International Financial Reporting Standards (IFRS) Adoption and Disclosure of Financial Statements: Experience from Multinational Companies in Nigeria

OSHO, A. E (Ph.D)
Bursary Department,
Ekiti state University, Ado-Ekiti, Nigeria
E-mail: droshoaugustine@yahoo.com

ADENIYI, Sunday Ayodeji
Department of Accounting,
Achiever University, Owo,
Ondo State, Nigeria
E-mail: adeniyisun2020@gmail.com

Abstract

The study examined the effects of IFRS adoption and disclosure of financial statements of multinational companies in Nigeria. The study makes use of primary sources of data via the administering of questionnaires to target respondents. Regression analytical techniques were employed to analyse the collected data. According to the study's findings, all financial statement disclosure variables, such as relevance, verifiability, comparability, faithful-representation, understandability, and timeliness, have a significant and positive impact on multinational companies' IFRS adoption in Nigeria. Based on the findings, the study concluded that IFRS adoption has a positive and significant impact on the financial disclosure of multinational corporations in Nigeria, particularly when measured in terms of relevance, timeliness, faithful representation, understandability, reliability, and comparability. This research recommends that regulatory organizations in the country ensure that international businesses listed on the Exchange Group comply with the IFRS implementation rigorously to ensure investors have access to appropriate information for financial and investment decision-making.

Keywords: IFRS, Standard of Financial Statement, Financial Statement, Multinational Companies-Nigeria.

1. Introduction

Many countries, especially developing ones, are concerned about how globalization may affect their future. This change has also resulted in modifications to previously established accounting standards. Many studies in the area of accounting have shown that accounting standards are adequate to offer consistent, meaningful, and comparable financial data across multiple accounting years (Erin, Olojede, & Ogundele, 2017). In light of this, management may make educated judgments by examining the financial statements and computing the appropriate ratios to foretell the company's future value (Umoren & Enang, 2015). The International Financial Reporting Standards (IFRS) have been adopted by the majority of nations and are being adopted by others. This would imply that efforts to promote the universal adoption and consistency of IFRS throughout the globe would get more attention.

As the world grows more interconnected, it is more important for economies to adopt IFRS (International Financial Reporting Standards). As a participant in the international economic community, Nigeria can't afford to ignore the shifts taking place in other parts of the world. When it comes to bookkeeping and financial reporting, the global standard is the gold standard. This study should finally put to rest the many debates that have arisen about the impact these restrictions will have on the reliability of financial reporting. International Financial Reporting Standards (IFRS) require businesses to present their finances in a standardized, consistent, and globally comparable way that is accessible to a wide range of readers. They are consequential for corporations with international relations and reflect the growth of cross-border ownership and trade. Time will tell if IFRS or the various already in use national accounting standards will survive (Osho et al.,. 2021).

The international community has sought to standardize accounting standards so that financial reports generated in various nations are comparable, understandable, and helpful for economic decision making (IFRS). Nobes and Parker (2008) define "Harmonization" as the act of setting standards to the amount of variance amongst accounting procedures in order to increase their compatibility with one another. That's why "harmonization of accounting standards" describes the procedure of developing internationally accepted accounting principles that may be used to bolster trust in financial statements. Adopting IFRS will impact financial institutions, capital markets, incomes, credit value, and market communication among investors, training for long-term economic development, capital management, performance assessment, product proposals, and liability agreements (PWC, 2006). By standardizing their information, businesses who adopted IFRS witnessed an increase in their rankings (Adam, 2009). There is considerable pushback against using IFRS as the benchmark for financial reporting in emerging nations like Nigeria. Weak institutions and political and economic instability are common in underdeveloped nations like Nigeria, which might make it difficult for the country to adopt IFRS (Tanko, 2012).

