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Compliance with International Financial Reporting Standards

[1]Aliyu Usman Shehu , [2]Tariro Masunda
[1]*Department of Economics Taraba state university Jalingo Nigeria.*
[2]*School of Accounting University Utara Malaysia*

ABSTRACT: *International Financial Reporting Standards (IFRSs) were developed in April 2001, and since then have become a hot topic and issue in the academic and accounting field.Thus, a requirement to carry out a complete analysis on the research activities of the concept. This paper recognizes this requirement and ideally and procedurally investigates the scholarly literatures on IFRS with a bias towards compliance. The study aims to investigate the positionof theresearch topic from 2005 to 2014 in leading academic journals and assesses focus areas of such research, Analyses research paradigms adopted in each research article andit compares and contrasts severaltypes of research articles, methodological research designs used in various research in literature. Finally, it reveals the effects of the investigation and avenues for future research.*

I. Introduction

Globalization has resulted in both private and public sector firms to increasingly acknowledge that having a consistent financial reporting framework supported by robust universally accepted accounting standards is the pathway to accessing foreign investment as well as expanding businesses across borders. As such, it is needless to say that internationalization has come to stay. Financial statements, particularly financial reports from public companies, are relied upon by investors and other users for economic decisions, hence the need for the setting up of standards to control the preparation of such reports in order to enhance their reliability. Different countries therefore, developed accounting standards to the accounting systems suitable to their environment, but due to increased international audience, diverse information needs of users from national and globalboth sources arose and complications of comparability of financial statements prepared using different standards also developed. Choi and Meek (2005).

It became mandatory to come up with particular high quality accounting standards that could be accepted by policy makers, preparers and standard setters, Godfrey and Holmes (2010).The attempts toward globalization led to the formation of the International Accounting Standards Committee (IASC) in 1973 which released a sequence of standards called the International Accounting Standards (IAS).By assuming accounting standard setting responsibilities from its predecessor body IASC, the International Accounting Standard Board (IASB) in April 2001, was given the mandate to make the recognized standards compulsory among all it members. The IASB accepted the body of standards issued by IASC which would remain to be designated 'IAS'. However, the body resolved that new standards would be issued in successionstermed the International Financial Reporting Standards (IFRS). Since then, IFRS are universally becoming the recognized accounting standards for the preparation and production of public company financial statements. According to the (Institute of Chartered Accountants England and Wales, (2010) in the same year of release, over 120 nations had converged their standards into IFRS and many nations in recent years have adopted and now apply International Financial Reporting Standards (IFRSs) as required by IASB.

Armstrong, Barth, Jagolizer&Riedl,(2007), Covrig, Defond& Hung (2007), and Daske et al (2008), postulated that, organizations that adopt IFRS and furthermore stick to the disclosure requirements may gain from increased transparency and understandability, lower capital costs to companies and higher stock prices (as a result of increased investor confidence brought about by the transparent information), elimination of ambiguities in the regulation of securities markets, uncomplicated comparability of financial information across borders and investment prospects, improveddependability of domestic markets to oversees capital providers and potentials foreign merger allies, and to potential lenders of finance from companies in less-developed countries. In addition, it will also facilitate easier worldwidemovement of skilled staff across national boundaries.Also, it will assist multinational companies to satisfy the disclosure requirement for stock exchanges across the globe.

The process of IFRS adoption and implementation has different challenges too. These incorporate absence of political inspiration, lack of political motivation, solid rootedness in the domestic culture and strong patriotism, high costs of implementing IFRS, the complex nature of the standards, the absence of the directions for the use, the inconsistent interpretation, the continuous changes of IFRSs, lack of IFRS knowhow by adopters, the requirement to modify the attitude of the financial department staff(Callao, 2007) Also, the financing, taxation and legal systems of a country and the fact that "the national accounting traditions tend to continue, counteract the consistent and reliable application of IFRS. (Nobes, 2006, p. 235).

