

**IMPACT OF INTERNATIONAL FINANCIAL REPORTING
STANDARD ON THE FINANCIAL STATEMENT OF
TERTIARY INSTITUTION IN KWARA STATE
(CASE STUDY OF KWARA STATE POLYTECHNIC,
ILORIN)**

BY

ABDULWAHEED AMIRAH OLAMIDE
HND/23/ACC/FT/0035

**BEING A PROJECT SUBMITTED TO THE DEPARTMENT
OF ACCOUNTANCY, INSTITUTION OF FINANCE AND
MANAGEMENT STUDIES, KWARA STATE
POLYTECHNIC, ILORIN.**

**IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF HIGHER
NATIONAL DIPLOMA (HND) IN ACCOUNTANCY**

MAY, 2025

CERTIFICATION

This is to Certified that this project work has been written by ABDULWAHEED AMIRAH OLAMIDE with matriculation number: HND/23/ACC/FT/0035 and has been read and approved as meeting part of the requirement 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.

ANIFOWOSHE B.B. (MRS)
(Project Supervisor)

DATE

MRS ADEGBOYE B.B.
(Project Coordinator)

DATE

MR ELELU M.O.
Head of Department (HOD)

DATE

IKHU OMOREGBE SUNDAY(FCA)
(External Examiner)

DATE

DEDICATION

This project work is dedicated to the Almighty Allah and to my Parents for their support financially and spiritually.

ACKNOWLEDGEMENT

I am grateful to God for His mercy that made this possible. He gave me wisdom and strength throughout my course of study. My profound gratitude goes to my supervisor Mrs Anifowoshe B.B. for his time, advice, patience, encouragement, guidance and the supervisory role he offered me during this project work.

My sincere appreciation goes to my HOD Mr, Elelu M.O and to all my Lecturers and non-Academic staff of my Department who has contributed to the success of this program.

My heartfelt gratitude goes to my parents Mr and Mrs Jamiu Abdulwaheed Omitojola for their love, care, and support throughout my academic pursuit in this higher citadel of learning. Thank you so much for this golden opportunity and for investing in me, your kindness will always remain indelible. May you live long to enjoy what you laboured for Amin.

My appreciation and acknowledgement goes to my wonderful Sisters Mrs Abdulwaheed Nafisat Bello, Mrs Ibrahim Fatimah, Mrs Babalola Balikis . Jazakumllahukhyran ma for having that faith in me and also to my siblings Abdulwaheed Shukroh, Abdulwaheed Fareedah, Abdulwaheed Fareed, Omotosho Mariam, Mikahil Mariam, Ajibade Fatiah, for their love and encouragement. I am deeply grateful.

My special thanks to my friend Shukroh, Fatimah, Aisha and all class of (Hnd 11 2023set) thanks for been there always.

Even though there are many others that contributed to the success but time and space will not permit me to mention all. But all the same I say thank you and God bless you all.

ABSTRACT

The main purpose of this study is to examine the impact of International Financial Reporting Standard (IFRS) on the financial statement of tertiary institution in Nigerian using Kwara State Polytechnic Ilorin as case study. The population comprise of sample size of 80 Respondent that were interviewed. 30 respondent were selected based on availability of data required for the investigation. Data collected and collated shows that the need for the implementation of IFRS in tertiary institution is of high benefit to enhance credibility and transparency in reporting financial statement in higher institution. We therefore recommended that there should also be much more enlightenment campaigns on the potential effects of IFRS implementation by the regulatory authorities, professional bodies and government before the impact in Nigeria gets worsened and out of hand. Furthermore, Institutions and organization should endeavour to use the opportunity presented by the adoption of IFRS to improve their transaction processes in all ramifications so as to aid uniformity and transparency.

TABLE OF CONTENTS

CERTIFICATION	ii
DEDICATION.....	iii
ACKNOWLEDGMENTS	iv
TABLE OF CONTENTS.....	v
ABSTRACT.....	vi
CHAPTER ONE.....	1
INTRODUCTION.....	1
1.1 Background to the Study.....	1
1.2 Statement of the Problem	3
1.3 Research Questions	4
1.4 Objectives of the Study.....	4
1.5 Research Hypotheses	5
1.6 Scope of the Study.....	5
1.7 Significance of the Study	6
1.8 Limitation of the Study.....	6
1.9 Definition of Terms	7
CHAPTER TWO.....	8
LITERATURE REVIEW.....	8
2.0 Introduction.....	8
2.1 Conceptual Review.....	8
2.1.1 Importance of IFRS standards.....	12
2.1.2 Role of IFRS adoption on financial institutions in Nigeria.....	13
2.1.3 Challenges of IFRS adoption in Financial Institutions	13
2.1.4 Financial Reporting.....	14
2.1.5 Quality of financial reports.....	14
2.1.6 Factors Affecting the Quality of Financial Reporting	15
2.2 Theoretical Review.....	16
2.2.1 Agency Theory.....	16
2.2.2 Stakeholders Theory.....	17
2.2.3 Stewardship Theory:.....	19
2.3 Empirical Review.....	20
CHAPTER THREE.....	23
METHODOLOGY.....	23
3.1 Introduction.....	23
3.2 Research Design	23
3.3 Population of the Study	23

3.4	Sample Size And Sampling Technique	23
3.5	Sources And Method of Data Collection.....	23
3.6	Instrument for Data Collection.....	24
3.7	Techniques for Data Analysis.....	24
CHAPTER FOUR.....		25
DATA ANALYSIS AND DISCUSSION.....		25
4.1	Introduction	25
4.2	Respondents characteristics and classification.....	25
4.3	Presentation and Analysis of Data	28
4.4	Testing of Hypothesis.....	30
4.5	Summary of findings	30
CHAPTER FIVE.....		32
SUMMARY, CONCLUSION AND RECOMMENDATION.....		32
5.1	Summary.....	32
5.2	Conclusions	32
5.3	Recommendation	33
REFERENCES.....		34
LIST OF TABLES		
Table 1: Respondent Gender.....		26
Table 2: Age Distribution of Respondents/.....		26
Tables 3: Marital Status Distribution of Respondents		27
Table 4: Qualification of Respondents		27
Table 5: Duration of Service with the Institution		28
Table 6: Do you think IFRS accounting standard is generally		28
acceptable and well practice in your institution and Kwara State Polytechnic.		
Table 7: Do you think IFRS can solve the financial crisis.....		29
of tertiary institution to avoid been close down		
Table 8: Does the adoption of IFRS influence stakeholders.....		29
confidence in institutions financial report		
Table 9: What extents do you think transition from International Accounting		30
Practice to IFRS affect financial reporting		
Table 10: IFRS has effect on Financial Statement of Tertiary Institution in kwara state.....		30

