

International Financial Reporting Standards (IFRS) Adoption and the Quality of Financial Reporting by the Commercial Banks in Rwanda: A Managerial Perspective

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This study examines, from the perspective of the commercial banks' managers and accountants in Rwanda, whether there are measurable gains stemming from the adoption of international financial reporting standards. The main focus of this study is on the emerging economies which are faced with a challenge of quick creation and adaptation of their financial markets to match developed countries. The study therefore, contributes to the literature by adding the unique dimension attributable to the transition economies. The study used a descriptive survey as the research design. Census survey was carried out on the entire population which included the financial managers and the accountants of all the nine commercial banks in Rwanda. Primary data was collected using structured questionnaires administered to nine financial managers and thirty seven accountants employed by the commercial banks. The Results of the study indicate that the respondents believe that the quality of information disclosure, especially in the statement of comprehensive income has greatly improved following IFRS adoption. On the quality of recognition and measurement of contingent assets and liabilities, more than 65% of the respondents believe that the quality of reporting was actually better under the domestic GAAP. The respondents have also strongly agreed that lack of qualified personnel and knowledge of IFRS are the major challenges to the implementation of IFRS.

Key words: IFRS adoption, quality of financial reporting, accounting information, emerging economies, commercial banks, Rwanda.

INTRODUCTION

Drawing on the past academic literature in international financial reporting standards (IFRS) adoption and the quality of reporting relating to the developed economies, this study sought to empirically examine the emerging economies like Rwanda. These are economies characterized by rapid growth and less efficient stock markets. They provide considerable opportunities for high returns in an environment of relatively high risks. Although these transition economies have relatively low level of per capita gross domestic product, their political and economic stability have greatly improved thereby attracting many foreign investors. The study therefore sought to find out from the perspective of the commercial

banks' managers and accountants in Rwanda, being an emerging economy, whether there are measurable gains stemming from the adoption of IFRS.

The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to a wide range of users in making economic decisions (Nobes, 2013). In order to improve the quality of information contained in these statements, the IFRS were initiated (IASB, 2012). In Rwanda, as well as in other emerging economies, considerable efforts have been made to align the financial reporting practices with the internationally accepted financial reporting standards and

codes. Since the World's capital markets have globalized, the investment community and the accounting profession have quickly recognized the need for a cooperative international effort in the development of accounting standards and a common global accounting language. If applied consistently, this will enable investors to compare the financial results of companies operating in different jurisdictions more easily and provide more opportunities for investment and diversification (Barth *et al.*, 2008). Along with International Accounting Standards Board (IASB) endeavours on accounting standard harmonisation and convergence, more countries have adopted IFRS or considered congruence with it (Chen *et al.*, 2010). Accordingly, IFRS has been adopted in more than 100 countries to date including those within the European Union, the Gulf Cooperation Council, and parts of Asia, Africa, Latin America, and Australia (Nobes, 2013).

Rwanda is an emerging economy whose economic growth rate is among the highest in East and Central Africa. The Institute of Certified Public Accountants of Rwanda (ICPAR), established by legislation, No. 11/2008 of 06/05/2008, became effective on August 1, 2008. The Minister of Finance and Economic Planning, as per provision of the law, subsequently appointed an interim Governing Council to launch the operations of the institute and also encourage institutions to report their financial statements in accordance with the requirements of the IFRS. Regulators in Rwanda expected that the use of IFRS would enhance the comparability of financial statements, improve corporate transparency, increase the quality of financial reporting, and hence benefits investors. The National Bank of Rwanda became the first regulator to prescribe IFRS as a mandatory reporting framework for all the commercial banks and other financial institutions under its supervision (World Bank, 2008).

