Adoption of International Financial Reporting Standards (IFRS) And its Impacts on Financial Reporting Quality

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Abstract
This study examined the adoption of International Financial Reporting Standards (IFRS) and its impact on financial reporting quality. The study specifically investigated the effect of IFRS adoption on the quality, accuracy, and transparency of financial reporting, as well as the challenges affecting its effective implementation in organizations. A survey research design was adopted, and primary data were collected through a structured questionnaire administered to fifty (50) respondents comprising accountants, auditors, finance officers, and other professionals. The data collected were analyzed using frequency tables, percentages, and the Chi-square (χ^2) statistical technique at the 0.05 level of significance. The findings revealed that IFRS adoption has a significant positive impact on the quality and accuracy of financial reporting by improving the reliability, comparability, and credibility of financial statements. The study also found that IFRS has significantly enhanced transparency in financial reporting through improved disclosure, accountability, and users' confidence. However, the findings further revealed that inadequate training, limited resources, and implementation-related difficulties constitute significant challenges affecting the effective implementation of IFRS in organizations. The study concludes that IFRS adoption has significantly improved financial reporting quality and transparency despite the implementation challenges experienced by organizations. It recommends continuous professional training, adequate resource allocation, effective regulatory oversight, and strengthened organizational support to enhance IFRS implementation and ensure sustained compliance with international financial reporting standards.

Key words: *IFRS, Financial reporting quality, Accuracy, and transparency of financial reporting*

Introduction

One of the most significant developments in this domain has been the widespread adoption of International Financial Reporting Standards (IFRS). International Financial Reporting standards (IFRS) are globally recognised accounting rules developed by the International Accounting Standard Boards (IASB) to ensure financial statements are consistent, transparent and easily comparable around the world. Financial Reporting is an instrument used for making decisions by the regulatory authorities, creditors and other stakeholders in the business environment. The adoption of International Financial Reporting Standards (IFRS) has been a significant issue in the accounting world. IFRS aim is to provide a comprehensive and consistent framework for financial reporting, facilitate decisions making and economic growth. The objectives of International Financial Reporting Standards (IFRS), are to form a shared accounting language with high quality financial reporting across boards (Islam and Ali,2024). Before the adoption of IFRS, many nations relied on Generally Accepted Accounting Principles (GAAP), which brought about inconsistencies in Financial reporting practices and it reduced the comparability of financial data between firms operating in different economic environments.

Accounting theory argues that the purpose of financial reporting is to reduce information asymmetry between corporate managers and their parties (Ball,2001) and also reduces information asymmetry by disclosing relevant information (Jaggi and Low,2000). Through financial statements the well being, as well as the state of affairs of the organisation is communicated to stakeholders of all manners and kinds (Edrini and Edesiri,2016). Stakeholders who are different from management rely on the information supplied by management in financial statements to assess risk and value of the company before making a decision. The quality of the financial report is to determine the decision's usefulness but it was concluded that IFRS adoption positively influences financial reporting quality by limiting disclosure practices (Osasere and IIabayo,2018). The adoption of International Financial Reporting Standards (IFRS) on the quality of financial reporting has been a major concern for stakeholders and investors in a developing economy whereby inconsistent accounting practices have affected the credibility of financial statements. IFRS adoption is complex and it requires significant changes to accounting systems, processes and procedures. Companies must adapt to new accounting standards, disclose more information, and provide detailed explanations of their financial performance. Despite the advantages of the adoption of generally accepted practice worldwide, Organisations face several challenges in adopting IFRS in the preparation of financial statements. Stakeholders have raised concerns regarding the costs, and practical difficulties associated with IFRS adoption. The introduction of IFRS was to address the challenges of technology issues, complex standards, lack of expertise and high cost of adoption by providing a uniform set of high-quality global accounting standards, regarding whether the adoption has improved financial reporting in practice. Although some organizations experienced disclosure and reporting problems, highlighting the need to assess the real impact of International Financial Reporting Standards (IFRS) on financial reporting.

The main objective of this study IS to determine the adoption of International Financial Reporting Standards (IFRS) and its impact on financial reporting quality.

This study aim is to achieve the following specific objectives:

1. Determine the effect of IFRS adoption on the reliability of financial reports.
2. Examine the impact of adoption of IFRS on the accuracy of financial reporting quality.
3. Identify challenges affecting the effective implementation of IFRS
4. Determine the influence of IFRS adoption on the transparency of financial reports.