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Accounting is the language of business and businesses around the world which can no longer afford to be speaking in different language, with each other while sharing and exchanging result of their international business activities (Olubukola Ranti Uwuigbe 2017). Financial reporting plays a fundamental role in economic development either domestically or globally because it reveals financial indicators that inform investors' decisions (Nassar et al., 2014). More so, it helps to boost investors' confidence which is vital to the functioning of capital markets; consequently, determining the economic development of a nation (Olubukola Ranti et al., 2017)

The Nigerian Accounting Standards Board (NASB) was responsible for developing and issuing standards known as Statements of Accounting Standards (SAS) and in the new dispensation, the body was renamed Financial Reporting Council of Nigeria (FRCN) as the regulatory body overseeing the adoption and implementation of the IFRS (Kenneth, 2012). The said IFRS replaced Nigerian GAAP which was commonly and generally adopted in the year 2012 before the implementation of IFRS, financial statements were being prepared and reported through the guidance of the Nigerian Statement of Accounting Standards (SAS) as produced by the Nigerian Accounting Standards Board (NASB), an accounting regulatory body that has supreme authority to issue the Statements of Accounting Standards (SAS) as local accounting standards in preparing the financial statements in the past by

companies so that compliance with the standards is promoted and enforced.

Most studies on IFRS have concentrated on its financial reporting issue. But financial reporting is one aspect of the total impact of IFRS on corporations.

The adoption of IFRS arguable leads to more accurate, comprehensive and timely financial statement information, better comparability of financial statements and much more, transparency in reporting. The Implementation of IFRS reduces information irregularity and strengthens the communication link between all stakeholders Andre & Evans, 2018).

The need for harmonization of financial statements and single set of consistent high quality financial reporting standards gained wide spread acceptance amongst policy makers and preparers of financial statements due to the increase in the volume of cross border capital flows and the growing number of foreign direct investments. Before the global convergence to IFRS, different countries of the world had their respective accounting standards, developed, issued and regulated by their respective local bodies. This made comparison of results of companies operating in different financial reporting jurisdictions rather difficult.

Financial statements are the most relevant external information that helps in communicating the wealth situation of Tertiary Institution in order to inform investor's decisions (uwuuigbe et al, 2016) in a bid to improve the information environment to aid investors decision, a major move of International Accounting standard Board (IASB) is the introduction of International Financial Reporting Standard (IFRS) (Jimoh 2016)

The attestation towards the adoption of IFRS is the expectation to create either in the long run or short run, an increase in shareholder's wealth. In the light of this attestation, the benefits attributed to the adoption of IFRS are innumerable and are continuously questioned by several accounting intellects.

The motivation for this study. Therefore, from this consideration i.e whether IFRS induced numbers address stakeholders interest more than the local financial reporting standards.

International financial reporting standard (IFRS) is the new dominant set of accounting standard developed under a rigorous due diligence process and used in a more than 120 countries around the world, including Australia, Brazil, Canada, the Europe union, south Africa, Nigeria and many others (Deloitte touche tohmastu, 2013). Each country adopting IFRS undergoes a transition process in the year of adoption. This process may be fairly disruptive for the user of financial statements as accounting treatment of analogous item may vary, compare comparability and trend analysis.

To gain more insight into this study, the remainder of this paper has been organized in the following sequence. Section 2 basically provides an in-depth review of related relevant literatures and the objectives of the study. Section 3 goes on to discuss the rationale for the study and the description of the methodology adopted for the study. The final sections of this article covers the findings, conclusions, managerial implications and suggested area of future researches

1.2 Statement of the Problem

The management of the institution seeks to establish rules and laws to guide how they relate to each other to at least reduce conflicts. This is

the essence of regulations and management. Management is not effective if it is not supported by good and globally financial reporting standards. It is viewed that public companies, institutions and organization etc can achieve rapid growth and development if they are made to follow regulations guiding financial report.

The problem of this study therefore is to find out weather :

- 1 The accountants, auditors and the management ensure the integrity and credibility of globally international financial reporting system which is the key to our economic transformation and growth
- 2 Inadequate technical expertise, complexity in the interpretation and application can affect comparability across institutions.
- 3 Implementing and maintaining IFRS can be Expensive
- 4 Consistent enforcement Across jurisdiction can be challenging to the institutions

1.3 Research Questions

- 1 To what Extent does adoption of IFRS affects the financial Statement of this Institution?
- 2 To what extent Does transition from international accounting practice to IFRS affect Financial Reporting?
- 3 Does the adoption of IFRS influenced Stake Holders Confidence in the polytechnics Financial Report?

1.4 Objectives of the Study

The primary objective of the study is to evaluate the impact of the adoption of International Financial Reporting Standards (IFRS) on the financial Reporting Practices of Kwara State Polytechnic, Ilorin. In line with this the study seeks to achieve the following specific objective to:

- 1 Examine the effects of IFRS adoption on the quality and Structure of Financial Statement Prepared By Kwara State Polytechnic.
- 2 Assess the extent to which the transition from local accounting practices to IFRS as influenced the accuracy, comparability, and reliability of financial reporting within the institution
- 3 Examine the implementation of IFRS on stake holders confident in the financial report and overall financial management of Kwara State Polytechnic

1.5 Research Hypotheses

- H₀₁:** The adoption of IFRS does not significantly affect the financial statement of Kwara State polytechnic
- H₀₂:** The transition from Local accounting practices to IFRS does not significantly Improve the Quality of Financial reporting in Kwara State Polytechnic
- H₀₃:** The adoption of IFRS has not significantly influenced the stakeholders confidence in the polytechnics financial reporting.

