IFRS Adoption and Economy Performance of Nigeria and Kenya

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Abstract: *The purpose of this paper is to examine the effect of pre and post-adoption periods of the International Financial Reporting Standards (IFRS) in Nigeria and Kenya economy. A desk review research approach was adopted in this study, as related journals, articles, and literatures related to this research work were reviewed. The paper found out that, in Nigeria, many economic challenges and issues have been faced by the country during the NGAAP period such as inability of the users of financial statements to comprehend very well, the information in multinational company's financial reports, decline in the inflow of the Foreign Direct Investment (FDI) in Nigeria, etc, and it was on this ground that the country government adopted and initiated IFRS in 2012 to combat and rectify these challenges and to foster the economic growth simultaneously. We also found that six years after the adoption of IFRS by Kenya in 1999, many companies listed on the Nairobi Stock Exchange (NSE) have not exhibit 100% compliance to the full adoption of the standard even though they had the required resources for the efficient implementation of this standard in their companies, but they feared forgoing the benefits of their past and potential future innovations in local reporting standards specific to their economies. The study therefore recommended, among other thing, that while implementing IFRS in Nigeria, Kenya and other developing countries, other factors such as the institutional framework, national legal system, and good corporate governance practices should be strengthened to ensure an improvement in transparency and comparability of financial statement preparation and presentation*.

Keywords: IFRS, Adoption, Uniform Accounting Standards, Economic Growth, Compliance

INTRODUCTION

As the current trend of accounting internationalization worldwide has evolved by converging the accounting standards of each country with the International Accounting Standards Board (IASB) toward a direction that promotes and encourages IFRS adoption. The nomenclature of the Generally Accepted Accounting Principle (GAAP) has obviously become illusive in view of the pressure of globalization, capital market crash with global economic meltdown and the Enron's case which led the accounting profession to insist on the need for a single set of high quality reporting standards (Leonard et al.,2018).

Robert A. King'wara (2015) opined that IFRS was set to be the accounting standard in Kenya in 1998 by the Council of the Institute of Certified Public Accountants of Kenya (ICPAK) effective for financial statement covering periods beginning 1 January 1999. IFRS, including IFRS for small and medium enterprises (SMEs) are the Kenya national accounting standards. Companies whose securities are not publicly traded may choose the IFRS for SMEs or full IFRS. Requirements to use IFRS have been incorporated into Regulations issued by various governmental regulatory bodies, including the Central Bank of Kenya's prudential guidelines and regulatory guidelines issued by the Insurance Regulatory Authority of Kenya (IRA), the Capital

Markets Authority of Kenya (CMA), and the Retirement Benefits Authority. Also IFRS are required by the Nairobi Securities Exchange (NSE) listing rules.

Isenmila and Adeyemo (2013) noted that the CBN and SEC also adopted this date for compliance and has issued guidance compliance circulars to ensure full implementation of IFRS in Nigeria. Most organizations reported their financial statement based on local standards set in their countries which made interpretation of the financial statement difficult across the globe. The decision to adopt IFRS is observed to have some weaknesses, as such, implementation of policy results in a lot of challenges. For instance deficiencies in our educational systems, infrastructures and political undertone have defeated the express given. It is believed that there was no adequate consultation before the implementation policy of IFRS in Nigeria.

More so, it became unarguably clear that what was being practiced by corporations, organizations and entities world over (under the auspices of each country's national GAAP) could not survive the pressure and heat of the globalization of virtually every nation that has economic value; a financial reporting standard that would be all embracing; that can guarantee international acceptance and cross-border interactions, comparability and standardized financial reporting (Leonard et al., 2018). Hence, this prompt the emergence of a global reporting standard called International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB). However, economic growth is fundamental to the success of every nation. Countries that have consistent economic growth have had the capacity to cut down poverty, fortify their democratic belief system and political dependability, enhance the quality of their environment, and diminish war, crime and violence.

Also, as observed by Oladeji & Agbesanya (2019), the compliance challenge with the adoption of IFRS has been a significant focus of many organizations' conversion efforts. Companies are not keen on adopting the International financial Reporting Standards (IFRS) due to the bottlenecks and difficulty in changing from their existing reporting systems to the new one. This could be attributed to the high cost involved, including the cost of retraining their existing staffs in this regard as most of them lack the knowledge of IFRS application in financial reporting preparation. Tosin (2012) also opined that part of the problem could be attributed to ignorance on the part of the company owners as to relevance of IFRS to the quality of their financial reporting system.

