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International Financial Reporting Standards [IFRS] and Corporate Governance: A Survey of Nigerian Deposit Money Banks [DMBs]

Daniel Izuchukwu CHUDE[1], Nkiru Patricia CHUDE[2]
[1] Lecturer, Department of Accountancy, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, PMB 6059 Awka, Anambra State Nigeria
[2] Lecturer, Department of Banking and Finance, Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, PMB 6059 Awka, Anambra State Nigeria

ABSTRACT: The study examined the effect of the International Financial Reporting Standards [IFRS] implementation on the corporate governance of Nigerian banks. The specific objectives of the study were to examine the effect of IFRS implementation in promoting corporate accountability by banks; the effect of IFRS implementation in strengthening the financial regulatory framework of banks and the effect of IFRS implementation in enhancing corporate disclosure of banks. The study adopts the descriptive survey research design. The sample comprised 144 respondents in banks in the chosen geographical area. The results showed that IFRS implementation promoted corporate accountability in Nigerian banks. There is a significant effect of IFRS implementation in strengthening the financial regulatory framework of banks. Lastly, IFRS implementation has enhanced the corporate disclosure of banks. The study recommends that CBN should further enact rules that promote accountability in the banking sector. Stiff penalty for late default on issuing annual reports, not allowing any single individual to acquire more than 20% shareholding, among others. The sustainability disclosure guideline by the NSE to promote corporate social responsibility among quoted companies should also be enforced for banking institutions. The harmonisation of the diversified corporate governance codes should be further revisited. A clear distinction between the duties and responsibilities of the CBN and FRC may further avoid overlap of functions which may lead to friction.

KEYWORDS: IFRS, Financial Regulatory Framework, Corporate Accountability, Corporate Disclosure.

1.0 INTRODUCTION

International Financial Reporting Standards (IFRSs) are principle-based standards issued by the International Accounting Standards Board (IASB), an independent organisation registered in the United States of America (USA) but based in London, United Kingdom (Ogbodo, Egbunike, & Abiahu, 2017). The foremost objective of the IFRS Foundation is "to develop, in the public interest, a single set of high quality, understandable, enforceable and globally accepted financial reporting standards" (IFRS Foundation 2013a, par. 2(a)). Previously, the body charged with the responsibility for setting accounting standards in the country was the Nigerian Accounting Standards Board (NASB) established in 1982. The NASB issued Statements of Accounting Standards to guide and regulate accounting practice in the country. The 'Statements of Accounting Standards' are indigenous Nigerian Standards set after due consideration of the Nigerian laws, customs, business culture and the level of its economic development (Financial Reporting Council of Nigeria [FRCN], 2018). However, following the recommendation of the 'Committee on the Roadmap to the Adoption of IFRS in Nigeria' inaugurated by the Federal Executive Council (FEC) in 2010; the FRCN was established in June 2011, by the Financial Reporting Council Act. This body took over from the defunct NASB; and, was charged with the responsibility for setting financial reporting standards in Nigeria. The FRCN, therefore, initiated the needed steps aimed at adopting IFRSs in the country.

The global importance of IFRSs stems from increasing international trade, globalization, increased demand for transparency, and facilitating cross-border comparability (Ofoegbu & Odoemelam, 2018). IFRSs reduce uncertainty about an entity's operation; thereby, enabling investors to make rational investment decisions (Bala, Amran, & Shaari, 2018; International Accounting Standards Board [IASB], 2008). The widely acclaimed users of financial information include present and potential investors, creditors, regulatory agencies, employees, suppliers, customers and the government (Pietersz, 2013). Such users rely on financial information for varying decisions which depend on the quality of the financial information. There are several benefits of IFRSs adoption,

they include; improved disclosure, transparency, understandability, and comparability of financial information (Donnelly, 2016; Cameran, Campa, & Pettinicchio, 2014; Matari, Swidi, & Fadzil, 2014).

Corporate governance is a set of mechanisms through which investors protect themselves against expropriation by management (Yusoff & Alhaji, 2012). The Organization for Economic Co-operation and Development [OECD] (2004) observed that corporate governance is "one key element in improving economic efficiency and growth as well as enhancing investor confidence". It is concerned with promoting corporate fairness, transparency and accountability (Effiong, Akpan, & Oti, 2012). Inadequate corporate governance may encourage opportunistic behaviour by managers, such as the diversion of company profits; selling outputs, assets, or securities in the firm to another firm they own or/at below market prices; employing unqualified personnel in managerial positions; and, over compensation, among several others. The adoption of IFRSs was a step towards revolutionising the financial regulatory framework and strengthening the overall corporate governance of publicly quoted firms.

Banks are the linchpin of any economy and occupy a central position in a country's financial system (Echekoba, Egbunike, & Ezu, 2014). The Banks and Other Financial Institutions Act (BOFIA) No. 25 s.62 defines a bank as one licensed under the Act, and banking business as the business of receiving deposits on current, saving or other similar accounts, and paying or collecting cheques. Banks are essential agents in the development process; by intermediating between the surplus and deficit savings units within an economy. The Nigerian banking industry has undergone several reforms over the past decade; such as the increase in the minimum paid-in capital of banks from 2 billion Naira (US $14m) to 25 billion Naira (US$173m) (Akinleye, 2016). This led to the emergence of 25 commercial banks in Nigeria on 31st December 2005. In 2006, a revised code of corporate governance was issued by the Central Bank of Nigeria (CBN) (Abdulazeez, Ndibe, & Mercy, 2016). Other reforms include; the shift from accounting year-end to calendar year-end to improve transparency and comparability of financial results; and, the establishment of AMCON (Asset Management Corporation of Nigeria) (Akinleye, 2016). These reforms were aimed at strengthening the banking sector in the country; and, also safeguarding investors and depositors from potential losses. The banks in addition to other listed companies were also required to adopt IFRSs starting from the 2012 financial year.

The Nigerian banking sector has witnessed an abysmal collapse over the past decade. As of 2009, eight Executive Directors and eight Chief Executive Officers (CEOs) of Commercial Banks were dismissed by the Central Bank of Nigeria (CBN) (Oghojafor, Olayemi, Okonji, & Okolie, 2010). The scandals were attributed to weak corporate governance, inadequate accounting standards, creative accounting, and poor financial disclosure system (Olayinka, Emoarehi, & Paul, 2017; Adeyemi & Fagbemi, 2010; Umoren, 2010). Adegbie and Fofah (2016) also found that the post-consolidation Nigerian banking industry is still fraught with ethical challenges and irregularities in corporate governance.

