

**IMPACT OF INTERNATIONAL FINANCIAL REPORTING
STANDARD ON THE FINANCIAL REPORTING QUALITY
OF A DEPOSIT BANK IN NIGERIA**

***(CASE STUDY OF GUARANTY TRUST HOLDING COMPANY PLC (GTCO),
ILORIN)***

BY

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CERTIFICATION

This is to certify that this project to work has been written by **KOLAPO MARIAM OLUWAKEMI** with Matric No: **HND/23/ACC/FT/0081** and has been read and approved as meeting the part of the requirements for the award of Higher National Diploma (HND) in the Department of Accountancy, Institute of Finance and Management Studies Kwara State Polytechnic Ilorin, Kwara State.

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DEDICATION

I dedicate this project to Almighty Allah for his grace and guidance. And my parent whose value and support have shaped my path. Also, to my mentors particular my project supervisor and Mr Akanbi for their invaluable support.

ACKNOWLEDGEMENT

All praise and gratitude belong to Allah, the Most Gracious, the Most Merciful, for granting me the strength, knowledge, and perseverance to successfully complete this project. Without His divine guidance, none of this would have been possible. I also thank my project supervisor Mr Muhammed KAG for his encouragement and fatherly love which motivate my ability to work on this research project.

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Global accounting harmony has been a topic of significant discussion. In 1973, a group of professional accounting practitioners created the international accounting standard committee IASC to lessen the disparities in international accounting standard and reporting procedures, the IASC was tasked with creating a global accounting standard. Regarding this the international accounting standard committee (IASC) has produced and evaluated accounting standard on a global scale. It is well known that for more than 20years, the IASC has actively promoted the uniformity and standardized of accounting principles Carlson 2017. The International Accounting Standard committee was replaced in April 2001 by the International Accounting Standard Board (IASB) in charge of developing accounting standards. The International Accounting Standard that was previously in place were modified by the IASB and are known as International Financial Reporting Standard (IFRS).

The shift to IFRS in Nigeria officially began in 2012 under the supervision of the Financial Reporting Council of Nigeria (FRCN), which succeeded the Nigeria Accounting Standard Board (NASB). IFRS adoption was driven by the need for uniformity and improved financial reporting practices, aligning Nigeria Companies with International Standards. As noted by Habib et al 2019. Harmonizing accounting standards enhance market liquidity, lower transaction cost, and reduce the transaction cost and the cost of capital, there by facilitating cross border investment and

improving access to global capital market. Similarly, Ouda and Jorge (2021) highlighted that IFRS adoption has significantly increased foreign direct investment and global market integration.

The financial sector particularly bank has been at the frontline of IFRS implementation. Guaranty Trust Holding Company Plc (GTCO) including its branch in Ilorin, Kara State. Highlighted how IFRS adoption influences financial reporting and performance metrics.

In the context of Guaranty Trust Holding Company Plc (GTCO) operations in Ilorin IFRS adoption has implication for both local and international stakeholder. The bank benefit from improved financial statement compliance and disclosure of quality information to their stakeholder, which enhance it attractiveness to foreign investors. Furthermore, the adoption of IFRS helps the branches to present their financial statement in a uniformity way.

Pertaining to Guaranty Trust Holding Company Plc [GTCO] Ilorin, Kwara state, the adoption of IFRS play a significant role in shaping the quality of its financial reporting. As a key player in the Nigeria banking sector GTCO financial statement are expected to reflect high standard of compliance and disclosure of quality financial report to both local and international stakeholders' expectations.

1.2 STATEMENT OF THE PROBLEM

Prior to the adoption of IFRS, differences in accounting practices across jurisdiction often hindered the comparability and reliability of financial statement. This posed significant challenges for deposit money bank, which operate in a highly regulated and globally interconnected environment.

The transition to IFRS aims to bridge the gaps, ensuring higher quality and compliance in financial reporting.

High quality financial statement is critical for effective decision making by investors, regulators, and corporate managers. However, the extent to which IFRS adoption has improved the quality of financial reporting in Nigeria remain unclear given challenges such as insufficient training and weak enforcement mechanism.

Despite challenges such as the cost of implementation and capacity building, the adoption of IFRS has the potential to improved decision making for investors, enhance regulatory oversight and foster confidence among stakeholders. This study aims to evaluate the influence of IFRS adoption on the quality of financial statements, focusing on key dimension such as IFRS adoption, compliance with IFRS, and disclosure of quality information thereby contributing to the understanding of IFRS implementation in a developing economy context.

1.3 RESEARCH QUESTION

1. To what extent has International Financial Reporting Standard adoption influence the financial reporting quality of a deposit money bank?
2. To what extent has International Financial Reporting Standard Compliance influence the financial reporting quality of a deposit money bank?
3. To what extent has International Financial Reporting Standard Disclosure influence the financial reporting quality of a deposit money bank?

1.4 OBJECTIVE OF THE STUDY

The main objective of the study is to examine the impact of international financial reporting standards on the financial reporting quality of a deposit money bank.

