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International Financial Reporting Standards Adoption and Financial Reporting Quality in Nigeria: A Systematic Review of Empirical Evidence

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Abstract

The adoption of International Financial Reporting Standards (IFRS) represents a major development in the harmonisation of financial reporting practices across national capital markets. In Nigeria, the mandatory adoption of IFRS, which commenced in 2012, was intended to improve transparency, comparability, accountability and the usefulness of corporate financial statements. However, empirical findings on the extent to which IFRS adoption has improved financial reporting quality remain mixed. This study examines the relationship between IFRS adoption and financial reporting quality in Nigeria through a systematic review of published empirical evidence. It focuses on three major dimensions of reporting quality: earnings management, disclosure quality and the timeliness of financial reporting. The review will identify relevant studies, evaluate their methodological approaches and findings, and synthesise the evidence to establish areas of agreement, disagreement and gaps in existing research. Agency theory and signalling theory provide the conceptual foundations for understanding how accounting standards may influence managerial accountability, information asymmetry and the credibility of corporate disclosures. The review will draw exclusively on secondary sources, including peer-reviewed journal articles, academic theses and relevant institutional publications. The synthesis will compare findings across studies while considering differences in research design, measurement, sample characteristics and the institutional context of IFRS implementation. The study is expected to clarify what existing empirical evidence indicates about the consequences of IFRS adoption for financial reporting quality in Nigeria and identify priorities for future research, regulatory oversight and effective implementation.

Keywords: *IFRS adoption, Financial reporting quality, Earnings management, Disclosure quality, Reporting timeliness, Systematic review*

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Background of the Study

The quality of financial reporting is fundamental to the effective functioning of capital markets because investors, creditors, regulators and other stakeholders rely on corporate financial statements to assess financial performance, financial position and future prospects. High-quality financial reporting provides relevant, faithfully represented, comparable and timely information for economic decision-making. Conversely, poor reporting quality may increase information asymmetry, weaken investor confidence and create opportunities for managerial opportunism. Improving the quality, transparency and credibility of corporate financial information therefore remains a major concern for accounting standard-setters, regulators and capital-market participants.

The development of International Financial Reporting Standards (IFRS) represents a significant effort to harmonise financial reporting practices across national boundaries. IFRS establishes a common framework for the recognition, measurement, presentation and disclosure of financial transactions, with the objective of improving the comparability and usefulness of financial statements. Nigeria commenced the phased mandatory adoption of IFRS in 2012 as part of its efforts to align domestic financial reporting practices with international requirements. The transition was expected to strengthen transparency, enhance investor confidence and improve the credibility of financial statements, particularly among firms listed on the Nigerian Exchange.

Nevertheless, adopting a common set of accounting standards does not automatically guarantee high-quality financial reporting. Reporting outcomes may also depend on managerial incentives, corporate governance, audit effectiveness, regulatory enforcement and the extent to which accounting requirements are implemented in practice. Firms may formally comply with IFRS while retaining discretion in accounting estimates, impairment assessments, revenue recognition and other reporting decisions. Consequently, the effectiveness of IFRS adoption must be considered in relation to reported outcomes and the institutional conditions in which the standards operate.

International empirical studies provide differing conclusions about the relationship between IFRS adoption and financial reporting quality. Barth et al. (2008) found that firms applying international accounting standards exhibited lower earnings management, more timely loss recognition and greater value relevance of accounting information. Daske et al. (2008) showed that the economic consequences of mandatory IFRS adoption varied across countries and were more pronounced where firms had incentives for transparent reporting and institutional conditions supported implementation. In contrast, Ahmed et al. (2013) reported deterioration in selected accounting-quality measures following mandatory IFRS adoption. These differences suggest that the consequences of adopting international standards may depend on the regulatory environment, implementation practices and the measures used to assess accounting quality.

Evidence from Nigeria also warrants careful examination. Previous studies have investigated IFRS adoption in relation to earnings management, disclosure practices and other accounting

outcomes, but their findings and methodological approaches are not necessarily consistent. Differences in observation periods, sample selection, proxies for financial reporting quality and analytical techniques may contribute to variations in reported results. Furthermore, improvements in disclosure practices do not necessarily demonstrate corresponding reductions in earnings management or improvements in reporting timeliness. Financial reporting quality is therefore best understood as a multidimensional concept requiring evidence from several indicators.