Previous studies on IFRS adoption tend to focus on developed economies. They, however, provide mixed evidence as to whether financial reports prepared on the basis of IFRS exhibit higher quality than those associated with application of domestic accounting standards (Leuz and Wysocki, 2008). According to Horton *et al.*, (2012), there are two main schools of thought in the debate on IFRS and accounting harmonization/convergence. The proponents contend that a single global set of accounting standards helps reduce information symmetry, lower the cost of capital, and increase capital flow across borders. The opponents argue that the characteristics of economies, local business environments and institutional frameworks determine the form and contents of accounting standards. Thus, accounting standards in two countries need not be the same and the use of IFRS does not necessarily improve accounting quality.

Commercial banks are the leading sources of finance to businesses in Rwanda. There are presently nine commercial banks in Rwanda. They include, Access

Bank SA, Bank of Kigali "BK", Banque Commerciale du Rwanda (BCR), Banque Populaire du Rwanda SA, Compagnie Générale de Banque (COGEBANQUE), ECO Bank, Rwanda, Equity Bank, FINA Bank and Kenya Commercial Bank (KCB). Some of these banks are subsidiaries of foreign banks whereas others are indigenous banks. These commercial banks are supervised and regulated by the National Bank of Rwanda which now requires that all commercial banks implement IFRS for their financial accounting and reporting. This requirement by the National Bank of Rwanda intended to bring harmony in financial reporting which is necessary for the globally integrated capital markets and can only be fulfilled through a uniform financial reporting (Frankel and Li, 2004). It is this need for harmony that has consequently led to the commercial banks in Rwanda changing from domestic accounting principles towards the IFRS. Although the quality of reporting by the commercial banks in Rwanda will still remain a function of the banks' overall institutional setting, as influenced by the legal and political system of Rwanda, the National Bank of Rwanda expects the banks that have adopted IFRS to have higher-quality financial reports than those applying domestic Generally Accepted Accounting Principles (GAAP). This expectation is supported by Barth *et al.*, (2008) who concluded that adoption of IFRS is associated with higher accounting quality. They studied firms from 21 countries and concluded that applying IFRS generally lead to less earnings management, more timely loss recognition, and more value relevance of accounting amounts than do a matched sample of firms applying domestic GAAP. The objective of this study was, therefore, to find out, from the perspective of the commercial banks' managers and accountants, whether this mandatory change towards the IFRS by the commercial banks in Rwanda has improved the quality of financial reporting. The key research questions in the study sought to establish the impact of IFRS' adoption on the areas of: quality of recognition and measurement of transactions; quality of recognition and measurement of assets and liabilities; quality of presentation and disclosure of the elements of financial transactions in the financial reports; and the general overall quality of the commercial bank's financial reporting. The study also sought to find out the perceptions of the banks financial managers and the accountants on the challenges faced by the commercial banks in the adoption of IFRS.

Literature Review

Financial reports are a structured representation of the financial position and financial performance of an entity. They also show the results of the management's stewardship of the resources entrusted to it (Nobes, 2013). To meet this objective, financial reports must provide information about an entity's assets, liabilities,

equity, income and expenses, including gains and losses, and contributions by and distributions to owners in their capacity as owners. This information, along with the disclosure requirements included in the notes to the financial statements assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty (IASB, 2012).

Prior studies on the quality of financial reports following the adoption of IFRS have been undertaken by many researchers in Europe, Asia, Africa, among others. The study by Cortesi *et al.*, (2009) concentrated on Italian listed companies belonging to furniture and fashion industry sector to identify the main impacts of IFRS adoption in terms of quality of the financial statement items on the transition from the Italian to the international accounting system (IFRS). Their findings were that on adoption of IFRS, there is a decrease of net income due to an increase of the annual property, plant and equipment depreciation reassessed at fair value. A study by Soderstrom and Sun (2006) about the change in accounting quality following widespread IFRS adoption in the EU, argued that cross-country differences in accounting quality are likely to remain following IFRS adoption because accounting quality is a function of the firm's overall institutional setting, including the legal and political system of the country in which the firm resides.