Studies have investigated the effect of IFRSs implementation on financial performance (Uwuigbe, Emeni, Uwuigbe, & Ataiwrehe, 2016; Yahaya, Fagbemi, & Oyeniyi, 2015). However, few studies have considered the role of IFRS adoption in reducing corporate governance abuses, especially for a developing country like Nigeria. Prior studies by Akeju and Babatunde (2017), Adegbie and Fofah (2016) in Nigeria, Al_Sufy, Almbaideen, Al_Abbadi, and Makhlouf (2013) in Jordan, documented a positive association between corporate governance and financial reporting quality. Norwani, Mohamad, and Tamby (2011) in Malaysia found that corporate governance failure leads to financial reporting failure. Scholars have also identified a paucity of studies on corporate governance disclosure in developing countries (Isukul & Chizea, 2017). Mainly studies in the banking sector focused on the quantifiable aspects of corporate governance (such as board size, board independence, etc.). Abata (2015b) showed that IFRSs implementation improved overall performance; while Abata (2015a) proved that it had a positive impact on the financial reporting practices of Nigerian banks. IFRSs implementation by Nigerian banks will impact areas, such as; debt covenants, compensation and bonuses arrangements, and legal contracts, among others. Recently, Uwuigbe, Emeni, Uwuigbe, and Ataiwrehe (2016) found evidence that IFRS adoption enabled banks to manage their earnings. This is likely given the lack of compliance with relevant ethical codes and poor corporate governance resulting from conflicting regulatory laws in the banking sector (Abdulmalik & Ahmad, 2016). The thrust of the study is therefore to empirically ascertain the opinion of bankers on the effect of IFRSs implementation on corporate governance in Nigeria's banking sector. More specifically as it has deterred earnings manipulation by improving accountability. And also strengthened the existing financial regulatory framework and encouraged improved disclosure as viewed by the stakeholders. The main objective of the study is to ascertain the effect of International Financial Reporting Standards [IFRS] implementation on the corporate governance of Nigerian banks. The study shall specifically examine the following:

1. The effect of IFRS implementation in promoting corporate accountability by banks.

2. The effect of IFRS implementation in strengthening the financial regulatory framework of banks.
3. The effect of IFRS implementation in enhancing corporate disclosure of banks.

2.0 LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Financial Regulatory Framework: Accounting Standards

The growing complexity of business transactions, globalization, and increasing demand for more transparent information, has undoubtedly drawn attention to the financial reporting discipline (Dallas, 2011). To ensure strict financial reporting discipline, standards are put in place to guide the preparation of financial reports. Standards are "models containing a set of rules, parameters and requirements of a financial report. It describes what information is to be presented, how to present it, and the form to use in the presentation. It gives guidance on the type of notes required to explain what has been reported" (Okoye & Ofoegbu, 2006).

International convergence towards a global set of accounting standards started in 1973 when 16 professional accounting bodies from Australia, Canada, France, Germany, Japan, Mexico, Netherlands, the United Kingdom and the United States of America agreed to form the International Accounting Standard Committee (IASC) (Udofia & Ikpantan, 2015). The IASC was reconstituted and transformed into the International Accounting Standard Board (IASB) in 2001. The objective of the Board was to develop high-quality global accounting standards and related interpretations that are now collectively known as IFRS. The IASB structure comprises- IASB, IASC Foundation, International Financial Reporting Interpretations Committee (IFRIC), previously Standing Interpretations Committee, SIC under IASC), Standards Advisory Council (SAC) and Working Groups (Yahaya, Fagbemi, & Oyeniyi, 2015). IFRS comprises both the IFRS and International Accounting Standards (IAS); Interpretations originated by the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) (NASB, 2010).

In 2011, the Federal Government of Nigeria signed into law, the Financial Reporting Council of Nigeria Act, which emphasized the country's road map to the adoption of IFRS. The FRCN which was established in 2011, under the Financial Reporting Council of Nigeria Act No. 6 of 2011, repealed the Nigerian Accounting Standard Board (NASB) Act No. 22 of 2003. The FRCN operates through 6 directorates. These directorates are the directorate of the accounting standard for the private sector, accounting standard for the public sector, auditing practise standards, actuarial standards, inspection and monitoring, evaluation of standards and corporate governance. The enactment of the FRCN Act also provided for the establishment of ethical standards for those involved in the financial reporting process most precisely the independence, objectivity, and integrity of external auditors (Abdulmalik & Ahmad, 2016). The adoption of IFRS in the country was scheduled in 3 phases; the first phase-1st January 2012 for publicly quoted companies; the second phase-1st January 2013 for other Public Interest Entities (PIEs); and, the third phase-1st January 2014 for Small and Medium-size Entities (NASB, 2010).

2.1.2 Benefits and Challenges of Adopting IFRS

According to Cai and Wong (2010), a single set of internationally acceptable standards will eliminate the need for the restatement of financial statements. Other benefits of IFRSs implementation include a decreased cost of capital (Bushman & Piotroski, 2006); efficient capital allocation; capital market development (Adekoya, 2011); improved market liquidity; enhanced comparability (Bhattacharjee & Hossain 2010); cross-border movement of capital; greater integration of global financial markets (Cai & Wong, 2010); and, improved transparency (Leuz & Verrecchia, 2000). Ikpefan and Akande (2012) identified the following benefits of adopting IFRS for listed companies:

a. It will help minimize reporting costs as a result of common reporting systems and consistency in statutory reporting.
b. It will enable comparison/benchmarking with foreign competitors possible. Besides, the adoption of IFRS may offer companies an edge over competitors in the eyes of users.
c. Since the adoption of IFRS will transcend national boundaries/cross borders, acquisitions and the joint venture will be made possible and there will also be easy access to foreign capital.
d. Listed companies can trade their shares and securities on stock exchanges worldwide.
e. The convergence of financial statements would provide a platform for management to view all companies in a group on a common platform.

IFRSs also pose several challenges, they can be broadly categorised into technical and logistic challenges. The technical challenges include the need to engage specialists due to the difficulty of standards; shortage of technically competent staff; change or enhancement of the present IT system to be IFRS compliant, among others. The logistic challenges include the huge cost of staff training on IFRS matters; the high cost of IFRS implementation; and, general resistance to change (Shiyanbola, Adeyemi, & Adelekun 2015).

2.1.2 Corporate Governance

Corporate governance is a set of mechanisms through which investors protect themselves against

expropriation by management (Yusoff & Alhaji, 2012). According to Du Plessis, Hargovan, and Bagaric (2010), corporate governance may be defined as:

> The system of regulating and overseeing corporate conduct and balancing the interests of all internal stakeholders and other parties (external stakeholders, governments and local communities …) who can be affected by the corporation's conduct, to ensure responsible behaviour by corporations and to achieve the maximum level of efficiency and profitability for a corporation (Du Plessis, Hargovan, & Bagaric, 2010, p. 4).

The role of governance is to maximize shareholder wealth (Poudel, 2015). Maier (2005) suggests a broad definition of corporate governance "as a set of relationships between a company's management, its board, its shareholders and its stakeholders. It is the process by which directors and auditors manage their responsibilities towards shareholders and wider company stakeholders". Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders (OECD, 2004). stakeholders include; employees, customers, suppliers, banks and other lenders, regulators, the environment and the community at large. Corporate governance aims to ensure that corporations are managed in the best interests of shareholders (Ahmed, Alam, Jafar, & Zaman, 2008). This applies to listed companies where the majority of shareholders are not actively engaged in everyday management; although, it can also apply to other forms of corporations, such as public corporations (where all citizens are stakeholders), partner-owned companies, privately owned companies, companies with few principal owners and/or a large group of smaller shareholders (Ahmed, Alam, Jafar& Zaman 2008).