The other objectives are as follows:

1. To determine the influence of IFRS adoption on the financial reporting quality of a deposit money bank.
2. To find out the influence of IFRS compliance on the financial reporting quality of a deposit money bank.
3. To examine the influence of IFRS disclosure on the financial reporting quality of a deposit money bank.

1.5 RESEARCH HYPOTHESIS

Based on the objectives the following hypothesis are proposed

Hypothesis one

H0: There is no significance relationship between IFRS adoption in the financial reporting quality of a deposit bank.

H1: There is significance relationship between IFRS adoption in the financial reporting quality of a deposit bank.

Hypothesis Two.

H0: There is no significance relationship between IFRS compliance and financial reporting quality of a deposit bank.

H1: There is significance relationship between IFRS compliance and financial reporting quality of a deposit bank.

Hypothesis Three

H0: There is no significance relationship between IFRS disclosure and financial reporting quality of a deposit bank

H1: There is significance relationship between IFRS disclosure and financial reporting quality of a deposit bank.

1.6 SCOPE OF THE STUDY.

The main objective of this research is to find out the significant influence of the IRFS on the financial reporting quality of a deposit bank in Nigeria. However, the scope of the study is grouped into:

Content: the conceptual framework was developed revolving around IFRS and its impact on the financial reporting quality of a deposit bank in Nigeria. The theoretical framework and empirical review were presented. The gap literature was also identified.

Geographical: the study was carried out in Nigeria for the period covering 2018- 2022.

1.7 SIGNIFICANCE OF THE STUDY

The story of the tower of Babel signified that anything can be achieved when there is uniformity in language. In the same vein the evolution of accounting (seen as the language of business) strives towards “a uniform language which is the adoption of international financial reporting standards in many countries in the world”.

Regulation of Accounting information is aimed at ensuring that users of financial statement receive a minimum amount of information that will enable them to make meaningful decisions regarding their interest in a reporting entity with a particular reference to Guaranty Trust Holding Company Plc.

This study is necessary because it would enable the managers of Guaranty Trust Holding Company Plc and other banks to improve on their implementation of the standard.

1.8 LIMITATION OF THE STUDY

The limitation of this study was inability of management to divulge certain information which they consider sensitive and fear of publication which might be detriment to their opinion

Another limitation to the study is time constraints. The period within which the study is conducted is short for a through research work, hence gathering adequate information becomes very difficult.

Also, finance is one of the limitations to the study. The researcher is facing financial constraints to meet all the needed educational requirements including this research study. This causes the researcher to restrict his research to one company for possible completion of study.

1.9 DEFINITION OF TERMS

IFRS: International Financial Reporting Standards

Financial Statement: financial statement is collection of report about an organisation financial result, conditions and cashflow.

IAS: International Accounting Standards

Accounting: This is defined as the process of identifying, measuring and communicating economic information to permit informed judgement and decisions by the users of the information (Frankwood & Songsters,2005)

CHAPTER TWO

LITERATURE REVIEW

2.1 CONCEPTUAL FRAMEWORK

2.1.1 CONCEPT OF IFRS

IFRS is issued by the International Accounting Standards Board (IASB) an independent organization registered in the United States of America (USA) but base in London United Kingdom they pronounce financial reporting standard that ideal would apply equally to financial reporting by public interest entities worldwide.

Between 1973 and 2000, international standard were issued by the IASB predecessor organization the International Accounting Standard Committee (IASC), a body establish in 1973 by the professional accounting bodies in Australia, Canada, France, Germany, japan, Mexico, Netherlands, United kingdom, and Ireland, and the US during that period, the IASC pronouncement were describe as International Accounting Standard (IAS). Since April 2001, this rule making function as been taking over by a newly constitution IASB describe the international financial reporting standard as a new pronouncement under the label.

IFRS are body of prescriptive rules and guideline with global reach and appeal which provide direction and guidance on how business enterprises in a globalized world could achieve the goal of proper record keeping, transparency, uniformity, comparability and enhancing public confidence in financial reporting (Tendeloo and Vanstraelen, 2019). Thus, failure on the part of the firm to apply the requirement IFRS would result in inconsistencies, lack of accountability and transparency, distortion in financial report, which in turn result into poor financial reporting

practices and dissemination of accounting information that is of less value of any group of users. This is because the preparation and presentation of financial statement will be benefit of objectivity, reliability, credibility and comparability and this result is fraudulent business practices which subsequently lead to business failure and become devastating on the national economy (Aty et al, 2021).

