ASSOCIATION BETWEEN CORPORATE ATTRIBUTES AND EXTENT OF COMPLIANCE WITH ACCOUNTING STANDARDS DISCLOSURES BYCOMMERCIALIZEDFEDERAL GOVERNMENTENTERPRISES IN NIGERIA

RAY UKPA AYILA
B.Sc. (ZARIA), MBA (MAKURDI), FCA
UJ/2012/PGMS/0083

A thesis in the Department of
BUSINESS ADMINISTRATION, Faculty of Management Sciences,
Submittedto the School of Postgraduate Studies, University of Jos, in partialfulfilment of the requirements for the award of the degree of
DOCTOR OF PHILOSOPHY IN MANAGEMENT of the
UNIVERSITY OF JOS

AUGUST 2015

DECLARATION

I hereby declare that this work is the product of my own research efforts, undertaken under the supervision of PROFESSOR S.S. MAIMAKO and has not been presented elsewhere for the award of a degree or certificate. All sources have been duly distinguished and appropriately acknowledged.

……………………………………..
RAY UKPA AYILA
UJ/2012/PGMS/0083

DATE: ………………………………...

CERTIFICATION

This is to certify that the research work for this thesis and the subsequent preparation of this thesis by RAY UKPA AYILA **(UJ/2012/PGMS/0083)** were carried out under my supervision.

....
Prof. SEDDI.S.MAIMAKO Date
Supervisor

....
Prof. SEDDI.S. MAIMAKO Date
Head, Department of Management
University of Jos

……………………………… …………………………
Prof. AMBROSE A. OKWOLI Date
Dean, Faculty of Management Sciences
University of Jos

ACKNOWLEDGEMENTS

I sincerely thank the Almighty God for His blessings and for giving me the capacity to undertake this study. In the course of working for so long a period He has given me strength and encouragement.

I would like to acknowledge and appreciate in a special way the contributions of my supervisor, Prof. Seddi.S. Maimako whose untiring efforts and goodwill helped to bring this work to this level. I am highly indebted to you and may God Almighty reward you for your interest in my intellectual development.

The immeasurable contributions of the immediate past Dean of the Faculty of Management Sciences, Professor Ambrose A. Okwoli to this work deserves a special mention,his role as academic father and also his insightful and frank suggestions right from the beginning of this study is unparalleled.I acknowledge and appreciate the Deputy Vice-Chancellor (Admininistration), University of Jos,Professor (Mrs.) T.M. Nmadu for making several suggestions and her motherly encouragement at all the stages of my presentations whichhelped this work to be what it is today.

My appreciation also goes to the Deputy Dean, Humanities, Postgraduate School, University of Jos Professor John. A. Adeiyongo and his colleagues for their thorough editorial input.The Postgraduate Coordinator, Professor S.A. Ocholi's contributions are highly appreciated, especially his suggestions at various presentations and timely scheduling of the work for all levels of presentations.

My special appreciation also goes to Prof. F. Ojaide, Prof. (Mrs.) J. O. M. Ande, Prof. E. B. Ekoja, Dr. P. Arinze, Dr.Jugu, Dr. H. Bulus and Dr. C. Adewole who were discussants of the work at several levels of presentations. I thank them for thoroughly going through the work, despite their tight schedules and for their insightful suggestions without which this work would not have seen this day.

I appreciate the Director General/CEO of NASRDA, Prof. S. O. Mohammed for approving my training leave and also for meeting my financial requirements in the course of the study. I am grateful also to the entire management and staff of Accounts Division for ensuring that the accounting services were still rendered to NASRDA while I was away for this study.

My special appreciationgoes to Dr. K.O. Oladele for his painstaking and thoroughness in going through the work at different levels of presentations. I appreciate the Auditor-General for the Federation, Mr. S.Ukura, the Director of Extra-Ministerial Department in the Office of the Auditor-General for the Federation,Mr.I.O. Dada and Mr.KairoChinonso Innocent for their contributions during the data gathering and analysis.

I also acknowledge the following students - Messrs. E.S. Echu, M.G. Goyit, M. Gajere, Dr.NuhuGado (former student), D.Adeninken, Dr. E. Umoru-Oki, NnekaIkeobi, M. Abubakar, A. Aliyu, E. Sunny, J. Adeyi, M. Niri, J. Adeyi, Y. Bakwa and several others on the PhD programme. I love you all. I must not forget to appreciate in a special way Mrs. LucyMaimako for providing me a second home in Jos while this work was on. May God bless you in a special way for all that you did for me and my family.

My heartfelt and warm appreciation goes to my wife, CelestinaShideAyila and our loving children Emmanuel A. Ayila, Ruth M. Ayila, Micheal T. Ayila, Dominic M. Ayila and Joseph B. Ayila for their endless endurance, love and tolerance that remained unequalled. I love you all and God bless and reward your contributions to this work.

Finally, I also appreciate my mother, Ashile, T. Ayila for continuous support all through my educational life. She has been a source of strength right from my childhood. Mother, this is the climax of your enduring support. I thank you very much.

DEDICATION

I dedicate this work to the Almighty God and to my late family members, Mr.Ayila U. Tyovenda (father), Sylvester D. Ayila (brother) and Mrs.UpuuAkomboh (sister).

TABLE OF CONTENTS

CONTENT	PAGE
TITLE PAGE	i
DECLARATION	ii
CERTIFICATION	iii
ACKNOWLEDGEMENTS	iv
DEDICATION	vi
TABLE OF CONTENTS	viii
LIST OF TABLES	xiii
LIST OF FIGURES	xiv
LIST OF APPENDICES	xv
ABSTRACT	xvi

CHAPTER ONE
INTRODUCTION

1.1	BACKGROUND OF THE STUDY	1
1.2	STATEMENT OF THE PROBLEM	8
1.3	RESEARCH QUESTIONS	9
1.4	AIM AND OBJECTIVES OF THE STUDY	10
1.5	HYPOTHESES OF THE STUDY	11
1.6	SCOPE OF THE STUDY	12
1.7	SIGNIFICANCE OF THE STUDY	12
1.8	OPERATIONAL DEFINITION OF TERMS	14

CHAPTER TWO
REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL FRAMEWORK 16
2.1.1 Disclosure 16
2.1.2 Corporate Information Disclosure Medium 17
2.1.3 Categories of Corporate Disclosure 18
2.1.4 Disclosure Practices among Firms 19
2.1.5 Purpose of Accounting Disclosure 20
2.1.6 Nature of Corporate Disclosure 22
2.1.7 Disclosure Position 23
2.1.8 Costs of Corporate Disclosure 24
2.1.9 Stakeholder Approach to Disclosure 25
2.1.10 Drivers of Corporate Disclosure 26

2.2 THE CONCEPT OF CORPORATE GOVERNANCE 29
2.2.1 Importance of Corporate Governance 32
2.2.2 Approaches to Corporate Governance 35
2.2.3Disclosure and Corporate Governance 35
2.2.4Determinants of Disclosure 38
2.2.5Relationship between Corporate Attributes and Extent of Disclosure 50

2.3 CORPORATE ACCOUNTABILITY AND DISCLOSURE 53

2.4 CORPORATE RESPONSIBILITY AND DISCLOSURE 56

2.5 ACCOUNTABILITY AND RESPONSIBILITY FOR DISCLOSURE 58
2.5.1. Delegation and Disclosure 62
2.5.2. Legitimacy and Corporate Disclosure 64

2.6 CORPORATE TRANSPARENCY AND DISCLOSURE 65

2.7 ACCOUNTING STANDARDS AND DISCLOSURE OF ACCOUNTING INFORMATION 67
2.7.1 Accounting Standards and Financial Reporting 68
2.7.2 Other Regulatory Frameworks 75
2.7.3 Consequences of Non-disclosure of Accounting Items in Financial Reports 78

2.8 CONCEPTS AND CONVENTIONS OF ACCOUNTING 81
2.8.1 Accrual Concept 81
2.8.2 Going Concern Concept 82
2.8.3 Historical Cost Concept 83

2.9 FINANCIAL INFORMATION, CORPORATE FINANCIAL REPORTS AND CORPORATE DISCLOSURE 84
2.9.1 Objective of Financial Statements 86
2.9.2 Recognition of Elements of Financial Statements 86
2.9.3 Elements of Financial Statements 86

2.9.4 Measurement of Elements of Financial Statements 87
2.9.5 Approaches to Disclosure Measurement 90

2.10 DISCLOSURE RESPONSIBILITY OF MANAGEMENT TO SHAREHOLDERS AND STAKEHOLDERS 92

2.11 COMMERCIALISED GOVERNMENT ENTERPRISES 93
2.11.1 The Concept of Public Enterprises 93
2.11.2 Reasons for Establishing Public Enterprises 95
2.11.3 Problems of Public Enterprises in Nigeria 96
2.11.4 Privatization 97
2.11.5 Commercialisation 97
2.11.6 Privatization and Commercialization 98
2.11.7 Reasons for Commercializing Public Enterprises 99
2.11.8 Full Commercialization 100
2.11.9 Partial Commercialization 100
2.11.10 Objectives of Commercialized Government Companies 100
2.11.11 Government Financial Policy on Commercialized Enterprises in Nigeria 101

2.12 THEORETICAL FRAMEWORK 103
2.12.1 Accounting Theories, Disclosures and Corporate Attributes 103
2.12.2 Agency Theory 105
2.12.3 Stewardship Theory 106
2.12.4 Stakeholder Theory 107
2.12.5 Resource Dependence Theory 108

2.13 REVIEW OF EMPIRICAL STUDIES 109

2.14 SUMMARY OF LITERATURE REVIEWED 119

CHAPTER THREE

RESEARCH METHODS

3.1 TYPE OF DATA REQUIRED FOR THE STUDY 123

3.2 SOURCE OF DATA COLLECTION 123

3.3 STUDY POPULATION 123
3.3.1 Population of Commercialised Enterprises 124
3.3.2 Population of Audited Financial Statements 126

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES 128
3.4.1 Sample Size 128
3.4.2 Sampling Techniques 128

3.5 METHODS OF DATA COLLECTION 128
3.5.1 Contents Analysis Method 128
3.5.2 The Scoring of the Disclosure Index Checklist 134

3.6 VALIDITY AND RELIABILITY TEST 134
3.6.1 Validity and Reliability of Disclosure Index Checklist 134

3.7 METHODS OF DATA PRESENTATION AND ANALYSIS 136
3.7.1 Methods of Data Presentation 136
3.7.2 Methods of Data Analysis 136
3.7.3 Definition of Variables of the Study 136
3.7.4 Model Specification 140

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION 154

4.2 DATA ANALYSIS 157
4.2.1 Descriptive Statistics of Disclosure Index 158
4.2.2 Interpretation of Regression Results Based on each Hypothesis 169

4.3 DISCUSSION OF FINDINGS 173
4.3.1 Findings Based on Descriptive Statistics 173
4.3.2 Findings Based on Multiple Regression Statistics 175

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS 187

5.2 CONCLUSION 188
5.2.1 Conclusion based on results of Descriptive Statistics of Disclosure Index 189
5.2.2 Conclusion based on results of Regression Result 189

5.3 RECOMMENDATIONS 191
5.3.1 Recommendation based on findings from question 1 191
5.3.2 Recommendation based on findings from Hypotheses 192
5.3.3 Strategies for the Future 198
5.3.4 Problem-Solving Approaches 199

5.4 SUGGESTIONS FOR FURTHER STUDIES 199

5.5LIMITATIONS TO THE STUDY 201

5.6CONTRIBUTION TO KNOWLEDGE 201

REFERENCES 203

LIST OF TABLES

TABLE		PAGE
1.	Parastatals Slated for Commercialisation	125
2.	List of Financial Statements of Commercialised Enterprises	127
3.	Statements of Accounting Standards	131
4.	International Accounting Standards	137
5.	The Variables of the Study	139
6.	Durbin-Watson Test Statistics	146
7.	Variance Inflation Factor	148
8.	Disclosure Scores of Financial Statements	156
9.	Descriptive Statistics of Disclosure Index	159
10.	Hausman Statistics	162
11.	Random Effects Regression Analysis	164
12.	Fixed Effects Least Square Dummy Variable Regression Analysis	167

LIST OF FIGURES

FIGURES **PAGE**

1. Conceptual Model for Studying the Association between Corporate Attributesand the extent of Compliance with Accounting Standards Disclosure by Commercial Federal Government Enterprises in Nigeria 52

2. Jarque-Bera Test 144

LIST OF APPENDICES

APPENDICES		PAGE
A1	Transformed Dependent and Independent Variables	243
A2	Disclosure Index Checklist	249
A3	Commercialised Federal Government Enterprises Submission of Published Annual Reports from 2002-2013	272
A4	List of Audit Firms	273
B1	Statements of Accounting Standards	275
B2	International Accounting Standards (IAS)	277
B3	International Financial Reporting Standards (IFRS)	279
B4	Parastatals Slated For Commercialisation	280

ABSTRACT

Prior studies' findings on accounting disclosures showeddiverse relationships between accounting disclosures and firm attributes. Similarly, the Report of the Auditor-General for the Federation on Audited Financial Statements of commercialised enterprises indicated that these enterprises complied partially with the disclosure requirements of relevant accounting standards in preparing financial statements in Nigeria. The objective of this research therefore,wasto confirm or refute the findings of these priorstudies and the reports of the Auditor-General. To achieve this, the study examined the relationship between extent of compliance with accounting standards disclosures and firm size, leverage, liquidity, audit firm size, professional qualification, and firm effects using the audited accounts of commercialised Federal Government enterprises in Nigeria. The theoretical framework linking disclosure practices to corporate attributes and firm effects of commercialised enterprises was based on four theories- agency, stewardship, stakeholders, and resource dependence theories. Contents analysis method was used for data gathering and descriptive statistics and regression analysiswere employed for secondary data analysis. Based on the analyses conducted, the results showedsignificant p-values of the regression tests for some of the firm attributes such as firm size 0.035, audit firm size 0.000 and professional qualification 0.000; while some of the regression p-values were insignificant, such as leverage 0.128 and liquidity 0.429 at 0.05 levels of significance. Therefore,these results showed that firm size, audit firm size and professional qualification are significantlyrelated to the levels of compliance with accounting standardsdisclosure requirements and leverage and liquidityare notsignificantlyrelated to the levels of compliance with accounting standards disclosures.In addition, the difference of the overall values of the Coefficient of Determination was 33.98%. This means that

33.98% variations in the levels of accounting disclosures are due to the firm effects factors. The resultsalso showed that disclosure indices of commercialised enterprises in Nigeria are low, compared with the cross-country disclosure index benchmark of 91% for emerging economies like Nigeria. The study suggested four possible ways of increasing investment in assetsto improve accounting disclosures. These include: full commercialisation, privatization, government and private partnership, reforms in the share guarantee status of the commercialized enterprises to allow private investors to come inand government's fulfilment of the performance agreement promised to the Governing Boards of these enterprises.These recommendations if implemented would improve the disclosure levels (quality of financial statements)because the amount of assets, quality of accountants and audit firms hired for accounting and audit works would improve.

CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND TO THE STUDY

The increase in the collapse of businesses has been attributed to the failure of accounting standards to disclose misrepresentations in accounts which results from complex accounting methods used for earnings determination and assets valuations (Mack, 2002). For instance, at the international level, the collapse of Enron in 2001 was blamed on Enron's complex business model and unethical practices of management which led to the company's use of accounting limitations to misrepresent earnings and modify the balance sheet to indicate favourable performance (Mack, 2002; Zakaree, 2013). These misrepresentations were intended to conceal insider dealings and related party transactions in financial reports. This later resulted in the bankruptcy of the company (Healy & Palepu, 2001).

In Nigeria, Cadbury (1992) reported that the dwindling fortunes of government companies in the 1980s and the collapse of banks and other listed companies in the 1990s were caused by insider dealings and lack of disclosure of related party transactions in financial reports. Alabi, Onimisi & Enete (2010) observed that this situation led to the reforms of the public sector which included privatisation and commercialisation of public enterprises and the introduction of new accounting standards in the accounting and auditing systems of these enterprises. Adeyemo & Adeleke (2008) argued that the need to improve accountability and transparency in the governance of government enterprises especially necessitated the economic reforms which brought about the privatisation and commercialisation of Federal Government enterprises in Nigeria. It was the same reason that gave rise to the reforms in the banking sector in form of banks' consolidation and mergers during the 1990s (CBN, 2006, 2010).

The reforms included the change in the form of presentation and information contents of annual reports. These changes demanded that companies, public or private, should overhaul their reporting practices to achieve accountability and transparency in information disclosures through the use of new accounting standards.

The commercialization of government companies especially, was due to a genuine desire to overhaul government enterprises' business systems with a view to removing the bottlenecks and providing the appropriate organizational climate for commercialised enterprises to function as viable entities (Alabi, et al., 2010). These changes entailed the introduction of a system that will provide adequate financial information to the public to help it judge how well the finances of the enterprises were being run. In order to meet the demands of the users of financial statements, the reforms introduced changes in financial reporting processes of these firms by requiring that statement of accounting standards (SAS) and also the International Accounting standards (IAS) which prescribed better forms of presenting financial statements and enhanced information contents of annual reports be adopted in financial reporting and information disclosures to improve accountability and transparency in these enterprises.

The reforms in accounting system of public enterprises in Nigeria started with the introduction of Structural Adjustment Programme in 1986. Before 1986, public sector enterprises operated Public Sector Accounting System (PSAS) which used Cash Basis of Accounting. Public sector accounting system operates based on a Fund Accounting Theory (FAT) (Adams, 2002). The Finance (Control and Management) Act of 1958 governs the management and operation of Government Funds. The Act regulates the accounting system, the books of accounts to be maintained and the procedures to be followed in the preparation of accounts and government financial statements (Anyafo, 1994). Perhaps, the most

important aspect of the act is that which regulates the accounting format and basis of accounting for the preparation of government accounts. However, the financial reports produced under the Public Sector Accounting System was criticised for not disclosing essential items of information that meet the assumed need of a variety of user-groups. Chan (1992) reported that:

> The present accounting system is not capable of ensuring that users have the information they need, that goods and services procured by governments are necessary; that expenditures are reasonable; that adequate care and safeguards are exercised over government resources; that the system avoids waste and use of unproductive procedure; and that revenues are adequately mobilised and collected (p. 302).

Due to the huge investments in the public sector in Nigeria, by 1990, Nigeria's public enterprise sector accounted for 45 to 50 per cent of Nigeria's Gross Domestic Product (GDP) and one half of the federally owned parastatals' equity was concentrated in just seven major parastatals namely: Nigerian National Petroleum Corporation (NNPC), two steel companies (Ajaokuta and Delta), the Nigerian Airports Authority (NAA), the National Electric Power Authority (NEPA), the Nigerian Ports Authority (NPA), and the Nigerian Railway Authority (NRA) (Zayyad, 1992; World Bank, 1994). The implication of these statistics is that individuals, institutions and government became increasingly interested in the operations of government's enterprises and how the presentation of their stewardship/accountability reports can be improved, because of the huge amount of money government enterprises controlled and the volume of business activities that were involved (Adeyemo & Adeleke, 2008; Alabi, et al 2010).

This development had several implications and the foremost implication was that the users of financial reports of these enterprises wanted better and all inclusive financial reports that will provide relevant financial information for many purposes including investment and stewardship. It was observed that to meet the varied needs of a wide range of users, State-owned enterprises' financial reports must provide information regarding the public entity as a whole, in addition to the traditional fund financial statements (World Bank, 1994).

To achieve this there was the need for the adoption of the Structural Adjustment Programme (SAP) policies that prescribed mandatory conditions, such as stabilization and structural adjustment in the economy (Nwagbara, 2004). The Structural adjustment Programme (SAP) gave rise to the subsequent implementation of the IMF/World Bank conditionality of reliance on market forces and liberalization to make the economic environment of state-owned enterprises attractive for competition (Easterbrook & Fischell, 1991). This therefore, gave rise to the introduction of private sector accounting principles in the management of public finances in the enterprises, which emphasised commercial principles in financial activities and reporting of the enterprises. The introduction of SAP could not reverse the accounting and reporting system problems of these enterprises.

By 1988, Nigeria's public enterprise sector (at both the Federal and the State levels), in terms of direct return on investment and impact on the overall economy, had failed to deliver adequate public services and was not able to displace the private sector from profitable activities (World Bank, 1994). The World Bank (1994) argued that:

> … the public sector performance has been uniformly poor; enterprises capital projects and supplies have not proved cost effective; the use of inappropriate technologies and systems; and the overcharge by foreign suppliers remained evident (p.12).

The failure of SAP to meet its desired objectives called for the introduction of new reforms in the public sector in 1988, which included privatisation and commercialization of public enterprises (Alabi, et al., 2010). The Fourth National Development Plan (1975 – 1980) as cited in Alabi et al., (2010) stated that:

> The actual performance of the public enterprises in Nigeria leaves much to be desired. … Some do not possess the tools for translating into the hope of successful commercial operations (p. 205).

Privatisation was the outright sale of public enterprises to core investors and de-investment of government funds in such businesses. Commercialisation on the other hand, transformed some of the public enterprises into profit making commercial ventures to enhance the corporate accountability in the affected enterprises (Technical Committee on Privatisation and Commercialisation - TCPC, 1993). In the case of commercialisation the production methods were expected to be efficient and effective and the price charged should cover the cost of operations and that competitive market forces should determine operational procedures. For these reasons, commercialization was adopted to introduce private sector principles to guide the financial and accounting systems of some State-owned enterprises (TCPC, 1993). For example, TCPC (1993) stated that:

> In order to facilitate the rapid development of commercial culture and enhance the corporate accountability in the affected enterprises, the Federal Military Government has approved the incorporation under the provisions of Companies and Allied Matters Act No. 1 of 1990 of all enterprises selected for full commercialization (p. 53).

Therefore, public enterprises that were commercialized became organizations that operated like private companies using private sector business principles of accounting and financial reporting, with ownership still residing in the Federal Government of Nigeria (TCPC, 1993).

TCPC (1993, p. 54) section 5.23(e) specifically requires commercialized enterprises to comply with Company and Allied Matters Act (CAMA) 1990. The relevant sections include Section 331 to 367 of the Company and Allied Matters Act (CAMA) 2004 as amended, which makes it mandatory for companies to keep accounting records in the prescribed form and content of accounting standards. Therefore, financial reports of these enterprises are required to meet the disclosure requirements of relevant accounting standards (Statement of Accounting Standards (SAS) and International Accounting Standards (IAS) in place (TCPC, 1993).

However, recent annual reports of the Auditor-General for the Federation on the audited accounts of commercialised Federal Government enterprises for the past twelve (12) years (2002-2013) suggested that there has been partial compliance with relevant accounting standards. This seeming lack of substantial compliance with relevant accounting standards and the causes of the failure of financial statements to comply fully with accounting standards requirements have been omitted from the Auditor General's reports (Office of the Auditor-General for the Federation - AGF: Annual Reports 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013) and generally, this area has been under researched.

In addition, previous studies on the relationship between extent of disclosure and corporate attributes of listed companies have shown divergent results. Some of the previous studies suggested that a number of corporate attributes are related to compliance with accounting standards disclosure requirements, such as firm size, ownership, performance, audit firm size, board's compensation, leverage and a host of others. While other studies do not agree with the view that compliance with accounting standards disclosure requirements is related to corporate attributes (Cerf, 1961; Galani, Alexandridis & Stavropoulos, 2011;

Agyei-Mensah, 2012 and Bhayani, 2012). This calls for additional studies especially, in commercialised Federal Government enterprises that accounting disclosure studies have not sufficiently been conducted. This is to confirm or refute earlier findings that accounting standards on their own do not influence adequate compliance with its requirements.

Empirical works in this area of study include: Umoren (2009) investigated accounting disclosures and corporate attributes in Nigeria listed companies; Adeyemi (2006) investigated the impact of accounting standards on financial reporting in Nigeria; Ofoegbu and Okoye (2006) examined the relevance of accounting and auditing standards in corporate financial reporting in Nigeria. Studies by Ekoja (2006) focused on accounting standards and financial reporting for fixed assets and depreciation in Nigerian quoted banks. The World Bank (2004) reported on the observance of standards and codes in Nigeria and concluded that Nigeria's accounting standards are out dated. Okike (1989) investigated the extension of information in accounting reports: an investigation; while Wallace (1988) examined corporate financial reporting in Nigeria. These studies among others also reported low levels of disclosure compliance with accounting standards in listed companies to the neglect of Commercialised Federal Government enterprises which contributed about 35% to the Gross Domestic Product (GDP) of Nigerian economy in the past (Ayodele, 1998).

Taken together, this study determined the extent of compliance with accounting standards disclosure requirements in the light of the reports of the Auditor General for the Federation on Audited Accounts of commercialized Federal Government enterprises from 2002-2013. It examined the relationship between corporate attributes (firm size, leverage, liquidity, audit firm size and professional qualification and the extent of compliance with accounting standards disclosures by these enterprises. The study also evaluated the relationship between firm effects and extent of compliance with accounting standards

disclosures by commercialised enterprises to establish the effect of the enterprises' nature on compliance with accounting standards disclosures.

To achieve the research objectives, firm size, leverage, liquidity, audit firm size and professional qualification were selected from the list of corporate attributes of commercialised enterprises for examination. In addition, the study examined the association between other "special features" (firm nature) (Gujarati, Porter & Gunasekar, 2012, p. 627) and the extent of compliance with accounting standards disclosures of each enterprise. These special features include managerial style, managerial philosophy or the type of marketing strategy of each enterprise or a type of production method each enterprise adopts on the extent of compliance with accounting standards disclosures.

1.2 STATEMENT OF THE PROBLEM

The annual reports of the Auditor-General for the Federation (AGF) on audited accounts of commercialized Federal Government companies (CFGE) in the past two decades suggested that commercialized Federal Government companies did not fully comply with accounting standards disclosures as stipulated by law. In addition, the Auditor General's reports did not state categorically the level of compliance with accounting standards disclosures achieved by commercialized Federal Government enterprises. This assertion that enterprises complied partially with requirements of accounting standards did not give us an idea of what level of compliance that was achieved by the enterprises and the causes of these partial compliance with accounting standards. This has created the problem of establishing the levels of compliance with accounting standards disclosure requirements achieved by these enterprises as a whole and also individually. The report also did not state the causes of the variations in the levels of compliance with accounting standards disclosures. Lack of this useful information has created the problems of finding the causes of variations in the level of

compliance with accounting standards disclosures by each enterprise to help alleviate the problem of low disclosure compliance. Therefore, this calls for the examination of the relationship between certain corporate attributes and the level of compliance with accounting standards disclosures and the relationship between special features (firm effects or firm nature) and levels of compliance with accounting standards disclosures.

In a nutshell, the problem that was identified and resolved in this study was the examination of the relationship between selected corporate attributes and firm effects and the extent of compliance with accounting standards disclosures. It also involved the determination of the extent of compliance with accounting standards disclosures by commercialized Federal Government enterprises. Corporate attributes identified in this study and examined include, firm size, leverage, liquidity, audit firm size and professional qualification of accountants.

The currency of the research has taken into account emerging economic issues; such as globalisation, competition, advance in technology, commercialisation, sophistication and complexities of firms relating to financial reporting of these enterprises through the use of current research methods and data.

1.3 RESEARCH QUESTIONS

This research was guided by the following questions:

i. What is the extent of compliance with the accounting standards disclosures requirements by commercialised enterprises in the preparation of their financial reports in Nigeria?
ii. What is the relationship between firm size and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?
iii. What is the relationship between leverage and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?

iv. What is the relationship between liquidity and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?

v. What is the relationship between audit firm size and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?

vi. What is the relationship between professional qualification and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?

vii. What is the relationship between firm effects (firms special features) and the extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises?

1.4 AIM AND OBJECTIVES OF THE STUDY

The main aim of the study is to examine the relationship between firms attributes and firm effects and the extent of compliance with accounting standards disclosure requirements by Commercialized Federal Government enterprises and to determine the level of compliance with accounting standards disclosure requirements. In order to achieve this broad aim, the specific objectives of the study are to:

1. Determine the extent of compliance with accounting standards (SAS and IAS) disclosures in preparing financial reports by commercialised Federal Government enterprises.
2. Examine the relationship between corporate attributes and the extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

3. Evaluate the relationship between firm effects and the extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

1.5 HYPOTHESES OF THE STUDY

Based on the research questions in section 1.3, the following hypotheses were tested in the course of the research work.

Hypotheses 1

$\mathbf{H_o}$ There is no significant relationship between firm size and extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

Hypotheses 2

$\mathbf{H_o}$ There is no significant relationship between leverage and the extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

Hypothesis 3

$\mathbf{H_o}$ There is no significant relationship between liquidity and extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

Hypotheses 4

$\mathbf{H_o}$ There is no significant relationship between audit firm size and extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

Hypotheses 5

$\mathbf{H_o}$ There is no significant relationship between professional qualification and extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

Hypotheses 6

$\mathbf{H_o}$ There is no significant relationship between firm effects and extent of compliance with accounting standards disclosures by commercialised Federal Government enterprises.

1.6 SCOPE AND DELIMITATION

The study covered a period of 12 years, 2002-2013. This period was chosen because it covered the period when most of the commercialization of these enterprises took place and it was also believed to be wide enough to include all variations in the financial reports and all fluctuations in figures that have occurred during this period. Therefore, this study used panel and time-series data that involved repeated observations of the same variables over long periods of time. The study was interested in the developmental trends across the period of the study. For this reason it was not a cross-sectional study in which different firms with same characteristics are compared (Cherry, 2012).

Specifically, this study covered the relationship between corporate attributes and extent of compliance with accounting standards and the relationship between firm effects and the extent of compliance with accounting standards during the process of preparing financial reports of commercialised Federal Government enterprises listed in Appendix A3. It also covered the determination of the level of compliance with SAS and IAS used in the preparation of the financial statements. Therefore, it was restricted to the accounting and reporting areas that are relevant to commercialized Federal Government enterprises in Nigeria. It did not deal with sole-proprietorship, public limited liability companies, partnership and non-profit organizations owned by government, but not commercialized, or with closely held and owner-managed companies. It also did not cover the requirements of IFRS, IPSAS, SEC, or any other law or statutes used by these commercialized enterprises.

1.7 SIGNIFICANCE OF THE STUDY

Several groups of people have specific interest in the financial reports of Commercialised Federal Government Enterprises to enable them carry out their activities. These groups are categorised into three dominant functions and they include: academic

knowledge seekers, practitioners and policy makers. All these users of financial reports always require quality and adequate financial information contained in financial reports, especially, to take decisions. As a result, the study would be of great value to government and its operators, instructors and students and a variety of other users of financial reports like accountants, business men, analysts, auditors, tax managers, and chief executives of organisations. The research findings would, contribute significantly to academic knowledge, to policy makers and to practitioners in accounting and finance. Basically this study is significant in the following ways:

It will particularly enhance the quality of literature in the field of accounting and financial management in Nigeria. Researchers in this field would benefit from the study, because it will serve as a bench mark for future researches in this area. Students would also benefit as it would serve as a study material.

Practitioners, who include preparers of financial statements, analysts, investors, auditors, users of financial reports and the general public, will benefit from the results of this work. The most important aspect of this study would be the knowledge gained from empirical findings that would be available in literature for the benefit of government, practitioners and other users. In this regard, the study will demonstrate whether or not the financial statements comply with the Statements of Accounting Standards or International Accounting Standards. A greater significance would be the ability of users to decide on the level of reliability and confidence to place on the financial statements of these enterprises. This is relevant because management will be in a position to understand the forces that shape disclosure compliance with accounting standards in financial reporting in these organisations. Also, the study will enable preparers of financial statements to know when the financial statements they prepared do not comply with accounting standards. This will assist in

resolving the issues that surround agency, stewardship, resource dependence and stakeholder problems in corporate disclosure practices of firms.

The outcome of this study will also enable the governments in Nigeria to develop specific policies relating to the choice and use of accounting standards in the commercialised enterprises to achieve increase disclosure to improve accountability and transparency in these enterprises. In addition, with the outcome of this research, the regulatory authorities, such as Financial Reporting Council of Nigeria (FRCN) would be able to ascertain the level of disclosure compliance made by these organisations in the past. This will help these bodies to decide on accounting standards that will improve the reliability of financial statements of these enterprises. Besides, the study will provide Governments with the knowledge of the relationship between firm attributes and the extent of compliance with accounting standards disclosure requirements on one hand and firm effects and the extent of compliance with accounting standards disclosure requirements on the other hand in preparing financial reports. This knowledge would help governments to understand the implications of unfavourable environment to compliance with accounting standards disclosure requirements. This means that if the findings of this study are adopted:

i) Government would be in a position to enforce directives that would help in facilitating the process of adaptation of IFRS to be undertaking in 2014.

ii) The knowledge of the disclosure practices of the enterprises would increase the need for co-operation between Financial Reporting Council and the practitioners in the enterprises on enforcement of compliance with all accounting standards.

1.8 OPERATIONAL DEFINITION OF TERMS

Big audit firms refer to the audit firms auditing the commercialized enterprises that have international connections. These are the largest international audit firms with offices in

Nigeria such as Price Waterhouse Coopers, Ernest and Young, Akintola Williams Deloitte and Touch and KPMG, PKf and other audit firms connected such firms in any way that such that ensure that the quality of the local firm is supervised by the foreign firm.

Small audit firm refer to audit firms that audit the commercialized enterprises that are purely localized both their partners and their activities and do not have any international connection.

Firm effects are the special features of a firm like managerial style, managerial philosophy and type of market, process of production and a host of others.

Modified Cash Basis Accounting- This is an accounting model that records revenue items on cash basis and records assets and long-term liabilities using accrual basis.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

This chapter discussed key concepts identified in the study and the theories that form the theoretical framework which provided a basis for relating corporate attributes with extent of compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises in financial reporting in Nigeria. It also reviewed relevant literature associated with disclosure practices among firms and the association between corporate attributes and extent of compliance with accounting standards disclosures. In addition, the chapter included a discussion on Commercialized Federal Government Enterprises, the identified gaps in the reviewed prior studies on factors affecting disclosure practices of firms and a summary of the chapter.

2.1 CONCEPTUAL FRAMEWORK

This sub-section discussed the various definitions of the relevant concepts as different research studies have used them and the meaning attached to each of the concepts in this study to avoid misunderstanding of what they mean in this study.

2.1.1 Disclosure

Several studies provided operational definitions of disclosure of financial information in financial statements. Bushman and smith (2001) defined disclosure as “firms making available specific information to people outside publicly-traded firms” (p. 207). Dubbink, Graafland and Liedekerke (2008) defined disclosure as “the communication of information allowing economic actors to obtain accounting information on a firm’s activities and condition” (p. 156).

According to Umoren (2009), the concept of disclosure is the appearance of quantitative or qualitative economic information relating to a business enterprise in the annual reports. Adeyemi (2006), in his opinion defined disclosure as the publication by a

profit-seeking public quoted company of corporate annual reports and accounts relating to its activities with the hope of influencing the decisions of users of such information.

Apostolou & Nanopoulos (2009) offered explanations of what accounting disclosures ought to be. They stated that disclosures are the most valuable information available to the investors. In their opinion, accounting standards required that the management should prepare financial statements that would show their stewardship or accountability to the owners. Therefore, disclosure is seen as the accounting information provided in financial reports concerning firm valuation, income determination and corporate financial management (Core, 2001).

Generally, any rational business decision maker thrives on the availability of reliable financial information. Therefore, International Accounting Standards Board (IASB) stated that the primary objective of financial statement is "to provide information about the financial position, performance and cash flow of an entity that is useful to those users in making economic decisions" (NASB, as cited in Greuning, Scott & Terblanche, 2010, p. 3)

In this study, corporate disclosure basically refers to the release of information in financial statements in accordance with relevant accounting standards concerning the economic performance, position and prospects of a firm, in monetary or non-monetary terms for the benefit of owners and other stakeholders (potential or existing) of the firm for economic decision making.

2.1.2 Corporate Information Disclosure Medium

There are different means by which companies disclose information. These include: corporate annual reports, conference calls, analyst presentations, investor relations, interim reports, prospectuses, press releases, podcasts, webinars and websites, where necessary and affordable. The corporate annual report is considered a very important official disclosure

vehicle/medium. Although on its own corporate annual reports are not sufficient in the capital market context (Marston & Shrives, 1991; Hope, 2003). However, for the purpose of accountability and transparency, users expect that financial reports make available financial information as required by accounting standards for various purposes. There are however, other disclosure vehicles, such as conference call, interim reports and a host of others, which can be obtained more timely than annual reports.

In addition, there are other sources of accounting disclosures about companies' performance; these include: financial analysts' reports and the press (Epstein & Palepu, 1999). These media of information are considered important because they are outside the control of the firm and can provide more reliable information than financial reports ((Epstein & Palepu, 1999).

However, the financial reports are the medium of information disclosures that are mandatorily required by SAS and IAS as General Purpose Financial Statements (GPFS) which are considered sufficient to disclose all relevant information required by relevant accounting standards for decision making purposes.

2.1.3 Categories of Corporate Disclosures

Corporate disclosure can be divided into two broad categories, mandatory disclosure and voluntary disclosure (Cerf, 1961).

Mandatory Disclosure

Mandatory disclosure is information revealed in the annual reports or other media to meet the disclosure requirements of accounting standards and the listing rules of stock exchanges and tax authorities (Bertomeu & Magee, 2015).

Voluntary Disclosure

Voluntary disclosure is any information revealed in excess of mandatory disclosure. It is defined as any additional piece of information (apart from what is required by any guidelines or standards) provided by a company in the financial report (Skogsvik, 1998).

In addition, disclosure can vary between firms with respect to timing of disclosure source (Hassan & Marston, 2010). Hassan and Marston (2010) have written that the difference between corporate annual reports and quarterly reports is in the timing (duration) of these reports. There can also be variation in terms of the nature of the items disclosed, such as quantitative and qualitative information (Skogsvik, 1998). Finally, there can also be variation in the type of news, such as whether the news brought by the disclosure was a good or bad news (Hassan & Marston, 2010). However, this study examined only the effect of corporate attributes on mandatory disclosures.

2.1.4 Disclosure Practices among Firms

Cerf (1961) suggested that there are different levels of disclosure that a firm can achieve and this constitutes the disclosure practices of firms. He emphasised that these practices are influenced by firms' characteristics, which include firm size, ownership, board size, leverage, liquidity, audit firm size, profitability and a number of others.

The manner in which a company approaches its financial statements differs from one company to the other (Reeves, 2013). To some companies, creating an accounting disclosure policy is paramount when you want investors to understand your financial statements. Reeves (2013) suggested that to understand the financial reports, an investor must know the company's accounting methods, the principles it operates under the accounting system or method it used to arrive at its calculations or valuations.

Many other disclosure studies investigated corporate disclosure practices of limited liability companies concentrating more on what influenced disclosure practices of firms (Umoren, 2009; Adeyemi, 2006; and Barako, 2004). Some other studies examined the public sector not-for-profit organisations like Agyei-Mensah (2012). The results of these studies have been divergent, particularly, with regards to the level of significance.

Therefore, not all the attributes studied were confirmed to have strong effect as suggested by some of these studies on disclosure practices of firms. In fact, many of these studies produced a set of results that are significantly from divergent the other, even when the studies were in the same country, like Umoren (2009), Adeyemi (2006), Ekoja (2006) and Barako (2004), all in Nigeria.

Therefore, it is observed that the disclosure practices of firms are influenced by three major factors namely: firm attributes, firm effects and time effects factors. These factors shape the level of compliance with accounting standards that is achieved by companies or enterprises depending on the individual firm or the industry or the country it operates. These factors are discussed in subsection 2.2.4.

2.1.5 Purpose of Accounting Disclosure

Research has shown that the striking feature of users of financial reports is the different accounting information requirements (Alabi et al., 2010). Sometimes the users' requirements are in conflict with one another and an attempt to satisfy them using a single financial report results in the dissatisfaction of other groups. Because of these differences in the needs of users of annual reports, each group of users tends to perceive the reliability of financial statements from its own narrow interest and given the opportunity, it would choose which principles of accounting to apply in the preparation of financial statements and which ones should not be used for disclosure purposes (IASB, 2001).

However, International Accounting Standards Board (IASB) formerly known as International Accounting standards Committee (IASC) is of the view that while all the information needs of all these users cannot be met by one form of financial statements there are other needs which are common to all users (Greuning, et al., 2010). For example, investors are providers of risk capital to the enterprise, the provision of financial statements that meet their needs will also meet substantially the needs of other users that financial statements seek to satisfy (Greuning, et al, 2010; and Hendriksen & van Breda, 2001).

IFRS has consistently insisted that financial statements should show the results of the stewardship or accountability of management for resources entrusted to it (Greuning, et al., 2010). Accounting disclosures also give users of the company's financial statements information on how the company applied Generally Accepted Accounting Principles (GAAP) that are usually applicable to each country. Besides, financial statement gives individuals information regarding a company's financial accounting processes and how the managers arrived at assets values determined income in preparing the financial reports (Greuning, et al., 2011). In addition, accounting disclosures provide detail accounting information to help a company to create an open environment regarding its financial operations (Agyei-Mensah, 2012).

Accounting disclosures also allow banks and investors to accurately assess a company's financial health and how well the company adheres to accounting principles (Watts, 1977). Disclosure also builds confidence in the users who take economic decisions based on the financial reports of the business (Adeyemi, 2006).

Companies may benefit from providing more information to the public through a reduction in the cost of capital and/or an increase in the pure cash flows accruing to owners and consequently increase their wealth (Salter, !998). Therefore, the purpose of corporate

disclosure in financial statements arises from the need to provide information communicated between management and outside investors and market participants in general (Jensen & Meckling, 1976).

2.1.6 Nature of Corporate Disclosure

In an attempt to meet the needs of all users of financial statements some studies have listed common accounting disclosures that will aid the understanding of the information contained in financial statements. These include: statements on how the company has interpreted and applied Generally Accepted Accounting Practice (GAAP) in accounting policies (which is a "rules based" accounting system, the depreciation method used for business assets, the valuation method used to determine assets values, information on the collectability of receivables and other items of accounting information contained in financial reports (Vitaz, 2013). This is different from the use of IFRS which is a "principles based" accounting system and its application was to commence by January, 2014. However, IFRS was not used in preparing financial statements of these enterprises in the period covered by this study and therefore, usage was not discussed in this study. Some companies may have more disclosures listed on the face of the actual financial statements depending on the nature and the environment in which the business operate. Some disclosures are made for the purpose of meeting environmental responsibilities, and are contained in notes to accounts. For example, Galani, Alexandrite and Stavropoulos (2011) reported that in recent years more companies disclose information in notes to accounts about their environment bearing in mind the stakeholder's demands of environmental responsibility, accountability and transparency.

There are also some social responsibilities that are expected to be achieved by companies as legal entities through accounting disclosures. In this regard, Gray (1995a) defined social disclosures as reporting in notes to accounts that considers environmental,

ethical and human issues. This aspect of disclosure ensures that companies report in summary on the face of financial reports and details in notes to accounts for issues that border on employees' welfare like pension or retirement benefits (IAS 19). Similarly, ethical issues are also covered in the annual reports concerning major pending litigations in the notes to annual reports (IAS 37).

In an attempt to satisfy various users of accounting reports, managers are required to disclose all relevant financial information in the financial reports and notes to accounts (SAS 2). This has been acknowledged to be a first step to demonstrating accountability and transparency in the discharge of their functions to shareholders and by extension to other stakeholders (Watts & Zimmerman, 1983). The IAS framework, Chapter 1, par. 1.5 states that in forming a safe environment for stakeholders, corporate governance rules should focus on creating a culture of transparency, that is making information on existing conditions, decisions, and actions accessible, visible and understandable to all market participants (Greuning, et. Al, 2010).

In order not to over labour the financial statements with irrelevant items, the materiality concept is used as a guiding principle in a full disclosure of relevant information (Wood & Sangster, 2002). Materiality concept demands that all non-material items of accounts need not be disclosed, but all material information has to be disclosed in the financial statements either on the face of the financial statements or in the notes to the financial statements.

2.1.7 Disclosure Position

The supply of information through corporate disclosure or the way in which information disclosure is managed is referred to as disclosure position (Gibbins, Richardson & Waterhouse, 1990). Gibbins, Richardson and Waterhouse (1990) identified two

dimensions to disclosure position namely: ritualism and opportunism. The difference between these two dimensions is whether management plays an active or passive role in managing disclosure. Ritualism refers to uncritical adherence to predefined disclosure norms. It arises from internal behavioural patterns, motivated perhaps by an effective system of corporate governance and not from external disclosure regulations. It is derived from the attributes of the firm and contingency and agency theories help to explain this pattern of behaviour. Opportunism, on the other hand, is the propensity to seek firm specific advantages in the disclosure of financial information (Graham, Harvey & Rajgopal, 2005). This can be explained using the agency and resource dependence theories of corporate governance of a firm. Ritualism and opportunism are used in the assessment of the role professional qualification helps to shape the disclosure practices of selected commercialised enterprises covered in this study.

2.1.8 Costs of Corporate Disclosure

Providing information to the public is not an easy task. Among the costs of disclosure are the costs of information production and dissemination. For example, the costs of adopting an information system to collect, process data and report information about the company and the costs of hiring accountants and audit firms (Hassan & Marston 2010). Moreover, competitors may make use of available information about a company to their own advantages. For example, information about product development disclosed by one company may be used for the benefit of a competitor (Verrecchia, 1983; Dye, 1986; Darrough & Stoughton, 1990; and Wagenhofer, 1990). Furthermore, lawsuit costs may be incurred when a company is sued regarding its disclosure, if the information subsequently turns out to be erroneous (Skinner, 1994). Thus, a decision to provide more or less information to the public

in theory is based on a cost-benefit analysis, although detail estimation of all costs and benefits is difficult.

2.1.9 Stakeholder Approach to Disclosure

The stakeholder approach to disclosure has been applied and relied upon in many management and accounting literature (Ullman, 1985; Roberts; 1992 and Gray, 1997) to resolve disclosure problems. Gray (1997) has provided an illuminating example:

> …the corporations' continued existence requires the support of the stakeholders and their approval must be sought and the activities of the corporation adjusted to gain that approval. The more powerful the stakeholders, the more company must adapt (p. 253).

The stakeholder theory is generally concerned with how an organization manages its stakeholders and it is a component of the contingency-agency theory of disclosure. Disclosure is thus seen as part of the dialogue between the company and its stakeholders. As Gray (1995) and Gray (1997) asserted that stakeholders have the right to specific information for certain decisions and they should be provided with relevant information including mandatory and environmental information. In addition, stakeholders have the ability to control or affect the resources of corporations. They exhibit their power through the level of control they have over the resources (as cited in Deegan, 2004).