Review of Related Literature

International Financial Reporting Standards (IFRS)

The International Financial Reporting Standards (IFRS) were created in reaction to the growing globalization of business operations and the rising demand for consistent and comparable financial data across national boundaries. Due to variations in legal systems, tax regulations, cultural impacts, and economic situations, accounting procedures differed greatly among countries prior to the creation of IFRS. Because financial statements prepared under various national accounting standards were frequently hard to compare and understand, these disparities caused issues for investors, regulators, and multinational corporations (Jaggi & Low, 2000).

Following World War II, when international commerce and foreign direct investment boomed, the need for international accounting harmony increased. The absence of a uniform accounting framework amplified information asymmetry and eroded investor trust in financial statements produced under unfamiliar accounting regimes as multinational businesses expanded their operations worldwide (Ball, 2001). As a result, the accounting sector started to lobby for a collection of globally recognized accounting standards that would improve the transparency and comparability of financial reports.

Establishment of The International Accounting Standards Committee (IASC)

In response to these difficulties, the International Accounting Standards Committee (IASC) was founded in 1973 by professional accounting organizations from nine developed nations, including the United Kingdom, the United States, Canada, Australia, France, Germany, Japan, Mexico, and the Netherlands. By creating and encouraging the use of accounting standards that might be used worldwide, IASC's goal was to harmonize accounting methods across nations (IASB, 2020). The International Accounting Standards (IAS), a collection of standards published by the IASC between 1973 and 2000. These standards covered important aspects of financial reporting, including inventory valuation, revenue recognition, lease accounting, financial statement consolidation etc. Despite the fact that IAS were a big move in the right direction for harmonizing international accounting standards, they were criticized for allowing a variety of accounting treatments, which hindered their capacity to attain complete consistency (Islam, Ali, & Ahmad, 2024). The International Accounting Standards Board (IASB) was established as an autonomous global accounting standard-setting organization as a result of this reorganization. The IASB took over from the IASC in 2018 and is now in charge of creating international accounting standards. The goal of IFRS was to make sure that financial statements reflect the economic reality of transactions rather than just their legal form (IASB, 2018).

International Use of IFRS

The worldwide use of IFRS accelerated in the early 2000s as international capital markets became more connected. The European Union's choice to mandate IFRS for the consolidated financial statements of all listed businesses from 2005 onwards was a significant turning point in the history of IFRS.After the European Union embraced IFRS, several nations in Africa, Asia,

the Middle East, and South America either fully adopted IFRS or aligned their national accounting standards with it. To improve the quality of financial reporting, increase transparency, and draw in foreign investment. In Developing Economies, IFRS is adopted the implementation of IFRS in developing economies was motivated by the desire to enhance financial reporting systems, boost investor confidence, and open up access to global capital markets. IFRS was seen as a means of solving these problems by offering a framework for high-quality financial reporting that is accepted worldwide (Okoye & Akenbor, 2014).The purpose of the adoption was to bring Nigeria's financial reporting procedures into line with international best practices, improve the reliability of financial statements, and increase transparency (Osasere & Ilabayo, 2018).

The History of IFRS Adoption and its Effects on the Quality of Financial Reporting

The adoption of IFRS has been commonly linked to higher financial reporting quality, especially in terms of the clarity, comparability, reliability, and correctness of financial data. The extent to which financial statements offer accurate, timely, and pertinent data that aids in making economic decisions is referred to as the quality of financial reporting (IASB, 2018).According to Uwuigbe, Adeyemo, and Uwuigbe (2015), the adoption of IFRS has greatly enhanced the quality of financial reporting among listed companies, notably by improving disclosure practices and lowering earnings manipulation. After obligatory IFRS implementation in the European Union, Zeghal et al. (2012) also reported gains in the quality and comparability of earnings.

However, the effect of implementing IFRS on the quality of financial reporting varies between nations. Although IFRS offers a superior reporting framework, its advantages are contingent upon the dedication of regulatory agencies and businesses to the correct application and enforcement. In general, the historical development and acceptance of IFRS reflect a worldwide push to improve the quality of financial reporting by encouraging transparency, comparability, and accountability.