Iyoha and Faboyede (2011) confirm that many countries struggled with the switch to IFRS, but the benefits have been universally acknowledged and are thereby outweighing the expenses. The benefits of using IFRS while compiling financial reports by multinational firms were made clear by Doupnik and Perara (2012). By adhering to a single set of accounting principles, the time and money spent on producing consolidated financial statements will be cut significantly. It will lessen the price of subscribing to an increase in capital assets in worldwide marketplaces and aid in the analytical examination and comparability of distinct financial statements across competing organizations for planned company objectives (Doupnik & Perara, 2012). It is the goal of this research to determine whether or not multinational corporations' (MNCs') adoption of IFRS has resulted in more accurate financial reporting across countries and whether or not accounting data are comparable between the parent firm and its abroad subsidiaries. The issue is whether or whether the growth in the quality of financial reporting brought about by MNCs' adoption of IFRS really leads to an increase in the size of a country's foreign enterprises and encourages local investors to make investments, therefore enhancing the country's GDP (Alawiye-Adams & Ibukun-Falayi, 2016).

As such, this study intends to examine how IFRS has affected the credibility of financial reporting by multinational corporations in Nigeria. This research aims to emphasize and compare significant ideas and concepts by focusing on the case of multinational firms in Nigeria, despite the fact that many academics have previously investigated and written on the influence of IFRS on financial reporting.

2. Literature Review

2.1.1 International Financial Reporting Standards (IFRS)

The International Financial Reporting Standards (IFRS) are issued by the International Accounting Standards Board (IASB) and the interpretations of these standards are issued by International Financial Reporting Interpretation Committee (IFRIC). The IAS is published by the IASC. The International Financial Reporting Standards provide a framework for financial statements of all sorts of enterprises (IFRS). There is no clear winner between IFRS and IAS, thus either may be employed (Ikpefan and Akande, 2012). Following the approval of a major reform by its member organizations in 2000, the IASC handed over responsibility for creating IFRS to the new International Accounting Standards Board (IASB) in 2001. Olaoye and Fregene made a discovery in 2020. The International Accounting Standards Board (IASB) revised and changed the previous "International Accounting Standards" to "International Financial Reporting Standards" (Ikpefan & Akande, 2012). The International Accounting Standards Board (IASB) creates IFRS, an umbrella term for a number of different sets of accounting rules and principles, to ensure that financial statements throughout the globe are standard, high quality, and can be easily compared to one another (Aghator and Adeyemi, 2009), The need for standardized, comparable financial data rises in tandem with the integration of worldwide commerce. The International Accounting Standards Board (IASB) was established in 2001 as a part of a larger effort to overhaul the International Accounting Standards Committee (IASC). According to (Aghator & Adeyemi, 2009). In some nations, financial accounting standards are set by government and regulatory authorities, whereas in others, they are set by professional groups. The Institute of Chartered Accountants of Nigeria (ICAN), formerly known as the Association of Accountants of Nigeria, is often credited for pioneering contemporary accounting practices and concepts (ICAN).

ICAN is historically regarded as a key player in the establishment of the Nigeria Accounting Standards Board (Jayeoba & Ajibade, 2016). In 1982, the Institute of Chartered Accountants of Nigeria oversaw the formation of the Nigeria Accounting Standard Board (NASB), an initiative by the private sector to standardize accounting procedures across the country (ICAN). There have been 32 Statements of Accounting Standards produced by NASB since the organization's founding in 1992 as a government parastatal under the supervision of the then-Federal Ministry of Trade and Tourism (SAS). Under the Nigeria Accounting Standards Board Act of 2003, NASB is authorized to issue Accounting Standards only with the consent of the Nigerian government. There are people on the committee who work for the government as well as those who represent various interests. The International Network of Internal Auditors and the Nigerian Association of Certified Public Accountants each put up a candidate for two board seats (ANAN). In 2010, however, the NASB's incapacity to fulfill its legal responsibilities became clear. With the intention of rendering ANAN and ICAN irrelevant, Godson, then the Executive Secretary of the Nigeria Accounting Standards Boards, suggested a new entity in 2010 to develop accounting standards for Nigeria and other African countries (Egwatua, 2010). According to Yahaya (2015)'s calculations, IFRS was certified by the Federal Executive Council of Nigeria on December 31, 2011, with implementation beginning on January 1, 2012. (FEC). January 1, 2014 is the date by which all relevant parties must have adopted IFRS.