However, the stakeholder-company power relationship is not generic across corporations. Deegan (2004) has argued that power may take the form of command over limited resources such as finances and labour, access to influential media, ability to legislate against corporations or ability to influence corporations' consumption of goods and services (resource dependence theory). This implies that the power game is such that the more critical the stakeholders' control is, the more likely companies satisfy stakeholders' demand.

Jawahar and McLauglin (2001) argued that organizations are likely to use different strategies to deal with different stakeholders and these strategies may change overtime. This means that certain stakeholder groups can be more effective than others in demanding for accounting disclosure. Neu, Warsame and Pedwell (1998) confirmed that this makes corporations to concentrate on the stronger group of stakeholders' information needs and demands, more than the weaker groups.

Ullman (1985) argued that "satisfying the needs of stakeholders depends on corporate strategic approach" (p. 552). Corporate strategic approach is defined as "the mode of response of an organization's key decision makers towards social demands" (Ullman, 1985, p. 552). The corporate strategic approach may either be an active or a passive posture, depending on the situation and the needs of the management. An active posture seeks to influence stakeholders; while a passive posture is one that does not seek business initiatives on either continuous monitoring activities on stakeholders or stakeholders' optimal strategy by managers (Ullman, 1985).

Stakeholder theory, agency theory and resource dependence theory are utilised in this study to support the theoretical link between the board of these enterprises and the need to satisfy the government or her appointed representatives in the information provided via financial reports.

2.1.10 Drivers of Corporate Disclosure

The manifestation of numerous business failures due to inadequate disclosures in the annual reports of firms, which accounts for lack of accountability and transparency in financial reporting, redirects attention to the need to improve disclosures in financial reporting practices of firms. Accountability and transparency are twin words that summarised the adequacy or inadequacy of disclosures in financial reports.

The General-Purpose Financial Statement (GPFS) provides valuable information for different users (IASC, 2002). However, the major objective of financial statements is that they provide information about the financial position, performance and changes in the financial position of an enterprise (Greuning et al., Terblanche, 2010). According to Meigs and Meigs (1997) financial statements are the principal means of reporting general-purpose financial information (GPFI) to users; these users have vested interest in the financial statements of organizations (IASB, 2006).

The accounting data presented in the financial statements must be relevant, reliable and meaningful to the users (Greuning, et al., 2010). However, failures of corporate governance can lead to the use of accounting limitations in preparing financial statements which could result in the collapse of businesses. This is due to inadequate disclosure of relevant financial information in financial reports of companies (Omoleyinwa, 2000; Mack, 2002).

The introduction of Structural Adjustment Programme (SAP) and the privatization and commercialization of public enterprises (PCPE) in Nigeria in 1986 and 1988 respectively was as a result of corporate governance failures in government owned enterprises and corporations (Omoleyinwa, 2000). This was possible due to non-disclosure of corrupt practices of officials in financial reports of these enterprises (Omoleyinwa, 2000).

At the international level, Enron collapsed towards the end of 2001 and this closure led to the loss of employment for thousands of its employees. It also took with it the life savings of many more who were shareholders and creditors to the world energy giant (Cadbury Report, 2002). Chris (2002) observed that the topic of corporate governance assume increased importance in 2002 with the publication of the Cadbury Report, which

accuses the management of Enron of series of wrong doings that were concealed in accounts for many years (Chris, 2002).

The introduction of SAP witnessed the growth of private ownership of productive resources and services and the multiplication of banks, other financial institutions and commercialized government companies. Due to the weak corporate disclosure culture in these institutions, the nation witnessed a very high incidence of corporate failure and bank distress (Omoleyinwa, 2000). To regain the confidence of the public, the Nigerian government addressed the phenomenon through privatization and commercialization of her enterprises (Alabi, Onimisi & Enete, 2010).

The Securities and Exchange Commission also set up a committee in 2000 whose report was the first to articulate a code of best practices for public companies in Nigeria. This was followed by a similar code by the Central Bank of Nigeria (CBN) in 2006 to address corporate disclosure practices in Nigeria banks (Ajakaiye, 1990). The code of corporate governance was to ensure that compliance is mandatory for timely and qualitative disclosures in financial reports of companies operating in Nigeria (CBN, 2006).

The introduction of the SAS and IAS and their adaptation in the commercialized enterprises in Nigeria were driven by the desire to improve and enhance accountability and transparency in corporate governance disclosure in financial reports of commercialized companies in Nigeria (World Bank, 2004). Based on the foregoing, corporate disclosure practices have the capacity to determine, the corporate disclosure culture of organisations in the long-run in terms of accountability and transparency.

2.2 THE CONCEPT OF CORPORATE GOVERNANCE

Ultimate Business Dictionary (2003, p. 57) defines corporate governance as the managerial or directorial control of an incorporated organisation, which, when well-practiced can reduce the risk of fraud; improve company performance and leadership; and demonstrate social responsibility. Saheed (2013), on the other hand, defined corporate governance as the manner in which organizations, particularly limited companies are managed and the nature of accountability of the managers to the owners.

The Report of the Committee on Corporate Governance of Public Companies (CCGPC) in Nigeria in 2003 stated that "corporate governance is a system by which companies in Nigeria are directed, and managers are held accountable for the performance of their organisations" (as cited in Adeyemo & Adeleke, 2008; p. 56). They further emphasized that the concept of corporate governance is principally on the structure of relationship within an organisation which is directed at best practice in the overall interest of the organisation and its owners/stakeholders Adeyemo & Adeleke, 2008).

The Cadbury Committee defined corporate governance as "a system by which companies are directed and controlled" (Cadbury Report, 1992, p. 407). This means that corporate governance has a structure with key players and their respective roles, which include the board, the shareholders and the auditors. The boards of directors are responsible for the governance of their companies. The role of the shareholders is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The role of the auditors is to provide the shareholders with an external and objective check on the directors' financial statements.

The key issues that are involved in corporate governance structure include information and decisions making process which aid the directing and controlling processes

of the activities of the organization. The activities of the firm include: production, marketing, finance, accounting and financial reporting, information, law, management, organizational matters and in all these areas, administrative processes are carried out.

Brown, Beekes and Verhoeven (2010) reported that corporate governance is about the governance of corporations, it has to do with determining the activities in which they are properly engaged. Brown, Beekes and Verhoeven (2010) argued that:

> …at its broadest, the governance of corporate entities comprehends the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations (p. 47)

It is important to note that in this context, corporate governance is confined to matters that are, or ought to be, within the control of the shareholders and the board. Perhaps that explains why Brown et al (2010) argued that "authoritative principles statements typically deal with matters which the shareholders and the board can decide and implement" (p. 58).

However, corporate governance is concerned with matters beyond the board and shareholders' areas of control, because the governance structure, though, an internal affair, does not exist in a vacuum. The obvious implication is that the society plays a significant role to shape the decisions of the boards and shareholders. In this context Jensen and Mechling (1976) observed that corporate governance is focused on controlling the activities of those in whose custody the resources of an organisation are entrusted with a view to protecting the interest of the resource owners and avoiding unfriendly behaviours of other stakeholders. Other stakeholders include: suppliers, long and short term creditors, government, tax authorities, unions, customers, potential investors and a host of other groups.

What all these means is that corporate governance principles are generally applied to all tasks of the firm and takes into account both endogenous and exogenous factors. Because

of corporate governance principles of general application, Brown et al. (2010) reported that corporate governance is characterized by the lack of a unifying theory. Brown et al. (2010) added that the lack of a unifying theory is evident in the nature of the questions asked; how they are framed; the core ideas and the reasoning processes that underpin hypotheses; how models are specified; how the dependent and explanatory variables are defined and measured; which estimators are used; how tests are applied and the manner in which conclusions are reached.

Based on this lack of uniformity of corporate governance theories and in line with Gillan (2006) this study distinguished between internal and external governance characteristics. By internal (endogenous) governance characteristics, we mean the corporate governance structures and processes that are within the control of the firm’s shareholders and the board of directors. The external (exogenous) factors include the underlying nature of the firm’s business and its future investment opportunities, its resources and technology, the legal system and the laws of the land, financial accounting standards and their enforcement, capital markets and their operating rules and protocols, and taxation issues which are external to the organization (Gillan, 2006).

Brown et al (2010) pointed out that, subject to endogenous and exogenous factors, the shareholders and the board usually either separately or collectively takes various corporate governance actions that influence the firm’s internal environment as a whole. They concluded that while some of these actions are to a large extent discretionary, they are taken against the backdrop of common practice or practices recommended in codes of ‘best’ corporate governance.

The concept of corporate governance is important to this research in the sense that disclosure is a corporate governance issue as well as accounting and finance. It is concerned

with the actions of management of a company subject to a number of factors as the management tries to provide their stewardship or accountability reports and at the same time provide useful information for investment decision making by all stakeholders. Therefore, in trying to provide accountability reports (financial information) through the financial statements, the board of directors must do this transparently taken into account corporate governance problems surrounding the organization as a whole.

2.2.1 Importance of Corporate Governance

Corporate governance has in recent years assumed considerable significance as a veritable tool for ensuring corporate survival since business confidence usually suffers each time a corporate entity collapses. Most of the business failures in recent past are attributed to failure in corporate governance practices. Gross (2010) wrote that:

> the failure of the financial system in 2008 wasn't simply a massive failure of common sense, regulations, and leadership. It was also a failure of corporate governance. In theory, the corporate boards at Enron, Lehman Brothers, Bear Stearns, AIG, and General Motors were paid handsome sums to oversee the activity of the executives and protect shareholders' interest. In practice, they slept as the CEOs ran the companies into the ground (p. 59).

In Nigeria, the collapse of banks in Nigeria in the early 1990s and the dwindling fortunes of public enterprises were as a result of inadequate corporate governance practices such as insider-related credit abuses, related party transactions, poor risk appreciation, internal control system failures and non-disclosure of insider dealings in financial reports (Ogidefa, 2008).

Abou-El Fotouh (2010) reported that the Organisation for Economic Co-operation and Development (OECD) published a document with the title "Corporate Governance:

Lessons from the Financial Crisis" in which weaknesses and failures in corporate governance were seen as key contributors to the global financial crisis (as cited in Abou-El Fotouh, 2010). Similarly, an ACCA (2009) report on corporate governance also pointed to the failures in corporate governance as contributing to the financial crisis globally.

The corporate governance-related reasons for the current financial crises are the dysfunctional boards which did not fully understand the risks and impact associated with the strategies and activities they approved (Gallhofer, 2014). He stated further that

> …in many cases, boards did not provide adequate monitoring of implementation, accounting, reporting and audit. The lack of appropriately qualified non-executive directors also contributed to the problem, as the broad range of skills and knowledge required to fully understand the complex financial and nonfinancial factors that influence organisational performance were not available (Gallhofer, 2014, p. 35).

Some studies have blamed corporate governance failures squarely on the deficiencies of Anglo-American corporate governance system. Gallhofer (2014) reported that it was commonly held that deficiencies of the Anglo-American corporate governance system helped engender and contributed to the global financial crisis. On the strength of this assertion some policy makers have expressed eagerness to address and overcome the corporate governance shortcomings in corporate management to bring about good corporate governance practices in companies (French, 1984; ACCA, 2009; Howson, 2009; Abou-El Fotouh, 2010; Maimako, 2010; Yonekura, Gallhofer & Haslam, 2012; Gross, 2010; and Prey & Cruz-Cruz, 2011).

In the United States of America (USA), the Shareholder Bill of Rights Act was introduced in the Senate in early 2009 in an attempt to strengthen the current system and respond to the issues of corporate governance failures (Howson, 2009). To reduce the prevalence of corporate governance failures, the Organisation of Economic Community and

Development (OECD) issued the principles of corporate governance which have gained the international recognition as a benchmark for policy makers, investors, corporations and other stakeholders worldwide to apply in companies (Nwadioke, 2009). Nwadioke (2009) pointed out that these principles have formed a basis for corporate governance initiatives in both OECD and non-OECD countries.

In Nigeria, CIBN (2006) Code of Corporate Governance is the official position on corporate governance issues especially in banks. Emphasising the importance of corporate governance, Maimako (2010) in his paper, "Principles of Corporate Governance", stated that the observance of these basic principles of corporate governance is very important in shaping investment decisions as corporations seek to increase shareholders' wealth and remain competitive. Therefore, good corporate governance behaviour is a key element in the management of enterprises including management and accounting issues relating to corporate disclosures. Corporate Governance Regulatory Framework in Nigeria includes code of best practices for companies issued by Securities and Exchange Commission in 2003. Other principal legislations or codes in Nigeria designed to promote good governance and which are relevant to disclosure practices of commercialized government companies include:

i) Companies and allied matters act (CAMA), CAP. 20 LFN 2004 as amended, which is the main legislation governing mandatory corporate governance standards among companies in Nigeria.

ii) Investment and securities Act (ISA) No. 45 of 1997 now 2007

iii) Financial Reporting Council of Nigeria Act, 2011 (formerly known as Nigeria Accounting Standards Board Act No 22 of 2003)

iv) Code of Best Practices on Corporate Governance in Nigeria

v) International Standards of Auditing

vi) Fiscal Responsibility Act, 2004

vii) Freedom of Information Act, 2012

viii) Security and Exchange Rules and Regulations, 1999

ix) Privatisation and Commercialisation Act, 2004

2.2.2 Approaches to Corporate Governance

Some scholars and practitioners have advocated consistently different approaches to corporate governance in order to bring back public confidence. Prey and Cruz-Cruz (2011) advocated accountability and transparency in the business environment. To bring about accountability and transparency, Ping and Cheng (2011) suggested adequate accounting disclosure practices as a mechanism for achieving these goals.

French, (1984) also examined institutional mechanisms in corporate governance that may influence disclosure practices positively and suggested that details disclosures of accounts elements in financial reports is an indication of good corporate governance practice which ensures accountability and transparency.

2.2.3 Disclosure and Corporate Governance

A critical tool in corporate governance is accounting information disclosure, because it is a means by which accountability and transparency can be measured. For example, Enron’s fall has been widely seen in terms of the inability of its board to monitor what its managers were doing. Ogidefa (2008) pointed out that there was a conflict of interest and fraud in Enron, but the root cause of its failure was because of a systematic failure in the company’s business plan and its accounting policy (Deakin & Konzelmann, 2003). This implies that for corporate entities to have good corporate practices there must be accountability and transparency through adequate disclosure in their financial reports.

The framework for linking disclosure quality to corporate governance originated from Williamson (1985). Later empirical works on the association between disclosure and corporate governance by Chiraz (1989) and Chen and Jaggi (2000) suggested that corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including all the elements in financial reports, financial situation, performance, ownership, and governance of the company.

Recent research on disclosure and corporate governance examined a combined set of corporate governance features that influence disclosure qualities that are relevant to this study. They include board independence, quality of directors on the board (expertise), legal issues concerning compliance with accounting standards and a variety of other corporate governance elements (Saheed, 2013; Salter, Nahandi & Khoshbakht, 2011; Nandi & Ghosh, 2012; Ramil, Surbaini & Ramil, 2013; and Gallhofer, 2014).

Ramil et al., (2013) assessed the effects of corporate governance mechanisms towards the quality of director-related information disclosure. They reported that statistically, there are positive associations between board independence, board diversity of managerial ownership, and director-related information disclosure.

Furthermore, Nandi and Ghosh (2012) suggested that given the monitoring role of corporate governance, it is expected that there should be a positive association between governance quality and firm disclosure. However, they added that the evidence provides a mixed view on whether better corporate governance has a positive influence on disclosures or whether it depends on the ownership structure and whether disclosures compensate for perceived weakness in the firm's governance (Nandi & Ghosh, 2012).

Beekes and Brown (2006) found a positive association between corporate governance quality and disclosure, because better-governed firms release a greater number of price

sensitive documents to the Security Exchanges. They also examined the extent the price during the year approaches its end of year value, which they termed the ‘timeliness of price discovery’. They found out that Australian firms with better corporate governance have timelier price discovery, consistent with them releasing more information relating to firm performance during the year which they also found to be true (Beekes & Brown, 2006).

Despite the presumption from regulators that corporate governance leads to better disclosure practices, some studies revealed otherwise (Lorsch, 1967) thereby leaving the debate open as to whether corporate governance is a substitute for or complementary to a firm’s disclosure practices. These suggests that the literature on impact of corporate governance mechanisms on quality and quantity of information disclosures in financial reports is divergent. Therefore, the link between corporate governance elements and disclosure of accounting information in annual accounts depends on the corporate governance style of the firm that is, which in turn is affected by characteristics of the firm; whether they are endogenous or exogenous (Lorsch, 1967) or heterogeneous (Nandi & Ghosh, 2012)

Similarly, accountability and transparency cannot be achieved without the financial reports disclosing items of accounting information that concern assets and liabilities valuation and income determination as depicted in the annual reports of firms. These items of accounting information are the results of corporate governance actions and are influenced by environmental factors, which may be positive or negative, within or outside the organisation.

Thomas (1986) conceptualised the constraints upon entities affecting management’s choice of reporting practices as falling into two major classes namely: the environment of the enterprise and the organisation’s state or attributes. Lorsch (1967)’s suggested that the environmental factors offers a systematic approach toward the conceptualization of the

variables which have a significant bearing on the similarities or differences in accounting styles and practices across firms. Lorsch also insists that the disclosure practices can be viewed as the outcome of an internal decision process of an entity, guided by accounting standards, but influenced by both internal and external situations within and around the firm (Lorsch, 1967).

This study investigated the effect of selected elements of corporate governance, such as audit firm size and professional qualification and some characteristics of the firm (firm size, leverage and liquidity) on firm disclosure. The study also examined the unobserved corporate governance attributes (heterogenetic factors or firm effects factors) on disclosure. The firm effects factors are special features of the firm, such as the managerial style, managerial philosophy, type of market, process of production and a host of others and are collectively referred to as the "firm effects" factors (Brown, Beekes & Verhoeven, 2011). The selected firm characteristics (independent variables) and firm effects are discussed in the following sub-sections under determinants of disclosure.

2.2.4 Determinants of disclosure

Many studies have examined the relationship between a company's characteristics and the extent of mandatory disclosures in both developed and developing countries (Saheed, 2013; Agyei-Mensah, 2012; Bhayani, 2012; Galani, Alexandridis & Stavropoulos, 2011; Brown et al., 2011; and Alabi, et al., 2010). The characteristics of a company are the company's attributes that explain the nature and activities of the company and they have been identified by these and other studies to cause variations in the extent of disclosure in annual reports. These characteristics are referred to in this study as determinants of disclosures in financial reports. A number of studies have tested firm characteristics, which include firm size, composition of board of directors, multi-nationality, industry types, profitability,

leverage, liquidity, ownership structure, auditor type and a host of other variables as explanatory factors (attributes) affecting compliance with mandatory disclosures (Lang and Lundholm (1996), Wallace *et al,* (1994), Wallace and Naser (1995), Patton and Zelenka (1997), Naser (1998), Owusu-Ansah (1998), Naser and Al-Khatib (2000); Naser, Al-Khatib, and Karbhari, 2002; Saheed (2013), Agyei-Mensah (2012) and Bhayani (2012)). The variables were used as endogenous factors that affect companies' extent of disclosure.

However, the results of these prior studies have been divergent. This study has selected five of these characteristics and has examined their effect on extent of compliance with accounting standards disclosures in financial statements of commercialised enterprises. Based on the controversy surrounding the findings on listed companies, firm size, leverage, liquidity, audit firm size, professional qualification and firm effects were selected for test in this study. These attributes are discussed in the following sub-sections.

Firm Size

Firm size is a corporate attribute and many studies have consistently reported that it has a significant relationship with the extent of disclosure. In studies such as those by Cerf (1961), Naser, Al-Khatib, & Karbhari (2002), Hancock & Izan (2006), Abd-Elsalam & Weetman (2007), Apostolou & Nanopoulos (2009), Angyei-Mensah (2012), Bhayani (2012), and Saheed (2013), the observation is made that company size represented by total assets influences disclosure because large companies usually operate over wide geographical areas and deal with multiple products and have several divisional units. They are likely to have well-built information system that enables them to track all financial and non-financial information for operational, tactical and strategic purposes. The study further revealed that with this type of well-structured internal reporting system, the incremental costs of supplying

information to external users will be minimal. These characteristics make them disclose more information than their smaller counterparts.

Owusu-Ansah (1998), reported that theory, intuition and empirical studies suggest that size positively influences mandatory disclosure practices of firms; but Wallace et al, (1994) argued that the theoretical basis for such relationship is unclear. Singhvi & Desai (1971) reported positive relationship between company size and disclosure because large firms can afford cost of accumulating detailed information and can realize possible benefits of disclosure in the capital market. On the other hand, smaller firms feel that full disclosure can endanger their competitive positions.

Jensen & Meckling (1976) and Leftwich et al, (1981) argued that large firms have higher agency costs than smaller firms and therefore, the higher the monitoring cost the more disclosures are made. Watts & Zimmerman (1986) asserted that large firms are more visible than smaller firms and as a result, more exposed to public criticisms. Singhvi & Desai (1971 maintained that given the fear of competition, small firms disclose less information than large firms.

Despite the overwhelming evidence in support of the positive correlation between size and extent of disclosure, Street and Gray (2001); Malone, Fries, and Jones (1993); Wallace et al. (1994) and Wallace and Naser (1995) found no such association. They argued that large firms are visible and susceptible to political attacks, in the form of pressure for the exercise of social responsibility and greater regulation such as price control (Malone, Fries, & Jones, 1993) and higher corporate taxes (Wallace et al., 1994). Big firms may react to this political action by avoiding attention which disclosure of some significant facts could bring to them (Wallace & Naser, 1995). Therefore, they argued that large firms disclose less detail information in their annual reports to avoid attention than smaller firms. This study intends to

examine the influence of company size on disclosure, using total amount of fixed assets as a control variable.

Leverage (Gearing Ratio)

Leverage is the degree to which an investor or business utilizes borrowed money in its operations. Leverage is measured by long term debt-to-fixed assets ratio, which is calculated by dividing total debt by total assets. This is represented by the formula:

$$Le = \frac{TOTAL\ LONG\ TERM\ DEBT}{TOTAL\ FIXED\ ASSETS} \quad \text{... (1)}$$

Where:

Le = leverage or gearing ratio.

Studies have reported that incidence of high monitoring of the firm by the loan providers takes place in firms which use high level of debt in their capital structure. The cost, associated with the use of debt that may be referred to as ‘monitoring cost’ may come down if the degree of corporate disclosure increases (Jensen & Meckling, 1976). Thus, for reducing the monitoring costs, firms are expected to disclose more information. What this means is that the association between the level of corporate disclosure and leverage is likely to be positive (Aksu & Kosedag, 2005; Craig & Diga, 1998; and Cadbury, 1992). Financial leverage is reported to be expected to influence the extent/degree of disclosure because a heavily leveraged firm has a greater urge to satisfy the demand for information by its long-term creditors (Chow & Wong-Boren, 1987).

On the other hand, Nandi and Ghosh (2012) and Allegrini and Greco (2011) reported a negative relationship between leverage and corporate disclosure of mandatory items in accounts. This was supported by Maimako and Oladele (2008) who reported that the more total debt there is, the greater the financial leverage and the greater the risk of the company winding up. For investors, leverage means buying on margin or using derivatives such as

options to enhance return on assets without increasing investment (Meek, Roberts & Gray, 1995).

Theoretically, high leverage is assumed to be risky because higher leverage makes equity holders uncomfortable and afraid that they may lose their investment to creditors in the event that the company is unable to meet its obligations to the creditors. Therefore, boards of highly geared companies tend to reduce disclosure of accounting information relating to gearing in order to avoid shareholders negative reactions. The various leverage ratios considered in previous studies are debt to equity ratio, debt to total assets, and capital gearing ratio.

However, disclosures are likely to increase with leverage, because firms may want to disclose detail information to gain access to both capital and money markets (Capital Market Theory). At the same time, it is sensible to think again that a high geared company's managers will not want to create problems with the company's shareholders by exposing the high risk position of the firm to the shareholders, where the company is highly geared. In addition, other stakeholders of the company will not also be comfortable with a high rate of gearing ratio (Maimako & Moses, 2011).

Liquidity (Current Ratio)

Liquidity is represented by several financial ratios that can be used to evaluate the liquidity position of a firm. These ratios include current ratio, the quick ratio or acid test ratio and net working capital ratio. This study uses current ratio because Current ratio represents a wider picture of the efficiency at which short term funds of the firm are managed. This ratio is calculated using the following formula:

$$LR = \frac{CURRENT\ ASSETS}{CURRENT\ LIABILITIES} \quad \ldots (2)$$

Where:

LR = Liquidity Ratio (Current Ratio)

Liquidity has not being an important firm characteristic that is widely used as an explanatory variable in previous studies (Nandi & Ghosh, 2012). This is because, firms holding large amount of current assets (high liquidity) may not employ such funds held in current assets to earn a higher rate through investments in quick business opportunities. This may raise doubts among providers of equity funds and about the firms' efficiency in managing its short term finances (Nandi & Ghosh, 2012). Under such a situation, they added such a firm may not be a good choice among the investing community (Nandi & Ghosh, 2012). In order to relieve the anxiety of the stakeholders including that of the investing community or in order to earn their patronage, the firm may feel extremely motivated to provide adequate information relating to its operational efficiency (Nandi & Ghosh, 2012). Based on this proposition it is expected that liquidity is positively correlated with the corporate disclosure level.

In a previous study by Naser et al. (2002) a positive association was observed between the degree of corporate disclosure and liquidity. Cooke (1989) argued that the soundness of the firm as portrayed by high liquidity is associated with greater disclosure level.

Belkaoui and Kahl (1978) on the hand, found no relationship between liquidity and disclosure level. But Wallace and Naser (1995) have found a significant negative association between liquidity and disclosure level for unlisted Spanish companies. They explained that it is always difficult to plough excess liquidity into profitable opportunities that have returns in excess of the cost of capital; such information is never revealed in financial statements. Therefore, the argument about whether or not liquidity increases compliance with accounting standards disclosure requirements persist.

Audit firm Size

External auditors play a valuable role in the corporate governance disclosure practices of firms (Nandi & Ghosh, 2012). The necessity for an independent external audit of the financial statements is widely acknowledged and provides reassurance to investors of managers' stewardship of the firm's resources (Watts & Zimmerman, 1986). Firms with boards that are more independent may pay higher audit fees, suggesting independent directors demand greater diligence on the part of the auditors in examining accounts (Carcello, Hermanson, Neal & Riley, 2002).

Audit firm is measured in two was, audit quality and quantity. Audit quality is a difficult variable to measure when used as explanatory variables for the variation in extent of disclosure. Drawing from previous studies, researchers have always adopted the idea of using audit firm size to measure audit quality. In order to study the relationship between audit firm size and extent of disclosure, the study adopted Singhvi and Desai (1971) classification in line with Carcello's, et al., (2002) approach in which audit firm's size was classified into two main categories. The first category is made up of large firms with international affiliations who demand higher audit fees and the second category is made up of local firms without international affiliations who demand lower audit fees due to the level of expertise.

Large audit firms have a more valuable reputation to protect (DeAngelo, 1981) and are a bigger target for litigation (Amiram, 2008; and Dye, 1986), which provides them with an incentive to be more conservative and more diligent, hence there existed a historical association between higher audit quality and larger audit firms in some studies (Amiram, 2008; Palmrose, 1988; and Lennox, 1999a). In addition, large audit firms have more resources available to them and their 'deeper pockets' may also contribute to their greater litigation risk (Lennox, 1999b). For these reasons, clients may have believed larger audit

firms offer greater assurance on financial statements prepared for external parties and consequently may have appointed a larger audit firm to signal their own quality.

However, Chaney and Philipich (2002) reported that the presumption that large audit firms conduct higher-quality audits has been questioned since the high-profile audit failures in 2001–2002. The lack of differential audit quality associated with large audit firms after 2001 has been offered as a reason for the apparent disappearance of the lower cost of equity capital for Australian firms with a Big 4 auditor (Azizkhani, Monroe & Shailer, 2010)

More recently, there has been increased emphasis and regulatory attention on the need for independence on the part of the external auditor, with focus on the level of consultancy services and other non-audit services (NAS) offered to audit clients and on the length of auditor tenure ((Nandi & Ghosh, 2012). Frankel, Johnson and Nelson (2002) reported a positive association between NAS and discretionary accruals just as Larcker and Richardson (2004)'s findings in their examination of "fees paid to audit firms, accruals choices and corporate governance" (p. 219). However, Defond, Raghunandan and Subramanyam (2002) found no significant association between auditor's independence (proxy by the issuing of going concern opinions) and NAS. But again, Nandi and Ghosh (2012) reported that the provision of NAS to an audit client is either prohibited or severely restricted in some jurisdictions.

Longer audit tenure may reduce information asymmetry between the auditor and the client, and rather than being detrimental to audit quality, longer tenure may be associated with higher audit quality and a lower likelihood of audit failure (Nandi & Ghosh, 2012). This is corroborated by Myers, Myers and Omer (2003) who found evidence of lower dispersion in discretionary accruals for firms with longer audit firm tenure, consistent with the view that management discretion is constrained by longer-term relationships with auditors. Chen, Lin

and Yi (2008) found evidence of lower discretionary accruals for Taiwanese firms with longer audit firm tenure, after controlling for partner tenure.

In contrast, Carey and Simnett (2006) found among Australian firms that longer audit partner tenure is associated with lower audit quality. Their evidence predominantly related to clients of audit firms other than the Big 6.

Audit fees are associated with client size, complexity and the risk associated with the audit (Hay, Knechel & Wong, 2006). To determine the appropriate audit fee, auditors assess the risk associated with the client and plan their work accordingly (Bell, Landsman & Shackelford, 2001; Bedard & Johnstone, 2004). As a result, firms with greater income-increasing discretionary accruals tend to pay a higher audit fee (Abbott, Parker & Peters, 2006), whereas firms with higher-quality corporate governance disclosure and a financial expert on the audit committee pay less (Krishnan & Visvanathan, 2009). We therefore hypothesised that: Companies that engage audit firms with international affiliations tend to disclose more information than companies that engage local audit firms without international affiliations.

Professional Qualification (Chartered Accountants)

The primary responsibility for preparing annual reports rests with the principal accounting officers of the company, particularly the Executive Director Finance and Accounts. If he or she is an expert or the General Manager Finance and Accounts. Based on the training of professionally qualified accountants before they are admitted to membership, they are assumed to be better qualified than non-qualified accountants. Given the weight placed by regulators on corporate governance, we expect to find a positive link between governance and accounting quality in relation to professional accountants. For example, the UK Cadbury Report (1992) emphasised that there is the need for non-executive directors to

be included on the board of directors and the presence of an audit committee to monitor financial reporting quality. The report observed that:

> The board of directors has the primary responsibility for the corporation's external financial reporting functions. The Chief Executive Officer and Chief Financial Officer are crucial participants and boards usually have a high degree of reliance on them for the integrity and supply of accounting information. They oversee the internal accounting systems, and are dependent on the corporation's accountants and internal auditors (p.234).

This sentiment has been reflected in many corporate governance codes around the world, for example, the Code of Best Practices on Corporate Governance in Nigeria, 2003 and the Australian Stock Exchange’s Principles of Good Corporate Governance (Securities and Exchange Commission’s Code of Best Practices on Corporate Governance in Nigeria, 2003; and Australia Corporate Governance Council, 2003).

The existence of a link between corporate governance characteristics of qualification and different forms of accounting quality has not been investigated widely. In studies by Parry and Groves (1990) it was stated that:

> Where some enterprises employ professionally qualified accountants and other enterprises employ non-qualified accountants, we predict that there is bound to be variations in the extent of mandatory disclosures between the two enterprises in favour of the enterprise that engaged the services of a professional accountant (p. 56).

This is because, the application of SAS and IAS in the preparation of financial statements requires expert knowledge of accounting techniques/methodologies and it is expected that a qualified professional accountant should understand these techniques for him/her to deploy them to provide required information in the annual reports than non-qualified accountants. In

this case, the quality of financial reports and extent of disclosure in annual reports is expected to relate positively with qualification of accountants, because qualified accountants are the most knowledgeable practitioners in financial reporting.

Adeyemi (2006) suggested that "… qualification of accountant assists the quality of financial reports and volume of disclosure of accounting information" (p. 115) because a qualified accountant belongs to a professional body. However, Adeyemi (2006) did not test the qualification attributes statistically, neither did the study investigated this attribute empirically. However, the expectation is that there would be a positive association between qualification of accountant and the level of disclosure in financial reports, because a chartered accountant is highly skilled technically to ensure that financial statements prepared by him disclose relatively more information in relation to his skills and competences.

The second aspect of the influence of qualification of accountant on the accounting disclosures stemmed from agency theory (Jensen & Meckling, 1976); information asymmetry (Pandey, 2001) and theory of motivation (Stoner, Freeman & Gilbert, 2005). If rewards are provided (motivation theory) in order to avoid information asymmetry by shareholders through the board to the Executive Director Finance (agency theory), the Executive Director or Manager Finance and Accounts, being an accounting expert should comply fully with accounting standards. Some incentives that spur increase or decrease in disclosure can arise from executive compensation schemes, because the executive director is expected to benefit directory from non-disclosure or more disclosures.

This study hypothesized that motivation and other effective systems meant to encourage compliance could be a better approach to get accountants to abide by the code of engagement, for example, professional ethics. Agency theory is employed in examining the

influence of qualification of accountants on the level of mandatory accounting disclosure compliance.

Firm Effects

The relationship between firm effects and the extent of disclosure has not been adequately examined in earlier studies to the best of the researcher's knowledge. Firm effects include the special features of a firm such as managerial style, managerial philosophy, type of market, and process of production (Gujarati, Porter & Gunasekar, 2012). It also includes other heterogeneous factors that are left unobserved in a research, for example, time effect factors like changes in government regulations, taxation laws and regulatory policies (Brown, Beekes & Verhoeven, 2011). These factors tend to influence the intercepts of the regression model in an attempt to estimate the relationship between one dependent variable and two or more independent variables (Gujarati, et al., 2012).

In considering fixed effects factors, this study used econometric model- Multiple Regression Statistics (Fixed Effect Least Square Dummy Variable Model) used by Gujarati, et al. (2012) in analysing the influence of corporate governance elements on development. In applying a normal regression model, it was assumed that the pooled regression equation can bias the slope of the estimate because the enterprises were considered as being the same; whereas, this was not the case (Gujarati, et al., 2012). Borrowing from econometrics, Brown, Beekes and Verhoeven (2011) reported that:

> Because the problem of endogeneity is a real and serious one in much of the corporate governance literature, with most studies merely mentioning the possibility of endogeneity, … the focus is on two commonly used methods, fixed effects estimation and an instrumental variables (IV) approach (p. 7).

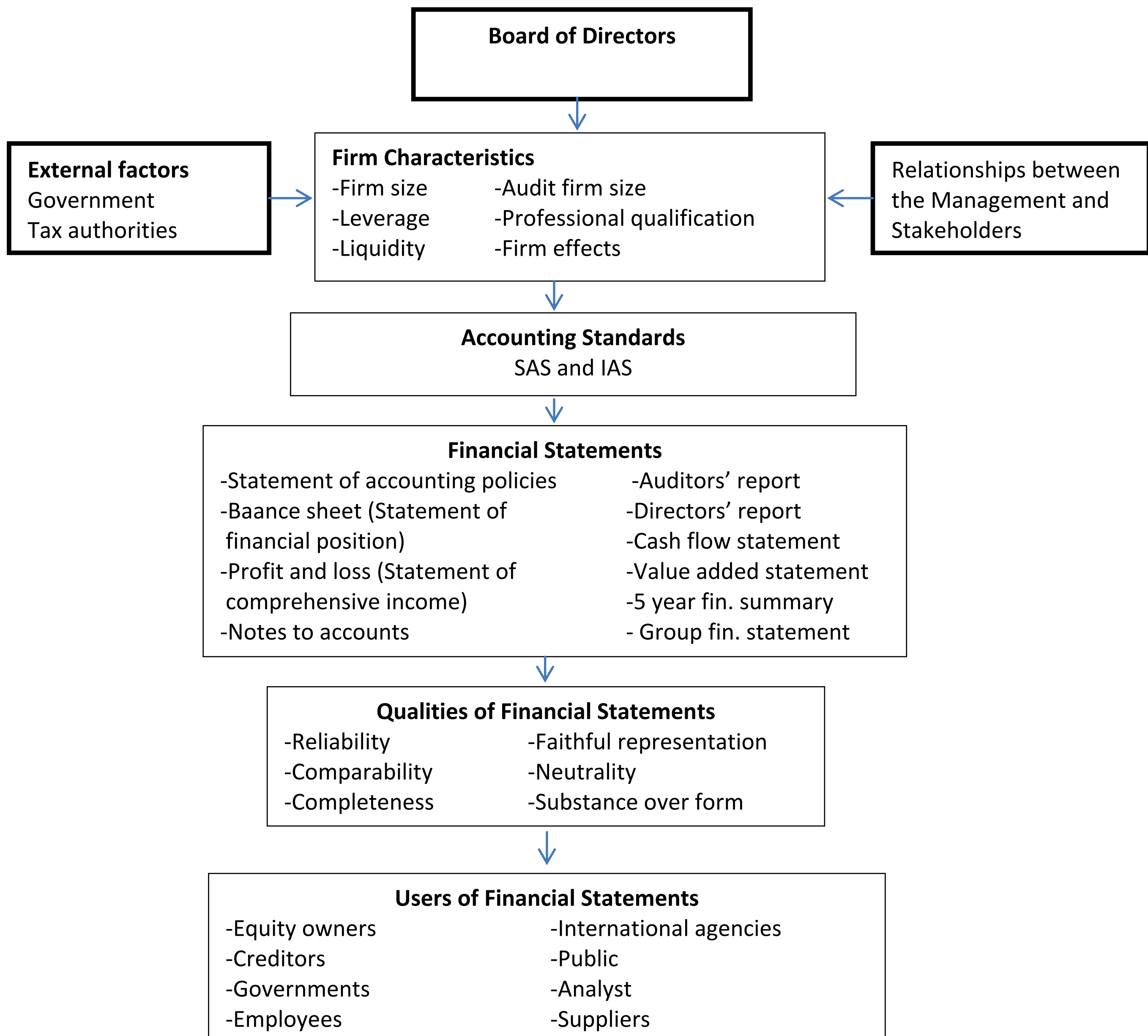
They suggested that to eliminate endogeneity resulting from unobserved heterogeneity, the longitudinal design (with both cross-sectional and time series data) should employ panel data ordinary least square (OLS) regression with firm fixed effects to analyse the data.

Therefore, in considering the effect of these special features of the firm on accounting disclosures using multiple regression analysis, we allowed the heterogenetic factors among the enterprises to respond to accounting standards application in preparing financial reports individually. To achieve this, it was necessary to introduce the elements of firm effects of each enterprise into the regression model by allowing the fixed effect intercept to vary among the enterprises in accordance with their effects on the slope (Brown, Beekes & Verhoeven, 2011). This was achieved through the use of the Fixed Effect Least Square Dummy Variable Model in which the model identified and isolated the effect of each enterprise's firm effects on disclosure compliance. This helped to isolate the actual effect of any firm attributes on disclosure. This aspect of disclosure research has been ignored by previous studies on disclosure of accounting standards requirements in financial statements.

2.2.5 Relationship between Corporate Attributes and Extent of Disclosure

Figure 1 shows the model that provides an integrated framework that gives general guidelines for analysing the relationship between accounting disclosures (compliance with accounting standards requirements) and corporate attributes identified in this study (firm size, leverage, liquidity, audit firm size, and professional qualification) and firm and time effects factors. The model combines contingency, agency, stakeholder, stewardship and resource dependence theories to pictorially explain how corporate attributes and firm and time effects factors influence compliance with accounting standards disclosure requirements.

The model indicates that appropriate managerial action depends on two fundamental factors, the environment (owners and stakeholders) and the situation of the firm (the nature of the firm). The level of compliance with accounting standards requirements depends on first the nature (characteristics and firm effects) of the firm and second on the obligations existing between the board and owners on one part and the board and stakeholders on the other part.



Source: Field Study, 2014

Figure 1: Conceptual Framework for Studying the Association between Corporate Attributes and the extent of Compliance with Accounting Standards Disclosures by Commercialised Federal Government Enterprises in Nigeria

Figure 1 shows the conceptual model for studying the effect of corporate attributes on compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria. The model identifies the board as authorities responsible for preparing financial statements. The preparation of financial statement by the board depends on environmental (internal and external) factors including the relationship between the management and the stakeholders. The internal factors are represented by corporate attributes and the relationships are measured by the theories (reasons for the management actions) explaining such relationships. Accounting standards are used as guiding principles by the board and its management in preparing the financial statements, with the intention that they meet the needs of the users as they meet the qualities of financial statements (Greuning, Scott & Terblanche, 2010). However, the qualities of the financial statements are affected by the characteristics of the firm and the nature of the firm. The desire by the board to meet the needs of users depends also on the kind of relationship that exists between them and each group of users.

2.3 CORPORATE ACCOUNTABILITY AND DISCLOSURE

Accountability is a pivotal concept in many fields and has remained an elusive concept close to, but different from, responsibility. In corporate governance, Licht (2002) stated that a standard starting point for discussing accountability and corporate governance is Milton Friedman's famous statement that "the social responsibility of business is to increase profits" (Friedman, 1970, p. 32). Licht (2002) defined accountability in corporate governance as "a norm of governance, stipulating particular modes of wielding power and of responses to power in the real sense of the term" p. 6). He emphasised that accountability "has to do with relationships between corporations and corporate officers and between various social

constituencies" (p. 6). Licht (2002) offers a representative description of accountability, as follows:

> A relationship in which an individual or agency is held to answer for performance that involves some delegation of authority to act… which performance is expected by some significant "other"… accountability is a generic form of social relationship found in a variety of contexts… Accountability does not necessarily imply the existence of democracy; rather, it suggests any form of governance conducted through some delegation of authority (p. 26).

However, in financial reporting the term accountability has been used to mean stewardship of management to the owners of companies (IASB's Framework (183), 2006). The literature on accountability as a form of stewardship is well documented in the IASB and FASB proposed Discussion Paper (DP) "Preliminary Views on an improved Conceptual Framework for Financial Reporting" and the current IASB Framework which also refers to the two (accountability and stewardship) interchangeably (paragraph 14) (IASB's Framework, 2011). In that discussion paper, the respondents and commentators, who included: users, preparers, investors and other stakeholders, were asked whether it mattered to them, if the label of financial statements was called stewardship or accountability (IASB, 2006). The responses of commentators in the comment letters suggested that there were a number of different interpretations of the term stewardship and that the respondents used the terms 'stewardship' and 'accountability' interchangeably in the comment letters (IASB, 2011).

Some constituents that have addressed this issue suggested that they replaced the term 'stewardship' with 'accountability' because they believed that 'accountability' is the true reason for producing the financial reports and to some the term 'stewardship' was some old

fashioned way of referring to accountability (IASB, 2006). The current IASB Framework makes similar inferences when discussing stewardship or accountability. Paragraph 14 of the Framework noted that:

> Financial statements also show the results of the stewardship of management, or the accountability of management for the resources entrusted to it. Those users who wish to assess the stewardship or accountability of management do so in order that they make economic decisions; these decisions may include, for example, whether to hold or sell their investments in the enterprise or whether to reappoint or replace the management (IASB, 2011, p. 132).

The foregoing discussion indicates that the two terms are used interchangeably in financial reporting.

To achieve accountability, it is usual to consider the seven principles. These include delegation, responsibility, disclosure, autonomy, authority, power and legitimacy (Licht, 2002). These principles are discussed in details in subsequent subsections.

Suffice to say that conditions for the existence of accountability systems include:

1. One group member acts in a manner that harms others (agency theory).
2. Those harmed are sufficiently alarmed to incur the costs of monitoring and censuring (Lerner & Tetlock, 1994)

These conditions defined a partial set of social settings in which accountability was anticipated by both parties and may therefore affect behaviour (Lerner & Tetlock, 1994). For example, the first condition describes a corporate environment in which shareholders who are owners of the company (principal) entrusted their company into the hands of the board/management (agent) (Jensen & Meckling, 1976). The separation of ownership from management indicates that shareholders look to financial reporting to access information

relating to management's stewardship of the business. In this situation, managers are under obligation to disclose relevant information in the financial reports, in line with the relevant accounting standards and other statutes. The stewardship report is a medium through which management shows accountability to the owners.

However, where there is a conflict of interest between shareholders and management, this may take the form of a breach of trust by managers either by intentional acts, omission of key facts from financial reports, neglect, or incompetence. When management does not discharge its duties as prescribed by the relevant statutes responsibly, the second condition which is "those harmed are sufficiently alarmed to incur the costs of monitoring" occurs by ensuring that there is potential monitoring and censuring by shareholders. One way in which this can be avoided is for entities' managers to act responsibly by being accountable and transparent, disclosing full information to shareholders and other stakeholders in the stewardship or accountability report.

2.4 CORPORATE RESPONSIBILITY AND DISCLOSURE

Corporate responsibility connotes the sense of being under an obligation to act in accordance with the powers delegated to an officer in an organisation. Giesler and Veresiu (2014) described corporate responsibility as a core component of corporate strategy and a crucial instrument to minimize conflicts with shareholders and stakeholders. Feltus and Petit (2009) have written that:

> Corporate responsibility policy functions as a self-regulatory mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms (p. 7).

Corporate responsibility functions in two ways: the first operates under the agency theory (Jensing & Mechling, 1976) and the second operates under the stakeholder theory

(Gray, 1997). Corporate responsibility under the agency theory believes that the shareholders and the management are believed to be in a principal-agent relationship. The shareholders theoretically engaged the members of management team to run the organization on their behalf. The underlying assumption is that the agent is under obligation to account to the shareholders of their stewardship. The obligation to accounts confers a responsibility to report to the shareholders in details (disclosure) on how the assets of the company were managed. Friedman, (1970) reported that "a corporation's purpose is to maximize returns to its shareholders and that obeying the laws of the jurisdictions within which it operates constitutes responsible behaviour" (p. 20). Cheng and Farber (2008) reported that openness, honesty and transparency in accounting and financial reporting are critical elements of business ideology known as corporate responsibility. He emphasized that accurate and transparent accounting practices are integral to corporate responsibility (Cheng & Farber, 2008). In some models, a firm's implementation of corporate responsibility goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which was required by law (McWilliams, Siegel, & Wright, 2006; and De George, 2011).

