The adoption of the International Financial Reporting Standard (IFRS) and the quality of corporate financial reports by quoted companies in Nigeria

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ABSTRACT

This is a study on an adoption of IFRS as well as the quality of corporate financial reports of quoted companies. This study adopts desktop research and explorative research design to evaluate the relevant stages of adoption of IFRS in Nigeria by quoted companies. Further, it utilizes a survey design to gather data from holders of equity in quoted companies in Nigeria. Using purposive sampling, a sample size of 150 was chosen, questionnaires administered and data collected were analyzed using parametric and non – parametric tests. For a test of reliability, the questionnaire was subject to cronbach's alpha tests. Moreover, out of 150 copies of questionnaires administered 114 were returned. The data analysis shows that there is a positive correlation between quality of corporate financial report and the predictors which comprises verifiability, period of investment, timeliness, earnings quality, comparability as well as understandability. It, also, indicates that predictors accounts for 29.9% of the quality of corporate financial report while the regression model statistically significantly predicts the quality of corporate financial report. This study concludes that the IFRS adoption by quoted companies in Nigeria improves the quality of corporate financial reporting. It, therefore, recommends that the Financial Reporting Council of Nigeria should improve its monitoring and enforcement measures while relevant regulatory frameworks, legislative processes and corporate governance mechanisms should be strengthened

Keywords: IFRS, Stakeholder, financial report, quoted company

1.0 INTRODUCTION

The quality of a corporate financial report is a function of the application of provisions and techniques in accounting standards to financials of a company. Quality corporate financial reports guide corporate investors in decision making with respect investment and, or divestment decisions. According to Siriyama and Norah (2007), "corporate financial reporting is the medium through which companies disseminate information to the various stakeholders in terms of profitability, efficiency and responsibility." Studies in corporate accounting and financial reporting gained momentum due to the global declaration of IFRS (Adeyanju, 2020), which prescribes how accounting issues should be reported in the published financial statements. This connotes 100% compliant level to the relevant provisions and guidelines set by IASB. (Karan, 2015) in Bakare, Nurudeen & Adetoyan (2020). According to Yurisandi and Puspitasari (2015), IFRS aims to provide a high-quality financial report but expressed reservations that being a principle – based standard, its use would increase the possibility of financial statement risk such as errors, business distortions and management of earnings. This, therefore, poses a challenge to the corporate financial reporting system. Asein (2011) disclosed that international organization of securities commission (IOSCO) was the first organization to adopt the standard. IOSCO adopted it as a secondary listing requirement for all its member stock exchanges in May 2000. Afterwards, the European commission made it compulsory as a basis for preparing financial statements by companies listed in European Union Stock Exchanges. This will take effect from January 2005.

From the foregoing, this paper attempts to evaluate the adoption of IFRS by Nigeria with respect to the quality of corporate financial reports issued by quoted companies. The population of study is equity holders in quoted companies in Nigeria. According to Nyor (2013), the equity group comprises the existing as well as potential shareholder. Holders of convertible securities, options and warrants of a company are not left out. He espoused that equity holders need corporate financial information to appraise and take necessary investment decisions or divestment decisions in accordance with the aim of earning return. This would be in the form of dividend and or share capital appreciation on their investment. The choice of equity holders for this study is based on the view that amongst the corporate stakeholders, they are the main provider of corporate fund and are entitled to annual reports and disclosures from company directors. Indeed, they have the right to get copies of financial statements as stipulated in Companies and the Allied Matters Acts, 2020 as amended. This paper is sectionalized into six sections. Following this introduction, the next section presents a review of relevant literature. The section three discusses the methodology while the section four presents discussion of findings. Moreover, section five focuses on conclusion and recommendation while the last section deals with a suggestion for future research.

2.0 REVIEW OF LITERATURE

This section deals with a review of relevant literature.