The main legal regulatory framework for companies in Nigeria is the Companies and Allied Matters Acts [CAMA], as amended. The CAMA sets the general framework for financial accounting and reporting by all registered companies, and stipulates the basic minimum requirements concerning financial reporting (Okoye & Ofoegbu, 2006). The first Company Law in Nigeria introduced during the colonial period was the Companies Ordinance of 1922. This was repealed when the country gained independence on 1st October 1960, and the Companies Act of 1968 was introduced which is a replica of the UK Companies Act of 1948 (Okike, 2007). The CAMA superseded the Companies Act 1968 which was based on and was substantially the same as the UK Companies Act (Okoye & Ofoegbu, 2006).

In June 2000, the Nigeria Securities and Exchange Commission (SEC) set up a seventeen (17) member Committee led by Atedo Peterside to develop a 'Code of Best Practices for Public Listed Companies' in Nigeria. The committee was mandated to review corporate governance practices, identify weaknesses in the existing system and make recommendations in line with international best practices (Abdulmalik & Ahmad, 2016). The revised code became effective in 2003 and the latter was revised in the year 2011. The revised code of corporate governance issued on the first of April 2011 repealed the 2003 code for listed firms. The new code included provisions, such as; the need for financial expertise on the audit committee, the presence of at least one independent non-executive director on the board, CEO duality, at least one member of the audit committee should be financially literate, the creation of risk management committee and corporate governance committee.

Other industry-specific codes of corporate governance also issued included: Corporate Governance for Banks in Nigeria Post-Consolidation (CBN, 2006); Code of Corporate Governance for Licensed Pension Companies in 2008 (PENCOM, 2008) and Code of Corporate Governance for National Insurance Commission 2009 (NAICOM, 2009). However, unlike the SEC code of corporate governance, industry-specific codes are mandatory for companies operating under the respective sectors. The various financial regulatory bodies in Nigeria, include the Corporate Affairs Commission (CAC); the National Insurance Commission (NAICOM); the Central Bank of Nigeria (CBN); the Securities and Exchange Commission (SEC); and the Nigeria Stock Exchange (NSE). Besides, the CAMA, other regulatory documents include the Investment and Securities Act (1999), and the Bank and Other Financial Institutions Act [BOFIA] (1999) as amended guided the operations of corporate enterprises (Abdulmalik & Ahmad, 2016).

Much recently, the FRCN issued the National Code of Corporate Governance (2016), according to the powers of the FRCN under Sections 50 and 51 of the Financial Reporting Council of Nigeria Act 2011. The Code was initially planned to commence on the 17th of October 2016 before its suspension. The Code was essentially a consolidation and refinement of different sectoral codes on corporate governance and has been issued in three parts: the Code of Corporate Governance for the Private Sector; the Code of Governance for Not-for-Profit entities; and the Code of Governance for the Public Sector.

At the heart of corporate governance is the Board of Directors (BoD). In this regard, corporate governance refers to the "combined statutory and non-statutory framework within which boards of directors exercise their fiduciary duties to the organizations". The key issue is that 'directors owe to shareholders, or perhaps to the

corporation, two basic fiduciary duties: the duty of loyalty and the duty of care' (Garuba & Otomewo, 2015, p. 105). The corporate governance literature also distinguishes between two forms of corporate governance; *first*, internal; and, *secondly*, external governance mechanisms (Gillan, 2006). The internal (endogenous) governance mechanism, refers to corporate governance structures and processes within the control of a firm. The external (exogenous) governance mechanism encapsulates the resources, technology, tax, legal system, accounting standards and their enforcement, capital markets and their operating rules, among others beyond the control of the firm (Gillan, 2006).

2.1.3 Corporate Accountability and Disclosure

According to Licht (2002, p. 6) accountability refers to "a norm of governance, stipulating particular modes of wielding power and of responses to power in the real sense of the term". He further emphasised that accountability "has to do with relationships between corporations and corporate officers and between various social constituencies" (p. 6). Licht (2002), broadly explained that accountability entails:

> A relationship in which an individual or agency is held to answer for performance that involves some delegation of authority to act… which performance is expected by some significant "other"… accountability is a generic form of social relationship found in a variety of contexts… (p. 26).

IFRS specifies components of financial statements that together would be considered a complete set of financial statements for a variety of uses depending on the circumstances (Greuning, Scott, & Terblanche, 2010).

Studies have identified shortcomings in the Statement of Accounting Standards (SAS). The standards were not reviewed or updated to meet the current needs of companies to make them relevant to modern economic requirements (Umoren, 2010; Adeyemi, 2006). Authors argue that when compared to developed countries, there are generally lower disclosure standards; weak regulatory and legal systems; limited enforcement capability; and, volatile economic and political environments, in developing countries (Tanko, 2012; Okike, 2007; Nenova, 2005). Zaiyol, Andrew, and Udende (2017) in Nigeria; investigated whether there were quantitative differences in the financial reports prepared under SAS and IFRS. The results revealed that quantitative differences existed and were statistically significant. They, therefore, concluded that IFRS impacts accountability and the quality of information contained in the financial statement.

2.1.4 IFRSs and Corporate Governance

IFRSs implementation is vital to a sound financial regulatory framework and corporate governance (Okoye & Ofoegbu, 2006). Financial reporting is a crucial element necessary for corporate governance to function effectively (Igbekoyi & Agbaje, 2018). IFRSs implementation is geared at improving transparency and disclosure of items in the financial statements. Section 3.16 of the CBN Code (2006), states that transparency and adequate disclosure of information is the key attribute of corporate governance. According to Garuba and Donwa (2011), corporate governance came to the limelight because it is the only way corporate financial reporting can be seen to be transparent.

Widespread scandals led to criticisms of accountants and managers for not disclosing material facts which are capable of influencing investors (Ofoegbu & Odoemelam, 2018). The literature documents several reasons for such, they include; inadequate standards by the International Accounting Standards Board (IASB) and Financial Accounting Standard Board (FASB) (Pelger, 2016); corporate governance failure (Norwani, Mohamad, & Tamby, 2011), economic instability, and financial crisis (Qiong & Jianjun, 2011). IFRS plays a crucial role in minimising the principal-agent problem from information asymmetry. However, despite elaborate disclosure requirements, concerns still exist about financial statement manipulation (Xu & Lei, 2011); related party transactions disclosure (Lo & Wong, 2016); and, lack of transparency in the presentation of financial positions of entities (Odoemelam, 2016).

Financial reporting quality depends on both the quality of accounting standards and the regulatory enforcement or corporate application of the standards (Hope, 2003). Studies have documented a relationship between financial reporting and corporate governance. Klai and Omri (2011) in Tunisia found a strong relationship between corporate governance and the financial information disclosed by firms. Morwan, Mohammad, and Chek (2011) in a study conducted in Malaysia found that corporate governance failure led to the failure of financial reporting. Al-Sartawi, Alrawahi, and Sanad (2016) in Bahrain; investigated the relationship between corporate governance and the level of compliance with International Accounting Standards (IAS-1) by firms listed on Bahrain Bourse. The results showed that the level of corporate governance had a significant relationship with the level of compliance with IAS-1 disclosure.