Advocates of IFRS (Nobes, 2013; Barth *et al.*, 2008; Firth *et al.*, 2013) argue that these standards provide more relevant information for investment decisions and that they allow for measurement and recognition of transactions that better represent the economic reality of business organizations. IFRS also provides international comparability in financial statements which improves the basis for investment decisions (Yeng and Henry, 2013). Barth *et al.*, (2008) found out that firms applying IFRS experience less earnings management, more timely loss recognition, and more value relevance of accounting amounts than do those applying domestic GAAP. They also contended that firms applying IFRS had higher variance of the change in net income; had a higher ratio of the variances of the change in net income and change in cash flows; had a significantly less negative correlation between accruals and cash flows, and a lower frequency of small positive net income. They added that firms applying IFRS generally exhibit higher accounting quality than when they previously applied domestic GAAP. The increase in accounting quality for IFRS firms was generally greater than that for firms applying domestic GAAP throughout the sample period. They also found weak evidence suggesting that application of IFRS is associated with a lower equity cost of capital. Overall, their results suggested improvement in accounting quality associated with applying IFRS (Barth *et al.*, 2008).

A study conducted by Danie and Pieter (2011) on whether application of IFRS is associated with higher accounting quality also concluded that firms applying IFRS generally evidence less earnings management.

They found that firms applying IFRS generally evidence an improvement in accounting quality between the pre- and post-adoption periods. The researchers were, however, not sure whether their findings were attributable to the change in the financial reporting system rather than to changes in firms' incentives and the economic environment. Bhattacharjee and Islam (2009) investigated the impact of adoption of IFRS on the financial reporting environment of Bangladesh considering the underlying institutional and economic factors. They argued about trade-off between the scale advantage of IFRSs and the local advantage of decentralized adaptation. Their study focused on the problems relating to adoption of IFRS in Bangladesh and on better applicability of accounting standards aimed at ensuring transparent information environment. Their study found that application of IFRSs reflects greater accountability of corporate management and transparency of published financial information as well as enhances the credibility of the statutory audit function of Bangladesh making the business environment more transparent. With regard to the issue of measurement, Epstein (2009) analyzed various controversial issues arising from the current project of the IASB and Financial Accounting Standards Board (FASB) FASB to develop a joint conceptual framework for financial reporting standards. He discussed their possible implications for measurement and, in particular, for the use of fair value as the preferred measurement basis. He concluded that, in a realistic market setting, the search for a universal measurement method may be fruitless and a more appropriate approach to the measurement problem might be to define a clear measurement objective and to select the measurement method that best meets that objective in the particular circumstances that exist in relation to each item in the accounts. An example of such an approach is deprival value, which is not, at present, under consideration by the IASB.

This study unlike the previous studies reviewed above, surveyed the perceptions of accounting users and preparers on the quality of financial reporting by commercial banks in Rwanda, which is an emerging economy. The investigation sought to explore a professional perspective on the mandatory adoption of IFRS by the commercial banks. Another point of departure is on the financial reporting dimensions used in the study. Whereas most studies have used earnings and accruals management as proxies for financial reporting quality, this study adopted the qualitative dimensions of financial reporting used by the International Accounting Standards Board in the promulgation of the financial reporting standards. The study therefore surveyed perceptions on the quality of transaction recognition and measurement methods; the quality of asset and liability recognition and measurement methods; the quality of transaction elements' classification and presentation methods and the quality of information disclosure

methods.