2.1.2 Financial Reporting Standard

Iyoha and Faboyede (2011) state that the quality of financial reports is an imperative need for users who depend on them to make economic, financial, and investment decisions. Lee, Rose-Green, and Huang (2012) defined the quality of financial reporting as the absence of fraud, substantial misrepresentation, and other unethical accounting and management activities in the reported financial data. They elaborated by saying that a good financial report would demonstrate the entity's economic content in a way that was consistent, reliable, relevant, and comparable. If you want people to take your financial statements seriously, you need to start with quality financial reporting (Pounder, 2013). The premise underlying financial reporting quality is that certain accounting information is more accurate and dependable than other accounting information in expressing what it claims to communicate. Superior accounting practices provide significant benefits for the people who use financial reports (Pounder, 2013). In this paper, we will examine a number of different ways of defining the quality of financial reporting since there is no generally accepted one. When a firm's financial statements properly represent its potential to make profits for its shareholders, we say that the company is providing high-quality financial reporting (Biddle, Gilles & Verdi, 2009). A company's reporting quality is the extent to which it accurately reflects the company's true financial health and performance for the time period under review. The quality of financial reporting is affected by several factors, including but not limited to "the legal system, source of funding, idiosyncrasies of the tax system, involvement of the accounting specialists, economic development, and accounting literacy," to quote a research. The credibility of financial statements may be evaluated in a number of ways. Standardization proponents point to accounting's comparability as an argument. It is unclear whether harmonization really increases international comparability. As a result, many studies focus on this aspect, although their results still differ greatly, fostering several points of view (Achim & Chis, 2014).It is impossible to overstate the importance of maintaining the honesty of financial reporting in an accounting system. (IASB, 2018).

2.1.3 Relevance as a Characteristics of Financial Statement

Accounting information in financial reports has the quality of relevance when it affects the economic decisions of beneficiaries, as stated by Cheung, Evans, and Wright (2010). Others may evaluate a company's financial health, cash flow, liquidity, profitability, and performance with the use of comparative financial statements. Considering this will allow users of a company's financial report to make informed comparisons to the financial reports of other companies operating during the same time frame (Herath & Albarqi, 2017). Downen (2014) argues that accounting data reliability is a crucial factor in evaluating data quality. Users can only have faith in accounting data that is free from bias, errors, and material misstatements (Cheung, Evans & Wright, 2010).Making the accounting data shown in financial reports simple to understand increases its use and accessibility. Communication that is both clear and sufficient displays user knowledge of the information provided, as well as the meaning the information has been given (Beest et al.., 2009).

2.1.4 Multinational Companies (MNC)

Multinational corporations, defined by Loku and Loku (2016) as "corporations with operations in two or more countries," are the institutional form that best characterizes FDI. In addition to their home country of incorporation, many businesses like these also have locations in other parts of the world. The number of countries in which a corporation has a presence may be used as a proxy for the breadth of such presence (Mayrhofer, 2012). There is widespread misunderstanding about who has the authority to control the flow of money across international borders. It is well understood that the capital flow of a multinational firm is not a defining factor. Funds go from one country to another in quest of higher returns. Foreign investors may not be able to gain control of the company if they put this money in common stock or large blocks of bonds. Our focus is on portfolio investments, so that's what we'll call them here. Direct investment means that a party headquartered in the home country of the company is asserting jurisdiction over the operations of the foreign firm or its subsidiary in the host country. Therefore, MNCs are the ultimate consequence of FDI, which may be defined as the purchase of a controlling interest in a company based outside of the investor's home country (Loku & Loku, 2016). Multinational corporations are an institutional way in which different economic and social systems interact with one another, but this fact is overlooked by the economic approach. Multinational corporations often export the institutional competence they have developed in one country's cultural and social milieu to another. It is an important assignment for the global dissemination of institutional expertise. According to Osuagwu and Ezie (2013), multinational businesses are the agents of imperialism, which is defined as the policy of spreading the power or authority of an empire or institution beyond boundaries. They continued by saying that when companies expand internationally, a safety buffer is added around them in case of any operational problems. As a result of their rapid expansion, they now hold a disproportionate amount of political clout. While doing so, they engage in negative business tactics like merging with other companies (Osuagwu & Ezie, 2013).

