Adoption and compliance with ifrs by listed firms in ghana and the extent of financial statement disclosures

Seth Nana Kwame Appiah-Kubi
Email: sethappiahkubi91@gmail.com
[1] Department of Accounting and Finance, Cyprus International University, Northern Cyprus, Turkey
Assistant Professor Housam Rjoub
Department of Accounting and Finance, Cyprus International University, Northern Cyprus, Turkey
Email: hrjoub@ciu.edu.tr

Abstract

With the differing development in similarity to enhance basic leadership, the hugeness of IFRS can't be over misrepresented. Is been 10 years since Ghana formally acknowledged International Accounting Standard(IAS)/International Financial Reporting Standard (IFRS), trading Ghana National Accounting Standard for every single recorded organization. Recorded organizations who asserted consistence have consistence hole as yet existing. Past research has upheld that. This examination, explored the degree of consistence with IFRS disclosure necessities of recorded firms on the Ghana Stock Exchange. What's more, the investigation endeavored to recognize factors, for example, firm size, use, profitability related with the level of consistence. The investigation utilized optional information which were procured from recorded firms on the Ghana Stock Exchange yearly reports. The period attempted for the investigation was from 2008 to 2016. These years were picked since less work has been done on consistence for the years under audit for recorded firms on the Ghana Stock Exchange (GSE). The populace for the examination was recorded firms on GSE with test size of twenty-six (26). In light of the example of the twenty-six (26) recorded firms for the 9 years time frame, a normal of 83.7% consistence with IFRS disclosure necessities was made, with firm size measurably connected with the level of consistence. Despite what might be expected, the level of consistence displays a negative huge relationship with use and profitability. As the powers of globalization enable nations to open their ways to remote speculation and business improvement crosswise over outskirts, the requirement for a typical reporting has come to stay and it has along these lines wind up imperative to guarantee full consistence with the utilization of the IFRS. On the off chance that there is strict standard observing by the administrative bodies, for example, (Ghana Stock Exchange, Security and Exchange commission, Bank of Ghana), at that point full consistence can be accomplished. Additionally, Institute of Chatered Accountants Ghana which is in charge of controlling the accounting profession ought to guarantee that normal preparing are sorted out for accounting, inspectors and so forth to make them side by side and refreshed with the consistence of IFRS. This would help accounting approach producers to found procedures to energize consistence with IFRS by the recorded firms.

Keywords: *Disclosure, Financial reporting, Accounting, Quality of financial reports' disclosure, Firm-specific characteristics, International Financial Reporting Standards, Mandatory disclosure, Ghana*

1. Introducation

1.1 Background of the problem

For as long as years, organizations have arranged their financial proclamation as per standards usually utilized as a part of their nation, prevalently known as Generally Accepted Accounting Practice (GAAP) (Emerging Market Weekly, 2008). The point behind that was normal accounting standards and disclosure comprehensively didn't exist (Cook, 2004). The worldwide speculation group had impediments because of the nonattendance of basic behaviors. Accounting rules that looks remote and the nonappearance of disclosure can dishearten financial specialists from putting all around in a productive way (Eitemann, S. et al, 1992). It wound up critical for the utilization of a typical worldwide reporting dialect (Flynn, 2008). All inclusiveness and equivalence of financial reports ended up basic. The thought was invited and quickly accumulated pace which have made organizations to approach the purposeful financial market and it has conveyed colossal advantages to the household monetary course of action. Generally, the presentation of a worthy international superb financial reporting standards was started in 1973 when the International Accounting Standard Committee (IASC) was shaped by sixteen (16) professional bodies from different nations, for example, United States of America, United Kingdom, France, Canada, Germany, Australia, Japan, Netherlands and Mexico (Garuba and Donwa, 2011). As of late, numerous nations overall received the International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs) with the point of influencing organizations to uncover greater quality data in their yearly reports (FASB, 2008). IFRS is the all around connected accounting framework contributing significantly to the activities of worldwide capital markets and additionally the international financial private enterprise (Capron, 2005).The reason for The International Accounting Standards Board's (IASB) IFRS Framework expresses that; "The point of financial proclamations is to give data about the financial position, changes in financial position and execution of an element that is vital to various of clients in making monetary decisions",(IASB 2010). The acknowledgment of IFRS all around is a standout amongst the most noteworthy administrative changes ever. The expansion pace of globalization of financial markets has likewise realized the requirement for looking at financial reports deliberately. Bodies, for example, International Accounting Standards Committee (IASC) now International Accounting Standards Board (IASB) built up in April, 2001, assumed vital part through announcement of various standards that tries to control bookkeepers' internationally on financial articulation planning and introduction (Larson and Street, 2004). The majority of the nations in Asia, Europe and Africa have embraced these standards and those with association with recorded organizations in the United States not some time before must agree to International Financial Reporting Standards. Subsequently, these worldwide foundations have pushed for the selection of International Financial Reporting Standards by creating and transitional nations as a component of their rebuilding programs. This approach has seeped to boosting the certainty of financial specialists (Mir, and Rahaman, 2005). At present, near hundred (100) nations have executed IFRS with more than 12,000 firms. A more noteworthy number of such nations have household standards which are IFRS based (AICPA backgrounder, 12/11/08). Consistency of accounting standards has been famous as helpful since the utilization of stable guidelines and standards to get ready outer financial articulation has a section in accomplishing reliable and straightforward reporting at the international level. (Bader A. et al, 2002). The acknowledgment and execution of IFRSs has happened in numerous creating and created nations (Demir et al., 2013).In January, 2007, the Minister of Finance and Economic Planning – Ghana needing to advance expanding development of her economy in the private segment formally propelled the appropriation of IFRS in substitute of its old Ghana National Accounting Standards (GNAS). By December 2007, recorded organizations, banks, non-banks financial foundations, insurance agencies, government business undertakings, securities representatives, annuity, speculation banks and open utilities were relied upon to set up their financial explanations as per the IFRS. In a deliver to the members at the starting, the clergyman alluded to a Report on Observance of Standards and Codes (ROSC) on Ghana that the world bank issued in March 2007, and noticed that "the reception of IFRS would address certain shortcomings the ROSC of Ghana has distinguished" (United Nation, 2007). As of now, Ghana is one of the fifteen (15) countries in Africa to have received IFRS (Zori, 2011). There has been little study on the compliance with IFRS of Ghanaian listed firms and quality of financial statement disclosure. Research has shown that total compliance has still not been achieved among the listed firms in Ghana. Upon this background that my research studied about corporate adoption and compliance of International Financial Reporting Standards by listed firms and quality of financial statement disclosure. To accomplish this aim two specific objectives and questions were developed and stated below: a). Determine the extent to which listed institutions comply with the disclosure requirements of the adopted IFRS. b). Examine the impact of corporate characteristics on disclosure levels of listed firms. c). what is the extent of compliance of listed firms to the disclosure requirements of IFRS/IAS? d).what is the impact of corporate characteristics on disclosure levels of listed companies?