Empirical Review

The empirical framework examines earlier research on the adoption of International Financial Reporting Standards (IFRS) and how it has affected the caliber of financial reporting. With an emphasis on reliability, accuracy and openness, it highlights important findings from both affluent and developing countries. Barth, Landsman, and Lang (2008) carried out a study on the relationship between IFRS adoption and accounting quality among firms in different countries. The study discovered that firms using IFRS recorded better transparency and less earnings manipulation compared to firms using local accounting standards. The researchers concluded that IFRS improves the quality of financial reporting through better disclosure and comparability.
Daske, Hail, Leuz, and Verdi (2008) examined the economic impact of mandatory IFRS adoption across various countries. Their findings showed that companies adopting IFRS experienced improved market liquidity and a lower cost of capital. The study further stated that the benefits of IFRS are stronger in countries with effective enforcement systems.
Chen, Tang, Jiang, and Lin (2010) investigated the effect of IFRS adoption in European Union countries. The study found that IFRS reduced inconsistencies in accounting practices and improved the comparability of financial statements among firms.
Ahmed, Neel, and Wang (2013) studied whether IFRS adoption improves accounting quality. The researchers discovered that although IFRS enhanced disclosure practices, some firms still engaged in earnings management due to weak regulatory systems and poor compliance.

Okoye and Akenbor (2014) assessed IFRS adoption in Nigeria and found that IFRS improved the credibility and uniformity of financial statements. However, the study identified implementation costs and inadequate professional training as major challenges. Uwuigbe, Uwuigbe, and Adeyemo (2015) examined the effect of IFRS adoption on financial reporting quality among Nigerian listed firms. Their findings showed that IFRS significantly improved transparency and disclosure quality in financial reporting. Osasere and Ilabayo (2018) investigated IFRS adoption and financial reporting quality in Nigeria. The study revealed that IFRS improved the reliability and comparability of financial reports, although poor technical knowledge remained a challenge.
Tanko (2012) studied the challenges and benefits of IFRS adoption in Nigeria. The researcher found that IFRS improved accountability and reporting standards but identified a lack of awareness and inadequate training as major problems affecting implementation.
Iyoha and Fanboyed (2011) examined the relevance of IFRS adoption in Nigeria and concluded that IFRS improved the international acceptability and comparability of financial statements prepared by Nigerian firms. Ailemen and Akande (2018) investigated the impact of IFRS adopt on financial statement quality in Nigeria. Their findings indicated that IFRS enhanced transparency and improved disclosure quality among firms. Ibanichuka and James (2014) examined the influence of IFRS adoption on accounting information quality. The study found that IFRS improved the reliability and consistency of financial statements in Nigerian organizations. Leuz and Verrocchio (2000) studied the relationship between disclosure quality and information asymmetry. The findings showed that improved accounting disclosure reduces uncertainty and increases investor confidence in financial reports.Bushman and Smith (2001) examined the role of financial reporting in corporate governance. The study concluded that high-quality accounting information improves monitoring and reduces managerial manipulation. Ball (2006) investigated the advantages of IFRS adoption in global financial markets. The study found that IFRS promotes transparency, comparability, and consistency in financial reporting across countries. Judge, Li, and Pinsker (2010) examined factors influencing the adoption of IFRS globally. Their findings showed that globalization, foreign investment, and institutional pressure contributed significantly to IFRS adoption. Christensen, Lee, and Walker (2015) examined voluntary and mandatory IFRS adoption. The researchers found that firms voluntarily adopting IFRS often demonstrated better transparency and reporting quality. Bushman, Piotroski, and Smith (2004) investigated the determinants of corporate transparency. The findings showed that effective accounting standards and corporate governance improve transparency and reduce information asymmetry. Tang, Chen, and Lin (2016) investigated the effect of IFRS on financial reporting quality at the country level. The study revealed that IFRS adoption strengthened disclosure quality and improved reporting practices. Dechow, Ge, and Schrandt (2010) reviewed different measures of financial reporting quality. The researchers concluded that strong accounting standards improve the accuracy and reliability of financial statements.
Albu, Albu, and Alexander (2014) studied IFRS implementation in developing economies. The study revealed that institutional and regulatory environments greatly influence the effectiveness of IFRS adoption.

Methodology

Research Design

The study adopts a descriptive survey research design. This design is considered appropriate because it enables the researcher to obtain relevant information from respondents regarding the adoption of IFRS and its effect on the quality of financial reporting. The design also provides an

opportunity to collect and analyze data from a selected group of respondents within a specific period.

Population of the Study

The population of the study consists of accounting professionals, auditors, finance officers, and other personnel involved in the preparation and use of financial statements within the selected organizations. These individuals are considered suitable because they possess knowledge of IFRS and financial reporting practices.