2.1 IFRS Roadmap: Nigeria

According to Anumaka (2010), the Nigerian Accounting Standard Board (NASB) came on board on the 9th of September, 1982. In May 1992, it was organized as a parastatal in the former federal ministry of Trade and Tourism now the ministry of Trade and Investment. The board comprises eighteen members representing numerous organizations drawn from banking sectors as well as manufacturing, commercial, educational and regulatory sectors of the economy. Adeyanju (2020) expounds that the responsibility of NASB was similar to other standard setting bodies such as the financial accounting standard board of the United States of America, Accounting Standards Board of the United Kingdom and the Australian Accounting Research Foundation in Australia. Furthermore, he cited Abata (2012) that members of the board were expected to use their offices as an influence on other members and secure compliance with the relevant accounting standard. Also, they were expected to devise punitive measures for any user that fails to comply with the standards.

Theologically, Obi (2020) recalled the story of the tower of Babel as told in the Holy Bible. He reiterated that the uniformity in language led to the building of the tower of Babel. Emphasizing accounting as a language of business, he, therefore, related the IFRS development by IASB and subsequent adoption by countries of the world as the development of uniform language for corporate financial reporting throughout the globe.

Obazee (2011) stated that "on June 3, 2011, President Goodluck Jonathan enacted the Financial Reporting Council of Nigeria (FRCN) Act (6) 2011 and therein repealed the NASB Act No.22 of 2003." Further, he disclosed that FRCN Act, 2011 establishes FRCN as a government agency. Their function is to develop, publish and monitor compliance with the standard.

In conclusion, Bakare et al. (2020) disclosed it was on December 2, 2010 that the FRCN launched the IFRS road map. The first phase of the road map relates to the public listed entities and the significant public interest entities. The public listed entities and the significant public interest entities were to adopt the standard by January 2012. Moreover, other public interest entities would adopt by January 2013. It is mandatory for the Small and Medium-Sized Entities to adopt the IFRS by January 2014.

2.2 Quality of Corporate Financial Reporting

Researchers and scholars such as Uzoma, Olokoyo, Babajide, Folashade, and Dorcas (2016) and Eluyela, Adetula, Oladipo, Nwanji, Adegbola, Ajayi and Falaye (2019) noted that the relative advantage of the uniformity, reliability and comparability of financial statement made the IFRS adoption issue of global relevance around the world. Jones and Blanchet (2000) in Shatima, Babayo and Madaki (2020) claimed that a quality of financial reporting is complete and transparent financials. Furthermore, Shatima, et al…… cited Verdi (2006) that financial reporting quality is the precision with which corporate financials convey relevant information to users, most especially, the cash flows of a firm. This will enable equity investors to be well informed about the financial reporting system of the organization. Furthermore, Irwandi and Pamungkas (2020) argued that the quality of financial report was strongly speculated as one of causal factors that led to investors' distrust at a weak stock market. This was because of the risk occasioned by the inability to gain access to relevant information about situations in a capital market, investee condition, and debt obligations (Knechel & Salterio, 2016). Moreover, they stated that a financial reporting system aims to provide quality corporate information in the interest of stakeholders that serves as sources of fund to the corporation. According to Herath and Albargi (2017), the financial reporting quality is a broad concept that relates with the financial information as well as non-financial information that were useful for a corporate decision making. Hasan, Hossain and Abdullahi (2014) opined that the purpose of producing the corporate annual report was to convey relevant information to stakeholders, most especially, the shareholder in a timely manner. Nwaobia, Kwarbai and Ajibade (2016) noted recently that a corporate reporting quality, earnings management as well as earning quality are key emerging issues occasioned by financial scandals such as WorldCom, Parmalat, Enron, Intercontinental Bank, Siemens, and Cadbury Nigeria Plc.