However, adoption of IFRS for its impacts to be positively felt in some African countries requires overcoming obstacles like; loss of experts to other jurisdictions, need for capacity building both at Institute level as well as at firm and company levels and ensuring that training / education of accountants keeps pace with the changes in IFRSs (both academic and professional training).

STATEMENT OF THE PROBLEM

African countries' companies are not eager to adopt the International financial Reporting Standards (IFRS) due to the bottlenecks and difficulty in changing from their existing reporting systems to the new one. This could be attributed to the high cost involved, including the cost of retraining their existing staffs in this regard. Part of the problem could be attributed to ignorance on the part of the company owners as to relevance of IFRS to the quality of their financial reporting system. This research work aims at examining the challenges of African countries in the adoption of International financial Reporting Standards (IFRS) and its effect on their economic growth.

OBJECTIVE OF THE STUDY

The objective of the study isto appraise the challenges companies or organizations face in the adoption of International financial Reporting Standards (IFRS) in Nigeria and Kenya. Also to determine if adoption of International financial Reporting Standards (IFRS) has enhanced the economic growth in Nigeria and Kenya. These two countries are set of African countries that have already adopted IFRS but have some challenges embattling with its total adoption. Difference in the economic growth before and after IFRS adoption are the main focus of this study.

LITERATURE REVIEW

According to Yahya et al, 2016, International Financial Reporting Standards (**IFRS**) are designed as a common global language for business affairs so that company accounts are understandable, reliable, relevant and comparable across international boundaries. They are a consequence of growing international shareholding and trade and are particularly important for companies that have dealings in several countries. They are progressively replacing the many different national accounting standards. IFRS includes: IFRS issues by the IASB; International Accounting Standards (IASs) issued by the IASC, or revisions thereof issued by the IASB; Interpretations of IFRS and IAS developed by the Interpretations Committee (IFRSIC) and approved for issue by the IASB and Interpretations of IAS developed by the SIC and approved for issue by the IASB or IASC. Umobong et al., (2015) investigated the differences in the quality of accounting information Pre and post IFRS adoption by manufacturing firms in Nigeria over a five year period and concluded that there is a declination in accounting quality using earnings management, value relevance, and timely loss recognition as independent variables. Earnings and book value of equity are less value relevant and timely loss recognition is less in post-IFRS compared to pre-IFRS period.

International Financial Reporting Standards (IFRS) is the new dominant set of accounting standards developed under a rigorous due diligence process and now used in more than 120 countries around the world, including Australia, Brazil, Canada, the European Union, South Africa, Nigeria and many others (Deloitte Touché Tohmastu, 2013). Each country adopting IFRS undergoes a transition process in the year of adoption. This process may be fairly disruptive for users of financial statements as accounting treatments of analogous items may vary, and impair comparability and trend analyses. Since the quality of financial statements is influenced by the quality of the underlying accounting standards, users may benefit from understanding the impact of a shift from local generally accepted accounting principles (GAAP) to IFRS. Also, economic changes are likely to have similar consequences as Land and Lang (2002) document that accounting quality has improved worldwide since the beginning of the 1990s, and suggest that this could be due to factors such as globalization and anticipation of international accounting harmonization.

IFRS Adoption in Nigeria & Kenya

IFRS adoption and implementation in Nigeria started on 28 July 2010, when the Nigerian Federal Executive Council (FEC) approved January 2012 as the effective date for the convergence from Nigeria Generally Accepted Accounting Practices (NGAAPs) to International Financial Reporting Standards (IFRS). In addition, the FEC ordered the Nigerian Accounting Standard Board (NASB) to take further necessary action to give effect to councils' decision. This decision of Federal Executive Council to fully adopt IFRS in Nigeria was followed by the enactment of the Financial Reporting Council of Nigeria Act in 2011, which led to the transformation of the Nigerian Accounting Standard Board (NASB) to the Financial Reporting Council of Nigeria (FRCN). The NABS announced its Roadmap to convergence with IFRS in September 2010. Based on this Roadmap Nigerian Listed Companies and significant public interest entities have been mandated to comply with IFRS commencing from 1st January, 2012. While other public interest entities have been required to comply starting from 1st January, 2013 and small and medium sized entities expected to comply for period ending after 1st January, 2014. The report sought the amendment of relevant laws and regulations that had one provision or the other impacting on financial reporting in Nigeria to ensure uniformity and removal of conflicts and ambiguity. Specifically; Companies and Allied Matters Act (CAMA) 1990, Banks and Other Financial Institution Act BOFIA) 1991, Investment and Security Act (ISA) 2007, etc. Furthermore, the report recommends for an early countrywide intensive capacity building programs to facilitate the process of adoption and the establishment of IFRS Academy an institutional platform for capacity building. Akpan-Essien (2011) state that the adoption of the IFRS will ensure transparency, accountability and integrity in financial reporting necessary for addressing the crisis in the financial sector in Nigeria which was responsible for the Nigeria loss of the Foreign Direct Investment (FDI) in the oil and gas sector to countries such as Ghana; that have begun oil production in commercial quantity and who are perceived to have better financial reporting standards in place.