Sample and Sampling Technique

Using a sample size formula, the recommended sample size for the study is 50 respondents. A purposive sampling will be employed to select respondents from the population. This technique ensures that every member of the population has an equal opportunity of being selected, thereby reducing bias and enhancing the representativeness of the sample.

Source of Data

Primary data were collected through the administration of questionnaires to respondents.
The information gathered provided firsthand evidence relating to IFRS adoption and financial reporting quality. Also, Secondary data were obtained from relevant materials such as academic journals, conference papers, professional accounting reports and government publications.

Validity and Reliability of Research Instrument

To ensure the validity of the instrument, the questionnaire was reviewed by experts in accounting and research methodology. Their suggestions and corrections were incorporated to ensure that the instrument adequately measured the variables under investigation.
The reliability of the instrument was established through a pilot test conducted among a small group of respondents outside the study sample. The responses obtained were analyzed to determine the consistency of the questionnaire items.

Method of Data Analysis

Data collected from the respondents were analyzed using descriptive statistical tools such as frequency tables, percentages, mean, and standard deviation. The hypotheses formulated for the study were tested using the Chi-square (χ^2) statistical technique at a 5% level of significance.

Data Analysis

The data obtained in this research are presented in tables using descriptive statistics. The objective of the research is to provide answers to the research questions of the study. Respondents are measured using a 5-point likert scale;
Strongly Agree (SA), Agree(A), Neutral(N), Disagree(D), Strongly Disagree (SD). The total of 50 respondents were returned and analysed. The distribution is shown below;

Research Question One:

Does IFRS adoption improve the quality of financial reporting?

Table 1: IFRS adoption has improved the quality of financial reporting.

Response	Frequency	Percentage (%)
Strongly Agree	29	58.0
Agree	15	30.0
Neutral	2	4.0
Disagree	3	6.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation

Table 1 shows that 29 respondents, representing 58.0% of the total respondents, strongly agreed, while 15 respondents, representing 30.0%, agreed that IFRS adoption has improved the quality of financial reporting. In addition, 2 respondents, representing 4.0%, were neutral, while 3 respondents, representing 6.0%, disagreed and 1 respondent, representing 2.0%, strongly disagreed. This indicates that the majority of the respondents believe that IFRS adoption has significantly improved the quality of financial reporting.

Table 2: Financial statements prepared under IFRS are more reliable.

Response	Frequency	Percentage (%)
Strongly Agree	28	56.0
Agree	17	34.0
Neutral	2	4.0
Disagree	2	4.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:

Table 2 indicates that 28 respondents, representing 56.0% of the total respondents, strongly agreed, while 17 respondents, representing 34.0%, agreed that financial statements prepared under IFRS are more reliable. Two respondents, representing 4.0%, were neutral, while another 2 respondents, representing 4.0%, disagreed and 1 respondent, representing 2.0%, strongly disagreed. This suggests that IFRS enhances the reliability of financial statements.

Table 3: IFRS has improved the comparability of financial statements.

Response	Frequency	Percentage (%)
Strongly Agree	30	60.0
Agree	16	32.0
Neutral	1	2.0
Disagree	2	4.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:

Table 3 reveals that 30 respondents, representing 60.0% of the total respondents, strongly agreed, while 16 respondents, representing 32.0%, agreed that IFRS has improved the comparability of financial statements. 1 respondent, representing 2.0%, was neutral, while 2 respondents, representing 4.0%, disagreed and 1 respondent, representing 2.0%, strongly disagreed. This demonstrates that IFRS enables users to compare financial statements more effectively across organizations.

Table 4: IFRS enhances the accuracy of financial reports.

Response	Frequency	Percentage (%)
Strongly Agree	36	72.0
Agree	10	20.0
Neutral	0	0.0
Disagree	3	6.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:

Table 4 shows that 36 respondents, representing 72.0% of the total respondents, strongly agreed, while 10 respondents, representing 20.0%, agreed that IFRS enhances the accuracy of financial reports. 3 respondents, representing 6.0%, disagreed, while 1 respondent, representing 2.0%, strongly disagreed. None of the respondents was neutral. This indicates that IFRS contributes positively to the accuracy of financial reporting

Table 5: IFRS adoption has increased users' confidence in financial statements.

