 Jan 2013
IFRS14	Regulatory deferral account	30 Jan 2014	01 Jan 2016
IFRS15	Revenue from contracts with customers	26 May 2014	01 Jan 2018
IFRS16	Leases	13 Jan 2016	01 Jan 2019

Source: Researcher's field survey



convenient and potential impact of IFRS reported result e.t.c were considered before arriving at the road map. It is hereby recommend that IFRS be adopted in Nigeria. The roadmap for the adoption is a specified here under.

Members of the ifrs Interpretations Committee

The IFRS interpretations committee is the interpretative body of the IASB. The mandate of the interpretation committee is to review on a timely basis implementation issues that have arisen within the context of current IFRS and provide authoritative guidance (IFRIC) on those issues. Interpretation committee meetings are open to the public and webcast. In developing interpretations, the interpretations committee work closely with similar national committees and follows a transparent, thorough and open due process.

Methodology

In this chapter, researcher intends to explain the methods adopted in this study. It specifies the research design, the source of data and the procedures adopted in data collection and analysis. This is most especially valid research work. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) "insights from Nigeria academics and practitioners" was subject to different treatments controlling extraneous variable and to check whether the observed differences are statistically significant. The purpose of this experimental research is to capture and affect relationship by eliminating competing of observed findings.

Research Design

This study is exploratory, being the first known empirical examination of the phenomenon of interest in Nigeria. It adopts a quantitative approach in analyzing the research questions. The study adopts a survey approach through a set of questionnaires which were designed to elicit opinions about the perception on the readiness, benefit, challenges, and ways to adopts IFRS. One aims of the survey is to ascertain the attitudes of Nigerian accounting academics (students and lecturers) and practitioners toward effective IFRS adoption.

Population

The population for this study mainly academics and practitioners in Ondo State of Nigeria, for this reason, questionnaires were drawn to extract some relevant information for the study. The sample respondents are accounting students and lectures from the Nigeria university system, principally Adekunle Ajasin university accountants and auditors in practice from the offices, Access bank, Zenith bank, Skye bank, Accountants-General, Auditors-general for purpose of questionnaire administration and subsequent analysis, there were altogether three sample goods: student, lecturers and practitioners.

Sampling Techniques

The random sampling technique was employed in administering the questionnaire to ensure that every unit in the population had a chance of being selected.

Sample Size

A total of one hundred and fifty (150) questionnaire were administered, with each group having twenty questionnaires except Adekunle Ajasin University which were given fifty (50). The reason for this was to gather as many responses from the large population of students and lectures in this university as would be available for the practitioners in the states. Furthermore, it is expected that the more the sample size of academics from universities (state and private) the greater the chances of reducing any potential bias in their responses.

The major sources of information used are questionnaire, question guide, personal interviews. Other sources of data collection are relevant literatures like text books, financial journals, magazines as well as newspapers.

Validity and reliabilty of research Instrument

Asika Nnamdi (1991) defined validity as the extend or degree to which a measuring instrument is measured. Thus, every instrument is designed for a purpose. The following assumption was made in designing the questionnaires.

- That the questions asked is clear relevant to the respondents and they are competent to answer them.
- That the respondents answered them adequately without biased.

The hypothesis of this study was tested using appropriate statistical tools, such as frequency analyses, descriptive statistics and kruskal-wallis (k-w) and chi-square test. The k-w test is a non parametric test used to compare three or more samples, as in the study. While chi-square test of independence was used to test for differences in responses involving categorical dependent variables.