2.1.2 IFRS AND COMPARABILITY OF FINANCIAL REPORT

Financial reporting quality is a key issued given the widespread acceptance of IFRS all over the world. IFRS or local variant have been adopt In jurisdictions as diverse as Australia, Canada, Hong Kong central and eastern Europe, including Russia part of the middle east and Africa, India, Japan and much of south America are in process of discussing and deciding upon mandatory adoption of IAS/IFRS at least for part of their economics several other countries have not adopt IAS/IFRS but have established convergence project more over in 2018, the securities and exchange commission (SEC) in the united states of America eliminated the exchange commission (SEC) in the united states of America eliminated the reconciliation from IAS/IFRS to us GAAP required by foreign companies listed to use market. The SEC also announces that IAS/IFRS would be permitted in US market as an alternative to us GAAP, although in these cases the time scale is lengthy and subject to various condition. The details vary, but the trend towards IAS/IFRS as a single set of globally accepted accounting standard is therefore clear and strong (Palca, 2019)

2.1.3 EFFECT OF IFRS ADOPTION OF FINANCIAL REPORTING IN THE FINANCIAL SECTOR

Saidu and Dauda (2021) identified that bank across the globe have long had major issues with asset and liability recognition. The issue of IAS 32 dictation disclosure rules and IAS 39 dictation measurement rules and financial asset and liabilities was thus mired in controversy, so IFRS (Specifically IFRS 9) has now solve the cases as now met the user needs. He also state that, the adoption of the IFRS in the banking sector has ensured transparency, accountability and financial reporting necessary for addressing the crisis in financial sector in Nigeria which was responsible for the Nigeria less of the Foreign Direct Investment (FDI) in the oil and gas to the countries such as Ghana who has begun oil production in commercial quantity and who are perceived to have better financial reporting standard in place.

The adoption of the standard has greatly expanded the disclosure requirement of most financial institution as IFRS regards consolidated financial statement as the main financial statement thereby upgrading transparency in accounting standard and the quality of the overall financial information, although the focus on banking reporting are on IFRS 15 (Revenue from Contract with Customer) is also likely to affect bank account because of the potential impact of the amount and timing and revenue recognition. For example, on accounting for variable consideration and capitalization cost to obtain a contract, it may therefore require bank to modify their current accounting policies.

2.1.4 BENEFITS AND CHALLENGES OF THE IMPLEMENTATION OF IFRS IN NIGERIA

Results arising from investigation conducted on the European union member states highlighted how IFRS has benefited European countries in terms of attraction Foreign Direct Investment

(FDI). IFRS will position Nigerian companies in the global marketplace as well as ensure transparency, accountability and integrity in financial reporting in Nigeria which is a prerequisite for the attraction of investment that will promote economic development. It will provide international investors the ability to make well-informed, useful and meaningful comparison of investment portfolio in Nigeria and other countries. Multinational companies with the aid of IFRS financial statement provide for easy consolidation of financial statement. It promotes better management control system. IFRS statements are easier to comply with the financial requirement of overseas stock. It also facilitates ease of cross border transaction and trading within the region through common accounting practice especially in underdeveloped regions of the world, like the economic community of West Africa States (ECOWAS). It will hale facilitate compilation of meaningful data on the performance of enterprises within ECOWAS and other regions of the world. It will assist Nigeria. Federal and state government, local government inclusive, in attraction international investors as the adoption of IFRS financial promotes easy monitoring of overseas investments. Transparency and better accountability in government Ministries, Department and Agencies (MDA) will be promoted through the IFRS adoption in the public sector accounting and management of resources. It will also lead to increase in government revenue because of transparency and integrity there are still challenges. There is the urgent need to improve the level of public awareness especially among investors and regulatory authorities in Nigeria. There is also chronic shortage of professionals that are competent to implement the IFRS within the given time frame as contained in the schedule of the Nigerian roadmap for its adoption (i.e. January 2021– January 2022)

2.2 THEORETICAL FRAMEWORK

The study is anchored on a number of theories, which are briefly discussed and related to the study includes:

2.2.1 AGENCY THEORY:

Agency theory is a theory which related the principal (director and manager) with the agent (share holders). The agency theory was developed by Jensen and Mecking (2019). They suggested a theory of how governance of a company is based on the conflicts of interest between the company's owners (share holders), its manager and major providers of debt finance (ACCA, 2020). Agency theory state that in the presence of information asymmetry. The agent is likely to purse interests that may hurt the principal or shareholders (Ross 2019: Fama 2018).

As a result of conflicts of interest between the shareholder and mangers of corporations, there will be issued of agency problems. However, the presence of independent directors on the board of corporations will help in reducing the so-called agency problem as independent directors are presumed to have no significant interest in the company and acts on behalf of shareholders, fama and Jensen argued that an effective board must consist largely of independent non executive directors (ACCA 2020).

Also, independent non executive director is meant to take decision where there is conflict of interest between the executive directors and the best interest of the company e.g in the case of determination of remuneration of package of executive directors as well as that of senior managers. As agent of the company, the board of directors is expected to be accountable for their principals (share holder) on issue relating to the performance of the corporation. Hence, to ensure

transparency in the accountability of the board of directors, there is need for the presence of reasonable number of independent non-executive directors on the board. The accountability of management depends on both the right of the shareholders to call the directors to account as well as their ability to do so.

2.2.2 ACCOUNTABILITY THEORY

According to Nnaemeka and Rotimi (2022 (16) Accountability is a concept in ethnics with several meanings. Regarding corporate governance it means the ethnical responsibility to provide an account or reckoning of the action for which one is held responsible. The contribution of corporate accountability theory is that it helps define the nature of the relationship between corporate managers and the rest of the society. It also set out the arguments as to why companies should report on their environmental, social, and economic performance, not just financial performance. The early 90s have brought incorporate reporting a new trend of sustainability reporting. The new concept has been adopted especially by the multinational companies. These companies had reorganized their disclosure policy and nearby financial information they started to information regarding their economic, environment and social performance.