Response	Frequency	Percentage (%)
Strongly Agree	38	76.0
Agree	9	18.0
Neutral	1	2.0
Disagree	2	4.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:

Table 5 indicates that 38 respondents, representing 76.0% of the total respondents, strongly agreed, while 9 respondents, representing 18.0%, agreed that IFRS adoption has increased users' confidence in financial statements. 1 respondent, representing 2.0%, was neutral, while 2 respondents, representing 4.0%, disagreed. None of the respondents strongly disagreed. This implies that IFRS adoption has enhanced users' confidence in financial statements.

Research Question Two

Has IFRS adoption improved transparency in financial reporting?

Table 6: IFRS has improved transparency in financial reporting.

Response	Frequency	Percentage (%)
Strongly Agree	36	72.0
Agree	10	20.0
Neutral	0	0.0
Disagree	3	6.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation

Table 6 shows that 36 respondents, representing 72.0% of the total respondents, strongly agreed, while 10 respondents, representing 20.0%, agreed that IFRS has improved transparency in financial reporting. In addition, 3 respondents, representing 6.0%, disagreed, while 1 respondent, representing 2.0%, strongly disagreed. None of the respondents was neutral. This indicates that

respondents generally believe that IFRS has significantly enhanced transparency in financial reporting.

Table 7: IFRS promotes adequate disclosure of financial information.

Response	Frequency	Percentage (%)
Strongly Agree	31	62.0
Agree	16	32.0
Neutral	1	2.0
Disagree	2	4.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:

Table 7 reveals that 31 respondents, representing 62.0% of the total respondents, strongly agreed, while 16 respondents, representing 32.0%, agreed that IFRS promotes adequate disclosure of financial information. Furthermore, 1 respondent, representing 2.0%, was neutral, while 2 respondents, representing 4.0%, disagreed. None of the respondents strongly disagreed. This implies that IFRS has enhanced disclosure practices in financial reportin
g.

Table 8: IFRS reduces manipulation of financial statements.

Response	Frequency	Percentage (%)
Strongly Agree	38	76.0
Agree	8	16.0
Neutral	0	0.0
Disagree	3	6.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:

Table 8 indicates that 38 respondents, representing 76.0% of the total respondents, strongly agreed, while 8 respondents, representing 16.0%, agreed that IFRS reduces the manipulation of financial statements. In addition, 3 respondents, representing 6.0%, disagreed, while 1 respondent, representing 2.0%, strongly disagreed. None of the respondents was undecided. This suggests that IFRS contributes to reducing financial statement manipulation and enhances the integrity of financial reporting.

Table 9: IFRS makes financial reports easier to understand.

Response	Frequency	Percentage (%)
Strongly Agree	39	78.0
Agree	8	16.0
Neutral	0	0.0
Disagree	2	4.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:

Table 9 shows that 39 respondents, representing 78.0% of the total respondents, strongly agreed, while 8 respondents, representing 16.0%, agreed that IFRS makes financial reports easier to understand. Also, 2 respondents, representing 4.0%, disagreed, while 1 respondent, representing

2.0%, strongly disagreed. None of the respondents was undecided. This demonstrates that IFRS improves the clarity and understandability of financial reports.

Table 10: IFRS improves accountability in financial reporting.

Response	Frequency	Percentage (%)
Strongly Agree	33	66.0
Agree	15	30.0
Neutral	0	0.0
Disagree	2	4.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 10 reveals that 33 respondents, representing 66.0% of the total respondents, strongly agreed, while 15 respondents, representing 30.0%, agreed that IFRS improves accountability in financial reporting. Furthermore, 2 respondents, representing 4.0%, disagreed. None of the respondents was undecided or strongly disagreed. This indicates that IFRS enhances accountability by encouraging transparent and responsible financial reporting practices.

Research Question Three
Does the effective implementation of IFRS improve financial reporting quality?

Table 11: Adequate training enhances effective IFRS implementation.

Response	Frequency	Percentage (%)
Strongly Agree	42	84.0
Agree	6	12.0
Neutral	0	0.0
Disagree	2	4.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 11 shows that 42 respondents, representing 84.0% of the total respondents, strongly agreed, while 6 respondents, representing 12.0%, agreed that adequate training enhances effective IFRS implementation. In addition, 2 respondents, representing 4.0%, disagreed. None of the respondents was neutral or strongly disagreed. This implies that adequate training is an essential requirement for the successful implementation.

Table 12: Organizations have sufficient resources to implement IFRS.