RESEARCH METHODOLOGY

A census survey was carried out between late 2014 and early 2015 on the entire population of the commercial banks in Rwanda. The population used in the research study included nine (9) financial managers / controllers and thirty seven (37) accountants working for all the 9 commercial banks in Rwanda. Primary data was gathered using structured questionnaires administered to the financial controllers / financial managers and the accountants of each of the nine commercial banks. The questionnaires used contained close-ended questions which helped to get specific answers, took less time to answer and were easy to analyze. The questionnaires were administered by drop-and-pick method and self-addressed envelopes were enclosed in the letters to the respondents. All the questionnaires sent out to 37 accountants and 9 chief finance officers employed by the commercial banks in Rwanda were received back representing a response rate of 100%. This response rate resulted from concerted efforts in follow-ups and constant reminders in the form of phone calls and personal visits. Reliability analysis was conducted in this study to ensure that the measures of variables had internal consistency across time and across the various items that measure the same concept or variable. Before launching the full-scale study, the questionnaire was pre-tested on five financial institutions not related to the commercial banks in Rwanda to ensure its workability in terms of structure, content, flow, and duration. Few modifications were made after pre-testing on the questionnaire. The data collected for this study was examined and checked for completeness and comprehensibility. It was coded, edited and cleaned for processing using Statistical Package for Social Sciences (SPSS) – version 20.0. SPSS was preferred because it is very systematic and covers a wide range of the most common statistical and graphical data analysis. Descriptive statistics such as means, weighted averages, standard deviations and frequency distributions were used to analyse the data. Data presentation was done by use of, percentages and frequency tables. This has ensured that the analysis is easily understood at a glance. Also, the responses from the financial managers/controller were compared to the responses from the accountants to see if there was a statistical significant difference in their perceptions regarding the adoption of IFRS on the quality of financial reporting.

RESULTS AND DISCUSSION

Descriptive statistical approaches were used to analyze the information that was gathered through the survey

questionnaires (Appendix). The respondents were asked in question 1 to rate the impact of IFRS' adoption on the quality of transaction recognition procedures. The choices ranged from: worse than before adoption (score of 1); same as before adoption (score of 2) and better than before adoption (score of 3) The descriptive statistics summarizing the responses are given in Table 1. From Table 1, the mean is 2.38 with a standard deviation of 0.24. Apart from the accuracy in the recognition of post balance sheet events and the relevance and reliability of accounting estimates, the respondents' perception regarding the quality of recognition and measurement of transactions was that it had improved following the adoption of IFRSs by the commercial banks (mean greater than or equal to 2.5). The perception of about 60% of the respondents was that the quality of recognition and measurement of transactions had improved following the adoption of IFRS by the banks. With regard to the accuracy of the recognition of post balance sheet events and the relevance and reliability of accounting estimates, the perception of more than 60% of the respondents was that the quality remained the same even after the adoption of IFRS.

Question 2 sought to establish the respondents' perceptions on the impact of IFRS' adoption on the quality of recognition and measurement of assets and liabilities. The choices ranged from: worse than before adoption (score of 1); same as before adoption (score of 2) and better than before adoption (score of 3). The descriptive statistics summarizing the responses are given in Table 2. From Table 2, it can be seen that the mean is 2.13 with a standard deviation of 0.19. This is due to the fact that the perception of over 60% of the respondents is that the quality of asset and liability recognition and measurement procedures has remained the same in most areas even after the adoption of IFRS by the commercial banks. However, in the area of recognition and measurement of contingencies, more than 65% of the respondents believe that the quality of reporting was actually better under the domestic GAAP. The finding is in line with that of Bhattacharjee and Islam (2009), which found that application of IFRSs reflects greater accountability of corporate management.

The respondents were asked in question 3 to rate the impact of IFRS' adoption on the quality of presentations and disclosures of items in the statement of financial position and the statement of comprehensive income. The choices ranged from: worse than before adoption (score of 1); same as before adoption (score of 2) and better than before adoption (score of 3) The descriptive statistics summarizing the responses are given in Table 3. From Table 3 it can be seen that the mean is 2.3 with a standard deviation of 0.28. Over 60% of the respondents believe that the quality of the classification and presentation of items in the balance sheet remained the same even after the adoption of IFRS by the commercial

Table 1: Perceptions on the quality of transaction recognition and measurement procedures.