Under the stakeholder theory, one motivation for companies to adopt corporate social responsibility measure is to satisfy other stakeholders. Branco and Rodrigues (2007) described the stakeholder perspective of corporate social responsibility as the set of views of corporate responsibility held by all groups or constituents with relationship to the firm. In their normative model, the company accepted these views as long as they did not hinder the organization from achieving its set goals (Branco & Rodrigues, 2007). The stakeholder perspective of corporate social responsibility acknowledges the desire by management to

disclose additional information that was not required under the law (discretionary or voluntary disclosures).

2.5 ACCOUNTABILITY AND RESPONSIBILITY FOR DISCLOSURE

The important elements of an organization's accountability and responsibility for disclosure are based today on the quality of the information released by the accounting practices, policies and procedures of the organization in the stewardship/accountability report. This could be corporate, social or public sector, and how stakeholders and stockholders judge the information contained in the reports. The orgaisation's accountability and responsibility for preparing financial statements are explained by the accounting practices, policies and procedures followed in producing the stewardship/accountability reports. The requirements are contained in the SAS and IAS's requirements for preparing and presenting financial statements to aid users in making informed decisions.

The requirements demand that financial statements are prepared and presented for external users by entities and provided guidelines on the structure (form) and contents of these financial statements, to ensure comparability with other entity's financial statements. These include the components of the financial statements that together would be considered a complete set of financial statements for a variety of uses depending on the circumstances (Greuning, Scott, & Terblanche, 2010).

In preparing the revised common requirements, two set of conceptual frameworks- the stewardship/ accountability and the resource allocation decision usefulness objectives financial statements were contemplated by the IASB and FASB (IASB, 2006). The stewardship/ accountability objective financial statements stated that shareholders, in their capacity as owners of the business, make decisions other than to buy, sell or hold (IASB, 2006). The other decisions include a consideration of whether they, as owners of the business, need to intervene in its management. The shareholders look at financial reporting to

access information relating to management's stewardship of the business (IASB, 2006). The IASB (2011) makes the point that:

> It is obvious from the preparers' comments that management is keen to communicate to the investors by means of financial reporting. For them, it is the means by which they make the agency relationship work and ensure ongoing communication with the investors in the company. GAAP provides a language for communication with investors that is mutually understood and its use in producing financial reports means that the information provided therein is unambiguous and has credibility as well as being seen as independently verified during the audit process (p. 32).

Worthy of note also is the fact that the converged conceptual framework specifies only one objective of financial reporting, that is "…being the provision of information that is useful to users in making investment, credit and similar resource allocation decisions" (IASB, 2006, p. 41), the resource allocation decision-usefulness objective. The IASB (2006) discussion paper argued that this objective encompasses providing information useful in assessing management's Stewardship.

However, the majority of opinions of respondents to the discussion paper pointed to the fact that the stewardship objective is information that provides a foundation for a constructive dialogue between management and investors. The respondents elaborated that stewardship is inherently linked to agency theory. If owners assigned stewardship of their company to management, they would want to oversee management behaviour to ensure that:

i. It is aligned to the owners' objectives;
ii. Management are devising strategies aimed at making the best use of company assets; and
iii. No misappropriation of the company assets takes place (Lennard, 2006).

Lennard (2006) further asserted that the owners would attempt to ensure alignment to their objectives by monitoring the company against some criteria, such as the increase in profits and net assets over the year (s).

Eisenhardt (1989) argued that the main focus of agency theory is where there is a conflict between owners and management. Agency theory is concerned with resolving two problems that can occur in an agency relationship. The first problem arises when:

(a) The desires or goals of the principal and agent conflict and

(b) It is difficult or expensive for the principal to verify what the agent is actually doing (Eisenhardt, 1989).

This means that the principal anticipated misbehaviour but cannot verify that the agent has behaved appropriately or inappropriately. The second problem is that of risk sharing. That is when the principal and the agent have different attitudes towards risk and therefore prefer different actions (Eisenhardt, 1989).

In addition, respondents to the discussion paper complained that if the objectives of stewardship/ accountability and the resource allocation decision-usefulness in the framework are separated, there would be in use a variety of definitions of the elements of financial statements. One definition would be to meet the stewardship objective and another would be to meet the resource allocation decision usefulness objective (IASB, 2006). This circumstance would also result in the use of different criteria for recognition and measurement of items in the financial statements and a preference for different bases of measurement to satisfy each of the objectives (IASB, 2006). This action would have serious consequences on the scope of the financial statements and the disclosures made in them. Therefore, the IASB (2011) stated that the interest of the convergence framework is to

narrow these differences by harmonizing the regulations, accounting standards and procedures relating to the preparation and presentation of financial statements (IASB, 2011).

Thus in Nigeria SAS 2 specifies that the financial statements of an enterprise should state among the following:

i) Statement of accounting policies.

ii) Balance sheet, Profit and loss account or income statement.

iii) Notes to the accounts.

iv) Statement of cash flows.

v) Value added statement.

vi) Five-year financial statements, was changed with the introduction of IFRS and the revised IAS; was changed to IAS 1: Presentation of Financial Statements.

The revised IAS stated that financial statements are a structured representation of the financial position and financial performance of an entity. The complete set of financial statements under IAS 1 comprises:

i. A statement of financial position as at the end of the period.

ii. A statement of comprehensive income for the period.

iii. A statement of changes in equity for the period.

iv. A statement of cash flows for the period.

v. Notes, comprising a summary of significant accounting policies and other explanatory information, and

vi. A statement of financial position as at the beginning of the earliest comparative period; when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassified items in its financial statements.

These set of financial statements meet the two objectives of stewardship/accountability and the resource allocation decision usefulness advocated making financial statements useful to all users. Greuning, et al., (2010) stated that:

> Financial statements also show the results of management's stewardship of the resources entrusted to it. This information, along with other information in the notes to the financial statements, provides users of financial statements with information about the amount, timing and uncertainty of the entity's future cash flows in order that they can make economic decisions. In order to meet this objective, financial statements contain information about-
>
> i. assets;
>
> ii. liabilities;
>
> iii. equity;
>
> iv. income and expenses, including gains and losses;
>
> v, contributions by and distributions to owners in their capacity as owners; and
>
> vi. cash flows (P. 4)

2.5.1 Delegation and Disclosure

Delegation is the assignment of responsibility or authority to another person (normally from a manager to a subordinate) to carry out specific activities (Angst & Borowiecki, 2013). It is one of the core concepts of management leadership. However, the person who delegates the work remains accountable for the outcome of the delegated work (Finacial Regulations, 2009). Delegation is a corporate governance element and Agency theory offers assistance in understanding the complex motivations of managers under delegated authority from the board, towards compliance with accounting standards in financial reporting (Hendriksen & van Breda, 2001). Agency theory concerns with resolving

the problems that can occur in agency relationships (Jensen & Meckling, 1976). They argued that the agency relationship is a contract under which the board of the organization (principal) engages the managers (agent) to perform some services on their behalf. Under this arrangement, the board delegates some decision making authority to the managers.

However, both parties are utility maximizers, with varying philosophies and this could result in divergent and misaligned interest between them. For example, the board would want to maximize net present value of the firm to impress shareholders that they are indeed discharging their duties as expected; while the managers would want to maximize their own utility of which income is part of it. In most cases, managers will not always act in the best interests of the board. Managers could hide some information for selfish purpose by not disclosing important facts about the organization in the report prepared for them, if the implication of such disclosure will hurt their interest (Barako, Hancock & Izan, 2006). The board faces moral dilemma because most times they cannot ascertain or evaluate the calculations and valuations included in the financial reports.

This conflict of interest can only be resolved by board threatening to remove the management (Al-Shammari, 2005) by withdrawing the delegated authority or by some form of sanctions, such as changing the management. Management naturally would not want to lose the powers or delegated authority confers on them by the board and so tries to discharge its own responsibility of disclosing in full all relevant information more than the management would have preferred, if the authority they enjoy is not delegated to them by the board. This means that delegation increases disclosure in financial reports of items the board are perceived to be interested in, for the fear that the board may change the management.

2.5.2 Legitimacy and Corporate Disclosure

Suchman (1995) defined legitimacy as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (p. 574). In the conception of this study, legitimacy theory has the role of explaining the behaviour of management towards mandatory disclosures of information in order to fulfil the conditions under their contract with owners, which helps in the recognition of the objectives and the survival of the firm in the turbulent business environment.

In addition, under legitimacy theory, social perceptions of the organization's activities are reported in accordance with the expectations of society and the stakeholders. In such a situation, the organization's activities are expected to align with the existing obligations, social and moral values. If it fails to do so the organization would be severely sanctioned by society.

The managers are hired to run the enterprise on behalf of the owners to provide products and services under existing obligations in the society. Under legitimacy theory, they have the authority, power and autonomy to discharge their duties efficiently and effectively within the confine of their authority and to report all the details to the owners who assigned the responsibilities to them unhindered (Jensing & Meckling, 1976). Where this duty is not discharged as expected, managers stand the chance of losing that legitimacy confers on them by the owners. Therefore, because managers do not want to lose that legitimacy, they try to disclose relevant information to the owners as required by law to prevent the owners from taking actions that would be unpleasant to the management.

2.6 CORPORATE TRANSPARENCY AND DISCLOSURE

A fundamental feature of the information environment is corporate transparency, defined as the widespread availability of relevant, reliable information about the periodic performance, financial position, investment opportunities, governance, value, and risk of publicly traded firms (Bushman, Piotroski, & Smith 2001). Corporate transparency is an element of corporate governance that facilitates the removal of all barriers to and the facilitation of free and easy public access to corporate information. Greuning, et al., (2010) stated that:

> In forming a safe environment for stakeholders, corporate governance rules should focus on creating a culture of transparency. Transparency refers to making information on existing conditions, decisions and actions accessible, visible and understandable to all market participants (p. 7.

Many companies are now required to adopt transparency principles, which are management principles that allow all decision making processes to be carried out publicly (Greuning, et al., 2010). All draft documents, all arguments for and against a proposal, all final decisions, and the decision making process itself are made public and remain publicly archived (Bratton & Wachter, 2008). This is common in management circle as the minutes of meetings and decisions taken that affects major aspect of the business is expected to be disclosed in the management letter accompanying financial statements (IAS 1).

The framework for conceptualizing and measuring corporate transparency has three main elements: corporate reporting (mandatory), information dissemination and institutional investors and corporate insiders (Bratton & Wachter, 2008). The first element in the framework concerns the quality of corporate reporting through financial reports. This relates to the measurement of corporate disclosure intensity and also the prevalence of specific types

of accounting and governance disclosures, the timeliness of disclosures, and the credibility of disclosures as measured by the accounting firms in total value audited. The advantage of this form of disclosure is that it is mandatorily required by statutes.

Information dissemination element functions through the media. This is related to the availability of company information and other information released by the company or third parties about the company via internet channels or private information acquisition and communication by financial analysts. The advantage of this source of information is that it helps to corroborate the official information channel, the annual reports.

The institutional investors and corporate insiders include core investors, Stock Exchanges, board of directors, suppliers, management and a host of others; and they have one form of information or the other that is made available to other interested parties (Bratton & Wachter, 2008), such as Stock Exchange Facts Book, Company Newsletters, and Pamphlets. Transparency requirements imposed by legislations and statutes in Nigeria are Freedom of Information Act (FIA) (2012), SEC (2004), FRCN (2011), CAMA (2004 as amended) increased the need for companies to disclose information for the benefits of users and in keeping with the spirit of the laws.

The need to be transparent helps to improve disclosures in financial reports, which is vital for corporate governance that increases shareholders and stakeholders' confidence in financial reports. Business organizations disclose their financial and operating results in an attempt to meet the requirements of transparency. This ensures that shareholders and other stakeholders understand the nature of the organization's operations, current state of affairs and future direction in terms of profitability, financial viability and in understanding the various valuation methods used in preparing financial statements.

Most countries now require that companies should use the revised International Accounting Standards (IAS) as a reporting framework and guidelines to improve disclosure in order to show that companies are transparent (IASB, 2011). Transparency also requires the board to disclose the inherent risks and estimates used in preparing financial and operating results in order to give investors a clear understanding of the board and management's business judgment (Beattie, Mclnnes & Fearnley, 2004). This would highlight such other weaknesses in corporate governance as poor risk diversification, inadequate loan valuation and fraudulent insider-related malpractices to prevent collapse (Ogidefa, 2008). According to Rogers (2006), transparency is integral to corporate disclosure as higher transparency reduces information asymmetry between the management and financial stakeholders, mitigating the agency problem in corporate governance through more disclosures in financial reports.

The Central Bank of Nigeria (2006) insisted that corporate transparency requires adequate disclosure of information. It asserts that transparency should aid adequate disclosures of key accounting and financial attributes of financial reports as an attribute of good corporate governance which the merged banks must cultivate with new zeal in order to provide stakeholders with the necessary information to judge whether their interests are being taken care of or not (CBN, 2006).

2.7 ACCOUNTING STANDARDS AND DISCLOSURE OF ACCOUNTING INFORMATION

The practice of accountancy worldwide is guided by sets of guidelines and rules. The rules and guidelines are compiled into accounting code of principles and practices called Accounting Standards (Izedonmii & Ola, 2001). They are statements of principles that discuss the accounting treatment and disclosure of a particular item or group of items in accounting records. Silicon (2012) described accounting standards as principles that direct on specific treatments of each item of financial transaction in accounts. In other words, these are

guiding principles that are expected to be followed in maintaining financial and non-financial records of transactions of an organization.

2.7.1 Accounting Standards and Financial Reporting

This subsection of the literature reviewed prior literature relating to statements of accounting standards (SAS), and International Accounting Standards (IAS) and the process of recording accounting transactions, preparing and publishing financial statements.

Accounting standards comprised of the conceptual framework for financial reporting, Generally Accepted Accounting Practice (GAAP) and specific accounting standards that are to be followed in accounting practices. There are two sets of accounting standards governing the accounting practices of companies in Nigeria today, including commercialised government business enterprises. These are the Statement of Accounting Standards (SAS), and the International Accounting Standards (IAS). These standards are discussed in the following sub-sections.

Statements of Accounting Standards (SAS)

These are principles based set of standards that establish broad rules as well as directing on specific treatments of each item of transactions in accounts of private sector companies and government business enterprises in Nigeria. These standards comprise of the conceptual framework of financial reporting and 32 standards with each accounting standard specifying the item of accounting treatment to be applied. The statements of accounting standards are issued by the Financial Reporting Council of Nigeria (FRCN) formally called Nigeria Accounting Standards Boards (NASB).

The Nigerian Accounting Standard Board (NASB) is a parastatal of the Federal Government founded on September 9, 1982. The board came into being after the Nigeria Enterprises Promotion Decree was promulgated which transfered ownership of companies to

Nigerians. There was no uniform accounting system prescribing specific standards for treating accounting items in the accounts of Nigerian companies (NASB, 2007). These companies utilized any accounting measure that seemed suitable to them. Those companies whose parents were residents outside Nigeria followed the dictates of their parents outside the shore of Nigeria, thereby, resulting to non-coherent accounting practices (NASB, 2007 and Johnson, 1992).

NASB was therefore established to harmonise the development and application of accounting principles and practices to stop the indiscriminate use of accounting standards in Nigeria. The establishment of NASB succeeded in narrowing areas of differences in the practices of accountancy by having uniform and meaningful accounting standards which prescribed the form and contents of financial statements. The introduction of a single set of accounting standards produced accounting information that are relevant to the economic environment and introduced measures that enhance the reliability and validity of the accounting information (NASB, 2007)

In 2011, the NASB was replaced with the FRCN following the promulgation of the FRCN Act, 2011 which took over all the functions of the NASB to address the financial information requirements of private sector companies and government business enterprises. The SAS are expected to be followed up to 31st December, 2013 financial year by commercialised enterprises. The SAS are to be applied in line with the Nigeria Generally Accepted Accounting Practices (GAAP) in Nigeria. The SAS that are relevant in this study include SAS 1, SAS 2, SAS 3, SAS 4, SAS 5, SAS 6, SAS 7, SAS 8, SAS 9, SAS 11, SAS 13, SAS 14, SAS 16, SAS 17, SAS 18, SAS 19, SAS 22, SAS 23, SAS 24, SAS 27, SAS 28, SAS 29 and SAS 31. The reasons for this choice is that commercialized government business enterprises do not include banks, insurance and similar specialized enterprises. SAS

that are for special application were excluded if such companies were not included in the filtered population of enterprises under study. These include: SAS 10, SAS 12, SAS 16, SAS 20, SAS 21, SAS 25, SAS 26, SAS 30 and SAS 32.

The reason for harmonization of accounting standards was to reduce the diversity of financial statements for multinational enterprises and efficient comparison of international financial statements (Tower, Hancock, & Taplin, 1999). This was also expected to facilitate disclosure because harmonization was to bring about enhanced consolidation of subsidiaries financial statements with those of the Head office.

In practice, however, SAS had not influenced significantly accounting disclosures as expected, because the standards have not been reviewed or updated to meet the current needs of companies to make them relevant to modern economic requirements (Umoren, 2009; Adeyemi, 2006 and World Bank, 2004). The following specific problems were reported by the World Bank (2004):

a. There are no SAS that accorded substantially with all accounting issues that were addressed by IAS.
b. The current SAS are based on old IAS which had been revised or withdrawn, for example IAS 18, Revenue; IAS 20, Accounting for Government Grants and Disclosure of Government Assistance; IAS 22, Business Combinations; and a host of others.
c. Compliance gaps between local accounting standards and actual practice was observed in banks and disclosures by some companies are insufficient.
d. Transparency and disclosures are inadequate. (pp. 10-13)

The recent post examination of financial crises as it affected banks in Nigeria documented by the CBN (2006) indicates that the basic requirements of accrual accounting

concepts and conventions were not followed in the process of maintaining accounts in Banks. This resulted in the failure of accounts to report insider dealings, related party transactions, manipulated loan figures and banks shares as collateral. Similarly, the report of the Auditor General for the Federation (AGF) on audited financial statements of commercialized enterprises showed that the accounts do not comply substantially with the provisions of SAS and IAS. This revelation on commercialised enterprises makes it imperative for a research targeting the commercialized enterprises which were not included in previous researches.

International Accounting Standards (IAS)

International Accounting Standards are principles based set of standards that establish broad rules as well as directing on specific treatments of each items of financial transaction for companies all over the world. The IAS comprises of the conceptual framework of financial reporting and specific standards for treating each items of accounts in financial statement. These standards are issued by the International Accounting Standards Board (IASB), which is an independent organization based in London, United Kingdom. The International Accounting Standards Board (IASB) was preceded by the Board of the International Accounting Standards Committee (IASC), which operated from 1973 to 2001 (Ezejelue, 2001:8). Nigeria joined the Board in 1978.

The IASC was established as a response to the call by accounting professionals of the Group of 5 (G5) for better communication, closer co-operation and greater coordination of accounting rules among the various nations of the World. According to Porter (2004):

> Over time, IASC was marked by a number of significant challenges and accomplishments, such as the problem of developing countries, the flexible private-sector Anglo-American approaches to accounting, and the cautious and legalistic

European approaches directed to creditors and government (p. 8.)

Afterwards, there was a need to harmonise the accounting standards for reasons such as reduction in diversity of financial statements for multinational enterprises and efficient comparison of international financial statements (Tower et al., 1999). The IASC's initiative to harmonise accounting standards during the 1984-1993 period made the organisation to gain recognition of International Organization of Securities Commissions (IOSCO).

According to Wallace (1990) "the implicit primary goal of IASC was harmonization" (p. 9). Roberts, Weetman, and Gordon (2002) reported that the official goal as set out in the constitution of IASC was to:

a. develop a single set of high quality understandable and enforceable global accounting standards;
b. promote the rigorous use and application of these accounting standards;
c. bring about the convergence of national accounting standards and international accounting standards (p. 45).

Blake (1981) argued that the need for International Accounting Standards programmes at that time was attributable to three factors namely: the growth in international investment; the increasing prominence of multinational enterprises; and the growth in the number of accounting standard setting bodies in the world. During 1994 to 2000, IASC's stature was enhanced as a result of the global financial crises of the 1990s and IASC recommended that its members should allow foreign firms to use IAS in accessing their securities markets.

In 2001, IASC was transformed to IASB with the responsibility for setting International Accounting Standards (IAS). In 2002, U.S. Financial Accounting standards Boards (FASB) and IASB held a joint meeting and issued a memorandum of understanding

pledging convergence of their accounting standards and coordination of their work programmes.

The IASB issued 41 international accounting standards before the introduction of IFRS in 2010. IAS that affect commercialized enterprises (government business enterprises are 37 accounting standards. However, the study used only five (5) IAS because these are the IAS that did not have their SAS equivalent or did not accord significantly with equivalent SAS. They include: IAS 18, IAS 20, IAS 23, IAS 24, and IAS 41. The IAS that were not relevant to this study due to timing and requirements needs or that accorded substantially with the requirements of equivalent Nigerian accounting standards (SAS) are IAS 1, IAS 2, IAS 7, IAS 8, IAS 10, IAS 11, IAS 12, IAS 16, IAS 17, IAS 19, IAS 21, IAS 26, IAS 27, IAS 28, IAS 31, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 39 and IAS 40. Some of the most important IASs intended to compel compliance are IAS I and IAS 2 which deal with the disclosure of accounting policies and Valuation and Presentation of inventories in the context of the historical cost system. These standards, which have their equivalent SASs, are expected to enhance disclosure of accounting items in financial reports.

International Financial Reporting Standards (IFRS)

As early as 1998, the International Organizations of Securities Commission (IOSC), the world's primary forum for cooperation among securities regulators, prepared a paper noting that cross-border security offerings would be facilitated by the development of internationally accepted accounting standards (IAAS). For preparers, greater comparability in financial reporting with their global peers had obvious attractions (Porter, 2004). Notwithstanding, these anticipated benefits did not come until 2000 before it became clear that there is a realistic prospect of such global standards and this came about largely as a result of the bold action of the European commission (Porter, 2004).

The financial crises that shocked the world in the last three decades, the increasing interests in overseas investment opportunities and globalization increased the underlying political pressure towards convergence of accounting standards globally. In 2001, IASC was transformed to IASB with the responsibility for setting International Accounting Standards (IAS). The IAS was renamed International Financial Reporting Standards (IFRS) (IASB, 2011).

The move to convert IAS to IFRS and internationalized IFRS is the single most important initiative in the financial reporting world, the impact of which stretches far beyond accounting to affect virtually many key decisions organizations make. Nandi and Ghosh (2012) reported that with IFRS, globalization has come with the increasing integration of world markets for goods, services and capital, with the result that companies that traditionally were reliant on their domestic capital market for financing, now have substantially increased access to debt and equity capital both inside and outside their national borders. Commercialized government enterprises too are affected by this globalization.

Finally, IASC (2002) reported that one of the main advantages of a single set of global accounting standards is that it would enable the international capital markets to assess and compare inter-company disclosure performance in a much more meaningful, effective and efficient manner that is presently possible. This should increase companies' access to global capital and ultimately reduce the cost thereof. Thus the request for global standards came both from regulatory bodies and from preparers of financial statements (IASC, 2002)

Prior researches in accounting standards disclosure have recognized the need to bring about standards disclosure compliance to achieve technical and economic objectives. On the economic objective, Rappaport (1997) reported that accounting standards involves a potential redistribution of wealth as it imposes restrictions or costs on some persons; while

conferring benefits on others. Some studies have also emphasised the economic impact of accounting standards disclosure compliance in that the behaviour of the recipients of corporate reports (shareholders and other stakeholders) and the company itself are all affected (Rappaport, 1977).

Theoretically, accounting standards are statutes and are expected to influence the behaviour of the preparers and users of financial statements to disclose more information in financial reports. This is because accounting standards should compel compliance with its prescriptions and its interpretations. However, the IFRS were not used in this study because the date of commencement of IFRS by Government Business Enterprises (GBEs) is 2014 financial year and the accounts of this year are not covered in this study.

2.7.2 Other Regulatory Frameworks

Financial statements of commercialized companies are regulated by the requirements of Companies and Allied Matters Act CAP. 20. L.F.N, 2004. Other statutes include specific provisions of the Securities and Exchange Commission: Rules and Regulations Act, 1999, Investments and Securities Act CAP. 124 L.F.N. 2004, Nigerian Stock Exchanges Act 1961, Audit Act 2004 as amended, Fiscal Responsibility Act 2004, the Nigerian Constitution 1999 (as amended), Financial Reporting Council of Nigeria (FRCN) Act, 2011, Privatization and Commercialization Act, 1993 also affect the financial reporting procedures of these companies. Some of these regulations impact directly on the extent of disclosure by commercialized companies and these laws are discussed in the following sub-sections.

Companies and Allied Matters Act, 2004 as amended

TCPC (1988) and PCA- Final Report Vol. 1, 1993, covering commercialization; empowers commercialized enterprises to use private sector procedures in the running of their businesses. Specifically, Section 21 covers Debureaucratisation, and the section stated that

"the first step for the debureaucratisation is to remove them from the civil service circulars" (p. 53). Sub-section (a) stated that the boards of the affected enterprises must take steps to develop an "independent administrative and accounting procedures that are more in line with commercial, rather than public sector practices" (p. 53). Section 5.23 of TCPC: Final Report Volume One (Main Report) stated that:

> The following provisions in the Companies and Allied MattersAct, of 1990, which purpose is conterminous with the objectives of commercialization, will henceforth apply to all commercialized statutory corporations, including …
>
> e) Section 331 to 366 which make it mandatory for companies to keep accounting records and which prescribe the form and content of the financial statements
>
> f) Sections 367 to 369 which set out the procedure for appointing auditors, the qualifications of auditors and their remunerations, the procedure for their removal and their obligation to the company (p. 54).

These provisions contain the basic requirements relating to corporate financial reporting of government business enterprises in Nigeria. Specifically, the relevant sections that aid disclosure of information include, Section 331, which compels all companies to keep accounting records. These accounting records should contain detailed records of all matters in respect of all receipts and expenditures. The accounting records should be sufficient to show and disclose with reasonable accuracy, at any time, the financial position and performance of the company. Section 333 deals with penalties for non-compliance with the provisions of sections 331 and 332 of CAMA (2004).

Section 334 requires directors of every company to prepare financial statements in respect of each year of the company, for example Section 334 (2) stated that the financial

statements should include: Statement of accounting policies; the balance sheet; a profit and loss account; or an income and expenditure account; notes to the account; the auditors' report; the directors' report; statement of cash flow; a value added statement; a five-year financial summary; and a group financial statement for a holding company.

Section 335 stated the form and contents of individual financial statements. It requires the financial statements of a company to comply with the requirements of Schedule 2 to the Act (as far as applicable) and with the accounting standards as laid down from time to time by the Financial Reporting Council as reconstituted and IASB. Sections 340 - 341 deal with the disclosure of loans in favour of directors and connected persons in accordance with Part I and II of Schedule 4 of this Act (so far as applicable). These provisions of the CAMA (2004) are unambiguous about the minimum level of disclosure that is permitted under the statutes. These provisions help to facilitate disclosure by commercialized companies in financial statements.

The Nigeria Constitution 1999

The financial statements disclosure is enhanced by the provisions of section 85 (2) and (5) of the Constitution of the Federal Republic of Nigeria, 1999. This sections deal with the audit of accounts of government companies by the Auditor General for the Federation. Specifically, Section 85 (2) states that:

> The public accounts of the federation and all offices and courts of the Federation shall be audited and reported on by the auditor-General who shall submit his reports to the National Assembly; and for that purpose, the Auditor-General or any person authorized by him in that behalf shall have access to all the books, records, returns and other documents relating to those accounts (p. 59).

While, Section 85 (4) states that:

> The Auditor-General shall have power to conduct periodic checks of all government statutory corporations, commissions, authorities, agencies, including all persons and bodies established by an Act of the National Assembly (p. 60).

These provisions ensure that financial statements of commercialized enterprises comply with relevant accounting standards by disclosing information that is relevant for stewardship/ accountability and resource allocation decision-usefulness for users (owners and stakeholders).

The Fiscal Responsibility Act 2007

The Fiscal Responsibility Act, 2007 provides for the monitoring and enforcement of all provisions of the FRA to ensure greater accountability, transparency and prudence in the management of the nations' resources by government-owned corporations or companies. This provision enhances the disclosure of relevant items of accounts in line with the laws governing financial reporting. In specific terms, Section 3 (c) of the FRA (2007) provides that the commission shall under take fiscal and financial studies, analyse, diagnose and disseminates the results to the general public. This can help in disclosing more information about the company's financial reporting practices; whether the company followed relevant accounting standards and other legal frameworks in preparing financial statements. Idornigie (2008) reported that to achieve transparency and accountability, the accounts of the government companies should be audited not later than six months following the end of the financial year and be published in the media.

2.7.3 Consequences of Non-disclosure of Accounting Items in Financial Reports

The board of directors has primary responsibility for the corporation's external financial reporting functions and the management is headed by the chief executive officer who supervises the chief financial officer oversees the internal accounting systems, and are

dependent on the corporation's accountant and internal auditors. The accounting standards and some countries' GAAP allow managers some choice in determining the methods of measurement and criteria for recognition of various financial reporting elements, for example SAS 2. The potential exercise of this choice to improve accounting disclosure increases the information risk of users. For instance, the reporting of fraudulent transactions including non-disclosure and deliberate falsification of values contribute to users' information risk.

To reduce this risk and to enhance the perceived integrity of financial reports, corporations' financial reports must be audited by an independent external auditor who issues a report that accompanies the financial statements. One area of concern is whether the auditing firm acts as both the independent auditor and management consultant to the firm it is auditing. This could result in a conflict of interest which places the integrity of financial reports in doubt due to client pressure to appease management. The power of the corporate client to initiate and terminate management consulting services and, more fundamentally, to select and dismiss accounting firms contradicts the concept of an independent auditor.

In some countries, including Nigeria, laws are in place which prohibit accounting firms from providing both auditing and management consulting services (CAMA, 1990). The violation of the provisions of the act can result to law suit.

Specific consequences of non-disclosure include accounting restatements, which may occur due to errors. Hennes, Leone & Miller, (2008) classified announcements relating to restatements as either errors or irregularities based on guidance from the SEC, lawyers and auditors. Brown et al, (2011) reported that there are fewer lawsuits when the restatements are classified as errors.

There is also evidence of firms identified as committing fraud as incentives to replace their senior management team as well as the directors, although some studies do not confirm

this expectation (Agrawal, Jaffe & Karpoff, 1999 and Peasnell, Pope & Young, 2001). Another study suggested that Chief Executive Officers (CEOs) and Chief Finance Officers (CFOs) filing material restatements are twice as likely to leave the firm, and directors and audit committee members are 70 per cent more likely to leave the office (Arthaud-Day, Certo, Dalton; & Dalton, 2006).

The influence of fraud on a firm's reputation may be long-lived, despite changes to its governance structure to remedy prior weaknesses, with no subsequent increase in either institutional ownership or analyst following (Farber, 2005). The American Congress enacted the Sarbanes Oxley Act (SOX) in 2002, for corporate governance which requires certification by SEC. It created a new criminal antifraud provision, providing for fines and/or a prison term of up to 25 years for defrauding in a reporting issuer (Adeyemi, 2006).

In Nigeria, the Economic and Financial Crime Commission provides for the prosecution of any fraud committed due to misfeasance, whether committed under accounting reporting or concealment of information. The Independent Corrupt Practices Commission also has similar provisions. The Financial Reporting Council of Nigeria Act (2011) also permits the council to investigate and recommend persons who committed any offence under the guides of financial reporting for prosecution. The Institute of Chartered accountants of Nigeria has powers to prosecute chartered accountants who failed to disclose material information and for which resulted in fraud.

On the whole, the evidence reviewed in this study suggests that greater monitoring has a positive effect on most measures of accounting quality, resulting in more disclosure in financial reports.

2.8 CONCEPTS AND CONVENTIONS OF ACCOUNTING

Generally, concepts and conventions of accounting evolved as a result of the information need of users of accounting information which became conflicting over time, because of different methodology or procedure used in its preparation and presentation. These concepts and conventions are therefore adopted to ensure that accounting information is presented accurately and consistently. For the purpose of this study, we define accounting concepts and conventions as those rules or principles that guide accounting practitioners in deciding whether an accounting transaction should or should not be allowed in drawing up accounts or preparing financial reports. These rules and principles are there to assist the preparers of accounts to decide on the valuation of assets and the determination of income methods to employ in deciding on an accounting item where there are a number of alternative options available. Some of the concepts are stated in accounting standards, which are the actual formal guidelines for recording accounting items and for preparing financial statements. Some concepts and conventions have not been formalised in accounting standards, but efforts are constantly made to ensure that accounting standards capture all conventions and concepts by accountancy bodies to achieve uniformity of treatment of accounting items in accounts (IASB, 2001).

Accounting concepts and conventions that are relevant to disclosure studies and have evolved over time include: going concern concept, historical cost concept; materiality convention; and conservatism convention.

2.8.1 Accrual Concept

The concept of accrual recognizes revenues when they become receivable, though cash is not received and expenses when they become payable, though cash is not paid (Wood & Sangster, 2002). In this case both transactions are recorded in the accounting period to

which they relate. Therefore, the accrual concept makes a distinction between the actual receipt of cash and the right to receive cash in case of revenue and actual payment of cash and obligation to pay cash in case of expenses.

When financial statements are prepared on the basis of accrual accounting, the effects of each transaction and other events are recognized in the accounts when they occur, and not when cash or its equivalent is received or paid. Accrual accounting ensures full disclosure in financial statements in the following ways:

a) It provides the methods for the period valuation of assets as all cash payments and obligations to pay for assets are recorded in accounts;

b) It provides a method for the determination of period income as all expenses paid for or there are obligations to pay are included in the income calculation. The total amount of sales are also included as both cash sales and credit sales are added together.

c) It also facilitates the determination of the assets value to be included in accounts in compliance with SAS 9, Depreciation of assets, IAS 36- impairment of assets and IAS 37- Provisions, contingent Liabilities and Contingent assets.

All these enhance disclosure of all relevant information in financial reports.

2.8.2 Going Concern Concept

Going-concern concept assumes that a firm will continue to carry on its activities for an indefinite period of time. The business entity has continuity of life and will not be dissolved in the foreseeable future (Wood & Sangster, 2002). This is an important assumption of accounting as it provides a basis for determining income and the valuation of assets in the balance sheet. According to this concept, every year some amount is shown as expenses and some amount as assets. Thus, if an amount is spent on an item in the business

that is meant to be applied for many years in the business, it is not right and proper to charge the total amount to the revenues of the year in which the item is acquired (Meigs, Mosich & Johnson, 1978). Only a part of the value that is estimated to have been used during the year that is shown as expense in the year of purchase and the remaining balance is shown as an asset to be charged in the subsequent years for the life of the assets (Wood & Sangster, 2002). This explains the difference between cost and expense.

This concept enhances disclosure in financial statements in the following ways:

a) The depreciation charged on the fixed assets is shown in the financial statements;

b) The element of cost of a fixed asset is shown separately from the expense portion of the assets in the financial statements.

2.8.3 Historical Cost Concept

Historical cost concept originates from going concern concept and opposes the current accounting cost basis. Historical cost basis requires all assets to be recorded in the books of accounts at their purchase prices, which include cost of acquisition, transportation and installation and not at its market price (SAS 3 and IAS 16- Property, plant and equipment). Historical cost suggests that assets like building, plant, machinery, furniture and stocks are recorded in the books of accounts at a price paid for them including ancillary cost. For the used assets, cost means original cost less depreciation (IAS 37).

Historical cost concept has recently become a subject of debate by scholars. Some of these include Kabir (2005), Sunder (1997) and MacNeal (1939). The debate about whether to use historical or current cost basis is treated under the measurement of elements of financial statements (sub-section 2.9.4). The benefits of historical cost approach to valuation of assets in disclosure include:

i) The assets are shown at their purchase price including ancillary cost on the face of the financial statements and detail costs are shown in the notes to the accounts.

ii) The method used for calculating depreciation on fixed assets, which assists in the valuation of assets and income determination is shown in the notes to the accounts.

iii) The effect of cost concept is that if the business entity does not pay anything for an asset, this will not be shown in the books of accounts. Thus, goodwill appears in the accounts only if the entity has purchased this intangible asset for a price, that is, expenses incurred during the time the business has taken to build its image.

2.9 FINANCIAL INFORMATION, CORPORATE FINANCIAL REPORTS AND CORPORATE DISCLOSURE

The concept of financial information refers to the financial information on which economic decision-makers base their investment decisions. These include corporate financial reports, such as, income statement or profit and loss account, balance sheet, cash flow statement and value added statement (IASC, 2001). Fama and Jensen (1983) have noted that the decision-makers are many and have varied goals; they have entrusted management to run the firm on their behalf, believing that the management under a contract would run the firm as if the owners were the ones doing so.

Jensen and Meckling (1976) suggested that the other stakeholders (for example, creditors, employees and tax authorities) on the other hand have entrusted the company managers believing that the company will keep to the contract terms as agreed and would not behave in a way to jeopardise their interests. In such a situation, both investors and stakeholders that have business dealing with the firm believe that the firm would be accountable and transparent by disclosing all relevant items of accounts in financial reports of its activities (Jensen & Meckling, 1976). Therefore, since parties contracting with the firm desire financial information both about the firm’s ability to satisfy the terms of contracts and

the firm's ultimate compliance with its contractual obligations, it implies that corporate financial reports should supply or disclose the key quantitative information to the contracting individuals of the firm that supports a wide range of contractual relationships (Gray, 1997).

The quality of financial disclosure can impact firms' cash flows directly in addition to influencing the cost of capital at which the cash flows are discounted. This view is corroborated by Dye (1986) who insists that even without agency conflicts between managers and investors, quality financial accounting data enhances efficiency by enabling managers and investors to identify value creation opportunities with less error. This leads directly to more accurate allocation of capital to the highest value uses (Cataldo, 2003). Similarly, financial statements should supply (disclose) enough financial information (quantity) to meet various interests of all users of financial reports. Such financial reports should meet the stewardship/accountability objective as well as the resource allocation decision-usefulness objective.

As a result of the desire to meet the two objectives, financial accounting systems supply information about investment opportunities, accountability reasons, and other varied purposes. For example, existing managers or potential entrants can identify promising new investment opportunities, acquisition candidates, or strategic innovations on the basis of the profit margins reported by firms (Choi, 1973).

All these can be achieved through audited balance sheets, income statements, and cash-flow statements, along with supporting disclosures, which together form the foundation of the firm-specific information set available to investors, regulators and other stakeholders (Greuning Scott & Terblanche, 2010).

However, developing and maintaining a sophisticated financial disclosure regime is not cheap. Barry and Brown (1986) have argued that countries with highly developed

markets devote substantial resources to producing and regulating the use of extensive accounting and disclosure rules that firms must follow. Resources expended are not only financial, but also include opportunity costs associated with deployment of highly educated human capital, including accountants, lawyers, academicians, and politicians (Barry & Brown, 1986).

2.9.1 Objective of Financial Statements

The objective of financial statement is to provide useful information to the users of financial statements (IASB, 2011). Therefore, these financial statements must contain (disclose) the quantitative characteristics useful to users. To meet these requirements the financial statement must convey (disclose) information that explains the financial position, financial performance and changes in financial position of an entity to the users, potential and existing to meet both the stewardship/accountability and resource allocation decision-usefulness objectives (IAS 1).

2.9.2 Recognition of Elements of Financial statements

The accrual accounting framework provides that an item should be recognized if it meets the definitional elements of financial statement (Greuning, et al., 2010). That is, the probable future economic benefit associated with the item will flow to or from the enterprise and the item has a cost or value that can be measured reliably (NASB, 2007). This means that financial statements should disclose items of accounts that are economically beneficial to the users and have costs or values that can be measured with certainty.

2.9.3 Elements of Financial Statements

SAS and IAS frameworks describe the elements of financial statements as broad classes of financial effects of transactions and other events (NASB, 2007 & IASB, 2011). The frameworks also specify the methods to be used for the preparation and presentation of

financial statements, including the form and contents of financial statements. For example, the elements of financial statements that constitute disclosure include: assets, liabilities, equity, income, expenses including depreciation. These elements, together with detail notes to the accounts show the information that users require for decision making.

2.9.4 Measurement of Elements of Financial Statements

Measurement of elements of financial statements is the process of determining the monetary amounts at which the elements of financial statements are to be recognised and carried in the balance sheet and income statements of a company (Smith, 2013). This involves the selection of a particular basis of measurement to be applied. A number of different measurement bases are employed to different degrees and in varying combinations in financial statements. They include the following:

(a) Historical cost - Assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or in some circumstances (for example, income taxes), at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

(b) Current cost - Assets are carried at the amount of cash or cash equivalents that would have to be paid if the same or an equivalent asset was acquired currently. Liabilities are carried at the undiscounted amount of cash or cash equivalents that would be required to settle the obligation currently.

(c) Realisable (settlement) value - Assets are carried at the amount of cash or cash equivalents that could currently be obtained by selling the asset in a normal disposal. Liabilities are carried at their settlement values; that is, the undiscounted amounts of cash or cash equivalents expected to be paid to satisfy the liabilities in the normal course of business.

(d) Present value - Assets are carried at the present discounted value of the future net cash inflows that the item is expected to generate in the normal course of business. Liabilities are carried at the present discounted value of the future net cash outflows that are expected to be required to settle the liabilities in the normal course of business.

The measurement basis most commonly adopted by entities in preparing their financial statements is historical cost combined with net realizable value methods (IASB, 2001; FRCN, 2011). Historical cost basis of measurement is based on agency theory, which defines the main objective of financial statement as to provide information that provides the stewardship/ accountability information to the owners. However, the use of historical cost basis has been attacked by scholars and other users of financial statements who are interested in resource allocation, and the decision usefulness of financial statements (Pietersz, 2005).

These scholars and a group of users (stakeholders) argued that the objective of financial statements, which is to provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions does not cover the needs of all users of financial reports (Greuning et al., 2010). They emphasise that users of financial information include present and potential capital providers, employees, lenders, suppliers, customers and government and so there should be two set of financial statements, one of which should provide information that is necessary for resource allocation decision-usefulness for other stakeholders (Pietersz, 2013).

Such financial statements should focus on stakeholder and should provide information that is useful for making investment, credit, and similar resource allocation decisions (IASB, 2006). The measurement basis that will provide this type of financial statements is the present value methods (Hendriksen & Breda, 1992: 491). Those in favour of present cost

valuation method argue that financial statements prepared in this manner would meet the two objectives of financial statements these are the stewardship/ accountability and resource allocation decision usefulness objectives (Hendriksen & Breda, 1992: 491).

Pietersz (2013) reported that the conventional accounting model based on historical cost was designed for use in a situation where prices are stable or where prices change slowly. The conventional style of accounting does not make any provision for changes in purchasing power. Therefore, the present cost system could lead to more accurate financial reporting (Smith, 2013; Abubakar & Said, 2008; MacNeal, 1939). Abubakar and Said (2008) argued that historical cost financial statements are misleading to the investors and creditors; because financial statements prepared on historical cost basis do not show the financial position of the company now, but at the time the assets and liabilities were acquired (MacNeal, 1939). In particular, he asserted that the historical cost principle and the conservatism convention prevent financial statements from presenting the true financial position and the operating results of the firm (MacNeal, 1939).

Pietersz, (2013) maintained that according to conventional theory, the stewardship/ accountability function of managers must be the focus of attention of accountants in reporting to external parties of the company. Owners and creditors are primarily concerned about what management has done with the funds entrusted to them. Stockholders as equity-holders wish to know the results of their investment in the corporation; and the determination of income is the most important function for the accountant (Ijiri, 1975).

In recent years, however, some accountants as well as investors and other stakeholders who use financial statements have questioned the historical cost valuation approach by asking if accuracy would be better achieved if selected assets and liabilities were valued under a fair market model that would reflect current valuations. The FASB and IASB

are deliberating along with such other accounting standards boards, suggesting whether all assets and liabilities should be valued at present market prices.

At present, some companies use both historical and present cost models to value assets and liabilities in the same financial statements. This receives the approval of SAS 3 and IAS 16, where recognition of revaluation of fixed assets in financial statements is permitted. These two accounting standards describe how assets revalued should be presented separately and depreciation of amount of impairment be treated in the accounts.

Most of the financial statements of the commercialized enterprises examined in this study indicate that the financial statements that the accounting policy adopted for valuing assets were the historical cost basis. However, assets that were revalued during the period were presented in the accounts. Therefore, we can infer that both historical cost and present value methods have been adopted in preparing these financial statements, aided by SAS 3 and IAS 16. The content of information disclosed under these approaches is a matter for those that need the information in the first place.

For the purpose of extent of disclosure, different measurement methods may enhance additional disclosure in financial statements that would meet different needs of a variety of users of financial statements. The use of materiality convention has the ability to check the overloading of financial statements and the notes to accounts and has succeeded in reducing cloudiness in financial reports with detailed information that are not necessarily required.

2.9.5 Approaches to Disclosure Measurement

Hassan (2010) has identified approaches to measurement of disclosure into two categories: the first approach uses proxies that are obtained from other sources to measure disclosure without recourse to the original disclosure vehicle(s) (such as questionnaire and interviews); while the second approach uses proxies obtained from the inspection of the

original disclosure vehicle(s) (financial statements) to measure disclosure (such as the disclosure index checklist) (Deaconu, Nistor & Filip, 2011). This study did not use the questionnaire approach for the collection of primary data because the disclosure index checklist approach was used for the collection of secondary data from the financial statements of the enterprises. These sources of information was considered superior because it was more objective as the researcher collected the information using the disclosure index which was constructed based on the requirements of SAS and IAS relevant to the enterprises preparation of financial reports. The disclosure measurement approach is discussed in the following sub-heading.

Proxies that Measure Disclosure with recourse to the Original Disclosure Vehicle(s)

This approach involved the inspection of financial statements against the disclosure index checklist and scoring the disclosure index with dichotomous data that indicate compliance or non-compliance with accounting standards requirements. A score of value “1” indicated compliance and “0” indicated non-compliance. The approach also provided values that measured the fundamental characteristics of the firm. These include firm size, leverage, liquidity, audit firm size, and qualification of accountants. Disclosure index checklist approach was adopted in Hassan (2010) and Adeyemi (2006) with great success.