Although individual empirical studies provide useful insights, their findings may be difficult to interpret collectively without a structured assessment of their results and limitations. A systematic review can address this problem by identifying relevant published research, applying transparent selection criteria, evaluating the characteristics of included studies and synthesising their findings. Such an approach can establish where evidence converges, where results remain contradictory and which aspects of IFRS implementation require further investigation. It also makes it possible to examine whether differences in reported outcomes are associated with variations in methodology, institutional conditions or the dimensions of reporting quality examined.

Against this background, the present study undertakes a systematic review of empirical evidence on IFRS adoption and financial reporting quality in Nigeria. It focuses on earnings management, disclosure quality and reporting timeliness, while considering other relevant dimensions where sufficient evidence is available. Rather than collecting original observations from company annual reports or estimating new regression models, the study draws on existing empirical research and evaluates its contribution to understanding the Nigerian experience.

The study is significant to regulators, corporate managers, auditors, investors and the academic community. For regulators, including the Financial Reporting Council of Nigeria and the Nigerian Exchange, the review may provide a consolidated account of evidence concerning the outcomes associated with IFRS implementation and identify areas requiring stronger monitoring or enforcement. Corporate managers and auditors may benefit from a clearer understanding of the reporting practices and institutional conditions associated with improved reporting quality. Investors and financial analysts may use the synthesis to better understand the strengths and limitations of published accounting information. Academically, the review will identify methodological limitations, inconsistencies in findings and areas where further empirical investigation is needed.

The scope of the study is limited to published empirical research examining IFRS adoption and financial reporting quality in Nigeria. The review will prioritise studies concerning Nigerian listed firms, while including broader Nigerian corporate evidence where it directly informs the research objectives. It will consider studies published within a defined search period, to be specified in the review protocol, and will use secondary sources such as peer-reviewed journal articles, academic theses and relevant institutional reports. The principal dimensions are earnings management, disclosure quality and reporting timeliness. Other

dimensions, including value relevance and loss recognition, may be considered where relevant evidence is available. The study will not collect primary data through interviews, questionnaires or surveys, nor will it construct a new firm-level dataset from company annual reports.

The study will adopt a systematic literature review design to examine empirical evidence on IFRS adoption and financial reporting quality in Nigeria. Secondary data will be obtained from peer-reviewed journals, academic theses, institutional publications and scholarly databases, including Google Scholar, Scopus and Web of Science. A structured search strategy using relevant keywords and Boolean operators will be applied, while reference lists of selected studies will be examined to identify additional publications. Studies will be selected based on predefined inclusion and exclusion criteria, focusing on empirical research addressing IFRS adoption and relevant dimensions of financial reporting quality in Nigeria. The identification, screening, eligibility and selection processes will be documented in line with the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidance to promote transparency and reproducibility (Page et al., 2021).

By systematically evaluating existing evidence, the study seeks to provide a balanced assessment of what is known about the relationship between IFRS adoption and financial reporting quality in Nigeria. Its conclusions will reflect the strength, consistency and limitations of the available literature rather than assume that IFRS adoption necessarily improves reporting outcomes.

Statement of the Problem

The introduction of IFRS in Nigeria was intended to improve the transparency, comparability and credibility of corporate financial statements. However, the adoption of international standards alone does not establish whether financial reporting quality has improved in practice. Reporting outcomes may continue to be influenced by managerial discretion, weaknesses in internal controls, variations in audit quality and inconsistencies in regulatory enforcement.

Existing empirical studies have examined different aspects of this issue, including earnings management, disclosure quality, value relevance and reporting timeliness. However, their findings may differ because of variations in research design, measurement techniques, sample characteristics, observation periods and the institutional conditions considered. Consequently, it remains difficult to draw a comprehensive conclusion from individual studies without examining their evidence collectively. In addition, some dimensions of reporting quality may improve while others remain unchanged, making it inappropriate to assess the success of IFRS adoption using a single indicator.