Presentation, analysis and Interpretation of data

In this section, data collected from the respondents to whom questionnaire were shared wereanalyzed and k-wallis method was used to test the hypotheses. Here, relevant data relating to the study were collected from the annual reports and account of the organization under review as the case study for this research work

Table 1. Summary of Questionnaire Administration

Nature of Organization	No of Questionnaire sent	No. Returned	%
Accountants Generals	20	14	70%
Auditors Generals	20	9	45%
Access Bank	20	10	50%
Zenith Bank	20	5	25%
Skye Bank	20	3	15%
Adekunle Ajasin University	50	30	60%
	150	71	47.3%

Table 1 shows that 71 responses were received out of 150 questionnaire administered representing 47.3% response rate. Thirty responses (60%) were received from academics (lectures and students) and forty six (40%) from practitioners. The overall response rate (47.3%) as well as the responses rates for both academics and practitioners were quite impressive and compares very favorably with most survey studies.

Table 2. Characteristics of Sample Respondents [n=71]

Gender Male:(42) 60% Female:(28) 40% 1- missing	Occupation: Students:(22) 30.9% Lecturers:(8) 11.26% Practitioners:(41) 57.7%	
Age (years) 20-29 (35) 49.3% 30-39 (18) 25.4% 40-49 (8) 11.28% 50 and above (10) 14.08%	Work experience (yrs) 1.5 (19.35%) 6-10 (30.64%) Over 11 years (50.01%)	Industry classification Banking, finance, insurance e.t.c (23.5%) Professional service (32.35%) (Accounting, Auditing, Consultancy e.t.c) Public Administration (44.15%) (Federal, state, local Government)

Source: Researcher's field survey

Table 3. familiarity with IFRS

	students		lecturers		practitioners		K-W Chi-sq
	Mean response	Standard deviation	Mean response	Std. deviation	Mean response	Std. Deviation	
Please indicate the extent of your familiarity with international financial reporting standard by ticking any of the responds ranging 1- not familiar to 5- very familiar	3.0233	1.1017	4.2778	0.4609	4.000	0.9877	.000

Table A. Awareness of IFRS

	students		lecturers		practitioners		K-W Chi-sq
	Mean response	Standard deviation	Mean response	Std. deviation	Mean response	Std. Deviation	
Have you heard about IFRS?	1.4651	0.5047	1.0000	.00000	1.0000	0.0000	.000

Table 4 B. Source of awareness of IFRS

Source/respondents	News media	Lectures/professional development	Internet/others	Total
Students	6	13	4	23
Lecturers	2	16	0	18
Practitioners	6	35	1	42
Total	14	64	5	83
percentages	16.9%	77.1%	6.0%	100%

Source: Researcher's field survey

Table 5.Extent of Readiness for IFRS Adoption

	Students		Lecturers		practitioners		K-W Chi-sq
	Mean response	Standard deviation	Mean response	Std. deviation	Mean response	Std. Deviation	
Please indicate the extent to which auditors, accounts, and accounting students are ready for the convergence to international reporting standards (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

Source: Researcher's field survey

Table 6. Respondents' perspectives on plan to Transition Nigerian Companies

	A Proper Plan to Transition Nigerian Companies Requires				
	IFRS training for investors	IFRS training for auditors	IFRS training for management	IFRS course in accounting curriculum	Total
Students	2(25%)	3(30%)	7(33.3%)	9(28.1%)	21(41.7%)
Lecturers	2(25%)	2(20%)	1(4.8%)	4(12.5%)	9(17.5%)
	4(50%)	5(50%)	13(61.9%)	19(59.4%)	41(40.8%) 71
Total	8(11.6%)	10(14.08%)	21(29.6%)	32(45.1%)	71(100%)

Source: Researcher's field survey

Table 2 presents the characteristics of the respondents. It shows that the respondents are fairly balanced in terms of gender. In terms of industrial classification, more than half of the practitioners either work in professional Accountancy firms or in Banks e.t.c . Thus, the respondents can be presumed to have a good group grasp of the issues and challenges in IFRS adoption.

Test of Hypothesis

Research Question 1: To what extent are Nigerian Academics and Practitioners familiar with IFRS?