This study also analyses the growing focus areas of IFRS studies in recent years and these include firm factors influencing the degree of IFRS adoption, implementation and compliance, the effect of voluntary and mandatory IFRS adoption and compliance, investigation of reporting diversity during the adoption process itself, the influence of corporate governance strength on adoption quality, and, the interplay between market and political forces. Noteworthy amount of researches have been undertaken into organizations'features and how they impact the degree to which concerns conformto disclosure requirements of IFRSs (Al-Shammari, 2011). *Ceteris paribus*, corporate attributes of: size, profitability, auditor type, level of international activities, leverage, and industry type would affect its compliance as follows, larger companies are expected to own the resources that are essential for them to prepare incident such as the introduction of IFRS.Palmer (2008) postulated that the compliance of a firm to the disclosure requirements set by certain accounting standards increases when a business is more profitable, due to the increased need to communicate to shareholders how efficiently the firm is employing funds invested so as to increase shareholders wealth.

Street and Gray (2001) stated that the degree of according with IAS disclosure and measurement prerequisites was positively related with businesses in advanced countries being audited by "Big Five" auditing firms, since they were highly reputable and in comparison with non-big five were believed to reduce agency costs and deter management from engaging in opportunistic behavior. Malone, Fries, and Jones (1993) debated that firms with worldwideundertakings are more often than not exposed to a wider variety of regulatory authorities and tend to have assorted bankers, contractors and consumers. Thus they are prone to release more detailed information and to do so in a clearer form. Ferguson, Lam and Lee (2002) recommended that corporations in distinguishable, highly competitive industries might disclose less information to avert loss from the exposure of proprietary information. Leverage has also been proposed as an appropriate explaining distinction in the extent of disclosure compliance. With reference to Jensen andMeckling (1976) and the agency conflicts between providers of finance to the firm(debt holders) and those appointed by shareholders to run the day to day activities in their businesses(managers) results agency costs, which increase with the increase in debt, (as there is more capital for administrators to transfer from debt holders. Thus, high leveraged firms, are required to report moreinformation to ease agency costs by reassuring debt holders of the security of their interests.

Adoption of IFRS can be voluntary or mandatory and either side effects the level of compliance. Before mandatory adoption of IFRS was instituted, several companies across the globe, had already voluntarily adopted or converted to IFRS, and a study by (El-Gazzar et al., 1999) ***the effects of voluntary adoption***, showed that organizations voluntarily adopting IFRS are those in pursuit of access overseas capital, pursuing improving consumer appreciation or decrease political costs.Capkun et al,(2008), pondered on the ***consequences of mandatory IFRS reporting around the world***, and in their paper on the effect on earnings relevance and timing of the mandatory transition of European firms to IFRS, discovered that though negligible the change was positive and improved total assets, total liabilities and the equity of the firms in their sample

Studies demonstrate that reporting diversity across countries continues afterIFRS adoption, owing to the fact that IFRS are principle –based as opposed to being rule based and therefore, managers retain discretion in applying IFRS (Daske et al., 2008).The leeway which firms have regarding how much information they provide to investors in reconciling from local GAAP to IFRS and complying with mandatory and voluntary standards for the first time results in diversity.

The adoption of IFRS adoption calls for firms to look into the explanations for figures in accounting having differences, disclose additional financial statistics, and decide on voluntary compliance and disclosure options. In light of this perspective, it is expected that stronger governance mechanisms are related with improved adherence to and increased quality disclosure relating to IFRS adoption. Firms with good corporate governance practices, for example greater board independence and more effective audit committees, comply better with IFRS standards and disclose more extensive information on both mandatory and voluntary adoption items, and thus provide higher quality information. In addition, Garcia-Meca and Sanchez-Ballesta (2010) determine that a positive relationship exists between board independence and self-initiateddisclosure, in nations with strong investor protection rights.

Generally, the political and economic systems in a country, not only influences managerial incentives but they also form part of the accounting standards and influence their implementation and use. For example in economies that encourage investor protection, the accounting and reporting standards apply force for managers to authentically report their performance, and as such to produce high-quality financial reports. With increased familiarity of investors with IFRS, the publication of accounts enables stakeholders to monitor management activity and auditors to implement and enforce IFRS, because accounting profession is generally supporting a single set of accounting.

The article objectives are fourfold. Initially, it examines the position of IFRS research from 2005 to 2014 in leading academic journals by assessing focus areas of such research. Secondly, it analyses research paradigms adopted in each research articles. Thirdly, it compares and contracts various kinds of research articles, methodological research designs used in various research in literature. Finally, it unveils the implications of the study and directions for future research.