Emerging challenges addressed by this study is the absence of a consolidated, systematic synthesis of empirical evidence on the relationship between IFRS adoption and financial reporting quality in Nigeria. Without such a synthesis, policymakers, practitioners and researchers may find it difficult to distinguish consistent findings from context-specific results,

identify methodological weaknesses and determine where further investigation is required. This study therefore systematically reviews and synthesises published empirical research to assess the evidence on IFRS adoption and financial reporting quality in Nigeria, identify areas of agreement and disagreement, and establish priorities for future research and regulatory practice.

Aim and Objectives of the Study

The aim of the study is to systematically review empirical evidence on the relationship between IFRS adoption and financial reporting quality in Nigeria. Specifically, the study seeks to:

1. Examine the empirical evidence on the relationship between IFRS adoption and earnings management in Nigeria.
2. Review findings on the relationship between IFRS adoption and the quality of corporate financial disclosures.
3. Assess the available evidence concerning IFRS adoption and the timeliness of financial reporting.
4. Identify methodological and contextual factors that may explain differences in the findings of existing studies.

Research Questions

The study will address the following questions:

1. What does existing empirical evidence indicate about the relationship between IFRS adoption and earnings management in Nigeria?
2. What evidence is available on the relationship between IFRS adoption and corporate disclosure quality?
3. How does existing research assess the relationship between IFRS adoption and the timeliness of financial reporting?
4. What methodological and contextual factors may account for differences in the findings of existing studies?

Conceptual and Empirical Review

International Financial Reporting Standards

International Financial Reporting Standards (IFRS) are accounting standards issued by the International Accounting Standards Board (IASB) to promote consistency in the recognition, measurement, presentation and disclosure of financial transactions. The standards are intended to improve the comparability, transparency and decision usefulness of financial statements across companies and national jurisdictions. By establishing common accounting requirements, IFRS seeks to reduce differences in financial reporting practices that may hinder investors and other stakeholders from comparing corporate performance across markets. Barth, Landsman, and Lang (2008) examined the accounting quality of firms applying international accounting standards and found evidence of lower earnings management, more timely loss recognition and greater value relevance of accounting amounts among the firms studied. Their findings support the argument that internationally harmonised accounting standards may improve the information content of financial

statements. However, these outcomes should not be interpreted as evidence that adopting IFRS invariably produces better reporting, because the quality of implementation and the institutional environment can influence the results.

The effectiveness of IFRS depends on more than the formal adoption of accounting standards. It is also shaped by the incentives of corporate managers, the competence and independence of auditors, the strength of regulatory institutions and the enforcement of reporting requirements. Daske, Hail, Leuz, and Verdi (2008), in their international study of mandatory IFRS reporting, found that the economic consequences of adoption varied across countries and were more pronounced in settings where firms had incentives to provide transparent information and institutional conditions supported implementation. Ahmed, Neel, and Wang (2013), however, reported deterioration in selected accounting-quality measures following mandatory IFRS adoption, demonstrating that adoption does not necessarily improve every dimension of reporting quality. These findings suggest that IFRS should be examined as both an accounting framework and an institutional reform whose outcomes depend on implementation conditions. In Nigeria, this distinction is important because the country's transition to IFRS in 2012 created a common reporting framework, but the extent to which this framework translated into improved financial reporting quality requires assessment through the available empirical evidence.

Financial Reporting Quality

Financial reporting quality refers to the extent to which financial statements provide relevant, faithfully represented, comparable and timely information about an organisation's financial position, financial performance and cash flows. High-quality reporting enables shareholders, creditors, regulators and other users to assess management performance, evaluate risks and make informed economic decisions. Financial reporting quality is therefore not simply a matter of compliance with prescribed accounting rules; it also concerns whether reported information faithfully reflects the underlying economic activities of the organisation and is useful to decision-makers. Dechow, Ge, and Schrand (2010), in their review of the proxies used to assess earnings quality, explained that the quality of reported earnings must be evaluated in relation to the information needs of users and the economic context in which earnings are generated. Similarly, Barth et al. (2008) used measures such as earnings management, timely loss recognition and value relevance to examine accounting quality, illustrating why a multidimensional approach is necessary. These studies provide a foundation for assessing financial reporting quality through several indicators rather than relying on one measure alone.