1.6 Scope of the Study

This study focuses on examining the Impact of International Financial Reporting Standards (IFRS) on the financial statement of tertiary institutions, with particular emphasis on kwara state polytechnic, Ilorin.

The research is limited to evaluating how the adoption of IFRS has affected the structure, quality and credibility of financial reports within the institution.

1.7 Significance of the Study

This study is significant for several reason as it seeks to provide valuable insights into the effects of international financial reporting standard (IFRS) on financial reporting within public tertiary institutions, using Kwara State Polytechnic Ilorin as a case study.

It helps the institutions to evaluate the effectiveness of its financial reporting under IFRS, highlighting areas that need improvement to enhance transparency, accountability, and accuracy. The findings will assist management in making informed financial decisions and ensuring compliance with global reporting standards.

Additionally,the study will benefit government agencies, policy makers and stake holders by offering evidence on the impact of IFRS on institutional credibility and stakeholder confidence. It will also serve as a resources for accounting professional and future researchers interested in public sector financial reporting and IFRS implementation in Nigerians Tertiary Education Sector.

1.8 Limitation of the Study

This study is restricted to Kwara State Polytechnic Ilorin and does not include other tertiary institutions in Kwara State or Nigeria. As such, the findings may not be generalized to all institution.

The researcher may face challenges in assessing complete and accurate financial records due to confidentiality policies or limitations in documentation

The responses from staff and stake holders may be subjected to personal bias, lack of full understanding of IFRS, or reluctance to provide honest feed back which could affect the validity of the findings

1.9 Definition of Terms

International Financial Reporting Standard (IFRS): A set of Globally accepted accounting Standards developed by the International Accounting Standards Board (IASB) for the Preparation and presentation of Financial Statement.

Financial Statement: Formal Records of the financial activities and position of an organization, typically including the balance sheet, Income Statement, Cash flow Statement and notes to the accounts .

Financial Reporting: the process of Producing Statement that Disclose an Organizations Financial Status to management, government agencies, and external partners.

Tertiary Institution: an Educational Institution that provides post secondary education, such as Universities, Polytechnics and Colleges. In this Study, its Specifically refers to Kwara State Polytechnic Ilorin.

Transparency: the extent to which financial reporting provides clear, accurate and complete information that stakeholders can easily understand and rely upon.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Financial reporting is crucial for building investor and stakeholder confidence in companies and financial institutions. IFRS standards are adopted worldwide to ensure unified level of disclosure and high-quality financial reporting. These standards aims to enhance comparability and transparency of financial information. Adopting IFRS standards in financial statements provides useful information on financial position, high performance, and cash flows, aiding in economic decision-making and enhancing the quality of financial reports . The research highlights a lack of adoption of International Financial Reporting Standards (IFRS) in institutions, which aim to provide high-quality, transparent, and comparable accounting information in financial statements and reports. The study questions the importance of adopting IFRS standards at international and local levels and whether their application enhances the quality of financial reports.

2.1 Conceptual Review

International Financial Reporting Standard

Multiple-use categories use accounting information for economic decision-making. Financial statements are prepared and presented by a conceptual framework, identifying current investors, global financial market users, and other financial information users. (Dawood & Wahhab, 2023).

Suppliers and Trade Creditors: Adopting IFRS standards leads to improved comparison, estimating whether a company will be able to repay debts....etc. (Fadhala & Saad, 2023).

Customers and lenders: The IFRS enables analysts to give more accurate and less distracting earnings forecasts which in turn will improve the accuracy of analysts' forecasts .(Abbas & Mamouri, 2023). mutually recognized and agreed that International Accounting Standards (IAS) have the potential to provide various benefits (Gelter, 2021). Adoption of consistent standards eliminates the need for additional information, lowering the cost decrease information asymmetry among businesses and investors, in addition to information risk and capital cost through a unified set of financial reporting standards (Ismail, 2017). On the other hand, quality of accounting is a result of cross-border operations. They improve users' ability to examine and analyse financial statements by making reporting. For instance, the adoption of IFRS. It is important due to the International Financial Reporting Formula, as it company performance, lower costs, improve transparency, and reduce information bias (Hong, 2013). Furthermore, IFRS financial decisions (Ashok, 2014). improves the quality of financial reports as the management provides ample opportunity to reduce profit management These standards achieve high efficiency in the market and maintain the financial stability of the Omani economy for the International Accounting Standards Board (IASB) stand is to increase and enhance the levels of confidence in finance. Moreover, the adoption of IFRS international financial reporting standards will help reduce differences among these reports in different financial reporting for many companies and investors in different countries. Also, it enables them to make informed long periods (Rotimi, 2012). IFRS adoption will result in higher financial reporting information quality, which will information more comparable (Madawaki, 2012).According to Alasbahi and Ishwara (2021),the essential purposes

of operates of business (Bhattacharjee & Islam, 2009). The globalization of capital markets is an irreversible phenomenon, countries. This will also strengthen financial information comparability, improve its explanatory capacity to measure International Financial Reporting Standards (IFRS) are rapidly implemented globally to improve accounting value practices and fraud (Toumeh & Yahya, 2019). In addition, IFRS contributes to the preparation of clear and understandable of the business's general institutional context, which includes the political systems and legal of the nation in which the makes businesses and organizations of various activities to be more aware and closer to the international financial market. (Beneish & Yohn, 2008). Moreover, investors may have expected that expanding only a set of standards would have convergence benefits, such as decreasing the cost of comparing companies' financial positions and performance across create standards for excellent company governance and give effective accounting disclosures to earn shareholders trust. 2021). According to Yeboah and Pais (2021), existing research displays that the adoption of IFRS has enhanced to Agyei Boapeah, Machokoto, Amankwah Amoah, Tunyi, and Fosu (2020), the implementation of IFRS resulted in 2015).