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 Krustal-Wallis test of null hypothesis of no significant difference between accounting students, lecturers , practitioners with respect to their mean responses regarding the degree of familiarity with IFRS (that is that mean response are the same) is rejected. The high significance level of the mean response (.000 or 100.00%) indicates that there is certainly a true difference in the extent of familiarity with IFRS by student, lecturers and practitioners in the population from which the sample was drawn. The Chi-Square difference between academics and practitioners is also rejected. This finding is in line with the US study where the respondents were found not to be familiar with IFRS. Thus, on the bases of the tests above, Hypothesis 01-03 are rejected.

Table A and 4B are meant to explore this familiarity level more deeply. Obviously, both the lecturers and practitioners have heard of IFRS, while the responses from student were not that definite. However, the differences in their responses were not statistically significant. 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 outstanding majority of them (77.1%) became aware of IFRS from professional lectures, workshops and seminars. The respondents' next source of awareness – a distant second –was the news media, while others sources such as the internet were surprisingly negligible, give 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 triad in the IFRS awareness mode 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 the three groups of respondents about the country's state of readiness to embrace IFRS adoption. The results are shown in Table 5. Research question 2 (RQ2) of this study is designed to ascertain the extent to which respondents think that accountant, auditors, accounting students and other accounting and finance 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 difference 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 IFRS.

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

Research Question 3 seeks to elicit the perspectives of academics and practitioners regarding proper plan to transition to IFRS. Precisely, do they (academics and practitioners) have different perspectives about the transition plan by the government for Nigerian companies? The results of respondent's perceptions are presented in Table6. In 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. This is followed by IFRS training for management and staff. The significance of updating accounting curriculum to incorporate IFRS must be underscored on the percept that accounting students are the future accountants whose knowledge of or familiarity with IFRS must invariably be invoked 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 difference in responses between each of the three dyads – accounting lecturers and students (H_{07}), accounting lecturers and practitioners (H_{08}), and accounting students and practitioners (H_{09}) – were tested and found not to be statically significant, thus leading to acceptance of the null hypothesis in each case.

SUMMARY

The broad objective of this study was to evaluate the state of readiness of Nigeria for IFRS transition as a prelude to effective IFRS adoption. This was pursed through a comparative assessment of the perspectives of Nigerian academics and practitioners regarding adoption of a set of global accounting standards. This objectives was decomposed into specific objectives for micro-analytical examination as stated in the research questions. The sample respondents were accounting students and lecturers from the Nigerian university system. Particularly students and lecturers from Adekunle Ajasin University, accountants and auditors in practice, from the office of the Accountant-General, Auditor-general, Federal inland Revenue Service, and banks such as Zenith Banks, Access Bank International. Data were collected through questionnaire administration to a sample of accounting students, lecturers and practitioners drawn from the population within the geographical context defined earlier. Three research Questions were examined, the first concerning the extent of familiarity of accounting academics (students and lecturers) and practitioners (accountants in practice in private and public sectors) with IFRS. The second sought to know whether academics and practitioner have different perspectives regarding the state of readiness to embrace IFRS. The third was about their perspective regarding a proper national transition plan to IFRS adoption. The analyses of responses, using frequency analysis and K-W test, show a level of disparity as regards IFRS knowledge between lecturers, practitioners and students. K-W test of the null hypothesis shows that there are significant differences between accounting students, lecturers and practitioners with respect to their degree of familiarity with IFRS.

The high significance level of the mean response indicates that there is certainly a true difference in the extent of familiarity with IFRS by students, lecturers and practitioners. As regards the state of readiness to adopt IFRS, the difference in responses between academics and practitioners were not statically significant, indicating that both Nigerian academics and practitioners do not have different perspectives about the state of readiness. In essence, they were not ready to embrace IFRS. with respect to transition plan to IFRS, respondents were of the view that IFRS course in Accounting curriculum is the best plan to transition all Nigerian companies to IFRS, followed by IFRS training for management and staff. The significance of updating accounting curriculum to incorporate IFRS was underscored on the precept that accounting students are the future accountants whose knowledge of and familiarity with IFRS must invariably be invoked in their work place, sooner or later. Respondents equally felt the need to engage management and staff in systematic IFRS training through workshop, seminars, conference or other structured approaches. The differences in responses between each of the three dyads - representing hypotheses H07 - H09 - accounting lecturers and students, accounting lecturers and practitioners, and accounting students and practitioners - were tested and the results showed no discernible difference in perspectives regarding a proper national plan to IFRS.