Empirical research commonly evaluates financial reporting quality through earnings management, value relevance, timely loss recognition, disclosure quality and reporting timeliness. These indicators capture related but distinct characteristics of corporate reporting. For example, lower earnings management may suggest less opportunistic use of accounting discretion, while higher value relevance indicates that accounting information is more closely associated with market valuation. Timely loss recognition concerns whether adverse economic developments are reflected promptly in reported earnings, whereas disclosure

quality and reporting timeliness relate to the completeness and availability of information. Ahmed et al. (2013) demonstrated the importance of examining multiple accounting-quality measures by finding that the consequences of mandatory IFRS adoption were not uniformly positive across the indicators studied. Consequently, a systematic review of Nigerian evidence should compare findings across these dimensions and consider the limitations of the proxies employed. A study reporting improvement in disclosure quality, for instance, should not automatically be interpreted as evidence of reduced earnings management or more timely financial reporting.

Earnings Management

Earnings management refers to the use of managerial judgement in financial reporting or the structuring of transactions to influence reported earnings. Such judgement is not necessarily improper, because accounting standards require estimates and professional assessments in areas such as impairment, depreciation, provisions and revenue recognition. Concerns arise when managers use this discretion opportunistically to misrepresent financial performance, conceal adverse outcomes or influence stakeholders' perceptions of the organisation. Dechow, Sloan, and Sweeney (1995) investigated methods for detecting earnings management and demonstrated the importance of accounting accruals in identifying potentially manipulated earnings. Their study also highlighted the limitations of empirical models used to estimate discretionary accruals. In subsequent work, Dechow et al. (2010) emphasised that earnings-quality measures are proxies and that their usefulness depends on the research question and the characteristics of the firms being examined. Accordingly, evidence of lower discretionary accruals may be consistent with improved reporting quality, but it does not independently prove the absence of earnings manipulation.

The relationship between IFRS adoption and earnings management has been widely investigated, although empirical conclusions remain mixed. Barth et al. (2008) found that firms applying international accounting standards exhibited lower earnings management than firms using domestic standards in their sample. In contrast, Ahmed et al. (2013) reported deterioration in selected accounting-quality measures after mandatory IFRS adoption, challenging the assumption that standardisation necessarily constrains managerial discretion. Daske et al. (2008) further showed that the consequences of IFRS adoption varied with firms' reporting incentives and the institutional environments in which they operated. These differences may arise because IFRS changes the rules governing recognition and measurement without necessarily eliminating the discretion embedded in accounting estimates. For the Nigerian context, the systematic review should therefore examine the direction and consistency of findings from studies of listed firms, paying attention to the discretionary-accrual models used, the observation periods and the controls for other influences on earnings. It should also distinguish evidence of an association between IFRS adoption and earnings management from evidence that adoption alone caused a change.

Disclosure Quality

Disclosure quality concerns the completeness, clarity, relevance, comparability and usefulness of information communicated through financial statements and accompanying

corporate reports. Effective disclosure allows users to understand an organisation's financial position, significant transactions, accounting policies, risks and uncertainties. IFRS establishes presentation and disclosure requirements intended to reduce information gaps between corporate insiders and external stakeholders. However, disclosure quality cannot be assessed solely by counting the amount of information presented. A company may provide lengthy disclosures that are generic, repetitive or difficult to interpret, while a more concise disclosure may communicate material information more clearly. Healy and Palepu (2001), in their review of empirical research on corporate disclosure, explained the importance of disclosure in addressing information asymmetry and facilitating capital-market decisions. Their review also highlighted that corporate disclosure is influenced by regulation, managerial incentives and the information demand of capital-market participants. This suggests that the effectiveness of IFRS disclosure requirements depends partly on whether companies provide meaningful information and whether compliance is adequately monitored.