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Kenya was one of the first countries to adopt the use of IFRS and IAS in 1999. Over the years, Kenya has developed a wealth of experiences in the use of IFRS which would provide useful insights in the development of strategies by ISAR to aid other countries in the implementation of IFRS (United Nations Conference on Trade and Development, 2006). There is one stock market in Kenya; the Nairobi Stock Exchange, in which the shares of about 50 companies are traded. In addition to these listed companies, there are also a sizeable number of companies which are either multinationals or owned privately by Kenyans, as well as a large number of small and medium-sized enterprises (SMEs). In terms of financial reporting, all these companies are required to prepare financial statements based on International Financial Reporting Standards (IFRS). Other public interest companies such as, among others, banks, insurance companies, cooperative societies, non-governmental organizations also prepare accounts in accordance with IFRS. According to the United Nation Conference on Trade and Development (UNCTAD) in 2006, it was cited that in a bid to entrench and encourage the use of International Financial Reporting Standards (IFRS), ICPAK established an award known as the Financial Reporting (FiRe) Award in 2002. This award involves the evaluation of financial statements which have been voluntarily submitted by companies, to gauge their compliance with the requirements of IFRS. In 2005, six years after implementation of the IFRS in Kenya, it was observed that there was no single company which exhibited 100 per cent compliance with IFRS out of a total of 84 companies who submitted their financial statements for review. Most of these companies were quite large and indeed about 45 of them are listed on the Nairobi Stock Exchange (UNCTAD, 2006). These companies have the resources to recruit well-trained professionals but have failed to fully comply with IFRS in the preparation of their financial statements.

According to a study by Ajibade et. al. (2019), the result of their analysis; on the effect of IFRS pre adoption period (2002-2009) and post adoption period (2010-2016) on economic growth in Kenya, showed that the economic growth in Kenya is better after the adoption of IFRS. They went further in their study that IFRS improved GDP in the manufacturing sector of the country as this was achieved through increased foreign direct investment in the country, and therefore, posited that for a developing country like Kenya to enjoy consistency in their economic growth, the country has to adopt the notions of IFRS in their financial statement preparation and presentation so as to enjoy the full benefit of the standard. This was in line with the work of Kenneth Enouch (2012).

Benefits of IFRS Adoption

Odo (2018), notwithstanding that there may be some challenges to face by countries in their decision to adopt IFRS; its worldwide adoption has been promoted on the premise of its perceived benefits which are considered to outweighed the costs. Proponents of the adoption of IFRS argue that there are a number of benefits which can be gained from greater cross-country comparability of firms' financial reports. Barth (2008), for instance, argues that by adopting a common body of international standards, countries can expect to lower the cost of information processing and auditors of financial reports can be expected to become familiar with one common standard than with various local accounting standards. The argument here is that countries choose to adopt IFRS when they expect to increase the share of foreign capital and trade in the economy. In this sense, even countries with low levels of foreign capital and trade can choose to adopt IFRS if they are expecting growth in those sectors.

Uniformity in Accounting Language

Adoption of IFRS will lead to uniformity in accounting language across the globe which is a

pre requites for the globalization of business, finance and investment with primary objective of eliminating the unnecessary complexity that exists with multiple reporting languages. As it is common knowledge, there exist differences in the classifications of financial information, levels of disclosure and accounting concepts between countries (Odo, 2018). Abel, (2011) opined that accounting terminologies can easily confuse the uninitiated owing to differences in business language. In supporting his view gave an instance on the word stock which, in most North American countries, refers to share ownership, whereas, in the commonwealth countries, the word stock is typically associated with merchandise inventory. The closest word to current in

Japanese language is said to be present. While these two words (i.e. current and present) may appear to convey the same meaning, such may not be the case if used in terms of asset valuation in the preparation of financial statements. While current value is about discounted cash flow measures. In this sense, unsold stock may convey under-subscribed floatation. In commonwealth countries, this will refer to unsold inventory of finished goods. Still on current: whereas the time frame distinguishing a current and non-current liability is typically a year in the US and in IFAC standards, the cut-off point is commonly four years in Germany. In fact, Choi (1998) said it succinctly when he observed in his presentation at conference that "Accountants inhabit a kind of Tower of Babel where we not only speak different language but also give different interpretations of the same events and transaction".