2.2.3 THE ECONOMIC THEORY OF NETWORK

Katz and Shapiro (2018) state that “there are many products for which the utility that user derives from consumption of the goods increase with the number of other agents consuming the good”. They agreed that the key idea in network theory is that a network dependent product’s benefits depend upon the number of the other users who are in the same network. They draw a distinction between direct value of the product and network – related value. The authors appointed out that

the direct value is generated through a direct physical effect of the number of purchased on the quality of the product. Regarding the network related value. Katz and Shapiro (2018) considered that a product can be adopted or used even if its direct is inferior to that of a substitute product. The economic literature same times calls the direct value quarterly values while the network-related value is referred to as synchronization value. It is noteworthy that a single set of high-quality accounting standards would provide considerable support for international investors to evaluate the performance of companies across national boundaries. That is IFRS standards are likely to lower transaction cash for foreign users of financial statement (Ramana and Sletten, 2020). From the perspective of economic theory networks, the benefits that a given country derives from IFRS adoption can be explained by the magnitude of its economic relations with other partner – countries that have already adopted IFRS. In this sense, IFRS standards are considered a network dependent product.

2.2.4 STEWARDSHIP THEORY

Unlike agency theory, stewardship theory assumes that managers are steward whose behavior are aligned with the objectives of the principals. The theory argues and looks at a different form of motivation for managers drawn from organization theory. Stewardship theory defines situations in which manager are not motivated by individual goals. But rather are stewards whose motives are aligned with objectives of their principals.

It is derived that Davis Schoorman and Donaldsons (2018) that manager are trustworthy and competent administrators of corporate resources and are best situated to maximize the interests of the shareholders since they are not familiar with the intricacies of corporate strengths, weakness,

opportunities and traits, simultaneously and conversely, shareholders in general, can be seen as having a covenantal relationship with the managers of their investee companies (Hernandez, 2022). Caldwell and Karri (2019) argue that regardless of incentives and control mechanisms carefully designed contractual mechanisms in the absence of covenantal relationships it is extremely difficult to build trust within organizations.

According to Smallman (2018), where shareholders wealth like institutional investors wealth is maximized, the steward's utilities are maximized too, because organizational success will serve most requirements and the stewards will have a clear mission. Therefore, balance tensions between institutional investor and other stakeholder. Stewardship theory is an argument put forward in firm performance that satisfies the requirements of the interested parties resulting in dynamic equilibrium for balance governance.

2.3 EMPIRICAL REVIEW

Matteu (2020) examined the impact of International Financial Reporting Standard (IFRS) on financial reporting practices of corporate establishment in Nigeria. Data were collected from 50 employees of KPMG (a leading professional financial service provider). Through the use of structured questionnaire and analysis using mean scores, standard deviation and Pearson chi-square analysis. The finding revealed that IFRS provides better information for regulation than GAAP (Mean = 4.72). The finding future showed that IFRS directly affect how earnings and other key aspects of the business are accounted and reported for (Mean = 4.68). However, the results of the study showed that changes in business processes and operation, financial position of companies and reduction in cost of finance were the least contribution of IFRS to financial reporting practices

of KPMG. The result of Pearson chi-square analysis show that financial reports prepared under IFRS enhanced best practices in a corporate organization (Pearson chi-square = 37.857); financial statement prepared in line with IFRS provides greater benefits than the former GAAP (SAS) (Pearson chi-square = 75.763); the compliance with IFRS promotes cross border investment and access to (Pearson chi-square (63.128); and compliance with IFRS will relatively improve the performance of companies (Pearson chi-square = 20.417).

Adebimpe and Ekwere (2020), examine whether mandatory adoption of IFRS has improved value relevance of accounting information of listed commercial banks in Nigeria Stock Exchange. The study covered a period of 2011 and 2022 (as pre-adoption) and 2019 and 2022 (as post adoption period) are reported that equity value and earnings of banks determined under IFRS are relatively value relevant to market share prices than under Nigeria SAS (old accounting standard) they also found, earnings per share is incrementally less value relevant during the past IFRS period.

Cerf (2020) when he examined 527 corporate annual reports against a disclosure index comprising thirty-one information items. He found that level of disclosure was positively associated with corporate size and listing status but not with profitability. Following closely after (Cerf 2019), (Singhvi 2019) also found that disclosure quality was associated with asset size, number of stockholders, rate of return, earnings margin, security price fluctuations, listing status and CPA firm. Research in disclosure level and compliance with IAS began around the turn of the century with research conducted by (Tower et al. 2019), (Cairns 2019) and (El-Gazzar et al. 2019). The study that analyzed the factors influencing IAS compliance was done by (Street and Gray 2019).