	N	Min	Max	Mean	Std. Dev
Completeness in recognition of bank's revenue	46	1.00	3.00	2.5217	.72232
Accuracy in measurement of bank's revenue	46	1.00	3.00	2.5000	.72265
Completeness in recognition of bank's expenses	46	1.00	3.00	2.5000	.69121
Accuracy in measurement of bank's expenses	46	1.00	3.00	2.4565	.72131
Selection of accounting policies	46	1.00	3.00	2.5870	.68560
Relevance and reliability of accounting estimates	46	1.00	3.00	2.0870	.62632
Accuracy in recognition of post balance sheet events	46	1.00	3.00	1.9783	.57693
Quality of recognition and measurement of transactions	46	2.00	3.00	2.3758	.24348
Valid N (listwise)	46				

Table 2: Quality of recognition and measurement of assets and liabilities.

	N	Min	Max	Mean	Std. Dev
Asset recognition and measurement	46	1.00	3.00	1.9565	.63093
Liability recognition and measurement	46	1.00	3.00	2.0652	.57357
Asset valuation /depreciation	46	1.00	3.00	2.4783	.72232
Recognition of contingencies	46	1.00	3.00	1.4783	.72232
Recognition of provisions	46	1.00	3.00	2.1304	.54196
Quality of recognition & measurement of assets and liabilities	46	1.64	2.45	2.1285	.19028
Valid N (listwise)	46				

Table 3: Quality of presentations and disclosures of items in the financial reports.

	N	Min	Max	Mean	Std. Dev
Classification of items in the balance sheet	46	1.00	3.00	2.1304	.61855
Presentation of information in the b/sheet	46	1.00	3.00	2.0435	.59466
Classification of items in the income statement	46	1.00	3.00	2.6522	.60433
Presentation of items in the income statement	46	1.00	3.00	2.5870	.71728
Full-disclosure of information in the financial reports	46	1.00	3.00	2.0652	.57357
Quality of presentations & disclosure of items in reports	46	1.60	2.80	2.2957	.27565
Valid N (listwise)	46				

banks. There is, however, a difference in perception when it comes to the classification and presentation of items in the statement of comprehensive income. Over 70% of the respondents were of the opinion that the quality of classification of items and disclosure of information has improved following the adoption of IFRS by the commercial banks.

Question 4 sought to establish the impact of IFRS' adoption on the overall quality of financial reporting in terms of the information content, personnel and resource requirements, time taken, additional training and the form and structure of financial reports. The descriptive statistics summarizing the responses are given in Table

4. From Table 4, it can be seen that the mean is 2.6 with a standard deviation of 0.26. Over 80% of the respondents believe that the overall quality of financial reporting increased following the adoption of IFRS by the commercial banks in Rwanda. The perception of over 70% of the said respondents was that the time taken to prepare the financial reports and the demand for additional resources increased following IFRS adoption.

The respondents were asked in question 5 to state the challenges faced by the commercial banks resulting from the mandatory adoption of IFRS. The descriptive statistics summarizing the responses are given in Table 5. From Table 5, it can be seen that the mean is 1.8 with

Table 4: Perceptions on the Overall quality of financial reporting.

	N	Min	Max	Mean	Std. Dev
Overall quality of information reported	46	1.00	3.00	2.7174	.62050
Time taken to prepare financial reports	46	1.00	3.00	2.5870	.71728
Quality of personnel required	46	1.00	3.00	2.6087	.64904
Requirement for additional resources	46	1.00	3.00	2.4783	.72232
Requirement for additional training of staff	46	1.00	3.00	2.6522	.67387
Overall quality of financial reporting	46	1.83	3.00	2.6159	.25789
Valid N (listwise)	46				

Table 5: Perceptions on the Challenges resulting from the mandatory adoption of IFRS.