Empirical research on IFRS and disclosure quality has examined changes in disclosure practices, transparency and the information available to investors. Daske et al. (2008) found that the consequences associated with mandatory IFRS reporting varied according to institutional conditions and firms' incentives for transparent reporting, indicating that disclosure outcomes cannot be separated from the broader implementation environment. In addition, Barth et al. (2008) found evidence of greater value relevance among firms applying international accounting standards, although value relevance is not a direct measure of disclosure completeness and should not be treated as interchangeable with it. In a systematic review of Nigerian research, disclosure quality should therefore be assessed according to how individual studies define and measure the concept. Studies may use disclosure-compliance indices, content analysis or assessments of specific mandatory disclosures, and these approaches may produce different results. The review should consider whether the measures capture compliance, clarity or the decision usefulness of disclosed information, while avoiding the assumption that increased disclosure volume automatically translates into higher overall financial reporting quality.

Timeliness of Financial Reporting

Timeliness of financial reporting refers to the availability of accounting information early enough to influence the decisions of investors, creditors and other users. Even accurate financial information may lose some of its usefulness if it is published after the period in which stakeholders need it. Timely reporting can reduce uncertainty, facilitate the assessment of corporate performance and strengthen market discipline. Conversely, reporting delays may leave investors with outdated information and create opportunities for speculation or unequal access to information. Empirical accounting research often measures reporting timeliness through audit report lag, commonly defined as the number of days between a firm's financial year-end and the date of the independent auditor's report. Ashton, Willingham, and Elliott (1987) examined factors associated with audit delay and showed that the time required to complete an audit varies with organisational and audit-related characteristics. Although their study predates widespread IFRS adoption, it provides a foundational empirical perspective on why reporting timeliness depends on factors beyond the accounting standards applied.

IFRS adoption may influence reporting timeliness by changing accounting and disclosure requirements, requiring additional judgements or affecting the procedures needed to prepare and audit financial statements. Standardisation may improve reporting processes over time, but transition to a new framework can initially increase the complexity of financial reporting and audit work. Audit report lag may also be influenced by firm size, financial distress, the complexity of operations, audit firm characteristics and the effectiveness of internal controls. Consequently, changes in reporting delays after IFRS adoption cannot automatically be attributed to the standards themselves. For example, a reduction in audit report lag may indicate more efficient reporting processes, but it may also reflect improvements in audit capacity or changes in regulatory deadlines. A systematic review should compare how Nigerian studies define timeliness, whether they measure the audit report date or the public release date of financial statements, and which explanatory factors they consider. This approach will help establish whether the available evidence supports a consistent association between IFRS adoption and timely financial reporting or whether the findings vary across firms, periods and research methods.

Theoretical Framework

Agency Theory

Agency theory, associated with Jensen and Meckling (1976), explains the potential conflicts of interest between managers and shareholders. Managers may possess more information about a firm's operations than external stakeholders and may have incentives to use this information advantage for personal or organisational benefit. High-quality accounting standards, external auditing and effective regulatory oversight may reduce information asymmetry and improve accountability. From this perspective, IFRS may support financial reporting quality by providing a common framework for reporting and disclosure. Nevertheless, the extent of its influence depends on the incentives and monitoring mechanisms operating within firms.

Signalling Theory

Signalling theory, developed by Spence (1973), explains how parties with private information communicate credible signals to others. In corporate reporting, transparent and credible financial disclosures can signal sound governance, effective management and a commitment to accountability. IFRS-based reporting may strengthen the comparability and credibility of such signals, particularly where compliance is monitored effectively. However, formal adoption alone does not guarantee that reported information is credible; the quality of implementation, independent auditing and enforcement remains important. These theories provide a framework for interpreting why IFRS adoption may be associated with improvements in reporting quality and why such improvements may vary across firms and institutional environments. They will guide the interpretation of findings from the reviewed studies rather than serve as hypotheses to be statistically tested in this review.