1.2 Statement of the Problem

As indicated by the Report on the recognition of standards and codes, (ROSC 2004) there existed compliance holes/resistance as for International Accounting Standards (IAS) in Ghana organizations who guaranteed compliance. A portion of the instances of resistance recognized were:

- General: None of the four organizations tended to the IAS prerequisites on hindrances of advantages, financial instruments, or worker benefits; nor did they address section reporting, related gatherings, and profit per share. What's more each of the four organizations utilized obsolete wording, two organizations did not represent conceded impose at all and inaccurately exhibited common things.
- Components of financial proclamations: Three of the organizations' financial explanations did exclude an announcement of changes in value.
- Property, plant and hardware: Companies that revaluated property, plant and gear, neglected to take after every one of the necessities of IAS.

- Prior year alteration: Two organizations had deficient and unseemly disclosures regarding earlier year modifications.

With these instances of rebelliousness with International Accounting Standards by these organizations' who guaranteed willful compliance and the formal appropriation of IFRS in Ghana, there is the requirement for an examination concerning the level of compliance with IFRS by recorded firms in Ghana.

As an aftereffects of financial emergencies in late 1990s, the international group gave extraordinary significance on the real part that the recognition of international standards and codes of best practices can play in keeping up a productive national and international financial frameworks (Amos, 2000). Accordingly, the International Monetary Fund (IMF) and the Executive Boards of the World Bank perceived a gathering of twelve zones with their related standards that are considered to be basic for the institutional principal of macroeconomic solidness and are vital to the operational work of the two establishments (World Bank, 2001). Ghana embraced the audit practice and displayed the Reports on the Observance of Standards and Codes (ROSC) which was set up by a group from the World Bank between January 2007 and December 2008 (Wiredu, 2008). Late research has given considerable proof that organizations asserting to have embraced the IASs are not agreeing to the standards (Street and Gray, 2001; Glaum and Street, 2003). Research on compliance of IFRS particularly in creating nations, in any case, stays inadequate (Lin et al., 2012). Put essentially, prove on the level and determinants of compliance of IFRS in Ghana stays sparse in spite of its appropriation ten years back. To fill the hole in the writing, this examination draws on Hossain et al. (1995), Demaria and Duffour (2012) and Agyei-Mensah (2014) system to inspect the degree of compliance with International Financial Reporting Standards by recorded firms and quality of financial articulation disclosure and to turn out with the variables that can impact IFRSs compliance and its impact on their arrival on value. The asserted that aggregate compliance with IAS/IFRS have been accomplished by every single recorded firm in Ghana is unconfirmed. The evaluating and accounting hones in Ghana has institutional difficulties in compliance, checking, direction and guaranteeing requirement of the standards (cover the Observance of Standards and Codes, 2004). Hence, looking for answers to the examination questions is essential for understanding whether compliance with IFRS is being accomplished and for recognizing factors that impacts the compliance level among the recorded organizations. The controllers: Bank of Ghana, Institute of Chartered Accountants Ghana (ICAG), Ghana Stock Exchange, Ghana Credit Reference Bureau and Securities and Exchange Commission are on the whole prone to be occupied with resistance by the recorded organizations. The recognizable proof of rebelliousness is a genuine exclusion and when distinguished by these controllers could be entirely talked against and significant issues raised on enhancing the circumstance. The findings provide existing and potential overseas and domestic investors an unbiased assessment of the extent of compliance with IFRS in Ghana for listed firms. More so, since developing countries have in a way been neglected in terms of disclosure studies, this research adds to literature on disclosure compliance studies in developing countries.

2. Literature review

2.1. The environment of Corporate Financial Reporting in Ghana

Factors, for example, legislative issues, law, economy, instructive framework and international relations impacts the financial reporting process in Ghana (Assenso-Okofo et al., 2011). A commonplace case is political insecurity as a consequences of a few military upsets, influenced both press and monetary opportunity contrarily and, in the long run, the financial reporting process in Ghana (Amankwah-Amoah and Debrah, 2010; Appiah et al., 2014). In 1990, the Ghana Stock Exchange was set up to give checking and requirement by endorsing rebellious recorded organizations. Starting here, the Securities and Exchange Commission and Ghana Stock Exchange require every recorded organization to agree to their controls the extent that financial reporting is concerned. The Ghana Stock Exchange, be that as it may, has frail institutional establishment and limit issues, recommending implementation holes. The multi-party vote based framework in 1992 required press flexibility, the right to speak freely and monetary opportunity, and, along these lines, upgraded corporate reporting. The improved corporate reporting is additionally elevated by the small scale based economy. ROSC (2005), in any case, watched various insufficiencies in the corporate

Ghana financial reporting administrative condition. These incorporate absence of quality corporate administration, compliance issues and powerless checking organizations including the Parliament, the Ghana

Stock Exchange and ICAG. To put it plainly, the current reporting system isn't just ineffectual yet in addition wasteful (Assenso-Okofo et al., 2011). The requirement for pulling in international speculators and the utilization of Ghana for full International Federation of Accountants (IFAC) enrollment, all things considered, expect Ghana to embrace and execute IFRS. Consequently, in 2007, Ghana moved from adjustment to selection of IFRS. A noteworthy improvement in reference to the more extensive reception and execution of IFRS in Ghana is the notice issued by the ICAG and in conjunction with the New Patriotic Party Government drove by Former President John Agyekum Kuffour, which commands recorded organizations, banks and insurance agencies, government business endeavors, benefits reserves, open utilities and security representatives to exhibit their financial explanations as per IFRS since the monetary year starting after January 1, 2007. Consequently, all current 28 Ghana accounting standards were supplanted with the more than 40 IAS. This, thusly, helps international comprehension of Ghanaian financial explanations and, accordingly, upgrades worldwide speculators' group trust in securities recorded on the Ghana Stock Exchange. Here, World Bank Investment Climate Surveys demonstrate that international speculators are indicating good faith on account of an enhanced political atmosphere and financial reporting (Abor, 2007). The net inflows of outside direct speculation, for instance, expanded from US$1,519m in 2000 to US $2139m in 2007 (The World Bank Annual Report, 2009). In this manner, Ghana speaks to an intriguing situation inside which to look at observationally the motivating forces for the degree of compliance with IFRS.