International accounting standards need financial statements to be clear and comparable. This is to assist participants in implementation process. Lack literature on IFRS in GCC, especially in Oman is raising concerns. As a result of recommendations to accounting professionals working in the Oman market (Hameed, 2014). The adoption of IFRS is one provide only the usual greater quality of global accounting standards (Hameed, 2014). According to Hameed (2014), the IFRS are intended to be used by profit-seeking organizations. According to IFRS, financial

statements provide an prepares and users (accountants, regulatory authorities, and auditors) (Pope & McLeay, 2011). IFRS provides a solid foundation for a business plan. Omani corporate sector has shown a strong commitment to international financial relationships with their stakeholders. Execution of international financial reporting standards is critical because they accurate and fair picture of a beings financial health. To grow a unified greater quality, comprehensible and enforced governments to be unwilling to implement the IFRS, including complexity, accounting capability, government regulation.

Some researchers have sought to address the underlying issues that may arise throughout the IFRS quality of accounting. Nonetheless, Almotairy and Alsalman (2011) conducted a research about implementing IFRS in quality of financial reports. Moreover, IFRS adoption is believed to boost financial reporting quality. According to Musa (2019), due to the pursuit of the comparability, consistency, and reliability of statements in line with IFRS (Camfferman & Zeff, 2018). Oman has a valid jurisdictional profile in the IFRS foundation's the company's financial reporting, the adoption of IFRS has become a global issue in countries worldwide.

According to Rotimi (2012), the aims and significance of adopting understand both locally and globally. As a result, the IFRS were created to aid in the comparison and preparation of Accounting professionals in many sectors of the economy currently feel compelled to adopt IFRS published by the significant incentive for international investors (Musah, Adjei, & Ahmed, 2020). Governance quality has an important role, but experiential results propose that the impact of IFRS is more important, indicating that the Gulf Cooperation Omani government recognizes the

benefits of adopting IFRS for the corporate sector. Thus, Oman has enacted several of the few topics in accounting studies that have direct policy implications (Opare, Houqe, & Van Zijl, 2021).

2.1.1 Importance of IFRS standards:

Standards are of great importance to many different parties, due to the following:

Standardization of financial reporting standards enhances transparency, reliability, and comparison between companies and countries, facilitating the process of making financial decisions. (Jaid Al-Amiri, 2010).

Increasing confidence in the financial markets, allows companies to enter the global and Arab markets, as these standards allow the possibility of trading in global markets based on unified financial reports.(Taher & Alani, 2022).

Comply with legal requirements, improve, harmonize and standardize accounting systems, procedures and rules when preparing financial reports.(Al-Mashhadani & Helio, 2023).

To facilitate international disclosure, local and international financiers rely on reading and reviewing the financial statements, which must be prepared in accordance with unified international accounting standards.(Judy, 2012) .

Improves the quality of accounting information.(Al-Mashhadani & Helio, 2023) The decision to adopt IFRS will be based on the fact that developing countries are generally unable to allocate the necessary financial and technical resources to develop high-quality domestic accounting standards. (Chinonye & Onuora, 2023).

2.1.2 Role of IFRS adoption on financial institutions in Nigeria

IFRS in Nigeria will drive Foreign Direct Investment (FDI) into Nigeria. The IFRS would result in a more transparent financial statement with greatly improved disclosure, thereby result of globalization, a number of Nigerian companies have raised capital from international financial performance, position and future cash flows of corporate entities in Nigeria.

2.1.3 Challenges of IFRS adoption in Financial Institutions

IFRS requires considerable preparation both at the country and entity levels to ensure The practical challenges that is being faced in Nigeria as a result of the implementation of statements, regulators, educators and other stakeholders have to be effectively coordinated national laws.

1. Training Resources

IFRS. Usually, the time lag between decision date and the actual implementation date is not communicated. This should include raising awareness on the potential impact of the IFRS

2. Accounting Education and Training

users of financial statements, auditors and regulatory authorities. Countries that implemented Along with these accountants, government officials, financial analysts, auditors, tax coherence and provide clarity on the authority that IFRS will have in relation to other existing the shortage of accountants and auditors who are technically competent in implementing IFRS. These challenges have been evidenced by previous studies conducted by scholars such as Professional accountants look upon to ensure successful implementation of IFRS.

3. Tax Reporting

The principal challenges Nigeria is encountering in the practical implementation process, is which poses a great challenge to IFRS adoption. Practical implementation of IFRS requires adequate technical capacity among prepares and impact of the transition on business performance and financial position. The implementation conversion, are complex.

2.1.4 Financial Reporting

Financial reporting is the act of communicating financial statements and related position of an organization over a specified period of time. These stakeholders include process of providing information in financial statements (including the notes thereto) According to the Financial Reporting Council (2013), financial reporting is the periodic Standard Board (IASB), 2010).In the context of this study, financial reporting is scarce resources. The objective of financial reporting is to provide information about the investors, creditors, the public, debt providers, governments and government agencies. (Rouse, 2017).

Financial reporting involves the disclosure of financial information to the various stakeholders about the financial performance and about the financial position and performance of a reporting entity to parties (users) that disclose an organization's financial status to management, investors and in an essential way of following standard practices to give an accurate depiction of a for better understanding and appropriate decision making.

2.1.5 Quality of financial reports

Financial reports are of high quality, ensuring accuracy, transparency, and objectivity, thereby promoting rational decision-making, increased

investments, and reduced costs in line with international accounting standards. (Khedr & Alnama, 2022) Financial reports' quality is primarily determined by the credibility of objectives and the quality of company information, with qualitative characteristics enhancing their usefulness of these reports. (Adetayo et al., 2023) ‘By studying accounting systems to come up with accounting systems that are more suited to needs (Jaid Al-Amiri, 2010) ‘the results of the studies indicate that IFRS has positively affected the quality of financial reporting in several ways.

IFRS enhances transparency by providing clearer guidance and disclosure requirements, resulting in improved information for users of financial statements.

The principled nature of IFRS allows for greater reporting flexibility enabling companies to provide a more accurate reflection of their financial position and performance. IFRS enhance the comparability of financial statements, as adopting a global standard enables better measurement and analysis across companies and jurisdictions.