2.1.5 IFRS and Financial Statement Disclosure

The term "financial reporting standard" has no universally accepted meaning. Investors may learn more about a company's past financial performance and its expected future cash flows by reviewing its statements of financial position and performance (Biddle et al.., 2009). Numerous studies have demonstrated that IFRS has had a net positive influence on financial reporting standards and quality, despite certain downsides. Standard financial reporting is characterized as "free from errors, serious misstatements, and other unethical acts," and Lee et al. (2012) claim that IFRS contributes to this ideal. Financial Statements may be called standard if they reveal the economic substance of a firm and meet the criteria for uniformity, relevance, reliability, and comparability. Pounder claims that the credibility of financial statements hinges on the consistency with which they are prepared (2013).

Empirical Evidence

Herarth & Albarqi (2017) Analyzed the Quality of Financial Reporting (2017). The purpose of this literature review was to identify any knowledge gaps about the elements that impact and are assessed by financial reporting quality. Several gaps in the existing literature were also brought to light by the research. Stock Market Behavior under International Financial Reporting Standards (IFRS): Evidence from Emerging Markets by Uwuigbe *et al.*, (2017). They looked at the impact of IFRS on the stock market in the retail and banking sectors of Nigeria. With the introduction of IFRS, trading volume operations of listed companies in Nigeria increased. It was also shown that the application of IFRS did not materially alter the information content of stock prices. Since this would result in more reliable information for stock market indices, they also suggested that the country's regulatory bodies mandate severe IFRS implementation for all Stock Exchange-listed enterprises.Sanyaolu *et al* (2017) investigated the effect of Nigerian quoted banks' adoption of international financial reporting standards on their profits For this reason, we looked at the earnings yield (EY) and earnings per share (EPS) of Nigerian banks that are publicly traded to gauge the potential impact of IFRS on their profitability. Based on the findings, the authors conclude that the adoption of IFRS has improved the decision-making ability of many stakeholders, which in turn has increased investor confidence and FDI inflows (FDI). It was also recommended by the study that Nigerian accountants make more efforts to establish IFRS-based training programs for their members and other parties engaged in corporate reporting if the nation is to assure the effective adoption of IFRS. Alawiye-Adams and Ibukun-Falayi (2016) looked at the impact of IFRS adoption on the quality of financial statements. According to their findings, the adoption of IFRS has a significant effect on the relevance principle of decision making for users of financial reports issued by Nigerian banks. Jinadu et al. (2016) examined whether or not the implementation of IFRS has improved the quality of accounting information with respect to its value relevance for publicly traded companies in Nigeria. Implementing a regression analysis on the collected data, the study found that using IFRS significantly improves the value of accounting information. Their findings suggest that the government should provide relevant agencies more ability to adopt extra actions to improve the quality of financial reporting in order to increase the value relevance of financial statements. Yahaya *et al.*, 2015 explored the crucial roles performed by IFRS in preserving high-quality accounting information. According to their findings, the adoption of IFRS in Nigeria is good news for the international comparability of Nigerian financial statements, and they recommend that, before conducting a trend analysis of a specific company, investors compare financial ratios under both NGAAP and IFRS for the comparative year before IFRS adoption.