Empirical Evidence on the Relationship between IFRS Adoption and Earnings Management in Nigeria

Earnings management is an important indicator of financial reporting quality because it reflects the extent to which managers use accounting discretion to influence reported financial

performance. The adoption of International Financial Reporting Standards (IFRS) in Nigeria in 2012 was expected to improve reporting consistency and constrain opportunistic accounting practices. However, empirical findings do not establish that adoption automatically reduces earnings management. Adeyemi (2015), who examined 68 non-financial quoted companies over 2009–2013, found that IFRS adoption did not significantly affect general earnings management or income-increasing and income-decreasing earnings management. The study also found that firm size and the presence of a Big Four auditor did not sufficiently alter the relationship between IFRS adoption and earnings management. These findings suggest that introducing common accounting standards may be insufficient to change managerial reporting behaviour where other organisational and institutional influences remain important.

Further Nigerian evidence indicates that the relationship may vary according to the sector examined and the measure used to capture earnings management. Oyeneye, Abimboye, Oduwole, and Uwuigbe (2023) investigated earnings management among listed Nigerian consumer goods companies using the Modified Jones Model and compared reporting practices before and after IFRS adoption. Their study adds sector-specific evidence to the debate and illustrates the importance of examining earnings management within particular industries rather than treating all listed firms as homogeneous. More recently, Muhammad et al. (2024), in a study of 40 listed Nigerian manufacturing firms covering 2007–2021, examined both accrual-based and real earnings management. Their findings indicated a negative association between IFRS adoption and accrual-based earnings management but a positive association with real earnings management. This distinction is important because constraints on accounting-based manipulation may encourage managers to alter operational decisions instead.

A broader interpretation of Nigerian evidence is provided by Abdul-Baki and Haniffa (2020), who reported that accounting quality declined following IFRS adoption, with earnings management increasing and timely loss recognition and earnings persistence decreasing. Their findings contrast with studies that report reductions in selected forms of earnings management, demonstrating that results depend partly on the measures and institutional conditions examined. The implication for the present systematic review is that earnings management should not be assessed through a single proxy. The review should distinguish accrual-based earnings management from real earnings management, compare pre- and post-adoption periods, and evaluate the influence of audit quality, corporate governance and enforcement. It should also distinguish statistical association from causation because changes in earnings management after 2012 may reflect regulatory, economic and firm-specific developments occurring alongside IFRS implementation.

IFRS Adoption and the Quality of Corporate Financial Disclosures

Corporate financial disclosure is a major mechanism through which IFRS is intended to improve transparency and reduce information asymmetry between management and external stakeholders. The standards establish requirements for presenting financial information, explaining accounting policies, reporting material transactions and disclosing relevant risks

and uncertainties. Nevertheless, the quality of disclosure depends on more than the number of items included in annual reports. Disclosures must also be relevant, sufficiently detailed, understandable and useful for decision-making. Healy and Palepu (2001) emphasised the role of corporate disclosure in addressing information asymmetry and supporting capital-market decisions. Barth et al. (2008) also found improvements in selected accounting-quality indicators among firms applying international accounting standards, although their findings on earnings management and value relevance should not be interpreted as direct evidence that every aspect of disclosure quality improved.

Research involving Nigerian listed firms has examined disclosure compliance and the usefulness of published financial information. One relevant study investigated mandatory and voluntary disclosure practices among Nigerian Exchange-listed companies using 384 firm-year observations from 64 firms over 2012–2017. The researchers constructed disclosure indices through content analysis and examined their relationship with corporate performance. This approach is useful for systematic review purposes because it demonstrates how disclosure practices can be assessed using existing annual reports rather than relying exclusively on managers' perceptions. However, a relationship between disclosure indices and corporate performance does not, by itself, establish that IFRS adoption caused an improvement in disclosure quality.

The interpretation of disclosure evidence therefore requires attention to how disclosure quality is operationalised. A compliance index measures the extent to which required items are reported, while content analysis may assess the substance or characteristics of disclosed information. Studies based on investors' perceptions address a different question: whether users consider the information relevant, understandable or reliable. These measures should not be treated as interchangeable. Furthermore, greater disclosure volume may coexist with weak earnings quality, delayed publication or limited enforcement. For the Nigerian systematic review, the central task is to establish whether the available evidence demonstrates improved compliance with IFRS disclosure requirements, greater usefulness of financial information, or both. The review should also consider the roles of audit quality, regulatory monitoring and corporate governance in explaining differences between studies.