2.2. International Financial Reporting Standards

International Financial Reporting Standards (IFRS) are group of prescriptive principles and rules with worldwide reach and bid which give guidance and direction on how business endeavors in a globalized world could accomplish the objective of appropriate record keeping, straightforwardness, consistency, equivalence and improving open trust in financial reporting (Tendeloo and Vanstraelen, 2005). Thus, if firms neglect to agree to the necessities of IFRS would bring about irregularities, absence of responsibility and straightforwardness, contortion in financial reports, in the long run outcomes into poor financial reporting practices and flow of accounting data that is of less incentive to a specific gathering of clients. This is on the grounds that the arrangement and introduction of financial articulations will be without objectivity, dependability, believability and equivalence, and in this way brings about false business hones which accordingly prompt business disappointment and end up destroying on the national economy (Atu et al., 2014). In addition to other things, the expanding internationalization of the institutionalization of accounting rules has diminished wide judgmental instinct and carefulness, which has decreased crafted by the outer reviewer extensively (Porwal, 2006). It likewise takes into account a significant level of consistency in the use of accounting arrangements, which has fortified likeness financial reports the world over. There are 69 specific accounting standards and particular translations. This sub-part will speak to short portrayals about the substance of the most principal standards, including IAS 1, IAS 2, IAS 16, IAS 17, IAS 32, IAS 39, IFRS 7 and IFRS 10.IFRS 7 sets out disclosures of financial instruments.The introduction, acknowledgment and estimation of financial instruments are the subjects of IAS 32 Financial Instruments:Presentation, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 9 Financial Instruments (being created in stages) is proposed to at last supplant IAS 39. (IFRS 7).The accounting standard IFRS 7 expects elements to give disclosures in their financial articulations that empower clients to assess the hugeness of financial instruments, the nature and degree of dangers emerging from them and how elements deal with those risks.IFRS 7, Financial Instruments: Disclosures, merges and extends various existing disclosure prerequisites and includes some critical and testing new disclosures. It is pertinent for yearly periods starting on or after 1 January 2007, with earlier year comparatives required. A portion of the necessities of IFRS 7 will be commonplace because of the way that it is, to a limited extent, a substitution of IAS 32, Financial Instruments: Presentation, while others –, for example, the prerequisite to give quantitative and subjective market hazard disclosures – are new and may speak to a huge test for some. Numerous substances have not yet centered on the degree of the extended disclosures or the frameworks and procedures required to create them. A few substances may likewise be ignorant of how they will be affected by the prerequisite to uncover inward organization administration data remotely (Mackenzie et al. 2013, 580).

2.3. Disclosure Theories

Three theories have been used to explain the disclosure of information in corporate reports. These are: Agency theory, Signaling theory and Legitimacy theory. According to agency theory (e.g., Jensen and Meckling, 1976; Fama and Jensen, 1983) disclosure of risk information is used as a means to overcome agency problem between management and owners of the company (Healy and Palepu, 2001). If shareholders and creditors do not observe companies' risk management activities directly, they will tend to institute monitoring systems to increase the flow of information about those activities, and to reduce uncertainty (Linsmeier et al., 2002). Under the signaling theory, developed by Spencer, financial reporting is said to stem from management's desire to disclose its superior performance where, good performance will enhance the management's reputation and position in the market for management services, and good reporting, which include disclosing risk information is considered as*4*reports to convey specific signals to current and potential users. Morris (1987) argued that there is consistency between both agency theory and signaling theory. He therefore, suggested that a combination of them could provide a better prediction of disclosure for more accounting reporting. Legitimacy theory is another common perspective that has been adopted to understand organizational forms and structures based on the assumption that a corporation has to maintain its legitimacy for its survival, Meyer and Rowan, (1977). Legitimacy theory is based on the notion of a contract between a firm and its stakeholders on the premise that firms signal their legitimacy by disclosing certain information in the annual report, according to Shocker and Sethi (1974).

2.4. Hypotheses Development

The primary examination directed on disclosures was finished by (Cerf 1961) when he explored 527 corporate yearly reports against a disclosure list containing thirty one data things. He found that the level of disclosure was emphatically connected with corporate size and posting status yet not with profitability. Following firmly after (Cerf 1961), (Singhvi 1967) additionally found that quality of disclosure was related with firm size, number of investors, rate of return, profit edge, stock value variances, posting status and CPA firm. Research in disclosure level and compliance with IAS started when the new century rolled over with look into led by (Tower et al. 1999), (Cairns 1999) and (El-Gazzar et al. 1999). The investigation that broke down the components impacting IAS compliance was finished by (Street and Gray 2002). Utilizing an international example of 279 firms they tried a few factors against the level of disclosure, for example, posting status, organization measure, industry, sort of inspector, profitability, notes to the records, nation, and size of home securities exchange among others. (Dumontier and Raffournier 1998) in their exploration on the utilization of IAS in Switzerland speculated that the reception of IAS would prompt expanded data disclosure. They found that there was a positive impact of size, internationality, posting status, reviewer write and possession dispersion on IAS use. What's more, (Street and Bryant 2000) found that more prominent disclosure is related with accounting approaches reference that specifically expresses that the financial proclamations are set up as per IAS and a review feeling that expresses that International Standards on Auditing (ISA) were utilized when directing the audit.(Hope et al. 2006) found that nations with poor speculator assurance frameworks are immensely liable to formally endorse IFRS, and consequently inferred that IFRS speak to a methods through which nations can upgrade financial specialist insurance and make their capital markets more justifiable to remote speculators. Authors, for example, (Choi 1973), (Cooke 1989, 1992), (Wallace, 1988), and (Zarzeski, 1996) have assessed the degree and quality of disclosure in yearly financial reports. For example, (Zarzeski, 1996) examined yearly reports from seven nations to find whether social and market powers are steady with levels of disclosure by the firms. (Latridis and Valahi 2010) inspect that the elements that seem to influence the quality and detail of accounting disclosure as being: firm size, industry part, stock proprietorship, partner premiums, international presentation, speculators' desires and other key financial factors, for example, profitability, liquidity, financial use, and development. As indicated by (Palmer 2006), there are a few hypothetical systems that help the disclosure writing. The two primary rehashing hypothetical clarifications given in the writing are organization hypothesis and political expenses. (Beattie, 2005) refered to in (Palmer, 2006) recommends that positive accounting scholars have endeavored to proceed onward from portraying accounting arrangement decisions to clarifying willful disclosure decisions, and a significant number of the hypothetical clarifications for the connection between the level of disclosure of financial data and corporate characteristics are grounded in positive accounting theory.Bushman and Smith 2011, inspected the decrease of data inconsistency following the arrangement of intentional accounting disclosures would tend to bring down the related organization and political expenses, and prompt lower costs in issuing value capital. The distinctions among firms, nonetheless, is associated with various components that impact a firm's financial articulation including modern write (Street and Bryant, 2000), profitability (Tower et al., 1999), firm size (Glaum and Street, 2003), use (Demir and Bahadir, 2014), firm age (Al-Shammari, 2008) and liquidity (Street and Gray, 2001). Drawing on the organization hypothetical focal point and with regards to the corporate Ghanaian compliance of IFRS, I built up the speculations beneath. The asserted that aggregate compliance with IAS/IFRS has been accomplished by every recorded firm is unconfirmed. The reviewing and accounting hones in Ghana has institutional misfortunes in compliance, checking, control and guaranteeing implementation of the standards (provide details regarding the Observance of Standards and Codes, 2004). Subsequently, looking for answers to the exploration questions is vital for understanding whether compliance with IFRS is being accomplished and for recognizing factors that impacts the compliance level among the recorded organizations. The controllers: Bank of Ghana, Institute of Chartered Accountants Ghana (ICAG), Ghana Stock Exchange, Ghana Credit Reference Bureaux and Securities and Exchange Commission are largely prone to be keen on resistance by the recorded organizations. The ID of resistance is a genuine oversight and when recognized by these controllers could be entirely talked against and important issues ascended on improving the circumstance. The findings provide existing and potential overseas and domestic investors an unbiased assessment of the extent of compliance with IFRS in Ghana for listed firms. More so, since developing countries have in a way been neglected in terms of disclosure studies, this research adds to literature on disclosure compliance studies in developing countries.