2.2 Theoretical Framework

2.2.1 Agency Theory

The origin of '*Agency theory*' can be traced to the early work of Berle and Means (1932); who observed that separation of ownership and control in modern corporations

results in potential conflicts between shareholders and management. The agency theory paradigm emerged in the early '70s (Spence & Zeckhauser, 1971) and was credited to the economics literature (Ross, 1973); and, explained the optimal amount of risk-sharing under different contractual outcomes (Jensen & Meckling, 1976; Harris & Raviv, 1976, 1978; Hölmstrom, 1979). The theory was associated with agency costs by Jensen and Meckling (1976). An agency relationship refers to a "contract under which one or more persons (the principal(s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision-making authority to the agent" (Jensen & Meckling, 1976).

Two forms of conflict usually emanate from an agency relationship (when one party (the principal) delegates work to another (agent)): *firstly,* is the conflict of goals between the principal and agent and the costs associated with the minimisation of such discrepancy; and, *secondly*, the problem of risk sharing when the risk preference of parties differ (Eisenhardt, 1989).

2.2.2 Positive Accounting Theory (PAT)

PAT originated from the scholarly work of Watts and Zimmerman (1986). PAT is concerned with predicting such actions as the choices of accounting policies by firms and how firms will respond to proposed new accounting standards. The PAT is a scientific accounting theory that explains the actual choices of accounting standards made in the economy by economic agents (Bushman & Smith, 2001). Accounting can be perceived as having two functions: *firstly*, producing information for decision-makers, such as shareholders; and, *secondly*, distributing the results of production. Both functions have wealth effects on the stakeholders of an organization. The information influences the evaluation of projects and the control of management (Bushman & Smith, 2001), and its distribution influences wealth through, for example, determining the amount available for dividends.

PAT assumes that human behaviour can be explained by individual wealth-maximizing behaviour, implying that an actor will influence the choice of accounting policy to the extent that the choice influences the wealth of the actor (Watts & Zimmerman, 1986). Thus, the economic consequences of the accounting choice explain the motivation behind the choice. In a world of perfect markets, where information is costless, this would pose no problem. On the other hand, in a world where information is costly, there is no market for accounting information. Introducing the friction of costly information and the costs of gaining competence, i.e., to be able to evaluate the information and process it into a decision, implies that actors in the theory have to decide the level of investment made in both competencies and information. An agent that is in a position able to influence an organization's accounting choice has to figure out the economic consequences of the specific accounting choice, and then figure out how these consequences will affect the agent's wealth.

Thus, there are two relationships - between accounting choice and economic effects; and, between economic effects and effect on the agent's wealth - about which the agent needs information and theories to be able to analyse the information and conclude what choice to make. Watts and Zimmerman formulated three hypotheses concerning PAT; they are as follows: (a) the bonus plan hypothesis, (b) the debt-equity hypothesis, and (c) the political cost hypothesis (Watts & Zimmerman, 1986). Underlying all these hypotheses is the assumption of non-zero contracting costs (Watts & Zimmerman, 1986).

2.3 Empirical Review

Igbekoyi and Agbaje (2018) examined the effect of corporate governance on accounting information quality in Nigeria. The sample comprised banks quoted on the Nigerian Stock Exchange. The study relied on secondary data collected from annual reports from the period 2006 to 2015. The data were analyzed using unit root, co-integration, and error correction models. The results showed that audit committee meetings, audit committee qualification, the board size, directors in the audit committee, and ownership structure had a significant positive relationship with accounting information quality; however, corporate board members had a negative insignificant relationship.

Elosiuba and Okoye (2018) investigated the effect of IFRS on corporate performance in Nigeria. The study used the ex post facto research design. The sample comprised eight (8) banks quoted on the Nigerian Stock Exchange. The study relied on secondary data for the period (2011 and 2012). One sample t-test was used to test the hypotheses. The results of the comparability index showed that mean values for profitability, liquidity and market value were greater in the GAAP era (2011); while, loan grant was greater in the IFRS period (2012). The t-test showed that none of the variables was significant.

Ofoegbu and Odoemelam (2018) examined IFRS disclosure and performance in Nigeria. The sample comprised 64 companies listed on the Nigerian Stock Exchange for a period of six years, from 2012 to 2017. The study relied on secondary data from annual financial reports. They used content analysis and multiple regression techniques to analyze the association between disclosure and performance (proxied as return on capital employed (ROCE). The correlation results indicated a very weak insignificant positive relationship between ROCE and the overall disclosure index. The regression results showed that ROCE had no statistically significant effect on the overall disclosure index.

Akeju and Babatunde (2017) examined the nexus of corporate governance and financial reporting quality in Nigeria. The sample comprised 40 companies listed on the Nigerian Stock Exchange (NSE). The study relied on secondary data; obtained from annual financial reports from 2006 to 2015. The results showed that (board characteristics, audit committees, board independence, board size and growth) had a positive significant effect on financial reporting quality.

Ishola (2017) examined the effect of IFRS adoption on performance reporting in Nigeria. The study used an ex-post facto research design. The sample for the study comprised eight (8) Deposit Money Banks listed on the Nigerian Stock Exchange (NSE) as of 31st December 2015. The study relied on secondary data extracted from annual financial reports. The data were analysed using the Pearson correlation coefficient, linear regression, and paired sample t-test. The results indicated a statistically significant difference in ROE, CR, Total Deposit to Equity (TDE), and Fixed Charge Cover (FCC) before and after IFRS adoption. The regression result showed that IFRS had a positive effect on ROE and TDE; but, a significant negative effect on CR and FCC.

Olayinka, Emoarehi, and Paul (2017) investigated the effect of IFRS on key financial ratios. The sample comprised 11 listed banks in Nigeria. The study relied on secondary data. The duration of the study was divided into two time periods: three years under NGAAP (2009-2011) and three years under the IFRS regime (2013-2015). The data were analysed using the Kolmogorov-Smirnov test and Mann-Whitney U-test. The results showed that NGAAP had a higher mean score for long-term solvency ratios and investment ratios; while, IFRS had a higher mean score for profitability ratios and short-term solvency ratios.

Onuorah and Imene (2016) investigated the relationship between corporate governance and financial reporting quality in Nigeria. The study used a descriptive research design. The sample comprised 5 companies in three sectors (manufacturing, service, and banking). The study relied on secondary data over the period 2006 to 2015. The data was analysed using the VAR model, Granger Causality. The results showed that board size, board experience and quality of external audit had a positive impact on financial reporting quality (measured by discretionary accruals); however, board independence and audit committee size negatively affect financial reporting quality.

Adegbie and Fofah (2016) evaluated the role of ethics, corporate governance and IFRS in financial reporting. The study adopted a survey research design. The study relied on primary data; and, a structured questionnaire was used to obtain responses from operators and regulators. The data were analysed using Analysis of Variance (ANOVA). The results showed that ethical irregularities and poor corporate governance are major factors affecting financial reporting quality; secondly, the supervisory level of Nigerian regulatory authorities is weak. Thirdly, the post-consolidation Nigerian banking industry is full of ethical challenges and irregularities in corporate governance.