This study employed its own constructed disclosure index checklist because the disclosure index included only items that were peculiar to the nature of the companies under study. This was because new accounting standards had been issued since the last disclosure studies were conducted (Umoren, 2009 and Adeyemi, 2006) and these studies were only about the study of listed companies. Therefore, it was not possible to utilize the disclosure index constructed by prior studies which were for particular studies.

It is also true that there has not been an existing disclosure index of commercialized government companies known to the researcher and therefore, the constructed disclosure index checklist was in line with the accounting standards applicable to government business enterprises under study at the time (Deaconu, Nistor & Filip, 2011).

2.10 DISCLOSURE RESPONSIBILITY OF MANAGEMENT TO SHAREHOLDERS AND STAKEHOLDERS

A great deal of effort has been devoted in prior literature to identify those whose financial reports intend to provide information about the financial activities of the company. The characterization of the relationship between shareholders and corporate officers as one of trust has undergone several revisions over time in the United States and in other common law jurisdictions (Hill, 2000). These revisions mainly concerned the relationship between shareholders and management.

In widely-held corporations that are common in these jurisdictions, the separation between ownership and control in the corporation, identified by Hill (2000) is perceived as a primary cause of concern to other stakeholders who have dealings with the corporation. The position of the law is that there should be limited social responsibility of corporation and corporate managers to stakeholders (Mitchell, 1995). Modern manifestations of this disposition include corporate philanthropy, which is allowed within reasonable limits to other stakeholders. This view is confirmed under SAS 1 and 2 which indicate that the board of directors have authority to consider other interests along with those of shareholders in preparing financial statements (SAS 1 and SAS 2).

In view of this, asking that "for who are corporate manager's trustees?" (Adolf, 1932, p. 1365 and Dodd, 1932, p. 1145) was no longer important because corporations need the environment in which they operate and they must provide some corporate social responsibility benefits if the corporations were to enjoy the patronage of the society (Blair &

Stout, 1999). Today, the shareholder primacy paradigm appears not to be the dominant paradigm in practice and the competing paradigm of stakeholder interests refuses to disappear as a relevant alternative.

In June 1999, the Organization for Economic Co-operation and Development (OECD) published its Principles of Corporate Governance (OECD Task Force on Corporate Governance) (Licht, 2002), with the highlights which emphasised the protection of the rights of shareholders by ensuring equitable treatment of all shareholders. It also stressed the importance of other stakeholders, including employees, environmental interests, and societal interests of the communities in which corporations operate. The OECD Principles are adopted by the World Bank and the International Monetary Fund and also by large institutional investors (Licht, 2002).

It therefore means that as the corporate officers draw up financial reports that show their stewardship/accountability to investors, mostly equity shareholders, these same reports are meant to serve the interest of other stakeholders. Therefore, such financial reports should disclose information that is meant to achieve both stewardship/accountability and investment, credit and other resource allocation decisions.

2.11 COMMERCIALISED GOVERNMENT ENTERPRISES

2.11.1 The Concept of Public Enterprises

There is no universally agreed definition among scholars regarding the conceptual meaning of public enterprises. According to Laleye (1985) the bewildering number and types of the organizations called “public enterprises”, their different contents and the rationale for which they are set up, accounts for lack of authoritative and generally acceptable definition of public enterprises. Sosna (1983) suggested that there are many reasons why in both developed capitalist and developing countries, there is no single standard definition of public

enterprises. “Public enterprises are established at different periods, and each period epoch naturally brings forth the types of public enterprises that clearly match its’ own conditions” (Sosna, 1983, p. 256). It is therefore believed that the variation in the definition of public enterprises is informed by the ideological, values, interests, dispositions and circumstances that brought these organisations into existence. Whatever the controversies and absence of a general consensus, we reviewed the viewpoint of some scholars about public enterprises in the following paragraphs.

Efange (1987) for instance, defined public enterprises as institutions or organisations which are owned by the state or in which the state holds a majority interest, whose activities are of a business in nature and which provide services or produce goods and services and have their own distinct management. Obadan (2000) and Obadan & Ayodele (1998) defined public enterprises as organisations whose primary function is the production and sale of goods and/or services and in which governments or other governments controlled agencies have no ownership stake that is sufficient to ensure their control over the enterprises regardless of how actively that control is exercised. Alabi, Onimisi & Enete (2010) described public enterprises as corporate entities other than ministerial departments, they derive their existence from special statutory instruments; and engage in business type of activities to provide goods and services for the overall social and economic upliftment of the citizen.

In the mist of lack of uniformity in the definition of public enterprises among researchers, we provide a working definition to avoid confusion among readers and to facilitate the alignment of the research with what public enterprises mean in this study. Therefore, by public enterprises we mean those organisations that are set up by the state, in which, it continues to hold an interest, but with distinct board and management to carry out business activities of producing and selling goods and services, which can best be provided

outside the core civil service, to improve the economy of the state and for which profit is not necessarily the main objective. This definition incorporates all the characteristics of public enterprises such as:

i) Full ownership resides with government;

ii) Government continues to hold an interest;

iii) They are run by a management separate from ministry staff;

iv) Carry out business of producing goods and services for sale not necessarily at profit;

v) Controlled by a board;

vi) Meant to improve the economy; and

vii) To carry out business that is not suitable to be carried out under the civil service structure.

These qualities are essential for efficient, effective and competitive operation of public enterprises.

2.11.2 Reasons for Establishing Public Enterprises

The basic reason for establishing public enterprises in all economies has been to propel development. Hanson (1972) reflected on Turkey, Mexico, India and Nigeria and noted that the establishment of public enterprises is premised on what is considered as obstacles to economic development in the post-independence states. It is also instructive to note that in Nigeria like many developing countries, public enterprises are used as employers of last resort. According to Hemming & Mansor (1988) the state owned enterprises enable governments to pursue goals of social equity that the market ordinarily ignores. Similarly, Ugorji (1995) observed that public enterprises have also been established for political reasons. In Nigeria, many government undertakings are used to provide jobs for constituencies, political allies and friends. The location of public enterprises and the

distribution of government employment have further been defended on the need to maintain "federal character" to promote national integration and cohesion.

Other factors that accelerated the growth of Nigeria's public enterprises include: the indigenization policy of the government in 1972, Structural Adjustment Programme and the public sector reforms in 1999. These reform programmes were introduced by various Nigerian governments to nationalize government enterprises controlled by foreign investors (Nigerian Enterprises Promotion Decree, 1977) and to introduce private sector driven policies that will enhance economic growth and development (Privatization and Commercialization Act, 1993, 2004). These policies were designed, first to control the commanding heights of the economy and to provide the much needed legal basis for extensive government participation in the ownership and control of significant sectors of the economy. Secondly, they were also meant to loosen the grip of government on the economy due to the new understanding of the way the economy works. It also reinforced the reasons for increased dominance and later decreasing dominance of the public sector in the economy.

2.11.3 Problems of Public Enterprises in Nigeria

In spite of the impetus given to public enterprises especially in Nigeria, some criticisms are leveled against them. Their problems are so enormous to the extent that the Nigerian government could not ignore, but to commence the reforms of the public sector in other to safe the huge investment in the sector. These criticisms vary from lack of profitability to reliance on large government subsidies with no commensurate performance by these enterprises.

A large body of literature has identified the problems of public enterprises especially in Nigeria. They include Alabi et al., (2010), Sanusi (2001), Obadan (2000), Kalu (1999),

Okigbo (1998), Ajakaiye (1990) and Ayodele (1998). Ogundipe (1986) once argued that between 1975 and 1985, government capital investments in public enterprises expenditures contributed in no small measure to increase government expenditures and deficits. Similarly, public enterprises suffer from gross mismanagement and consequently resulting to corruption, nepotism and inefficiency in the use of productive capital, which in turn weaken the ability of government to carry out its functions efficiently (World Bank, 1991).

In spite of the huge investment in the public enterprises, it is observed that the accountability and transparency of these public enterprises has been replete with varying contradictions (Alabi et al., 2010). As a result, there was a need for their reforms. The public enterprises reform which started with the Structural Adjustment Programme (SAP) Decree of 1986 and the public sector reforms in 1999 is a direct response to the failures of public enterprises in Nigeria and a way to introduce viable ways of correcting the anomalies in the economy with the introduction of privatisation and commercialisation.

2.11.4 Privatisation

Privatisation is the transfer of Government owned shareholding in designated enterprisess to private shareholders, comprising individuals and corporate bodies. In other words, privatisation is an umbrella term to describe a variety of policies which encourage competition and emphasis the role of market forces in place of statutory restrictions and monopoly powers (TCPC, 1993, P. 13 par. 2.8).

2.11.5 Commercialisation

Commercialization is defined in the Technical Committee on Privatization and Commercialization (TCPC) Decree No. 25 of July, 1988 and BPE Act of 1993, as the reorganization of enterprises wholly or partially owned by the Federal Government, in which such commercialized enterprises shall operate as profit making commercial ventures with

the aim of earning profit or efficient service delivery or both, without or with minimal subvention from the Federal Government. Commercialization is the reform package initiated by the Federal Government to reposition the ailing public enterprises.

2.11.6 Privatization and Commercialization

Privatization and commercialisation have become an acceptable means in political economy of states as a strategy for reducing the size of government and transferring assets, services and functions from the public to private ownership and control (Adeyemo & Adeleke, 2008). Privatization and commercialisation is based on four core beliefs (Ugorji, 1995):

> …government is into too many things including the area of the private sector; government is unable to provide services effectively and efficiently; public officials and public agencies are not adequately equipped for services that need government to be responsive to the public; and government consumes too many resources and thereby threatening economic growth (p. 537).

Therefore, privatization or commercialization is expected to reap the advantages of the market system and competition, such as effectiveness, productivity and efficiency of service that strengthens market forces as a result of deregulation, economic liberalization and relaxation of wage and price controls.

There are four theories that govern privatisation and commercialization. These include: all private goods and services should be provided by the market and public goods should be provided by the government. Government and the private sector can core invest in the process of producing and selling of goods and services. The provision of public transportation, education and health should be provided by the government and the operation

of enterprises should be on the basis of the advantages that characterize the market operation (Ugorji, 1995).

The Nigeria's commercialization policy was intended to achieve the second, the third and the fourth schools of thought, even though not entirely as propounded by the theorists. However, the Nigeria privatization policy is in line with the first schools of thought, that is, the free-market ideology of the liassez-faire classical economic theory.

In this regard, commercialization which defers from privatization is one of the policy thrusts of the reform of state-owned enterprises. This study covers the relationship between corporate attributes and the extent of compliance with accounting standards disclosure requirements in annual reports of these commercialized Federal Government enterprises in Nigeria. It also examined the relationship between firm effects and extent of compliance with accounting standards. The study determined the extent of compliance with accounting standards disclosure requirements achieved by the commercialised enterprises. The remaining discussions on this subject will focus on the commercialization of government enterprises in Nigeria.

2.11.7 Reasons for Commercializing Public Enterprises

The clamour for a commercialization policy in Nigeria is dated as far back as 1965 on grounds of poor performance of the public enterprises in Nigeria. Between 1960 and 1965, the Nigerian Railway Corporation (NRC) alone had 13 enquiries into its activities and the result of these enquiries showed that NRC had a deficit of equivalent of seven million Naira (N7 million) (Probsting, 1977). The World Bank (2004) described its finances as disastrous. In 1974, the World Bank group advocated for the dismantling of the African public enterprises system (Probsting, 1977). International Monetary Fund (IMF) has been recommending privatization/commercialization for developing countries including Nigeria,

where the industrial and commercial sectors are heavily dominated by public enterprises (Hemming & Mansor, 1988).

There are two moulds of commercialization pursued by the Nigerian Government, namely: full commercialization and partial commercialization.

2.11.8 Full Commercialization

This involves enterprises designated to operate profitably on commercial basis and should raise funds from the capital market without government guarantee. Such enterprises are also expected to use private sector principles and procedures in the running of their businesses.

2.11.9 Partial Commercialization

These enterprises are to generate enough revenue to cover their operating expenditures. Government may as is necessary consider them for capital grants to finance intensive projects

2.11.10 Objectives of Commercialized Government Companies

Zayyad (1992) has noted that the main trust of Nigerian commercialisation programme has been to provide enhanced operational autonomy at enterprise level; evolve a more result-oriented and accountable management, based on performance contracts; strengthen financial/accounting controls at the enterprise level; upgrade the management information system of the affected enterprises; ensure financial solvency of the public enterprises through effective cost recovery, cost control and prudent financial management and remove bureaucratic bottlenecks and political interference through clear role definitions between the supervising ministry, the board of directors and the management of the enterprises.

With the above objectives in mind, commercialised enterprises are expected to operate with increased efficiency, accountability and transparency, better management and commercial viability, liquidity and a motivated profit objective.

2.11.11 Government Financial Policy on Commercialized Enterprises in Nigeria

Government financial policy towards commercialized public enterprises stated that:

i) No fully or partially commercialized public enterprise should receive financial support in form of grant for recurrent and capital expenditure.

ii) Partially commercialized public enterprises could qualify for financial support from government for capital expenditures, if they fulfill certain conditions as listed in the commercialization document.

iii) No fully or partially commercialized enterprise will be made the beneficiary of preferential treatment in any form, that will discriminate against other economic units or sectors (TCPC, 1988; PCA , 1993; and Commercialisation: Final Report Vol. 3, 1993).

The implication of these financial policies is that government will no longer be a provider of last resort and the main sources of funds for commercialized public enterprises will be internally generated fund from their operational surpluses, local capital market through bond floatation, external capital market through multi-lateral or bilateral institutions, donations from external and internal donors, government guarantees or grant or subsidy in specific cases (Commercialisation: Final Report Vol. 3, 1993).

Therefore, public enterprises that were commercialized became organizations that operated as private companies (TCPC: Commercialisation- Final Report Vol. 1, 1993). This status made them accountable to the government as a single investor and any bond or debenture holders, creditors and suppliers as other stakeholders. These include government, creditors, debentures and bondholders, and the public in general.

Because of the demand on them as commercial ventures (TCPC, 1993), they are required to render accounts to government (owners) through their boards as the private companies do to their shareholders, to demonstrate accountability, transparency and enhance disclosure in financial reporting (TCPC, 1993).

To achieve these requirements, TCPC, 1993 provided that commercialized enterprises should comply with sections 331-366 and section 367 - 369 of CAMA (1990) relating to the accounts of limited liability companies and the auditing of such accounts be fully complied with by these enterprises.

Since the Bureau of Public Enterprises started commercialization in 1988, these enterprises have been using Statement of Accounting Standards and International Accounting Standards where there is no SAS equivalent.

However, recent annual reports of the Auditor-General for the Federation (AGF) on the audited accounts of these enterprises clearly showed that there was a consistent substantial non-compliance with accounting standards by these enterprises in preparing financial statements. The financial statements covered in this study include: 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 201, 2012 and 2013.

Consequently, this study determined the extent of compliance with accounting standards disclosure requirements and examined the relationship between firm characteristics and extent of compliance with accounting standards disclosure requirements by these companies. In addition, the study examined the influence of firm effects and time effects on the extent of compliance with accounting standards disclosure requirements by these enterprises.

2.12 THEORETICAL FRAMEWORK

This sub-section discussed the accounting theories that were used in this study to link extent of disclosure with corporate attributes and firm effects of the enterprises.

2.12.1 Accounting Theories, Disclosures and Corporate Attributes.

Many studies in accounting disclosures have employed different theories to explain the relationship between firm characteristics and extent of disclosure in the past. This is because each study has a different perception about particular accounting issue that emerged. Through a particular approach each study intends to explain the research observations based on the fundamental assumptions made in that approach. Therefore, some theories have been developed based on the specific characteristics of organisations (Brown, Beekes & Verhoeven, 2011). For example, agency theory was used to explain the relationship between the board and shareholders in financial statement disclosures (Adeyemi, 2006). Stakeholder theory was adopted to identify which of the users that needed particular type of financial statements disclosures (Brown, et al., 2011).

However, the similarities of the different theories are that all of them are concerned with the elements of corporate governance (such as corporate attributes) and have identify one or more reasons to support the relationship between the characteristics of the firm and the disclosures examined in prior studies. The differences among these accounting theories include the basic accounting assumptions and the various hypothesized information needs of users of financial statements. Due to the different basic accounting assumptions used and the expected information needs of users, these theories tend to draw various conclusions from accounting records and financial statements of organisations. These presumptions are found in kerr (2003), Brown, et al., (2011), Saheed (2013) and Nandi & Ghosh (2012).

Theories that have been adopted by previous studies include: stakeholder theory, agency theory, resource dependence theory, stewardship theory, capital market theory,

information asymmetry theory, re-enforcement theory, signaling theory and capture theory among others. The review of literature in this study revealed that none of these theories provided all explanations to the relationship between various corporate attributes and accounting disclosures, because each theory, based on specific assumptions, explained the relationship between the causal factor(s) and disclosure practices through a particular perspective. For instance, Gernon & Wallance (1995) used stewardship theory to explain the effect of environmental factors on accounting standards and disclosure practices in listed firms. Ramil, et al., (2013) used agency theory to assess the effects of corporate governance attributes on quality of information disclosures. Jensen & Meckling (1976) also used agency theory to explain the association between leverage and level of disclosures. Jensen & Meckling (1976) argued that agency costs were higher for companies with more debt in their capital structure. Salteh, Nahandi & Khoshbakt (2011) used stakeholder theory to evaluate influence of corporate governance on voluntary disclosures in Iran. Gordon (1964) used positive accounting theory to relate senior management with information disclosures. Ullman (1985) used stakeholder theory to resolve disclosure problems.

The theories adopted in this study were based on the relevance of the theories to the relationship between disclosure and corporate attributes hypothesized to affect compliance with accounting standards disclosure requirements by commercialized Federal Government enterprises in Nigeria. They include agency theory, stewardship theory, stakeholder theory, and resource dependency theory.

The next subsections look at the development of the selected theories and how they were applied in previous studies to relate corporate attributes with accounting disclosures in financial reporting. There is also a discussion of how these theories provided theoretical bases for linking the selected corporate attributes with level of compliance and accounting

standards disclosure requirements in the preparation of financial reports by commercialised enterprises.

2.12.2 Agency Theory

Agency theory originated from the culture of separation of organizations' management from owners. This separation creates what is known as principal-agent relationship. It emanated from the understanding that owners of today's organizations who contributed capital (shareholders) are different significantly from the management (operators) of such organizations. The shareholders theoretically engaged the members of management team to run the organization on their behalf. The underlying assumption is that the interest of the principal and the agent is the same. However, this is not always the case. In some cases, the interests of these two groups are not in agreement with one another. The implication of this for sound corporate governance is how the principal can limit divergent actions of the agent by establishing appropriate punishments, rewards or incentives for the agents to bring about appropriate outcomes (Luthans, 1998).

Agency theory offers assistance in understanding the complex motivations of managers towards compliance with accounting standards in financial reporting (Hendriksen & van Breda, 2001). Agency theory concerns itself with resolving the problems that can occur in agency relationships (Jensen & Meckling, 1976:306). They defined agency relationship as a contract under which the owners of the organization (principal(s)) engage the managers (agents) to perform some services on their behalf. Under this arrangement, the owners delegated some decision making authorities to the managers.

However, both parties are utility maximizers, with varying philosophies and this could result in divergent and misaligned interests between them. Owners' would want to maximize net present value of firm; while the managers would want to maximize their own

utility of which income is a part. In most cases, the agent will not always act in the best interests of the principal. The agents could also hide information for selfish purpose (s) by not disclosing important facts about the organization, if the implication of such disclosure will hurt their interest (Barako, Hancock & Izan, 2006). Owners face moral dilemma because most times they cannot ascertain or evaluate the decision made by their agents. This conflict of interest results in agency problem whose resolution incurs agency costs (Al-Shammari, 2005).

Several studies built their work on agency theory. For example Ali, Ahmed and Henry (2004) stated that larger organizations have a greater tendency to disclose more financial information in their annual reports than smaller ones. This will reduce their agency costs, government intervention and enhances their reputation and public image. This is consistent with the findings of Watts and Zimmerman (1986) and Chow and Wong-Boren (1987). Watts and Zimmerman (1986) and Chow and Wong-Boren (1987) also argued that organizations with higher debts ratios disclosed less information in order to disguise the level of the organization's risk.

2.12.3 Stewardship theory

This theory requires that directors show a fiduciary duty towards the owners of the company. The theory implies that the power of directors to manage the enterprise is derived from their appointment by owners. This means that the managers are required to be accountable to the owners. Stewardship theory thus suggests a collaborative approach between directors and managers. Such an approach, according to Stephen (2012) stresses service, calling for boards to advice the managers and the managers providing stewardship/accountability reports in line with the requirements of accounting standards to the owners, as is required by statutes. Stewardship and agency theories have garnered

attention both as a compliment and as a contrast. Davies, Schoorman and Donaldson (1997) argued that whereas agency theory views executives and directors as self-serving and opportunistic, stewardship theory describes them as frequently having interests that are isomorphic (identical) with those of shareholders (Dalton, Daily & Cannella, 2003), particularly, when financial reports disclose information required by shareholders. Stewardship theory helped to explain the importance that is attached to the board/management to disclose relevant information in financial statements.

2.12.4 Stakeholder Theory

The stakeholder approach to disclosure has been applied and relied upon in many management and accounting literatures to resolve disclosure problems (Ullman, 1985; Roberts; 1992 & Gray, 1997). Stakeholder theory asserts that:

> …the corporations' continued existence requires the support of the stakeholders and their approval must be sought and the activities of the corporation adjusted to gain that approval. The more powerful the stakeholders, the more company must adapt (Gray, 1997, p. 253).

Disclosure is thus seen as part of the dialogue between the company and its stakeholders. The stakeholders include: creditors, employees, suppliers, analysts, government, potential investors, credit rating agencies and the general public. Stakeholder theory asserts that stakeholders have the right to specific information for certain decisions and they should be provided with relevant information including mandatory and environmental information (Gray, 1995). In addition, stakeholders have the ability to control or affect the resources of the corporations. They exhibit their power through the level of control they have over the resources (Deegan, 2004).

Stakeholder theory has been considered important because the fiduciary relationship between the board and owners places the board in a position to produce stewardship/accountability financial reports to meet the requirements of the owners.
However, the stakeholder theory draws the attention of the board to the needs of stakeholders, which include resource allocation decision-usefulness information that aids resource allocation decisions, such as investment, and credit and risk analysis of the stakeholders.

Jawahar and McLauglin (2001) have written that organizations are likely to use different strategies to deal with different stakeholders and these strategies can change overtime. This means that certain stakeholder group can be more effective than others in demanding for accounting disclosure. Neu, Warsame and Pedwell (1998) confirmed that this enables corporations to concentrate on the stronger group of stakeholders' information needs and demands, more than the weaker group's information needs. Ullman (1985) argued that it depends on corporate strategic approach, which was defined as "the mode of response of an organization's key decision makers towards social demands" (p. 552) from the stakeholders. Therefore, the actions of the stronger group of stakeholders decide on how such demands affect the organisation if not attended to by management as the situation permits.

2.12.5 Resource Dependence Theory

Resource dependence theory (RDT) is the study of how the external resources of organizations affect the behaviour of the organization. The procurement of external resources is an important tenet of both the strategic and tactical management of any company. Organizations depend on many external resources, including labour, capital and raw materials. Organizations may not be able to come out with countervailing initiatives for all these multiple resources if the management is not able to harness the sources of these

resources. Therefore, organizations should move through the principle of scarcity of critical resources (Drees & Heugens, 2013) to ensure that the sources of resources it depends on are not thwarted by the management insensitivity to recognise the dangers of losing such resources. Critical resources are those the organization must have to function, for example, capital. In this case, the providers of capital and management are a critical aspect of the organisation.

Hillman, Withers and Collins (2009), Davis and Cobb (2010), Drees & Heugens (2013), Sharif & Yeoh (2014) discussed the importance of this theory in explaining the actions of organizations. Managers of organizations should understand that their successes are tied to owners who appointed them and they also provided the needed resources (capital) (Davis & Cobb, 2010). Managers' careers can only thrive if the owners’ demands are met (Hillman et al., 2009).

Resource dependence theory has implications also regarding the suppliers of other resources like labour, raw materials, credits, and other financial instruments. Therefore, financial statements need to consider the interests of resource providers, if the organisation should continue to enjoy their support.

2.13 REVIEW OF EMPIRICAL STUDIES

This sub-section contains a summary of the discussions of conceptual and theoretical frameworks in the preceding sections of this chapter. It also contains a discussion on specific relevant research studies conducted on this subject matter to enable us articulate existing gaps in literature in a clear and unambiguous manner. These discussions are contained in the paragraphs that follow.

The empirical research on the extent of disclosure compliance with accounting standards dated back to the 1961 studies, starting with the pioneering study of Cerf (1961).

After wards further studies included Watts and Zimmerman (1990); Wallace and Naser (1995); Meek, Roberts and Gray (1995); Owusu- Ansah (1998); Street and Bryant (2000); Wong (2001); Joshi and Ramadhan (2002); Naser and Nuseibeh (2003); Akhtaruddin (2005); Adeyemi (2006); Ofoegbu and Okoye (2006); Umoren (2009); Onafalujo, Eke and Akinlabi (2011);Okafor and Ogiedu (2011); and Baser (2012) to mention a few.

However, these studies concentrated on the disclosure practices of listed companies on the Stock Exchange. Few of them studied unlisted small scale enterprises like the study of Agyei-Mensah (2012) on rural banks in Ashanti region of Ghana. These studies covered a variety of areas of disclosure, such as effect of corporate attributes on extent of disclosure in listed companies, the comparability of deferent accounting bases financial reports and disclosure and the influence of firm characteristics on the quality of financial statements. These studies were also concerned with transparency and disclosures; observance of accounting standards and codes in Nigeria; the relationship between firms characteristics and mandatory or voluntary disclosures. However, all these studies concentrated on the study of listed companies and to some extent unregistered companies in the countries affected (Agyei-Mensah, 2012).

The empirical review evaluated studies on corporate attributes as predictors of the extent of disclosures of accounting information of listed companies. The emphasis was on the extent of disclosures in corporate annual reports of listed public limited liability companies as represented by several constructs, such as adequacy, comprehensiveness, informative and timeliness of these disclosures. According to these studies, each of this construct suggests that the quality and extent of disclosure can be measured by an index representing the dependent variable (Adeyemi, 2006 and Umoren, 2009). The disclosure index is either weighted or un-weighted. Some indices are researcher-created and some are indices

developed by other studies and are adopted by other researchers to represent the dependent variables (Umoren, 2009). Chow and Wong-Boren (1987) provided some proofs that there are no significant differences between weighted and un-weighted disclosure indices. The study asserted that weights neither affect real economic consequences on the subjects whose opinions are pooled, nor do they reflect stable perceptions on similar information.

The information items forming the basis of the index of disclosure are either voluntary or mandatory. The mandatory disclosures are basically accounting standards, international or local (Umoren, 2009). On the other hand, the voluntary disclosures are concerned with disclosures that are not imposed by any accounting standards or law. The overall findings regarding the compliance level of companies and the relationship between the level of disclosure and various corporate attributes are mixed. Cerf in 1961 pioneered the study of the relationship between extent of corporate disclosure as dependent variable and company attributes as independent variables (Fremgen, 1964). The independent variables as identified in the study included profitability, asset size, method of trading shares, stock ownership, industry, frequency of external financing, stability of growth in earnings, dividends, product, degree of competition, and management as firms' characteristics that influenced the dependent variable of level of disclosure index.

The study used the variables to test the superiority of disclosure as measured by an index of disclosure. The index was constructed based on thirty one information items each weighted by importance. A percentage score was given to each company by dividing the number of points achieved by the total points possible for all items applicable to the company. The results indicated a positive relationship between disclosure and asset size, profitability and shareholder number. As for methods of trading shares, the study found that New York Stock Exchange companies were significantly superior to the stock Exchanges of other countries like China and

London. The study also discovered that there was lack of disclosure of some techniques such as depreciation, inventories, recognition of income of long term contracts and income tax allocation. There was also evidence that specific items required by shareholders were not adequately disclosed, such as sales breakdown, research and development (current and planned), capital expenditure (current and planned), information on management and their policies.

Cerf (1961) as cited in Ray (1962) provides us with useful findings especially as a seminal work that identifys these relationships. However, the study failed to test the significance of the relationship in statistical terms. It also did not consider some corporations such as foreign corporations, banks, finance houses, insurance companies, real estate companies, public utilities (Ray, 1962), commecialised government companies and investment companies. The inability of the study by Cerf (1961) to cover these other areas left a gap in literature for other studies to fill.

Singhvi and Desai (1971) acknowledged Cerf (1961)'s work after ten (10) years of its existence as very fascinating. This was because it was the first of its kind to show the relationship between extent of disclosure and companies' attributes. To improve on Cerf's work, Singhvi and Desai (1971) examined additional variables such as earnings margin and influence of audit firms which were previously neglected by Cerf. To test the statistical significance of the relationship between the various variables, Singhvi and Desai (1971) evaluated the quality of information for fiscal years 1965 to 1966. Their sample included listed and unlisted corporations in the United States of America and used weighted index of disclosure method with 34 items similar to Cerf (1961).

The study assigned weights to the information items based on their relative importance as indicated by committee members on corporate disclosure and security analysts. The findings of the study were that there was a relationship between the index of disclosure and the specified

explanatory variables, which were asset size, number of shareholders, listing status, firms' rate of return and earnings margin. Using a multivariate linear regression, they estimated the coefficient of multiple determinations, which signified that variations in the quality of disclosure can be explained by the variables. When listing status was taken alone, it was seen that it explained partially, the variation in the quality of disclosures. Their results revealed that listing status was the primary explanatory variable. This was at variance with Cerf (1961) which portrayed asset size rather than listing status as the key explanatory variable. Singhvi and Desai (1971) concluded that corporations that disclose inadequate information were likely to be small in size, free from listing requirements, audited by small firms and less profitable.

Based on the conflicting results of Cerf (1961) and Singhvi and Desai (1971), Buzby in 1975 decided to probe further by examining the relationship between adequate disclosure and the two company characteristics of asset size and listing status. He constructed a disclosure index, based on information acquired from financial analysts, comprising 39 selected types of information appearing in the annual reports. He assigned Weights based on the analyst ranking in order to recognize differences in their relative importance. He used 88 companies in the sample with some listed on either the New York Stock Exchange (NYSE) or American Exchange (AMEX); while the others were unlisted. He tested for the listing status effect, and discovered that there was low level of statistical significance. The result of the test for the asset size effect revealed that the extent of disclosure was positive and significantly associated with asset size and not with listing status. This result was consistent with Cerf and not consistent with Singhvi and Desai (1971).

However, one of the limitations of Buzby (1975) study was that the measure of disclosure was based on only the information needs of financial analyst. Users of corporate

accounts were numerous as they are in modern days and to base a research on only one group of users (analysts) was not an adequate representation of the needs of all user groups.

Furthermore, McNally, Eng, and Hasseldine (1982) complemented and extended previous studies in the United States, such as Singhvi and Desai (1971) and Buzby (1975). The study examined the quality of disclosure with corporate characteristics in a different environmental setting, New Zealand. McNally et al. (1982) examined non-financial and non-retail listed companies with 54 voluntary items using size, rate of return, growth, audit firm and industry as their independent variables. They tested for rank order correlations for the first three company attributes and quality of disclosure. The only significant relationship found was between firm size and information quality. He also employed one-way-analysis of variance (ANOVA) (Kruskal Wallis) statistics to test industry group and audit size, but no significant influence was found between the two variables.

To extend the general knowledge of the overall extent of disclosure to Swedish listed companies, Cooke (1989) examined the annual reports of firms to assess whether there was a significant relationship between selected corporate attributes and the extent of disclosure. The differences between this study and the other prior studies were that, first, the study considered cross-border listed and unlisted firms, 71 (38 unlisted and 33 listed) on the Swedish Stock Exchange and 19 listed on both the Swedish and at least one foreign stock exchange during the year 1985. Second, the disclosure items were constructed based on the entirety of the annual reports, not just the financial statements. Third, the disclosure items were not directed at specific user groups, but over a wide range of approaches. In addition, the total number of items was 224, made up of financial statements, measurement and valuation methods, ratios, projections, financial history and social responsibility. They also constructed a scoring scheme to capture the level of disclosure by using a dichotomous procedure in which an item scores one if it disclosed

the item and zero if the item was not disclosed in the financial statements. When an item was not mentioned in the annual reports, it was assumed irrelevant and the company was not scored for that item. On the contrary, if it was apparent that the item was relevant, but not disclosed, such a company was scored zero. The method they used was unweighted based on the fact that each item was considered equally important. The index disclosure was the ratio of the actual score to the expected score. Descriptive statistics including Chi-square, Cramer's V, Contingency coefficient, lambda coefficient and one-way analysis of variance (ANOVA) was used in analyzing the data and it was discovered that there was a high degree of association between the listing status and disclosure indices of the firms.

In order to identify which independent variables that influenced the extent of disclosure, Cooke (1989) adopted multiple regression procedure to analyse selected independent variables such as quotation status, parent company relationship, annual sales, total assets, and number of shareholders. He found that listing status and firm size were major explanatory variables for voluntary disclosures. In addition, the firms categorized as trading disclosed less voluntary information than other industries. Also, multiple listed companies disclosed more information than domestically listed companies.

Several other studies examined the relationship between company characteristics and extent of disclosure in many countries' financial reporting on the premise that findings of one country may not be applicable to the unique culture and business environment of other countries. These included both in developed and developing countries. For example Cooke (1989) and Cooke (1992) for Japanese; Wallace, Naser and Mora (1994) investigated the impact of firm characteristics on disclosure in annual reports and accounts of Spanish firms for the year 1991; Chau and Gray (2002) used a linear multiple regression to study the association between ownership structure and extent of voluntary disclosures in two Asian Countries of Hong Kong

and Singapore; the German companies were investigated by Glaum and Street (2003) as to the level of German companies compliance with both the International Accounting Standards and United States Generally Accepted Accounting Principles (GAAP). In yet another study the New Zealand companies were examined by Owusu-Ansah and Yeao (2005) for the effect of the Financial Reporting Act of 1993 (FRA) on mandatory disclosure practices of companies listed on the New Zealand Exchange Limited. Latridis (2008) examined the disclosure of accounting information in the financial statements of UK firms. Mexican corporations were examined by Chow and Wong-Boren (1987) for the understanding of accounting reporting practices in non-Anglo- American nation and secondly to provide additional evidence on the factors attributable to voluntary financial disclosures. In India, Ahmed (2005) investigated the extent of voluntary reporting practices of listed non-financial companies with 12 disclosure items of companies relating to the extent of voluntary reporting practices to industry type.

In developing countries, studies on mandatory and voluntary disclosure practices were also conducted, like in Zimbabwe, Owusu-Ansah (1998) and Chamisa (2000) empirically investigated the degree of influence of eight (8) corporate attributes on the extent of mandatory disclosure and reporting of listed companies. After the Saudi authorities introduced a number of reforms in order to transform the economy in the late 1990s to 200, Naser and Nuseibeh (2003) assessed the quality of information disclosed by non-financial companies listed on the Saudi Stock Exchange by examining the extent to which Saudi firms comply with stated accounting measurement and disclosures. In Egypt, a detail analysis of disclosures in financial statements of listed companies on the Egyptian Stock Exchange was conducted by Dahawy and Conover (2007) with the results that not all the companies comply fully with the international accounting standard. The compliance rate was an average level of 62%. All these studies had varying

degrees of results relating to the relationship between characteristics of firms and extent of mandatory or voluntary disclosures.

The Nigerian financial reporting environment was empirically investigated by Umoren (2009), Adeyemi (2006), Ofoegbu and Okoye (2006), Okike (2000), and Wallace (1988). Wallace's (1988) study was one of the pioneer studies on the Nigerian corporate reporting environment relating to companies listed on the Nigerian Stock Exchange. He investigated the extent of disclosure using statutory and voluntary items similar to the studies of Buzby (1975), Baltet (1975), McNally et al. (1982) and Chow and Wong-Boren (1987). Wallace's choice of information items was relevant to the user group accountants, top civil servants, managers, investors and other professionals. He used a sample of 47 companies, being 54% of the total population of listed firms quoted on the Nigerian Stock Exchange during 1982 and 1986. The study defined disclosure as a dichotomous item "1" for an item disclosed and "0" for the item not disclosed and the scoring system was informed by its intensity. He constructed two types of disclosure indices, unweighted and weighted. The weighted disclosure index reflects the preferences of the six-user groups. The result of the analysis revealed that companies which publish annual reports did not adequately comply with the disclosure requirements of accounting standards. The overall disclosure index revealed that there was a clear case of weakness in the disclosure practices of listed firms in Nigeria.

The study of Okike (2000) on the corporate reporting practices showed that the accounting standards disclosure practices in Nigeria was weak and accounting reports were deficient in the sense that they lacked vital information. Ofoegbu and Okoye (2006) investigated the extent to which listed companies in Nigeria complied with the Statements of Accounting standards (SAS). Using a sample of seven local accounting standards (SAS 3, SAS 7, SAS 8, SAS 10, SAS 11, SAS 18 and SAS 19) the study analysed the annual reports of 41 companies

publicly quoted at the Nigerian Stock Exchange. The result showed a mixed and weak rate of compliance with disclosure requirements. For example, full compliance was recorded for items such as: bases of determining book value of assets, cash flow presentations, and disclosure of various forms of taxes, movements of taxes and assets during the year. Partial compliance was recorded for items such as frequency of revaluation policy, amount of foreign exchange gain or loss, maturity profile of risk asset of banks, and commission paid/received (Ofoegbu & Okoye, 2006). In the same year, Adeyemi (2006) also investigated the impact of accounting standards on financial reporting of listed companies in Nigeria. The study employs the correlation and multiple regression techniques to analyze the data and means and standard deviations obtained from primary data were also used for comparisons. Specifically, Krustal-Wallis statistics was used to test for differences in perception of independent samples and Mann Whitney-U test was employed for testing differences between means of scores. Data analyses were done using statistical package for social science (SPSS Release 10). The results of the study showed that many of the SASs relied upon by the financial statements preparers in Nigeria have been outdated in relation to their IASs/IFRS equivalents. The overall findings of the study showed that the extent of compliance with SASs, IASs and IFRSs was low. A significant difference between the findings of this study and those of other studies was that the type of news and size of auditing firm showed a negative relationship in the Nigerian situation as against those of other countries, for example Germany and Spain. This result was an indication that in the Nigerian situation, when good news was to be conveyed, the company might be economical with the details as demanded by the SAS.

Umoren (2009) evaluated accounting disclosures and corporate attributes in Nigerian listed companies. The study used positive accounting theory to investigate corporate disclosure practices based on seven company-attributes- company size, profitability, leverage, multi-

nationality, auditor size, industry type and company age. It employs contents analysis of disclosure levels for financial and non-financial companies. The overall results showed that both listed financial companies and listed non-financial companies do not fully comply with disclosure requirements of relevant SASs. In addition, the study result showed that company size and auditor type were the only corporate attributes that significantly related to extent of disclosure.

The revelations of the results of prior studies of listed companies in many countries and especially in Nigeria explained the importance of under-taking similar research in Nigeria but with a focus on the Commercialized Federal Government Enterprises which have not been examined by any prior research. In addition, prior research concentrated on the relationship between firm characteristics and extent of disclosure. This approach assumes that the natures of the enterprises (which are the special features of the enterprises) are not significantly relevant to their disclosure practices. This research argued that the special features (firm effects) of the enterprises also significantly affect the extent to which they comply with accounting standards disclosure requirements.

2.14 SUMMARY OF LITERATURE REVIEWED

Despite the volume of literature reviewed in the conceptual and theoretical frameworks and empirical studies in this research, the extent of compliance with accounting standards, the relationship between corporate attributes and firm effects on the extent of compliance with accounting standards disclosure requirements by Federal Government commercialised enterprises, to the best of the researcher's knowledge was under examined by prior literatures. Similarly, the disclosure indices of the Federal Government commercialised enterprises and the overall disclosure index of these enterprises have not been determined by any of the prior literatures. The firm effects are special features of a firm and include

managerial style, managerial philosophy, type of market, process of production and a host of others.

Specifically, the following have been identified as existing gaps in knowledge in the literatures reviewed:

First, the examination of the relationship between corporate attributes and extent of compliance with accounting standards disclosure requirements in financial statements by the Federal Government commercialised companies was not properly covered in the prior literature.

Second, the examination of the relationship between firm effects (nature) of the firm and the extent of compliance with accounting standards disclosure requirements by Federal Government commecialised enterprises was not adequately covered by prior literature. The examination of effect of firm effects on extent of compliance isolated the actual influence of corporate attributes on extent of disclosure from the total effect of both corporate attributes and the nature of the firm and the extent of compliance with accounting standards disclosure requirements.

Third, the determination of disclosure indices of each of the Federal government commercialised companies and their overall disclosure index has not been properly addressed in prior literature.

Summary

Chapter two discussed the conceptual framework, the theoretical framework, the review of relevant empirical literature and established gaps. The conceptual framework included the definitions of all the concepts used in this study both as they were used by previous studies and as they were used in this current study to relate the effect of corporate attributes on extent of compliance with accounting standards disclosure requirements. It

discussed key concepts such as corporate disclosure, corporate governance and its importance to accounting disclosures, corporate accountability and corporate transparency, accounting standards and financial reporting and disclosure responsibilities of management, measurement of elements of financial reports, the determinants of accounting disclosures and commercialized Federal Government enterprises. The conceptual framework also examined and elaborated on the research problems in relation to the relevant literature reviewed. It emphasised key ideas or constructs in the approach to this work, especially as they related to the corporate attributes and firm effects examined in this study. Besides, the chapter identified and discussed the origin, nature and operations of public enterprises in developed and developing countries and the need for the commercialization of public enterprises.

Furthermore, the chapter also discussed the theoretical framework, particularly, accounting theories that link corporate attributes and firm effects with disclosure practices of firms. The importance of the basic accounting theories to the topic and the research questions were emphasised. The reasons for adopting the stakeholder, stewardship, resource dependence and agency theories in this study were explained along with other socio-economic and psychological theories that were considered useful in this study. The chapter also reviewed prior literature on accounting standards compliance with disclosure requirements. From the empirical review of prior literature, it was observed that very little research has been devoted to the corporate disclosure practices of firms in Nigeria generally and in particular, there was no research on disclosure practices of governments' business enterprises, like commercialised Federal Government companies.

In addition, the conflicting results of prior studies indicated that there was a need for a specific study on commercialised government enterprises to understand the causes of

variations in the disclosure practices of these enterprises. It is in the light of all these reasons that this study has filled the currently observed gaps in the following ways:

The study established the extent of compliance with accounting standards disclosure requirements. It also examined the relationship between selected corporate attributes and extent of compliance with accounting standards disclosure requirements on one part and the relationship between firm effects and level of compliance with accounting standards disclosure requirements by Commercialised Federal Government Companies in Nigeria on another part.

CHAPTER THREE
RESEARCH METHODS

This chapter discussed the method and procedures that were employed in carrying out the research. Methodology provides explanations concerning the accepted criteria for empirical objectivity and the methods and techniques used for their validation. According to Maimako (2005) scientific methodology is a system of explicit rules and procedures upon which research is based and against which claims for knowledge are evaluated. This means that objectivity depends on validation and the rules of validation are explained in this study so that it provides the basis upon which the results of this research can be relied on. The methods adopted in this research included sources of data, study population, sample size, sampling technique, data gathering method, instruments for data collection, description of disclosure index template, validity and reliability of instruments, method of data presentation and analysis, instruments for data analysis and model specification.

3.1 TYPE OF DATA REQUIRED FOR THE STUDY

The data required is quantitative secondary data in form of discrete and continuous data measured at least on the interval scale.

3.2 SOURCE OF DATA

The source of data is the audited financial statements of the commercialised enterprises (annual reports) obtained from the Office of the Auditor-General for the Federation (AGF).

3.3 STUDY POPULATION

The study population is based the number of commercialized enterprises and the list of financial statements.

3.3.1. Population of Commercialised Enterprises

The enterprises that were earmarked for commercialisation under PCA (1993) and TCPC (1988) were 34 (Appendix B1). However, some of the enterprises were dropped from the study, because they did not meet the selection criteria of published audited financial statements for at least seven years. Consequently, in order to determine the empirical population of the enterprises for the study, the enterprises were filtered and the number that met the criteria after filtering was 18 and these enterprises constituted the empirical population of the study (Table 1).

The financial statements which form the bases of determining whether or not an enterprise should be included in the population were obtained from the Office of the Auditor General for the Federation on request. These financial reports included the annual accounts and management letters for twelve years, starting from 2002 to 2013.

Table 1: Parastatals Slated for Commercialisation

S/N	ENTERPRISES	NUMBER	TYPE
1	Nigerian Railways Corporation	1	Partial
2	Nigerian Airports Authority	1	Partial
3	Federal Housing Authority	1	Partial
4	Sokoto- Rima River Basin Development Authority, sokoto	1	Partial
5	Hadejia-Jema'are River Basin Development Authority, Kano	1	Partial
6	Lake Chad Basin Development Authority, Maiduguri.	1	Partial
7	Upper Benue River Basin Development Authority, Yola.	1	Partial
8	Lower Benue River Basin Development Authority, Makurdi.	1	Partial
9	Cross River River Basin Development Authority, Calabar.	1	Partial
10	Anambra-Imo Basin Development Authority, Owerri.	1	Partial
11	Lower Niger River Basin Development Authority, Ilorin.	1	Partial
12	Niger Delta Basin Development Authority, Port Harcourt.	1	Partial
13	Oshun-Ogun Basin Development Authority, Abeokuta	1	Partial
14	Federal Radio Corporation of Nigeria, Abuja	1	Partial
15	Nigerian Television Authority, Abuja	1	Partial
16	News Agency of Nigeria, Abuja	1	Partial
17	Nigerian National Petroleum Corporation	1	Partial
18	Federal Airport Authority of Nigeria Abuja	1	Partial
	Total number of enterprises	18	

Source, TCPC, 1993

3.3.2. List of Audited Financial Statements

Table 2 shows the empirical population of audited financial statements as 213. This was based on the population of 18 enterprises, after filtering for enterprises that produced at least seven (7) financial statements. The eighteen enterprises were to produce twelve (12) financial statements each in accordance with Section 85 (2 and 5) of the Nigerian Constitution 1999 as amended. However, Oshun-Ogun River Basin Development Authority prepared financial statements from 2005 to 2012, making a total of 9 out of 12 year's financial statements only (Table 2). In addition, NTA, UBRB and NAN were the only enterprises that submitted financial statements for 2013 financial year and S-RRB, H-JRB and NNPC did not submit their financial statements for 2012 and 2013 financial years. The remaining 12 enterprises were in arrears of submitting 2013 financial statements to the AGF.