3. Method

3.1. Sample Size

Qualitative research design was adopted to evaluate the level of listed firms in Ghana who have adopted IFRSs since the effective date for the adoption of IFRS, i.e. 2007. The study population consists of the 31 firms listed on the Ghana Stock Exchange. Accounting and financial data were collected from the GSE fact sheets and the firm's website I omitted five firms with incomplete data, resulting in a final sample of 26 listed firms. My sample firms comprise financial (11), agro-forestry (1), mining and oil (4), manufacturing and trading (6), pharmaceutical and beverages (2) and information technology and paper industries (2).

3.2 Compliance Index.

The dependent variable in this study is extent of IFRS compliance. The checklist prepared is compared with the disclosures made by the firm in their financial statement. Based on this comparison, a score of 1 is assigned if firm discloses item present in the prepared checklist for the respective IAS/IFRS in the financial statement report in the year under review, 0 is assigned if the firm does not disclose item in the checklist for the respective IAS/IFRS.

$$\mathrm{TI} = \frac{\mathrm{TD}}{\mathrm{M}} = \frac{\sum_1^m \mathrm{di}}{\sum_1^n \mathrm{di}}$$

where:

TI = Total Disclosure Index

TD = Total Disclosure Score

M = Maximum disclosure score for each company

di = Disclosure item

im = Actual number of relevant disclosure items ($m \leq n$)

n = Number of items expected to be disclosed

The multivariate test used to test the hypotheses is the standard multiple regression analysis and the regression model is:

$$\mathrm{CRD} = \mathrm{a} + \beta 1\ \mathrm{X1} + \beta 2\ \mathrm{X2} + \beta 3\ \mathrm{X3} + \beta 4\ \mathrm{X4} + \beta 5\ \mathrm{X5} + \beta 6\ \mathrm{X6} + \beta 7\ \mathrm{X7} + \beta 8\ \mathrm{X8} + \mathrm{e}$$

a = constant (the intercept).X1 = Board size

X2 = Independent board members X3 = Auditor size X4 = Liquidity X5 = Board ownership concentration X6 = Firm size X7 = Leverage X8 = Profitability e = error term.

3.3 Independent Variables

Based on the literature reviewed, the following firm characteristics, firm size, board size, profitability, leverage, independent directors, block ownership concentration and current ratio have been used to develop the hypotheses.

Table 2. The definitions and proxies of independent variables

Variable	Definition/Proxy
Board size	Total number of directors on the board
Independent Directors	The proportion of non-executive directors to total number of board members
Board Ownership Concentration	Total shareholding of top 20 shareholders divided by the total number of shares outstanding
Firm size	The firm's total assets
Audit firm size	Dummy variable: 1=Big 4 audit firms, 0= other audit firms
Leverage	Ratio of non-current liabilities to shareholder's equity
Profitability	Return on assets / Return on Capital Employed
Liquidity	The ratio of current assets to current liabilities

3.4. Research hypotheses

Based on the literature reviewed in chapter two the following: firm characteristics, firm size, board size, profitability, liquidity, leverage, independent directors, board ownership concentration, and auditor size (type) have been used to develop the hypotheses.

3.4.1. Firm Size

Research directed by Wallace and Naser (1999), Raffournier (1995), Owusu-Ansah (1998) and Alsaeed (2005) found a significant connection between the extent of an organization and the level of disclosure. The clarifications gave by these scholars point to the way that bigger firms have more mastery and financial assets to scatter financial data when contrasted with little firms. Juhmani (2012), Demir and Bahadir (2014), Glaum and Street (2003), Street and Gray (2001) and Street and Bryant (2000) neglected to discover a relationship between corporate compliance of IFRS and firm size.From the literature reviewed the following hypothesis will be tested:

H1. Ceteris paribus, there is a positive relationship between firm size and IFRS mandatory disclosure.

3.4.2.. Liquidity

Liquidity alludes to a firm's capacity to meet its transient commitments when they fall due. Cooke (1993) contended that the soundness of the firm utilizing liquidity as the measuring stick is related with more noteworthy disclosure level. Belkaoui-Raihi (1998) dissimilar to Cooke (1993) found no connection amongst liquidity and disclosure level. In like manner, Wallace et al. (1994) found a huge negative relationship amongst liquidity and disclosure level for unlisted Spanish organizations. From the foregoing the following hypothesis can be developed:

H2: Ceteris paribus, there is a positive relationship between firm liquidity and IFRS mandatory disclosure.

3.4.3. Profitability

The impact of profitability on the level of IFRS compliance might be connected to a few observational contentions. For example, earlier investigations by (Wallace et al., 1994; Naser, 1998; Agyei-Mensah, 2014) found a positive connection amongst profitability and the level of disclosure. These investigations found that firms with high profitability would be more inspired to send uplifting news to the market than firms with low profitability. Nonetheless, others like (Street and Gray, 2001; Hossain and Hammami, 2009) in their examination found no relationship amongst profitability and the level of firms' intentional compliance with IFRS disclosure prerequisites. Following from the above studies the following hypothesis would be tested:

H3: Ceteris paribus, Profitability is positively associated with IFRS mandatory disclosure.

