FINANCIAL STATEMENTS INFORMATION DISCLOSURE REQUIREMENTS AND COMPLIANCE LEVEL BY NIGERIAN QUOTED FIRMS

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Abstract

This paper examines the response to the need to find out the extent to which financial statements and reports of Nigerian quoted firms are manipulated through non-compliance of disclosure requirements of SAS2 & CAMA S334-9. The objectives of the study include finding out whether or not Nigerian quoted firms apply the requirements of standards relating to disclosure of information in financial statements and the extent to which non-compliance behavior affects the quality of the reported performance of the firms. The period of the study is 6 years (2006-2011). The study involves 25 firms quoted as at 31/12/2011 on NSE. The study employs qualitative grading system statistics as an analytical tool to predict and explain relations between variables. The study finds that Nigerian quoted firms engage in none-observation of what is required by SAS 2 as the compliance level is about 75% as against 100%. The quality reported performance of Nigerian firms is poor. Based on the above findings the study recommends that regulatory bodies need to evolve necessary measures to curtail the extent of non-compliance behavior of Nigerian firms and to continually subject the firm's performance to quality tests to protect the various users (Stakeholders) of accounting information. This will improve the financial statement qualities of accuracy, relevancy, comparability, reliability, compatibility and free from errors and un-biasness. Timely and reliable information is useful for making prudent, effective and efficient decision which will bring financial, people focused development and sustainable growth.

Keywords: disclosure, financial reporting, compliance, performance, stakeholders, standard.

Introduction

Accounting information is relevant to the extent that it is capable of influencing a decision maker by helping him to form prediction about the outcomes of present or to confirm or correct prior expectations (Gordon, 1964) and (Kaufman, 2002). In order for information to be relevant, it must be timely, and it must have predictive value or feedback value or both (Ahmed, Lobo and Zhou, 2000). Financial statements should always provide reliable information to assist users in decision making. The statement should disclose relevant, reliable, comparable and understandable information (Kaplan, 1999). Reliability has to do with the quality of information which assures that information is reasonably free from error and bias and faithfully represents what it is intended to represent. However, (Jindrichouvska and Kuo, 2000) argues that an annual reports can never be completely free from bias, since economic phenomena presented in annual reports are frequently measured under conditions of uncertainty. Many estimates and assumptions are included in the report. Although complete lack of bias cannot be achieved, a certain level of accuracy is necessary for financial reporting information to be decision useful (IASB, 2008). Therefore, it is important to examine the arguments provided for the different estimates and assumptions made in the annual report (Beauchamp and Bowie, 1997). If valid arguments are provided for the assumptions and estimates made, they are likely to represent the economic phenomena without bias. The problem of the study is to examine the extent to which Nigerian firms comply with the disclosure requirement of SAS 2 and CAMA section 339.

In view of the above, our hypothesis is that accounting information is not significant to judge the economic conditions or events that it purports to represent. Reliability has the qualities of neutrality, representational, faithfulness and verifiability (Dunn and Mckernan, 1996; Levitt, 2000 and Liang, 2001). Verifiability on the other hand means the ability through consensus among measures to ensure that information represents what it purports to represent or that the chosen method of measurement has been used without error or bias. It has three key aspects namely; consensus among observers, assurance of correspondence to economic events, and direct and indirect verification (Jindrichouvska and Kuo, 2000 and Stern, 2002).

For financial statement to be understood clearly, the presentation should not be misleading or ambiguous. Users should be able to understand the information presented without undue effort (IASB, 2008). To achieve this, the annual reports should contain full disclosure and higher level of transparency. As (Solomon, 1983) stress, for a company to be transparent, it should be abe to disclosure financial information properly which means providing a full and frank account of a company's activities. In addition, corporate transparency is the widespread availability of relevant, reliable information about the periodic performance, financial position, investments opportunities, governance, value and risk of publicly traded firm. The greater the transparency of income statement, the more useful it will be for current and potential investors to make investment decision. In other words, the more the firms disclose, concerning the figures found in the financial statement, the greater the level of transparency. The quality of financial reporting is to promote transparency and deliver high quality annual report through comprehensive disclosure. This has contributed to the accounting standards setting and laws regarding financial reporting. The quality of financial reporting has always been an issue of interest among regulatory bodies, shareholders, researchers and the accounting profession itself. This is due to the fact that financial reporting has been a principal means of communicating financial information to outside users (Watts and Zimmerman, 1986) and the use of financial reporting itself in assessing the economic performance and condition of a business in the quest to monitor management's actions and assists in making economic decisions (Ahmed, et al, 2000).