To Herath and Albargi, the increase in fraud cases witnessed in the early 21st century served as a signal for weakness in financial reporting quality. Furthermore, they argued that the quality of the corporate financial report depends on the value of the financial accounting system of reporting. They revealed that global demand focuses on the provision of a comprehensive definition of financial reporting quality. Moreover, it is very essential to provide a very high-quality financial report to influence users in investment decisions, therefore, enhancing efficiency in the operation of the market. The higher the quality of a corporate financial report, the greater the benefits accruable to every user of the corporate financial report. With respect to benefits that are inherent in financial reporting quality, Irwandi and Pamungkas (2020) noted the view of Landsman et al. (2012) that an excellent financial reporting quality engenders reduction in the information asymmetry between the agent and the principal base on legal obligations of the company. Furthermore, they cited Akpan et al. (2017) opinion that proficient financials raise the standard of employees saddled with responsibility for preparing the financial reports. However, they espoused that quality financial reports serve as a tool for charting future fiscal policy for a company. According to Mohammed (2021) the role of a financial report is the provision of relevant and material information to its various user. According to Martinez – Ferrero (2015) cited by Soyemi and Olawale (2019), a financial reporting quality represents the faithfulness of the information processed by the financial accounting and reporting system. According to Owolabi, Okere and Adeleke (2020), the quality of corporate reporting is pillared on the disclosure of corporate business dealings, as well as information that relates to selection and chosen of accounting policies and complete information about corporate decisions. They, therefore, concluded that corporate information is a resource that is very essential for stakeholders. This is because it curbs information asymmetry amongst business executives, potential investors, regulatory institutions as well as other corporate stakeholders. IASB (2018) categorized qualitative characteristics of a corporate financial report into two groups. The first group represents fundamental qualitative characteristics while the second group represents enhancing qualitative characteristics. The fundamental qualitative characteristics are explained below:

i. Relevance: A corporate financial information is considered relevant if such information would influence the decisions of the user of the reports. On the other hand, financial information would influence the decisions of users if it possesses a predictive or confirmatory value.

ii. Faithful representation: Faithful representation implies that the financial report ought to represent faithfully the substance of what the financials represent. Also, faithful representation indicates that to the maximum extent possible, the financial report ought to be comprehensive, objective and error free.

The enhancing qualitative characteristic is discussed as follows:

i. Understandability: Understandability characteristics of financial information would be achieved if the quality of information engenders the user to have a good understanding of the financials in a corporate report.

ii. Comparability: The comparability characteristic of financial information indicates that a corporate user of financial information should be able to compare the financial information of an organization with others in the industry. This comparability qualitative characteristics would afford the user of a corporate financial report to assess and take informed judgement and decision on the relative financial strength, weakness, opportunities and threats between or among players in an industry over a period of time.

iii. Verifiability: Verifiability characteristics relate to the extent to which financial information is reproduced based on the same economic data and assumptions. Furthermore, verifiability implies any interested third party should be able to reproduce a corporate financial report given the same assumptions, figures and facts.

iv. Timeliness: Timeliness connotes that the financial report should be prepared and presented at the right time to intending users. This would enable the users to base their decision on the report.

According to IASB (2018), these four qualitative characteristics are to enhance the usefulness of corporate financial information. Howbeit, they cannot make any non-useful information to be useful.

Scholars such as Nwaobia, Kwarbai and Ajibade (2016) and Nyor (2013) discussed benefits of quality financial reports. Some of the benefits cited by scholars includes a reduction in liquidity risk and information risk. Furthermore, they noted that the high quality of financial reporting inhibits executive management from using discretionary influence to gain personal benefits. It also guides corporate managers in operational and investment choices. The minimization of asymmetric information anomalies and a lesser cost of debt are amongst the benefits of financial reporting quality highlighted by scholars. Soyemi and Olawale (2019) opined that financial reporting quality was weak in Nigeria compared to other advanced and developing countries. Obasan and Ajibade (2020) argued that IFRS was a new dominant set of the accounting standards which its development passed through a rigorous due process. Furthermore, they advanced that the due process tends to be fairly disruptive for the users of corporate financial reports. This was because the treatments of data in the financial reports may vary. This tends to impair comparability and trend analyses. Furthermore, Bakare, et al revealed the adoption of IFRS would enhance comparability of financials, as well as evaluation and analysis of the corporate financial report by users. This is believed to boost customers' confidence in corporate reporting and as well reduce uncertainty. Thereafter, promoting an allocation of resources efficiently as well as a reduction of capital costs.