IFRS Adoption and the Timeliness of Financial Reporting

Timeliness is an important dimension of financial reporting quality because accounting information loses some of its decision-making value when it is released too late. IFRS adoption may influence timeliness by standardising reporting requirements and encouraging more consistent preparation of financial statements. However, implementation may also increase the complexity of accounting estimates, disclosures and audit procedures, particularly during the transition to a new reporting framework. Ashton, Willingham, and Elliott (1987) demonstrated that audit delay is influenced by organisational and audit-related characteristics. This indicates that reporting timeliness is not determined by accounting standards alone; the complexity of the firm, the effectiveness of internal controls and the efficiency of the audit process can also affect the time required to finalise financial statements.

Nigerian studies provide direct evidence on the relationship between IFRS adoption and audit-report lag. Ologun (2022) examined 57 firms listed on the Nigerian Stock Exchange, comparing pre- and post-adoption periods using annual-report data for 2006–2011 and 2013–2018. The study found that audit committee characteristics significantly influenced audit-report lag in the post-IFRS period. In particular, audit committee meetings and independence were associated with the time auditors spent completing their work. These findings suggest that governance arrangements may affect reporting timeliness during IFRS implementation and that the relationship between adoption and reporting delays should be examined alongside corporate oversight structures.

Ologun and Dandago (2023) investigated sustainability-policy disclosure, IFRS adoption and audit-report lag among listed Nigerian firms. Their findings indicated that IFRS adoption was not statistically significant in the examined relationship, suggesting that adoption alone did not explain the association between sustainability disclosures and audit-report lag. This result reinforces the need to distinguish audit-report lag from the broader concept of financial reporting timeliness. Audit-report lag measures the period between the financial year-end and the auditor's report, whereas publication lag measures the period until the financial statements become publicly available. A systematic review should record which measure each study uses and examine whether findings vary by industry, audit committee characteristics, firm complexity and regulatory requirements. It should also avoid concluding that IFRS adoption necessarily shortens reporting delays unless the evidence supports that interpretation.

Methodological and Contextual Factors Explaining Differences in Existing Studies

One important source of variation in the literature is the choice of research design and measurement technique. Studies may compare reporting outcomes before and after adoption, analyse associations between IFRS compliance and reporting quality, or compare firms operating under different accounting regimes. These approaches do not necessarily estimate the same relationship. For example, discretionary-accrual models measure one form of earnings management, while measures of real earnings management examine changes in operational decisions. Similarly, disclosure indices capture compliance or disclosure volume rather than the full usefulness of financial information. The international evidence also demonstrates this methodological diversity: Barth et al. (2008) reported improvements in selected accounting-quality measures, whereas Ahmed et al. (2013) found deterioration in some measures following mandatory adoption. Differences in the indicators used and the research settings examined are therefore important when interpreting apparently contradictory results.

A second source of variation concerns sample composition, observation periods and sectoral characteristics. Nigerian banks, manufacturing companies and consumer goods firms operate under different regulatory requirements and have different accounting structures. For instance, earnings management in banks may be examined using loan-loss provisions, while non-financial firms are often assessed through accrual-based models. Adeyemi (2015) examined non-financial quoted companies over 2009–2013 and found no statistically

significant effect of IFRS adoption on earnings management. By contrast, Muhammad et al. (2024), examining manufacturing firms over 2007–2021, found different relationships for accrual-based and real earnings management. These studies differ in observation period, sample and measurement approach, so their findings should not be treated as direct contradictions without considering those differences.

A third factor is the institutional context in which IFRS operates. The effectiveness of accounting standards depends on enforcement, audit quality, corporate governance, management incentives and the capacity of regulatory institutions to monitor compliance. Abdul-Baki and Haniffa (2020) found that accounting quality declined following IFRS adoption in Nigeria and argued that the effects of adoption were contextual. This finding highlights the distinction between formally adopting international standards and implementing them in an environment that supports credible reporting. For the systematic review, each included study should therefore be assessed in terms of its research design, sample, period, reporting-quality measure, analytical technique and consideration of institutional factors. The synthesis should classify results as improvements, deterioration, statistically insignificant changes or mixed outcomes, while evaluating the strength of the evidence behind each conclusion. This approach will provide a more balanced assessment than simply counting studies that report positive or negative effects.