3. Methodology

This study used an explanatory research design and regression analysis to look at the effects of IFRS adoption on the financial reports of a few chosen MNCs operating in Nigeria. Multinational corporations listed on the Nigeria Exchange Group were the subject of this research, which extended during the years 2006 to 2021.

3.1 Model Specification

The research modifies a model developed by Deresse and Prabharara (2009), which related asset returns to the quality of financial statements and analysis. Information about this is provided below:

SAS = f (VER, COM, TIM)..3.1

Where,

SAS = Statement of accounting standards
VER = Verifiability
COM = Comparison
TIM = Time

However, the above model was modified and stated for this study as follows:..............3.2

IFRSA = f (REV+ FR+COM+ VER+UND+TIM)

The econometric specification is as follows:

$(IFRSA)it = b0 + b_1(REV)\ it + b_2(FR)\ it + b_4(COM) + b_2(VER)\ it + b_4(UND) + b_2(TIM)\ it + \varepsilon it$...3.3

Where:

IFRSA = International Financial Reporting Standards Adoption
REV = Relevance
FR = Faithful Representation
COM = Comparability
VER = Verifiability
UND = Understandability
TIM = Timeliness
I = cross-sectional variable form
t = time series variable form

The cross-sectional unit effect is indicated by I and estimates of the explanatory variable parameter and the constant term parameter are denoted by 0, 1, 2, and 3 respectively.

4. Results and Discussion

4.1 Descriptive Results

Table 1: Relevance for SAS Regime Comparison with IFRS Regime

Relevance	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
Rel1	1.75791	2.53621
Rel2	0.61517	1.66876
Rel3	1.53205	2.87721
Total Average	1.75228	2.36072

Source: Authors' Computation, 2022

The mean and average scores for both the Statement of Accounting Standard **(SAS)** and International Financial Reporting Standards (IFRS) regimes are shown in Table 1. Averaging the three criteria (Rel1, Rel2, and Rel3), we find that they are all more weighted under the IFRS system than under the SAS one. As a result, the value of Rel1 increases from 1.75791 to 2.53621, the value of Rel2 increases from 0.61517 to 1.66876, and the value of Rel3 increases from 1.53205 to 2.87721. In sum, things are better now than they were before by 0.60844, going from 1.75228 to 2.36072. The implementation of IFRS has enhanced the significance of reports in Nigeria by this metric (0.60844).

Table 2: Faithful -Representation for Statement of Accounting Standard (SAS) Regime Comparison with IFRS Regime

Faithful-Representation	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
FR1	1.60971	1.71980
FR2	1.76161	2.54851
FR3	3.21892	2.74113
FR4	1.92834	4.05352
FR5	2.01981	2.41832
Total Average	2.107678	2.696256

Source: Authors' Computation, 2022

Analysis in table 2 provides a description of faithful-representation, one of the qualitative reporting qualities. You can see in the table that the implementation of IFRS has led to an improvement in all but one of the criteria for fair representation (F3). All things considered, however, the standards for accurate portrayal have grown by 0.588578. Financial reporting from MNCs operating in Nigeria have improved as a consequence of the implementation of IFRS, as shown by the principle of faithful-representation.

Table 3: Understandability for SAS Regime Comparison with IFRS Regime

Understandability	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
UN1	1.548551	2.516872
UN2	1.670921	2.531651
UN3	3.010881	3.643032
UN4	2.643031	2.056122
UN5	1.012651	1.526580
Total Average	1.984510	2.4548514

Source: Authors' Computation, 2022

Table 3 displays the typical grades given to the readability of financial reports. From what can be seen in Table 3, the average required scores have gone up by a grand total of 3.643032, with increases in the range from 1.548551 to 1.670921 in UN1 and from 3.010881 to 1.012651 in U5. In spite of the fact that IFRS reduced the average U4 score from 2.643031 to 2.056122, it did improve financial reporting clarity by 0.473431%. This seems to indicate that the financial reports of MNCs in Nigeria are now more accessible to the general public owing to the adoption of IFRS.