Positive effects of IFRS

At least five affirmative reliefs flow from adopting uniform reporting standards, the first three relating to voluntary adoption (i.e., without government fiat), while the remaining two are dictated by regulatory and user influences (Herbert, 2010). The first affirmative argument, which relates to scale economies, underlies all forms of uniform contracting: uniform rules need only be introduced once. They constitute a type of 'public good', inthat the marginal cost of an additional user adopting them is zero, and nobody is disadvantaged by another using them. The second advantage of uniform standards is the protection they give auditors against managers playing an 'opinion shopping' game (Ball, 2006). If all auditors are required to enforce the same rules, managers cannot threaten to shop for an auditor who will give an unqualified opinion on a more favourable rule.

The third argument supporting uniform financial reporting is the potential of eliminating informational externalities arising from lack of comparability. If firms and/or countries use different accounting standards and techniques – even if unambiguously disclosed to all users – they can impose costs on others (in economics parlance, create negative externalities) due to lack of comparability. To the extent that firms internalize these effects, it will be advantageous for them to use the same standards as others - IFRS. The fourth advantage derives from the worldwide support from multinational corporations (MNCs), regulators and users because of the belief that common standards in the preparation of corporate financial statements will facilitate international comparability from different countries. Large MNCs operating in multiple jurisdictions would be able to use one accounting language company-wide and present group financial statements in the same language as their competitors. The fifth benefit is the belief that in a truly global economy, finance professionals will be more mobile, and companies will more easily respond to their group human capital needs around the world.

These advantages imply that the IFRS offer some degree of uniformity in accounting standards that is prospective in a market setting. In addition to the above, direct and indirect advantages of IFRS adoption for investors have been isolated. Direct advantages to investors include:

a) IFRS promise more accurate, comprehensive and timely financial statement information, relative to thenational standards they replace for public financial reporting in most of the countries adopting them. To the extent that financial statement information is derived from IFRS sources, this should lead to more-informed valuation in the equity markets, and hence lower risk to investors.

b) Small investors are less likely than investment professionals to anticipate financial statement information from other sources. Improving financial reporting quality through uniform standards allows them to compete better with professionals, and hence reduces the risk of adverse selection through a better-informed professional (known as 'adverse selection') (Diamond and Verrecchia, 1991; Leuz and Verrecchia, 2000).

c) By eliminating many international differences in accounting standards, and standardizing reporting formats, IFRS eliminate many of the adjustments analysts historically make in order to make companies' financials more comparable internationally. IFRS adoption has the potential to reduce the cost of processing financial information. The gain would be greatest for institutions that create large, standardized-format financial databases.

d) Reducing the cost of processing financial information will most likely increase market efficiency, that is, the efficiency with which the stock market incorporates it in prices. Investors are expected to gain from increased market efficiency.

e) Reducing international differences in accounting standards assists to some degree in removing barriers to cross-border acquisitions and divestitures, which in theory will reward investors with increased takeover premiums (See Bradley et al., 1988).
In addition, IFRS offer several additional indirect advantages to investors. First, it is expected that IFRS should induce higher information quality which, in turn, should reduce the risk of equity investment and the risk to less informed (naive) investors due to adverse selection. Theoretically, therefore, IFRS should lead to a reduction in firms' costs of equity capital, which would increase share prices, and make new investments more attractive, *ceteris paribus.* Another indirect advantage of IFRS is the potential improvement in transparency and usefulness of financial statement information in contracting between firms and other stakeholders, notably lenders and managers (Watts, 1977; Watts and Zimmerman, 1986). Increased transparency causes managers to act more in the interests of shareholders. In particular, timely loss recognition in the financial statements increases the incentives of managers to attend to existing loss-making investments and strategies more quickly, and to undertake fewer new investments with negative net present values (Ball, 2001; Ball and Shivakumar, 2005).
The increased transparency and loss recognition timeliness promised by IFRS therefore could increase the efficiency of contracting between firms and their managers, reduce agency costs between managers and shareholders, and enhance corporate governance. The potential gain to investors arises from managers actingmore in their (i.e., investors') interests. In other words, the increased transparency and loss recognition timeliness promised by IFRS could increase the efficiency of contracting in debt markets - between firms and lenders - with potential gains to equity investors in terms of reduced cost of debt capital both locally and internationally.