Using an international sample of 279 firms they tested several variables against the level of disclosure such as listing status, company size, industry, type of auditor, profitability, notes to the accounts, country, and size of home stock market among others.

Madawaki (2021) also believed that Nigeria's adoption of IFRS will advance the compilation of meaningful data of reporting entities performance for comparability and reliability, facilitate and enhance informed decision making of investors and attract foreign investment.

No country can spend in isolation from the growing acceptance of a common financial reporting language. If every country speaks difference accounting language, difficulty will arise in translating the financial reports and additional cost of translation had to be borne by the investors, participants, of the capital market in Canada according to Cherry (2018), were neither IFRS nor US GAAP, but a mix of both. He then opined that the moves to IFRS by Canada will then place the country on the same reporting fields as other countries. The use of accounting information cut across borders when common yardstick is used in preparing the financial statement. This was corroborated by Nyor (2022) when he posited that Nigerian companies should converge to IFRS in views of the fact that it will enhance better accountability and transparency and improve quality of reporting.

Oseni (2019), Adeyemi (2022) is of the view that financial reporting has increasingly been viewed as a vital infrastructure for the growth of emerging capital markets. Adeyemi (2022) further postulated that accounting standard are also view as cornerstones engendering credibility in the preparation of financial statements used in making financial investment decision. He found out

that many of the accounting standards relied upon in preparing financial statement had actually been outdated in relation to their International Accounting Standard (IAS) and IFRS.

Muhammad (2022) is of the opinion that external auditors have vital roles to play in ensuring strict compliance to the provision of the standards. In his assessment of some selected Nigeria banks that are quoted on the Nigeria stock market, it was found out that firms recognized losses more frequently in the post adoption period than they do in the pre – adoption period. He therefore concluded that accounting quality improved after the adoption of IFRS.

Pawsey (2018) conducted a survey in Australia in 2019 and 2020, to determine the perceived quality and complexity of the global standards, the result reveals different degrees of acceptability amongst the account preparers towards the quality of IFRS. According to study, the 2022 survey reveals; majority of account preparers surveyed disagree with the perceived quality attributed to IFRS as in their opinions is more complex than Australian standards. To them IFRS lacks the quality of being accepted. But as time passes by, the perceptions of the preparers seemed to change; the result of 2018 survey indicates improved acceptance of IFRS as a quality standard in terms of stringent application guidance on certain issues not addressed by Australian standards, but they believed that IFRS compared to Australian standards is more complicated, costly, time consuming, and leads to user confusion.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This chapter is concerned with the presentation of method used in this study to accomplish its purpose on “Impact of IFRS on the financial reporting quality of a deposit bank”. The following areas were taken into consideration, design of the study, area of the study, population of the study, sample size and sampling techniques, research instrument, validation of research instrument, reliability of research instrument, administration of the instrument and method of data analysis.

3.2 RESEARCH DESIGN

This study adopted survey research design. According to Ekott & Nseyen (2018), survey research is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. Thus, in this study, the researcher collected data from the personnel of Guaranty Trust Holding Company Plc (GTCO) Ilorin, Kwara State.

3.3 POPULATION OF THE STUDY

The population of this study comprises of all the personnel of Guaranty Trust Holding Company Plc (GTCO) Ilorin, Kwara state, which was estimated to be about 55 personnel. Emphasis was placed on staff knowledge and information concerning the subject of the study.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

The sampling technique used in the study was simple random sampling technique. This method was chosen because it gives the subjects in the population equal chance of being selected. A sample

size of (30) thirty was used. This number was randomly selected form the total population of 55 respondents.

3.5 SOURCES AND METHOD OF DATA COLLECTION

The researcher developed the secondary source of data collection questionnaire on the impact of IFRS on Quality of Financial Statement as the major instrument for data collection.

3.6 INSTRUMENT OF DATA COLLECTION

The researcher personally administered the research instrument (questionnaire) to the target population in Guaranty Trust Holding Company plc Ilorin Kwara State. This was done to ensure that atleast 95% of the total population sampled with research instrument was collected. Besides, the respondents were given instructions on how to complete the questionnaire for possible collection of data for analysis.

3.7 METHOD OF DATA ANALYSIS

The responses obtained from respondent in Guaranty Trust Holding Company plc Ilorin Kwara state, Ilorin form the data. The data were treated statistically in accordance with research questions generated earlier in chapter one of this study.

Tables and percentages were used as techniques of analyzing the research questions while Chi-Square statistical tool was employed to test the research hypotheses. Therefore, the above formula is hereby donated as:

$$X^2 = \frac{(Fo - Fe)}{Fe}$$

Where X^2 = Chi-square

Fo = Frequency Observed

Fe = Frequency Expected

CHAPTER FOUR

ANALYSIS AND DISCUSSION

4.1 INTRODUCTION

This chapter entails the presentation of data analysis and interpretation of data collected. The data collected was through the use of questionnaire while the analysis was based on research questions and research hypotheses stated earlier in chapter one of this study. Simple percentages and tables were used to analyze the research questions and Chi-square statistical tools were used for testing of research hypotheses.