This paper is structured in five parts. The next part (II) is Literature and theoretical framework. Part (III) is methodology and IV presents discussion and findings as answers to the research questions and V concludes the paper and provides some recommendations.

Literature review

Legal Framework and Financial Reporting in Nigeria

Accounting and financial reporting requirements of companies in Nigeria are regulated by a multiplicity of laws and bodies. These include companies and Allied Matters Act CAP. 20 L.F.N. 2004, Securities and Exchange Commission Rules and Regulations (1999), Investments and Securities Act CAP.124 L.F.N. 2004, Nigerian Stock Exchange Act (1961), Banks and Other Financial Institutions Act (1991), Nigerian Insurance Act (2003), Nigerian Accounting Standards Board Act (2003), Institute of Chartered Accountants of Nigeria Act (1965) and Association of National Accountants of Nigeria Act (1993). The min legal framework for corporate accounting practices in Nigeria is the Companies and Allied Matters Act CAP. 20 L.F.N. 2004. The SEC regulates securities market participants under the Investments and Securities Act CAP.124 L.F.N. 2004 and the Securities and Exchange Commission Rules and Regulations (1999). The Nigerian Stock Exchange, established by the Nigerian Stock Exchange Act of 1961, supports the Securities and Exchange Commission to supervise the securities market operations, and regulates the capital market. Within the capital market there exists the primary and secondary market. The primary market issues new securities and the secondary market deals with existing securities.

The Central Bank of Nigeria is the main statutory regulator of banks and nonbanking financial institutions under the provision of the Banks and Other Financial Institutions Act (1991). The Banks and Other Financial Institutions Act (1991) contain provision on financial reporting by banks in addition to CAMA requirements. The National Insurance Commission regulates financial reporting practices of insurance companies under the Nigerian Insurance Act of 2003. CAMA 2004 as amended requires financial statements of companies in Nigeria to comply with the accounting standards as laid down from time to time by the Nigerian Accounting Standards Board as constituted.

Companies and Allied Matters Act (CAMA) CAP. C20 L.F.N 2004

Corporate financial reporting in Nigeria is currently guided by CAMA 2004 (as amended). This is the major legislation governing financial reporting of companies in Nigeria. The basic requirement relating to corporate financial reporting is contained in Part XI-Financial Statements and Audit. Sections 331-356 relate to financial statements while sections 357 to 369 relate to Audit.

Section 331 compels all companies to keep accounting records. These accounting records should contain all matters in respect of all receipt and expenditure the accounting records should be sufficient to show and disclose with reasonable accuracy, at any time, the financial position of the company.

Section 332 state that the accounting records should be kept in a registered office or such other places fit by the directors, subject to subsection 2 of this section which is in respect of the disposal of records under winding up rules.

Section 333 deals with penalties for non-compliance with the provisions of sections 331 and 332 of the CAMA.

Section 334 requires directors of every company to prepare financial statements in respect of each year of the company, S.334 (2) states that the financial statements should include:

a. Statement of accounting policies;
b. The balance sheet as at the last date of the year;
c. A profit and loss account or, in the case of company not trading for profit, an income and expenditure account for the year;
d. Note on the account;
e. The auditors' report;
f. The directors' report;
g. A statement of source and application of funds (now replaced by statement of cash flow since 1997);
h. A value added statement of the year;
i. A five year financial summary; and
j. For holding company, a group financial statement.

S.334 (3) exempts private company from the matters as stated in paragraphs (a), (g), (h) and (i).

Section 335 states the form and content of individual financial statements. It requires the financial statements of a company to comply with the requirements of Schedule 2 to this Act (as far as applicable) and with the accounting standard as laid down from time to time by the Nigerian Accounting Standard Board as constituted.