Table 4: Comparability for SAS Regime Comparison with IFRS Regime

Comparability	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
COM1	1.675112	2.512611
COM2	1.759410	2.608402
COM3	3.070816	3.443018
COM4	1.251470	2.106121
COM5	1.937923	2.522360
COM6	3.021521	4.027424
Total Average	2.119375	2.869989

Source: Authors' Computation, 2022

Result in table 4 shows that although the average total mean comparability score was 2.119375 in the SAS system, it was 2.869989 under the IFRS system, an increase of 0.750614. Improvements in all six predictors of comparability were similarly distributed, with COM1 increasing from 1.675112 to 2.512611 and COM2 rising from 1.759410 to 2.608402. Third COM increases from 3.070816 to 3.443018, fourth COM from 1.251470 to 2.106121, fifth COM from 1.937923 to 2.522360, and sixth COM from 3.021521 to 4.027424. This indicates that IFRS financial statements are more consistent with SAS financial statements. This research basically concluded that Nigerian companies' financial statements are more likely to be comparable both inside Nigeria and with financial statements issued by companies in other countries that have adopted IFRS as their reporting standard.

Table 5: Verifiability for SAS Regime Comparison with IFRS Regime

Verifiability	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
Ver1	2.203777	3.201667
Ver2 2.371738	3.051657	
Total Average	3.389646	4.727495

Source: Authors' Computation, 2022

Table 5 shows that once IFRS was adopted in Nigeria, both V1 and V2 requirements for verifiability improved. For instance, the average score for V1 increased from 2.203777 to 3.201667, while the average score for V2 increased from 2.371738 to 3.051657. The reporting quality has improved by 1.337849 mean scores after IFRS was implemented compared to the SAS regime.

Table 6: Timeliness for SAS Regime Comparison with IFRS Regime

Timeliness	Before IFRS Adoption Mean(x)	After IFRS Adoption Mean(x)
Tim1	2.92312	3.92678
Difference		1.00366

Source: Authors' Computation, 2022

Analysis in table 6 shows that the average cycle time has risen from the SAS era's 2.92312 seconds to the current level of 3.92678. (IFRS regime). This shows that companies in Nigeria started producing their financial reports more rapidly after the country adopted IFRS. Compared to the SAS regime, this suggests that the reporting standard has improved by a mean of 1.00366 points as a consequence of the implementation of IFRS.

4.2 Discussion of Findings

The following findings the advent of IFRS has increased the significance of financial reports disclosure. This is because companies in Nigeria are becoming better at disclosing their financial data using tools like fair value cost accounting and historical cost accounting. Financial reports produced in accordance with IFRS will indicate more market events and big transactions, both of which are likely to have an influence on the company. Although there was no discernible difference between the SAS and IFRS regimes in the use of forward-looking statements, it is worth noting that this finding is not universal. When comparing the SAS regime to the IFRS regime, it was shown that the latter significantly increased the honesty of financial reporting. Analysis revealed that after adopting IFRS, reports in Nigeria were found to be 0.60844 times more relevant. Readability of financial report were greatly affected by the introduction of IFRS. There has been a more simplified presentation of annual reports since the implementation of IFRS, with more user-friendly elements such as graphs and tables and extended explanations of accounting concepts in the glossary. The results established that the sampled Nigerian companies' financial statements created using IFRS were more comparable both internally and with those generated by organizations in other nations. This indicate that

Nigeria's financial reporting quality increased dramatically when the country adopted IFRS. This is due to the fact that more prestigious auditing firms are now doing book audits for corporations with the implementation of IFRS as opposed to the SAS era. Research shows that companies in Nigeria started producing financial reports more swiftly once IFRS was implemented. Analysis from study revealed that adoption of IFRS has greatly improved the transparency of financial reporting in Nigeria. The study found that the financial reports published in Nigeria after the implementation of IFRS were much easier to understand. A Nigerian firm has improved its financial reporting to meet the needs of its customers. The degree to which firms' reports are comparable after adopting IFRS in Nigeria varies significantly. Because of its adoption of IFRS, Nigeria's financial reporting is now more in line with that of other nations. After transitioning to IFRS, the level of scrutiny that may be applied to audited financial statements shifts significantly.