4.2 RESPONDENTS CHARACTERISTICS AND CLASSIFICATIO

SECTION A: Demographic Information

Gender of the Respondents

The gender distributions of the study included male and female as shown in table 4.1 as follows;

Table 4.1: Gender of the Respondents

Gender	Number of Respondents	Percentage %
Male	20	67
Female	10	33
Total	30	100

Source: Research data, (2024)

The study required to determine the gender of the respondent whereby the questionnaires requested the respondent to indicate his or her gender, the study found that majority of the respondents as

shown by 20 (67%) were males and 10 (33%) of the respondents were females, which indicate that both genders were involved in this study and the issue of gender bias did not take place during data collection.

Table 4.2: Marital status

Age	Number of Respondents	Percentage %
Married	25	83
Single	5	17
Total	30	100

Source: Research data, (2024)

The study requested the respondent to indicate their marital status category, from the findings, 25 (83%) of the respondents were married while 5 (17) of the respondents indicated they were single .

Age of Respondents

Table 4.3: Age of the Respondents

Age	Number of Respondents	Percentage %
20-25years	5	16.6
26-30years	5	16.6
31-35years	15	50

36years and above	5	16.6
Total	30	100

Source: Research data, (2024)

The study requested the respondent to indicate their age category, from the findings, 5 (16.6%) of the respondents were aged between 20 to 25 years, 26- 30 5(16.6%) of the of the respondents indicated they were aged between 31-35 15(50%) of the respondents indicated were aged between 36 years and above were 5 (16.6 %).

Length of services in the organization.

The study sought to determine the length of services in the organization which distributed between 0 up to 21years and above as narrated in table 4.4 as follows;

Table 4.4: Length of service in the organization

Year of service in the organization	Number of Respondents	Percentage %
1-10	5	16.6
11- 20	10	33
20-30	10	33
31 and above	5	16.6
Total	30	100

Source: Research data, (2024)

From the findings most 5 (16.5%) of the respondents had worked in the institution for a period of 1-10 years, 10 (33%) the respondents worked for a period of between 11-20 years, 10 (33%) had worked for a period of 20-30 years, while 5 (16.6%) had served for first bank plc Ilorin for a period of 31 and above years.

Level of Education

The study sought to indicate the respondent's education level which categorized into different categories

Table 4.5: Highest Level of Education

Level of Education	Number of Respondents	Percentage%
ND/NCE	5	16.6
HND/B.SC	20	67
MBA/M.SC	5	16.6
PH.D	0	0
Total	30	100

Source: Research data, (2024)

The research finding in table 4.5, each respondent indicates his or her highest level of education from the findings for study analysis. It was established that 5 (16.6%) of the respondent indicated that ND/NCE , 20(67) indicate HND/B.SC , 5(16.6) indicate MBA/M.SC.

4.3 PRESENTATION OF ANALYSIS OF DATA

Research Question 1: Does IFRS aid quality of financial statement in Guaranty Trust Holding Company Plc, Ilorin?

Table 4.3.1: Shows percentage for international financial reporting standards aid quality financial statement

Variables	No of Respondents	Percentage %
Yes	28	93
No	Nil	0
Not Sure	2	7
Total	30	100

Source: Field Survey 2024

The above table 4.2.2 shows that 28 of the respondents representing 93% indicated “Yes” that IFRS aid quality of financial statement in Guaranty Trust Holding Company Plc, Ilorin while 2(7%) respondents pointed “Not Sure” on the question. Therefore, the analysis deduced that international financial reporting standards aid quality financial statement in Guaranty Trust Holding Company Plc Ilorin, Kwara state.

Research Question 2: Does international financial reporting standards (IFRS) in Nigeria improve the quality of financial reporting in Guaranty Trust Holding Company Plc Ilorin, Kwara state?

Table 4.3.2: Shows percentage for international financial reporting standards in Nigeria improve the quality of financial reporting

Variables	Number of Respondents	Percentage %
Yes	25	83
No	2	7
Not sure	3	10
Total	30	100

Source: Field Survey 2024

Table 4.3.2 shows that 25(83%) of the total respondents pointed “Yes” while 2 of the respondents representing 7% opted “No”. Also 3(10%) respondents asserted “Not Sure”. From the analysis, it is induced that international financial reporting standards (IFRS) in Nigeria improve the quality of financial reporting in First Bank of Nigeria Plc, Ilorin .

Research Question 3: Does IFRS play any significant role in banking institutions in Nigeria?

Table 4.3.3: Shows percentage for IFRS play a very significant role in banking institutions in Nigeria.

Variable	No of Respondents	Percentage%
Yes	23	77
No	4	13
Not sure	3	10

Total	30	100
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Source: Field Survey 2024

Table 4.3.3 above shows that 23(77%) of the respondents indicated “Yes” that international financial reporting standards play a very significant role in banking institutions in Nigeria and also 4 respondents representing 13% pointed “No” while 3(10%) asserted Not Sure. Based on this analysis, it is deduced that international financial reporting standards has play a very significant role in banking institutions in Nigeria.