3.4.4.. Leverage

To a great extent, there is a developing assemblage of writing recommending that firms diminish the investor to obligation holder struggle by consenting to IFRS/IAS prerequisites. A few examinations have inspected the relationship between the obligation value proportion and the level of disclosure (Malone et al. 1993; Hossain et al. 1994; Ahmed and Nicolls, 1994; Jaggi and Low, 2000). These investigations found a positive connection between the obligation value and the level of disclosure. Firms with high obligation value may have more impetuses to unveil that is, cumbersome financial data to suit the requirements of their leasers. It is there for important for such firms to be checked by higher financial specialists to unveil more than firms with low obligation value. From the above the following hypothesis will be tested:

H4: Ceteris paribus, Leverage is positively associated IFRS mandatory disclosure.

3.4.5. Independent Directors

Great corporate administration expects the incorporation of free (non-official) executives on corporate sheets. (Vienot report, 1995; Bouton report, 2002; Chen and Jaggi, 2000) introduce two principle contentions in help of autonomous executives: The primary point recommends that, free chiefs give counsel to corporate sheets on vital choices which may enhance the firm's monetary and financial execution. The second contention suggests that, autonomous chiefs have more motivations to screen administration choices and exercises. Fama (1980) expect that outside chiefs are a definitive interior screens of administrative basic leadership. They make sure that investor's advantages are on the most fundamental level. Fama and Jensen (1983) propose that sheets made out of a higher extent of autonomous chiefs have more prominent control and screen administrative choices. Also, it is accepted that free chiefs have motivations to practice their choice control keeping in mind the end goal to keep up reputational capital.

Following Jensen and Meckling (1983), the examination will expect that outside chiefs have motivations to create notorieties as specialists in choice control. Truth be told, most outside executives of open partnerships are either directors of different enterprises or imperative choice specialists in other complex associations. Subsequently, the estimation of their human capital depends principally on their execution as inward choice administrators in different associations. Earlier research finds a positive connection between the extent of outside executives in the board and financial articulation fakes dangers (Dechow, Sloan et Sweeney (1996), Beasley (1996)). The non-official chief guarantees that the checking of the board is compelling. Truth be told, when the board is overwhelmed by non-autonomous executives, complicity amongst supervisor and board individuals could happen. This could hurt investor's interests and firm straightforwardness. Cheng and Jaggi (2000) reported that observing the corporate sheets by INDs recommends that corporate sheets will turn out to be more receptive to financial specialists, and consideration of INDs on sheets will enhance the firm's compliance with the disclosure necessities which thusly will upgrade the completeness and quality of disclosures. Utilizing an example of 82 UK recorded organizations for the period 1988-1989, Forker (1992) demonstrates a positive relationship between financial disclosure quality and the extent of outside executives on the board. Eng and Mak (2003) coordinate measure of non-mandatory disclosure had a critical negative relationship with the extent of open executives. From the literature reviewed the following hypothesis will be tested:

H5: There is a positive association between the proportion of outside directors and IFRS mandatory disclosure.

3.4.6. Board Ownership Concentration

It is normal that possession focus will impact the compliance with IFRS prerequisites. Akhtaruddin, M. and Haron, H. (2010) contemplated the impact of proprietorship fixation on intentional disclosure and found that possession focus mirrors the impact of the dominant part investors. In their investigation led before on, Chau G.

and Gray, S.J. (2010) demonstrated that more extensive possession is emphatically identified with deliberate disclosure. From the literature reviewed the following hypothesis will be tested:

H6: There is a positive association between board ownership concentration and IFRS mandatory disclosure.

3.4.7. Board Size

As indicated by Fama and Jensen, (1983) observing and controlling administration activities are the most critical elements of top managerial staff. Likewise, expanding the quantity of board individuals enhances the ability of the board in observing and controlling administration activities therefore, upgrading straightforwardness and disclosure of more data by administration (Gandia, 2008). From the literature reviewed the following hypothesis will be tested:

H7: There is a positive association between board size and IFRS mandatory disclosure.

3.4.8. Audit firm size

A few inquires about have been done to test the connection between the extent of review firm and the level of disclosure (Wallace et al., 1994; Marston and Robson, 1997; Owusu-Ansah, 1998). (Wallace et al. 1994, 47) hypothesizes that greater accounting firms are supported by the mastery of the international firms to which they subsidiary and that a "hypothesis of affiliation" exits, recommending that the substance of yearly reports are examined as well as affected by reviewers. Be that as it may, distinctive outcomes revealed by (Marston and Robson, 1997) and (Owusu-Ansah, 1998) that review firm size isn't critical related with the level of disclosure. From the literature reviewed the following hypothesis will be tested:

H8: There is a positive association between audit firm size and IFRS mandatory disclosure.

4. Results

4.1 Descriptive Statistics

To be able to answer the first research question; to what extent do companies listed on the Ghana Stock Exchange comply with the disclosure requirement of IFRS/IAS. Information from the annual reports of the 26 companies were gathered and analyzed.

Table 4.1 reports the descriptive statistics for all the variables in the study. The dependent variable, EOD has a mean of 62%, the minimum is 49%, the maximum being 75% with a standard deviation of 8%. The results indicate that over the five years, the extent of IFRS disclosure is 62%. Auditor size recorded 25%

Average BOC (Top20 shareholding) is 84.6%, minimum is 56.5%, maximum being 97.05% with standard deviation of 10.17%. The average number of non-executive directors (PNED) is 16.33%, minimum is 2%, maximum being 32% with standard deviation of 5.83%. The average board size (BODS) is 9, maximum is 12 and minimum is 4.

Table 4.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
MS	150	154,505	9,381,800	1,278,257	2,011,286
ROCE	150	(8.00)	33.00	6.74	8.41
CUR	150	0.20	6.93	2.66	3.79
LEV	150	0.06	2.77	0.88	0.57
ROA	150	(8.00)	33.00	6.70	8.86
AUDITOR	150	0.00	1.00	0.93	0.25
EOD	150	49.00	75.00	61.90	8.43
BOC	150	56.55	97.05	84.62	10.17
BODS	150	4.00	12.00	8.57	1.92

4.2 Univariate analysis

To meet the requirements of the regression analysis assumptions, the correlation between the study variables and test for multicollinearity problems were examined. Table 4.2 presents the correlation results for the study variables. The correlation analysis shows that firm size (FMS) has a significant relationship with LEV at 1% level (p=0.000); with ROA at 1% (p=0.000); with ROA at 1% (0.001); with EOD at 5% level (p=0.013). These results indicate the need to pay attention to possible multi-co linearity problem in the regression analysis.