Section 336 compels companies that have subsidiaries to prepare individual and group accounts for the year. The group financial statement should consist of a consolidation of balance sheet and the profit and loss account of the company and its subsidiaries. Section 337 state the form and content of group financial statements; this should comply with the requirements of Schedule 2 of the Act. Section 338 states the meaning of 'holding company', 'subsidiary' and 'wholly owned subsidiary'.

Section 339 deals with additional disclosure required in notes to financial statement as contained in Schedule 3 to the Act. Schedule 3 deals with the following:

a. Parts I and II deals respectively with the disclosure of the particulars of subsidiary and its shareholders;
b. Part III deals with disclosure of financial information of subsidiaries;
c. Part IV requires subsidiaries to disclose its ultimate holding company;
d. Part V deals with emoluments and compensation to directors and past directors;
e. Part VI deals with the disclosure of the number of employees of the company with high remunerations.

Section 340-341 deal with the disclosure of loans in favour of directors and connected persons in accordance with Part I and Part II of Schedule 4 of this Act (so far as applicable). Part I of the Schedule 4 is in relating to disclosure of transactions, arrangements and agreements mentioned therein, including loans, quasi loans and other dealing in favour of director. Part II of Schedule 4 is regards to transactions, arrangements and agreements made by the company or subsidiary of it for persons who at any time during the year were officers of the company but not directors. Section 342 requires every company to prepare in respect to each year a report by the directors in accordance with Schedule 4 of the Act. It also state penalties for non-compliance.

Section 343 – 349 deal with procedure on completion of financial statements. Section 343 requires two of the directors of the company to sign the balance sheet and documents annexed thereto. Section 344 state persons entitled to receive financial statements as of right. Section 345 state the duration of time for delivery of the financial statements. Section 346-348 state the penalty for non-compliance with section 345 and penalty for laying or delivering defective financial statements. Section 349 state the shareholder's right to obtain copies of financial statement.

Sections 350 – 353 deal with modified individual and group financial statements. Section 350 deals with the entitlement to deliver financial statements in modified form. Section 351 deals with qualification of a small company, Section 352 deals with modification of individual financial statements, while Section 353 deals with modification of financial statements of holding company.

Section 354 applies to the publication by a company of full individual or group financial statements. These financial statements must be laid before the company in general and delivered to the Corporate Affairs Commission including the directors' and auditors' report. It also deals with contraventions to this provision. Section 355 requires a company to publish abridged financial statement. It applies to any balance sheet or profit and loss account relating to a year of the company or purporting to deal with any such year, otherwise than as part of full financial statement to which section 354 of the Act applies.

Section 356 addresses the power to later accounting requirements by the Minister after consultation with the Nigerian Accounting Standard Board. Sections 357-369 provide for Audit of the financial statements. It provides for appointment of auditors, qualification of auditors, auditors' report, auditors' duties and powers, remuneration of auditors, removal of auditors, auditors' right, resignation of auditors, and the liability of auditors for negligence.

The Nigerian legal framework in respect to financial reporting is mainly to improve the quality of accounting figures as reported in the financial statement. Despite all the effort made by provisions of CAMA 2004, the quality of financial statements of Nigerian companies is still questionable. This may be a as a result of weak implementation and monitoring of operating companies in Nigeria by the corporate affairs commission.

Development of Accounting Standards (National and International)

The practice of accounting worldwide is guided by sets of guidelines and rules. The rules and guidelines are compiled into accounting standards. They are statements of principle that discuss the accounting treatment and disclosure of a particular item or group of items. There are two sets of standards governing the accounting practice in Nigeria, the national accounting and the international accounting standards. The national accounting standards, known as Statements of Accounting Standards (SASs) are issued y the Nigerian Accounting Standard Board (NASB), while the international accounting standard formerly known as International Accounting Standards (IASs), but known as International Financial Reporting Standards (IFRSs) are issued by the International Accounting Standard Board.

Nigerian Accounting Standards Board

The Nigerian Accounting Standard Board (NASB) is a parastatal of the Federal Government founded on September 9, 1982 but enacted as the NASB Act of 2003. The board came into being after the Nigerian Enterprises Promotion Decree was promulgated to transfer ownership of companies to Nigerians. The companies existing at that time exploited the fact that there was no uniform accounting practice. They utilized any accounting measure that seemed suitable to them. Those companies whose parent were residents outside Nigeria followed the dictates of their parents outside the shore of Nigeria, thereby, resulting to non-coherent accounting practices. NASB was therefore established at that time to stop the unpalatable conditions that existed before and after indigenization.