The review is organized as follows. In the preceding section, the methodology used and the various parameters on which literature is reviewed are clarified. In results section, collected data is explained. Conclusion and discussion section follows, with special reference to nature and focus areas of research identified after literature research. The article concludes with implication of the study, directions of future research and contributions.

II. Research Method

Similar to the method used Taneja, Taneja and Gupta (2011), this study has divided the research methods that is literature collection methodology and research parameters used for reviewing the selected literature.

2.1 Literature Review

In this study, 15 articles were reviewed covering years 2005 to 2014, and we restricted the search to articles in English language. To ensure quality articles, JSTOR, Emerald, EBSCO and google scholar search facilities were used to search for the articles. Our criteria for selecting the articles was based on those that discussed adoption and implementation of International Financial Reporting Standards(IFRS), with a strong bias towards how countries comply with the reporting and disclosure requirements of IFRS. Of the 15 articles, eleven articles were reviewed from leading Accounting journals, specifically "Journal of International Accounting research, Journal of Finance and Accounting, European Accounting Review, International Journal of Business and Management research, The Accounting Review, Accounting and Business Research, and Journal of International Financial Management." The remaining three articles were from Journal of Advance Management Science, Australian Journal of Business and Management and International Business Economics Research Journal.

As illustrated in our article mapping table on the index page, the researches on IFRS compliance in this study were carried out in various continents as follows, 40% were done in Africa. Abata, M.A.(2014), Fasina H.T., and Adegbite, T.A (2014), Okpala K . E. (2012),Samuel, O.L. (2012), and Saudi, S&Dauda, U. (2014) carried out their research in Nigeria and Marfo,E., Yiadom and Atsungo, W. (2014), investigated the level of compliance of IFRS by listed companies in Ghana. Thirty three percent of the researches were carried out in Europe, withLi,S.(2010) and Huifa Chen,H. Liang, Q.,Yihong J.,&Li,Z. (2010), all focusing on European Union and Fekete, S., Matis, D, and Lukacs, J.(2008) carrying out their study in Hungary. In addition, Mutawa A.A.(2010) and Chen,Y and Rezaee, Z. (2011) based their research in Asia that is Kuwaiti and China respectively which accounted for thirteen percent of the sample. The remaining 14% of the articles were from North America and Middle East, by Denies Cormier (2013) in Canada and Mohammed, A. Zahra, S, and Dalal A.A.(2014) conducting their research in Bahrain Bourse.

It can be observed that no studies were done in the continents of South America, Australia and Antarctica. This is not to say the studies on IFRS do not exist in these aforementioned continents, but our review was limited to 15 articles, and these did not happen to fall into the chosen sample.
A comparison of the various articles shows that different researchers studied various aspects of International Financial Reporting Standards Compliance. Referring to our mapping table on the index page of our project, Abata, M.A. (2014), examined the impact of IFRS reporting practices on corporate establishment in Nigeria. Fasina,H.T and Adegbite,T.A (2014), investigated the effect of IFRS on cost management. The effect of IFRS on Global market integration was studied by Francis,C and Wong,H. (2010).In addition, Okpala, K.E.(2012), sought to investigate what effect the adoption of IFRS had on Foreign direct investment and the Nigerian economy, while Samuel, O.L.(2012) examined the impact of IFRS disclosure on bank performance. Also, the objective of the study by Mutawa, A.A (2010) was to examine the extent of compliance by to disclosure requirements by Kuwaiti listed companies. Similarly Fekete et al(2008) and Marfo et al(2014) research objective was to investigate the degree of compliance to IFRS disclosure requirements by firms registered on the securities market, where the former studied listed firms on the stock exchange of Hungary and the latter investigated firms on the Ghana stock exchange.

Furthermore, the study by Mohammed et al (2014), sought to examine the compliance level of firms but their study was limited to finding out the level to which Bah ram Bursa public limited companies specifically comply with IFRS 7. Saudi,S. and Daudi,U. (2014), also narrowed down their research to investigate the extent of

Nigerian banks compliance to IFRS 1 requirement for first time adoption. Additionally, an investigation into the association between corporate governance strength and European Union listed firms' choice with respect to IFRS adoption was done by Verriest et al (2011), and Chen, Y., and Zabihollah (2011), examined the important role played by corporate governance in IFRS convergence. Also, Cormier, D. (2013) studies how the advent of IFRS modified the role of corporate governance on information asymmetry between managers and investors.