Table 4.2Spearman's rho

Correlations

		FMS	ROCE	CUR	LEV	ROA	AUDITOR	EOD	PNED	BOC	BODS
FMS	Correlation Coefficient	1.000	-.472**	-.002	.386**	-.267**	-.309**	-.203*	-.036	.014	.394**
	Sig. (2-tailed)		.000	.978	.000	.001	.000	.013	.663	.865	.000
	N	150	150	150	150	150	150	150	150	150	150
ROCE	Correlation Coefficient	-.472**	1.000	.182*	-.481**	.788**	.357**	.245**	.222**	-.021	-.183*
	Sig. (2-tailed)	.000		.025	.000	.000	.000	.002	.006	.803	.025
	N	150	150	150	150	150	150	150	150	150	150
CUR	Correlation Coefficient	-.002	.182*	1.000	-.167*	.439**	.108	.001	.043	-.047	-.429**
	Sig. (2-tailed)	.978	.025		.041	.000	.188	.993	.602	.568	.000
	N	150	150	150	150	150	150	150	150	150	150
LEV	Correlation Coefficient	.386**	-.481**	-.167*	1.000	-.279**	-.386**	.148	-.201*	-.135	-.026
	Sig. (2-tailed)	.000	.000	.041		.001	.000	.070	.014	.101	.750
	N	150	150	150	150	150	150	150	150	150	150
ROA	Correlation Coefficient	-.267**	.788**	.439**	-.279**	1.000	.341**	.155	.162*	-.061	-.354**
	Sig. (2-tailed)	.001	.000	.000	.001		.000	.059	.048	.458	.000
	N	150	150	150	150	150	150	150	150	150	150
AUDITOR	Correlation Coefficient	-.309**	.357**	.108	-.386**	.341**	1.000	.417**	.289**	-.124	.359**
	Sig. (2-tailed)	.000	.000	.188	.000	.000		.000	.000	.132	.000
	N	150	150	150	150	150	150	150	150	150	150
EOD	Correlation Coefficient	-.203*	.245**	.001	.148	.155	.417**	1.000	.259**	-.006	.179*
	Sig. (2-tailed)	.013	.002	.993	.070	.059	.000		.001	.937	.029
	N	150	150	150	150	150	150	150	150	150	150
BOC	Correlation Coefficient	.014	-.021	-.047	-.135	-.061	-.124	-.006	-.059	1.000	.044
	Sig. (2-tailed)	.865	.803	.568	.101	.458	.132	.937	.470		.596
	N	150	150	150	150	150	150	150	150	150	150
BODS	Correlation Coefficient	.394**	-.183*	-.429**	-.026	-.354**	.359**	.179*	.188*	.044	1.000
	Sig. (2-tailed)	.000	.025	.000	.750	.000	.000	.029	.021	.596	
	N	150	150	150	150	150	150	150	150	150	150

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

4.3 Multicollinearity and autocorrelation tests (assessment of the validity of the model)

A regression analysis (Tables 3.3) was performed on the dependent and independent variables to check on the existence of the multi-co linearity and serial or autocorrelation problems. The tolerance and Variable Inflation Factor (VIF) tests revealed no harmful correlation. According to (Pallant, 2013; Field, 2009; Neter et al., 1996), if the largest VIF is greater than 10, there is cause for concern. However, the maximum VIF value in Table 5 is 1.884 and Durbin Watson value of 1.722. In addition, the tolerance is greater than 0.20 for the variables (the smallest tolerance is 0.622). Therefore, this study is not subject to high colinearity problems. Overall, there are no linearity, multicollinearity, and autocorrelation problems.Thus the model developed in the study are statistically significant for explaining financial reporting quality.

Table 4.3 Regression results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.501[a]	.251	.209	7.5010	1.722

a. Predictors: (Constant), BODS, BOC, LEV, CUR, FMS, PNED, ROCE, ROA, AUD

b. Dependent Variable: EOD

Table 4.4 Regression results (Coefficient of determination)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	40.833	6.810		5.996	.000		
	FMS	-1.179E-6	.000	-.281	-3.324	.001	.742	1.347
	ROCE	.244	.169	.243	1.439	.152	.786	1.375
	CUR	.159	.199	.071	.796	.427	.662	1.512
	LEV	3.052	1.185	.205	2.576	.011	.835	1.197
	ROA	-.060	.168	-.063	-.355	.723	.970	1.884
	PNED	.411	.118	.289	3.477	.001	.769	1.300
	BOC	.073	.067	.089	1.093	.276	.809	1.236
	AUDITOR	-.006	.047	-.024	-.137	.892	.887	1.120
	BODS	1.099	.375	.250	2.931	.004	.732	1.365

a. Dependent Variable: EOD

4.4 Findings

With regards to the direction of relationship between the dependent variable EOD and the independent variables, the results are as follows:

The regression results show a positive relationship between FMS and EOD, (β= 0.281) and statistically significant at .01 level (p=0.001). Thus H1 is supported, hence accepted.

There is positive relationship between CUR and EOD (β= 0.071)) but statistically insignificant at 0.05 level (p=0.427). Thus H2 is not supported, hence rejected.

There is positive relationship between ROCE and EOD (β=0.243)) but statistically insignificant at 0.05 level (p=0.152). There is negative relationship between ROA and EOD (β= -0.063) but statistically insignificant at 0.05 level (p=0.723). Thus H3 is not supported, hence rejected.

There is positive relationship between LEV and EOD (β= -0.205)) and statistically significant at 0.05 level (p=0.011). Thus H4 is not supported, hence rejected.

There is positive relationship between PNED and EOD (β= 0.243)) and statistically significant at 0.01 level (p=0.001), Thus H5 is supported, hence accepted.

There is positive relationship between BOC and EOD (β= 0.089) but statistically insignificant at 0.05 level (p=0.276). Thus H6 is not supported, hence rejected.

There is positive relationship between BODS and EOD (β= 0.250)) and statistically significant at 0.01 level (p=0.004). Thus H7 is supported, hence accepted.