Akpan-Essien (2011) in Obasan and Ajibade (2020) stated that the IFRS adoption would ensure transparency, accountability and integrity in the corporate financial reporting system. Indeed, transparency, accountability and integrity are the viable tool required for combatting the financial fraud and crisis in Nigeria. Uthman and Salami (2021) cited a survey by Pricewterhousecoopers (2011) in which the corporate managers decried the cost of IFRS implementation despite the apparent benefits. On the other hand, they cited Anao (2012) view on the IFRS adoption as he posited that the adoption in Nigeria is timely as this would expand the scope of financial regulation beyond traditional boundary. With respect to the implication of the IFRS adoption for quality financial reporting, they noted some issues such as the loan loss provisioning, securities' investments and the regulation of public accounting services. Obasan and Ajibade (2020) made a reservation that companies are not keen on adopting the IFRS due to the bottleneck encountered from changing the current existing reporting system to the adopted IFRS measure. This could be attributed to the high cost of retraining the existing staffs. This would make the existing staff to acquire more knowledge of IFRS application in the new financial reporting standard.

In conclusion, a quality corporate financial report is a report prepared based on provisions in the IFRS that uphold the fundamental as well as the enhancing qualitative characteristics of a financial report.

2.3 Theoretical Review

This section deals with a review of shareholders and stakeholders' theories.

a. Shareholders" Theory

The shareholders' theory was propounded by Berle and Means (1932) and Friedman (1962). The assumption of shareholders' theory was that the only responsibility of a company is to generate profits from the capital provided by the shareholders. Another assumption of the theory was that improvement in profit will lead to surplus fund for investment. This will, subsequently, lead to high returns on the investment of the shareholders. Two basic approaches for increasing the shareholders' fund are revenue growth and productivity. On the other hand, earnings after interest and tax are the rewards for shareholders' commitment to an entity. Shareholders are, therefore, concerned with allotting their funds to different finance options. In conclusion, the goal of the firm is to maximize the fund of the shareholders of corporate organizations.

b. Stakeholders' theory

This theory was first propounded in the 20th century by Dr. Edward Freeman. Anybody that may affect any business whether negatively or positively are regarded as its stakeholder. While those that affect business from within are regarded as internal stakeholders, those that affects from outside are called external stakeholders. Furthermore, corporate stakeholder can be classified into internal and external stakeholders. The internal stakeholders consist of management, the board of directors and employee. The external stakeholders comprise the shareholders, investors, customers, communities and government agencies. The external stakeholders are treated as the main stakeholder because of their high reliance on corporate financial reports for economic decisions. This study, therefore, views the corporation as a nexus of contracts between the management and shareholders on one side, then government agencies, employees, community and other stakeholders on the other side.

2.4 Theoretical Framework

Theoretical framework for this study is shareholder's theory. Shareholders are the key financier of an organization. Through the provision of fund, they breathe life into a company. Indeed, they are entitled to be given annual reports at each annual general meeting.