Uwuigbe, Emeni, Uwuigbe, and Ataiwrehe (2016) examined the relationship between IFRS adoption and accounting quality in Nigeria. The sample comprised 11 banks listed on the Nigerian Stock Exchange. The study relied on secondary data; extracted from financial statements from 2010 to 2013. The data were analyzed using Ordinary Least Square (OLS). The results revealed that in the post-adoption period income smoothing increased, while earnings management towards small positive earnings reduced, thus indicating a reduction in accounting quality.

Akinleye (2016) investigated the effect of IFRS adoption on the performance of banks in Nigeria. The sample comprised ten (10) Deposit Money Banks. The study relied on secondary data; obtained from the financial statements of the selected banks for the period 2009 to 2014. The study used panel data analysis (pooled OLS, fixed effect and random effect analysis) to analyse the data. The results showed that IFRS adoption had a positive non-significant effect on the performance of deposit money banks measured in terms of return on assets and return on equity.

Yahaya, Fagbemi, and Oyeniyi (2015) examined the effect of IFRS adoption on financial statement figures and key financial ratios in Nigeria. The study used a descriptive research design. The sample comprised 9 banks listed on the Nigerian Stock Exchange. The study relied on secondary data from the annual financial reports of the selected banks. They used the t-tests, Wilcoxon/Mann-Whitney tests (tie-adjusted), F-tests and least squares regression to test the hypotheses. The results showed that IFRS adoption had a significant effect on financial statement figures and key financial ratios of banks.

Alao and Owolabi (2015) investigated IFRS implementation and constraints to corporate governance issues in Nigeria. The study used a survey research design. They used primary data; obtained through copies of questionnaires administered to accountants and academics. The data were analysed using linear regression. The results showed that the level of compliance depends on the level of awareness of the accounting personnel. Awareness also influences company and institutional compliance; and, lastly, observance of IFRS stipulations has a significant relationship with effective governance processes.

Abata (2015a) examined the impact of IFRS adoption on financial reporting practices in the Nigerian banking sector. The sample comprised 14 listed banks in Nigeria. The study relied on secondary data obtained from annual reports and accounts of the selected companies. The

results showed that there were significant quantitative differences in the financial reports prepared under NGAAP and IAS/IFRS.

Abata (2015b) investigated the impact of IFRS on financial reporting practices in Nigeria. The study used the survey research design. Primary data was collected from 50 employees of KPMG using a structured questionnaire. The data were analysed using descriptive and Pearson Chi-square analysis. The descriptive statistics revealed that IFRS provided better information for regulators than GAAP. The results of Pearson Chi-square analysis showed that financial reports prepared under IFRSs enhanced best practices; provide greater benefits than the former GAAP (SAS); promoted cross-border investment and access to; and, improved the performance of companies.

Hassan (2015) investigated the adoption of IFRS and earnings quality in Nigeria. The study used a correlational research design. The sample for the study comprised 14 Deposit Money Banks. The study relied on secondary data. The data were analysed using multiple regression. The result showed that firm attributes (leverage, profitability, liquidity, bank size, and bank growth) had a significant effect on earnings quality in the post-adoption period; but, had no effect in the pre-adoption period.

Taiwo and Adejare (2014) examined the effect of IFRS adoption on accounting practices in Nigeria. The study used a descriptive and cross-sectional research design. The sample comprised 120 professionals in accounting and finance in Lagos. The study relied on primary data; obtained from a structured questionnaire. The data were analyzed using both descriptive (tables, frequencies, and percentages) and inferential statistics (Chi-square and ANOVA). The results showed that there is a strong positive relationship between IFRS adoption and financial statement reporting format; secondly, there is a significant relationship between IFRS adoption and cost reduction.

Onalo, Lizam, and Kaseri (2014) examined the relationship between IFRS and the financial statement quality of banks. The sample comprised 20 Deposit Money Banks in Nigeria. The study covered six years, from 2008 to 2013. The study relied on secondary data. The data was analysed using multiple linear regression. The results showed that IFRS adoption was associated with minimal earnings management and timely recognition of losses. IFRS adoption was also associated with higher value relevance for accounting information quality.

Abiola and Ojo (2012) investigated compliance with regulatory financial reporting and corporate governance practices in Primary Mortgage Institutions (PMIs) in Nigeria. The study used the survey research design. The sample comprised 40 regulators, 55 staff of PMIs, 60 customers, bankers and the general public. The study used judgmental sampling. The study relied on primary data. The data were analysed using the regression technique. The results showed that corporate best practices were negatively related to compliance with regulatory financial reporting but not significant. The performance level of an organization with a profit below N10 million was negative and significantly related to compliance with regulatory financial reporting. However, improved financial and other performance was positive but not significant.

Akisik (2008) examined the association between foreign direct investment inflow, accounting standards, and corporate governance. The study covered 27 countries (emerging and transition economies), classified into three groups: Asian, Central and Eastern European, and Latin American. The data was analysed using the Generalised Two-Stage Least Squares (GLS) and Generalised Method of Moments (GMM) estimation techniques. The results showed a positive association between high-quality accounting standards and effective corporate governance on FDI inflow.

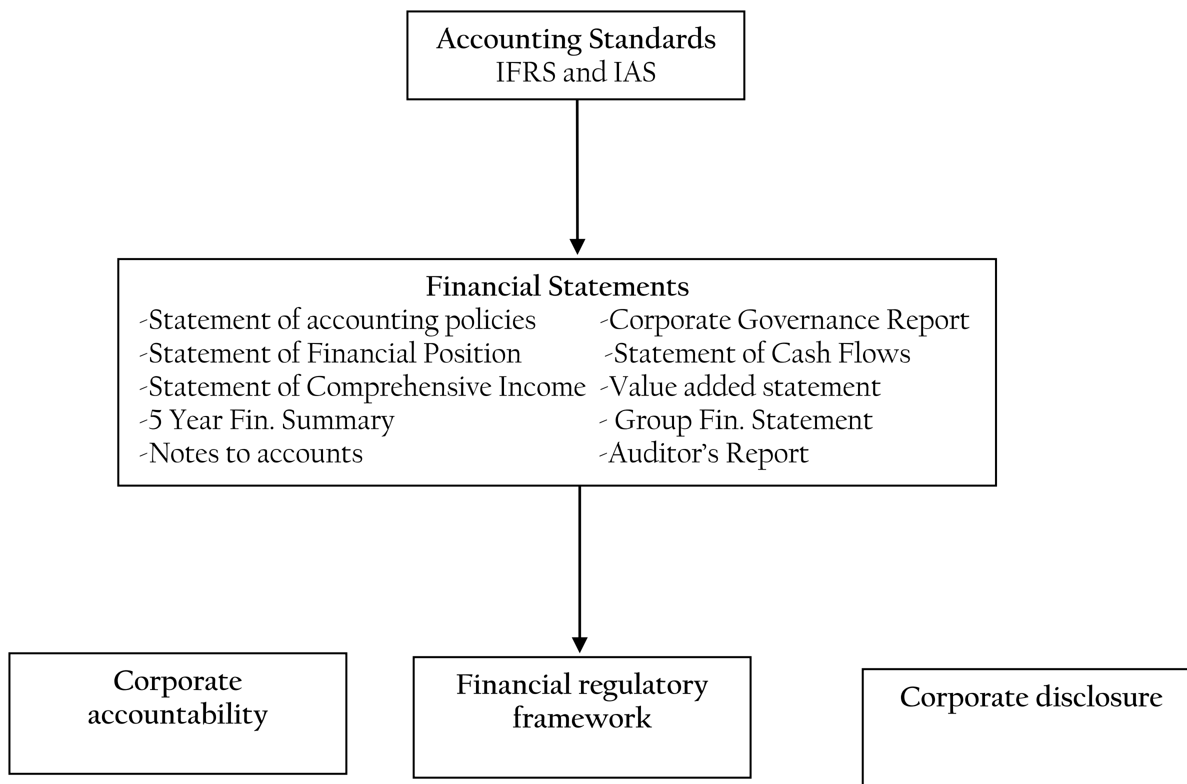

Figure 1: Conceptual Framework
Source: Author's Conceptualisation (2021)