There is negative relationship between AUDITOR and EOD (β= -0.024) but statistically insignificant at 0.01 level (p=0.004). Thus H8 is not supported, hence rejected

4.5. Descriptive statistics for IAS/IFRS Compliance

Standard	Title	Percentage compliance
IAS 1	Presentation of financial statements	97%
IAS 2	Inventories	100%
IAS 7	Statement of cash flows	99%
IAS 8	Accounting policies, changes in accounting estimates	54%
IAS 10	Events after the reporting period	67%
IAS 12	Income Taxes	78%
IAS 14	Segment reporting	70%
IAS 16	Property plant Equipment	72%
IAS 17	Leases	83%
IAS 18	Revenue	90%
IAS 21	Employee benefits	65%
IAS 23	Effects of changes in foreign exchange	53%
IAS 24	Borrowing cost	81%
IAS 27	Related party disclosure	86%
IAS 28	Intangible assets	55%
IAS 31	Investment in associates	25%
IAS 33	Interests in Joint ventures	24%
IAS 36	Earnings per share	100%
IAS 37	Impairment of assets	80%
IAS 38	Provisions, contingent liabilities, and contingent assets	100%
IAS 40	Investment property	33%
IAS 41	Agriculture	12%
IFRS 1	First-time adoption of IFRS	15%
IFRS 2	Share-Based Payment	21%
IFRS 3	Business combinations	38%
IFRS 4	Insurance contracts	28%
IFRS 5	Non-current assets held for sale and discontinued operations	16%
IFRS 6	Exploration for and evaluation of mineral resources	21%
IFRS 7	Financial instrument : Disclosures	83.7%

4. Discussion and Recommendations

This study was performed to examine the quality of financial reports disclosure of listed firms on the Ghana Stock Exchange because little evidence existed on the level of compliance of listed firms to IFRS disclosure requirements in Ghana. My research also investigated and attempted to close this gap by determining elements that influence the level of listed firms'compliance to mandatory disclosures in Ghana with regards to firm-specific traits which include firm size, profitability, debt equity ratio, liquidity, board size, board independence and board ownership concentration on quality of financial statement disclosures.Overall, my discoveries recommended that recorded firms' compliance to mandatory disclosure has a positive noteworthy association with firm size (β= 0.281). The explanation behind this can be credited to the way that firms with bigger aggregate resources conform to the IFRS and, henceforth, uncover quality data in their financial articulation so as to disregard of arrangement disciplines of Ghana. My exploration was predictable with earlier investigations by Watts and Zimmerman (1978), Owusu-Ansah (1998) and Agyei-Mensah (2014). Regarding profitability, Contrary to my expectations, the outcome uncovers a negative affiliation (inconsequential relationship (β= - 0.063, p=0.152) amongst profitability and the firm's level of compliance with IFRS mandatory prerequisites, proposing that profitability isn't identified with the unveil quality accounting data in the Ghanaian setting. This can be as a consequences of recorded firms as of now making tremendous profit and are reluntant to agree to IFRS. Keeping in mind the end goal to check this circumstance, the legislature can build up a structure by remunerating firms that conform to mandatory IFRS. Regarding my expectation for use and presence of disclosure, the outcomes delineate that the use of recorded firms have a critical ($p<0.05$) negative (β= - 0.205) association with disclosure compliance as appeared in Table 4.4. Accordingly, the suggestion that use has positive association with the compliance level with the uncovered IFRS prerequisite of Ghanaian recorded firms is rejected. The essentialness of IFRS to financial reporting hones can't be disregarded. The worldwide group are particularly worried on financial reports that have been set up based on IAS/IFRS, in this way help in baiting outside ventures. Another significance for receiving IFRS is, change in accounting quality coming about to an internationally straightforward and reasonable firm data condition and better accounting practice. Additionally, an improved similarity of financial reports will make it less exorbitant for speculators to think about and assess firms inside and outside various nations. In light of the above discoveries, this examination reasons that IFRS has affected on the financial reporting rehearses in the Ghana Full compliance can be accomplished if there is mandatory reliable checking by the administrative bodies, for example, (Bank of Ghana, Security and Exchange commission, GSE). Additionally Institute of Chatered Accountants Ghana which is in charge of controlling the accounting profession ought to guarantee that normal preparing are sorted out for bookkeepers, evaluators and so forth to make them side by side and refreshed with the compliance of IFRS. To sum up my discoveries or something else, future research ought to think about near investigations of chose African nations. This investigation adds to the writing on corporate financial reporting and disclosure rehearses. The Ghana Stock Exchange is one of the imperative capital markets in the Africa, in which International Financial Reporting Standards (IFRSs) are mandatory. In this way an investigation on the quality of financial report disclosure is huge. It likewise adds to the writing on whether the organization characteristics that analysts have observed to be huge in organizations in created nations can be connected in a creating nation like Ghana. This has been accomplished as results are predictable with a portion of the examination directed in the created economies.

CONCLUSION

Globalization has turned into an overall marvel. The acknowledgment of this idea has allowed nations to open up to outside direct speculation and business to grow crosswise over limits. It merits realizing that both the private and open part association in different nations have perceived how the advantages a solitary monetary announcing system introduces by solid universally conceded accounting principles. The accounting administrative regulatory all through the world have looked to enhance the nature of monetary revelation and correspondence in a wide setting of financial globalization. This has brought about presentation of new changes into the accounting practice a methods for speaking with the different intrigued partners, and its ensuing appropriation of the universal money related revealing measures. These laws in addition to other things try to acquire joining the worldwide accounting practices rehearses. It has therefore been embraced by numerous nations both created and creating as a methods for bringing harmoniousness into their revealing models. Hence, the present work's objective, which sought to analyze the level of compliance of, listed firms on Ghana's stock exchange with regards to International Financial Reporting Standards (IFRS) by analyzing their financial statements with a compliance index.

The results of the empirical analysis have shown that IFRS adoption in Ghana was positively influenced by economic the growth rate, existence of financial market, weakness of previous accounting system, and a common law based on legal systems. Other variables such as company size, liquidity, profitability, leverage, independent directors, board ownership concentration, board size and auditor size effect on the level of mandatory IFRS/IAS compliance in Ghana. These variables were examined leading me to conclude that the level of compliance with IFRS/IAS in Ghana is satisfactory. on consistence by the recorded organizations, the study uncovered that every one of the organizations overviewed are utilizing IFRS as the standard of detailing, since Ghana Institute of Chartered Accountants (ICAG) made it necessary for all organizations to change to the standard in 2007, henceforth there has been productive and compelling consistence with the benchmarks. The overall firms gathered from this study shows that, there is a high level of compliance by listed companies with regards to IFRS adoption in Ghana. This study provides two significant insights as ascertaining the compliance level of institutions listed on the Stock Market as well as the factors associated with disclosure compliance of selected firms in Ghana. Based on the cases selected for the study, it can be concluded that institutions listed on the GSE over the 9 year period have an average of 84.3% compliance with regards to IFRS/IAS standards

Acknowledgements

I am highly indebted to my Supervisor Prof. Dr. Housam Rjoub and Dr. Ahmad Abu Alrub for their professional guidance and supervision with information for the completion of this research. I am forever grateful to my family for the enormous support provided from the beginning till this reserach and for their encouragement and confidence entrusted in me.