Discussion of Findings

The reviewed empirical literature indicates that the relationship between International Financial Reporting Standards (IFRS) adoption and financial reporting quality in Nigeria remains mixed. Regarding earnings management, some studies suggest that IFRS adoption may constrain discretionary accruals, while others report increased earnings management or no statistically significant improvement. For instance, Adeyemi (2015) found no significant effect of IFRS adoption on earnings management among Nigerian quoted companies, whereas Abdul-Baki and Haniffa (2020) reported a decline in accounting quality following adoption. Muhammad et al. (2024) further suggest that IFRS adoption may affect accrual-based and real earnings management differently. These findings indicate that the influence of IFRS depends not only on accounting standards but also on managerial incentives, enforcement and the institutional environment.

The evidence on corporate financial disclosure suggests that IFRS provides a common framework for improving the consistency, transparency and comparability of financial statements. Nevertheless, adopting the standards does not automatically guarantee more complete, relevant or reliable disclosures. The quality of implementation, regulatory monitoring, corporate governance and management's willingness to provide useful information may determine the extent of improvement. This is consistent with Healy and Palepu (2001), who emphasised the importance of corporate disclosure in reducing information asymmetry and supporting capital-market decisions.

Findings on the timeliness of financial reporting are also inconclusive. Although IFRS adoption may encourage more structured reporting practices, compliance with complex

disclosure and measurement requirements can increase the time required to prepare and audit financial statements. Studies examining Nigerian listed firms suggest that audit committee characteristics and other firm-level factors influence audit reporting delays, while the direct effect of IFRS adoption is not consistently significant (Ologun, 2022; Ologun & Dandago, 2023). In all, differences in research periods, sample sizes, industries, proxies for reporting quality and statistical methods may explain the variation in findings. The evidence therefore suggests that IFRS adoption should be evaluated alongside the institutional and organisational conditions under which it is implemented.

Conclusion

The aim of the study was to systematically review empirical evidence on the relationship between IFRS adoption and financial reporting quality in Nigeria. This review concludes that IFRS adoption has not produced uniform improvements in financial reporting quality among Nigerian firms. Its effects on earnings management, disclosure quality and reporting timeliness vary across studies and depend on factors such as enforcement, corporate governance, audit quality, managerial incentives and firm characteristics. Consequently, the formal adoption of international standards should not be regarded as sufficient evidence of high-quality financial reporting. Sustained improvements require effective implementation, credible monitoring and institutional support. Further research should use transparent and comparable measures of reporting quality to clarify the conditions under which IFRS adoption delivers the greatest benefits in Nigeria.

Recommendations

1. Strengthen regulatory enforcement: The Financial Reporting Council of Nigeria and other relevant regulators should intensify monitoring of IFRS compliance and apply appropriate sanctions for material non-compliance.
2. Improve corporate governance: Listed companies should strengthen the independence and effectiveness of audit committees, internal controls and oversight of financial reporting to discourage earnings manipulation.
3. Enhance professional capacity: Companies, auditors and accounting professionals should receive continuous training on IFRS requirements, particularly complex recognition, measurement and disclosure issues.
4. Promote timely reporting: Firms should improve financial reporting systems, internal reporting procedures and coordination between management and external auditors to minimise avoidable reporting delays.
5. Improve disclosure practices: Companies should provide complete, understandable and decision-useful disclosures rather than treating IFRS compliance as a procedural exercise.
6. Encourage further empirical research: Future studies should distinguish between accrual-based and real earnings management, examine disclosure quality and reporting timeliness separately, and account for differences in industry, firm size, audit quality and enforcement conditions. Researchers undertaking systematic reviews should also document their search strategy, screening process and quality appraisal transparently in line with established review guidance.

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