Challenges Faced by Developing Countries while Adopting IFRS

Challenges faced during the adoption of IFRS in most developing countries as noted by Abdulkadir (2013) are:
Poor and Low Enlightenment Campaign: The transition plan to IFRS and its implication for preparers and stakeholders of financial statement have to be effectively coordinated and communicated. A country action plan for transition needs to have logistical framework of targeted activities to be completed within a specific period of time. This includes raising awareness on the potential impact of the conversion, identifying regulatory synergies be derived and communicating the temporary impact on the transition on business performance and financial positions.
Shortage of Manpower for IFRS: One of the difficulties Nigeria is facing is the shortage of accountants and auditors who are technically competent in implementing IFRS. This issue again is being taken care of by ICAN and workshops that are being organized not only nationally but by each state chapter of the institute.
Associated Problems in Higher Institution: The extent of the integration of IFRS modules into the tertiary institutions accounting education curricula and the coordination of such accounting education program with professional institutions qualification and regulations is a major challenge to the implementation of IFRS. National Universities Commission (NUC) and the National Board for Technical Education (NBTE) should spread the knowledge of IFRS to all tertiary institution through the review of their curriculum.
Training Resources: The training of IFRS is not readily available at affordable cost. In addition even the training exercises organized are costly the few privileged accountants are able to attend.
Tax Reporting Effects or Issues on IFRS: IFRS conversion calls for a detailed review of the tax law and tax administration. Adjustment should be required in equity, retained earnings and reserves. Specific taxation rule will have to be redefined to accommodate these adjustments.
In addition, GAB (2012) stated that one of the demerits that will be experienced by countries adopting IFRS include: forgoing the benefits of any past and potential future innovations in local reporting standards specific to their economies.

Theoretical Review

The Economic Network Theory

Economic networks use the various competitive advantages and resources of each member to increase the production and wealth of all the members. Economic network theory predicts that in addition to network benefits, a product with network effects can be adopted due to its direct benefits (Liebowitz & Margolis, 1994 cited in Hamisi, 2012). In the case of the IFRS adoption by a country, the theory argues that the direct benefits are represented by both the net economic and net political value of IFRS over local standards (Barth, 2008). According to this theory economies with high levels of or expected increases in foreign investment and trade are more likely to adopt IFRS. This theory reveals evidence of regional trends in IFRS adoption, such that a country is more likely to implement IFRS if other countries in its geographical region are IFRS adopters (Hamisi, 2012). Adopting a set of standards like IFRS can be more appealing to a country if other countries have adopted them as well, in this sense, IFRS can be a product with “network effects”.

Positive Accounting Theory

This is an expression of neo-classical economic theory, which believes in an opportunistic behavior as a basis of all economic activity. PAT is the reason for the choice of accounting methods, techniques and policy decisions. PAT describes the organization in terms of a collection of contracts. These contracts are necessary in order to get self-seeking individuals to agree to cooperate. Examples are contracts with managers, suppliers of capital and employees including managers. These contracts enable the individual party to maximize on the shareholders wealth. The contracts are also associated with contracts costs such as monitoring and maintenance costs, negotiating costs and agency costs. PAT holds that firms will seek to minimize the contracting costs and this will affect the policies adopted including the accounting policies. PAT’s three hypothesis are the bonus plan hypothesis, the debt covenant hypothesis and political cost hypothesis. The bonus plan hypothesis suggests that managers of firms will be more likely to choose accounting procedures that shift reported earnings from future periods to the current period. According to Colasse (2000) PAT interferes either on the level of standards setter or on the firm level when standards setter let the choice among several options. Belkaoui (1992) argues that the central idea of the positive approach is to develop hypothesis about factors that influence the world of accounting practices and to test empirically the validity of these hypothesis. According to Watts and Zimmerman (1990), a sole accounting choice can reduce the explicative power of tests.