Finally, basing their research on firms in the European Union, Chen et al(2010) investigated the effect of institutional variables on IFRS quality and Li,S.(2010)'s objective was to find and discover whether the compulsoryimplementation of IFRS in the European Union decreases cost of equity, especially where firms adhere to disclosure requirements.

B) Research parameters for review

Three definite which include 1) methodological review,2)paradigm shift review, and 3)relational analysis tools have been used to examine center, nature and salience of IFRS literature. Borrowing from (Yadav and Gupta,2008), this review has analyzed nature and types of articles, research design and approach, nature of research design, sources and nature of data, data testing and data analysis techniques under methodological review. To analyse the paradigms shifts, we investigated the various theories used by various researchers in their studies as well as analyzed how the field of accounting has moved from countries using their various local accounting standards for the preparation of financial reports to the adoption of International Financial Reporting Standards (IFRS).For relational analysis, this review establishes and analyses how various IFRS concepts relate to each other. These tools have been discussed as follows,

1) **Parameters of Methodogical Review**

The chosen journal articles research method analysis focuses on nature and types of articles, as highlighted by Oliver(2008) and APA(2001) respectively, research design and approach, nature of research design, sources and nature of data, data testing and data analysis techniques.

Nature and types of Articles

While the American Psychological Association, APA (2001), categorized research articles according to the components an author focuses on in their study, on the other end Oliver, (2008) recognized the two components of outcome and contribution to literature as a basis for research. For this review, 100% of the articles were empirical articles, and we borrow our definition for such type of research from APA, (2001), who defined Empirical research articles as usually involving certainnumbers and or an examination or measurement instrument of some sort. In this article, four headings which include Introduction, Methodology, Results and Discussion are included in the author's report of a study, exploration project or experimentation. All the 15 articles under review, followed this fashion.

Research design and approach

These consist of different kind of investigation among qualitative, quantitative and mixed mode that gives the positions of research design initiatives (Churchill, 1999). The fifteen reviewed articles on the above table made used of 99% quantitative research design approach for example Abata M.A (2014); Fasina et al (2014); and Okpala K. E (2012). Abdullah A.(2010); Fekete et al (2008); Chen et al (2011); Denies C. (2013);Marfo et al (2014); Li,S. (2010); Chen et al (2010) and Verriest et al (2011) . The data for the articles were obtained and analyzed using statistical tools. This may be due to the nature of the research which is based on numerical figures obtained in the cause of their investigations.

Nature of research design

With the cause of the review of the fifteen articles we identified two types of research design mode, 30% made use of questionnaires, 67% made used tothe annual report of listed companies in their respective countries of studies, while 9% of the study used mixed mode (both annual report and Questionnaires). The 30% that made use of primary source of data collection (questionnaires) includes, Abata M.A (2014), Fasina et al (2014) and Okpala K. E.(2012). Their intention of adopting this approach might be as a result of their specific objectives. The limitation of these categories were the small size of their sample population and subjective nature of respondent. These may affect the general quality of their findings.

Akin to social science, economics and finance researchers, The popularity of secondary sources is seen in IFRS researchers. The reviewed articles also have some categories that made use of secondary sources of data collection (Annual report of companies). These categories consist of about 67% of the reviewed articles includes; Francis Cai et al (2010) ,Abdullah A.(2010), Fekete et al (2008),Mohammed et al (2014) , Yu et al (

2011), Denies C. (2013), Marfo et al (2014),Li,S. (2010),Chen et al (2010) and Verriest,A et al (2011). Their choice of this method could be as a result of the ease in obtaining the data and the component contained therein. These categoriesare better than the first one mentioned due to the sample size and information in the published annual report, their finding could be generalized and accepted. The limitation of these methods could be earnings management practices in some of the annual reports may give misleading information used in their analysis.