2.5 Empirical Review

According to Dimitropoulos, Asteriou and Koumanakoa (2010) cited by Nwaogwugwu (2020), the relevance of earnings and cash flows as evidenced from the Greek banking sector shows that financial report under IFRS is more worth relevance. They contended that this could be due to the substitution of historical cost guidelines for a fair value principle. Also, he cited Tanko (2012) studies relating to an impact of the adoption of the IFRS on the performance of some firms in Nigeria. It was revealed that variability of profit diminished after the adoption of IFRS. It, therefore, contends that corporate financial reporting quality improves after the adoption of IFRS. Odo (2018) noted view of Penman (1984) that the output of corporate financial reporting would be useful if such report represents the economic substance of the organization. This economic substance could be either relevance, reliability, or comparability. Similarly, he cited Ahmed (2003) that useful accounting information derived from the qualitative corporate financial reporting system would aid efficient resource allocations. This was because it reduces the dissemination of information, lop-sidedness and improves the pricing of securities. Likewise, Eluyela et al. 2019 cited Ibiamke and Ateboh-Briggs (2014) examination of the IFRS adoption by firms in relation to key financial ratios used by investors. The study revealed that the IFRS adoption had a negative impact on the financial ratios of listed firms. Although, the impact on the financial ratio was not significant. Furthermore, they documented an investigation by Uwuigbe, Emeni, Uwuigbe and Oyenike (2016) on the effect of the mandatory IFRS adoption on the cost of equity of Nigerian firms. The investigation revealed that there was a significant positive relationship between the cost of the equity capital and IFRS adoption. This, therefore, indicates that the cost of equity capital increased after the adoption of IFRS in Nigeria. Soyemi and Olawale (2019) examined the impact of a firm's characteristics on the quality of financial reporting of listed manufacturing firms in Nigeria and used the 25 non-financial firms listed on the stock exchange from 2009 to 2016 as samples. This study showed that a firm size had a positive significant effect on the financial reporting quality whereas tangibility had a negative significant effect on financial reporting quality. It further revealed that profitability had a positive influence on the quality of financial reporting while firm growth had a negative significant effect on financial reporting quality. It, however, noted that large firms tend to produce high-quality financial reports. On the other hand, they stated that the tangibility and firm growth had a negative effect on financial reporting quality. Hence, tangibility of assets should not be encouraged among non-financial firms. It, therefore, recommended that all the firm characteristics used in the study apart from the tangibility and firm growth should be encouraged by the government and other stakeholders of non-financial firms. This was due to the role the firm characteristics plays in constraining managers to act opportunistically while preparing financial statements. In a similar study, Sohail and Aziz (2019) examined the impact of financial reporting quality on a firm's financial performance using conservatism, accrual quality and earnings quality as proxies of financial reporting quality. The study showed that there was a positive and significant impact of financial reporting quality on a firm's financial performance. In a comparative study of the pre and post-adoption of IFRS based financial statements of listed SMEs in Nigeria by Eluyela et al. (2019), it was found out there was no significant difference between the profitability and the leverage ratios of IFRS and Nigerian GAAP based financial statements of listed SMEs. The study, therefore, implies that IFRS adoption has a significant impact on the market ratio as a result of the introduction of fair value measurement and asset impairment by the standard. In a study investigating the influence of IFRS adoption on the chief executive officers (CEO) pay in by Ojeka, Adegboye, Adetula, Adegboye and Udoh (2019), it was found that the adoption of the IFRS in Nigeria had an inverse relationship with financial performance in the determination of the CEO compensation after adjusting for the firm and corporate governance model. It also disclosed that the adoption of IFRS results in a significant positive influence on the CEO's pay. This study, therefore, revealed that IFRS adoption led to a higher CEO's remuneration. Although, the CEO's remuneration was not sensitive to financial performance. It, therefore, recommended that the regulatory agencies should monitor compliance to the principles and guidelines of IFRS by all Nigerian banks. Shatima, Babayo and Madaki (2020) investigated the effect of board attributes on the financial reporting quality of selected listed consumer goods firms on the Nigerian stock exchange from the year 2013 to 2018. The investigation revealed that the board expertise was statistically significant and positively related to the financial reporting quality. It, however, concluded that the board attributes, most especially, the board expertise affects the financial reporting quality. It, therefore, recommended that the non – executive directors with accounting knowledge, professional certification and significant work experience should be increased on board. This is believed will reduce management manipulations of financials of the companies. In a study of the association amid the financial reporting quality and the market performance of quoted deposit money banks in Nigeria by Owolabi, et al. (2020), it was discovered that there was a significant relationship amid the financial reporting quality of earnings, predictability, timeliness and market performance in listed deposit money banks in Nigeria. Furthermore, the study revealed that timeliness had a negative and insignificant relationship with the market performance of quoted deposit money banks in Nigeria. And therefore, recommended that the management of deposit money banks should guarantee the implementation of the best practices in their financial reporting process. Akinlade and Adegbie (2020), investigated the effect of the human resource accounting on the quality of financial reporting of quoted oil and gas companies in Nigeria, using the earnings quality, conservatism, earnings smoothness and persistence as proxies. Also, it used the ex-post facto research design. They found out that human resources provided the basis for improvement by oil and gas companies. They, therefore, concluded that the human resources accounting had a significant effect on the financial reporting quality of quoted oil and gas companies in Nigeria. Furthermore, the study recommended that regulatory bodies should devise a scheme for rewarding companies that complied with the adoption and information disclosure for earnings quality assessment. And as well sanction erring companies that concealed relevant and purposeful information from the stakeholders. Obasan and Ajibade (2020) employed a comparative review of the pre and post periods of the adoption of IFRS in Nigeria and Kenya in relation to their economy performance. They found out that in Nigeria, economic challenges such as the inability of the users to understand the information in the multinational company's financial reports and the decline in the inflow of the Foreign Direct Investment associated with NGAAP periods. Also, it found that six years after the adoption of IFRS by Kenya, many companies listed on the Nairobi Stock Exchange did not exhibit 100% compliance despite having the required resources for an efficient implementation of this standard. This is because the companies feared forgoing the benefits of their current standards as well as the potential future innovations in local reporting standard. Obi (2020) assessed the value relevance of the accounting information on the deposit money banks in Nigeria during the IFRS financial periods, using the ex - post facto design and time series of ten selected deposit money banks quoted on the Nigerian Stock Exchange. His study revealed that book value per share and earnings per share are value relevant in the determination of share price of deposit money banks in Nigeria after the adoption of IFRS. Nwaogwugwu (2020) examined the effect of the IFRS adoption on the financial performance and value of the listed banks in Nigeria, using a sample of five banks that adopted IFRS from 2012 to 2015 and pre-IFRS period from 2008 to 2011. Part of their findings was that there was a significant difference between investment ratios of listed banks prepared under local standard and IFRS. Uthman and Salami (2021) studied the relationship between the audit quality and the IFRS adoption and how their relationship was being moderated by the auditor industry specialization in Nigeria from year 2005 to 2009. Their work revealed IFRS adoption significantly affects audit quality in non-financial services while it did not significantly affect the audit quality in the financial services. Furthermore, it shows that IFRS adoption result to a significant decrease in audit quality of both financial and non-financial services industries. This was due to auditor industry specialization. It, therefore, recommended that regulatory functions should include an oversight on auditor industry specialization. This will engender improved audit quality and a sound financial reporting system.