Empirical Review

Ajibade, et al, (2019) researched on International Financial Reporting Standard (IFRS) adoption and economic growth: a study of Nigeria and Kenya. The study adopted descriptive statistics to analyze the data collected from the manufacturing sector GDP of the two countries for the period of 2000-2011 and 2012-2016 as the pre and post IFRS adoption years respectively. The result of the T-test carried out at a significant level of 5% showed that there is a significant difference in the manufacturing sector GDP pre and post IFRS. Examining the findings revealed that adoption of IFRS improves the economic growth of both countries significantly. This means that IFRS adoption has brought about improved GDP in the manufacturing sector GDP of both countries. Thus posits that for emerging countries to enjoy improved economic growth, they have to properly adopt the notions of IFRS in their financial statement preparations and presentation so as to enjoy the full benefits.

Okoye et al., (2014) researched on the ‘Impact of the IFRS Adoption on Stock Market Movement in Nigerian Corporate Organization.’ Descriptive design was adopted using the stock price and shares traded during two years periods. SPSS Version 7.0 was also used to obtain the mean, variance and Std. Deviation. It observed that the adoption of IFRS in Nigeria will enhance credible financial statements that will also provide a basis for the strength of a corporate entity in capital market hence is a welcome development in Nigerian economy.

Zakari (2014) investigated the challenges of IFRS adoption in Libya using descriptive statistics. The research evidence indicated that IFRS adoption by Libyan Companies has faced some obstacles such as accounting education and economic issues.

Muller (2014) measured the impact of IFRS adoption on the quality of consolidated financial reporting in Germany using multiple regression model for a period of 4 years (2003-2006). The results of the findings revealed an increase in consolidated financial statement quality as a result of the adoption of IFRS.

METHODOLOGY

In this study, the articles, journals and literature related to this work were reviewed and a desk review research approach was adopted in the course of this study to give a well-grounded information and resolute conclusion.

Findings and Conclusion

Based on the review of many research works and assessment of the two countries' economic situation during the pre-adoption periods and post-adoption periods of IFRS, it was discovered that many economic challenges and issues have been faced by Nigeria during the NGAAP period such as inability of the users of financial statements to comprehend very well, the information in multinational company's financial reports, decline in the inflow of the Foreign Direct Investment (FDI) in Nigeria, etc. It is on this ground the country government adopted and initiated IFRS in 2012 to combat and rectify these challenges and to foster the economic growth simultaneously. More so, Nigeria face some other challenges while adopting the standard, such as lack of trained professionals for the efficient and effective implementation of this standard, which hinders the full implementation in the country as at that period, but it was observed that if the country provides adequate frameworks, trained professionals and adhere to the norms of the standard, the country will enjoy the full benefits of adopting IFRS.

On the other hand, Kenya adopted IFRS in 1999 and implemented it in the year 2000 including all public listed companies in the Nairobi Stock Exchange (NSE). In 2005, six years after the adoption of IFRS in Kenya, it was observed that many companies listed on the NSE have not exhibit 100% compliance to the full adoption of the standard even though they had the required professional manpower for the efficient implementation of this standard in their companies, but they feared forgoing the benefits of their past and potential future innovations in local reporting standards specific to their economies. It was in the year 2010, the standard start to gain full recognition in many companies and this in return was observed to have a significant impact on the economic growth of the country.

Recommendations

The following recommendations were made from the findings and conclusion of the study:

i. The Financial Reporting Council of Nigeria (FRCN) should embark upon aggressive awareness on the benefits of IFRS adoption in Nigeria.
ii. The Financial Reporting Council of Nigeria in conjunction with various professional bodies should place more premium on continuing professional education and training. As much as possible, the professional accountancy bodies should align their continuing professional education requirements with IFAC guidelines.
iii. Various stakeholders such as the professional bodies and regulatory agencies should embark upon subsidized training for members within their sectors to increase their awareness, knowledge and applications of IFRS.
iv. The regulatory agencies should be provided with the required financial support to carry out their regulatory functions in terms of ensuring that organizations comply strictly with the adoption of IFRS.
v. The government on their part should ensure that they provide the enabling environment towards ensuring the adoption and practice of IFRS in Nigeria and Kenya. This they can do by providing the necessary legislative framework for its adoption and practice.
vi. Professional accounting bodies in Nigeria and Kenya should make IFRS training a part of MCPE at a reduce cost.

vii. Government should ensure the fully adoption and implementation of IFRS in every possible sector of the nation in other to enjoy other benefits that accrue from it.

viii. It is also recommended that while implementing IFRS in Nigeria and Kenya, other factors such as the institutional framework, national legal system, and good corporate governance practices should be strengthened to ensure an improvement in transparency and comparability of financial statement preparation and presentation.

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