3.0 METHODOLOGY

The study used the descriptive survey research design. Descriptive research allows a researcher to obtain large amounts of data (Gall, Gall, & Borg, 2003), to explore the relationship between non-manipulated variables, phenomena, and/or existing problems. The researcher obtained data from respondents to examine the effect of IFRSs implementation on corporate governance. The survey research design was used because it involved the distribution of questionnaires to selected respondents in the banks considered by the study. The population of the study was drawn from the staff of selected banks in the Awka metropolis.

Table 1: List of banks included in the study

S/No	Bank	Branches	Geographical location
1.	First Bank Plc.	4	Unizik, Enugu-Onitsha Express, Eke-Oka, Zik's Avenue
2.	United Bank for Africa Plc.	4	Unizik, Secretariat, Arroma, Zik's Avenue
3.	ECO-Bank		Enugu-Onitsha Express
4.	Heritage Bank Plc.	2	Unizik
5.	Keystone Bank Limited	1	Unizik, Zik's Avenue
6.	Diamond Bank Plc.	1	Unizik, Enugu-Onitsha Express
7.	Zenith Bank Plc.	2	Unizik, Enugu-Onitsha Express, Zik's Avenue
8.	Access Bank Plc.	3	Unizik, Enugu-Onitsha Express
9.	Fidelity Bank Plc.	2	Unizik, Enugu-Onitsha Express, Zik's Avenue
10.	Guaranty Trust Bank Plc.	3	Unizik, Eke-Oka
11.	FCMB	2	
12.	Polaris Bank Limited	2	Enugu-Onitsha Express, Eke-Oka
		1	Zik's Avenue

Source: Field Survey (2021)

3.1 Sample Size of the Study

The sample for the study was calculated using the statistical formula by Bill Gooden (2004). The formula is given below as follows

$$SS = \frac{z2 \times (p) x (1-P)}{C2}$$

Where:

SS = Sample size
Z = Z value (e.g. 1.96 for 95% confidence level)
p = Percentage of the population picking a choice expressed as a decimal
C = Confidence interval expressed as decimal (+ 8%)

$$SS = \frac{1.96^2 \times 0.6 \times 0.4}{0.0064}$$

SS = 144 (Approx.)

The sample, therefore, comprised one hundred and forty-four employees of the selected banks. This was proportionally allocated to the banks based on the determined number of branches.

3.2 Sources of Data

The study relied on primary data. The primary data was obtained from a structured questionnaire administered to the respondents of the study. The instrument for data collection is a self-constructed questionnaire. The questionnaire is divided into two sections: Section A used to obtain the personal information of the respondents. Section B was used to obtain information on items related to the study objectives. Section B contained 17 items for measuring the overall effect of IFRS implementation on corporate governance. The items of the instrument were structured on a 5-point scale, the response options were Strongly Agree (SA), Agree (A), Indifferent (I), Disagree (D), and Strongly Disagree (SD). The scores were weighted as follows (SA: 5), (A: 4), (I: 3), (D: 2), and (SD: 1) respectively.

3.3 Reliability and Validity of Instrument

The instrument for data collection was subjected to a pilot test on a sample of 25 respondents from the academic (Lecturers) and regulatory sector (staff of FRC; Stock Exchange, and SEC). The Cronbach Alpha on the instrument was as follows: IFRSs implementation (α =.732); Corporate accountability (α =.711); Financial regulatory framework (α =.744); and, Corporate disclosure (α =.789). The content and construct validity of the instrument was ensured by presenting it to experts in accounting, business and behavioural sciences. Copies of the structured questionnaire including the topic, statement of the problem, objectives and hypotheses, were sent to the experts for them to make inputs which were co-opted and integrated into the final version.

3.4 Methods of Data Analysis

The study employs both descriptive and inferential statistics in analysing the data. The descriptive statistics computed were the mean, minimum and maximum values. The inferential statistics were the (1) Pearson correlation - to measure the degree of relationship between the different variables. Correlation measures the direction of the linear relationship between two variables as well as the strength of the association between variables (Tabachnick & Fidell, 2007). A positive (+) correlation indicates that when one variable increases another also increases; while, a negative (-) correlation shows an inverse relationship (Pallant, 2007); (2) Regression - to investigate the causal relationship between the variables. The regression analysis is used to determine the independent variables' ability to explain the dependent variables' variance (Mussalo, 2015).

4.0 DATA ANALYSIS AND INTERPRETATION

Table 2: Demographic information of the respondents

Demographic profile		Frequency	Percentage
Gender:	Male	87	64.4%
	Female	48	35.6%
		135	**100**
Age:	Under 30 years	23	17.0%
	31 - 40	68	50.4%
	41 – 50	33	24.4%
	51 – 60	11	8.2%
	61 & above	nil	nil
		135	**100**
Highest Academic Qualification:	OND/NCE	21	15.6%
	BSc/HND (First degree)	86	63.7%

	MSc/MA*	28	20.7%
	PhD	nil	nil
		135	**100**
Managerial Position:	Top management	18	13.3%
	Middle management	96	71.1%
	Lower management	21	15.6%
		135	**100**
Years of work experience:	1 - 5 years	37	27.4%
	6 – 10 years	57	42.2%
	11 – 15 years	23	17.0%
	16 & Above	18	13.4%
		135	**100**

Source: Field Survey (2021)

The demographic information of the respondents is shown in the table above. The reliability of the instrument was tested using Cronbach Alpha (α), α enables a researcher to measure the internal consistency of a scale.

Table 3: Reliability statistics

	N	Cronbach Alpha (α)
IFRSs:	4	.781
Corporate accountability:	5	.872
Financial regulatory framework:	4	.754
Corporate disclosure:	4	.748

Source: SPSS Ver. 24

The corporate governance scale consisted of three subscales, the corporate accountability subscale consisted of 5 items (α = .872), the financial regulatory framework subscale consisted of 4 items (α = .754), and, the corporate disclosure subscale consisted of 4 items (α = .748). The Cronbach Alpha for the 13 corporate governance items was .889. The IFRSs implementation scale consisted of 4 items (α = .781). The instrument was considered highly reliable (α > .70) in line with suggestions by prior authors.