Therefore, Table 2 shows the total financial statements submitted to AGF as 195 (95.55%). The balance of 18 (8.50%) were in arrears and the analysis were based on the 195 financial reports (Table 2)

Table 2: List of Financial Statements of Commercialised Enterprises

S/NO	Commercialised Federal Government Enterprises	Number of Annual Reports Expected from 2002-2013	Number of Annual Reports produced from 2002-2013	Outstanding Annual Reports from 2002-2013	Percentage of Annual Reports Submitted to AGF 2002-2013
1	Nigerian Railways Corporation	12	11	1	91.67%
2	Federal Housing Authority, Abuja	12	11	1	91.67%
3	Sokoto- Rima River Basin Development Authority, sokoto	12	10	2	83.33%
4	Hadejia-Jema'are River Basin Development Authority, Kano	12	10	2	83.33%
5	Chad Basin Development Authority, Maiduguri.	12	11	1	91.67%
6	Lower Benue River Basin Development Authority, Makurdi.	12	11	1	91.67%
7	Cross River River Basin Development Authority, Calabar.	12	11	1	91.67%
8	Anambra-Imo Basin Development Authority, Owerri.	12	11	1	91.67%
9	Niger Delta Basin Development Authority, Port Harcourt.	12	11	1	91.67%
10	Benin-Owena Basin Development Authority, Benin City.	12	11	1	91.67%
11	Oshun-Ogun Basin Development Authority, Abeokuta	9	8	1	88.89%
12	Federal Radio Corporation of Nigeria, Abuja	12	11	1	91.67%
13	Nigerian Television Authority, Abuja	12	12	0	100%
14	News Agency of Nigeria, Abuja	12	12	0	100%
15	Nigerian National Petroleum Corporation	12	10	2	83.33
16	Lower Niger River Basin Devt Authority Ilorin	12	11	1	91.67%
17	Federal Airport Authority of Nigeria Abuja	12	11	1	91.67%
18	Upper Benue River Basin Devt Authority Yola	12	12	0	100%
	Total	213	195	18	95.55%

Source: Field Work, 2014

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

3.4.1 Sample size

There was no sample drawn for the secondary data, because the data was collected based on filtered population of the study (Tables 1 and 2) as all the number of enterprises and financial statements were needed for the analyses.

3.4.2 Sampling Techniques

Sampling technique for the secondary data was also based directly on the filtered population of study (Tables 1 and 2).

3.5 METHODS OF DATA COLLECTION

The method of data collection employed in the study was the Contents Analysis Method using disclosure index checklist and the disclosure index template for the computation of disclosure index (dependent variable) Appendix A2 and the Attributes Score Template was used for collecting the quantitative data values for the corporate attributes (independent variables) Appendix A1.

3.5.1 Contents Analysis Method

Content analysis is a research technique for the objective, systematic and quantitative description of the manifest content of communication. It is a wide and heterogeneous set of manual or computer-assisted techniques for contextualizing interpretations of documents produced by communication processes such as text, written, iconic, or multimedia or signification processes like traces and artifacts, having as the ultimate goal the production of valid and trustworthy inferences (Krippenddorff, 2004). In other words, It can also study traces (documents from past times) and artifacts (non-linguistic documents), which come from communication processes (Holsti, 1969).

Content analysis has been utilized especially in the field of Communication, Journalism, Sociology, Psychology, and Business and is an "umbrella term" (p. 8) referring to an almost boundless set of quite diverse research approaches and techniques (Krippenddorff, 2004).

Therefore, this study used the content analysis method of disclosure index checklist/template which contained items required by accounting standards (SAS and IAS) to be disclosed in financial statements of commercialized enterprises (Appendix A2). The disclosure index checklist is an extensive list of selected items expected to be disclosed in company's financial reports as required by the accounting standards used by these enterprises in preparing financial statements. It did not cover information reported in interim reports or financial analyst's reports or information required by IFRS and IPSAS because of the timing of the commencement of IFRS and the jurisdiction of IPSAS. The disclosure index template contained 305 items of the two accounting standards (SAS and IAS) required to be complied with in the preparation of annual accounts of commercialized enterprises.

Construction of the Disclosure Index Checklist

The disclosure index checklist included all relevant Statement of Accounting Standards (SAS) and some International Accounting Standards (IAS) required to be complied with in preparing the annual reports of enterprises in the applicable years. Commercialised Federal Government Enterprises are required to comply with the IFRS as Significant Business Entities (SBEs) with a transition date effective from 2010 and a reporting date of 2014. The IAS disclosure index checklist contains IAS(s) that do not have their equivalent SAS(s) and were required to be complied with in preparing financial reports of the enterprises under study. The IFRS were not included in the disclosure index checklist

because the date of implementing IFRS for commercialised enterprises which are Government Business Enterprises (GBE) was 2014.

Similarly, all accounting standards repealed on or before 31st December, 2001or whose effective dates were not relevant to these periods (2002, 2003, …, 2013) were not included in the disclosure index checklists. The reason was that by 31st December, 2001and 2013, these accounting standards were not required to be complied with in the production of accounts of 2002 to 2013 financial years.

International Public Sector Accounting Standards (IPSAS) was excluded because IPSAS are only applicable to public or government-owned not-for-profit companies, corporations, parastatals, agencies, Ministries and Extra-Ministerial Departments, commissions and International Organisations. Commercialised Federal Government Enterprises use Company and Allied Matters Act (1990) as amended, SAS and IAS (PCA, 1993 & TCPC, 1993).

SAS Included in the Disclosure Index Checklist

SAS checklist was based on 23 mandatory SASs and contained 305 information items.

Table 3: Statements of Accounting Standards

Statement of Accounting Standards (SAS)	Reasons for inclusion or exclusion	Remarks
SAS 1, SAS 2, SAS 3, SAS 4, SAS 5, SAS 6, SAS 7, SAS 8, SAS 9, SAS 11, SAS 13, SAS 14, SAS 16, SAS 17, SAS 18, SAS 19, SAS 22, SAS 23, SAS 24, SAS 27, SAS 28, SAS 29 and SAS 31	Relevant to at least one of the commercialised Federal Government enterprises	Included in the list
SAS 10, SAS 15, SAS 20, SAS 21, SAS 25, SAS 26 and SAS 30	Irrelevant to annual reports of Commercialised Federal Government enterprises	Excluded from the list
SAS 12	Replaced by another standard SAS 19	Excluded from the list

Source: Field Work, 2014

Table 3 contains 23 SAS that were relevant for the preparation of financial reports of at least one of the 18 commercialized Federal Government enterprises under study. Seven (7) SAS were considered irrelevant for the preparation of annual reports of any of the 18 commercialized enterprises; while SAS 12 was replaced by SAS 19. The total number of SAS issued up to 2013 was 32 (Appendix B1).

Table 4: International Accounting Standards

Standards	Reasons for inclusion and exclusion	Remarks
IAS 18, IAS 20, IAS 23, IAS 24 and IAS 41,	Relevant to financial reports of commercialized Federal Government enterprises in Nigeria	Included from the list
IAS 1, IAS 2, IAS 7, IAS 8, IAS 10, IAS 11, IAS 12, IAS 16, IAS 17, IAS 19, IAS 21, IAS 26, IAS 27, IAS 28, IAS 31, IAS 32, IAS 33, IAS 34, IAS 36, IAS 37, IAS 39 and IAS 40,	Accorded substantially with the requirements of equivalent Nigerian Statements of Accounting Standards (SAS)	Excluded from the list

Source: Fieldwork, 2014

Table 4 shows that 8 IAS were included in the construction of the disclosure index checklist/template; because they were considered relevant for the preparation of financial reports of the 18 commercialized enterprises and they did not have their equivalence of SAS. As at the end of 2013, only 41 IAS were issued by IASB and 13 IFRS, but only 5 IAS that were considered relevant to Commercialised enterprises. The IFRS were not included due to timing of their commencement which is 2014.

3.5.2 The Scoring of the Disclosure Index Checklist

The SAS and IAS items were scored by assigning a value of 'I' if an item was disclosed and '0' if the item was relevant but not disclosed. The item that was not relevant to an enterprise was marked "N" Not Applicable or left "Blank". When an item of information was not mentioned in the annual reports, it was assumed irrelevant to the enterprise (e.g. prior year adjustments). The disclosure index checklist was compiled and used with the aid of Microsoft Excel 2010. The appropriateness of the disclosure index as a measure disclosure was based on the function of its reliability and validity which was tested at the pilot stage of the research.

3.6 VALIDITY AND RELIABILITY TEST

Validity and reliability of the research instrument was relevant in order to have an effective and appropriate research instrument that would be able to measure reliably extent disclosure achieved by each of the enterprises in the sample. Therefore, the instrument of Disclosure Index employed in this study was tested for reliability and validity.

3.6.1 Validity and Reliability of Disclosure Index Checklist

a. Validity of Disclosure Index Checklist

The initial draft of the disclosure index checklist was given to the supervisor and two panel members of the Faculty of Management Sciences, University of Jos to scrutinise the

instrument to ensure that the contents of the disclosure index include all the items required by the applicable SAS and IAS and are in line with the intended purpose and meaning. This means that all the relevant accounting standards were included in the checklist. The comments of these experts were noted and necessary adjustments were made in the preparation of the second draft which was subjected to further scrutiny by the research supervisor. His approval was obtained for the final copy of the disclosure index checklist to be used.

b. Reliability of Disclosure index Checklist

The reliability of the disclosure index was tested by measuring the expected disclosure index using the Index Disclosure Checklist Template. Reliability was tested by requesting the supervisor and two other members of staff in the Faculty of Management Sciences, University of Jos to score a set of 5 selected enterprises' annual reports. The results were compared and were confirmed to be reliable as it generated consistent measures from different calculations on two different occasions.

The assumption of disclosure index checklist method was that it contained all the disclosure requirements of accounting standards applicable to the enterprises under consideration. This assumption was based on the idea that if any information on the requirements of the accounting standards was left out, the disclosure index template would be unable to measure accurately the compliance levels of these enterprises with all the relevant accounting standards. To ensure that this assumption was satisfied, the disclosure index checklist template was thoroughly cross-checked by a pilot study which gave a satisfactory result.

3.7 METHODS OF DATA PRESENTATION AND ANALYSIS

The choice of tools for data presentation and analysis is a function of the type of data collected. In this study the secondary data was discrete and continuous data. The data was measured at least on the interval scale. The data was presented with the aid of tables, and histogram. The secondary data was analysed using Descriptive statistics and Multiple Regression statistics. The Descriptive statistics employed Microsoft Excel 2010 for analyzing data relating to question 1. The analysis of data relating to Multiple Regression statistics employed Stata-Version 12 and Gretl version 1.9 Software for test of hypotheses 1-6.

3.7.1 Methods of Data Presentation

The secondary data was presented using descriptive statistics with the aid of tables, and histogram. The data was time series and were presented in a panel form using tables.

3.7.2 Methods of Data Analysis

The secondary data was analysed using Descriptive Statistics of Index Disclosure and Multiple Regression Analysis. There were two regression analyses employed to analyse the secondary data: fixed effect model and random effect model. The fixed effect model took into account the behavioural pattern of the firms/enterprises; while the random effect did not consider the behavioural pattern of the firm/enterprises. The models specification is shown in sub-section 3.7.4.

3.7.3 Definition of Variables of the Study

The variables identified in this study include:

a) Dependent Variables

The dependent variables of the research are the overall disclosure index of all the 18 enterprises under study (equation 4) and the disclosure indices of each of the enterprises (equation 3). It is the ratio of the actual total disclosure scores to the total expected

mandatory disclosure scores by all the 18 enterprises, computed with the aid of disclosure index template and Microsoft Excel 2010 version.

b) Independent Variables

These are the explanatory variables used for the test of hypotheses1-6. These include: firm size, leverage, liquidity, audit firm size, professional qualification and firm effects. These variables are obtained from each enterprise's annual reports for fiscal years 2002 – 2013. The independent variables are divided into two categories, the quantitative variables and the qualitative variables.

Quantitative Independent Variables

These variables are in form of continuous or discrete measured at least on the interval scale. These variables are represented by values obtained from the analysis of financial statements using Attributes Score Table which employed Microsoft Excel 2010 version. They include:

a) **Firm size-** This was represented by Total Book Value of Fixed Assets plus Total Current Assets plus total investments of the enterprise as presented in the annual reports of the enterprise. This was measured mathematically as: Total Assets = Book Value of Fixed Assets at end of year + Total Net Current Assets + Investments.

b) **Leverage-** This was represented by the Gearing Ratio (Total Long Term Liabilities divided by Total Fixed Assets). Total Fixed Assets were defined as Total Book Value of Fixed Assets and Investment as presented in the annual reports of the enterprise.

c) **Liquidity**- This was represented by the Current Ratio (defined as Current assets divided by Current Liabilities) as presented in the annual reports of the enterprise.

Qualitative Independent Variables

These variables are qualitative and were in form of discrete data. They were the dummy variables of the study. They include:

a) Audit firm size- This was represented by big audit firm or small audit firm. Big audit firm was defined as an audit firm with international connection, that is, at least one of the audit managers was also an audit partner of a foreign audit firm. Big audit firm took the dummy value “1”. Local (small) audit firm was defined as an audit firm without international connection. Local audit firm took the dummy value “0”.

b) Professional Qualification- This was represented by Chartered Accountant or not a chartered accountant. Chartered accountant was defined as a member of any of the recognized accounting bodies by the Nigeria Government. Non-chartered accountant was defined as an accountant who was not a member of any of the recognized accounting bodies by the Nigeria Government. Chartered accountant took the dummy variable value“1” and not a chartered accountant took the dummy variable value“0”.

c) Firm Effects- These are special features of a firm which include managerial style, managerial philosophy, type of market, process of production. Firm effects were represented by the individual enterprise in form of dummy variable value “1”, because in the least square dummy variable model, it allows for heterogeneity among subjects by allowing each entity to have its own unique intercept value, due to the special features of each enterprise.

Table 5: The Variables of the Study

Variable	Description of independent and dependent variables	Proxy	Hypothesis	Code	A prior Expectations (+ or -)
Firm Size	Total book value of fixed assets plus total current assets of the enterprise as presented in the annual reports of the enterprise. This is measured mathematically as: Total Assets = Book value of fixed assets + Current assets.	Total assets or Log Total Assets	H_1	S	+
Leverage	The gearing ratio, given as total long term liabilities divided by long term investment.	Gearing ratio	H_2	Le	+
Liquidity	The current ratio, define as current liabilities divided by current assets	Current ratio	H_3	L	+
Audit Firm Size	Big audit firm with international connection or local audit firm	Big audit firm (1) or Small Audit firm (0)	H_4	A	+
Professional Qualification	Professional or non-professional accountant	Professional (1) non-professional (0)	H_5	Q	+
Firm effects	Special features of enterprises.	Dummy Variable 1 for each	H_6	FE	+
Overall disclosure Index	The addition of all the individual disclosure index of parastatals	Equation 3.2	For all the hypotheses and question 1	ODI	
Enterprise disclosure index	The disclosure index of each parastatal	$EDC = \frac{\sum_{i=1}^{n} d_i}{d}$	For all the hypotheses and question 1	*E*	

Source: Fieldwork, 2014

3.7.4 Model Specification

Disclosure Index Template

The disclosure index is a measure of the extent of disclosure compliance with accounting standards by each of the enterprises under study. It is an extension of disclosure index checklist. When all the data required are collected using the disclosure checklist, the disclosure checklist is extended to include columns for total disclosure score, total expected disclosure score and the disclosure index. The disclosure index is a ratio of the total disclosure score and the expected total disclosure score. The disclosure index is represented mathematically in equation (3) as:

$$EDC = \frac{\sum_{i=1}^{n} v_i}{N} \quad \ldots (3)$$

Where:

EDC = Disclosure Index of an enterprise

i = 1, 2, 3… 305 (actual number of items disclosed)

v = 1, 2, 3 … 195 (Number of financial statements)

n = 305 (Maximum number of items to be disclosed)

N = Maximum number of items possible to be disclosed by an enterprise)

The Overall Disclosure Index

To determine the overall disclosure index (ODI) for the entire enterprises in the study, the actual number of items disclosed is computed by adding all the items disclosed (*E*) by each of the enterprises and dividing it by the number of items expected to be disclosed (*N*) by

all the enterprises using equation (4) as:

$$ODI = \frac{1}{N}\sum_{i=1}^{n} E_i \quad \ldots (4)$$

Where:

ODI = Overall Disclosure Index for all the enterprises

i = 1, 2, 3, 4…18 (Appendix A3)

n = 1, 2, 3, 4…305 (Actual number of items disclosed)

E = The total number of items of accounts actually disclosed by each enterprise (varies from 1 – 305; Appendix A2)

N = 305 * 195 (59, 475) Maximum number of items of accounts expected to be disclosed by all the enterprises in the study.

Multiple Regression Analysis Model

There are two multiple regression statistics that were employed to analyse secondary data, these are the Random Effects Least-Squares Dummy Variable (LSDV) model without firm effects, which was employed to test hypothesis 1-5 using Stata version 12 Software. The Fixed Effects Least-Square Dummy Variable (LSDV) was employed to analyse the firm effects using secondary data to test hypotheses 6 using Gretl version 1.9 Software. The data used in the two statistical analyses were cross-sectional and time series in nature and was arranged in a panel form using Microsoft Excel 2010.

Estimating the Regression Coefficients

The Hausman test statistics was used to decide on the consistent regression method between the fixed effects and the random effects to be employed in analyzing secondary data. The null hypothesis underlying the Hausman statistics is that random effect and the fixed effect estimators do not differ significantly. “The test statistics of Hausman has an χ^2 distribution. If the null hypothesis is rejected, the conclusion is that the random effects is not

appropriate because the random effects are probably correlated with one or more regressors, in this cause, fixed effects is preferred to random effects" (Gujarati, et al, 2012 p. 636)

Rules:

If the Chi-square statistic P-value is < 0.05, reject the Hausman null and do not use the random effects. If the Chi-square statistic P-value is > 0.05, do not reject the Hausman null hypothesis and use the random effects.

The multiple regression statistics is presented in equation (5) as:

$$ODI = \alpha + \beta_1 LnS + \beta_2 Le + \beta_3 L + \beta_4 A + \beta_5 Q + \varepsilon \ldots \qquad (5)$$

$\beta_i > 0 \quad i = 1, 2, \ldots 5.$

Where:

ODI = Overall Statutory disclosure index.

LnS = Log Size represented by log of book value of total assets.

Le= Gearing (Leverage) represented by the ratio of total debt to total assets.

L = Liquidity represented by the ratio of current assets to current liabilities.

A = 1, if the audit firm is a big audit firm and 0, if otherwise.

Q = 1, if the enterprise's principal account officers are professionally Qualified and 0, if otherwise.

ε = disturbance/error term.

α =Regression intercept

β_i = parameters to be estimated.

Source: Modified from Gujarati, Porter and Gunasekar (2012)

Assumptions of Multiple Regression Analysis

a. The probability distribution of error variable is normal.

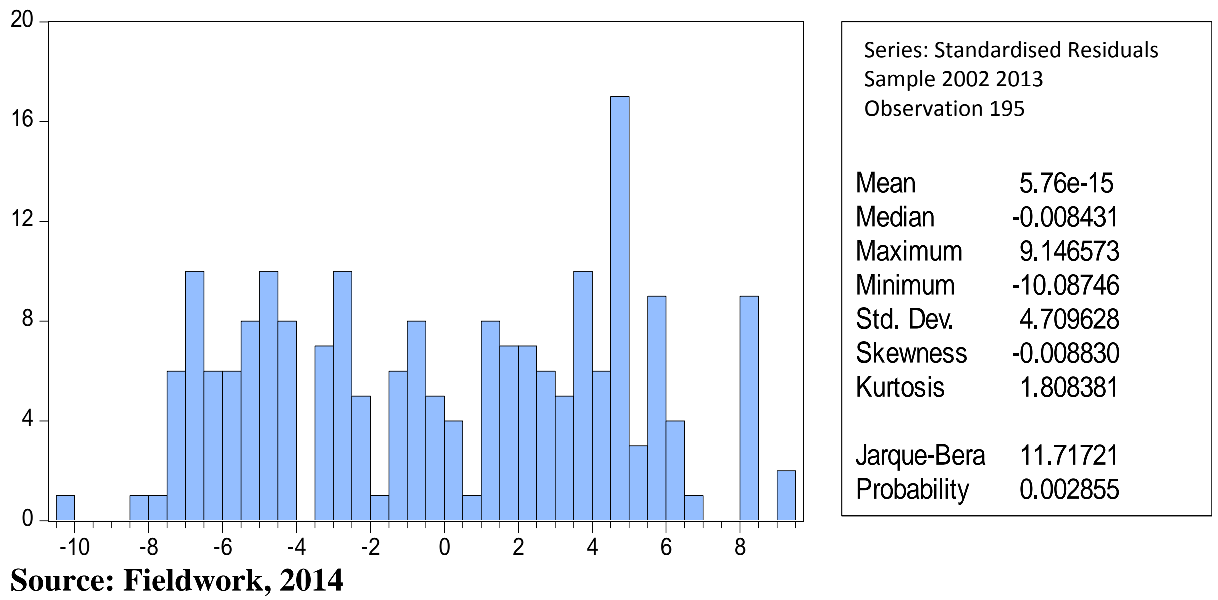
b. The standard deviation of the error variable is a constant regardless of the value of the independent variable.

c. The error variable must be independent of each other

d. There is linear relationship between the dependent and at least one of the independent variables (Keller, 2005).

a) Test of Normality

The test of normality of error variable distribution assumption of multiple regression models reveals a Jarque-Bera p-value of 0.002855 < 0.05, level of significance. This shows that the error variable was not normally distributed. Therefore, heteroscedasticity, auto-correlation consistency (HAC) robustness test was employed in the Multiple Regression model in analyzing the data.



Source: Fieldwork, 2014

Figure 2: Jarque-Bera Test

b) Test of Heteroscedasticity

Another assumption is the Constance of the variance of the error variable over time. The tool that was used to conduct the test for the condition of heteroscedasticity was Breusch-Pagan / Cook-Weisberg test for heteroscedasticity. The overall p-value of the Breusch-Pagan / Cook-Weisberg test for heteroscedasticity is 0.00349 which is < 0.05 level of significance. Base on the decision rule of Breusch-Pagan / Cook-Weisberg test, the p-value < 0.05 significant level. Therefore, the variance of the error variable is not constant over time (heteroscedasticity).

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

Ho: Constant variance
Variables: fitted values of yedi

$Chi^2(1) = 4.45$
$Prob > Chi^2 = 0.0349$

Source: Fieldwork, 2014

c) Test of Auto-correlation (Independence of Error Variable)

Table 6 presents Durbin-Watson test statistics which was employed to test the condition of independence of error variable. The Durbin-Watson test value is =0.315816 < 2, meaning that there is a case of auto-correlation. Therefore, heteroscedasticity, auto-correlation consistency (HAC) robustness test was employed in the Multiple Regression model in analyzing the data.

Table 6: Durbin-Watson Test

Dependent Variable: YEDI
Method: Panel Least Squares
Date: 10/13/14 Time: 17:48
Sample: 2002 2013
Periods included: 12
Time series included: 18
Total panel (balanced) observations: 195

Variable	Coefficient	Std. Error	t-Statistic	Prob.
FIRMSIZE	-0.020164	0.009432	-2.137825	0.0338
LEVERAGE	-0.001313	0.001524	-0.861487	0.3900
LIQUIDITY	-0.001486	0.001017	-1.461352	0.1456
AUDITFIRMSIZE	0.090555	0.014001	6.467563	0.0000
QUALIFICATION	0.918927	0.099386	9.246012	0.0000
C	0.000000	0.038570	0.000000	1.0000

R-squared	0.689286	Mean dependent var	0.740404
Adjusted R-squared	0.681194	S.D. dependent var	0.167325
S.E. of regression	0.094477	Akaike info criterion	-1.851091
Sum squared resid	1.713766	Schwarz criterion	-1.751446
Log likelihood	189.2580	Hannan-Quinn criter.	-1.810758
F-statistic	85.18617	Durbin-Watson stat	0.315816
Prob(F-statistic)	0.000000		

Source: Fieldwork, 2014

d) Test of Multi-collinearity

Multi-collinearity occurs where Co-efficients of regression are insignificant and the adjusted Co-efficient of determination and F-ratio are significant. The implication is that one of the independent variables are highly correlated. As a rule of thumb, when the correlation is above 0.7 between two variables, that may be a symptom of multi-collinearity; but this may not be conclusive. Table 7 presents the Variance Inflation Factor (VIF) which was employed to test multi-collinearity of the variables. The overall mean value of 3.21 was established and this showed that there was no multi-collinearity.

Table 7: Variance Inflation Factor

Variable	VIF	1/VIF
qualificat~n	6.44	0.155314
firmsize	6.44	0.155350
auditfirms~e	1.09	0.919817
leverage	1.05	0.954671
liquidity	1.04	0.959682
VIF	3.21	

Source: Fieldwork, 2014

Heteroscedasticity, Auto-correlation Consistency (HAC) Robustness Test

From the checks of regression assumptions, the results indicated that the data was not normally distributed, there was the presence of heterscedasticity and auto-correlation. To rectify these anomalies, the study adopted the suggestions of Huber (1981) and Tiku, Tan and Balakrishnan (1986). Huber (1981) and Tiku, Tan and Balakrishnan (1986) stated that in recent years, it has been recognized that the underlying distribution is in most situations, basically not normal, heterscedastic and auto-correlated, especially in Economics and Finance. The solution, therefore, is to employ efficient estimators of coefficients in the multiple regression models when the underlying assumption of auto-correlation and heteroscedasticity is violated.

This study used closed-form estimators which were efficient and also robust to plausible deviations from an assumed model. Therefore the Heteroscedasticity and Auto-correlation Consistency (HAC) regression method of robustness was used to resolve the problems of non-normality, auto-correlation and heteroscedasticity to test hypotheses 1-6.

Transformation of Firm Size Values

In order to reduce the size of the amount of firm size, the values of firm size were transformed to natural logarithm values using equation (6) to avoid the redundancy effect of smaller values. Thus, if the value of firm size and government grant is given as firmSi then the logarithm values of the variable was given as:

$$Firmsi = Ln_{firmsi} \quad \ldots (6).$$

Where

Firmsi = Untransformed values of total assets and Ln_{firmsi} = Transformed value of total assets

The new Random Effects Multiple Regression technique that takes care of the size of firm size is given as:

$$Yedi_{it} = \beta_0 + \beta_1 \, Ln\,(FirmSi)_{it} + \beta_2 Ln\,(Lev)_{it} + \beta_3 (Liq)_{It} + \beta_4 (Aud)_{it} + \beta_5\,(Qual)_{it} + \varepsilon_{it} \quad ..(7)$$

Where

Yedi = Yearly Enterprise's Disclosure Index

$FirmSi_{it}$ = Firm size of firm *i* in year *t*

Lev_{it} = Leverage of firm *i* in year *t*

Liq_{it} = Liquidity of firm *i* in year *t*

Aud =Audit size of firm *i* in year *t*

QuaL=Qualification of accountants of of firm *i* in year *t*

β_0 = The intercept of the function.

β_1, β_2, β_3, β_4 and β_5, =Parameters to be estimated

ε_{it}= Stochastic random variable (error terms)

i = 1, 2, 3, 4, ….18

t = 1, 2, 3, 4, …..12

Fixed Effect Least Square Dummy Variable Regression Model

To examine the firm effects on each enterprise's disclosure, the Fixed Effect Least Square Dummy Variable Model was used to identify and isolate the relationship between the enterprises' firm effects and levels of compliance with accounting standards disclosure requirements, in order to determine the actual relationship between firm attributes and extent of disclosure. It is instructive to note that previous studies largely ignore this aspect of research. Firm effects include special features of a firm; such as managerial style, managerial philosophy, type of market, process of production and a host of others.

The model is stated as:

$$Yedi_{it}=\beta_0+\beta_1 Ln(FirmSi)_{it}+\beta_2 (Lev)_{it} +\beta_3 (Liq)_{It} + \beta_4(Aud)_{it} +\beta_5(Qual)_{it} + \delta_1 FHA_i + \ldots + \delta_8 AIRB_i+\delta_{17} UBRB_i + \varepsilon_{it} \quad ..(8)$$

Where:

Yedi = Disclosure index of enterprise *i* in year *t*

$FirmSi_{it}$ = Firm size of firm *i* in year *t*

Lev_{it} = Leverage of firm *i* in year *t*

Liq_{it} = Liquidity of firm *i* in year *t*

Aud =Audit size of firm *i* in year *t,* represented by "1" if audit firm has international affiliation or "0" if it has no international affiliation.

QuaL=Qualification of accountants of firm *i* in year *t,* represented by "1" if a chartered accountant and "0" if not a chartered accountant

FHA_i = Federal Housing Authority assigned 1 if it is FHA and 0 if otherwise

RRB_i= Sokoto- Rima Rivers Basin Development Authority, assigned 1 if it is RRB and 0 if otherwise

$H\text{-}JRB_i$= Hadejia-Jema'are River Basin Development Authority assigned 1 if it is H-JRB and 0 if otherwise

CB_i= Chad Basin Development Authority assigned 1 if it is CB and 0 if otherwise

$LBRB_i$= Lower Benue River Basin Development Authority assigned 1 if it is LBRB and 0 if otherwise

$CRRB_i$= Cross River River Basin Development Authority assigned 1 if it is CRRB and 0 if otherwise

$AIRB_i$= Anambra-Imo Basin Development Authority assigned 1 if it is AIRB and 0 if otherwise

$NDRB_i$= Niger Delta Basin Development Authority assigned 1 if it is NDRB and 0 if otherwise

$B\text{-}ORB_i$= Benin-Owena Basin Development Authority assigned 1 if it is BORB and 0 if otherwise

$O\text{-}ORB_i$= Oshun-Ogun Basin Development Authority assigned 1 if it is OORB and 0 if otherwise

$FRCN_i$= Federal Radio Corporation of Nigeria assigned 1 if it is FRCN and 0 if otherwise

NTA_i= Nigerian Television Authority assigned 1 if it is NTA and 0 if otherwise

NAN_i= News Agency of Nigeria assigned 1 if it is NAN and 0 if otherwise

$NNPC_i$= Nigerian National Petroleum Corporation assigned 1 if it is NNPC and 0 if otherwise

$LNRB_i$= Lower Niger River Basin Devt Authority assigned 1 if it is LNRB and 0 if otherwise

FAAN

$FAAN_i$= Federal Airport Authority of Nigeria assigned 1 if it is FAAN and 0 if otherwise

$UBRB_i$= Upper Benue River Basin Devt Authority assigned 1 if it is UBRB and 0 if otherwise

β_0 = NRC_i= Nigerian Railway corporation assigned 1 if it is NRC and 0 if otherwise

β_1, β_2, β_3, β_4, and β_5, =Parameters to be estimated

δ_1 δ_2 δ_3 δ_4 δ_5 $\delta_6\delta_7$ δ_8 **…** δ_{17} = slopes of the dummy variables

ε_{it}= Stochastic random variable (error term)

i = 1, 2, 3, 4, 5, 6, 7, 8, 9, … 17.

t = 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12.

Test of Validity and Reliability of the Multiple Regression Model

a. Test of Validity

The validity of the regression model was tested statistically with the results from the random effects regression analysis in Tables 11 and 12 as follows:

The standard error of estimate (s_ε) is 0.028502

The coefficient of determination (R^2) is 0.976788

Coefficient of Determination Adjusted for Degrees of Freedom (Adjusted R^2) is 0.971058 and

The F-statistics is 0.0000

All these statistical analysis conducted shows that the model is a good fit and is an accurate predictor of the relationship the corporate attributes and extent of disclosure.

b. The Test of Reliability

i. The normality of the error variable distribution was tested using Jacque Bera test in Eviews version 7.0 and the result show p-value of 0.006507 < 0.05 level-of-significance. Based on this result, the error variables were not normally distributed and therefore, need transformation using Heteroscedasticity and Auto-correlation Consistency (HAC) test to make them suitable for the regression analysis.

ii. Homoscedasticity. The variance of the error variable over time was measured using Breusch-Pagan / Cook-Weisberg test using STATA Version 12. The results showed p-value = 0.0846 > 0.05 level of significance, based on the decision rules of Breusch-Pagan / Cook-Weisberg test, the error variable was constant over time (homoscedasticity). Therefore the secondary data suits the regression statistics.

iii. Independence of the error variable - This is a time-series data and time series variables are sometime serially correlated or auto-correlated. Durbin-Watson test was conducted to check for auto-correlation using Eviews 7.0 software. The results showed p=value 0.1113879 < 2; this indicates that there is a positive first-order auto-correlation; therefore, the data was transformed using a HAC transformation regression technique before the regression analysis. The Durbin-Watson values range from $0 \leq d \leq 4$. Small values of d ($d < 2$) indicates a positive first-order auto-correlation and large values of d ($d > 2$) indicates a negative first-order auto-correlation

iv. Multi-collinearity The test of Variance Inflation Factors (VIF) was conducted and the result showed a Variance Inflation Factors (VIF) of 1.24. As indicated by Stevens (2002), there is no set rule of thumb on numerical values to compare the VIF; it is generally believed that if any VIF exceeds 10, there is reason for at least some concern.

v. Heteroscedasticity, Auto-correlation Consistency (HAC) Robustness Test

This research used the Heteroscedasticity and Auto-correlation Consistency (HAC) regression methods of robustness to tackle the problems of auto-correlation and heteroscedasticity because the multiple regression models underlying assumption of homoscedasticity and independence of error variable was violated.

CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

In order to answer the research questions, to achieve the research objectives, the disclosure index research instruments was used to collect the data; while descriptive statistics and regression statistical tools were used to test the formulated hypotheses.

4.1 DATA PRESENTATION

The data used for analysis was from the financial statements. The total number of financial statements from the 18 commercialised enterprises was 213. However, only a total of 195 (91.55%) that was submitted to the Office of the Auditor-General for the Federation (AGF) by commercialized enterprises up to 31st December, 2013. These 195 financial statements were used for analysis in this study (Table 2). This means a balance of 18 (8.50%) financial reports were not rendered to the Office of the Auditor-General for the Federation (AGF) as at the last date of visit (Table 2). These 195 financial reports were used to compute the dependent variable (disclosure indices) of each of the enterprises and to obtain the values of proxies of the independent variables, like firm size, leverage, liquidity, and the dummy valuables for audit firm size and professional qualification. The dummy variable values of audit firm size and professional qualification were obtained by scrutinising the financial statements for audit firms that audited the accounts of these enterprises and also the professional qualification of the principal accounts officers of the enterprises from the list of management staff of the enterprises in the annual reports. We also used the Websites of these organisations to obtain the professional qualifications of the principal account staff or the head of accounts department in each of the enterprises.

The secondary data analyses results are presented in Table 8- titled Disclosure Index Template prepared using Microsoft Excel 2010. The regression analyses results were also presented in simple tables for ease of understanding.

a. Determination of Disclosure Indices

Table 8 shows the Descriptive Statistics of Disclosure Indices of the enterprises to answer research question 1 to achieve objective 1. It was constructed in line with equations (3) and (4). Therefore, the Overall Disclosure Index is the summation of all actual scores of the 18 enterprises scritinised divided by the summation of the expected scores of these enterprises using equation (4).

Table 8: Disclosure Scores of Financial Statements on Yearly Basis

S/NO.	ORGANISATION	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL SCORE	TOTAL EXP SCORE
1	**NRC**	**62**	**62**	**60**	**60**	**60**	**60**	**60**	**60**	**62**	**62**	**65**	**0**	**673**	**916**
2	**FHA**	**83**	**83**	**83**	**85**	**76**	**75**	**73**	**74**	**75**	**74**	**79**	**0**	**860**	**1149**
3	**S-RRB**	**47**	**48**	**45**	**48**	**48**	**47**	**45**	**46**	**47**	**47**	**0**	**0**	**468**	**657**
4	**H-JRB**	**55**	**56**	**55**	**53**	**54**	**54**	**57**	**56**	**56**	**57**	**0**	**0**	**553**	**710**
5	**CB**	**55**	**57**	**59**	**60**	**59**	**59**	**59**	**60**	**60**	**59**	**59**	**0**	**646**	**740**
6	**LBRB**	**46**	**46**	**46**	**46**	**46**	**45**	**44**	**45**	**45**	**48**	**48**	**0**	**505**	**628**
7	**CRRB**	**42**	**42**	**42**	**43**	**42**	**44**	**45**	**45**	**45**	**45**	**45**	**0**	**480**	**642**
8	**A-IRB**	**46**	**46**	**47**	**46**	**47**	**47**	**47**	**47**	**47**	**47**	**47**	**0**	**514**	**740**
9	**NDRB**	**51**	**51**	**53**	**53**	**53**	**53**	**53**	**54**	**54**	**54**	**55**	**0**	**584**	**676**
10	**B-ORB**	**69**	**69**	**68**	**68**	**72**	**72**	**72**	**72**	**72**	**72**	**68**	**0**	**774**	**925**
11	**O-ORB**	**0**	**0**	**0**	**55**	**55**	**55**	**55**	**56**	**56**	**56**	**61**	**0**	**449**	**616**
12	**FRCN**	**47**	**47**	**47**	**47**	**47**	**47**	**48**	**49**	**50**	**53**	**53**	**0**	**535**	**693**
13	**NTA**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**72**	**73**	**75**	**859**	**897**
14	**NAN**	**40**	**40**	**44**	**47**	**47**	**47**	**52**	**49**	**50**	**57**	**51**	**51**	**575**	**819**
15	**NNPC**	**177**	**179**	**179**	**179**	**179**	**179**	**179**	**179**	**184**	**184**	**0**	**0**	**1798**	**1897**
16	**LNRB**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**0**	**341**	**539**
17	**FAAN**	**76**	**77**	**77**	**83**	**83**	**83**	**83**	**83**	**83**	**83**	**83**	**0**	**894**	**1078**
18	**UBRB**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**57**	**56**	**59**	**658**	**1044**
	TOTAL	**1052**	**1059**	**1061**	**1129**	**1124**	**1123**	**1128**	**1131**	**1142**	**1158**	**874**	**185**	**12166**	**15366**

Fieldwork 2014.

Table 8 shows the yearly expected disclosure scores of financial statements for each enterprise from 2002 to 2013. The table also shows the total actual scores as disclosed in the financial statements for each of the enterprises. The scores were based on the actual compliance with the accounting standards disclosure requirements in the financial statements by all the 18 enterprises for the years covered by this study. The table also shows that out of the 18 enterprises, Sokoto Rima River Basisn (S-RRB), Hadejia-J'amaa Rever Basin (H-JRB) and Nigeria National Petroleum Corporation (NNPC) did not submit audited financial statements for the 2012 and 2013 financial years to the Office of the Auditor-General for the Federation. The last visit to the Office of the Auditor-General for the Federation (AGF) was on Tuesday, February 19th, 2015. However, the records in AGF showed that these three enterprises were still in arrears of the 2012 and 2013 financial years in submitting their audited financial statements to the AGF. Table 8 also showed that only NTA, NNPC and NAN that have submitted audited financial statements to AGF up to 2013. The remaining 12 enterprises submitted their audited financial statements up to December, 2012 as shown in Table 8.

4.2 DATA ANALYSIS

This sub-section analysed the secondary data obtained from the financial statements of enterprises from the AGF. The analyses of secondary data involved the use of Descriptive Statistics of Disclosure Index and the Multiple Regression models. The descriptive statistics of disclosure index analysed data for research question one of the study; while analysis involving multiple regression models analysed data for the test of hypotheses 1-6 of the study.

4.2.1 Descriptive Statistics of Disclosure Index

The descriptive statistics of disclosure index analysed secondary data used for the determination of the overall disclosure index and the individual disclosure indices of each of the 18 enterprises. These indices were also used in the regression analysis as dependent variables.

Table 9: Descriptive Statistics of Disclosure Index

S/NO	ORGANISATION	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL SCORE	EXPECTED SCORE	DISCLOSURE INDEX
1	**NRC**	**62**	**62**	**60**	**60**	**60**	**60**	**60**	**60**	**62**	**62**	**65**	**0**	**673**	**916**	**0.73**
2	**FHA**	**83**	**83**	**83**	**85**	**76**	**75**	**73**	**74**	**75**	**74**	**79**	**0**	**860**	**1149**	**0.75**
3	**S-RRB**	**47**	**48**	**45**	**48**	**48**	**47**	**45**	**46**	**47**	**47**	**0**	**0**	**468**	**657**	**0.71**
4	**H-JRB**	**55**	**56**	**55**	**53**	**54**	**54**	**57**	**56**	**56**	**57**	**0**	**0**	**553**	**710**	**0.78**
5	**CB**	**55**	**57**	**59**	**60**	**59**	**59**	**59**	**60**	**60**	**59**	**59**	**0**	**646**	**740**	**0.87**
6	**LBRB**	**46**	**46**	**46**	**46**	**46**	**45**	**44**	**45**	**45**	**48**	**48**	**0**	**505**	**628**	**0.80**
7	**CRRB**	**42**	**42**	**42**	**43**	**42**	**44**	**45**	**45**	**45**	**45**	**45**	**0**	**480**	**642**	**0.75**
8	**A-IRB**	**46**	**46**	**47**	**46**	**47**	**47**	**47**	**47**	**47**	**47**	**47**	**0**	**514**	**740**	**0.69**
9	**NDRB**	**51**	**51**	**53**	**53**	**53**	**53**	**53**	**54**	**54**	**54**	**55**	**0**	**584**	**676**	**0.86**
10	**B-ORB**	**69**	**69**	**68**	**68**	**72**	**72**	**72**	**72**	**72**	**72**	**68**	**0**	**774**	**925**	**0.84**
11	**O-ORB**	**0**	**0**	**0**	**55**	**55**	**55**	**55**	**56**	**56**	**56**	**61**	**0**	**449**	**616**	**0.73**
12	**FRCN**	**47**	**47**	**47**	**47**	**47**	**47**	**48**	**49**	**50**	**53**	**53**	**0**	**535**	**693**	**0.77**
13	**NTA**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**71**	**72**	**73**	**75**	**859**	**897**	**0.96**
14	**NAN**	**40**	**40**	**44**	**47**	**47**	**47**	**52**	**49**	**50**	**57**	**51**	**51**	**575**	**819**	**0.70**
15	**NNPC**	**177**	**179**	**179**	**179**	**179**	**179**	**179**	**179**	**184**	**184**	**0**	**0**	**1798**	**1897**	**0.95**
16	**LNRB**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**31**	**0**	**341**	**539**	**0.63**
17	**FAAN**	**76**	**77**	**77**	**83**	**83**	**83**	**83**	**83**	**83**	**83**	**83**	**0**	**894**	**1078**	**0.83**
18	**UBRB**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**54**	**57**	**56**	**59**	**658**	**1044**	**0.63**
	TOTAL	**1052**	**1059**	**1061**	**1129**	**1124**	**1123**	**1128**	**1131**	**1142**	**1158**	**874**	**185**	**12166**	**15366**	**0.79**

Source: Fieldwork 2014

Table 9 shows the index scores of each enterprise. The overall disclosure index for all the 18 enterprises is 79%. The enterprises that have the highest index scores are the Nigerian Television Authority (NTA) with 96% and Nigeria National Petroleum Corporation with 95%, indicating statistically that these enterprises' disclosure levels are higher compared with the cross-country average disclosure benchmark of 91% for emerging economies like Nigeria as revealed in Tower, Hancock and Taplin (1999). Table 9 also reveals disclosure indices for the remaining 16 enterprises as follows: Chad Basin (CB) 87%, Niger Delta Basin Development Authority (NDRB) 86%, Benin –Owuma River Basin (B-ORB) 84%, Federal Airport Authority of Nigeria (FAAN) 83% and Lower Benue River Basin (LBRB) 80%. While Hadejia-Ja'maa River Basin (H-JRB) 78%, Federal Radio Corporation of Nigeria (FRCN) 77%, Federal Housing Authority (FHA) 75%, Cross River River Basin (CRRB) 75%, Nigeria Railway Corporation (NRC) 73%, Ogun-Osun River Basin (O-ORB) 73%, Sokoto-Rima River Basin (S-RRB) 71% and News Agency of Nigeria (NAN) 70%. The remaining three enterprises have disclosure indices that are less than 70%, namely: Anambra-Imo River Basin (A-IRB) 69%, Lower Niger River Basin (LNRB) 63% and Upper Benue River Basin (UBRB) 63%.

The zero "0" under Sokoto-Rima River Basin Development Authority, Hadejia-Ja'maa River Basin Development Authority and Nigeria National Petroleum Corporation in 2012 financial year and 2013 for other fifteen (15) enterprises represent the year that these enterprises failed to submit audited financial statements to the Auditor General's office.

a) Multiple Regression Analysis

The amount of assets was transformed into the natural logarithm in order to reduce the influence of the size value on the dichotomous and ratio data variables of audit firm size, professional qualification, leverage, liquidity and disclosure indices of the enterprises

(Appendix A3), to avoid redundancy of the smaller values compared with large values of total assets. Appendix A3 shows the panel and time series data used for the regression analysis.

i). Transformed Random Effects Multiple Regression Analysis

We reported in sub-section 3.7.4 that the use of regression model to estimate the coefficient of any panel data requires the determination of whether the fixed effect model or the random effect model suits the data more appropriately (Gujarati, Porter and Gunasekar, 2012). Fixed effect model takes into account the behavioural pattern of the enterprise. But the random effect model does not consider the behavioural pattern of the enterprise.

The null hypothesis for the purpose of the Hausman test is that random effect is more consistent. The alternate hypothesis is that the random effect is inconsistent.

Rules:

If the Chi-square statistic P-value is < 0.05, reject the Hausman null and do not use the random effects model. If the Chi-square statistic P-value is > 0.05, accept the Hausman null hypothesis and use the random effects model.

The standard approach (use of Hausman test to determine the more consistent test) was adopted in this study to assess the appropriateness of the fixed effects and random effects models. This Hausman test statistics showed a result of Prob > chi2 = 0.9437 and was used to decide on the consistent regression method that was employed to test Hypotheses 1-5 using secondary data.