	N	Min	Max	Mean	Std. Dev
Lack of IFRS-competent personnel	46	1.00	3.00	2.7174	.62050
Additional costs in training	46	1.00	3.00	2.5870	.68560
Additional costs in software changes	46	1.00	3.00	1.2391	.56509
Additional costs for specialists & consultants	46	1.00	3.00	2.5217	.78143
Incompatibility with the old reporting system	46	1.00	3.00	1.2826	.50169
Respondents	46	1.00	2.00	1.8043	.40109
Valid N (listwise)	46				

Table 6: ANOVA.

		Sum of Squares	df	Mean Square	F	Sig.	Interpretation
Recognition & measurement of transactions	Between Groups	.080	1	.080	1.360	.250	Not significant
	Within Groups	2.588	44	.059			
	Total	2.668	45				
Recognition & measurement of assets & liabilities	Between Groups	.303	1	.303	10.038	.003	Significant
	Within Groups	1.327	44	.030			
	Total	1.629	45				
Presentation and disclosure	Between Groups	.075	1	.075	.993	.324	Not significant
	Within Groups	3.344	44	.076			
	Total	3.419	45				
Overall quality of financial reporting	Between Groups	.106	1	.106	1.619	.210	Not significant
	Within Groups	2.887	44	.066			
	Total	2.993	45				

a standard deviation of 0.4. This result shows significant variability from the mean implying differences in perceptions regarding the various areas of challenges faced by commercial banks in the adoption of IFRS. Over 80% of the respondents strongly agree that lack of qualified personnel and knowledge of IFRSs were the major challenges to the implementation of IFRS. On the other hand, a similar percentage of over 80% did not

agree that additional costs in changes to accounting software systems posed any challenge to the adoption of IFRS. It is also noted that over 60% of the respondents strongly agreed that other challenges faced by commercial banks in Kigali in adopting IFRS include additional costs in training the accounting staff and in the hiring of accounting specialists for consultancy services. Table 6 shows that there is no significant difference

between the groups in the way they responded to the questions except in the area of quality of recognition and measurement of assets and liabilities. The accountants' perception in this area was that it has remained the same whereas the chief finance officers' perception was that the quality has improved.

Conclusions

Regarding the quality of transaction recognition and measurement procedures, the study concluded that the commercial banks in Rwanda have exhibited higher accounting quality following the adoption of IFRS than when they previously applied their domestic GAAP. This conclusion is in agreement with the findings of Barth *et al.*, (2008) who contend that the increase in accounting quality for IFRS firms is generally greater than that for firms applying domestic GAAP. On the quality of recognition and measurement of contingent assets and liabilities, more than 65% of the respondents believe that the quality of reporting was actually better under the domestic GAAP. This can be explained by the fact that IFRS, being a principles-based set of standards, involves considerable judgment and provides commercial banks with substantial discretion in the treatment of contingent assets and liabilities. How commercial banks in Rwanda use the discretions depend on legislation, various market forces and each bank's operating characteristics. This is in agreement with the findings of Leuz (2006) who contended that financial reporting behaviour is expected to differ across firms as long as accounting standards offer some discretion and firms have different reporting incentives. On the overall quality of financial reporting in terms of the information content, personnel and resource requirements, time taken, additional training and the form and structure of financial reports, the study concluded that lack of qualified personnel and knowledge of IFRSs were the major challenges faced by commercial banks in Kigali in the implementation of IFRS. The quality of financial reporting is therefore compromised by these implementation challenges that also include additional costs in training the accounting staff and in the hiring of accounting specialists for consultancy services.

Limitations of the Study

Financial reports are prepared by banks' management for the use of many interested groups. These groups include shareholders, government departments (Rwanda Revenue Authority), the Central Bank among others. All these uses may have different perspectives on the quality of the reports arising from the adoption of IFRS. This research study was, however, limited only to the perspective of the preparers (producers) of these financial reports. Hence the focus was on the banks' financial managers and accountants. Although, all the commercial banks surveyed operates in Rwanda, some

of them are subsidiaries of foreign banks whose parent companies' influence regarding the quality of financial reporting may also be significant. The scope of this study was, however, limited to the local (Rwanda) environment.