Research Question 4: Has there been effective implementation and adoption of IFRS in Guaranty Trust Holding Company Plc ?

Table 4.3.4: percentage for effective implementation and adoption of IFRS in Guaranty Trust Holding Company Plc.

Variables	No of Respondents	Percentage%
Yes	25	83
No	Nil	0
Not sure	5	17
Total	30	100

Source: Field Survey 2024

Table 4.2.4 above shows that 25(83%) of the respondents indicated “Yes” that it has been effective implementation and adoption of IFRS in First Bank of Nigeria Plc, while 5(17%) opted on not sure

on the question. From this analysis, it is deduced that there is effective implementation and adoption of IFRS in Guaranty Trust Holding Company Plc of Nigeria.

Research Question 5: Is there any problem confronting the staff of Guaranty Trust Holding Company Plc, Ilorin in enhancing quality financial statement?

Table 4.3.5: Shows percentage for the problem confronting the staff of Guaranty Trust Holding Company Plc, Ilorin in enhancing quality financial statement

Variables	No of Respondents	Percentage %
Yes	16	53
No	8	27
Not sure	6	20
Total	30	100

Source: Field Survey 2024

The above table 4.3.5 shows that 16 (53%) of the respondents that indicated “Yes” there are problems confronting the staff of Guaranty Trust Holding Company Plc, Ilorin in enhancing quality financial statement. Also, 8 (27%) respondents pointed “No” while 6 respondents representing 20% asserted “Not Sure on the question. Therefore, the analysis induced that there are problems confronting the staff of Guaranty Trust Holding Company Plc, Ilorin .

4.4 TESTING OF HYPOTHESES

HYPOTHESIS 1

Ho: There is no significance relationship between international financial reporting standard IFRS and financial reporting quality of Guaranty Trust Holding Company Plc.

H₁ : There is significance relationship between international financial reporting standard IFRS and financial reporting quality of Guaranty Trust Holding Company Plc

Table 4.3.1 Shows Chi-square (X²) Computation on the significance relationship between IFRS and financial reporting quality.

Variables	Fo	Fe	Fo-Fe	(Fo-Fe) ²	(Fo-Fe) ² /Fe
Yes	28	10	18	324	32.4
No	0	10	-10	100	10
Not Sure	2	10	-8	64	6.4
Total	30				48.8

Significance at 0.05 level.

To obtain the degree of freedom (df), :The following formular is applied

$$DF = (C-1) (R-1)$$

$$(2-1) (3-1) = 1 \times 2 = 2$$

Decision Rule: Accept if the computed chi-square (X^2) value is greater than the critical table value and reject if the computed chi-square (X^2) value is less than the critical table value.

Table 4.3.1 shows that the computed chi-square (X^2) of 48.8 is far greater than the critical table value of 5.99 level of significance with 2 degree of freedom. Hence, the null hypothesis (H_0) is rejected in favour of the alternative hypothesis (H_1). This means that There is significance relationship between IFRS and financial reporting quality of Guaranty Trust Holding Company Plc.

HYPOTHESIS 2

H_0 : There is no significance relationship between IFRS compliance and financial reporting quality of GTCO.

H_1 : There is significance relationship between IFRS compliance and financial reporting quality of GTCO.

Table 4.3.2 Shows Chi-square (X^2) Computation on, To determine whether there is a significance relationship between IFRS compliance and financial reporting quality of GTCO.

Variables	Fo	Fe	Fo-Fe	(Fo-Fe)²	(Fo-Fe)²/Fe
Yes	23	10	13	169	16.9
No	4	10	-6	36	3.6
Not sure	3	10	-7	47	4.9
Total	30				25.4

Significance at 0.05 level.

To obtain the degree of freedom (df), the following formula is applied:

$$DF = (C-1)(R-1)$$

$$(2-1)(3-1) = 1 \times 2 = 2$$

Decision Rule: Accept if the computed chi-square (X^2) value is greater than the critical table value and reject if the computed chi-square (X^2) value is less than the critical table value.

Table 4.3.1 shows that the computed chi-square (X^2) of 25.4 is greater than the critical table value of 5.99 level of significance with 2 degree of freedom. Hence, the null hypothesis (H_0) is rejected in favour of the alternative hypothesis (H_1) which means that there is significance relationship between IFRS compliance and financial reporting quality of GTCO.

HYPOTHESIS 3

H_0 : There is no significance impact of IFRS disclosure on financial reporting quality.

H_1 : There is significance impact of IFRS disclosure on financial reporting quality.

Table 4.3.3 Shows Chi-square (X^2) Computation on IFRS does not has significance influence on implementation in banking institution .

Variables	Fo	Fe	Fo-Fe	(Fo-Fe)²	(Fo-Fe)²/Fe
Yes	25	10	15	225	22.5

No	0	10	10	100	10
Not sure	5	10	-5	25	2.5
Total	30				351

Significance at 0.05 level.

To obtain the degree of freedom (df), the following formula is applied:

$$DF = (C-1) (R-1)$$

$$(2-1) (3-1) = 1 \times 2 = 2$$

Decision Rule: Accept if the computed chi-square (X2) value is greater than the critical table value and reject if the computed chi-square (X2) value is less than the critical table value.