2.1.6 Factors Affecting the Quality of Financial Reporting

There are many factors that can affect the quality of financial reporting, including: The XBRL application facilitates data collection, processing, exchange, and comparison of financial reports, enhancing disclosure quality and transparency. (Masoudi & Aliwi, 2021). The independence of the audit committees is one of the features that improve their effectiveness and limit the management of profits, which reflects positively on the quality of financial reports.(Abdul Aziz, 2023). Institutional factors, such as a strong internal control system in companies.(Taher & Alani, 2022). Apply the principles of good corporate governance. (Taher & Alani, 2022) Accounting factors, accounting

principles and standards contain multiple accounting policies for a single subject, which leads to different accounting treatments, this makes it difficult to interpret financial reports in certain cases. (Mahmoud & AbdulLatif, 2022). Technical factors are changing or improving the existing IT system to be compliant with IFRS.(Chude & CHUDE, 2023). Technical challenges the need to involve specialists due to difficult standards, shortage of technically competent staff.

2.2 Theoretical Review

This framework reviews the agency theory, stakeholders theory and the stewardship theory and its relation to IFRS adoption.

2.2.1 Agency Theory

Agency theory refers to a set of propositions in governing a modern corporation which is typically characterized by large number of shareholders or owners who allow separate individuals to control and direct the use of their collective capital for future gains. These individuals may not always own shares but may possess relevant professional skills in managing the corporation. The theory offers many useful ways to examine the relationship between owners and managers and verify how the final objective of maximizing the returns to the owners is achieved, particularly when the managers do not own the corporation's resources.

The agency theory has its roots in economic theory. This was expounded by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). In the agency theory, the principal (owners and shareholders) delegates the decision making power to the agent (directors, managers and management) who may pursue interests that may not necessarily be in favour of the principal but may in fact hurt the principal through information asymmetry (Ross, 1973; Fama, 1980). The

agency theory deals with entrusting resources to the agent who in turn is required to produce a report in qualitative and quantitative manner and are expected to align the interest of the owners of a business and managers of a business and managers in order for the set objectives of the organization to be achieved.

According to Kiel and Nicholson (2003), Agency theory is viewed as the separation of control from ownership. It implies that the professional managers manage a firm on behalf of the firm's owners. Gerrit and Mohammad (2007) argued that (as cited in Adeyemi&Olowookere, 2011) the agency theory states that agents have more information than the principals and as such this information asymmetry could adversely affect the principal's ability to monitor if the organization is being run in their best interest. Hence, it was asserted that managers possess superior knowledge and expertise compared to the owners of the firm. Consequently, they are in a position to pursue their personal interest at the expense of the shareholders.

2.2.2 Stakeholders Theory

The term "stakeholders" refers to groups of constituents who have a legitimate claim on the firm (Freeman, 1984; Pearce, 1982). This legitimacy is established through the existence of an exchange relationship. Stakeholders include stockholders, creditors, managers, employees, customers, suppliers, local communities and the general public. According to March and Simon (1958), each of these groups can be seen as supplying the firm with critical resources (contributions) and in exchange each expects its interests to be satisfied (by inducements).

In 1963, the Stanford Research Institute (SRI) defined stakeholder's theory as those groups without whose support the

organisation would cease to exist. Freeman (2004) modified the definition as those groups who are vital to the survival and success of the organisation. The stakeholder's theory focuses on the issues concerning the stakeholders in a firm. It stipulates that a corporate entity invariably seeks to provide a balance between the interests of its diverse stakeholders in order to ensure that each interest constituency receives some degree of satisfaction (Abrams, 1951). According to Gray, Owen and Adams (1996), practising stakeholder theory helps organisation to achieve the organisational goals which include increasing profitability. Craig (2010) asserted that the view of stakeholder theory is that all the stakeholders have right to be provided with information about how the organisation is affecting them (through community sponsorship, provision of employment, safety initiatives, etc.), even if they choose not to use the information and even if they cannot directly affect the survival of the organisation. Ullmann (1985) argues that the greater the importance to the organisation of the stakeholder's resources/ support, the greater the probability that a particular stakeholders expectations will be accommodated within the organisation's operations. Moreover, organisations will have an incentive to disclose information about their various programs and initiatives to the stakeholder groups concerned to clearly indicate that they are conforming to those stakeholders' expectations, as organisations must necessarily balance the expectations of various stakeholder groups.

Within the same line of thought, Roberts (1992) argued that stakeholder related activities are useful in developing and maintaining satisfactory relationships with stockholders, creditors and other related parties. Developing a corporate reputation through performing and

disclosing necessary reports activities is part of a strategy for managing stakeholder relationships. Disclosing necessary information to the shareholders is the duty of management and proper disclosure can build good relationship between owners and managers while at the same time reducing agency problem. However, stakeholder theory does not directly provide prescriptions about what information should be disclosed (Craig, 2010) other than indicating that the provision of information, including information within an annual report can, if thoughtfully considered, be useful for the continued operations of a business entity.

2.2.3 Stewardship Theory:

Stewardship theory presents a different model of management, where managers are considered good stewards who will act in the best interest of the owners (Donaldson & Davis, 1991). Stewards are motivated only by making the right decisions which are in the best interest of the organisation, as there is strong assumption that stewards will benefit, if the firm is prospered. A steward protects and maximises shareholders wealth through firm performance, because by doing so, the steward's utility functions are maximized (Davis, Schoorman and Donaldson, 1997).

Stewardship is defined as the behaviour that places the long term interest of the organisation as well as the shareholders a head of individuals' self-interest (Caldwell and Karri, 2005). Stewardship theory sees a strong relationship between managers and the success of the firm. Donaldson and Davis (1989) argued that stewardship theory ignores individualism, rather firm executives and managers play their role as stewards by aligning their interest along with the organisation's goals.

Unlike agency theory where firm executives and managers aim to work for their self-interest, in stewardship theory, company executives

and managers are aimed to protect and make profits for the principals (shareholders). In fact, stewardship establishes a successful organisation which leads to happiness and motivation of stewards, not individual success nor goals attained.