Specifically NASB was set up to narrow areas of differences in practices so that financial statements are structurally uniform and meaningful; produce accounting information relevant to the economic environment and introduce measures that will enhance the readability and validity of the accounting information (NASB, 2007). The standards are rules governing the preparation of the financial statements and they are essential because they result in efficient allocation of resources within the economy. The NASB was given a legal backing by its inclusion in Section 335(1) of the Companies and Allied Matters Act of 2004 which mandates all companies to prepare financial statements that comply with the statement of Accounting Standards (SAS) as developed and issued by NASB from time to time. The NASB in 2003 was given the full autonomy as a legal entity with the enactment of the NASB Act of 2003. NASB is the only body that has the statutory power under the Act to monitor and enforce compliance with accounting standards.

The NASB Act No 22 of 2003 now Financial Reporting Council of Nigeria (FRCN) of 2011 identifies three objectives of the Las as follows:

a. To establish the NASB charged with the responsibility of developing and publishing accounting standards to be observed in the preparation of financial statements;
b. To seek to promote and enforce compliance with accounting standards issued by the Board; and
c. To provide penalties for non-compliance with its provisions.

NASB's membership includes representative of government and relevant interest groups drawn from the banking, manufacturing, commercial and educational sectors of the economy.

They are as follows:

1. Central Bank of Nigeria (CBN)
2. Corporate Affairs Commission (CAC)
3. Federal Inland Revenue Service (FIRS)
4. Federal Ministry of Commerce (FMC)
5. Federal Ministry of Finance (FMF)
6. Nigerian Accounting Association (NAA)
7. Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
8. Nigeria Deposit Insurance Corporation (NDIC)
9. Securities and Exchange Commission (SEC)
10. The Institute of Chartered Accountants of Nigeria (ICAN)
11. Auditor General of the Federation
12. Accountant General of the Federation
13. Association of National Accountants of Nigeria (ANAN)
14. The Chartered Institute of Taxation of Nigeria (CITN)

Theoretical framework

There are a lot of theories in the area of assessing the quality of financial reporting. These theories are available in existing literature that underpinned the use of various measurement methods in ascertaining the quality of financial reports. The methods most widely used to assess financial reporting quality are accrual models, value relevance models, research focusing on specific elements in the annual report, and methods operationalizing the qualitative characteristics as adopted by (Zimmerman and Gontcharov, 2002).

Value relevance studies in the area of accounting information only focus on information disclosed in financial statements to assess the financial information quality (Defond & Park, 1997; Healy & Wahlen, 1999; Holthousen & Leftwich 1983). The models proffered under this theory focus on the associations between accounting figures and stock-market reactions in the measurement of the quality of financial reporting information (Ball and Shivakumar, 2002). The stock price is assumed to represent the market value of the firm, while accounting figures represent firm value based on accounting procedures. According to Bitner and Dolan (1998), when both concepts are strongly correlated, it is assumed that earnings information provides relevant and reliable information. This method is also used to examine earnings persistence, predictive ability, and variability, as elements of earnings quality (Francis, LaFond, Olsson & Schipper, 2003).

This study is underpinned by stakeholders' theory which is all about satisfying the various users of accounting information without any biasness. It is based on transparency, honesty and disclosure.

Methodology

Base on this study, the data is collected from the annual accounts and reports of companies listed on the Nigerian Stock Exchange. A sample of 25 firms drawn from the 16 [agricultural/agro allied, automobile and tyre, banking, breweries, building material, computer and office equipment, conglomerates, construction, food/beverages and tobacco, healthcare, industrial/domestic products, insurance, packaging, petroleum (marketing), printing and publishing, Textiles] of the 25 sectors that make up the first tier market of the Nigerian Stock Exchange. The selection was done based on complete availability of data. The period covered by the study is 5 years (2006 to 2011). The technique for data analysis utilized by the study is a qualitative grading system. Under this technique the annual accounts of the sampled firms are compared with the requirements of SAS 2 (as shown below) and firms are appropriately graded and scored as per the degree of compliance with the respective items is SAS 2. Firms in Nigerian are considered to have performed their financial reporting obligations as far as SAS 2 and CAMA, 1990 are concerned, if disclosure is made in the financial statement of the following as adopted by (Agusto, 2003).