Table 10: Hausman Statistics

	Coefficients (b) fixed	(B) random	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
firmsize	.0096488	.0092588	.00039	.00066
leverage	-.0013448	-.0013798	.000035	.0001693
liquidity	.0003772	.000326	.0000512	.0000738
auditfirms~e	.0490588	.0517951	-.0027363	.0036895
qualificat~n	.6558519	.65896	-.0031081	.0068339

b = consistent under Ho and Ha; obtained from xtreg

B = inconsistent under Ha, efficient under Ho; obtained from xtreg

Test: Ho: difference in coefficients not systematic

chi2(5) = (b-B)'[(V_b-V_B)^(-1)](b-B) = 1.21

Prob>chi2 = 0.9437

Source: Fieldwork, 2014

Table 10 shows that the p-value of the Hausman test is 0.9437 > 0.05. Based on the rules of Hausman Statistics which state that if the p-value of the Hausman Test is greater than 0.05, level of significance, the Hausman null is accepted, indicating that the Random effect model is consistent with the data (Gujarati, Porter and Gunasekar, 2012). Therefore, this study adopted the Random Effects Regression model, equation (6) which expressed the transformed Random Effects Multiple Regression model form. The equation (6) was used for the test of hypotheses 1-5.

Table 11: Random Effects Regression Analysis

```
Random-effects GLS regression                     Number of obs      = 195
Group variable: firm                              Number of groups   = 18
R-sq:  within  = 0.9510                           Obs per group: min = 11
         between = 0.3059                         avg                = 11.0
           overall = 0.6602                        ax                = 11
                                                  Wald chi2(5)       = 3442.79
corr(u_i, X)   = 0 (assumed)                      Prob > chi2        =  0.0000
```

yedi	Coef.	Robust	Std. Err.	P>|z|	[95% Conf.	Interval]
firmsize	.0092588	.0044026	2.10	0.035	.0006298	.0178878
leverage	-.0013798	.0009055	-1.52	0.128	-.0031546	.0003949
liquidity	.000326	.0004118	0.79	0.429	-.0004811	.0011331
auditfirmsize	.0517951	.0129923	3.99	0.000	.0263306	.0772596
qualification	.65896	.0452114	14.58	0.000	.5703473	.7475728
_cons	-.0106057	.0274675	-0.39	0.699	-.0644411	.0432297
sigma_u	.10265786					
sigma_e	.02911966					
rho	.92553042	(fraction of variance due to u_i)				

Source: Fieldwork, 2014

$\boldsymbol{Yedi_{it}}$=-0.0106+ 0.00925 $\boldsymbol{Ln(FirmSi)_{it}}$ - 0.00137$\boldsymbol{(Lev)_{it}}$ + 0.00032$\boldsymbol{(Liq)_{It}}$+0.05179$\boldsymbol{(Aud)_{it}}$+ 0.65896$\boldsymbol{(Qual)_{it}}$

S.E.E	(0.0274)	(0.0044)	(0.00090)	(0.00041)	(0.0129)	(0.0452)
Z*	(-0.39)	(2.10)	(-1.52)	(0.79)	(3.99)	(14.58)
P-value	(0.699)	(0.035)	(0.128)	(0.429)	(0.000)	(0.000)

Table 11 shows a HAC estimation random effects regression analysis and the results. The overall result of Table 11 reveals a summarized p-value of 0.0000 < 0.05 significance-level; indicating that the model is fit. This is confirmed by the summarized Coefficient of Determination value of 0.6602 indicating that 66.02% of the variations in the extent of disclosures are explained by the random effects model which contains five independent variables; whereas 33.98% of the variations are unexplained by the model. Table 11 also shows that the p-values of firm size (0.035), audit firm size (0.0000) and professional qualification (0.0000) are less than 0.05 level of significance. The p-values of leverage (0.1280) and liquidity (0.4290) are greater than 0.05 level of significance.

These showed that firm size, audit firm size and professional qualification are significantly related positively with extent of compliance with accounting standards disclosures; while leverage and liquidity are not significantly related with the extent of compliance with accounting standards disclosures.

ii). Fixed Effect Least Square Dummy Variable Regression Model

The results of Table 11 reveal that 66.02% of the variations in the dependent variable (the disclosure index) are explained by the random effects regression model containing five corporate attributes of firm size, leverage, liquidity, audit firm size and professional qualification, leaving 33.98% of the variations unexplained. We can relate this remaining 33.98% of the variations to the variables that were not included in the regression model, such as the special features of these firms which include managerial style, managerial philosophy, type of market, process of production and a host of others as suggested by Gujarati, et al. (2012). This is because these

special features were not taken into consideration when the random effects regression model was employed in analysing the secondary data for the test of hypotheses 1-5. Moreover, random effects regression model does not consider the behavioural pattern of the company (Gujarati, Porter and Gunasekar, 2012).

To evaluate the relationship between firm effects and the extent of compliance with accounting standards disclosure requirements, the study used the fixed effect dummy variable regression model (8) because it takes into account the behavioural pattern of the enterprises which are these special features of the enterprises. The Fixed Effect Least Square Dummy Variable Model (8) was used to identify and isolate the relationship between the enterprises firm effects and the extent of compliance with accounting standards disclosure requirements, in order to determine the actual relationship between firm attributes and the extent of compliance with disclosure requirements. This aspect of the study was under studied by previous studies known to the researcher. Table 12 used Equation (8) which expresses the General Fixed Effect Least Square Dummy Variable Model that was used to estimate the regression coefficients of the relationship between the firm effects and the disclosure indices of these enterprises.

Table 12: Fixed Effects Least Square Dummy Variable Regression Analysis

Model 1: Fixed-effects estimates using 195 observations

Included 18 cross-sectional units

Time-series length = 12

Dependent variable: YEDI

	Coefficient	Std. error	t-ratio	p-value	
const	-0.0698285	0.0199767	-3.496	0.0006	***
FIRM_SIZE	0.0100595	0.00434920	2.313	0.0220	**
LEVERAGE	-0.000568228	0.000989611	-0.5742	0.5667	
LIQUIDITY	0.000187284	0.000422818	0.4429	0.6584	
AUDIT_FIRM_SIZE	0.0448873	0.0138207	3.248	0.0014	***
QUALIFICATION	0.651367	0.0452732	14.39	1.57e-030	***
FHA	0.0310387	0.0143164	2.168	0.0317	**
S_RRB	-0.0371243	0.0190027	-1.954	0.0525	*
H_JRB	0.0745056	0.0220574	3.378	0.0009	***
CB	0.0699217	0.0134203	5.210	5.82e-07	***
LBRB	0.0591396	0.0205474	2.878	0.0046	***
CRRB	0.0682170	0.0190241	3.586	0.0004	***
A_IRB	-0.0982842	0.0131273	-7.487	4.65e-012	***
NDRB	0.199695	0.0146772	13.61	2.13e-028	***
B_ORB	0.168790	0.0213898	7.891	4.68e-013	***
O_ORB	0.0515007	0.0183328	2.809	0.0056	***
FRCN	0.0489514	0.0134506	3.639	0.0004	***
NTA	0.230362	0.0130452	17.66	3.16e-039	***
NAN	0.0120070	0.0191607	0.6266	0.5318	
NNPC	0.217720	0.0144405	15.08	2.13e-032	***
LNRB	-0.0536676	0.0188430	-2.848	0.0050	***
FAAN	0.152208	0.0178507	8.527	1.15e-014	***
UBRB	-0.0734861	0.0186415	-3.942	0.0001	***

Mean dependent var	0.740563	S.D.dependent var	0.167536
Sum squared resid	0.128351	S.E. of regression	0.028502
R-squared	0.976788	Adjusted R-squared	0.971058
F(39, 158)	170.4810	P-value(F)	1.9e-110
Log-likelihood	445.8341	Akaike criterion	-811.6682
Schwarz criterion	-680.1375	Hannan-Quinn	758.4289
rho	-0.078787	Durbin-Watson	2.010909

Source: Fielwork, 2014

$\boldsymbol{Yedi_{it}}$=-0.069 + 0.010 $\boldsymbol{Ln(FirmSi)_{it}}$ -0.0005 $\boldsymbol{(Lev)_{it}}$ + 0.0001 $\boldsymbol{(Liq)_{It}}$ + 0.04 $\boldsymbol{(Aud)_{it}}$ + 0.65 $\boldsymbol{(Qual)_{it}}$ + 0.03$\boldsymbol{FHA}_i$+ … -0.09 $\boldsymbol{AIRB}_i$ - 0.07 $\boldsymbol{UBRB}_i$

S.E.E (0.019) (0.004) (0.0009) (0.00041) (0.013) (0.0452) (0.014) ... (0.013) (0.018)

Z* (-3.49) (2.31) (-0.57) (0.44) (3.25) (14.39) (2.16) ... (-7.49) (-3.94)

P-value (0.000) (0.022) (0.566) (0.658) (0.001) (0.000) (0.031) ... (0.000)(0.000)

Table 12 confirms the results of Table 11 on the five corporate attributes. Firm size, audit firm size and professional qualification are significantly related to the disclosure indices which represent compliance with accounting standards disclosure requirements. Leverage and liquidity are not significantly related to the disclosure indices even when combined with firm effects. The results of Table 12 also show that with exception of five enterprises (NRC, SR-RB, A-IRB, LNRB, and UBRB) whose nature are negatively significantly related to compliance with accounting standards disclosure requirements; the 12 enterprises of NRC, FHA, H-JRB, CB, LBRB, CRRB, NDRB, B-ORB, O-ORB, FRCN, NTA, NNPC and FAAN's nature are significantly related with compliance with accounting standards disclosure requirements. The only enterprise firm effect that is not related to compliance with accounting standards disclosure requirements in Table 12 is NAN with a p-value of 0.5318 > 0.05 level of significance.

Therefore, considering the results of Table 12 we can confirm that there is a statistical significant relationship between firm effects of most of the enterprises and compliance with accounting standards disclosure requirements. The indication of this significant relationship is shown by the difference between the Adjusted Coefficient of determination (Adjusted R^2) of model (8) and model (6) which used Tables 12 and 11 respectively. The Adjusted R^2 of Table 12 is 0.971058 and that of Table 11 is 0.6602, meaning that 31.09% (97.11-66.02) of the variations in compliance with accounting standards disclosure requirements is explained by the enterprises' nature (firm effects), which were not taken into accounts in the earlier analysis in Table 11.

The signs *, **, and *** showed the results of the regression at various levels of significance. The sign * showed the regression results at 0.01 level of significance. The sign ** showed the regression results at 0.05 level of significance and the sign *** showed the regression results at 0.1 level of significance.

4.2.2 Interpretation of Regression Results Based on each Hypothesis

Based on Tables 11 and 12, the regression results are interpreted as follows:

Hypothesis 1

Hypothesis 1 is restated as:

H_o: There is no significant relationship between firm size and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Following the analysis in Tables 11 and 12, the null hypothesis H_o is rejected because the p-values of both tables for firm size are less than the 0.05 level of significance. Table 11 shows p-value $0.035 < 0.05$ level of significance and that of Table 12 shows $0.022 < 0.05$ level of significance), with coefficients of $\beta = 0.0092588$ and $\beta = 0.0100595$ and t-values of 2.10 and 2.313 respectively. Therefore, it was concluded that there is a positive and significant relationship between the dependent variable of extent of YEDI (disclosure index) and independent variable of firmSi (firm size).

Hypothesis 2

Hypothesis 2 is restated as:

H_o: There is no significant relationship between leverage and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Based on the results of tables 11 and 12 the null hypothesis H_o is accepted because the p-values of both tables for leverage are greater than the 0.05 level of significance (that is, the p-value of table 11 is 0.128 > 0.05 level of significance and that of table 12 is 0.5667 > 0.05 level of significance), with coefficients of β = -0.0013798 and β = 0.000568228 and t-values of -1.52 and -0.5742 respectively. Considering the results of the two tables it was decided that there is a negative insignificant relationship between the dependent variable of extent of YEDI (disclosure index) and independent variable of leverage.

Hypothesis 3

Hypothesis 3 is restated as:

H_o: There is no significant relationship between liquidity and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Using the analysis in tables 11 and 12, the null hypothesis H_o was accepted because the p-values of the regression analysis in both tables are greater than 0.05 level of significance (that is, the p-value of table 11 is 0.429 > 0.05 level of significance and that of table 12 is 0.6584 > 0.05 level of significance), with coefficients of β = 0.000326, and β = β = 0.000187284 and t-values of 0.79 and 0.4429 respectively. Therefore, the null hypothesis is accepted because there is a positive insignificant relationship between the dependent variable of YEDI (disclosure index) and independent variable of liquidity.

Hypothesis 4

Hypothesis 4 is restated as:

H_o: There is no significant relationship between audit firm size and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Based on the results of regression analysis in tables 11 and 12, the null hypothesis H_o is rejected because the p-values of both tables are less than 0.05 level of significance. That is, the p-value of table 11 is 0.0000 < 0.05 level of significance and that of table 12 is 0.0014 < 0.05 level of significance, with coefficients of $\beta = 0.0517951$ and $\beta = 0.0448873$ and t-values of 3.99 and 3.248 respectively. Therefore, we rejected the null hypothesis because there is a positive and significant relationship between the dependent variable of YEDI (disclosure index) and independent variable of audit firm size (quality of audit).

Hypothesis 5

Hypothesis 5 is restated as:

H_o: There is no significant relationship between professional qualification and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Following the results of regression analysis in tables 11 and 12, the null hypothesis H_o is rejected because the p-values of both tables are less than 0.05 level of significance. That is, the p-value of table 11 is 0.0000 < 0.05 level of significance and that of table 12 is also 0.0000 < 0.05 level of significance, with coefficients of $\beta = 0.65896$ and $\beta = 0.651367$ and t-values of 14.58 and 14.39 respectively. Therefore, it was concluded that there is a positive and significant relationship between the dependent variable of YEDI (disclosure index) and independent variable of professional qualification (qualified accountants).

Hypothesis 6

Hypothesis 6 is restated as:

H_o**:** There is no significant relationship between firm effects and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises.

Hypothesis 6 was tested using a slightly modified regression model (8) which is the Fixed Effects Least Squared Dummy Variable Regression (FE-LSDVR). The regression model (8) was intended to test the relationship between the enterprises nature (firm effects) and the extent of compliance with accounting standards disclosure requirements by enterprises. This is a derived relationship because firm effects represent the behaviours of the board or management of enterprises who take decisions that concern the disclosure levels that the firm intend to achieve. The firm effects act to aid or discourage higher levels of disclosures, because they represent behavioural patterns of the enterprise's management in directing and controlling the activities of the enterprise.

Based on the results of the regression analysis in Table 12, there is statistical evidence that there is a positive and significant relationship between disclosure index (YEDI) and firm effects of most of the enterprises. This is because, Table 12 analysis shows an overall P-value (F) = 0.0000 < 0.05 level of significance. Individual enterprises' results indicate variations in the relationship between firm effects and disclosure indices. Majority (12) of the enterprises' firm effects are significantly related to their disclosure compliance, because the p-values of these enterprises are less than 0.05, level of significance. For example, FHA (p-value 0.0317 < 0.05), H-JRB (p-value 0.0009 < 0.05), CB (p-value 0.0000 < 0.05), LBRB (p-value 0.0046 < 0.05), CRRB (p-value 0.0004 < 0.05), NDRB (p-value 0.0000 < 0.05), B-ORB (p-value 0.0000 < 0.05), O-ORB (p-value 0.0056 < 0.05), FRCN (p-value 0.0004 < 0.05), NTA (p-value 0.0000 < 0.05), NNPC (p-value 0.0000 < 0.05), and FAAN (p-value 0.0000 < 0.05). While five (5) of the enterprises firm effects are negative, but significantly related with disclosure index. These are NRC (p-values = 0.0006 < 0.05 level of significance and t-value of -3.496), S-RRB (p-values = 0.0525 < 0.05 level of significance and t-value of -1.954), A-IRB (p-values = 0.0000 < 0.05 level of significance

and t-value of -7.487) , LNRB (p-values = 0.0050 < 0.05 level of significance and t-value of -2.848) and UBRB (p-values = 0.0001 < 0.05 level of significance and t-value of -3.942) NAN's firm effects is not significantly related to disclosure index because the results of table 12 show a p-value for NAN of 0.5318 > 0.05, level of significance.

Taken together these evidence shows that majority of the enterprises' firm effects are significantly related positively with the disclosure practices of commercialised Federal Government enterprises in Nigeria. This result statistically reveals that firm effects determine the level of disclosure that an enterprise can achieve. The degree of this relationship in the case of these 18 enterprises was measured by the difference between the two adjusted coefficient of determinations (R^2) of Tables 11 and 12 which is 31.09% (97.11% – 66.02%). To put it explicitly, Table 11 shows the level of variation that is explained by the regression equation model (6) that contained the five corporate attributes as 66.02%. Table 12 shows the level of variation that is explained by the regression equation model (8) that contained both the five corporate attributes and firm effects of all the 18 enterprises as 97.11%. The difference in the contents of the two regression models is the firm effects included in model (8). Therefore, the difference in the adjusted R^2 which is 31.09% is brought about by the addition of the firm effects to equation (8) (The Fixed Effects Least Squared Dummy Variable Regression Equation).

4.3 DISCUSSION OF FINDINGS

4.3.1 Findings Based on Descriptive statistics

Findings Based on Research Question 1

Research question one has no hypothesis because the question seeks to determine the disclosure indices of commercialised enterprises and the overall disclosure index of the 18 commercialized enterprises under study. The results of Table 9 show that the disclosure

indices are: The Nigeria Railway Corporation (0.73); Federal Housing Authority, (0.75); Sokoto-Rima River Basin Development Authority, (0.71); Hadijia-Ja'amaa River Basin Development Authority, (0.78); Chad Basin Development Authority, (0.87); Lower Benue River Basin Development Authority, (0.80); Cross River Basin Development Authority, (0.75); Anambra-Imo Basin Development Authority, (0.69); Niger Delta Basin Development Authority, (0.86); Benin-Owuma Basin Development Authority, (0.84); Ogun-Osun River Basin Development Authority, (0.73); Federal Radio Corporation of Nigeria, (0.77); Nigeria Television Authority, (0.96); News Agency of Nigeria, (0.70); Nigeria National Petroleum Corporation, (0.95); Lower Niger River Basin Development Authority, (0.63); Federal Airport Authority of Nigeria, (0.83); and Upper Benue River Basin development Authority, (0.63).

The overall disclosure index of the 18 commercialised enterprises for the period of twelve (12) years covered in the study is 0.79 (Table 9). This result indicates that commercialized enterprises' overall disclosure level is low compared with cross-country classification index of 0.91 for emerging nations like Nigeria (Tower, Hancock & Taplin, 1999). On individual basis NTA with 96% and NNPC with 95% show that their compliance levels with accounting standards are more than the international cross-country index of 0.91.

Based on Table 9, it is observed that commercialised Federal Government enterprises do not follow industry pattern in disclosure practices as suggested by Umoren (2009). Umoren (2009) reported that industry type affects level of disclosure compliance with accounting standards by listed companies. As indicated in Table 9, the disclosure indices of the enterprises that are more than 90% are from communication and petroleum enterprises. The enterprises that disclosed between 80% and less than 90% are from water/river basins authorities and transportation enterprises. Another group of enterprises that disclosed

between 70% and less than 80% are from transportation, Housing, water/river basin authority, communication and information enterprises.

Taken together statistically, evidence shows that commercialized enterprises do not follow industry pattern in disclosure practices. The industry groups covered in this study are namely: Transportation, Water/River Basins, Housing, communication, information and petroleum industries.

4.3.2 Findings Based on Multiple Regression Statistics

Findings Arising from Hypotheses 1-6

The objective of this sub-section is to discuss the overall findings of this research based on regression statistics for the testing of hypothesis 1-6 using secondary data.

Findings from Hypothesis One

The first hypothesis was set up to establish whether or not there was a significant relationship between firm size and extent of compliance with accounting standards disclosure requirements. Our findings are that there is a significant relationship between extent of disclosure (YEDI) and firm size (firmsize) indicating that large firms are more inclined to disclose more of both national and international accounting standards items in their accounts than small firms. This finding is based on the statistically significant p-value of $0.035 < 0.05$, level of significance for firm size in relation to the extent of compliance with accounting standards disclosure requirements in tables 11 and 12.

This finding is in tandem with the earlier position taken by Agyei-Mensah, (2012) that firm size is significantly related with disclosure practices of unregistered firms in Ashanti town in Ghana. The finding is also in line with the discoveries of Barako (2007) who suggested that large listed firms comply with mandatory disclosures than small firms in Nigeria. Similarly Buzby (1975) also argued that gathering, preparing and disclosing

information in the form of annual reports is a costly process, the publication of annual reports would place a financial burden on small firms, and hence only large firms can meet such expenditures. Small firms fear competition; they are more inclined to disclose far less information than large firms (Ahmed & Nicholls, 1994). Large firms also rely on financial markets to raise funds more than their small size counterparts and this requires detail disclosures by the Stock Exchange (Nandi & Ghosh, 2012).

This finding is in contrast with the findings of some prior studies like Salteh, Nahandi and Khoshbakht (2011), Wallace and Naser (1995) and Molone, Fries and Jones (1993). Molone et. al (1993) argued that large firms are visible and susceptible to political attacks, in the form of pressure for the exercise of social responsibility, greater regulation such as price control and higher corporate taxes and so big firms react to political issues by avoiding attention which disclosure of some significant facts could bring to them. Therefore, big firms may want to avoid higher taxes and may choose certain accounting limitations to misrepresent earnings that may reduce tax liability, thereby limiting disclosure of some important facts.

The finding in this current study is superior to previous ones in that this study tests for effect of firm size on extent of compliance with accounting standards disclosure requirements taking into accounts emerging economic issues, like commercialization. The study also covered an entirely new area, commercialised Federal Government enterprises with unique attributes, such as ownership, mode of operation, accounting systems and reporting procedures different from that of listed companies. This finding is also superior to previous studies because, the study covers a longer period which allows short-run variations in the disclosure practices to be corrected over time.

The implication of the findings of the current study is that it is very likely that any government policy or programme aimed at improving accountability and transparency through increase in compliance with accounting standards disclosure requirements in annual reports of commercialized enterprises will succeed, if government will aim at increasing the capital investment in the commercialised companies. It also shows that the low level disclosures recorded by majority of the enterprises are associated with low capital investment in these enterprises. The results of NTA and NNPC is a confirmation of this thinking because the two enterprises with high level of disclosures are capital intensive enterprises and also have wide branch network all over the country.

Findings from Hypothesis Two

The objective of the second hypothesis is to establish whether or not there is a significant relationship between leverage and the extent of compliance with accounting standards disclosure requirements in financial reports of commercialized enterprises in Nigeria. The findings show that there is a negative insignificant relationship between leverage and extent of compliance with accounting standards disclosure requirements. For the purpose of testing this hypothesis, gearing ratios of 18 enterprises obtained from secondary data of Appendix A1 was used as independent variables and the disclosure indices of these enterprises computed in Table 9 were considered as the dependent variables.

The results of the regression statistics indicates that leverage is negatively insignificantly related to extent of compliance with accounting standards disclosure requirements. The regression coefficient of determination (R^2) is -0.0013798 with a p-value of $0.128 > 0.05$ and a t-test value of -1.52 (Table 11).

This finding is consistent with some prior empirical studies which reported insignificant negative relationship between leverage and level of disclosure. For example,

Meek et al., (1995) reported that leverage ratio is negative and insignificantly related to disclosure index. Chow and Wong-Boren (1987); Wallace et al., (1994) and Wallace and Naser (1995) also found no statistical association between leverage and disclosure.

This finding however, contrasts with other prior studies, for example, Belkaoui and karpik (1989) found that leverage is significantly related to the extent of mandatory disclosures. Hossain, Perera and Rahman (1995) discovered that firms with high gearing ratio have more incentives to disclose more financial information to suit the needs of their creditors. Iatridis (2008) suggested that highly geared companies are expected to be monitored more by financial institutions and other stakeholders which drive the managers to disclose their debt profiles more than firms with low leverage.

However, Maimako and Oladele (2008) and Oladele (2013) admitted that the more total debt is to assets the greater the financial leverage and the greater the risk of the company winding up. For investors, leverage means buying on margin or using derivatives such as options to enhance return on assets without increasing investment. Leverage investing can be extremely risky because equity holders may become restive with high gearing because they can lose not only their money but also the borrowed fund as well. Therefore, our finding that leverage is not significantly related to extent of disclosure is more realistic because under a highly geared enterprise, managers would not want to expose the company when gearing increases and in the alternative they decide to disclose less of any information relating to debt equity ratio, fearing that equity holders will become apprehensive about debt holders next steps.

The implication of this finding is that increase gearing negatively impact insignificantly on the level of compliance with accounting standards disclosure requirements in financial reports. This is because, statistically, the current study shows that leverage has

negative but insignificant relationship with compliance with accounting standards disclosure requirements in financial reports.

Moreover, Jensing and Meckling (1976) suggested that cost of capital and monitoring costs are higher for firms with proportionally more debts in their capital structure, since potential wealth transferors from debt holders to shareholders and managers increase with leverage. With debt holders price-protecting themselves, shareholders have the incentives to offer for an increased level of monitoring to improve disclosure of more information in the published annual reports. However, managers being aware of the damage high gearing information may do on the image of the firm may offer to reduce the information on debt capital by not disclosing details information about the debt to assets relationship. It is therefore logical that firms are inclined to disclose less information about sensitive accounting issues, such as gearing and risk profile in order to reassure investors and lenders that there is no threat on both of the stakeholders.

Findings from Hypothesis Three

The objective of the third hypothesis is to establish whether or not there is a significant relationship between liquidity and extent of compliance with accounting standards disclosure requirements in financial reports. The liquidity ratios are computed using secondary data in Appendix A1, while the disclosure indices are computed in Table 9. The regression analysis is presented in Table 11. Findings from regression analysis indicates that there is an insignificant relationship between disclosure index (YEDI) and Liquidity, because the P-value 0.429 > 0.05 and a t-test value of 0.79 at 0.05 level of significance (Table 11).

These findings are consistent with the findings of Belkaoui and Kahl (1978) who found that there is no association between liquidity and the extent of corporate disclosure. Wallace and Naser (1995) found a negative significant association between liquidity and

disclosure level in unlisted Spanish companies. Bilal and Khan (2013) argued that liquidity is a negatively significant factor that drives forward looking information in annual reports of Pakistan's energy sector companies.

However, these findings contradict the findings of Cooke (1989) who argued that the soundness of the firm as portrayed by high liquidity is associated with greater disclosure level. These findings are also inconsistent with studies that used current ratio as a proxy of liquidity like Alsaeed (2006). His study stated that firms having high liquidity enjoys sound financial position and tends to disclose more information than those suffering from low liquidity, because low liquidity predicts bankruptcies (Altman, 1968).

The implication of this finding is that the income sources of a majority of commercialized Federal Government enterprises come from offering services to a limited number of individuals and organizations because of their low capitalization. Most of these services are also not provided at profit. In this case, there is a comparatively small amount of debtors, stock, cash and bank balances as well as other items in current liabilities that make up current ratio. Due to the insignificant amount of money involved in current ratio, managers are not necessary influenced positively by any idealistic ratio relating current assets to current liabilities which do not mean anything in real terms. As a result, current ratio does not significantly relate to the extent of compliance with accounting standards disclosure requirements. This is because in practice current assets and current liabilities represents accounting figures at a particular point in time which may not necessarily relate to the quality or welfare of key staff who decide on items to be included or not to be included in the financial reports of enterprises.

Findings from Hypothesis Four

The fourth hypothesis is set up to establish whether or not audit firm size is significantly related to extent of compliance with accounting standards disclosure requirements in commercialized enterprises in Nigeria. The regression analysis in Table 11 shows that there is a positive and significant relationship between audit firm size and disclosure in commercialized enterprises in Nigeria, because the p-value 0.0000 < 0.05 level of significance with a t-test value of 3.99. Based on these findings, it means audit firm size significantly relate positively with the disclosure index of commercialised enterprises.

This result is consistent with Cooke (1989) and Ramil, Surbaini and Ramil (2013) who suggested that the big audit firms incur more overhead costs (costs of audit paid to big audit firms) which in turn reflect on the quality of services rendered to the clients/customers. This finding also is in tandem with the suggestions by Ali et al., (2004) that "…company's external auditors play a major role in the disclosure policies and practices of their clients" (p. 189). Bilal and Khan (2013) and Lopes and Rodrigues (2007) discovered that big auditing firms have a good knowledge of local and international standards and the costs of implementing the standards are lower in big firms than in smaller firms.

However, the findings of this study are inconsistent with Nandi and Ghosh (2012), Eng and Mak (2003) and Singhvi (1968) because their studies found no significant relationship between disclosure and size of audit firms. In 1999, Ahmed and Courtis, in their meta-analysis found no significant association between the size of audit firms and the level of disclosure. In fact, Wallace and Naser (1995) found a significant negative relationship between the size of audit firm and the extent of compliance with accounting standards disclosure.

Accordingly, the results of this study show that the size of audit firm significantly relates with extent of compliance with accounting standards disclosures. The implication of this result is that audit firms with international connections like foreign partners increase disclosure by complying with relevant accounting standards requirements. Therefore, it is very likely that any government policy or programme aimed at improving the accountability and transparency of commercialized enterprises financial reports through improved disclosures in annual reports using audit firms with international connection would succeed, provided that government is able to reduce the time lag between the end of the financial year and the conclusion of financial reports. This is because the time allowed under the constitution is 6 months (Constitution of the Federal Republic of Nigeria, 1999, as amended: Section 85), but in practice, this mandatory time of six months has not been adhered to by these enterprises.

Findings from Hypothesis Five

The fifth hypothesis was set up to establish whether or not there is a significant relationship between professional qualification and extent of compliance with accounting standards disclosure requirements in commercialized enterprises in Nigeria. On the bases of the results of the regression analysis in table 9, professional qualification is significantly and positively related to extent of compliance with accounting standards disclosures because the p-value $0.0000 < 0.05$ level of significance and a t-test value of 14.58 (Table 11).

This finding is consistent with Slapnicar, Groff and Stumberger (2013) who measured competences, knowledge, service mix, customer loyalty and litigation risk in Slovenia and reported that professional qualification is positively associated with competences. Competences, in turn, are positively associated with knowledge and wider service product mix. The study by Slapnicar et al., (2013) is particularly instructive, when it argued that in

the absence of accounting profession regulation, the quality of financial reporting is particularly vulnerable in micro companies. Parry and Groves (1990) and Adeyemi (2006) also suggested that in a situation where some companies employ professionally qualified accountants and other companies employ non-qualified accountants, there is bound to be variations in the extent of mandatory disclosures in favour of firms that employ qualified accountants.

The statistical significance of the relationship between professional qualification and extent of compliance with accounting standards disclosure requirements of commercialized enterprises in Nigeria implies that professional qualification relate positively to the quality of financial reports prepared by the qualified accountants and therefore, determines the extent of compliance with accounting standards disclosures in financial reporting. In addition, the primary responsibility of preparing annual reports rests with the principal accounting officers of the company and given the training of professionally qualified accountants before they are admitted to membership, qualified accountants are more knowledgeable, skillful and are more competent than non-qualified accountants to prepare better financial reports that disclose or comply with accounting standards disclosure requirements. In a situation where some enterprises employ professionally qualified accountants and other enterprises employ non-qualified accountants, there is bound to be variations in the extent of mandatory disclosures in the financial reports prepared by both enterprises.

The introduction of SAS and IAS in commercialized enterprises that hitherto used government accounting has provided a unique opportunity where the differences in disclosure can be seen between qualified professional accountants as principal officers and non-qualified accountants as principal officers of these firms. This is because, the quality of financial reports and extent of disclosures in annual reports is expected to relate positively

with qualification of accountants who are the most knowledgeable practitioners in financial reporting and disclosure compliance.

The result of the current study shows that there is a positive association between qualification of accountant and the quality of financial reports implies that improving the accountability and transparency of commercialised Federal Government enterprises through improved quality and level of disclosures in financial reports will need qualified accountants. The obvious implication is that qualified accountants will improve the accountability and transparency in financial reporting of these enterprises.

Findings from Hypothesis Six

The sixth hypothesis is set up to test whether there is any significant relationship between firm effects and extent of compliance with accounting standards disclosure requirements by commercialized Federal Governement enterprises. The analysis in Table 12 shows that there is a significant relationship between firm effects and the extent of compliance with accounting standards disclosure requirements of a majority of commercialized enterprises. This is because twelve enterprises out of the 18 enterprises firm effects are significantly related to the extent of compliance with accounting standards disclosure requirements as their p-values of the regression results are less than 0.05 level of significance. The Adjusted Coefficient of determination (Adjusted R^2) of the regression model (8) which used Table 12 to analyse the relationship between extent of compliance with accounting standards disclosure requirements and firm effects is 97.11%, indicating that the variation in the extent of compliance is explained in this regression model containing the enterprises' effects. On the other hand Taken table 11 analyses equation (6) which relates corporate attributes and extent of compliance with accounting standards disclosure requirements with the results showing an Adjusted Coefficient of determination (Adjusted

R^2) of the regression as 66.02%. Taken tables 11 and 12 together, The difference of 31.09% (97.11% - 66.02%) shows the variations in compliance with accounting standards disclosure requirements that is due to the presence of the firm effects (nature of the enterprise) in the regression model (8) used in the analysis in Table 12.

To the best of the researcher's knowledge, this finding is the first of its kind in compliance with accounting standards disclosure studies. It leads us to the obvious observation that the special features of an enterprise, which include managerial style, managerial philosophy, managerial psychology, type of market, process of production and a host of others relate significantly to the extent of compliance with accounting standards disclosure requirements in annual reporting. The consideration of firm effects relationship with compliance with accounting standards disclosure is a derived influence and it has been ignored by previous studies such as Parry and Groves (1990), Adeyemi (2006), Umoren (2009) and Slapnicar, Groff and Stumberger (2013) in their studies of the relationship between corporate attributes and extent of disclosure.

The propositions of the agency, resource dependence, stewardship and Stakeholder theories are that the firm is represented by the owners, board, management, and employees as it operates in the general environment which includes the individuals, communities, governments and other authorities. Therefore, the enterprise "thinks", "feels" and "reacts" to the environmental situations as human beings in the way managers react to environmental factors. The level of the enterprise responds to the requirements of accounting standards in preparing financial statements is always in line with the training, experience, desires, thoughts, feelings and actions of its managers in relation to its overall nature (special features).

The implication of this result is that some variations in the level of compliance with accounting standards disclosure requirements by commercialised enterprises is actually due to the firm effects (special features) of the enterprises which are not amenable to individual identification and measurement.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

The yearly reports of the Auditor-General for the Federation (AGF) on audited accounts of commercialized Federal Government companies for the past two decades suggested that commercialized Federal Government enterprises did not fully comply with accounting standards disclosure requirements. This was the situation in spite of the changes made in accounting systems of these enterprises from government accounting system to private sector accounting practices based on commercial principles. Prior studies have shown that the malpractices in accounting and financial reporting is due to the use of accounting limitations for assets valuation and income determination in financial statements of firms globally. These studies were divergent on the suggestions that disclosures are related to firm characteristics. To confirm or refute the reports of the AGF and prior studies' findings, this study used contents analysis method for secondary data gathering and employed regression analysis and descriptive statistics to empirically examine the relationship between selected corporate attributes and extent of compliance with accounting standards disclosure requirements in the commercialized Federal Government enterprises in Nigeria. The study also examined the relationship between firm effects and extent of compliance with accounting standards disclosure requirements. It also determined the extent of compliance with accounting standards in financial reports of these commercialised enterprises. The theoretical framework linking disclosure practices to corporate attributes and firm effects of commercialized enterprises was based on four theories- agency, stewardship, stakeholders, and resource dependence theories. Based on the analysis conducted, and in line with the objectives of the study, the summary of the major findings of the research are as follows:

1. Statistically, the average extent of compliance with accounting standards disclosure requirements by commercialized enterprises in Nigeria was 79%.
2. There is a significant relationship between firm size and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.
3. There is a negative insignificant relationship between leverage and the extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.
4. There is no significant relationship between liquidity and the extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.
5. There is a significant relationship between audit firm size and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.
6. There is a significant relationship between professional qualification and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.
7. There is a significant relationship between firm effects and extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.

5.2 CONCLUSION

This study covered commercialised Federal Government enterprises. It determined the extent of compliance with accounting standards disclosure requirements in financial reporting in Nigeria. It also evaluated the relationship between corporate attributes and the

extent of compliance with accounting standards disclosures on one hand and the relationship between firm effects and the extent of compliance with accounting standards disclosures on the other hand. Based on the results of the descriptive and regression statistics that analysed question one (1) and the six (6) hypotheses of the study, the following conclusions are drawn with specific reference to the commercialised Federal Governments enterprises in Nigeria.

5.2.1 Conclusion based on results of Descriptive Statistics of Disclosure Index

Descriptive statistics of disclosure index analysed question one which sought to establish the extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises. The result of descriptive statistics of index disclosure shows an overall disclosure index of 79%. This is less than the 91% cross-country benchmark for emerging economies like Nigeria, established in 1999 (Tower, et al., 1999). The only enterprises found to have disclosure indices more than the disclosure index benchmark of 91% out of the 18 enterprises under study are NTA (96%) and NNPC (95%). Taken together, we conclude that commercialised federal government enterprises in Nigeria do not comply fully with accounting standards disclosure requirements.

5.2.2 Conclusion based on results of Regression Result

The regression statistics analysed hypothesis 1- 6. The conclusions drawn from these analyses are as follows:

Hypothesis 1 sought to examine the relationship between firm size and the extent of compliance with accounting standards disclosure requirements. The results of Tables 11 and 12 shows that firm size is significantly related to the extent of compliance with accounting standards disclosure requirements. Based on these findings we conclude that firm size is a significant factor that determines disclosure practices of commercialised Federal Government enterprises.

Hypothesis 2 was intended to examine the relationship between leverage and the extent of compliance with accounting standards disclosure requirements. The analyses in Tables 11 and 12 reveal that leverage is statistically negatively unrelated to the extent of compliance with accounting standards disclosure requirements. This result provides us with the evidence to conclude that leverage is not a significant factor in the ability of the commercialised enterprises to comply with accounting standards disclosure requirements in preparing financial reports in Nigeria.

Hypothesis 3 was aimed at evaluating the relationship between liquidity and the extent of compliance with accounting standards disclosure requirements. The findings in Tables 11 and 12 were that liquidity is not related to the extent of compliance with accounting standards disclosure requirements. With these findings we conclude that liquidity is not a determinant of extent of compliance with accounting standards disclosure requirements in financial reporting in Nigeria.

Hypothesis 4 sought for the examination of the relationship between audit firm size and the extent of compliance with accounting standards disclosure requirements. The results of Tables 11 and 12 show that audit firm size is significantly related positively to the extent of compliance with accounting standards disclosure requirements. The conclusion is that audit firm size shapes positively the levels of compliance with accounting standards disclosure requirements. It is one of the major factors that determine the disclosure practices of commercialised Federal government enterprises in Nigeria.

Hypothesis 5 is meant to examine the relationship between professional qualification and the extent of compliance with accounting standards disclosure requirements. The analyses in Tables 11 and 12 established that there is a significant and positive relationship between professional qualification and the extent of compliance with accounting standards

disclosure requirements. This finding leads us to the conclusion that there is a positive significant association between professional qualification and the quality of financial reports of commercialised Federal Government enterprises (CFGE). Therefore, we conclude that professional qualification of accountants aids the extent of compliance with accounting standards in preparing financial statements by CFGE.

Hypothesis 6 was set up to assess the relationship between firm effects and the extent of compliance with accounting standards disclosure requirements. This hypothesis was analysed in Table 12 using the Fixed Effects Least Squared Dummy Variable Multiple Regression model (8) and the findings are that statistically, majority (66.67%) of the 18 enterprises' firm effects are significantly related to the extent of compliance with accounting standards disclosure requirements. Taken together the results of Table 12, we can safely conclude that the firm effects of enterprises (nature of the enterprises) determine the level of compliance with accounting standards disclosure requirements by CFGE.

Therefore, the overall conclusion is that firm size, audit firm size, professional qualification and firm effects are significantly related to compliance with accounting standards disclosure requirements in financial reports. These factors determine significantly the compliance levels achieved by CFGE. Leverage and liquidity do not relate to the extent of compliance with accounting standards. In addition, the disclosure levels of CFGE is low compared with the cross-country average benchmark of 91%

5.3 RECOMMENDATIONS

5.3.1 Recommendations based on findings from question1

The finding from the analysis of question 1 confirmed the reports of the Auditor-General on audited annual reports of CFGE that the commercialised Federal Government enterprises do not comply fully with the requirements of the Statement of Accounting Standards (SAS) and

relevant International Accounting Standards (IAS) as required by CAMA 1990. The conclusion is that the overall level of compliance with accounting standards by CFGE is less than the cross-country average benchmark of 91% for emerging economies like Nigeria.

Based on this conclusion, this study recommends that the following steps will help government, boards of these enterprises and regulators of industries to improve the level of compliance with accounting standards disclosure requirements to enhance the accountability and transparency in financial reporting.

5.3.2 Recommendations based on findings from Hypotheses

a) Recommendations based on findings from hypothesis 1

The finding of this research based on hypothesis 1 is that firm size is related positively to the extent of compliance with accounting standards disclosure requirements. This means that increase in firm size will increase the extent of compliance with accounting standards disclosure requirements. We therefore recommends that Federal Government as the core investor in these enterprises should focus more on investing in the fixed assets of these enterprises if it is seeking to improve disclosure compliance with accounting standards in order to achieve high level accountability and transparency in financial reporting of the CFGE. The increase in fixed assets will enable management to hire qualified accountants for the top management positions in accounts and finance departments and big audit firms for audit services. This has the potential to increase disclosure compliance with accounting standards requirements.

The Government can increase the amount of capital investment in the CFGE in the following ways:

Investment in assets

There are four ways by which government and the enterprises themselves can improve the investment in assets of the commercialized enterprises. These include: outright privatization, government/private partnership, full commercialization and opening up the share guarantee of the commercialized enterprises for other investors.

i. **Out right privatization-** The outright sale of the enterprises to private individuals and core-investors will make them viable for potential investors to buy and sell their shares at the capital market and this will increase the investment in fixed assets both for expansion and improve services. This would increase the level of disclosure compliance with accounting standards requirements since amount of assets varies proportionately to disclosure levels.

ii. **Government/private partnership-** The participation of private individuals and corporate bodies will create a synergy that will improve the operational requirements like increase in assets and highly skilled personnel drawn from the private sector with experience to manage the enterprises as desired. This will however, be only possible if government can enact new legislations for the operations of the enterprises that will permit government to upon up shares that are “limited by guarantee” to divisible shares to allow other shareholders from the private sector to invest in these companies.

iii. **Full commercialisation-** Full commercialisation means that these enterprises will become full fledge commercial ventures that will pursue profit in all their operations. This change will inspire a change in production and marketing processes which will result to additional revenue that would accrue to the enterprises. This increase revenue would be plough back into the business to increase their capital investment in assets.

iv. **Fulfilment of performance agreement with governing boards-** In the commercialisation documents of the commercialized enterprises, government promised to give financial assistance to the public enterprises to aid them in the process of commercialisation of these CFGE to enable each of the enterprises commercialised to meet some basic operational standards. This promise was not met by government during and after many years of the commercialisation exercise was concluded. Government can meet her promises to these enterprises by providing the grant to boost the capital requirements of these enterprises. This can help improve the level of compliance with accounting standards because, these enterprises will be recapitalised to the level that is sufficient to meet the requirements for increase in compliance with accounting standards.

b) Recommendations based on findings from hypothesis 2

The finding based on hypothesis 2 is that statistically, leverage has a negative insignificant relationship with compliance with accounting standards disclosure requirements in financial reporting. Considering the outcome of the analysis, the decision to increase the level of compliance with accounting standards disclosure requirements should be based on equity investment in the industry by government or external/core investors who must be genuinely interested in returns on assets. Gearing financing is not a solution to low disclosure in commercialized enterprises financial reporting scheme. A particular policy of government should be to privatize these industries out rightly or provide incentives for genuine investors to buy these enterprises' stocks.

c) Recommendations based on findings from hypothesis 3

The conclusion on the result of regression analysis of hypothesis 3 is that liquidity is not significantly related to the extent of compliance with accounting standards disclosure

requirements. Based on this conclusion, it is recommended that any government policy or programme aimed at improving the extent of compliance with accounting standards disclosure requirements of commercialized enterprises in order to improve accountability and transparency in their financial reporting should not be focused on increasing their liquidity in isolation to fixed assets. This is because doing so would not increase the level of disclosure presently being achieved by these enterprises. On the other hand, if government decides to improve the liquidity of these firms, a comprehensive scheme involving improvement in their capital base and also giving them more powers to expand their market share in the economy as well as the margin on sales would be a better decision to make as these would inject into the enterprises funds that would be used to improve the fixed assets and for recruitment of professional accountant and for hiring of qualified audit firms for audit work.

d) Recommendation based on findings from hypothesis 4

The results of analyses of hypothesis 4 using Table 11 and 12 indicate that audit firm size is significantly related to extent of compliance with accounting standards disclosure requirements. Our conclusion therefore is that audit firm size relates positively with the levels of compliance with accounting standards disclosure requirements. Taken together, we recommend that if the objective is to improve compliance with accounting standards disclosure by commercialized Federal Government enterprises, the following steps should be taken:

Engagement of audit firm- Commercialised Federal Government should engage only audit firms that have international connection such as the Akintola Williams Gelloitte & Touche Chartered Accountants, PKF Chartered Accountant, PMKG and Anderson and Co. Chartered Accountant.

Time of submitting Audited reports- The time it takes to prepare and audit the accounts of these enterprises should be adhered to so that the period it takes to submit these audited financial reports to the Auditor-General for the Federation is limited to the six months stipulated by law. This is because the reports of the Auditor-General sent to the Public Accounts Committee of the National Assembly, sometimes take 2-3 years. This can reduce the effectiveness of oversight functions of the Legislature.

Similarly, the Auditor-General for the Federation (AGF) has very little influence on compliance with the constitutional requirements of Section 85 of the Constitution of the Federal Republic of Nigeria, 1999, as amended. This is because the AGF's comments on Audited Annual Reports of commecialised enterprises is sent to the PAC of the National Assembly, who from experience, do not act on them in time or pay very little attention to them. Those found culpable are not punished as the constitutional requirements provide. Government can ensure that the Audit of commericialised enterprises is properly monitored by the Office of the AGF by giving the AGF's office more powers, particularly to prosecute officers that fail to submit their audited accounts within the stipulated time frame.