Recommendations

This study surveys the impact of the adoption of IFRS on the quality of financial reporting from the perspective of the preparers of the financial reports in an emerging economy. It is recommended that similar studies be carried out to find out the perspective of the users of the reports. Such a study should target shareholders, lenders, and regulatory agencies. It is also recommended that a study on the economic consequences of forcing firms in an emerging economy to change an entire set of financial reporting standards be also carried out. This should include, for example, the effects of IFRS adoption on stock market liquidity, cost of equity capital and firm valuations in emerging economies.

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Appendix 1: Pilot study results.

Reliability Statistics

Cronbach's Alpha	Number of Items
.803	29

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Completeness in recognition of bank's revenue	76.3158	32.006	.217	.802
Accuracy in measurement of bank's revenue	76.2105	31.842	.372	.796
Completeness in recognition of bank's expenses	76.3158	30.673	.544	.789
Accuracy in measurement of bank's expenses	76.5263	28.596	.630	.780
Selection and disclosure of accounting policies	76.2105	32.398	.253	.800
Relevance and reliability of accounting estimates	76.2105	33.620	-.004	.809
Accuracy in recognition of post balance sheet events	76.4211	30.702	.501	.790
Process of liability recognition and measurement	76.4211	30.702	.403	.793
Process of asset valuation and depreciation/amortization	76.4211	32.702	.102	.808
Process of recognition and measurement of contingencies	76.5789	30.368	.384	.795
Process of measurement and recognition of provisions	76.3684	28.579	.647	.779
Process of reporting comprehensive income	76.3684	31.468	.240	.803
Classification of items in the balance sheet	76.0526	33.608	.044	.805
Disclosure of information in the balance sheet	76.1053	33.322	.098	.804
Classification of items in the income statement	76.1053	33.433	.067	.805
Disclosure of information in the income statement	76.0526	33.497	.086	.804
Overall quality of information reported	76.1053	30.877	.528	.790
Time taken to prepare financial reports	76.2105	29.509	.685	.781
Quality of personnel required	76.2632	32.316	.244	.800
Requirement for additional resources	76.3158	34.117	-.100	.817
Requirement for additional training of staff	76.1579	34.363	-.165	.813
Overall quality in structure/form of financial reports	76.2632	31.982	.233	.802

Appendix 2: Difference between the perception of the finance managers and accountants.

		95% Confidence Interval for Mean							
		N	Mean	Std. Dev	Std. Error	Lower Bound	Upper Bound	Min	Max
Quality of recognition and measurement of transactions	Chief finance officers	9	2.4603	.33333	.11111	2.2041	2.7165	2.14	3.00
	Accountants	37	2.3552	.21723	.03571	2.2828	2.4276	2.00	2.86
	Total	46	2.3758	.24348	.03590	2.3035	2.4481	2.00	3.00
Quality of reporting financial position and performance	Chief finance officers	9	2.2929	.19165	.06388	2.1456	2.4402	2.00	2.45

Appendix 2: Cont.

	Accountants	37	2.0885	.16938	.02785	2.0320	2.1449	1.64	2.45
	Total	46	2.1285	.19028	.02806	2.0720	2.1850	1.64	2.45
Quality of presentation and disclosure requirements	Chief finance officers	9	2.3778	.21082	.07027	2.2157	2.5398	2.00	2.60
	Accountants	37	2.2757	.28810	.04736	2.1796	2.3717	1.60	2.80
	Total	46	2.2957	.27565	.04064	2.2138	2.3775	1.60	2.80
Overall quality of financial reporting	Chief finance officers	9	2.5185	.17568	.05856	2.3835	2.6536	2.33	2.83
	Accountants	37	2.6396	.27078	.04452	2.5494	2.7299	1.83	3.00
	Total	46	2.6159	.25789	.03802	2.5394	2.6925	1.83	3.00