Requirement 1 (R1): The name of the enterprise
Requirement 2 (R2): The period of time covered
Requirement 3 (R3): A brief description of its activities
Requirement 4 (R4): Its legal form.
Requirement 5 (R5): Its relationship with its significant local and overseas suppliers including the immediate and ultimate parent associated or affiliated company
Requirement 6 (R6): Statement of Accounting Policies
Requirement 7 (R7): Balance Sheet
Requirement 8 (R8): Profit and Loss Account or Income Statement
Requirement 9 (R9): Notes on the Accounts
Requirement 10 (R10): Statement of Sources and Application of Fund
Requirement 11 (R11): Five year Financial Summary
Requirement 12 (R12): Financial Implication of inter-company transfer and technical/management agreements between the enterprise and its significant local and overseas suppliers, including its immediate and or ultimate associated, affiliated company should be disclosed.
Requirement 13 (R13): Financial Statements should show corresponding figures for the preceding period.

Results and discussions

The Standard adopted by the paper enables uniform structure and consistent procedures to be developed for all variables involved for the purpose of comparison. The application of the requirements of SAS 2 by firms in Nigeria will be classified depending on the aggregate percentage of compliance using the following standard. Thus, the degree of compliance index consistent with (Kim and Kross, 1998) is given by:

Degree of Compliance No. of Variables Complied with by Sample Firms X 100

Maximum Variables expected to be complied with by the Sample Firms

The decision criteria adopted in the study is contained in table 1. The variables ordinary ranked, will be used in our qualitative judgment of assessing the degree of compliance with the requirements of SAS 8 by firms in Nigeria. We compared the 13 variables (the requirements of SAS 2) with the financial statements of sampled firms and ranked appropriately using the qualitative grading system. The range is between 0% - 100%. In other words, any of the requirements disclosed by a firm in its annual accounts and reports attracts between 1 – 100% or 1 – 10 points. Firms are therefore graded on the number of items observed as per the requirements of standards. If, however, on the overall a firm was able to score 10 into thirteen places, then it is graded as having made an 'A' or scored 130 points or has excellently applied or compiled with the requirements of SAS 2. Alternatively, a firm that scored zero (0) will be graded as having an extreme poor compliance with the requirements. The criterion for grading the application is presented in Table 1.

Table 1: Criteria for Grading Compliance with the Requirements of SAS 2 by Firms in Nigeria

S/N	Letter Grade	Percentage score	Form	General Remarks
1	A	80% - 100%	Strongly complied	Excellent
2	B	60% - 79%	Semi-Strongly Complied	Good
3	C	40% - 69%	Weakly complied	Poor
4	D	0% - 39%	Non-compliance	Extremely Poor

Source: Researcher's Design, 2005.

A result of our grading the compliance with the requirements of SAS 2 by firms quoted on the NSE is presented in this section. The presentation and analysis of data was carried out within the context of the survey result, as mention above. The result of our assessment and grading is presented in Table 2. A cursory look at the table reveals compliance only to the ten out of the thirteen requirements of the standards.

Table 2: Summary of the Application of the Requirements of SAS 8 by Firms in Nigeria