4.1 Frequency Distribution and Descriptive Statistics

Table 4: Item responses and mean statistic

S/No		SA	A	N	D	SD	Mean
1	The implementation of IFRSs has enhanced the comparability of financial reports	80 (400)	33 (132)	11 (33)	6 (12)	5 (5)	4.31
2	The implementation of IFRSs has improved the completeness of financial reports	91 (455)	35 (140)	4 (12)	3 (6)	2 (2)	4.1
3	IFRSs implementation has greatly improved the relevance, reliability, and timeliness of financial statements	78 (390)	44 (176)	-	7 (14)	6 (6)	4.34
4	IFRSs financial statements faithfully represent the true position of the business entity	71 (355)	50 (200)	8 (24)	4 (8)	2 (2)	4.36

Source: Field Survey (2021)

Table 4. cont'd: Item responses and mean statistic

S/No		SA	A	N	D	SD	Mean
1	The implementation of IFRSs has greatly improved the stewardship role of management	65 (325)	41 (164)	11 (33)	10 (20)	8 (8)	4.07
2	IFRSs implementation has improved management accountability for	87	33	7	6	2	4.46

	resources entrusted to them	(435)	(132)	(21)	(12)	(2)	
3	The implementation of IFRSs has greatly reduced wastage and mismanagement of resources	59 (295)	44 (176)	20 (60)	8 (16)	4 (4)	4.08
4	IFRSs implementation has significantly improved the transparency of financial statements thereby strengthening the audit report	88 (440)	21 (84)	9 (27)	11 (22)	6 (6)	4.29
5	IFRSs implementation enhanced the efficiency and effectiveness of management	71 (355)	22 (88)	11 (33)	17 (34)	14 (14)	3.88
6	The bank strictly complies with all relevant statutes by the Central Bank of Nigeria (CBN)	67 (335)	20 (80)	11 (33)	21 (42)	16 (16)	3.75
7	IFRSs implementation has reduced information asymmetry and moral hazard between principals and agents moral hazard	81 (405)	23 (92)	9 (27)	11 (22)	11 (11)	4.13
8	The implementation of IFRSs has reduced managerial use of opportunistic earnings management through accrual policy.	87 (435)	33 (132)	5 (15)	6 (12)	4 (4)	4.43
9	IFRSs implementation has enhanced rational decision-making by investors	84 (420)	34 (136)	3 (9)	4 (8)	10 (10)	4.32
10	IFRSs implementation has improved the disclosure of information to stakeholders	92 (460)	21 (84)	-	12 (24)	10 (10)	4.28
11	The implementation of IFRSs has greatly improved the voluntary disclosure of Nigerian banks	61 (305)	27 (108)	27 (81)	11 (22)	9 (9)	3.89
12	IFRSs implementation has provided better information for regulators	88 (440)	24 (96)	8 (24)	8 (16)	7 (7)	4.32
13	IFRSs implementation has greatly improved the qualitative disclosure of key performance indicators	84 (420)	38 (152)	11 (33)	-	2 (2)	4.50

Source: Field Survey (2021)

4.2 Analysis of Research Questions

Research question one: To what extent has IFRS implementation promoted corporate accountability by banks?

Table 5: Effect of IFRSs implementation on corporate accountability

	Correlation Coefficient
IFRSs implementation and corporate accountability:	.654**
N	135

Source: SPSS Ver. 24

****. Correlation is significant at the 0.01 level (2-tailed).**

The table shows that the effect of IFRSs implementation on corporate accountability is positive and significant (r =.654, $p < .01$); thus, IFRSs implementation has promoted corporate accountability among Nigerian banks.

Research question two: What is the effect of IFRS implementation in strengthening the financial regulatory framework of banks?

Table 6: Effect of IFRSs implementation on the financial regulatory framework (FRF)

	Correlation Coefficient
IFRSs implementation and FRF:	.861**
N	135

Source: SPSS Ver. 24

****. Correlation is significant at the 0.01 level (2-tailed).**

The table shows that the effect of IFRSs implementation on the financial regulatory framework is positive and significant (r =.861, $p < .01$); thus, IFRSs implementation has strengthened the financial regulatory framework of Nigerian banks.

Research question three: What effect does IFRS implementation have in enhancing the corporate disclosure of banks?

Table 7: Effect of IFRSs implementation on corporate disclosure

	Correlation Coefficient
IFRSs implementation and corporate disclosure:	.775**
N	135

Source: SPSS Ver. 24

****. Correlation is significant at the 0.01 level (2-tailed).**

The table shows that the effect of IFRSs implementation on corporate disclosure is positive and significant (r =.775, p < .01); thus, IFRSs implementation has enhanced corporate disclosure among Nigerian banks.

4.3 Test of Hypotheses

Hypothesis one: IFRS implementation has promoted corporate accountability by banks.

The linear regression model showed an R-squared value of .428 and an adjusted R-squared value of .415. The model F statistic (ratio of the mean regression sum of squares divided by the mean error sum of squares) was 4.777 (p<.05), from which we conclude that the overall model is significant with a moderately high explanatory power (R^2 = .43). R^2 measures the proportion of the variance in the dependent variable that is explained by the independent variables, therefore the independent variable explains approximately 42% of the variance in the dependent variable.

Table 8: Regression results for hypothesis one

	F	Sig.	Unstandardized B	Beta	t	Sig.
Constant			6.329		4.234	.000
Model 1:	4.777	.001	.337	.264	3.001	.001

Source: SPSS Ver. 24

The *t statistic* for the independent variable (IFRSs) is 3.001 (p<.05), which confirms the alternate hypothesis; thus, IFRS implementation has promoted corporate accountability by Nigerian banks.

Hypothesis two: There is a significant effect of IFRS implementation in strengtheningthe financial regulatory framework of banks.

The linear regression model showed an R squared value of .741, an adjusted R squared value of .711. The model F statistic (ratio of the mean regression sum of squares divided by the mean error sum of squares) was 6.039 (p<.05), from which we conclude that the overall model is significant with a moderately high explanatory power (R^2 = .74). R^2 measures the proportion of the variance in the dependent variable that is explained by the independent variables, therefore the independent variable explains approximately 71% of the variance in the dependent variable.

Table 9: Regression results for hypothesis two

	F	Sig.	Unstandardized B	Beta	t	Sig.
Constant			3.444		3.028	.006
Model 2:	6.039	.000	.658	.478	4.021	.003

Source: SPSS Ver. 24

The *t statistic* for the independent variable (IFRSs) is 4.021 (p<.05), which confirms the alternate hypothesis; thus, there is a significant effect of IFRS implementation in strengthening the financial regulatory framework of banks.

Hypothesis three: IFRS implementation has enhanced the corporate disclosure of banks.

The linear regression model showed an R squared value of .601, an adjusted R squared value of .586. The model F

statistic (ratio of the mean regression sum of squares divided by the mean error sum of squares) was 4.285 ($p<.05$), from which we conclude that the overall model is significant with a moderately high explanatory power ($R^2 = .60$). R^2 measures the proportion of the variance in the dependent variable that is explained by the independent variables, therefore the independent variable explains approximately 59% of the variance in the dependent variable.