2.3 Empirical Review

Fasina and Adegbite (2014) used both qualitative and quantitative methods to collect primary data on the impact of international financial reporting standards (IFRS) adoption on accounting procedures in Nigeria. Descriptive statistics, Chi-square, and analysis of variance were utilized to analyse the data acquired for the study (ANOVA). According to the study, there is a substantial positive relationship between the adoption of the International Financial Reporting Standard and financial performance as a result of an organization's cost reduction. The study found that IFRS adoption improved corporate efficiency and productivity, resulting in improved business effectiveness and performance. In addition, the study found that adopting IFRS relieves multinational corporations of the substantial costs associated with preparing financial statements, allows easier cross-border evaluation of financial reports, improves financial report quality, increases company profitability through lower share trading costs, and lowers earnings management costs. However, this study used primary data for its evaluation which is subjective whereas relevant and financially quantifiable variables like PPE, borrowing cost and impairment are used as the variables denoting IFRS adoption in the Nigeria manufacturing Companies.

Ibanichuka and Asukwo, (2018) empirically investigated the effect of the International Financial Reporting Standard (IFRS) adoption on the financial performance of petroleum marketing entities in Nigeria. The

study used comparative analysis to assess the corporate performance of pre- and post-IFRS adoption in the petroleum marketing sector of Nigeria, sampling ten (10) Listed Petroleum Marketing companies. A time series research design was used for this study. One-way Analysis of Variance (ANOVA) and The One Sample t-test were the statistical tools used to test the hypotheses. The test of hypotheses and another breakdown of data were empirically completed by SPSS statistic 20.0. The findings of the study revealed that pre-IFRS and post-IFRS adoption have no significant effect on Return on Asset and Return on Equity; though, both pre IFRS and post-IFRS adoption had a significant impact on Earnings per share. It was concluded that there was no significant relationship between IFRS adoption and the corporate performance of petroleum marketing entities in Nigeria. The study only used ROA and ROE for pre and post-IFRS adoption without considering more variables that are much more IFRS-proven. Also, pre-adoption data that were queried to have been doctored and faulty under the old standards were still used to assert that pre-adoption ROA and ROE were better than post-adoption. It is therefore not supported by this study. Amaefule et al. (2018) examined the effect of international financial reporting standards (IFRS) adoption on the financial performance of quoted manufacturing firms in Nigeria. The study utilized data on two key financial performance indicators: earning per share (EPS) and return on assets (ROA) of five selected manufacturing firms quoted on the Nigeria Stock Exchange from 2007 to 2016; segregated into pre-IFRS (NGAAP) regime and post-IFRS regime. Descriptive analysis (Mean) and inferential statistics (paired sample t-test) were employed in analysing the data collected. Results from the analysis indicated that, on the one hand, IFRS adoption in Nigeria exerts an

insignificant negative effect on the firms' EPS while on the other hand exerting a significant negative effect on the firms' ROA. The study thus concluded that manufacturing firms in Nigeria have not fared better in their reported financial performance following the adoption of the new financial reporting standards. This study failed to include more and purely IFRS-based variables as they were used in this study, invariably; the data used were seen inadequate to justify the study.

Titus (2020) examined the effect of International Financial Reporting Standards (IFRS) on the financial performance of the manufacturing sector. This research work covers a period of 14 years Pre IFRS (2006 - 2012) and post IFRS (2013-2019). The sample size for this study is ten (10) Manufacturing Companies listed on the Nigerian Stock Exchange. The study adopted the Ordinary Least Squares Model and Wald Test Coefficient Restrictions Model as the main analytical tools to test the formulated hypotheses. The study revealed that a weak and insignificant relationship exists between the Nigerian Manufacturing Firms' Revenue, Profit, Total Assets, and Total Liabilities, and the Nigerian Manufacturing Firms' Earnings per Share, Return on Assets, and Return on Equity before the adoption of IFRS. Based on the findings, this study recommends that investors should consider the values of earnings, book values of equity, and cash flow from operations in the annual reports of firms prepared by IFRS before making any investment decision. Just as said above, pre-adoption data that were queried to have been doctored and faulty under the old standards were still used to adjudge whether pre-adoption was better than post-adoption.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter outlines the procedure and methods adopted in conducting the study. It cover the research designs, population of the study sampling technique, sample size, data collection methods and method of data analysis.

3.2 Research Design

For systematic analysis of the data collected the study made use of both descriptive Data Analysis. The descriptive study which is meant to afford the researchers opportunity of systematic collection, presentation and analysis of data as well as information for the study

3.3 Population of the Study

The sample size is based on the fact that one could not cover the whole pollution of Kwara State Polytechnic and as a result, a sample of 30 represent was been selected randomly to represent study population under investigation.

3.4 Sample Size And Sampling Technique

A total number of 80 staff were used as population size of Kwara State Polytechnic staff which 30 respondent were sample to be interview and respond to the interview process to judge for the entire population size of the staff in Kwara State Polytechnic Ilorin

3.5 Sources And Method of Data Collection

Method of data collections for this research approaches for computing and concluding on enable analysis involve interview and questionnaires schedule for Kwara Polytechnic Ilorin teaching and non teaching staffs and , the interview schedule contain vital information's as

well as open and closed ended questions because there are cases where other just need ordinary ticking of correct option applicable to them.

3.6 Instrument for Data Collection

Numerals research tool are used by the researcher to gather the data used in his project work some of the tools are discussed below.

Interview, this is the process by which the information that could not be collected through questionnaire are been collected through interview with most of the staff under the finance

And Bursary department. During the interview information collected includes the general structure of Kwara State Polytechnic and that of the Finance and Bursary department as well. Questionnaire, the questionnaire were distributed personally to the staff of Finance and Bursary department and monitored accordingly which from the single size of this project. The administrated of the questionnaire were limited to the Kwara State Polytechnic staff and particular attention replace to the finance departments of the organization due to the nature of the study, positive result was received from the finance and bursary department and information collected made the data collation of this project easier.

3.7 Techniques for Data Analysis

Interview schedule was used to collect responses from the accept interview schedule and as contact for easy analysis and representation of data and appropriate descriptive statics was used. The data were presented inform of table and percentages. Probability sample design were adopted for this study because in probability sample design each sampling unit of the population under study, a change of being include sample, precisely for the purpose of the study, a stratified and sampling method were used in the population. In order to obtain a sample unit for

each other response from the survey, simple random sampling was employed. This method is considered most suitable because it gives every variable equal probability of being selected. There are about 80 of the response which 30 respondents would be randomly selected out of the sampling unit to judge for the whole population.