The last category of the reviewed articles consisting of about 13% used mixed mode (both questionnaires and annual report). Samuel O. L (2012) and Sani et al (2014) fell under this category. Their findings could be more reliable due to the robust nature of the mixed mode. Their limitation could arise from their choice of the sample population and the number of the population used for the research.

Data analysis Techniques

In the course of these review, we identified three techniques used in analyzing the data of the fifteen reviewed articles. Abata M.A (2014) ; Okpala K. E.(2012); Francis et al (2010); Abdullah A.(2010); Fekete et al (2008); Yu Chen et al (2011); Denies C. (2013); Marfo et al (2014); Siqi Li (2010); Chen et al (2010) and Ant Verriest et al (2011) consisting 80% of the articles made used of regression and correlation analysis. Their choice of these techniques could be as a result of the kind of data to be analyzed, which is usually to find out the relationship between two or more phenomena. These categories consist of mainly those using annual reports. The second categories are; Samuel O. L (2012); Mohammedet al (2014) and Fasina et al (2014) consisting 20% made use of chi square, descriptive analysis and inferential statistics. These consist mainly of those who use primary sources of data collection. Their choice of the techniques could be as a result the nature of the data used in their study. The limitation of which has earlier been mentionedin the nature of data collection.

Paradigmatic shift review

The focus of the fifteen articles wasin the era of IFRS adoption, these shows a shift from previously used standards in the respective countries of studies. Thelocal Gaap and other legal requirement peculiar to each country of the respective study were used before the adoption of IFRS. The research focus of the fifteen articles shows a shift from local standard to the IFRS.

Relational analysis

In the course of reviewing fifteen articles only 27% of the articles adopted a theory or model to back their studies. Abata M.A (2014) and Okpala K.E. (2012) made use of the traditional economic theory (law of diminishing return).They backed their choice of the model with the fact that the previous standard used in preparation of financial statement have outlived its usefulness. Hence, the need to adopt IFRS to ensure the attainment of the desired benefit.

FrancisCai et al(2010) made used information asymmetry, his choice was as a result of the fact the annual report of the companies are the source of information to all stakeholders. There is every possibility for a particular group to have an edge of the information over others.

Samuel O. L (2012) made used theory of the rational investor to back his studies. Heopined that the theory stipulates howthe investor tries to maximize his investment and minimize his cost. The choice of this theory could be as a result of the positive relationship between IFRS and performance.

III. Result Discussion

The review considers fifteen articles which focuses on four areas with regards to IFRS; Abata M.A (2014) and Chen et al (2010) investigated on the impact of IFRS on reporting practices consisting of 14% of the total articles reviewed. Abata M.A (2014) undertook a study of" the impact of IFRS on financial reporting practices in Nigeria". His study finds out that IFRS directly affect how earnings and key aspect of the business are accounted for. He tries to assess the level in which IFRS has affected organizations that have adopted the standards. While Chen et al (2010) understudy "the role of IFRS on accounting quality" and founds that Accounting quality could not be attributed mainly to IFRS.

Fasina et al (2014); Francis et al (2010); Okpala K. E. (2012); Samuel O. L (2012) and Sani et al (2014) investigated on the Adoption of IFRS consisting of 33% of the total reviewed articles. Fasina et al (2014) understudy "the effect of IFRS Adoption on accounting practices in Nigeria", He empirically tested his data and finds out that there is positive relationship between adoption of IFRS and financial performance due to cost reduction of an organization. In essence, IFRS adoption in an organization leads to reduction in cost and thereby leads to increased profits.FrancisCai et al (2010) undertook a study of "The effect of IFRS Adoption on global market integration "He found that, IFRS has positive impact on global market integration. The study is of the view that IFRS adoption aids cross border investment and can attract foreign direct investment into a country. Okpala K.E (2012) understudy "Adoption of IFRS and financial statement effect: A perceived implication on

FDI and Nigerian economy" and founds that IFRS adoption will promote foreign direct investment inflow and economic growth. He assert that IFRSadoption will facilitate the inflow foreign direct investment into the Nigerian economy and there by leads to economic prosperity. His findings were in tandem with that of Francis et al (2010).