3.0 METHODOLOGY

This study made use of a survey design to gather data from holders of equity in quoted companies in Nigeria. Using purposive sampling, a sample size of 150 was chosen, questionnaires administered and data collected were analyzed using parametric and non – parametric tests. For a test of reliability, the questionnaire was subject to cronbach's alpha tests. Moreover, out of 150 copies of questionnaires administered 114 were returned. This indicates a 76 % success rate.

4.0 PRESENTATION AND ANALYSIS OF DATA

This section deals with the presentation of data analyzed using the research instrument aided by SPSS 23.

4.1 Test of Reliability

Table 1: Reliability Statistics

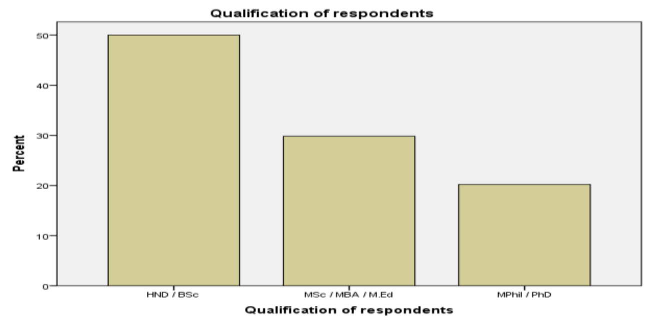
Cronbach's Alpha	N of Items
.551	24

Source: Authors' computation, 2022

The table 1 depicted above reflects the property of the measurement scale, items in the scale and the Cronbach's Alpha coefficient of 0.551. This, therefore, implies that the research instrument and the measuring scales are average measures of internal consistency.