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

4.1 Introduction

This chapter gives analysis on the respondent of the research question and hypothesis formulated from the stated problem in chapter one of the research work. It deals with the presentation of data analysis and interpretation of data collected.

4.2 Respondents characteristics and classification

Table 1: Respondent Gender

Sex	No of respondents	Percentage
Male	18	60
Female	12	40
Total	30	100

Source: Researcher's Field Survey, 2025

From the table above, 18 respondents representing 60% were male staff while 12 respondents representing 40% were female. This indicates that there were more male staff than female staffs in the institution

Table 2: Age Distribution of Respondents

Age	No of respondents	Percentage
18-28years	6	20
29-39Years	9	30
40-49years	8	26
50years	7	24
Total	30	100

Source: Researcher's Field Survey, 2025

From the table above 6 respondents which is 20% fall within the age bracket of 18-28years, 9 respondent fall within age bracket of 29-39m

years, 8 respondent which is 26% fall within age bracket of 40-49 years, while 7 respondent of 24% fall within the age bracket of 50years above.

Tables 3: Marital Status Distribution of Respondents

Status	No of respondents	Percentage
Single	8	26
Married	9	30
Divorce	7	24
Widow	6	20
Total	30	100

Source: Researcher's Field Survey, 2025

From the above table 3: it shows 8 Respondent representing 26% were single, 9 respondents representing 30% were married, 7 respondents representing 24 % were divorce, while 6 respondents representing 20% were widow, this indicate that there are more married families among the staffs

Table 4: Qualification of Respondents

Qualification	No of respondents	Percentage
SSCE	-	-
NCE/OND	12	40
HND/BSC	15	50
MSC/PHD	3	10
Total	30	100

Source: Researcher's Field Survey, 2025

From the above table 4: 12 respondents were with NCE or OND qualification with 40%, 15 respondents were with HND/BSC qualification with 50%, while 3 respondent has a Qualification of

MSC/PHD with 10% percentages, which shows that HND/BSC has the highest qualifications status

Table 5: Duration of Service with the Institution

Years	No of respondents	Percentage
5Years	15	50
6-10years	12	40
11years	3	10
Total	30	100

Source: Researcher's Field Survey, 2025

From the above Table 15 respondent representing 50% responded that they have been in service with the institution for the past 5 years, 12 respondents representing 40% said they have been in service with the institution for the past 6-10years ago, while 3 respondents representing 10% responded that the duration of the service is over 11years ago

4.3 Presentation and Analysis of Data

Table 6: Do you think IFRS accounting standard is generally acceptable and well practice in your institution and Kwara State Polytechnic.

Response	No of respondents	Percentage
Yes	30	100
No	-	-
Total	30	100

Source: Researcher's Field Survey, 2025

From the above table 6 all the respondents support the idea that IFRS accounting standard is generally accepted and well practice in there institution

Table 7: Do you think IFRS can solve the financial crisis of tertiary institution to avoid been close down

Response	No of respondents	Percentage
Yes	20	67
No	10	33
Total	30	100

Source: Researcher's Field Survey, 2025

From the above table 7, 20 respondents representing 67% said that IFRS can solve the financial crisis of tertiary institution to avoid them been close down by providing loan to the management of the institution from internal financial agencies like bank, 10 respondent representing 33% go against the idea saying that the financial crisis in the responsibility of institution management saying that involving IFRS serve as means for fraud and money laundering.

Table 8: Does the adoption of IFRS influence stakeholders confidence in institutions financial report

Response	No of respondents	Percentage
Yes	30	100
No	-	-
Total	30	100

Source: Researcher's Field Survey, 2025

From the above table 8: it shows that all respondents support that the adoption of IFRS influence stakeholders confidence in institution financial report

Table 9: What extents do you think transition from International Accounting Practice to IFRS affect financial reporting

Response	No of respondents	Percentage
Positive	30	100
Negative	-	-
Total	30	100

Source: Researcher's Field Survey, 2025

The summary of analysis from the above table shows that all respondents support the transition from international accounting practice to IFRS which brings about accuracy, orderliness and transparency in given report of financial statement in an organization

4.4 Testing of Hypothesis

Table 10: IFRS has effect on Financial Statement of Tertiary Institution in kwara state

Population	Sample Mean	Standard Error	Stadard Deviation	S.A	Ztap
3	4.96	1.83	1.83	0.05	+ 1.960

Source: Researcher's Field Survey, 2025

Base on the result above the hypothesis will be rejected which state IFRS does not have effect on financial statement of tertiary institution in Nigeria and accept the hypothesis which state that if IFRS have affect on financial statement of tertiary institution in Nigeria

4.5 Summary of findings

The research work border determine the relationship between IFRS adoption on financial statement of institution

The result of Hypothesis tested reviewed that there is a significant relationship between IFRS adoption and tertiary institution in Nigeria.

This issues include the process of conversation of existing record, the cost involved in training existing amounting infrastructure in Nigeria.

The implication of IFRS on the economy is the fact that financial statement will boost an motivate both internal and external investors

Findings

The research are summarized as follows:

- 1 There is a significant relationship between IFRS adoption Institution in Nigeria
- 2 The adoption of IFRS will increase the level of certain institution and investment analysis in financial statement of tertiary institution in Nigeria
- 3 The tertiary institution which was adopted by IFRS will be able to generate more funds from foreign source
- 4 There are still challenges militating against the success of adopting and implementation of IFRS by the tertiary institution but government has put adequate infrastructure and regulatory frame work in place to address those issue

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The research reveals that IFRS standards significantly impact the quality of financial reporting for Tertiary institution, enhancing transparency, comparability, and reliability in financial statements. It provides a comprehensive review of IFRS's history, objectives, significance, challenges, and impact on the quality of financial reporting.

The adoption of International Financial Reporting Standards (IFRS) has enabled global comparability, enabling investors, creditors, and other stakeholders to make comparisons. The principle-based nature of IFRS provides flexibility in reporting, ensuring accurate representation of Tertiary Institution financial performance and flows.