Samuel O. L (2012) undertook a study on "IFRS adoption and bank performance in Nigeria" and founds that there is positive relationship between IFRS and bank performance in Nigeria .In order words,IFRS adoption by Nigerian Banks have positively improve theirperformance. The study focuses on one sector (financial sector) but linked to performance which is in tandem with Fasina et al (2014) who considers all the sectors,Samuel O. L (2012) considers only the financial sector. Siqi Li (2010) undertook a study to unravel whether "mandatory adoption of IFRS in EU reduces the cost of equity capital" and founds that IFRS adoption significantly lower cost of capital.

Yu Chen et al (2011); Ant Verriest et al (2011) and Denies Cormier (2013) investigated on IFRS and corporate governance consisting of about 20% of the articles under review. Yu chen et al(2011) under study "the role of corporate governance in convergence with IFRS evidence from china" and found that effective internal corporate governance helps companies to be more aligned with IFRS. In his view, corporate governance have positive influence on IFRS compliance level of listed companies in China. Ant verriest et al (2011) under study "the impact of corporate governance on IFRS adoption choices" and founds that firms exhibit heterogeneity in both compliance and disclosure quality. The study affirms that firm behaviour towards IFRS adoption choice is complex and difficult to predict.Denies Cormier (2013) undertook a study on "the incidence of corporate governance and IFRS on information asymmetry in value relevance of earnings" and found that, the advent of IFRS reduces the impact of corporate governance on information asymmetry.

Abdullah A. (2010); Fekete et al (2008); Mohammed et al (2014) and Sani et al (2014) investigated on IFRS compliance and disclosure practices consisting of 33% of the total articles reviewed. Abdullah A.(2010) undertook a study on "Disclosure level and compliance with IFRS: An empirical investigation in Kuwait" and found that the average overall compliance level of his sample is 69% .Thus, indicates that 69% of listed companies in Kuwait have complied with IFRS requirements. Fekete et al (2008) under study "Factors influencing the extent of corporate governance compliance with IFRS" and found that corporate size and industry type are statistically associated with the extent of compliance with IFRS disclosure requirement. He asserted that large corporations are most likely to comply with IFRS disclosure requirement than small organizations.Mohammed et al (2014) undertook a study on "The level of IFRS compliance with IFRS 7 by listed companies Bahrain bourse" and founds that the level of compliance varies by industry, investment sector account for the highest level of compliance. Banks and other financial institution in Bahrain have high compliance level compared to other sectors.Sani et al (2014) undertook a study on "Assessment of compliance with IFRS framework at first time adoption by quoted banks in Nigeria "and found that Nigerian banks complied semi strongly with IFRS 1 requirement. While Marfo et al (2014) under study "compliance with IFRS by listed companies in Ghana' and founds that Ghanaian listed companies have a compliance level of 85.8%. This clearly indicates the compliance level by listed companies in Ghana is higher compared to Kuwait.

Conclusion and Summary

From the above review, we could deduce the focus of researchers regarding the subject matter international financial reporting standard according to the various countries captured. The focus in developing countries of the world is about the adoption, Impact, disclosure and compliances level among listed companies of their respective countries. These researchers try to showcase the immense benefit there in and satisfy their curiosity.

Even though steady progress has been made in these nations, to adopt the standards and enforce them so as to align accounting systems with developed countries, there still remains some challenges which deter full compliance. Abata, M.A. (2014), in his study highlighted these problems which include,political influences, cultural issues, legal impediments and educational needs. Many developed countries lack the competent and skilled professionals who fully understand the operation of IFRS. Various stakeholders who include, accounting professionals (accountants, preparers and auditors), investors, and other users of financial statements need to be trained and educated in IFRS so they can better comprehend the concept. Also, universities and other educational facilities should develop IFRS curricula, so that these stakeholders are trained in the area of IFRS if it is incorporated in their syllabuses.

Also, in weak institutions and enforcement agencies, it is difficult to enforce agencies. For example many developing countries have not yet come up with legislation that possess penalties on stock exchange participants who fail to adhere to the disclosure and compliance requirements of the financial reporting of the securities markets. In addition, thelegal system of many nations has to be revamped so that it becomes acquainted with the new IFRS principles as it relates to tax matters and other presentations of laws.