A law should also be passed to mandatorily ensure that the Public Accounts Committee (PAC) of the two Houses of Assembly can be sued for failing to verify reports sent to them from the AGF's office over a period exceeding one year. If these and similar actions are taken to reduce this time lags and to encourage external auditors of these enterprises to audit and report as soon as the annual reports are prepared, the quality of big audit firms would be felt more through higher level disclosures and this will improve the level of accountability and transparency of commercialized enterprises in Nigeria.

e) Recommendations based on findings from hypothesis 5

This current study has empirically shown that professional qualification of accountants significantly relates with the extent of compliance with accounting standards disclosure in financial reports of commercialized Federal Government enterprises in Nigeria. Based on this finding we conclude that professional qualification of accountant significantly increases the level of compliance with accounting standards in preparing financial reports. In order to improve disclosures in financial reports, we recommend that only professional accountants that should be recruited and promoted to top management positions in accounts department of the enterprises. The existing staff that are not qualified should be given opportunities for retraining in areas of accounting standards, information technology and relevant software applications in accounting and finance areas.

f) Recommendations based on findings from hypothesis 6

The test of hypothesis 6 is achieved by Table 12. The result shows that firm effect is significantly related to extent of compliance with accounting standards disclosure requirements. Considering the result of the regression it is concluded that improvement in the firm effects will also increase the level of compliance with accounting standards of these enterprises. Therefore, it is recommended that any government policy or programme aimed at improving the accountability and transparency of commercialised enterprises through improved quality and the extent of compliance with accounting standards disclosures in financial reports should recognise the special characteristics of these enterprises, such as the type of managers that are hired to manage these enterprises, the managerial style of these managers, managerial philosophy of individuals employed to manage these enterprises, the type of market and the process of production of these enterprises. This is because these features relate positively and significantly with the firm’s compliance with accounting

standards disclosure practices. The process of hiring managers should be seriously examined to ensure that the process brings in the best managers for the industry. Government should ensure that the laws meant for hiring people for top management positions in finance and accounts are strictly adhered to in recruitment exercise.

The following specific recommendations will improve compliance with accounting standards:

a. There is in existence, highly qualified management staff that have good vision and mission for the enterprise.
b. The vision and mission are translated into good strategies to achieve targeted goals of the enterprise.
c. There is good managerial style, a sound managerial philosophy defined with appropriate provisions for all stakeholders and a good share of the market, appropriate incentives to staff, good production plans with adequate allowance for shift duties,
d. Development of a good organizational structure that defines and delineates appropriates delegation of authorities and commensurate responsibilities to appropriate staff with prerequisites qualifications.

5.3.3 Strategies for the Future

This study established that firm size, audit firm size, professional qualification of accountants and the nature of the firm are significantly related to the extent of compliance with accounting standards disclosures requirements. The study also identified disclosure levels of commercialised Federal Government enterprises which are low compared with the cross-country benchmark established for developing countries.

It is recommended that future policies should focus on the strategies that favour growth in assets and expansion of enterprises, improvement in the quality of accounts and

audit staff through training and retraining in the knowledge of SAS, IAS and IFRS, information technology and modern accounting software packages. Future policies should also be directed to improvement of the special features of the enterprises, such as recruitment of technically qualified and experience managers to head strategic positions in the enterprises.

5.3.4 Problem-Solving Approaches

Government and other industry regulators should encourage actions that would strengthen existing and new ways of improving disclosure practices of the commercialised industries, such as privatization, partnership, increase investment, improvement in the qualities of management and audit procedures and processes. This would resolve both external and internal environmental factors that hinder adequate disclosure of accounting items in financial reports of these enterprises.

5.4 SUGGESTIONS FOR FURTHER STUDIES

This current study examined the relationship between corporate attributes and extent of disclosure. It also evaluated the relationship between firm effects and the extent of compliance with accounting standards disclosure requirements. Similarly, the study determined the extent of compliance with accounting standards disclosure requirements by commercialized enterprises. Despite the areas covered by this study, there are still gaps that this study was unable to fill especially as it relates to the commercialized Federal Government enterprises in Nigeria.

The following areas are being recommended for further research:

1. This study has examined the relationship between firm effects (taken them as a whole) and the extent of compliance with accounting standards disclosure requirements for each enterprise. This was done to provide alternative ways of

improving corporate accountability and transparency in financial reporting at a general level without considering the corporate attributes. This study could not examine separately each of the firm effects, for example, managerial style, managerial philosophy, marketing style, to determine each special feature's relationship with extent of compliance with accounting standards disclosures of the enterprises. This was so because it was not part of the scope of the study and also there was the problem of identifying a measurement yardstick for each individual firm effect. Further study(s) can examine the relationship between each of these firm effects and extent of compliance with accounting standards disclosure practices of these enterprises for effective planning and policy decisions.

2. This study was intended to cover only commercialised Federal Government enterprises. This was to enable the researcher concentrate on the Federal Government commercialisation policy so far implemented. Further studies in this area can concentrate on commercialized State Government enterprises. Such comparative efforts hold the promise of revealing the position of disclosure practices of commercialised Federal Government enterprises and that of the other tiers of government.
3. Further studies in this area can also concentrate on commercialized Government enterprises of other developing countries in Africa. This would help to form a basis for further significant policy shifts at national and sub-regional levels.
4. In the current study, a model was developed for commecialised government enterprises for predicting the relationship between firm effects and extent of compliance with accounting standards disclosure requirements and validated with its application in the study of commercialized Federal Government enterprises.

However, before this model can be generalized for the other developing and developed countries, it is suggested that the model be revalidated with other studies.

5.5 LIMITATIONS TO THE STUDY

The limitations to the study included problems associated with data gathering in a developing country like Nigeria. For example, annual reports of many of these enterprises were always prepared and audited late, some more than two years in arrears. This affects the availability of data as and when required for this study. For example, in gathering data for the content analysis, difficulties were encountered in obtaining financial reports for the 2013 financial year from the AGF office. This was as a result of the fact that many Commercialised Federal Government Enterprises had not concluded the audit of the year 2013 financial statements and therefore, had not submitted them to the Auditor-General for the Federation as at the time of submitting this final work. When this researcher paid a visit to the AGF's office on Tuesday, February 10th 2015 only the Nigeria Television Authority (NTA) Abuja, News Agency of Nigeria (NAN) and Upper Benue River Basin Development Authority (UBRB) Yola that submitted audited accounts for 2013 financial reports (AGF's Letter February 19th 2015). As a result of this development the analysis for 2013 included only the three enterprises. However, the missing data for the 2013 financial year did not significantly affect the outcome of the analysis when the 2013 results were compared with the 2012 results.

5.6 CONTRIBUTION TO KNOWLEDGE

This study has made the following contributions to knowledge.

This study developed a disclosure index model specifically for examining the relationship between corporate attributes and the extent of compliance with accounting standards disclosure requirements of commercialised Federal Government enterprises in Nigeria. This

disclosure index model takes into accounts only the accounting standards applicable to commercialised enterprises in Nigeria. Previous studies have ignored this aspect of disclosure research.

The relationship between firm effects and the extent of compliance with accounting standards disclosure requirements have been under researched in literature. This aspect of the research was conducted using a modified Multiple Regression Model known as Fixed Effects Least Square Dummy Variable Regression Model to isolate the corporate attributes relationship with firm effects relationship with the extent of compliance with accounting standards disclosures. This model has scarcely been applied in accounting disclosure research in the past.

Another major contribution to knowledge by this study is that this current study confirmed the report of the Auditor-General for the Federation, by determining the disclosure index of commercialised Federal Government enterprises in Nigeria. It was able to establish that the disclosure index of commercialised Federal Government enterprises in Nigeria is 79%, this is less than the international benchmark of 91% for emerging countries. Prior to this research, there was little evidence to show the exact extent of compliance with accounting standards disclosure requirements by commercialised Federal Government enterprises in Nigeria.

Finally, previous studies concentrated on listed companies. But this study examined and extended disclosure research to commercialised Federal Government enterprises in Nigeria, Thereby adding this category of enterprises and by extension, disclosure compliance study to existing body of literature in Nigeria. These gaps would have not been filled without this study.

REFERENCES

Abd-Elsalam, O. H., & Weetman, P. (2003). Introducing international accounting standards to emerging capital market: Relative familiarity and language effect, with a case study of Egypt. *Journal of International Accounting, Auditing and Taxation*, *12*(1), 63-84.

Abd-Elsalam, O. H., & Weetman, P. (2007). Measuring accounting disclosure in a period of complex changes: The case of Egypt. *Advances in International Accounting*, *20*(3), 75-104.

Abbott, L. J., Parker, S., & Peters, G. F. (2006). Earnings management, litigation risk, and asymmetric audit fee responses: Auditing. *A Journal of Practice and Theory 25*(1), 85–98.

Abou-El Fotouh, H. (2010). The Cosmetic Corporate Governance – Will Companies Learn Lessons from the Global Financial Crisis? Retrieved 24th October, 2013 from http://ezinearticles.com/?The Cosmetic-Corporate-Governance…Will-Companies Learn-Lessons-From-theGlobal-Financial-Crisis!&id=4425027&opt=print

ACCA, (2009). *Study text for financial accounting,* BPP Publishing 2009

Accounting Training and Publication Limited, (2004). *Accounting standards for exams*: *SAS and IAS,* Lagos, Nigeria.

Aczel, A.D. (1999). *Complete business statistics* (4th ed.). Boston: Irwin/McGraw-Hill.

Adams, R. A. (2002). *Public sector accounting and finance* (3rd ed.). Corporate Publishers Ventures, Lagos.

Adeyemi, S. B. (2006). Impact of accounting standards on financial reporting in Nigeria. *Unpublished PhD Thesis in the Department of Accounting*, University of Lagos.

Adeyemo, D.O., & Adeleke, S. (2008). A review of privatization and public enterprises reform in Nigeria. *Contemporary Management Research*, *4* (4), 401- 418.

Adolf, B. (1932). For whom corporate managers are trustees: A note, 45 HARV. L. 1365.

Agrawal, A., Jaffe, J. F., & Karpoff, J. M. (1999). Management turnover and governance changes following the revelation of fraud. *Journal of Law and Economics* 42, 309–342.

Agyei-Mensah, B.K. (2012). Association between firm specific characteristics and level of disclosure of financial information of rural banks in the Ashanti region of Ghana. *Journal of Applied Finance & Banking, 2*(1), 69-92.

Ahmed, H. (2004). *The equality of financial reporting after the passage of Sarbanes- Oxley Act.* Unpublished research proposal- Cameron University. Retrieved on 27th June, 2012 from *http://warrington.ufc.edu/graduate/academics/pdb/proposals/2010-HassanAhmes.pdf*

Ahmed, H. (2005). Corporate voluntary reporting practices in India. *The Cost and Management Accountant, 33*(5), 73-79.

Ahmed, K., & Courtis, J. K. (1999). Association between corporate characteristics and disclosure levels in annual reports: A meta-analysis. *British Accounting Review*, *31*(1), 35-61.

Ahmed, K. (1996). Disclosure policy choice and corporate characteristics: A study of Bangladesh. *Asia-Pacific Journal of Accounting*, *3*(8), 183-203

Ahmed, K., & Nichollis, D. (1994). The impact of non-financial company characteristics on mandatory disclosure compliance in developing countries: The case of Bangladesh. *The International Journal of Accounting, 29*, 62-77.

Ajakaiye, O. (1990). Public enterprises policies in Nigeria. *Nigeria Institute of Social Economic Research*, *10*(1), 25-32.

Aksu, M., & Kosedag, A. (2005). The Relationship between Transparency & Disclosure and firm performance: Evidence from the Istanbul Stock Exchange. *Working Paper*, Sabanchi University. Retrieved 3rd July, 2013 from www.GrowingScience.com/dsl

Akhtaruddin, M. (2005). Corporate mandatory disclosure practices in Bangladesh. *International Journal of Accounting*, *40*, 399-422.

Alabi, M.O., Onimisi, U. U., & Enete, C. (2010). Privatization of public enterprises and Nigeria sustainable development: A review Article. *Current Research Journal of Social Science*, *2*(3), 204-208.

Ali, M.J., Ahmed, K., & Henry, D. (2004). Disclosure compliance with national accounting standards by listed companies in South Asia. *Accounting and Business Research, 34*(3), 183-199.

Alanezi , S. F., & Albuloushi, S. S. (2011). Does the existence of voluntary audit committees `really affect IFRS-required disclosure? The Kuwaiti evidence. *International Journal of Disclosure and Governance* 8, 148-173.

Allergrini, M., & Greco, G. (2011). Corporate boards, audit committees and voluntary disclosure: Evidence from Italian listed companies. *Journal of Management & Governance 2*(2), 45-58.

Alexander, D., & Britton, A. (1998). *Financial reporting*, UK: International Thomson Pub. Inc.

Al-Shammari, B. A. (2005). Compliance with IAS by listed companies in the Gulf Co-operation Member States: An empirical study. *Unpublished doctoral dissertation,* University of Western Australia, Perth.

Alsaeed, K. (2006). The association between firm-specific characteristics and disclosure, *Managerial Auditing Journal,* 21.

Al-shiab, M. (2003). Financial consequences of adopting international financial reporting standards: The case of Jordan. *Unpublished PhD Thesis in Faculty of Business Admin. Mutah University, Jordan. http://www.linkedin.com/pub/mohammad.*

Altman, E. I. (1968). Financial ratios, discriminant analysis and the prediction of corporate bankruptcy. *Journal of Finance*, *12*/2 189–209.

Amiram G. (2008). Corporate governance as social responsibility: A research Agenda. *Berkeley J. Int'l Law. Published* by Berkeley Law Scholarship Repository, 2008. Retrieved 15th February, 2011 from http://scholarship.law.berkeley.edu/bjil/vol26/iss2/5

Amin, M.E. (2005). *Social science research conception, methodology and analysis*. Kampala, Makerere University Printery.

Angst, L., & Borowiecki, K. J. (2013). Delegation and motivation, theory and decision. Published online: 8 May 2013 at Springer Science+Business Media New York 2013 Retrieved on 15th August, 2014, from *http://scholar.google.com/scholar?q=Delegation+and+motivation,+theory+and+decision.&hl=en&as_sdt=0&as_vis=1&oi=scholart*

Anyafo, A.M.O. (1994), *Government and Public Sector Accounting: Legal and Constitutional Framework.* Vol. I Gopro Press, Enugu. Nigeria.

Apostolou, A.K., & Nanopoulos, K.A. (2009). Voluntary accounting disclosures and corporate governance: Evidence from Greek listed firms; *International journal accounting and finance, 1*(4), 395-414.

Arthaud-Day, M. L., Certo, S. T., Dalton, C. M., & Dalton, D. R. (2006). A changing of the guard: Executive and director turnover following corporate financial restatements. *Academy of Management Journal* 49, 1119–1136.

Asika, N. (2002). *Research methodology in the behavioral sciences*, (2nd ed.). Lagos, Longman.

Asika, N. (2006). *Research methodology in the behavioral sciences*, (3rd ed.). Lagos, Longman.

The Audit Act 1956

The Audit Act 2004

Ayodele, S. (1988). Privatization and commercialization of public enterprises and their implecations. *In* B. Adedotun (Ed.). Economic policy and development in Nigeria. *Nigeria Institute of Economic Research, Ibadan,* as cited in Adeyemo (2008).

Azizkhani, M., Monroe, G. S., & Shailer, G. (2010). The value of Big 4 audits in Australia. *Forthcoming in Accounting and Finance*, 10:1111.

Bhayani, S. (2012). Association between firm-specific characteristics and corporate disclosure: The case of India. *A paper presented at international conference on Business, Economic management and behavioural science (ICBEMBS)* January, 7-8.

Bakar, N. B. A., & Said, J. M. (2008). Historical cost accounting versus current cost accounting. *Accountants Today.* Rretrieved July 2014 from http://www.academia.edu/254573/HistoricalCostAccountingVersusCurrentCostAccounting.

Barth, M. E. (2013). *Measurement in financial reporting: The need for concepts*. Posted by R. Christopher Small, Co-editor, The Harvard Law School Forum on Corporate

Governance and Financial Regulation, on Wednesday October 2, 2013. Retrieved on 2nd March, 2014 from www.paperssrn.com/so13/papers.cfm?abstract_id2235759 or http://blogs.law.harvard.edu/corpgov/2013/10/02/measurement-in-financial-reporting-the-need-for-concepts/.

Behn, D.R. (2001). *Rethinking democratic accountability: Washington, dc*. Business Encyclopedia. Brookings Institute Press. Boston North-Eastern University Press. P. 317-394. Retrieved on 24th May, 2013 from *http://www.csus.edu/indiv/s/shulockn/extent on 24/05/13. or www.business-case-analysis.com.*

Black, K. (1994). *Business statistics: Contemporary decision making.* St. Paul, West Publishing Company.

Blake, J. (1981). *Accounting Standards* (1st ed.). London, Longman Incorporation.

Barako, O. (2004). *Factors driving different aspects of voluntary disclosure in annual reports:The Kenyan experience*. Paper presented at the 6th Asia specific Journal of Accounting and Economic Symposium, Guanzhou, China. January 30th, 2005.

Barako, D. G., Hancock, P., & Izan, H.Y. (2006). Relationship between corporate governance attributes and voluntary disclosure in annual reports: Kenyan experience. *Financial Reporting and Governance*, *5*(1), 1-25.

Barako, D. G. (2007). Determinants of voluntary disclosures in Kenyan companies' annual reports. *African Journal of Business Management, 1*(5), 113-128.

Barron, O.E., Kile, C.O., & O'Keefe, T.B. (1999). MD & A quality as measured by the SEC and analyst earnings forecast. *Contemporary Accounting Research, 16*(1), 75-109.

Bartol, K.M., Martin D.C., Tein M. H., & Mathews G.W. (1995). *Management: A pacificrim focus.* Sydney, McGraw-Hill Book Company.

Barret, M. E. (1997). The extent of disclosure in annual reports of large companies in seven countries. *The International Journal of Accounting, 13*(2). 342-349.

Barry, C. B., & Brown, S. J. (1986). Differential information and security market equilibrium. *Journal of Financial and Quantitative Analysis* 20 (December), 407-422.

Beattie V., McInnes B., Fearnley, S. (2004). A methodology for analyzing and evaluating narratives in annual reports: A comprehensive descriptive profile and metrics for disclosure quality attributes. *Accounting Forum,* Vol. 28. 205-36.

Bedard, J. C., & Johnstone, K. M. (2004). Earnings manipulation risk, corporate governance risk, and auditors' planning and pricing decisions. *The Accounting Review*79, *277–304.*

Beekes, W., & Brown, P. (2006). Do better-governed Australian firms make more informative disclosures? *Journal of Business Finance and Accounting* 33, 422–450.

Belkaoui, A., & Karpik, P. G. (1989). Determinants of the corporate decision to disclose social information. *Accounting, Auditing and Accountability Journal*, *2*(1), p. 36-51.

Belkaoui, A., & Kahl, A. (1978). Corporate financial disclosure in Canada. Research Monograph 1. *Canadian Certified General Accountants Association: Vancouver*.

Bell, T. B., Landsman, W. R., & Shackelford, D. A. (2001). Auditors' perceived business risk and audit fees: Analysis and evidence. *Journal of Accounting Research,* 39, 35–43.

Bernardi, R.A., & Lacross, C. C. (2005). Corporate transparency: Code of ethics disclosures. *The CPA journal.* A publication of the New York state society of CPAS- disclosure. *Journal of Accounting Research, 13*(1), 16-37.

Bilal, S. T., & Khan, J. (2013). Factors that drive forward looking information in annual reports of Pakistan's energy sector companies. *Merit Research Journal of Accounting, Auditing, Economics and Finance*, *1*(1), 12-17.

Brownabridge, M. (1999). *The causes of financial distress in local banks in Africa and implication for prundential policy.* United Nations Conference on Trade and Development (UNCTAD), Geneva No 132 March. Retrieved 20th March, 2013 from *http://www.unic.org/unctad/en/pressrefprdis.htm.*

Bumiller, E. (2002, June 29). Bush issues call for honest in corporate America. *New York Times.* p. 8.

Bureau for Public Enterprises (BPE) Act of 1993.

Bushman, R.J., Piotroski., & Smith, A. (2001). What determines corporate transparency? Published in the *Journal of accounting research 42* (2), 207-252, 2004

Buzby, S.L. (1974). Selected items of information and their disclosure in annual reports. *The Accounting Review. 423-435.*

Central Bank of Nigeria, (2006). Code of Corporate Governance. Retrieved January 21, 2013 from http//www.cbn.org.codeofcorporategovernance. *Second Quarter Report Review,* p. 7-8, Author.

Cadbury, (1992). *Adrian report of the committee on the financial aspects of corporate governance.* Gee, London, December, Sections 3.2, 3.3, 4.33, 4.51, and 7.4

Cardbury, (1979). *Thor power tool company v. Commissioner of internal revenue, 439 U.S. 522, http://supreme.justia.com/us/439/522/case.html.*

Cadbury Report, (2002). Corporate Governance Codes and Principles: *The Financial Aspects of Corporate Governance.* United Kingdom. Retrieved 18th October, 2012 from *http://www.ecgi.org/codes/code.php?code_id=132.*

Camfferman, K., & Cooke, T.E. (2002). An analysis of disclosure in the annual reports of United Kingdom and Dutch companies. *Journal of International Accounting Research 1*, 3-30.

Cahan, S. (1992). Ethics and disclosure in the savings and loan industry. *Business & Professional Ethics Journal, 11* (3/4), 57-72.

Carcello, J. V., Hermanson, D. R., Neal, T. L., & Riley, R. A. (2002). Board characteristics and audit fees. *Contemporary Accounting Research,* 19, 365–384.

Carey, P., & Simnett, R. (2006). Audit partner tenure and audit quality. *The Accounting Review,* 81, 653–676.

Cataldo, A. (2003). Agency theory and principal-agent problems. In Cataldo, A. (ed.) *Information asymmetry: A unifying concept for financial and managerial accounting theories*. Oxford, United Kingdom: Elsevier.

Chambers, R. J. (1966). *Accounting evaluation and economic behaviour,* Eaglewood.

Chamisa, E. E. (2000). The relevance and observance of the IASC standards in developing countries and the perticular case of Zimbabwe. *The International Journal of Accounting*, *35*(2), 267- 286.

Chan, J.L. (1992). The government environment: Characteristics and influences on government accounting and financial reporting. In G. Apostolou and Crumbley D. L. (2nd Ed.). *Handbook on Governmental Accounting and Finance*. New York: John Wiley & Sons, Inc.

Chaney, P. K., & Philipich, K. L. (2002). Shredded reputation: The cost of audit failure, *Journal of Accounting Research,* 40, 1221–1245.

Chau, G. K., & Gray, S. J. (2002). Ownership structure and corporate voluntary disclosure in Hong Kong and Singapore. *The International Journal of Accounting*, 37, 247-265.

Cerf, A.R. (1961). Corporate reporting and investment decisions. Berkeley, University of California.

Chen, C.W., Lin, J. B., & Yi, B. (2008a). CEO duality and firm performance: An endogenous issue. *Corporate Ownership and Control* 6, 58–65.

Chen, C.W., Lin, J. B., & Yi, B. (2008b). Audit partner tenure and discretionary accruals: Does long auditor tenure impair earnings quality? *Contemporary Accounting Research,* 25, 415–445.

Chen, J.P., & Jaggi, B.L. (2000). The association between independent non-executive directors, family control and financial disclosures in Hong Kong. *Journal of Accounting and Public Policy*, *19*(4-5), 285-310.

Cheng, Q., & Farber, D. B. (2008). Earnings restatements, changes in CEO compensation, and firm performance. *The Accounting Review, 83, 1217–1250.*

Central Bank of Nigeria (2006). *Code of corporate governance for banks in Nigeria post Consolidation,* Abuja

Cherry, K. (2012). What is Longitudinal Research? Retrieved on 22nd February, 2012 from *http://www.experiments.about.comguide.*

Chiraz, B. A. (1989). Disclosure quality and corporate governance: Evidence from the French stock exchange. In *Open access publications from universities Paris-discipline.* Retrieved on 12th April, 2013 from *http://www.REPEC:danphi:urn:HDL:*123456789/2719.

.Choi, F.D. (1973). Financial disclosure and entry to the European Capital Market. *Journal of Accounting Research,* 11, 159-175.

Choi, J. (1999). An investigation of initial voluntary environmental disclosure made in Korean source annual financial reports. *Pacific Accounting Review, 11*(1), 73-102.

Chris, S. (2002). Enron: The fall of a Wall Street Darling. Retrieved on 3rd September, 2010 *from http://www.investopedia.com/articles/stocks/09/enron-collapse.asp.*

Cooke, T.E. (1989). Disclosure in the corporate annual reports of Swedish companies. *Accounting and Business Research, 19* (74), 113-541.

Cooke, T. E. (1998). Disclosures in the corporate annual reports of Swedish companies. *Accounting and Business Research, 10*(3) 268-279

Cooke, T.E. (1991). An assessment of voluntary disclosure in the annual reports of Japanese listed corporations. *The International Journal of Accounting, 26*(3), 243-256.

Cooke, T.E. (1992). The impact of size, stock market listing and industry type on disclosure in the annual reports of Japanese listed corporations. *Accounting and Business Research (summer) 22*(87), 229-237.

Companies and Allied Matters Commission (1990). *Companies and allied matters report 1990 (With Amendments)*, Abuja.

Constitution of the Federal Republic of Nigeria (1999). Section 85 as amended.

Companies and Allied Matters Act, 1990

Companies and Allied Matters Act, CAP.20 LFN 2004

Core, J.E. (2001). A review of the empirical disclosure literature: Discussion. *Journal of Accounting and Economics*, 31, 441-456.

Courtis, J. K. (1979). Annual report disclosure in New Zealand: An analysis of selected corporate attributes. *Research Study 8, Armidale,* University of New England.

Chow, C. W., & Wong-Boren, A. (1987). Voluntary financial disclosure by Mexican corporations. *The Accounting Review*, *62*(3), 533-541.

Coy, D., & Dixon, K. (2004). The public accountability index: Crafting a parametric disclosure index for annual reports, *The British Accounting review, 36*(1), 79-106.

Craig, R., & Diga, J. (1998). Corporate accounting disclosure in Asean. *Journal of International Financial Management and Accounting, 9*(3), 246-274.

Dalton, D. R., Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (1998). Meta-analytic reviews of board composition, leadership structure, and financial performance. *Strategic Management Journal,* 19, 269–290.

Darrough, M.N., & Stoughton, N.M. (1990). Financial disclosure policy in an entry game. *Journal of Accounting and Economics, 12*(2), 19-243.

Davis, H. J., Schoorman, D. F., & Donaldson, L. (1997). Reply: The distinctiveness of agency theory and stewardship theory. *The Academy of Management Review*, 22(3) 611-613.

Davis, G. F., & Cobb, J. A. (2010). Resource dependence theory: Past and future. Bingley, New York: *Stanford's Organisation Theory Renaissance,* 1970-2000, 21-42. Emerald Group.

DeAngelo, L. E., (1981). Auditor size and audit quality. *Journal of Accounting and Economics, 3*, 183–199.

Deaconu, A., Nistor, C. S., & Filip, C. (2011). The impact of accrual accounting on public sector management: An exploratory study for Romania. *Transylvanian Review of Administrative Sciences*, *32* (4), 74-97.

Deakins, S., & Konzolman, S. J. (2003). After Eron: an age of enlightment? *Organisation*, *10* (3), 583-587. ISSN1350-5084. Retrieved on 23rd May, 2013 from *http://eprints.bbk.ac.uk/308 and http://eprints.bbk.ac.uk/policies.html*

Deegan, C. (2004). Environmental disclosure and share prices: A discussion about efforts to study this relationship. *Accounting Forum, 28*(1), 87-97.

Defond, M. L., Raghunandan, K., & Subramanyam, K. R. (2002). Do non-audit service fees impair auditor independence? Evidence from going concern audit opinions. *Journal of Accounting Research, 40*, 1247–1274.

De George, R.T. (2011). *Business Ethics.* Dorling Kindersley, Licensees of Pearson Education in South Asia.

Delaney-Moor, K. (2000). Interactive worksheet: Accounting concepts and conventions. Retrieved on 20th February, 2014 from bizled site *http://www.bizled.co,uk* Home Learning Zone.

Depoers, F. (2000). A cost benefit study of voluntary disclosure: Some empirical evidence from French listed companies. *The European Accounting Review*, *9*(2), 245-263

Dornigie, O. P. (2008). *The Fiscal Responsibility Act 2007: An Overview.* Being a paper presented at a National Workshop on the Fiscal Responsibility Act 2*007.* Organised by the Office of the Accountant General of the Federation, Kaduna: 27-29, August.

Dodd, M. E. (1932). For whom are corporate managers trustees?, 45 HARV. L. REV. 1145.

Drees, J. M., & Heugens, P. P. M. A. R. (2013). Synthesizing and extending resource dependence theory: A meta-analysis. *Journal of Management*, 39, 1666-1698.

Dubbink, W., Graafland, J., & Liedekerke, L. (2008). Corporate social responsibility, transparency and the role of intermediate organization. *Journal of Business Ethics, 82* (2), 256-287.

Dumontier, P., & Raffournier, B. (1998). Why firms comply voluntarily with IAS: An empirical analysis with Swiss data. *Journal of International Financial Management and Accounting*, *9*(3), 216-245.

Dye, R. A. (1986). Proprietary and non-proprietary disclosures. *Journal of Business, 59*(2), 331-366.

Easterbrook, F. H., & Fischell, D. R. (1991). The economic structure of corporate law. In S. Edward, S. (1993). Openness, trade liberalization, and growth in countries. *Journal of Economic Literature*. *XXX(*1) 1358-1393.

Efange, P. (1987). An overview of public and private enterprises in Africa: Role, status, scope, performance and challenges for implementing the Lagos plan of action. In, proceedings of the Africans association of public administration and management, Sixth round table conference held in Blantyr. *Public enterprises performance and the privatization debate: A review of the option for Africa*. India: Vikas Publishing House Pvt Ltd India.

Eisenhardt, M. K. (1989). Agency theory: An assessment and review. *Academy of Management Review*, *14*(1), 57.

Ekoja, B. E. (2006). Accounting standards and financial reporting for fixed assets and depreciation in Nigerian quoted banks. *An unpublished PhD Thesis in the Department of Accounting*, Ahmadu Bello University, Zaria.

Elliot, B., & Elliot, J. (2005). *Financial Accounting and Reporting*, (9th ed.). Essex: Pearson Education Limited.

Eng, L. L.; & Mak, Y. T (2003). Corporate governance and voluntary disclosure. *Journal of Accounting and Public Policy*, *22*(4), 325-345

Epstein, M. J., & Palepu, K.G. (1999). What financial analysts want. *Strategic Finance,* (April), 2-52.

Ezejelue, A.C. (2001). *A primer on international accounting (1st ed.)*. Harcourt: Educational Books and investments Limited.

Fama, E., & Jensen, M. (1983). Separation of ownership and control. *Journal of Law and Economics,* 26(2), 1123-1146.

Farber D. B. (2005). Reporting trust after fraud: Does corporate governance matter? *The accounting review*, *80*, 22-41.

Feltus, C., Petit, M., & Dubois, E. (2009). *Strengthening Employee's Responsibility to enhance governance of IT: COBIT RACI chart case study*. Proceeding of the ACM workshop on Information Security Governance (WISG).

Feltus, C., & Petit, M. (2009). *Building a responsibility model including accountability, capability and committment*. Proceeding of the fourth International Conference on Availability, Reliability and Security (Fukuoka: Institute of Electrical and Electronics Engineers), p. 7

Ferguson, G. M., Lam, K. C. K., & Lee, G. M. (2002). Voluntary disclosure by state-owned enterprises listed on the stock exchange of Hong Kong. *Journal of International Financial Management and Accounting*, *13*(2), 125-152.

Finance (Control and Management) Act 1958 as amended

Fiscal Responsibility Act 2004

Financial Reporting Council of Nigeria act, 2011

Financial Dictionary Investopedia. Retrieved October 18, 2013 from *www.investopedia.com/dictionary*

Firth, M. (1979). The effects of size, stock market listings and auditors on voluntary disclosure in corporate annual reports. *Accounting Business Research*. *9*(36), 29-42.

Firth, M. (1984). The extent of voluntary disclosure in corporate annual reports and its association with security risk measures. *Applied Economics, 16*(2), 269-277.

Firer, C., & Meth, G.D. (1986). Investor information requirements and the disclosure of such information in annual reports. *Investment Analysts Journal, 27*, 11-17.

Frankel, R. M., Johnson, M. F., & Nelson, K. K. (2002). The relation between auditors' fees for non-audit services and earnings management, *The Accounting Review*, ***77***, 71–105.

French, P.A. (1984). *Collective and corporate responsibility*. New York: Columbia University press.

Freedom of Information Act, 2012

Friedman, M. (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*, p. 20

FRCN, (2007). Financial Reporting Council of Nigeria. History of NASB and FRCN, Retrieved August 11, 2012, from *http://search.mywebsearch.com/mywebsearch/GGmain.jhtmlsearchfor=financial+reporting+council+of+nigeria*

Frey, W., & Cruz-Cruz, J. (2011). *Different approaches to corporate governance*. Retrievedon 14th January, 2012 from the connections web site *http:IIcnx.org/content/M17367/1:5/*

Frisbie, R. (1986). The use of microcomputer programs to improve the reliability and validity of content analysis in evaluation. Annual meeting of the American Educational Research Associaltion. San Francisco, CA. 7-11 April. Retrieved on 24th January, 2014 from *The use of microcomputer programs to improve the reliability and validity of content analysis in evaluation. Annual Meeting of the American Educational Research Association*.

Fourth National Development Plan (1975 – 1980). In M. I. Obadan (2000). *Privatisation of public enterprises in Nigeria: Issues and conditions for success in the second round.* National Centre for Economic Management and Administration, Ibadan, Nigeria.

Gallhofer, S. (2014). Improving the effectiveness of corporate governance and accounting disclosure: Insights from Roberto Ozaki and Japan. Retieved on 28th July, 2014 from *www.criticalperspectiveonacounting.com/wp-content/uploads/2014/06/paper-cpa-055.pdf*

Galani, D. Alexandrite, A., & Stavropoulos, A. (2011). The association between the firm characteristics and corporate mandatory disclosure: The case of Greece. *World Academy of Science, Engineering and Technology*, *53*, 20-32.

Generally Accepted Accounting Practices (GAAP) in Nigeria. SAS 1, SAS 2, SAS 3, SAS 4, SAS 5, SAS 6, SAS 7, SAS 8, SAS 9, SAS 11, SAS 13, SAS 14, SAS 16, SAS 17, SAS 18, SAS 19, SAS 22, SAS 23, SAS 24, SAS 27, SAS 28, SAS 29 and SAS 31, *http://www.ehow.com/info_8301963_management-responsibility-financial-statement.html* on the IASB/FASB Conceptual Framework Project STEWARDSHIP/

Gernon, H., & Wallace R.S.O. (1995). International accounting research: A review of its ecology, contending theories and methodologies. *Journal of Accounting Literature, 14*, 54-106.

Gibbins, M., Richardson, A., & Waterhouse, J. (1990). The management of corporate financial disclosure: Opportunism, ritualism, policies, and processes. *Journal of Accounting Research, 28*(1), 121-143.

Giesler, M., & Veresiu, E. (2014). Creating the responsible consumer: Moralistic governance regimes and consumer subjectivity. *Journal of Consumer Research, 41*, 849-867.

Gillan, S. L., (2006). Recent developments in corporate governance: An overview. *Journal of Corporate Finance, 12*, 381–402.

Glaum, M., & Sreet, D. (2003). Compliance with the disclosure requirements of German's New Market, IAS Versus US GAAP. *Journal of International Financial Management and Accounting*, *14*(1) 64-100.

Gordon, M. (1964). Postulates, principles and research in accounting. *The Accounting Review, 39* (2), 251-263.

Governmental Accounting Standard Board (1987). Proposal on Objectives of External Reporting by Government Uinited Sstate of America.

Graham, J. R. Harvey, C. R., & Rajgopal, S. (2005). The economic implications of corporate financial reporting. *Journal of Accounting and Economics*, *40*, 3-73.

Graig, R., & Diga, J. (1998). Corporate accounting disclosure in Asia. *Journal of International Financial Management and Accounting, 9*(3), 246-274.

Gray, R. K. (1995a). Corporate social and environmental reporting: A review of the literature and a longitudinal study of United Kingdom disclosure. *Accounting, Auditing, and Accountability Journal, **8***(2), 356-380.

Gray, R. C. (1997). Struggling with the praxis of social accounting: Stakeholders accountability audits and procedures. *Accounting, Auditing and Accountability Journal, 10*(3), 325-364.

Gross, D. (2010). Corporation killers: How inept boards of directors are ruining once great American companies. Retrieved on 16th October, 2014 [online], from *http://www.newsweek.com/2010/02/02/corporationkillers*

Guides to Administrative Procedures in the Federal Public Service (2000). Chapter 7

Gujarati, D. N., Porter, D. C., & Gunasekar, S. (2012). *Basic Econometrics* (5th ed.). Tata McGraw Hill Education Private Limited, New Delhi.

Hair, Jr J. F., Bush, R. P., & Ortinau, D. J. (2003*). Marketing research: Within a changing information environment*. New York (NY): McGraw-Hill/Irwin.

Hassan, O. A. G., Romilly, P., Giorgioni, G., & Power, D. (2009). The value relevance of disclosure: Evidence from the emerging capital market of Egypt; *The International Journal of Accounting, 44*(1), 79-102.

Hassan, O., & Marston, C. (2010). *Disclosure measurement in the empirical accounting literature: A review article*, Working paper no.10-18, Economics and finance working paper series. *www.brunnel.ac.uk/about/alad/sss/depts/economics*

Hanson, A. H. (1972). *Public enterprises and economic development.* London: Toutledge and Kegan Paul.

Hay, D. C., Knechel, W. R., & Wong, N. (2006). Audit Fees: A meta-analysis of the effect of supply and demand attributes. *Contemporary Accounting Research, 23, 141–191.*

Healy, P. M., & Palepu, K.G. (2001). Information asymmetry, corporate disclosure, and the capital markets: A review of the empirical disclosure literature. *Journal of Accounting and Economics, 31* (1-3), p. 450-440.

Healy, P. M., & Krishna G. P. (2003). The Fall of Enron. *Journal of Economic Perspectives, 17* (2). Retrieved on 2nd October, 2014 from *http://www.doi:10.1257/089533003765888403*. .

Hendriksen, E. S., & Van Breda, M. U. (2001). *Accounting Theory*, McGraw Hill.

Hemming, R. E. & Mansor, A. (1988a). Privatisation and public enterprises. *International Monetary Fund (IMF) Occasional Paper* (56), 1-22. Washington D. C. IMF.

Hemming, R. E. & Mansor, A. (1988b). Is privatisation the answer? *Finance and Development*, *25*(3), 31-33.

Hennes, K. M., Leone, A. J., & Miller, B. P. (2008). The importance of distinguishing errors from irregularities in restatement research: The case of restatements and Chief Executive Officers/Chief Finance Officers. *The Accounting Review 83,* 1487–1519.

Hicks, H. G., & Gullett, C. R. (1981). *Management*. (4th ed)., New York: McGraw- Hill

Hill, J. (2000). Visions and revisions of the shareholders. *48 American Journal of Comparative Law, 39.* Retrieved on 23rd April, 2013 from *http://sydney.edu.au/law/about/staff/JenniferHill/2000VisionsRevisionsShareholder.pdf*

Hillman, A. J., Withers, M. C., & Collins, B. J. (2009). Resource Dependence Theory: A Review. *Journal of Management, 35,* 1404-1427.

Hodder, I. (1994). The interpretation of documents and material culture. Thousand Oaks CA: Sage. p. 155. Retrieved on 23rd February, 2014 from *http://books.google.it/books*

Holsti, O. R. (1969). *Content Analysis for the Social Sciences and Humanities*. Reading, MA: Addison-Wesley.

Hope, O. K. (2003a). Disclosure practices, enforcement of accounting standards and analysis forecast accuracy: An international study. *Journal of Accounting Research, 41*(2) (May), 235-272.

Hope, O.K. (2003b). Accounting policy disclosures and analysis forecasts. *Contemporary Accounting Research*, *20*(2), 295-321.

Hossain, M. Perera, M.H.B. & Rahman, A.R. (1995). Voluntary disclosure in the annual reports of New Zealand companies. Journal of international financial management and accounting 6(1), 69-87.

Howson, N. C. (2009). Commentary. When Good Corporate Governance Makes Bad Financial Firms: The Global Crisis and the Limits of Private Law. *108 Michigan Law Review*, First Impression 44, Retrieved on 11th July, 2012 from [online], *http://www.michiganlawreview.org/assets/fi/108/howson.pdf*

Huber, P. J., (1981). *Robust Statistics*. John Wiley, New York.

Hussey, O. (1999). Some thoughts on acquisition and merger: Strategic charge. *Japan Strategic High Society 8*(1), 51-60.

IASB (2008). Corporate finance, investment management, emerging capital markets (BOFIC) Consulting Group and Centre for High Performance Organizations. *International Accounting Standard Board.* Retrieved in May, 2014 from *https://www.google.com/search?sourceid=navclient&aq=&oq=BOFIC%29+Consulting+Group+and+Centre+for+High+Performance+Organizations&ie=UTF-8 &rlz=1T4PLXB_enNG618NG619&q=BOFIC%29+Consulting+Group+and+Centre +for+High+Performance+Organizations&gs_l=hp....0.0.1.353261...........0.17cAM7D 7urU*

IASB (2006). Preliminary views on improved *Conceptual Framework for Financial Reporting*: The objective of financial reporting and qualitative characteristics of decision-useful financial reporting information, *Discussion Paper,* Retrieved in July 14th, 2014 from *www.iasb.org*

IASC (1989). *History of International Accounting Standards Committee*, Retrieved December 5th, 2013 from *www.iasc.org*

IASB (2001) *Conceptual framework for financial reporting*: Objectives of financial reporting- Potential users of financial reports and their information needs. Retrieved on June 8th, 2014 from

http://www.ifrs.org/Meetings/MeetingDocs/IASB/Archive/ConceptualFramework/Previous%20Work/CF-0510b08bj06b-att.pdf, p. 8,

IASB (2011). *Framework for financial reporting*: Objectives of financial reporting-going concern assumption. Retrieved on 27th November, 2013 from *http://www.ifrs.org/Meetings/MeetingDocs/IASB/Archive/ConceptualFramework/Previous%20Work/CF-0510b08bj06b-att.pdf*

IASB (2006). Conceptual framework project the IASB and FASB proposed Discussion Paper (DP) *PreliminaryViews on an improved Conceptual Framework for Financial Reporting*- the converged framework for objective of financial reporting. Retrieved on 27th November, 2013 from *www.iasb.org.uk*

IASB (2005). Exposure draft of proposed amendments to IFRS 3 *Business Combinations* issued June 2005. IASB/FASB Conceptual Framework Project STEWARDSHIP/ Retrieved on 23rd February, 2012 from *http://www.ehow.com/info_8301963_management-responsibility-financial-statement.html*

IAS 18, IAS 19, IAS 20, IAS 23, IAS 24, IAS 32, IAS 39, and IAS 41, IAS 1, IAS 2, IAS 7, IAS 8, IAS 10, IAS 11, IAS 12, IAS 16, IAS 17, IAS 21, IAS 26, IAS 27, IAS 28, IAS 31, IAS 33, IAS 34, IAS 36, IAS 37 and IAS 40.

Ibanga, U. (2006). *Statistics for social sciences*. *Jos:* University of Jos, Nigeria.

Ijiri, Y. (1975). Theory of accounting measurement: Studies in accounting research. Sarasota, Florida: *American Accounting Association*.

Inchaustic, B. (1997). The influence of company characteristics and accounting regulation on information disclosed by Spanish firms. *European accounting review, 6*(1), 45-68.

Investment and Securities Act (ISA) No. 45 of 1997

Investment and Securities Act CAP.124 LFN 2004

Izedonmi, P. F., & Ola, C. (2001). *Intermediate financial accounting,* (2nd ed.). Benin City. In BOFIC Consulting Group and Centre for High Performance Organizations.

International Accounting Standard Board (IASB) 2008.

Jawahar, I. M., & Mclaughlin, G. L. (2001). Toward a descriptive stakeholder theory: An organizational life cycle approach. *Academy of Management Review, 26*(3), 397-414.

Jensen, M. C. (1983). Organization theory and methodology. *The Accounting Review*, *12*(5) 319-339.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*, 305-361.

Jerome, A. (1999). Restructuring economics through privatisation of public enterprises. A comparative analysis. *CBN Bullettin, 23*(3): July/September.

Johnson I. E (1992). *Public sector accounting and financial control*. Space Setters Nigeria Limited, Ilupeju, Lagos p.69 -70

Kabir, M. H. (2005). *Normative accounting theory-recognition and measurement.* Retrieved on 15th June, 2012 from *http://www.scribed.com/doc/224497664/*

Kalu, I. K. (1999). Modalities for privatizing state enterprises. *The Guardian, December* 29th, 1999, p. 9

Kantudu, A.S. (2006). *Application of accounting standards on employment retirement benefits by of quoted firms in Nigeria*. An unpublished PhD Thesis in the Department of Accounting, Ahmadu Bello University, Zaria, Nigeria.

Keller, G. (2005). *Statistics for management and economics*. (7thed.). Thomson Higher Education, South-Western, London

Kerr, V. (2003). Corporate disclosure critical to good governance. *Jamaica Gleaner Business.* published: Friday, April 4th Contributor. Retrieved 21st July, 2013 from *http://jamaica-gleaner.com/gleaner/20030404/business/business7.html*

Krippendorff, Klaus (2004). Content analysis: An introduction to its methodology (2nd ed.). Thousand Oaks, CA: Sage. p. 413. ISBN 9780761915454. Retrieved on 13th October, 2013 from *Content Analysis: An Introduction to Its Methodology or http://en.wikipedia.org/wiki/Content_analysis*

Krishnan, G., & Visvanathan, G. (2009). Do auditors price audit committee's expertise? The case of accounting versus non-accounting financial experts, *Journal of Accounting, Auditing and Finance, 24*, 115–144.

Laleye, O. M. (1985). The role of public enterprises in the development of Nigeria. *Unpublished PhD Thesis in the Department of Economics*, University of Ife, Ile-Ife.