Companies	Variables representing requirements of SAS 2													Total Score
	R1	R2	R3	R4	R5	R6	R7	R8	R9	R10	R11	R12	R13	
Livestock feed plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
First Bank of Nig Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Union Bank Nig. Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
AfriBank Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
UBA Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
First Atlantic Bank	10	10	10	10	0	10	10	10	10	0	10	0	10	100
P.Z. Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Seven Up Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Nigeria Bottling Co. Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Evans Medical Plc	10	0	10	0	0	10	10	10	10	0	10	0	10	80
Vitafoam Nigeria Plc	10	0	10	0	0	10	10	10	10	0	10	0	10	80
A.G Leventis Nig Plc	10	10	10	10	0	10	10	10	10	0	10	10	10	100
Lasaco Assurance Plc	10	10	10	10	0	10	10	10	10	0	10	10	10	100
Law Union & Rock Ins	10	0	10	0	0	10	10	10	10	0	10	0	10	80
MOBIL OIL PLC	10	10	10	10	0	10	10	10	10	0	10	0	10	100
African Pet. Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
TEXACO Nig Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Longman Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
POLY product	10	10	10	10	0	10	10	10	10	0	10	0	10	100
United Nig Textiles Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Ashaka Cement Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Guinness Nig Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Dunlop Nig Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Roads Nigeria Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Atlas Nigeria Plc	10	10	10	10	0	10	10	10	10	0	10	0	10	100
Total														2440

Source: Annual Accounts and reports of Sample firms, 2006 t0 2011

Outcome:

Table 2 shows the full sample complying with ten out of the thirteen requirements of the standards. But this is only for 22 out of the 25 firms, the remaining three do not comply with requirements 2 and 4 (i.e. the requirements of the period of time covered and legal form), in addition to the ones not complied with by all the firms. Of particular interest is the requirement number 10 which relates to the disclosure of statement of sources and application of funds, which for years has since 1990 been replaced with funds flow statement (see CAMA, 1990). Surprisingly, the standard carries this requirement along. Impliedly, this means that not only that the standard should be reviewed but all irrelevant provisions should be expunged, and the standard puts in line with CAMA, 1990 and other relevant Acts.

However, to determine the degree of compliance of firms with the requirement of the standards in toto, we use the following formula as stated in section 3.0:

Degree of Compliance = No. of Variables Complied with by Sample Firms X 100

Number of points earned from the compliance = 2440

Maximum score required from compliance:

[25 (firms) X 13 (requirements)] = 3250

Therefore,

$$\text{Degree of compliance } \frac{2440}{3250} = 75\%$$

We conclude and summarize the degree of compliance by firms with the individual requirements of the standards, as adopted by (Arya, Clover and Sunder 2002) thus:

Table 3: Summary of Firms Compliance with the Individual Requirement of SAS 2.

S/N	Companies	Score (%)	Remarks
1	The name of time enterprise	100	Excellent
2	The period of time covered	88	Excellent
3	A brief description of its activities	100	Excellent
4	Its legal form	88	Excellent
5	Its relationship with its significant local, overseas suppliers etc.	0	Extremely poor
6	Statement of Accounting Policies	100	Excellent
7	Balance sheet	100	Excellent
8	Profit and Loss Account	100	Excellent
9	Notes on the Accounts	100	Excellent
10	Statement of sources and Application of Fund	0	Extremely poor
11	Five – year Financial Summary	100	Excellent
12	Financial implication of inter -company transfer with local & overseas suppliers, associates, affiliates etc.	0	Extremely poor
13	Showing corresponding figures for the preceding period	100	Excellent

Source: Researcher's Design, 2005

Although, table 3 shows quoted firms' compliance with the requirements of most of the variables to be excellent or very strong, but on a general note, result from our grading and assessment reveals 75% compliance. Stock Exchange compliance with the requirements of SAS 2 is fair and falls within the semi-strong form's range (i.e. 60 to 79%). We therefore reject the null hypothesis which state that firms quoted on the Nigerian Stock Exchange do not comply with the requirements of SAS 8 (Agusto, 2003). This is consistent with the work of (Belski and Brozovsky, 2002); (Bruns and Merchant, 1990) and (Cottell and Perlin, 1990).

Conclusion and recommendations

We however studied the links between information disclosed in financial statements to market share prices of quoted firms in Nigeria. The study found that there is about 75% compliance of the disclosure requirement of quoted firms in Nigeria. The study concludes that there is problem in non-disclosure in published financial statements of the firms in Nigeria.

Following the findings of this study, we recommended that quoted firms in Nigeria should improve on the disclosure requirements compliance; these information measures are anticipated to increase investors' confidence in accounting information of financial statements of the firms in Nigeria. The stock market should also be re-engineered to improve performance; the implication is enormous for local and foreign investors who make decisions based on accounting information. This will provide a good strategic base to implement investment policies that would provide economic growth and sustainable development in Nigeria.

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