Table 10: Regression results for hypothesis three

	F	Sig.	Unstandardized B	Beta	t	Sig.
Constant			4.114		4.321	.000
Model 1:	4.285	.000	.756	.647	6.634	.000

Source: SPSS Ver. 24

The *t statistic* for the independent variable (IFRSs) is 6.634 (*p*<.05), which confirms the alternate hypothesis; thus, IFRS implementation has enhanced the corporate disclosure of banks.

4.4 Discussion of Findings

The first hypothesis showed that the respondents perceived that IFRS implementation promotes corporate accountability by banks. This position was confirmed in prior studies by Donnelly (2016); Cameran, Campa, and Pettinicchio (2014); Matari, Swidi, and Fadzil (2014), that IFRS implementation led to improved disclosure, transparency, understandability, and comparability of financial information. This is also warranted given the high rate of ethical irregularities and poor corporate governance which are among the factors affecting financial reporting quality (Adegbie & Fofah, 2016).

Quantitatively studies have also shown significant differences in pre and post-IFRS figures for Nigerian banks (Abata, 2015a). Ishola (2017), showed a statistically significant difference in ROE, CR, Total Deposit to Equity (TDE), and Fixed Charge Cover (FCC); with IFRS having a positive effect on ROE and TDE; and, a significant negative effect on CR and FCC. Olayinka, Emoarehi, and Paul (2017) showed that NGAAP had higher mean scores for long-term solvency and investment ratios; while, IFRS had higher mean scores for profitability and short-term solvency ratios.

Other studies show no statistically significant difference. For instance, Elosiuba and Okoye (2018) which used a comparability index established that mean values for profitability, liquidity and market value were greater in the GAAP era (2011); while loan grant was greater in the IFRS period (2012). However, none of the variables was significant.

The second hypothesis showed that the implementation of IFRS strengthened the financial regulatory framework of banks. This is consistent with the study by Alao and Owolabi (2015), which documented that IFRS observance had a significant relationship with effective governance processes. Akisik (2008) using data from 27 countries (Asian, Central and Eastern European, and Latin American); showed that there was a positive association between high-quality accounting standards and effective corporate governance on FDI inflow.

The third hypothesis showed that respondents perceived that IFRS implementation enhanced the corporate disclosure of banks. This is consistent with the study by Abata (2015b) on 50 employees of KPMG; which confirmed that financial reports prepared under IFRSs enhanced best practices; and, provide more benefits than the former GAAP (SAS). A prior study by, Onalo, Lizam, and Kaseri (2014) on a sample of 20 Deposit Money Banks in Nigeria; showed that IFRS adoption was associated with minimal earnings management, higher value relevance for accounting information and timely recognition of losses. According to Taiwo and Adejare (2014); who sampled 120 professionals in accounting and finance in Lagos, Nigeria IFRSs adoption affected the financial statement reporting format.

Previously, the standard in use in the country the Statement of Accounting Standards (SAS), were often not reviewed or updated to meet the current needs of the market thus making transparency and disclosures inadequate (Umoren, 2010; Adeyemi, 2006). This was in addition to the fact that the level of disclosure of voluntary information in developing countries was still rudimentary. However, scholars opine that IFRSs increase the mandatory disclosure of items previously not required by most country-specific accounting standards (GAAP) (Almeida & Rodrigues, 2016). This, therefore, has the net effect of increasing the level of information disclosure, thus, safeguarding investors from the concealment of vital information (Modugu & Eboigbe, 2017) or the risk of manipulated earnings (Musyoka, 2017). This was demonstrated in the responses by the respondents; when they agreed that IFRSs implementation improved the disclosure of information to stakeholders (4.28) and voluntary disclosure (3.89). Moreover, they found to support that IFRSs implementation

provided better information for regulators (4.32); and, the qualitative disclosure on key performance indicators (4.50).

5.0 CONCLUSION AND RECOMMENDATIONS

The study was undertaken to ascertain the opinion of respondents on the effect of IFRSs implementation on corporate governance. The respondents for the study were drawn from banks in the Awka metropolis. The results found to support that the implementation of IFRSs promoted corporate accountability and strengthened the financial regulatory framework of banks. The respondents also agreed that IFRSs implementation enhanced corporate disclosure. Based on the findings of the research, it was recommended as follows:

1. The CBN should further enact rules that promote accountability in the banking sector. Stiff penalty for late default on issuing annual reports, not allowing any single individual to acquire more than 20% shareholding, among others. The sustainability disclosure guideline by the NSE to promote corporate social responsibility among quoted companies should also be enforced for banking institutions.
2. The harmonisation of the diversified corporate governance codes should be further revisited. A clear distinction between the duties and responsibilities of the CBN and FRC may further avoid overlap of functions which may lead to friction.
3. To further inform its stakeholders the SEC, CBN and other policy regulators and professional bodies, such as the CIBN should come up with items within the ambit of voluntary disclosure to further enhance the transparency of financial statements by banks moreover a proactive approach by the CBN the apex regulatory bank would further safeguard investors from unprecedented demise.

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Appendix I: Instrument

Section A

Please tick in the check boxes the option which best corresponds to

Demographic Data:

1. Gender: Male ☐
   Female ☐
2. Age: 20-30 ☐
   31-40 ☐
   41-50 ☐
   51-60 ☐
   61 & Above ☐
3. Highest Academic Qualification: OND/NCE ☐
   BSc/HND ☐
   MSc/MA ☐
   PhD ☐
4. Managerial position: Top mgt. ☐
   Middle mgt. ☐
   Lower mgt. ☐
5. Years of work experience:
   1 - 5 years ☐
   6 – 10 years ☐
   11 – 15 years ☐
   16 & Above ☐

Section B

B.1 IFRSs (Qualities of financial statements)

S/No		SA	A	N	D	SD
1	The implementation of IFRSs has enhanced the comparability of financial reports					
2	The implementation of IFRSs has improved the completeness of financial reports					
3	IFRSs implementation has greatly improved the relevance, reliability, and timeliness of financial statements					
4	IFRSs financial statements faithfully represent the true position of the business entity					

B.2 Corporate accountability

S/No		SA	A	N	D	SD
1	The implementation of IFRSs has greatly improved the stewardship role of management					
2	IFRSs implementation has improved management accountability for resources entrusted to them					
3	The implementation of IFRSs has greatly reduced wastage and mismanagement of resources					
4	IFRSs implementation has significantly improved the transparency of financial statements thereby strengthening the audit report					
5	IFRSs implementation enhanced the efficiency and effectiveness of management					

B.3 Financial regulatory framework

S/No		SA	A	N	D	SD
1	The bank strictly complies with all relevant statutes by the Central Bank of Nigeria (CBN)					
2	IFRSs implementation has reduced information asymmetry and moral hazard between principals and agents moral hazard					
3	The implementation of IFRSs has reduced managerial use of opportunistic earnings management through accrual policy.					
4	IFRSs implementation has enhanced rational decision-making by investors					

B.4 Corporate disclosure

S/No		SA	A	N	D	SD
1	IFRSs implementation has improved the disclosure of information to stakeholders					
2	The implementation of IFRSs has greatly improved the voluntary disclosure of Nigerian banks					
3	IFRSs implementation has provided better information for regulators					
4	IFRSs implementation has greatly improved the qualitative disclosure of key performance indicators					