There are similarities and differences between this study and other studies on the influence of IFRS adoption on reporting quality due to the similarities and differences in time, population, environment, economic factors, and methodology. In particular, the study agrees with Terzungwe (2013) that the adoption of IFRS in Nigeria has led to a little improvement in reporting quality for relevance, but differs with him on the other aspects. Danrimi (2013), another Nigerian-made study, and Jansson, Jansson, and Koch (2012), who also hypothesized that the introduction of IFRS had increased comparability, came to similar conclusions. Kallob (2013) agreed with the findings in terms of importance, dependability, and clarity but disputed that the use of IFRS had improved comparability and timeliness. Using the NiCE index, Yurisandi and Puspitusari (2015) came to the same result about IFRS adoption improving relevance, understandability, and comparability; however, they disagreed with the study's finding about IFRS improving true representation and timeliness.

5. Conclusion and Recommendation

The adoption of IFRS has likely had far-reaching effects on the way multinational corporations in Nigeria disclose their financial data. The quality of a financial report from a global organization may be judged by its timeliness, accuracy, clarity, dependability, and comparability. Multinational corporations that have implemented IFRS may see an increase in profits as a result of rising FDI. One of the main reasons for adopting IFRS is to make it easier for foreign investors to get in on the action with multinational companies. Based on the findings, the study recommended that national regulatory agencies mandate IFRS compliance across all Exchange Group firms. In order to better fulfill its supervisory role in ensuring quality financial reporting in accordance with International Financial Reporting Standards, the Financial Reporting Council of Nigeria (FRC), a federal government agency established by the Financial Reporting Council of Nigeria Act, No. 6, 2011, must be reorganized and given more authority in order to provide investors with access to reliable data upon which to base sound financial and investment choices. The International Financial Reporting Standards (IFRS) should be used for the creation, publication, and revision of accounting standards used by multinational enterprises in the preparation of financial statements, and the Financial Reporting Council (FRC) should encourage and enforce compliance with IFRS.

References

Abdulkadir, M., (2013). Adoption of IFRS in developing economy. *International Journal of Business Management*, *7*(3), 152-161.

Achim, A.M., & Chis, A. O., (2014). Financial accounting quality and its defining characteristics. Romanian Foundation for Business Intelligence, 5, 93-98.

Aghator, G.E., & Adeyemi, B., (2009). Comparative study of accounting standards in Nigeria, United Kingdom and United States of America. An Unpublished Term paper presented in Igbinedion University, Okada.

Alawiye-Adams, A. A., & Ibukun-Falayi, O. R., (2018). The impact of International Financial Reporting Standards (IFRS) adoption on the quality of financial statements of banks in Nigeria. SSRN: http://dx.doi.org/10.2139/ssrn.3099851

Armstrong, C. S., Barth, M. E., Jagolinzer, A. D., & Riedl, E. J. (2010). Market reaction to the adoption of IFRS in Europe. *Accounting Review*, 85(1), 31-61.

Atu, O. G., Raphael, I. A., & Atu, O. K., (2016). Challenges of the implementation of IFRS in less developed and developing countries. Igbinedion University *Journal of Accounting*,*1*(1), 12-23

Atu, R., (2013). The effect of mandatory IFRS adoption. *International Journal of Marketing Economics*, 4(2), 15-23.