4.1 Analysis of Response

Table 2: Qualification of respondents



Source: Authors' computation, 2022

The bar chart depicted in table 2 above shows that more 50% of the respondents possessed first degree while almost 30% and more than 20% possessed second and doctoral degree respectively. This indicates that all respondents were educated, therefore, there opinion could be relied on.

Table 3: Period of Investment

	Frequency	Percent
Less than 5year	25	21.9
5years to 10years	60	52.6
Above 10years	29	25.4
Total	114	100.0

Source: Authors' computation, 2022

The table 3 reflects that 21.9% of respondents period of investment in quoted companies is less than 5years. Whereas 52.6% of respondents period of investment is between 5years to 10years. However, 25.4% of respondent investment period is above 10years. This indicates that majority of respondents have spent more than 5 years holding investment in quoted companies. Therefore, d more than 5 years relevant experience of investment in quoted companies.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.546[a]	.299	.259	1.19455

a. Predictors: (Constant), Verifiability, Period of investment, Timeliness, Earnings quality, Comparability, Understandability
Source: Authors' computation, 2022

The table 5 portrayed that at 0.546, there is a positive correlation between quality of corporate financial report and the predictors. It also indicates that 29.9% of the variability in the quality of corporate financial report can be accounted for by the predictors.

Table 6: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	64.975	6	10.829	7.589	.000[b]
	Residual	152.683	107	1.427		
	Total	217.658	113			

a. Dependent Variable: Quality of corporate financial report
b. Predictors: (Constant), Verifiability, Period of investment, Timeliness, Earnings quality, Comparability, Understandability
Source: Authors' computation, 2022

The table 6 depicted above shows that at 5% level of significance, the regression model statistically significantly predicts the dependent variable.

Table 7: Coefficients[a]

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	T	Sig.
(Constant)	1.654	.762		2.170	.032
Earnings quality	-.315	.119	-.223	-2.636	.010
Understandability	.587	.116	.457	5.066	.000
Comparability	-.190	.145	-.117	-1.310	.193
Timeliness	.283	.139	.168	2.041	.044
Period of investment	.267	.180	.133	1.482	.141
Verifiability	.056	.136	.034	.416	.679

a. Dependent Variable: Quality of corporate financial report
Source: Authors' computation, 2022

The table 7 above shows that comparability, verifiability and period of investment are not significant predictor of quality of corporate financial report. It, however, reveals that earnings quality, understandability and timeliness are significant predictors of quality of financial report.

5.0 CONCLUSION AND RECOMMENDATION

This paper reveals that there is a positive correlation between quality of corporate financial report and the predictors which comprises verifiability, period of investment, timeliness, earnings quality, comparability as well as understandability. Furthermore, it indicates predictors accounts for 29.9% of the quality of corporate financial report. It is, therefore, concluded that the regression model statistically significantly predicts the quality of corporate financial report projecting that comparability, verifiability and period of investment are not significant predictor of quality of corporate financial report while earnings quality, understandability and timeliness are significant predictors of quality of financial report. Furthermore, it concludes that the IFRS adoption improves the quality of corporate financial reporting. It, therefore, recommends that the Financial Reporting Council of Nigeria should improve its monitoring and enforcement measures. This would engender the shareholders of the quoted companies to enjoy the full benefits of IFRS adoption. Furthermore, it recommends that national regulatory frameworks, legislative processes and corporate governance mechanisms should be strengthened. This, we believe will enhance transparency and comparability of corporate financial reporting. Also, it will enable Nigeria to benefit from the IFRS adoption as stated by Bakare et al. (2020) that some of the goals of IFRS adoption were to gain foreign investors and foreign earnings by increasing the degree of accountability and flow of foreign investment and as well reduce corrupt practices in the country.

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