Response	Frequency	Percentage (%)
Strongly Agree	21	42.0
Agree	12	24.0
Neutral	5	10.0
Disagree	8	16.0
Strongly Disagree	4	8.0
Total	50	100.0

Interpretation:
Table 12 indicates that 21 respondents, representing 42.0% of the total respondents, strongly agreed, while 12 respondents, representing 24.0%, agreed that organizations have sufficient resources to implement IFRS. However, 5 respondents, representing 10.0%, were neutral, 8 respondents, and representing perceived resource limitations affecting IFRS implementation.

Table 13: Regulatory bodies ensure compliance with IFRS standards.

Response	Frequency	Percentage (%)
Strongly Agree	31	62.0
Agree	14	28.0
Undecided	2	4.0
Disagree	2	4.0
Strongly Disagree	1	2.0
Total	50	100.0

Interpretation:
Table 13 reveals that 31 respondents, representing 62.0% of the total respondents, strongly agreed, while 14 respondents, representing 28.0%, agreed that regulatory bodies ensure compliance with IFRS standards. In addition, 2 respondents, representing 4.0%, were neutral, 2 respondents, representing 4.0%, disagreed, and 1 respondent, representing 2.0%, strongly disagreed. This indicates that respondents have confidence in the role of regulatory bodies in enforcing compliance with IFRS standards.

Table 14: Management support contributes to successful IFRS implementation.

Response	Frequency	Percentage (%)
Strongly Agree	34	68.0
Agree	13	26.0
Neutral	1	2.0
Disagree	2	4.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 14 shows that 34 respondents, representing 68.0% of the total respondents, strongly agreed, while 13 respondents, representing 26.0%, agreed that management support contributes to successful IFRS implementation. Also, 1 respondent, representing 2.0%, was neutral, while 2 respondents, representing 4.0%, disagreed. None of the respondents strongly disagreed. This demonstrates that management support plays a significant role in ensuring the successful implementation of IFRS.

Table 15: Effective implementation of IFRS improves organizational financial reporting.

Response	Frequency	Percentage (%)
Strongly Agree	38	76.0
Agree	10	20.0
Neutral	1	2.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 15 indicates that 38 respondents, representing 76.0% of the total respondents, strongly agreed, while 10 respondents, representing 20.0%, agreed that effective implementation of IFRS improves organizational financial reporting. Furthermore, 1 respondent, representing 2.0%, was neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly disagreed. This suggests that effective implementation of IFRS contributes significantly to improving organizational financial reporting.

Research Question Four
Does IFRS adoption significantly improve transparency in financial reporting?
Table 16: IFRS encourages full disclosure of financial information.

Response	Frequency	Percentage (%)
Strongly Agree	39	78.0
Agree	9	18.0
Neutral	1	2.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 16 shows that 39 respondents, representing 78.0% of the total respondents, strongly agreed, while 9 respondents, representing 18.0%, agreed that IFRS encourages full disclosure of financial information. In addition, 1 respondent, representing 2.0%, was neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly disagreed. This indicates that IFRS encourages full disclosure and improves the quality of financial information presented in financial reports.

Table 17: IFRS enhances investors' confidence through transparent reporting.

Response	Frequency	Percentage (%)
Strongly Agree	41	82.0
Agree	7	14.0
Neutral	1	2.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:
Table 17 reveals that 41 respondents, representing 82.0% of the total respondents, strongly agreed, while 7 respondents, representing 14.0%, agreed that IFRS enhances investors' confidence through transparent reporting. Furthermore, 1 respondent, representing 2.0%, was neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly disagreed. This implies that IFRS has strengthened investors' confidence by promoting transparent financial reports.

Table 18: IFRS adoption has improved accountability in organizations.

Response	Frequency	Percentage (%)
Strongly Agree	34	68.0
Agree	13	26.0
Neutral	2	4.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:

Table 18 indicates that 34 respondents, representing 68.0% of the total respondents, strongly agreed, while 13 respondents, representing 26.0%, agreed that IFRS adoption has improved accountability in organizations. In addition, 2 respondents, representing 4.0%, were neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly disagreed. This suggests that IFRS adoption has enhanced accountability within organizations through improved financial reporting practices.

Table 19: IFRS minimizes misleading financial reporting practices.