References

[1] Abor, J. (2007), “Corporate governance and financing decisions of Ghanaian listed firms”, Corporate Governance, Vol. 7 No. 1, pp. 83-92.

[2] Agyei-Mensah, B.K. (2014), “Adoption of international financial reporting standards (IFRS) in Ghana and the quality of financial statement disclosures”, International Journal of Accounting and Financial Reporting, Vol. 3 No. 2, p. 269.

[3] Ahmed, K. and Courtis, J.K. (1999), “Associations between corporate characteristics and disclosure levels in annual reports: a meta-analysis”, The British Accounting Review, Vol. 3 No. 1, pp. 35-61.

[4] Ahunwan, B. (2002), “Corporate governance in Nigeria”, Journal of Business Ethics, Vol. 37 No. 3, pp. 269-287.

[5] Akhtaruddin, M. (2005), “Corporate mandatory disclosure practices in Bangladesh”, The International Journal of Accounting, Vol. 40 No. 4, pp. 399-422.

[6] Alfaraih, M. (2009), “Compliance with international financial reporting standards (IFRS) and the value relevance of accounting information in emerging stock markets: evidence from Kuwait”, Doctoral dissertation, Queensland University of Technology, Queensland.

[7] Ali, A., Ronen, J. and Li, S.H. (1994), “Discretionary disclosures in response to intra-industry information transfers”, Journal of Accounting, Auditing and Finance, Vol. 9 No. 2, pp. 265-282.

[8] Ali, M., Ahmed, K. and Henry, D. (2004), “Disclosure compliance with national accounting standards by listed companies in South Asia”, Accounting and Business Research, Vol. 34 No. 3, pp. 183-199.

[9] Al-Saeed, K. (2006), “The association between firm-specific characteristics and disclosure: the case of Saudi Arabia”, Managerial Auditing Journl, Vol. 21 No. 5, pp. 476-496.

[10] Al-Shammari, B. (2008), “Voluntary disclosure in Kuwait corporate annual reports”, Review of Business Research, Vol. 1 No. 1, pp. 10-30.

[11] Bova, F. and Pereira, R. (2012), “The determinants and consequences of heterogeneous IFRS compliance levels following mandatory IFRS adoption: evidence from a developing country”, Journal of International Accounting Research, Vol. 11 No. 1, pp. 83-111.

[12] Byard, D., Li, Y. and Yu, Y. (2011), “The effect of mandatory IFRS adoption on financial analysts information environment”, Journal of Accounting Research, Vol. 49 No. 1, pp. 69-96.

[13] Cascino, S. and Gassen, J. (2012), “Comparability effects of mandatory IFRS adoption (No. 2012-009)”, SFB 649 Discussion Paper.

[14] Cerf, A.R. (1961), Corporate Reporting and Investment Decision, University of California Press, Berkeley.

[15] Chalmers, K. and Godfrey, J.M. (2004), “Reputation costs: the impetus for voluntary derivative financial instrument reporting”, Accounting, Organizations and Society, Vol. 29 No. 2, pp. 95-125.

[16] Demaria, S. and Duffour, D. (2012), “First time adoption of IFRS, fair value option”, Conservatism: Evidences from French Listed Companies. 2007.

[17] Demir, V. and Bahadir, O. (2014), An Investigation of Compliance With International Financial Reporting Standards by Listed Companies in Turkey.

[18] Douglas, A., Doris, J. and Johnson, B. (2004), “Corporate social reporting in Irish financial institutions”, The TQM Magazine, Vol. 16 No. 6, pp. 387-395.

[19] Dumontier, P. and Raffournier, B. (1998), “Why firms comply voluntarily with IAS: an empirical analysis with swiss data”, Journal of International Financial Management and Accounting, Vol. 9 No. 3, pp. 216-245.

[20] Eiteman, D.K., Stonehill, A.I. and Moffett, M.H. (2007), Multinational Business Finance, 7th ed., Pearson/Addison-Wesley, Boston, MA

[21] Glaum, M. and Street, D.L. (2003), “Compliance with the disclosure requirements of Germany’s new market: IAS versus US GAAP”, Journal of International Financial Management and Accounting, Vol. 14 No. 1, pp. 64-1000.
[22] Hassan, O., Giorgioni, G. and Romilly, P. (2006), “The extent of accounting disclosure and its determinants in an emerging capital market: the case of Egypt”, The International Journal of Accounting, Auditing and Performance Evaluation, Vol. 3 No. 1, pp. 1-30.
[23] Watts, R. and Zimmerman, J. (1978), “Towards a positive theory of the determination of accounting standards”, Accounting Review, Vol. 53 No. 1, pp. 112-134.
[24] Watts, R. and Zimmerman, J. (1986), Positive Accounting Theory, Prentice Hall, Englewood Cliffs, NJ.
[25] World Bank (2004), “Ghana report on the observance of standards and codes: accounting and auditing”, available at: www.worldbank.org/ifa/rocs_aa_ghana.pdf
[26] Zeghal, D. and Mhedhbi, K. (2006), An Analysis of the Factors Affecting the Adoption of International Accounting Standards by Developing Countries, University of Illinois, IL

Notes

Note 1. : This study identifies firm-specific characteristics that influence IFRS compliance by listed firms in Ghana. This would aid accounting policy makers to institute strategies to encourage compliance with IFRS by the listed firms.

Note 2. : The study contributes to financial reporting literature relating to developing economies and Ghana, in particular

Appendix A

Disclosure compliance checklist of IAS 1[2].

Standard	Title	
IAS 1	Presentation of Financial Statements	
IAS 2	Inventories	
IAS 7	Statement of Cash Flows	
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	
IAS 10	Events After the Reporting Period	
IAS 12	Income Taxes	
IAS 16	Property, plant and equipment	
IAS 17	Accounting for Leases	
IAS 18	Revenue	
IAS 19	Employee Benefits	
IAS 21	The Effects of Changes in Foreign Exchange Rates	
IAS 23	Borrowing Costs	
IAS 24	Related Party Disclosures	
IAS 27	Consolidation and Separate Financial Statements	
IAS 33	Earnings Per Share	
IAS 36	Impairments of Assets	
IAS 37	Provisions, Contingent Liabilities, and Contingent Assets	
IAS 38	Intangible Assets	
IAS 40	Investment Property	
IFRS 2	Share-Based Payment	
IFRS 3	Business Combinations	
IFRS 4	Insurance Contracts	
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	
IFRS 6	Exploration for and Evaluation of Mineral Resources	.
IFRS 7	Financial Instruments: Disclosures	IAS/IFRS used in the
IFRS 8	Operating Segments	Study