The implementation of IFRS must involve the reinforcing of the different organizations which will improve its effective employment such as: preparers (administrators) and implementers (auditors (status, independence, training, compensation, tough judgment), legal systems and courts, regulators, accounting boards, ownership structure/block shareholders, politicians, law-makers, analysts, rating agencies, accounting professional bodies, tax authorities and capital market regulators),corporate governance structure, the press, public, educational institutions and business schools, financial market (structure, depth and intermediation).

Some political players are not willing fear losing the control of their economic grip if a foreign body dictates how the country's accounting system should operate. This is so because accounting system is part of the economic, social and political system of a country, and when local standards are used, the political players are able to lobby for standards that will ensure they maintain a hold on some resources, a case which may not exist if authority for standard setting is given to a remote body like the IASB.

To counter some of the above mentioned drawbacks, the Companies Acts of countries using IFRS should Security and Exchange Commissions of the same, should regulate financial reporting of companies in these countries and beam them in light of the adoption of IFRSs. This would legally reinforce implementation bodies to monitorcompliance and initiate penalties as set out in the law to motivate full compliance.

In developed economies, researchers tend to focus on global market integration in relation to international financial reporting standard and its effect on cost of equity and other capital market related studies. There were little studies on IFRS in South America because among articles none was conducted in any of the South American countries. Africa, The United States of America, Canada, the Middle East and China were among the articles reviewed.

Financially, we can conclude that the adoption and convergence to a unified standard of reporting globally will have positive impact on every aspect of the world economy and ensure transparency and lower cost of consolidating financial statements. These will also facilitate cross border investment and global market integration.

This reviews seeks to aid the research community to comprehend the state of studies in IFRS area. Through this study, accountants, auditors, regulators, analysts and the governments will be able to comprehend the underlying and surface causes of mind-bogging issues affecting the effective and efficient adoption and compliance IFRS. Further, this study will contribute value by facilitating academics to choose the concentration area and scope for their future researches not only from a theoretical but then from a procedural point of view as well.Consequently, practitioners will be able to select relevant literature with which to assist them in developing better accounting standards, owing from the classification of focus areas of IFRS literature.

Future studies were suggested by some researchers in our 15 reviewed articles.Abata M, A,(2014), suggested that future research could investigate, the impact of IFRS on a company's organization philosophy, business structure compliance and internal control.Mohammed et al (2014), highlighted a gap his study which is the examination of the compliance level with both disclosure and measurement of financial instruments. Furthermore, Sani Saidu & Umar Dauda (2014),suggested that future researchers could use all Nigerian banks to investigate the extent to which banks in complied with requirements of IFRS 1.Also , Chen et al (2010),recommended that future studies could explore alternative measures of studying how corporate governance influences IFRS compliance and investigate whether national standards are converging with IFRS. Finally, in his study, Li, S. (2010) advocated future researchers to examine the comprehensive economic consequences on net benefit of IFRS adoption.

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APPENDIX

Compliance with International Financial…

S/N	TITLE	YEAR	COUNTRY	AUTHOR	METHOD OF DATA COLLECTION	METHODOLOGY	THEORY	RESEARCH OBJECTIVE	FINDINGS	RESEARCH GAP/FUTURE STUDY
1	The impact of IFRS on financial reporting practices in Nigeria	2014	Nigeria	Abata, Mathew A.	Questionnaire	Random sampling using chi square ,mean and standard deviations	Traditional economic theory (law of diminishing return)	To examine the impact of IFRS on financial reporting practices of corporate establishment in Nigeria	IFRS directly affect how earnings and key aspect of the business are accounted for.	The impact of IFRS on a company's organization philosophy, business structure compliance and internal control.
2	Empirical analysis of the effect of IFRS adoption on Accounting Practices in Nigeria	2014	Nigeria	Fasina H. T. & Adegbite T.A.	Questionnaire	Descriptive and structural data using percentage, inferential chi square and ANOVA	None	To examine the effect of IFRS on cost management	There is positive relationship between adoption of IFRS and financial performance due to cost reduction of an organization	None
3	The effect of IFRS adoption on global market integration	2010	U.S.A	Francis Cai & Hannah Wong	Matrix of stock market index	Correlation analysis	Information asymmetry	To examine the effect of IFRS on global market integration	IFRS has positive impact on global market integration	None
4	Adoption of IFRS and financial statement effect: A perceived implication on FDI and Nigerian economy	2012	Nigeria	Kenneth Enock Okpala	Questionnaire	Stratified random sample of quoted companies in Nigeria using correlation analysis	Traditional economic theory (law of diminishing return)	To investigate the effect of IFRS adoption on FDI and Nigerian economy	IFRS adoption will promote FDI inflow and economic growth	None
5	IFRS adoption and	2012	Nigeria	Olawale	Survey	Chi square &	Theory of	To examine	There is positive	None