Bassemir, M., & Novotny-Farkas, Z., (2018). IFRS adoption, reporting incentives and financial reporting quality in private firms. *Journal of Business, Finance and Accounting*, 45,7-8.

Beest, F. V., Braam, G. & Boelens, S., (2009). Quality of financial reporting: measuring qualitative characteristics. Nijmegen Center for Economics NICE working paper, 09,108.

Biddle, G. C., Gille, H, & Verdi, R. S. (2009). How does financial reporting quality relate to investment efficiency? *Journal of Accounting and Economics*, 48(23),112-131.

Damaso, M. G., & Loureno, I., (2011). Internet financial reporting: Environmental impact companies and other determinants. 8th International Conference on Enterprise System Accounting and Logistics.

Doupnik, T., & Perara, H., (2012). International Accounting. McGraw-Hill.

Fowokan, T. (2011). IFRS adoption in Nigeria: Tax implications. A paper presented at CITN seminar on IFRS adoption in Nigeria FRCN (2011). Financial Reporting Act. Federal Republic of Nigeria Official Gazette 98(54).

Freeman, R. E., (1984). Strategic Management: A stakeholder approach. Pitman.

Herath, S. K., & Albarqi, N. (2017). Financial Reporting quality: A literature review. *International Journal of Business Management & Commerce*, 2(2), 1-14.

Iyoha, F.O & Faboyede, S. O. (2011). Adopting international financial reporting standard (IFRS) – a focus on Nigeria. International Journal of Research in Commerce and Management.

Jinadu, O., Ojeka S. A., & Ogundana, O. M., (2016). International Financial Reporting

Standards (IFRS) adoption and Foreign Direct Investment: Evidence from Nigeria Quoted firms. Mediterranean *Journal of Social Science*. DOI: 10.5901/mjss.2016.v7n2p99

Kenneth, E.O., (2012). Adoption of IFRS and financial statement effects: The perceived implications on FDI and Nigerian economy. *Australian Journal of Business and Research.* 2(5),76-83.

Kostova, T., Roth, K., & Dacin, M. T., (2008). Institutional theory in the study of multinational corporations: A critique of new directions. The Academy of Management Reviews, 34(4),994-1006.

Mayrhofen, U., & Prange, C., (2015). Multinational corporations (MNCs) and enterprises (MNEs). Wiley Encyclopedia of Management.

Obazee, J. O. (2011). Issues and challenges of international financial reporting standards (IFRS) adoption for emerging economies. The Nigerian Accountant, October/ December, 44 (4), 26-28.

Osuagwu, G.O., & Ezie, O., (2013). Multinational Corporation and the Nigerian Economy. *International Journal of Academic Research in Business and Social Science*,3(4),359-369.

Osho, A. E., Olutayo, M. E. & Emmanuel, A. O. (2021), International financial reporting standards (IFRS) and financial performance of multinational companies in Nigeria. Journal of Accounting and Management, 11(2): 250 – 268.

Pounder. B., (2013). Measuring accounting quality: Strategic Finance. Gold Publishers.

Sanyaolu, O. A., Iyoha, F. O., & Ojeka, S. A., (2017). IFRS adoption and earnings of quoted banks in Nigeria. *International Journal of Economics and Financial Issues*,7(1),279-284.

Suchman, M. C., (1995). Managing legitimacy: Strategic and institutional approaches. The *Academy of Management Reviews*, 20(3), 571-610.

Uwuigbe, O. R., Erin, O. A., Uwuigbe, U., Peter, D. S. & Jinadu, O. (2017). International financial reporting standards and stock market behaviour: An emerging market experience. Corporate Ownership & Control, 14(4), 93-102.

Yahaya, K. A., Fagbemi, T. O., & Oyeniyi, K. K., (2015). Effects of International Financial Reporting Standards (IFRS) on the financial statements of Nigerian banks. *Journal of Agricultural Economics, Environment and Social Sciences*, 1(1), 18-29.