5.2 Conclusions

Several studies have been undertaken on international financial reporting standard in Nigeria. Most of these studies were conducted examining international financial reporting standard and organization productivity attributes without combining other measures (such as profitability ,earning per share and debt on equity etc.) and also ignoring the important of financial performance as the nucleus of every organization across the world This is exactly what this study attempted by investigating how international financial reporting standard and adoption affect financial performance of Tertiary Institution.

A number of logical inferences were drawn based on the empirical evidence and findings of this investigation. This research concludes that IFRS adoption has had a mixed impact on the financial performance of institution and organization in Nigeria. While IFRS adoption has had a

good and significant effect on profitability and earnings per share, it has had a negative and substantial effect on debt to equity.

5.3 Recommendation

As a result, it is suggested that the Financial Reporting Council of Nigeria (FRCN) make sure that Nigerian institution and organization disclose their financials in accordance with IFRS principles. Rather than fully adopting IFRS as specified by the International Accounting Standard Board (IASB), Nigerian businesses may find it more beneficial to converge on a common set of principles.

- 1 The management team, employees, auditors, and advisor should be aware of the effect of IFRS on financial reporting and trend analysis.
- 2 Professional accountancy bodies in Nigeria and the big audit firms should reduce cost turning in IFRS for those in the educational sector.
- 3 In order to achieve effective training and building needed for effective implementation of IFRS, IFRS centre for excellence should be established. That is training should entreated to the teaching and learning of IFRS so that classroom session are blended with real life situation.
- 4 Accounting equators should make accounting an interactive and interesting for their students in order to make them master their courses.
- 5 The curriculum of our tertiary institution should be reviewed to incorporate IFRS so that our accountants and auditors will be conversant with IFRS guidelines and standard.

REFERENCES

- Abe, P.O., Ajayi-Owoeye, A.E. & Adegbile, F.F. (2020). IFRS Disclosures and Protection of Shareholders' Interests in Nigerian Quoted Firms. *European Journal of Business and Management Research*. 5(5),1-10.
- Abdulkadir, M. (2012), Adoption of International Financial Reporting Standards in Developing Countries: The Case of Nigeria. *International Journal of Business and Management*, Vol. 7, No. 3, Pp.152-161.
- Abhayawansa, S. & Adams, C. (2022). Towards a conceptual framework for non-financial reporting inclusive of pandemic and climate risk reporting. *Meditari Accountancy Research*, 30(3), 710-738.
- Adeyanju, O. D. (2020). Impact of The Adoption of IFRS on the Performance of the Private Sector Enterprises in Nigeria. *International Journal of Economics, Commerce and Management*. 8(11), 151-176.
- Blanchette, M., Racicot, F. E. & Girard, J. Y. (2011), The Effects of IFRS on Financial Ratios: Early Evidence in Canada, Ottawa; Certified General Accountants Association of Canada.
- Bruggemann, U., Hitz, J & Sellhorn T. (2013), Intended and Unintended Consequences of Mandatory IFRS Adoption: A Review of Extant Evidence and Suggestions for Future Research, *European Accounting Review*, 22(1): 1-37
- Caglio, A., Melloni, G., & Perego, P. (2020). Informational content and assurance of textual disclosures: Evidence on integrated reporting. *European Accounting Review*, 29(1), 55-83.
- Chalmers, K., Navissi, F., Qu, W. (2010), Value relevance of accounting information in China pre and post (2001) accounting reforms. *Managerial Auditing Journal*, 25(8), 792-813.
- Conceptual Framework. (2010), Available from: <http://www.iasplus.com/en/standards/other/framework>.
- Dai, B., Guan, J., Lu, M. (2015), The influences of accounting standards change on value relevance of accounting earnings. *Journal of Economics, Business and Management*, 3(10), 936-939.

- Dobija, D., Klimczak, K.M. (2010), Development of accounting in Poland: Market efficiency and the value relevance of reported earnings. *The International Journal of Accounting*, 45, 336-374.
- Emeni, F.K., Uwuigbe, O.R., Uwuigbe, U., Erin, O.A. (2016), International financial reporting standards and stock market behavior: The Nigerian Experience, *Review of Economic Studies and Research Virgil Madgearu*, 9(2), 49-66.
- Fasina, H.T. & Adegbite, T. A. (2014). Empirical Analysis of the Effect of International Financial Reporting Standards (IFRS) of Business Research, 2(2), 1-14.
- Habib, A., Bhuiyan, M. B. U., & Hasan, M. M. (2019). IFRS adoption, financial reporting quality and cost of capital: A life cycle perspective. *Pacific Accounting Review*, 31(3), 497-522.
- Hussain, M. B. (2022). Evaluating International Financial Reporting Standards and Generally Accepted Accounting Principles in a Local Context: A Case from Pakistan. *Academy of Education and Social Sciences Review*, 2(2), 70-80.
- Ibanichuka, E. A. L., & Asukwo, I. S. (2018). International financial reporting standards adoption and financial performance of petroleum marketing entities in Nigeria. *International Journal of Advanced Academic Research Accounting & Economic Development*, 4(2), 1-15.
- Ibrahim E. E. (2022) IFRS adoption and accounting based performance measures: evidence from an emerging capital market. *Journal of Money and Business* Vol. 2 No. 1, 2022 pp. 94-106.
- Jinadu, O., Ojeka, S.A. & Ogundana, O.M. (2016). IFRS Adoption and Foreign Direct Investment: Evidence from Nigerian Quoted Firms. *Mediterranean Journal of Social Sciences*, 7(2): 99 105.
- Kipchoge, K.A. (2015). Effect of Corporate Attributes on International Financial Reporting Standards Disclosure Level. Evidence from Kenya Listed Firms. *Research Journal of Finance and Accounting*, 6(1): 97-107.
- Nengzih .L (2015). The Adoption of IFRS – Impact on Profitability Rate and Tax Income: Evidence from Companies Indonesia Listed in Indonesian Stock Exchange. *Research Journal of Finance and Accounting*, 6(11): 174-181.