	bank performance in Nigeria			Luqman Samuel	questionnaire & annual report of Bank	OLS	rational investor	the impact of IFRS on Bank performance	significant relationship between IFRS and Bank performance in Nigeria	
6	Disclosure level and compliance with IFRS :An empirical investigation of Kuwaiti companies	2010	Kuwaiti	Abdullah Al Mutawa	Annual report of companies in Kuwait	Regression Analysis	None	The extent of compliance of Kuwaiti listed companies with IFRS disclosure requirements	The average overall compliance level for the sampled companies is 69%	None
7	Factors influencing the extent of corporate compliance with IFRS	2008	Hungary	Szilvester Fekete, DimutriMatis& Janos Lukacs	Annual report	Regression analysis	None	The extent of compliance of Hungarian companies with IFRS	Corporate size and industry type are statistically associated with the extent of compliance with IFRS disclosure requirement	None
8	The level of compliance with IFRS 7 by listed companies in Bahrain Bourse	2014	Bahrain Bourse	Adel Mohammed, Sarea Zahra & Abdullah Al Dalal	Annual report of companies	Descriptive analysis	None	Examine the level of compliance with IFRS 7	The level of compliance varies by industry ,investment sector account for the highest level of compliance	Examine the compliance level with both disclosure and measurement of financial instrument
9	An assessment of compliance with IFRS framework at first time adoption by quoted banks in Nigeria	2014	Nigeria	Sani Saidu & Umar Dauda	Questionnaire and Annual report	Multi variance regression analysis & chi square	None	The extent Nigerian banks complied with requirement of IFRS 1	Nigerian banks complied semi strongly with IFRS1 requirement	All Nigerian banks could be used for future studies
10	Impact of corporate governance of IFRS adoption choices	2011	European Union	Ant Verriest, Ann Gaeremynck& Daniel B. Thornton	Annual report	Regression Analysis	None	Investigate the association between corporate governance strength and ERU listed firms choices with respect IFRS adoption	The firms exhibit heterogeneity in both compliance and disclosure quality	None
11	The role of corporate governance in convergence with IFRS evidence from china	2011	China	Yu Chen and Zabihollah Rezaee	Annual report of listed companies	Regression analysis	None	Examine the important role played by corporate governance in IFRS convergence	Effective internal corporate governance helps companies to be more align with IFRS	Could explore alternative measures and investigate whether national standard are converging with IFRS
12	The incidence of corporate governance and IFRS on information asymmetry in the value relevance of earnings	2013	Canada	Denies Cormier	Annual report of companies	Regression analysis	None	Examine how the advent of IFRS modified the role of corporate governance on information asymmetry between managers and investors	The advent of IFRS reduces the impact of corporate governance on information asymmetry	None
13	Compliance with IFRS by listed companies in Ghana	2014	Ghana	Edward Marfo Yiadom and Wisdom Atsunyo	Annual report of listed companies	Correlation and multiple regression analysis	None	The extent to which Ghanaian's listed companies comply with IFRS	An overall compliance of 85.8%	None
14	Does mandatory adoption of IFRS in the EU reduce the cost of equity capital	2010	European Union	Sigili	Annual report of listed companies	Multivariate regression	None	Examine whether the mandatory adoption of IFRS in the EU reduces the cost of equity capital	IFRS adoption significantly lowers cost of equity	Analyzing the comprehensive economic consequences on net benefit of IFRS adoption
15	The role of IFRS in accounting quality : Evidence from the EU	2010	European Union	Huifa Chen,Qing Liang Tang, Yihong Jiang &Zhijun Li.	Annual report of listed companies	Regression analysis	None	To examine the effect of institutional variables on financial reporting quality	Accounting quality could not be attributed mainly to IFRS	None