Table 4.3.1 shows that the computed chi-square (X2) of 35 is far greater than the critical table value of 5.99 level of significance with 2 degree of freedom. Hence, the null hypothesis (Ho) is rejected in favour of the alternative hypothesis (H1). This implies that there is a significance impact of IFRS on the disclosure of financial reporting quality.

4.5 DISCUSSION OF FINDINGS

This study was carried out to examine the impact of IFRS on quality of financial statement in Guaranty Trust Holding Company Plc, Ilorin . To achieve this objective, five research questions and three research hypotheses were formulated to guide this study. A structured questionnaire was use as the main instrument to gather data from 30 personnel in Guaranty Trust Holding Company

Plc, Ilorin . Out of this number, 28(93%) copies of questionnaire were appropriately completed and returned for data analysis while 2(7%) copies of questionnaire not completed and returned.

The data collected from the respondents were analyzed using simple percentage and tables to analyze the research questions while chi-square (χ^2) statistical tool were used to test the hypotheses. The findings revealed that:

There is significance relationship between IFRS and financial reporting quality, There is significance relationship between IFRS compliance and financial reporting quality, There is significance impact of IFRS on the disclosure of financial reporting quality.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This chapter presents summary, conclusion and recommendations for further studies

5.2 SUMMARY

This study was carried out to examine whether the International Financial Reporting Standards (IFRS) in Nigeria has improved the quality of financial reporting in Guaranty Trust Holding Company Plc (GTCO) Ilorin, Kwara state. To achieve this ultimate goal, the study revealed that:

In table 4.3.1 shows that 28 of the respondents representing 93% indicated “Yes” that IFRS aid quality of financial statement in Guaranty Trust Holding Company Plc (GTCO), Ilorin while 2(7%) respondents pointed “Not Sure” on the question and it discovered that international financial reporting standards aid quality financial statement in Guaranty Trust Holding Company Plc.

In table 4.3.2 shows that 25(83%) of the total respondents pointed “Yes” while 2 of the respondents representing 7% opted “No”. Also 3(10%) respondents asserted “Not Sure”. From the analysis, it was concluded international financial reporting standards in Nigeria improve the quality of financial reporting

Also in table 4.3.3 shows that 23(77%) of the respondents indicated “Yes” IFRS play significant role in banking institutions in Nigeria and also 4 respondents representing 13% pointed “No” while 3(10%) asserted Not Sure. It was discovered that IFRS play significance role in banking institution in Nigeria.

Table 4.3.4 shows that 16 (53%) of the respondents that indicated “Yes” Has there been effective implementation and adoption of IFRS in Guaranty Trust Holding Company Plc?. Also, 8 (27%) respondents pointed “No” while 6 respondents representing 20% asserted “Not Sure on the question. Therefore, it was noted that Has there been effective implementation and adoption of IFRS in Guaranty Trust Holding Company Plc?

5.3 CONCLUSION

Based on the findings and subsequent recommendation of this study, it was concluded that the adoption of IFRS is a right step in the right direction. Although there are many issues and challenges facing the implementation, the benefits outweigh the challenge. With adoption, Nigeria companies will produce a more credible financial statements that will not only be uniformed but also provide a basis for better interpretation. The invariably will boost investors confidence and attract cross border financial transactions which is the basis for economic growth.

Accordingly, these findings are not different from the results from other studies, in other parts of the world, such as Germany by Paananen and Lin (2008:26), Clarkson et al. (2009:26), Houque et al. (2010:22) and many others where they all reported that IFRS adoption does not necessarily lead to improved quality in financial reporting. Paananen. (2008:17) in a similar study in Sweden stated that IFRS adoption did not improve the quality of accounting in Sweden and went on to advise that it is dangerous to draw conclusions on using this kind of measures. These results should therefore be seen as part of the evidence vetting IFRS. Notwithstanding the mixed outcome, these results can also be used to explain that accounting quality can improve from IFRS adoption rather than changes in managerial incentives.

5.4 RECOMMENDATIONS

From the findings of this study, the researcher hereby recommends the following:

The management should take a Step to ensure a successful adoption and implementation of IFRS in Nigeria.

Government and the regulators should ensure that there is availability of training facilities and materials for professional accountants on the concept of IFRS and issues relating to its implementation and conversion.

Compliance with IFRS timetable should be mandatory and failure should be meted with appropriate sanctions.

Government should Release more fund to FRC to educate all stakeholders with special reference to the academic to staff and accounting students who will uphold the future IFRS in the country and developing a plan to help properly equip the company for upcoming changes (Lewis and Pendril (1996).

Professional accounting bodies in Nigeria should make IFRS training a part of MCPE at a reduce cost.

Monitoring the IFRS implementation timetable, the government, the Central Bank of Nigeria and other regulatory bodies should ensure that ethical environment and corporate transparency are observed.

It is recommended that top management, external auditors and regulators being the key players in standards, need to work together and tighten compliance so that impact of IFRS could be felt more.

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