Response	Frequency	Percentage (%)
Strongly Agree	37	74.0
Agree	11	22.0
Neutral	1	2.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:

Table 19 shows that 37 respondents, representing 74.0% of the total respondents, strongly agreed, while 11 respondents, representing 22.0%, agreed that IFRS minimizes misleading financial reporting practices. Also, 1 respondent, representing 2.0%, was neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly disagreed. This demonstrates that IFRS contributes to reducing misleading financial reporting practices and improving the credibility of financial statements.

Table 20: Overall, IFRS adoption has significantly improved transparency in financial reporting.

Response	Frequency	Percentage (%)
Strongly Agree	35	70.0
Agree	12	24.0
Neutral	2	4.0
Disagree	1	2.0
Strongly Disagree	0	0.0
Total	50	100.0

Interpretation:

Table 20 reveals that 35 respondents, representing 70.0% of the total respondents, strongly agreed, while 12 respondents, representing 24.0%, agreed that IFRS adoption has significantly improved transparency in financial reporting. Furthermore, 2 respondents, representing 4.0%, were neutral, while 1 respondent, representing 2.0%, disagreed. None of the respondents strongly

disagreed. This indicates that respondents generally believe that IFRS adoption has significantly improved transparency in financial reporting, making financial information more reliable and useful for decisionmaking.

Testing of Hypotheses

The research hypotheses were tested with chi square statistical method which include responses derived from administered questionnaires into each hypothesis. These are presented below:

Hypothesis 1

H_0: IFRS adoption has no significant effect on the reliability of financial reports.
H_1: IFRS adoption has significant effect on the reliability of financial reports.
Expected Frequency 4.6-4.10
Total responses/No of responses
250/5=50

Table 21: Chi square observed and expected

Test of hypothesis1

Responses	observed	expected	O-E	O-E^2	(O-E)^2/E
Strongly agree	161	50	111	12321	246.42
Agree	67	50	17	289	4.78
Neutral	6	50	-44	1936	38.72
Disagree	12	50	-38	1444	28.88
Strongly disagree	4	50	-46	2116	42.32
Chi-square total					361.12

Degree of freedom(df) = No of responses-1=5-1=4
Significance level=0.05
Critical value (using chi square table) =9.488
Decision rule:The majority of respondents agreed that IFRS has improved the quality, reliability, comparability, and accuracy of financial reporting. Therefore, the null hypothesis (H_0) is rejected, while the alternative hypothesis (H_1) is accepted.
Conclusion: Since 361.12>9.488< reject the null hypothesis and accept the alternate hypothesis. It is therefore concluded that IFRS adoption has a significant positive impact on the quality of financial reporting. This finding indicates that the adoption of IFRS has significantly improved the reliability, comparability, accuracy, and overall quality of financial reports, thereby enhancing the usefulness of financial information for decision-making.

Hypothesis 2

H0: IFRS adoption has no significant impact on the accuracy of financial reporting quality.
H1: IFRS adoption has significant impact on the accuracy of financial reporting quality.
Expected frequency of financial reporting quality 4.11 - 4.15
Total responses/No of responses=250/50=50

Table 22: Responses indicating Observed and Expected Frequencies for Hypothesis 2

Responses	Observed	Expected	O-E	$(O-E)^2$	$(O-E)^2/E$
SA	177	50	127	1 6129	322.58
A	57	50	7	49	0.98
N	1	50	-49	2401	48.02
D	12	50	-38	1444	28.88
SD		50	-47	2209	44.18
Chi-square total =					444.64

Degree of freedom (df) = No. of responses – 1
Significance level = 0.05
Critical value (using the chi-square table) = 9.488
Decision Rule: Reject the null hypothesis (H_0) if the calculated chi-square is greater than the critical value. Otherwise, fail to reject the null hypothesis.
Conclusion: Since 444.64 > 9.488, the null hypothesis (H_0) is rejected while the alternative hypothesis is accepted. The study concludes that IFRS adoption has a significant impact on the accuracy of financial reporting quality. This implies that the adoption of IFRS has enhanced the accuracy and credibility of financial reports, thereby improving the quality of financial reporting.

Hypothesis 3
H_0: IFRS adoption has no significant challenges affecting the effective implementation of IFRS in organizations.
H_1: IFRS adoption has significant challenges affecting the effective implementation of IFRS in organizations.