Conclusion

International Financial Reporting Standard (IFRS), regarded as principles a 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 perspective ones, the facility and opportunity to demonstrate to the international investment community that their financial statements are IFRS-complaint. Adoption not only makes the compliance representation required by IAS1, but also presents a bold and valid claim about the complete application of all the standards as issued by the IASB. These are sufficient prospects in themselves which neither convergence nor adaptation offers. Thus, while convergence or adaptation is good, adoption is the ultimate benchmark for maximizing the full benefits of IFRS. The initiate of Federal Government of Nigeria in fully adopting IFRS was a positive step which, however, ought to establish a proper understanding of the trajectories of adopting IFRS as a global financial reporting language.

Recommendatioms And Policy Implication

This study has thrown up reservations about the progress as well as many unresolved issues of 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 accounting bodies, private and public companies and institutions, and accountancy firms, all need to fast-track IFRS education in order to boost local acquisition of IFRS knowledge and competencies.
- Financial reporting council of Nigeria and professional bodies'e.g. ICAN should ensure strict compliance with IFRS by public, private companies & institutions.

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APPENDIX 1

Dear sir/ma

LETTER OF PERMISSION

I am a student of The Federal Polytechnic Ado-Ekiti, Ekiti State.

This questionnaire is to use a research instrument to collect data on "ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARD [IFRS] insight from Nigerian Academics and practitioners". In partial fulfillment of the award of National Diploma in Accounting.

The Questionnaire is for research purpose. All responses will be treated confidentially. Thank you for your anticipated co-operation.

QUESTIONAIRE

Please tick each item as appropriate/ fill the gap where necessary.

SECTION A

Personal Data

1.Title MR [ ]MRS [ ] MISS [ ]

2.Sex Mal e[ ]Female [ ]

3.Age 20-29[ ] 30-39 [ ] 40-49 [ ]50 and above [ ]

4.Marital status:Single [ ] Married [ ] Divorced [ ]

5.Occupation:Student [ ] Lecturers/instructors [ ] Practitioners [ ]

6.Educational Qualification:

WAEC/GCE [ ]ND/NCE [ ]HND/B.sc/B.Ed. [ ] M.sc/MBA [ ]

7.Years of working experience:

1-5 [ ]6-10 [ ]11 and above [ ]

SECTION B

Please tick as appropriate

Familiarity

Hint: 5- Not Familiar, 4- not very familiar, 3-indifferent, 2- very familiar 1-familiar

	5	4	3	2	1
To what extent are you familiar with IFRS					

Awareness of IFRS

Hint: 5-Not Aware, 4- Not Very Aware, 3- indifferent, 2-Very Much Aware, 1-Aware

	5	4	3	2	1
Have you heard about IFRS?					
You were aware of IFRS in the following ways:					
Through news media?					
Through lectures/ professional development?					
Through internet/ others					

Extent of readiness for IFRS Adoption

Hint: 5- Not Ready, 4- Not Very Ready, 3- indifferent, 2- Very Ready, 1- Ready

	5	4	3	2	1
Do you think Nigeria Governance is ready for the convergence to IFRS?					
Do you think public& private sectors are ready for the convergence to IFRS?					
Do you think Nigeria academics are ready for the convergence to IFRS?					

Plan to transition Nigeria companies

Hint: 5- Strongly Disagree, 4- disagree, 3- Indifferent, 2- Strongly Agree, 1-Agree

	5	4	3	2	1
Do you agree with the transition plan to IFRS in the following ways?					
IFRS training for investors					
IFRS training for auditors					
IFRS training for management					
IFRS course in accounting curriculum.					

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