Expected frequency 4.16- 4.20
Table 23: Chi-square observed and expected frequencies for Hypothesis 3

Responses	Observed	Expected	O-E	$(O-E)^2$	$(O-E)^2/E$
SA	166	50	116	13456	269.12
A	55	50	5	25	0.50
N	9	50	-41	1681	33.62
D	15	50	-35	1225	24.50
SD	5	50	-45	2025	40.50
Chi-square total =					368.24

Degree of freedom (df) = No. of responses – 1=5-1=4
Significance level = 0.05
Critical Value (using the chi-square table) = 9.488
Decision Rule: Reject the null hypothesis if the calculated value is greater than the critical value. Otherwise, fail to reject the null hypothesis.
Decision: Since the calculated chi-square 368.24 is greater than the critical value, the null hypothesis is rejected.
Conclusion: It is concluded that the respondents agreed that there are significant challenges affecting the effective implementation of IFRS in organizations. So, it indicates that respondents believe factors such as inadequate training and implementation-related difficulties significantly affect the effective implementation of IFRS in organizations.

Hypothesis Four

H_0: IFRS adoption has no significant influence on the level of transparency in financial reports.
H_1: IFRS adoption has significant influence on the level of transparency in financial reports.

Expected frequency 4.21- 4.25

Total responses/No of responses 250/50=50

Table 24: Chi-square observed and expected frequencies for Hypothesis 4

Responses	Observed	Expected	O-E	$(O-E)^2$	$(O-E)^2/E$
SA	186	50	136	18496	369.92
A	52	50	2	4	0.08
N	7	50	-43	1849	36.98
D	5	50	-45	2025	40.50
SD	0	50	-50	2500	50.00

Chi-square total = 497.48

Decision Rule: Reject the null hypothesis if the chi-square value is greater than the critical value. Otherwise, fail to reject the null hypothesis.

Decision: Since the calculated chi-square value is 497.48 > 9.488, the null hypothesis is rejected while the alternative hypothesis is accepted.

Conclusion: The study therefore concludes that the respondents agreed that IFRS adoption has a significant influence on the level of transparency in financial reports. It suggests that IFRS adoption has made financial reports more transparent and useful for decision-making.

Interpretation of Results

After consistent rejection of null hypothesis across the four tests, the results of this study indicate that the adoption of International Financial Reporting Standards (IFRS) has made a meaningful contribution to improving financial reporting practices. The high level of agreement among respondents suggests that IFRS has enhanced the quality of financial reports by making them more reliable, accurate, and comparable across organizations. Respondents perceived that organizations applying IFRS are more likely to provide complete and understandable financial information, thereby promoting greater confidence in published financial statements.

However, the study also revealed that organizations continue to experience challenges in implementing IFRS effectively. Overall, the test results supported the respondents' opinions by confirming that IFRS adoption has a significant impact on financial reporting quality.

Conclusion

The analysis of the responses demonstrates that respondents strongly believe that the adoption of International Financial Reporting Standards (IFRS) has significantly enhanced the quality and transparency of financial reporting. The findings further reveal that effective implementation of IFRS, supported by adequate training, sufficient resources, management commitment and regulatory compliance, contributes to producing reliable, comparable and transparent financial reports. Therefore, the study concludes that IFRS adoption has had a positive impact on financial reporting quality.

Based on the findings of this study, the following conclusions were reached:

The adoption of International Financial Reporting Standards has contributed positively to financial reporting quality. The implementation of IFRS has improved the preparation and presentation of financial statements by enhancing their reliability, accuracy, comparability, and

transparency. Financial reports prepared under IFRS provide more useful information for investors, creditors, management, regulators, and other users in making informed economic decisions. Although organizations recognize the benefits associated with IFRS adoption, effective implementation remains a challenge due to inadequate training, insufficient implementation resources, and other operational constraints.

The successful realization of IFRS objectives depends not only on adopting the standards but also on ensuring that organizations possess the necessary capacity and institutional support for effective implementation. Overall, IFRS adoption has significantly improved financial reporting quality and transparency, but continuous efforts are required to overcome implementation challenges and sustain compliance with international reporting standards.

Recommendations

Based on the findings of this study, the following recommendations are made:

1. Organizations should organize regular IFRS training programmes for accountants, auditors, finance officers, and other finance personnel to improve their knowledge and application of the standards.
2. Management should provide adequate financial, technological, and human resources required for the effective implementation of IFRS within their organizations.
3. Regulatory agencies should strengthen compliance monitoring through periodic inspections and enforcement measures to ensure organizations fully comply with IFRS requirements.
4. Professional accounting bodies should continue to organize seminars, workshops, and continuing professional development programmes to update accounting professionals on amendments and developments in IFRS.

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