Lang, M., & Lundhom, R. (1996). Corporate disclosure policy and analyst behaviour. *The Accounting Review. 71*(4), 467-492.

Lambert, R., Leuz, C., & Verrecchia, R. (2007). Accounting information, disclosure and the cost of capital. *Journal of Accounting Research*, *45(*2), 385-420.

La Porta, R., Lopez-de-Silanes, F., Shielder, A., & Vishny R.W. (1998). Law and Finance. *Journal of Political Economy, 106*, 1113-1150.

Larcker, D. F., & Richardson, S. A. (2004). Fees paid to audit firms, accrual choices, and corporate governance. *Journal of Accounting Research 42*, 625–658.

Latridis, G. (2008). Accounting disclosure and firms' financial attributes: Evidence from the United Kingdom Stock Market. *International Review of Financial Analysis 17*(2), 219-241.

Lawrence, P. R., & Lorsch, J.W. (1967). *Organization and environment: Managing differentiation and integration,* Homewood, Illinois: Richard D. Irwin, Inc.

Lawrence, K.D., & Arthur, J.L., (1990). *Robust Regression*. Marcel Dekker, New York.

Leftwich, R., Watts, R. L., & Zimmerman, J. L. (1981). Voluntary corporate disclosure: The case of interim reporting. *Journal of Accounting Research*, *19*, 50-77.

Lennox, C. L. (1999a). Are large auditors more accurate than small auditors? *Accounting and Business Research, 29*, 217–227.

Lennox, C. L. (1999b). Audit quality and auditor size: An evaluation of reputation and deep pockets hypothesis. *Journal of Business Finance and Accounting, 26,* 779–805.

Lennard (2006). Stewardship and the objectives of financial statements. A paper submitted with the response of the UK Accounting Standards Board (ASB) to the DP (CL160). Retrieved on 20th January, 2014 from *http://link.springer.com/referenceworkentry/10.1007%2F978-3-642-28036-8_471*

Lerner J. S., & Tetlock, P.E. (1994). Accountability and social cognition. *Encyclopedia of human behaviour 1*(1).

Licht, A. N. (2002). Accountability and corporate governance. Retrieved on 15th January, 2013 from *SSRN:http://papersssrn.com/2013/papers.cfm-id=328401*. or *http://dx.doci.org/10.2139/ssrm/326401*

Lind, D. A., Mason, R. D., & Marchai, W. G.(2000). *Basic statistics for business and economics* (3rd ed.). Boston: Irwin/McGraw- Hill

Littleton, A. C. (1953). Structure of accounting theory. *Monograph,* 5. Sarasota, Florida: *American Accounting Association*.

Lopes, P. T. & Rodrigues, L.L. (2007). Accounting for financial instruments: An analysis of the determinants of disclosures in the Portuguese stock exchange; *International Journal of Accounting*, *42*, 25-56.

Luthans, F. (1998). *Organisational Behaviour,* New York: McGraw-Hill.

Mack, T. (2002). The Other Enron Story. Downloaded on 23rd September, 2014 from site *http://www.webcitation.org/5tZ0qQyoO*

MacNeal, K (1939). *Truth in Accounting*, Houston, Texas: Scholars Book Company. (reprinted In 1970).

Mahmood, A. (1999). The impact of market characteristics on the comprehensiveness of disclosure in financial reports: An empirical study. *The Journal of Commercial Researches*, ***13***(1), 332-347.

Maimako, S. S. (2005). The role of financial control institutions in promoting financial accountability in the Public Sector: A Study of Plateau State. *Unpublished PhD Thesis in the Department of Management Sciences*, Faculty of Social Sciences, University of Jos

Maimako S. S., & Oladele O. K. (2008). Risk dimensions in business processes in Nigeria: A comparative study of the Nigerian banking and insurance sub-sectors between 1999 and 2006. *Conference Proceedings of the Maiden International Conference on Marketing Organised by The Department of Management Sciences, Faculty of Social Sciences,* University of Jos, Jos.

Maimako, S. S., (2010). Principles of corporate governance. Abuja: Eriba Publishing co.

Maimako, S. S., & Moses, O (2011). Financing choices: A test of Pecking Order Theory. *The Nigerian Accounting Horizon*, *4*(1), 21-28.

Malone, D., Fries, C., & Jones, T. (1993). An empirical investigation of the extent of corporate financial disclosure in the oil and gas industry. *Journal of Accounting, Auditing and Finance, 3*(3), 249-273.

Marston, C., & Shrives, P. (1991). The use of disclosure indices in accounting research: A review article. *British Accounting Review, 23*(3), 195 – 210.

McWilliams, A., Siegel, D., & Wright, P.M. (2006). Corporate social responsibility: International perspective. Department of Economics, Rensselaer Polytechnic Institute, 110 8th Street, Troy, NY, 12180-3590, USA. Working Papers (0604). Retrieved on 14th March, 2013 *from URL: http://www.rpi.edu/dept/economics/; E-Mail:sternd@rpi.edu.*

Meek, G. C., Roberts, B., & Gray, J. (1995). Factors influencing voluntary annual report disclosures by U.S., U.K. and continental European multinational corporations; *Journal of International Business Studies, 26* (3), p. 555-572.

Meigs, R. F., & Meigs, W. B. (1997). *Accounting: The basis for business decisions.* (9th ed.). New York: McGraw Hill, Inc.

Meigs, B. W., Mosich, N. A., & Johnson, E. C. (1978). *Intermediate Accounting. (4th ed.)* New York: McGraw-Hill Book Company..

Mitchell, L. A. (1995). *Progressive corporate law (4th* ed.). New York: McGraw Hill, Inc.

Myers, S. C. (1977). Determinants of corporate borrowing. *Journal of financial economics, 5*(2), 147- 175.

Myers, J. N., Myers, L. A., & Omer, T. C. (2003). Exploring the term of the auditor-client relationship and the quality of earnings: A case for mandatory auditor rotation? *The Accounting Review 78*, 779–799.

Nachmias, F. C., & Nachmias, D. (1996). *Research Methods in the Social Science.* (5th Ed.), Hodder Eduction, An Hachette UK company, London: NW1 3BH.

Nandi, S., & Ghosh, S. K (2012). Corporate Governance attributes firms characteristics and the level of corporate disclosure: Evidence from the Indian Listed Firms. *Decision Science Letters,* 2, 45-58.

Nandi, G. (2009b). Financial reporting: Nigeria urged to adapt IFRS*, Financial Times Nigeria*. Retrieved on the 30th of May 2013 from *http://www.financialnigeria.com/NEWS/news_item_detail.aspx?item=338.*

Naser, K., Al-Khatib, K., & Karbhari, R. (2002). Empirical evidence on the depth of corporate information disclosure in developing countries: The case of Jordan. *International Journal of Commerce and Management, 12*(3 & 4), 122-155.

Naser, K., & Nuseibeh, R. (2003). Quality of financial reporting: Evidence from the listed Saudi non-financial companies. *The International Journal of Accounting*, *38*, 41-69.

Naser, K. (1998). Comprehensives of disclosure on non-financial companies listed on the Autumn Financial Market. *International Journal of Commerce and Management*, *2*(8): 88-119.

Naser, K., & Al-Khatib, K. (2000). The extent of voluntary disclosure in the board of directors Statement. *Advances in International Accounting, 13*, 99–118.

NASB, (2007). Entity and money measurement concepts. Retrieved October 10th, 2012 *http://www.nig-asb.org.*

NASB (2007). Nigerian Accounting Standard Board history. Retrieved October 10th, 2012, from *http://www.nig-asb.org.*

Naser, K., Al-Khatib, K., & Karbhari, R. (2002). Empirical evidence on the depth of corporate information disclosure in developing countries: The case of Jordan; *International Journal of Commerce and Management*, *12*(3 & 4), 122-155.

Nellis, J. (1986). Public enterprises in Sub-Saharan Africa. Paper series 5, Washington D. C. World Bank. Retrieved on 30th June, 2014 from *Ihttps://books.google.com.ng/books?id=36UvtCvOKZEC&pg=PA77&lpg=PA77&dq*

=Nellis,+J.+(1986).+Public+enterprises+in+Sub-Saharan+Africa.+Paper+series+5,+Washington+D.+C.+World+Bank.&source=bl

Neuendorf, K. A. (2002). *The Content Analysis Guidebook*. Thousand Oaks, CA: Sage. p.10.

Neu, D., Warsame, H., & Pedwell, K. (1998). Managing public impressions: Environmental disclosures in annual reports. *Accounting, Organizations and Society 23*(3), 265-282.

Nigerian Stock Exchanges Act 1961,

Investment and Securities Act 2007

Nigerian Constitution 1999

Nigerian Enterprises Promotion Decree, 1977

Nigeria Insurance Act, 2003

Nwagbara, E. N. (2004). Industrial relations under structural adjustment programme: a comparative analysis of Nigeria and Ghana. *Unpublished PhD dissertationsubmitted to the Graduate School*, University of Calabar, Calabar).

Nwadioke, E., (2009) Global financial crisis: Roles and challenges of corporate governance. *Zenith Economic Journal, Nigeria*. *4(*4), 28-37.

Obadan, M. I. (2000). *Privatisation of public enterprises in Nigeria: Issues and conditions for success in the second round.* National Centre for Economic Management and Administration, Ibadan, Nigeria.

Obadan, M. I., & Ayodele, S. (1998). *Commercialisation and privatisation policy in Nigeria.* National Centre for Economic Management and Administration, Ibadan, Nigeria.

Office of the Accountant General of the Federation (OAGF), (2012). The Adoption of IPSAS in Nigeria*:* The Role of Stakeholders. *Being a Worksop Paper for A Two-Day Sensitisation Workshop for Stakeholders in the South-South Geo-Political Zone.* Port-Harcourt.

Office of the Auditor-General for the Federation: Annual Reports on the Audited Accounts of the Government of the Federation: 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013.

Ofoegbu, G., & Okoye, E. (2006). The relevance of accounting and auditing standards in corporate financial reporting in Nigeria: Emphasis on compliance. *The Nigerian Accountant*, *39*(4) 45-53.

Ogidefa, 1. (2008). Corporate governance: An appraisal of disclosure in Nigerian banks. Retrieved on 8th July, 2012 from *www.bizcovering.com/writers/ivor.*

Ogundipe, V. (1986). The inevitability of privatisation. *The Guardian of January* 7th, 1986, p. 7.

Okigbo, P. (1998). A layman's guide to privatisation. *Daily Champion, May 4th*, 1998. P. 24.

Okike, E. N. M. (1989). Extension of information in accounting reports: An investigation. *Nigerian Financial Review, 2*(3), 38-55

Oladele, K. O. (2013). The impact of corporate restructuring on value creation in the Nigeria Banking Industry. *Unpublished PhD Thesis in the Department of Business Administration, Faculty of Management Sciences*, University of Jos.

Omolehinwa, E. (2000a). *Foundation of accounting,* Lagos: Pumark Nigeria Limited.

Omolehinwa, E. (2000b). *Accounting: A Comparative Approach*, (2nded.). London: Pearson Education Limited.

Osuala,E. C. (1987). *Introduction to research methodology*. Africana-FEP Publishers Limited, Onitsha.

Osuala, E. C. (2005). *Introduction to research methodology*.(2ndEd.) Africana-FEP Publishers Limited, Onitsha.

Owusu-Ansah, S. (1998). The impact of corporate attributes on the extent of mandatory disclosure and reporting by listed companies in Zimbabwe; *The International Journal of Accounting*, *33*(5), 605-631.

Oyejide, T. A., & A. Soyibo, (2001). The practise and standards of corporate governance in Nigeria, *DPC research report. 26*, p. 33.

Pagano, R. R. (2004). *Understanding Statistics in the Behavioural Sciences* (7th ed.). Belmont, CA: Thomson/Wadsworth.

Pallant, J. (2004). *SPSS Survival Mannual Vol.12.* UK: McGraw-Hill Education

Palmrose, Z., (1988). An analysis of audit litigation and audit service quality. *The Accounting Review 63*, 55–73.

Pandey, I. M. (2001). *Financial management* (8th ed.). New Delhi: Viskas Publishing House Pvt Limited.

Parry, M. J., & Groves, R. E. (1990). Does training more accountings raise the standard of accounting in third world countries? In R. S. O.Wallace, J. M. Samuels, , & R. J. Briston (eds.). *Research in third world accounting,* London: J. A. I press, p. 3-54.

Paton, W.A., & Littleton, A.C. (1940). An introduction to corporate accounting standards. Monograph No.3. *American Accounting Association*.

Patton, J., & Zelenka, I. (1997). An empirical analysis of the determinants of the extent of disclosure in annual reports of joint stock companies in the Czech Republic. *European Accounting Review, 6*(4), 605-626.

Peasnell, K. V., Pope, P. F., & Young, S. (2001). The characteristics of firms subject to adverse rulings by the Financial Reporting Review Panel. *Accounting and Business Research, 31,* 291–311.

Pietersz, G. (2013). Money terms: Investment and finance explained - Historical cost accounting. Retrieved May 2014 from *http://moneyterms.co.uk/*

Ping, Z., Cheng, W., & Wing, A. (2011). Corporate governance: A summary review on different theory approaches. *International Research Journal of Finance and Economics* ISSN 1450-2887 issue *68*.

Porter, T. (2004). Private authority, technical authority and the globalization of accounting standards. *A Paper delivered at the inaugural workshop of ARCCGOR, 17-18* December, held at the Vrije Universiteit Amsterdam.

Privatisation and Commercialisation Act, 1993

Privatisation and Commercialisation Act, 2004 (as amended)

Prey, W., & Cruz-Cruz, J. (2011). Different approaches to corporate governance. Retrieved November, 2013 from *http://cnx.org/content/m17367/1:5/*

Probsting, K. (1977). Thought about a public service balance sheet; *Annuals of Public and Co-operative Economy*, *48*(1), 45-53.

Public Service Rules (2009). Nigeria

Raffournier, B. (1995). The determinants of voluntary financial disclosure by Swiss listed companies. *The European accounting review*, *4*(2), 261-280.

Ramil, A. J., Surbaini, N. K., & Ramil, I. M., (2013). Assessing the effects of corporate governance attributes on the quality of directors-related information disclosure: The Empirical Study of Malarsian Top 100 Companies. *American Journal of Economics*, *3*(2), 90-99

Rappaport, A. (1977). Economic Impact of Accounting Standards-Implementation for the FASB. *The Journal of Accountancy. 2*(3), 89-98

Reeves, L. (2013). The importance of an accounting disclosure policy. Retrieved on 27th September, 2014 from *http://www.ehow.com/info_11403418_importance-accounting-disclosure-policy.html*

Ribstein, E. L. (2005). Accountability and responsibility in corporate governance. *Law and Economics Working Paper* 34. p. 204-225

Roberts, R. W. (1992). Determinants of corporate social responsibility disclosure: An application of stakeholders' theory; *Accounting, Organizations and Society, 17*(6), 565-612.

Rogers, G. C. (2006). *A looming environmental Enron? Environmental finance,* retrieved January, 2012. From *http://advancedenviromentaldimensions.com/documents/environmental%20enron.pdf*

Rondinelli, D. A., & Iacono, M. (1996). Strategic management of privatization: A framework for planning and implementation. *Public Administration and Development*, *16* 247-260.

Rweyemanu, A., & Hyden, G. (1975). A decade of public administration in Africa. *Nairobi, Kenya, East African Literature Review, Bureau, Nairobi.*

Rwegarisa, K. (2000). Corporate governance in emerging capital market: Whither Africa? *Empirical research-based and theory-building papers 8*(3), \258-268.

Saheed, Z. (2013). Impact of globalisation on corporate governance in developing economics: A theoretical approach. *Journal of Business and Management .2* (1), 1-10

Samuelson, P. A. (1980). *Economics*, New York: McGraw Hill Book Company.

Salter, S. B. (1998). Corporate financial disclosure in emerging markets: Does economic development matter? *The International Journal of Accounting, 33*(2), 234-245.

Salteh, H. M., Nahandi, Y.B., & Khoshbakht, H. (2011). Evaluating the relationship between corporate governance and voluntary disclosure in level automotive and manufacturing industries, basic metals and food and pharmaceutical products. *Business and Management Review, 1*(10), 46-57.

Sanusi, J. O. (2001). Challenges, problems and prospects of privatisation in developing economy. *Journal of the Institute of Stockbrokers, 2*(11), 4-9.

Schipper, K. (2007). Required disclosure in financial reports. *The Accounting Review, 82*(2), 301-326.

Schmidt, M. (2014). *Materiality concept in accounting explained: Definition, meaning and application*. Solution Matrix Limited, 292 Newbury Street, N° 350, Boston, MA, USA. *www.business-case-analysis.com*

Security and Exchange Commission Rules and Regulations, 1999

Sharif, S. P., & Yeoh, K. K. (2014). Independent directors resources provision capability in publicly-listed companies in Malaysia. *Corporate Ownership and Control 11*(3), 113-121.

Silicon, A. J. (2012). *IFRS Comprehensive Part 1*. Financial and IT consultants, Lagos.

Singhvi, S. S. & Desai, H. B. (1971). An empirical analysis of the quality of corporate financial disclosure. *The Accounting Review*, *46*(1) 129-138.

Singhvi, S. S. (1968). Corporate disclosure through annual reports in the United States of America and India. *The Journal of Finance*. *23*(3), 551-552.

Skinner, D.J. (1994). Why firms voluntarily disclose bad news. *Journal of Accounting Research, 32*(1), 38-60.

Skogsvik, K. (1998). Conservative accounting principles: Equity valuation and the importance of voluntary disclosure. *British Accounting Review, 30,* 361-381.

Slapnicar, S., Groff, M. Z., & Štumberger N. (2013). Does professional accounting qualification matter for the provision of accounting services? In C. N. Albu, & R. V. Mustata, (ed.). Accounting in Central and Eastern Europe. *Research in Accounting in Emerging Economies, Volume 13*, Emerald Group Publishing Limited, pp.255-277

Smith, N. (2013). Corporate social responsibility: *Power to the people*. Retrieved 28 April 2014 from "Corporate social responsibility: Power to the people". Or http://www.marketingweek.com/2013/06/05/corporate-social-responsibility-power-to the-people/

Smith, N. (2009). Measurement of the Element of financial statement. Retrieved on 14 October, 2014 from http://realvalueaccounting.blogspot.com/2009/11/measurement-of-elements-of financial.html

Solas, C. (1994). Financial reporting practice in Jordan: An empirical test. *Advances in International Accounting 7*, 43-60.

Sosna, S. A. (1983). *Public enterprises in developing countries, legal status*, Moscow, Progress Publishers.

Spero, L.L. (1979). *The extent and causes of voluntary disclosure of financial information in three European markets: An exploratory study*. Unpublished Doctoral dissertation, Harvard University, Graduate School of Business Administration. University Microfilms International.

Stanny, E., & Ely, K. (2008). Corporate environmental disclosure about the effects of climate change. *Corporate Social Responsibility and Environmental Management, 15*(6) 338-348.

Stemler, S. (2001). An overview of content analysis. *Practical Assessment, Research & Evaluation* ***7*** (17). Retrieved 12 June 2013 from An Overview of Content Analysis

Stephen, M. B. (2003). *Director primacy: The means and ends of corporate governance,* 97 Nw. U. L. Rev. 547

Stevens, J. P. (2002). *Applied multivariate statistics for the social sciences* (4th ed.). Mahwah, NJ: LEA.

Stoner, J. A. F., Freeman, F. E., & Gilbert, D. R. (2005). *Management* (6thed). India New Delhi: Practice-Hall. India.

Street, D. L., & Bryant, S.M. (2000). Disclosure level and compliance with IASs: A comparison of companies with and without U.S. listings and fillings. *The International Journal of accounting 35*(3), 41-69.

Street, D. L., & Gray, S. J. (2001). Observance of international accounting standards: Factors explaining non-compliance. *Association of chartered certified accountants, research report 74*. Retrieved August 2012, from http://www.accaglobal.com

Suchman, M. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Review, 20*(3), 571-610.

Sunder, S. (1997). *Theory of accounting and control,* Cincinnati, Ohio: South-Publishing. USA.

Structural Adjustment Programme (SAP) Decree of 1986

Standards Board Act No 22 of 2003

Technical committee on Privatization and Commercialization, (TCPC) Decree No 25 of July, 1988.

Student Room, (2012). Revision: A level accounts-model 3. *Accounting concepts and conventions*. Originally submitted by Duke-Stix on STR forums Retrieved September 2012 from *http://www.thestudentroom.co.uk/wiki/Revision:A_Level_Accounts_model_3_Accountng_Concepts.and.Conventions*

Technical Committee on Privatisation and Commercialisation (TCPC) Act, (1990) (as amended)

Technical Committee on Privatization and Commercialization Decree No. 25 of July, 1988

TCPC Final Report Volume One: Main Report, 1993, P. 53).

TCPC Final Report Volume Two: Main Report, 1993, P. 54.

TCPC Commercialisation: Final Report Volume Three: 1993, p. 48.

Tahir, K. H. (2008). *The impact of corporate governance on the internal control system in the Nigeria banking industry*. An unpublished PhD Thesis in the Department of Accounting, Bayero University, Kano, Nigeria.

Tiku, M. L., Tan, W.Y., & Balakrishnan, N., (1986). *Robust inference*. New York: Marcel Dekker.

Thomas, A. P. (1986). The contingency theory of corporate reporting: Some empirical evidence. *Accounting, Organization and Society*, *11*(3), 253-270.

Thompson, J. D. (1967. *Organizations in action: Social science bases of administrative theory.* New York: McGraw-Hill, Inc.

Todorov, V., & Filsmoser, P. (2009). Robust Statistics for the One-MANOVA. UNIDO, Retrieved on January 5th, 2014 from *www.unido.org_manova*

Tower, G., Hancock, P., & Taplin, R. H. (1999). A regional study of listed companies' compliance with international acoounting standards; *Accounting Forum, 23*(3), 293-305.

Ugorji, E. C. (1995). Privatisation and commercialisation of state-owned enterprises in Nigeria: Strategies for improving the performance of the economy. *Comparative Political Studies*, *27*(4), 537-560.

Ullmann, A. A. (1985). Data in search of a theory: A critical examination of the relationships among social performance, social disclosure and economic performance of the U.S. firms. *Academy of Management Review 10*(3), 540-557.

Umoren, A. O. (2009). *Accounting disclosures and corporate attributes in Nigerian listed Companies.* Unpublished PhD Thesis, Department of accounting, Covenant University, Ota, Ogun State.

Uwakwe, V. (2012). *What are Accounting Concepts and Conventions?* Uncategorized. Retrieved August, 2012, from *http://hyattrractions.word.press.com/2012/05/19*

Verrecchia, R. (1983). Discretionary disclosure. *Journal of Accounting and Economics, 5*, p. 179-194.

Vitaz, O (2013). *Accounting disclosure information.* Retrieved on 24th January, 2013 from *http://www.ehow.com/about.6474551-Html*

Wagenhofer, A. (1990). Voluntary disclosure with a strategic opponent. *Journal of Accounting and Economics, 12*, 341-363.

Wallace, R. S. O. (1987). *Disclosure of accounting information in developing countries: A case study of Nigeria*. An unpublished PhD Thesis in the Department of economics, University of Exeter, UK.

Wallace, R. S. O. (1988). Corporate financial reporting in Nigeria. *Accounting and Business Research, Autumn 18*(72), 352-362.

Wallace, R. S. O. (1990). Survival strategies of global organization: The case of the International Accounting Standard Committee. *Accounting Horizen, 11*, 1-22.

Wallace, R. O. Naser, K., & Mora, A. (1994). The relationship between comprehensiveness of corporate annual reports and firm characteristics in Spain. *Accounting and Business Research*, *25*(97), 41-53.

Wallace, R. S. O., & Naser, K. (1995). Firm-specific determinants of the comprehensiveness of mandatory disclosure in the corporate annual reports of firms listed on the stock exchange of Hong Kong. *Journal of Accounting and Public Policy, 14*, 311-368.

Watts, R. L. (1977). Corporate financial Statements: A product of the market and political processes. *Australian Journal of Management, 4*, 53-75.

Watts, R. L., & Zimmerman, J. L. (1978). Towards a positive theory of the determination of accounting standards. *The Accounting Review*, *53*(1), 112-134.

Watts, R., & Zimmerman, J. L. (1986). *Positive accounting theory*, Eaglewood Cliffs, NJ: Prentice-Hall.

Watts, R. L., & Zimmerman, J. L. (1990). Positive accounting theory: A ten year perspective. *The Accounting Review*, *65*(1), 131-156.

Williamson, O. E. (1985). The modern corporation: Origins, evolution, attributes. *Journal of Economic Literature, 91,* 241-284.

Wood, F., & Sangster, A (2002). *Business accounting 2,* (9th ed.). Financial Times, Prentice Hall, Pearson Education, Harlow England.

World Bank, (1991). The reform of the public sector management, Washington D. C., *policy and research Series No. 18.*

World Bank (1994). Adjustment in Africa: Reforms, results and the road ahead. *World Bank Policy Research Report,* February, 34-84.

World Bank (1994). Adjustment in Africa: Lessons learned from country case studies, *World Bank Regional and Sectoral Studies*, March, 85-140.

World Bank, (2004). *Report on the observance of standards and codes (ROSC) in Nigeria: Nigeria's accounting standards are out-dated*. Retrieved November, from *http://www.allafrica.co/storiesorhttp://www.eu.wiley.com/wileyCOA/section/id_810753.html*

WySE Associate Ltd. (2011). International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), Lagos: Author.

Yamane, T. (1967). *Statistics: An Introductory Analysis*, (2nd ed.), New York: Harper and Row.

Yonekura, A., Gallhofer, S., & Haslam, J. (2012). Accounting Disclosure, corporate governance and the battle for markets: The case of trade negotiations between Japan and the U.S., *Critical Perspectives on Accounting, 23*(4-5), 312-31

.Zareski, M. (1996). Spontaneous harmonization effect of culture and market forces on accounting disclosure practices; *Accounting Horizons, 10*(1)*,* 345-371

Zakaree, S. S. (2013). Impact of globalization on corporate governance developing economies: A theoretical approach. *Journal of Business and Management. 2* (1), 1-10.

Zayyad, H. R. (1992). *Privatization and commercialization in Nigeria*. Retrieved on 30 June, 2012 from *http://unpanl.un.org/intradoc/groups/public/documents/aapam028228.pdf or http://www.eu.wiley.com/wileyCDA/section/id-810753.html*

APPENDIX A1: TRANSFORMED DEPENDENT & INDEPENDENT VARIABLES

Firms	YEAR	YEDI	FIRM SIZE	LEVERAGE	LIQUIDITY	AUDIT FIRM SIZE	QUALIFICATION
NRC	2002	0.70	10.16	0.56	0.59	1.00	1.00
NRC	2003	0.70	10.28	0.43	0.07	1.00	1.00
NRC	2004	0.67	10.88	0.12	0.02	1.00	1.00
NRC	2005	0.74	10.93	0.11	0.02	1.00	1.00
NRC	2006	0.74	10.93	0.10	0.04	1.00	1.00
NRC	2007	0.74	11.01	0.09	0.06	1.00	1.00
NRC	2008	0.74	11.01	0.08	0.04	1.00	1.00
NRC	2009	0.74	11.01	0.10	0.08	1.00	1.00
NRC	2010	0.77	11.05	0.20	1.01	1.00	1.00
NRC	2011	0.77	11.09	0.23	1.09	1.00	1.00
NRC	2012	0.74	11.16	0.26	1.02	1.00	1.00
NRC	2013	0.00		0.00	0.00	0.00	0.00
FHA	2002	0.76	9.61	0.15	0.74	1.00	1.00
FHA	2003	0.79	9.63	0.10	0.78	1.00	1.00
FHA	2004	0.80	9.57	0.10	0.74	1.00	1.00
FHA	2005	0.81	9.65	0.10	0.71	1.00	1.00
FHA	2006	0.73	9.22	0.09	3.64	1.00	1.00
FHA	2007	0.72	9.21	0.09	3.93	1.00	1.00
FHA	2008	0.72	9.22	0.07	5.74	1.00	1.00
FHA	2009	0.71	9.26	0.06	6.60	1.00	1.00
FHA	2010	0.72	9.27	9.80	6.16	1.00	1.00
FHA	2011	0.71	9.30	8.73	6.60	1.00	1.00
FHA	2012	0.76	9.47	7.10	5.90	1.00	1.00
FHA	2013	0.00		0.00	0.00	0.00	0.00
S-RRB	2002	0.64	9.55	0.15	24.36	0.00	1.00
S-RRB	2003	0.65	9.72	0.10	0.75	0.00	1.00
S-RRB	2004	0.63	9.72	0.10	0.69	0.00	1.00
S-RRB	2005	0.65	9.72	0.10	1.16	0.00	1.00
S-RRB	2006	0.65	9.75	0.09	0.12	0.00	1.00
S-RRB	2007	0.64	9.79	0.09	0.85	0.00	1.00
S-RRB	2008	0.63	9.87	0.07	0.31	0.00	1.00
S-RRB	2009	0.64	9.95	0.06	0.98	0.00	1.00
S-RRB	2010	0.64	10.10	0.04	14.63	0.00	1.00
S-RRB	2011	0.64	10.15	0.56	12.52	0.00	1.00
S_RRB	2012	0.00		0.00	0.00	0.00	0.00
S-RRB	2013	0.00		0.00	0.00	0.00	0.00
H-JRB	2002	0.79	9.45	12.90	11.59	0.00	1.00
H-JRB	2003	0.79	9.71	11.85	0.37	0.00	1.00
H-JRB	2004	0.79	9.69	21.91	0.44	1.00	1.00
H-JRB	2005	0.76	9.72	27.55	1.04	1.00	1.00

H-JRB	2006	0.77	9.72	37.53	1.41	1.00	1.00
H-JRB	2007	0.77	9.76	20.20	4.00	1.00	1.00
H-JRB	2008	0.78	9.86	11.18	2.74	1.00	1.00
H-JRB	2009	0.78	9.87	14.28	12.05	1.00	1.00
H-JRB	2010	0.77	9.93	12.67	10.84	1.00	1.00
H-JRB	2011	0.78	9.94	13.52	11.36	1.00	1.00
H-JRB	2012	0.00		0.00	0.00	0.00	0.00
H-JRB	2013	0.00		0.00	0.00	0.00	0.00
CB	2002	0.74	9.48	0.27	1.52	1.00	1.00
CB	2003	0.77	9.55	0.22	1.09	1.00	1.00
CB	2004	0.80	9.59	1.27	1.08	1.00	1.00
CB	2005	0.81	9.68	1.12	0.74	1.00	1.00
CB	2006	0.80	9.79	2.29	0.49	1.00	1.00
CB	2007	0.80	9.87	2.79	0.48	1.00	1.00
CB	2008	0.80	9.95	3.72	0.63	1.00	1.00
CB	2009	0.81	10.06	3.80	0.73	1.00	1.00
CB	2010	0.81	10.07	2.99	1.10	1.00	1.00
CB	2011	0.80	10.20	3.01	0.91	1.00	1.00
CB	2012	0.80	10.26	3.22	0.86	1.00	1.00
CB	2013	0.00		0.00	0.00	0.00	0.00
LBRB	2002	0.72	7.65	0.00	10.06	0.00	1.00
LBRB	2003	0.73	7.72	0.00	1.80	0.00	1.00
LBRB	2004	0.73	8.89	0.00	1.82	0.00	1.00
LBRB	2005	0.73	8.95	0.00	0.21	0.00	1.00
LBRB	2006	0.73	8.88	0.00	0.54	0.00	1.00
LBRB	2007	0.73	8.67	0.00	0.36	0.00	1.00
LBRB	2008	0.71	8.63	0.00	1.08	0.00	1.00
LBRB	2009	0.71	8.30	0.00	1.07	0.00	1.00
LBRB	2010	0.73	8.48	0.00	1.41	0.00	1.00
LBRB	2011	0.76	8.51	0.00	7.24	0.00	1.00
LBRB	2012	0.75	9.87	0.00	2.40	0.00	1.00
LBRB	2013	0.00		0.00	0.00	0.00	0.00
CRRB	2002	0.72	9	0.07	7.99	0.00	1.00
CRRB	2003	0.72	10	0.11	4.52	0.00	1.00
CRRB	2004	0.72	10	0.00	1.14	0.00	1.00
CRRB	2005	0.73	10	0.00	2.50	0.00	1.00
CRRB	2006	0.72	10	0.00	3.12	0.00	1.00
CRRB	2007	0.76	10	0.00	12.57	0.00	1.00
CRRB	2008	0.76	10	0.00	8.54	0.00	1.00
CRRB	2009	0.76	10	0.00	9.32	0.00	1.00
CRRB	2010	0.76	10	0.00	2.55	0.00	1.00
CRRB	2011	0.78	10	0.00	8.79	0.00	1.00
CRRB	2012	0.78	10.3	0.00	5.37	0.00	1.00

CRRB	2013	0.00		0.00	0.00	0.00	0.00
A-IRB	2002	0.62	9.52	0.58	4.72	1.00	1.00
A-IRB	2003	0.62	9.72	0.66	2.45	1.00	1.00
A-IRB	2004	0.64	9.75	0.67	1.92	1.00	1.00
A-IRB	2005	0.62	9.78	0.72	1.44	1.00	1.00
A-IRB	2006	0.64	9.81	0.03	2.67	1.00	1.00
A-IRB	2007	0.64	9.85	0.02	4.10	1.00	1.00
A-IRB	2008	0.64	9.97	0.02	1.15	1.00	1.00
A-IRB	2009	0.64	10.05	0.02	1.39	1.00	1.00
A-IRB	2010	0.64	10.13	0.02	2.15	1.00	1.00
A-IRB	2011	0.64	10.19	0.02	2.35	1.00	1.00
A-IRB	2012	0.65	9.87	0.13	2.25	1.00	1.00
A-IRB	2013	0.00		0.00	0.00	0.00	0.00
NDRB	2002	0.83	7.85	0.01	0.14	1.00	1.00
NDRB	2003	0.83	7.66	0.00	0.36	1.00	1.00
NDRB	2004	0.93	9.27	0.00	1.59	1.00	1.00
NDRB	2005	0.93	9.25	0.00	0.44	1.00	1.00
NDRB	2006	0.93	9.26	0.00	0.26	1.00	1.00
NDRB	2007	0.93	9.25	0.00	0.48	1.00	1.00
NDRB	2008	0.93	9.26	0.00	0.42	1.00	1.00
NDRB	2009	0.93	9.24	0.00	4.35	1.00	1.00
NDRB	2010	0.93	9.16	0.00	1.72	1.00	1.00
NDRB	2011	0.93	9.17	0.00	1.04	1.00	1.00
NDRB	2012	0.92	10.20	0.00	1.43	1.00	1.00
NDRB	2013	0.00		0.00	0.00	0.00	0.00
B-ORB	2002	0.81	8	0.00	10.37	0.00	1.00
B-ORB	2003	0.81	8	0.00	9.29	0.00	1.00
B-ORB	2004	0.81	8	0.00	3.34	0.00	1.00
B-ORB	2005	0.81	8	0.00	1.25	0.00	1.00
B-ORB	2006	0.86	9	0.00	9.34	0.00	1.00
B-ORB	2007	0.86	9	0.00	25.37	0.00	1.00
B-ORB	2008	0.86	9	0.00	4.93	0.00	1.00
B-ORB	2009	0.86	9	0.00	8.46	0.00	1.00
B-ORB	2010	0.86	9	0.00	10.98	0.00	1.00
B-ORB	2011	0.86	9	0.00	1.81	0.00	1.00
B-ORB	2012	0.82	9	0.00	2.14	0.00	1.00
B-ORB	2013	0.00		0.00	0.00	0.00	0.00
O-ORB	2002	0.00		0.00	0.00	0.00	0.00
O-ORB	2003	0.00		0.00	0.00	0.00	0.00
O-ORB	2004	0.00		0.00	0.00	0.00	0.00
O-ORB	2005	0.71	9.70	0.00	1.02	0.00	1.00
O-ORB	2006	0.72	9.78	0.00	2.08	0.00	1.00
O-ORB	2007	0.72	9.82	0.00	2.43	0.00	1.00

O-ORB	2008	0.72	9.85	0.00	7.54	0.00	1.00
O-ORB	2009	0.73	9.94	0.00	2.09	0.00	1.00
O-ORB	2010	0.73	10.12	0.00	6.83	0.00	1.00
O-ORB	2011	0.73	10.27	0.00	1.06	0.00	1.00
O-ORB	2012	0.79	10.33	0.00	1.23	0.00	1.00
O-ORB	2013	0.00		0.00	0.00	0.00	0.00
FRCN	2002	0.76	9.20	0.13	5.19	1.00	1.00
FRCN	2003	0.76	9.77	0.16	2.67	1.00	1.00
FRCN	2004	0.76	9.94	0.14	7.77	1.00	1.00
FRCN	2005	0.76	9.97	0.09	6.24	1.00	1.00
FRCN	2006	0.76	10.02	0.03	6.56	1.00	1.00
FRCN	2007	0.76	10.03	0.04	3.29	1.00	1.00
FRCN	2008	0.76	10.07	0.03	2.78	1.00	1.00
FRCN	2009	0.78	10.08	0.09	1.99	1.00	1.00
FRCN	2010	0.75	10.01	0.11	1.65	1.00	1.00
FRCN	2011	0.83	9.42	0.34	1.68	1.00	1.00
FRCN	2012	0.83	9.43	0.25	1.49	1.00	1.00
FRCN	2013	0.00		0.00	0.00	0.00	0.00
NTA	2002	0.97	10	0.00	0.90	1.00	1.00
NTA	2003	0.97	10	0.00	1.82	1.00	1.00
NTA	2004	0.97	10	0.00	1.77	1.00	1.00
NTA	2005	0.97	10	0.00	2.68	1.00	1.00
NTA	2006	0.97	10	0.00	4.03	1.00	1.00
NTA	2007	0.97	10	0.00	2.98	1.00	1.00
NTA	2008	0.97	10	0.00	2.50	1.00	1.00
NTA	2009	0.97	10	0.00	1.88	1.00	1.00
NTA	2010	0.97	10	0.00	1.40	1.00	1.00
NTA	2011	0.90	10	0.30	1.08	1.00	1.00
NTA	2012	0.91	10	0.29	1.36	1.00	1.00
NTA	2013	0.94	10	0.00	1.49	1.00	1.00
NAN	2002	0.62	9	0.00	3.59	0.00	1.00
NAN	2003	0.62	9	0.00	4.33	0.00	1.00
NAN	2004	0.67	9	0.00	1.85	0.00	1.00
NAN	2005	0.72	9	0.00	2.01	0.00	1.00
NAN	2006	0.72	9	0.00	4.49	0.00	1.00
NAN	2007	0.72	9	0.00	4.10	0.00	1.00
NAN	2008	0.75	9	0.00	53.40	1.00	1.00
NAN	2009	0.74	9	0.00	24.24	1.00	1.00
NAN	2010	0.76	9	0.00	57.24	1.00	1.00
NAN	2011	0.76	9	0.00	24.88	1.00	1.00
NAN	2012	0.67	9	0.00	9.91	1.00	1.00
NAN	2013	0.67	9	0.00	7.34	1.00	1.00
NNPC	2002	0.94	8.34	0.13	0.13	1.00	1.00

NNPC	2003	0.95	8.37	0.16	0.29	1.00	1.00
NNPC	2004	0.95	8.45	0.14	0.40	1.00	1.00
NNPC	2005	0.95	8.45	0.09	0.56	1.00	1.00
NNPC	2006	0.95	8.45	0.03	0.65	1.00	1.00
NNPC	2007	0.95	8.40	0.04	0.99	1.00	1.00
NNPC	2008	0.95	8.45	0.03	1.82	1.00	1.00
NNPC	2009	0.95	8.54	0.09	2.11	1.00	1.00
NNPC	2010	0.94	12.22	0.07	1.90	1.00	1.00
NNPC	2011	0.94	12.35	0.80	1.45	1.00	1.00
NNPC	2012	0.00		0.00	0.00	0.00	0.00
NNPC	2013	0.00		0.00	0.00	0.00	0.00
LNRB	2002	0.63	9.41	0.00	3.1376656	0.00	1.00
LNRB	2003	0.63	9.50	0.00	2.342762	0.00	1.00
LNRB	2004	0.63	9.55	0.00	3.8546835	0.00	1.00
LNRB	2005	0.63	9.56	0.00	1.6823816	0.00	1.00
LNRB	2006	0.63	9.59	0.00	3.6636552	0.00	1.00
LNRB	2007	0.63	9.68	0.00	5.803442	0.00	1.00
LNRB	2008	0.63	9.80	0.00	3.426783	0.00	1.00
LNRB	2009	0.63	9.99	0.00	4.123274	0.00	1.00
LNRB	2010	0.63	10.02	0.00	3.368529	0.00	1.00
LNRB	2011	0.63	10.16	0.00	4.496234	0.00	1.00
LNRB	2012	0.63	10.19	0.00	2.825961	0.00	1.00
LNRB	2013	0.00		0.00	0	0.00	0.00
FAAN	2002	0.79	10.16	0.1188436	1.1948827	0.00	1.00
FAAN	2003	0.80	10.17	0.2682324	1.1864252	0.00	1.00
FAAN	2004	0.80	10.14	0.2837943	1.164712	0.00	1.00
FAAN	2005	0.85	10.18	0.2601831	1.0853166	0.00	1.00
FAAN	2006	0.85	10.20	0.7684045	1.26177	0.00	1.00
FAAN	2007	0.85	10.21	1.0425807	1.6009757	0.00	1.00
FAAN	2008	0.85	10.34	0.7684045	1.2877651	0.00	1.00
FAAN	2009	0.85	10.48	0.0041079	1.4800641	0.00	1.00
FAAN	2010	0.85	10.70	0.0172665	1.942681	0.00	1.00
FAAN	2011	0.85	10.77	0.0927517	1.001291	0.00	1.00
FAAN	2012	0.86	10.84	0.0927517	1.295382	0.00	1.00
FAAN	2013	0.00		0	0	0.00	0.00
UBRB	2002	0.62	9.45	0.0122836	2.1841265	0.00	1.00
UBRB	2003	0.62	9.50	0.010839	2.2076589	0.00	1.00
UBRB	2004	0.62	9.53	0.0101488	0.7394468	0.00	1.00
UBRB	2005	0.62	9.60	0.0086509	1.2622295	0.00	1.00
UBRB	2006	0.62	9.63	0.0080717	2.8834169	0.00	1.00
UBRB	2007	0.62	9.70	0.006845	4.3911661	0.00	1.00
UBRB	2008	0.62	9.81	0.0052714	3.3791329	0.00	1.00
UBRB	2009	0.62	9.83	0.0050939	4.8333935	0.00	1.00

UBRB	2010	0.62	9.94	0.003963	2.8988363	0.00	1.00
UBRB	2011	0.55	10.07	0.0029022	2.5922597	0.00	1.00
UBRB	2012	0.54	10.15	0.0024194	3.5548049	0.00	1.00
UBRB	2013		10.18	0.00365	2.41935	0.00	1.00

Source: Fieldwork, 2014

APPENDIX A2: DISCLOSURE INDEX CHECKLIST

	DISCLOSURE CHECKLIST												
	NAME OF ENTERPRISE												
	Disclosure = 1, Non-Disclosure = 0 and Not Applicable = NA												
	YEAR	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
	SAS DISCLOSURE TEMPLATE												
	SAS 1-Disclosure of Accounting Policies												
1	Have the accounting policies been prominently disclosed as an integral part of the financial statements under one caption, rather than notes to individual items in financial statements (SAS 1.22)												
2.	Has the information about the basis of preparation of the financial statement been disclosed by way of notes to the financial statements? (SAS 1.21)												
3-14	Does the accounting policies presented under a caption include: a. Consolidation principles including subsidiaries and Associates (if any) b. Intangible assets – goodwill c. Investment d. Fixed Assets e. Depreciation f. Stock and work-in progress g. Turnover h. Foreign currencies conversion i. Taxes, including deferred taxes j. Employee												

	retirement benefits k. Research and development cost (year end 31 Dec) l. Provisions (year end 31 Dec)?												
15-17	Has the company disclosed: a). The nature, b). the effect of changes in accounting policies on the current year's profit or loss; c). the cumulative effect of such a change? (SAS 1.23)												
	SAS 2- Information to be disclosed in financial statements												
18	Is the name of the enterprise disclosed (SAS 2.11)												
19.	Is period of time covered disclosed? (SAS 2.11)												
20	Has the company made a brief description of activities? (SAS 2.11)												
21	Is the legal form of the company disclosed (SAS 2.11)												
22-23	Has the entity described a). The relationship with its significant local and overseas suppliers including the immediate and ultimate parent, associated or affiliated company? (SAS 2. 11) b). Financial implication of inter-company transfer and Technical/management agreements between the enterprise and its significant local and overseas suppliers including immediate and/or ultimate, associated affiliated company? (SAS 2. 13)												
24	Does the financial statement include												

	balance sheet? (SAS 2.12)												
25	Does the financial statement include profit & loss account or income statement? (SAS 2.12)												
26	Does the financial statement include notes to the account? (SAS 2.12)												
27	Does the financial statement include statement of cash flow? (SAS 2.12)												
28	Does the financial statement contain five year financial summary?(SAS 2.12)												
29	Does the financial statement contain five year financial summary?(SAS 2.24)												
30	In the value added statement, are purchases distinguished between imported and local items? (SAS 2.24)												
	SAS 3- Accounting for Property, Plant and Equipment (PPE)												
31	Does the financial statement disclose the bases for determining the book value of PPE? (SAS 3.45a)												
32	When more than one basis has been used, does the entity disclose the book value determined under each basis in each category of PPE? (SAS 3.45b)												
33-35	Where PPE are stated at revalued amounts, does the entity disclose a. the methods adopted to compute these amounts, b. the policy with regards to the frequency of revaluations,												

	c. whether external values are involved? (SAS 3.45c)												
36	Have the movements in each category of PPE (i.e. additions and disposals) during the year been disclosed? (SAS 3.45d)												
37-39	The gross book value of an item of Property, Plant and Equipment (PPE is determined using: (SAS 3.30) i. Historical Amount ii. Revalued Amount iii. Cost and valuation												
40-42	On revaluation of PPE, the increase/decrease in the net book value is credited to: (SAS 3.42) i. Revaluation surplus account ii. Income statement iii. Others												
43-44	Gains or losses arising from the retirement or disposal of an item of PPE is: (SAS 3.43) i. Recognized in the income statement ii. taken to the revaluation surplus account												
	SAS 4 - On Stocks												
45-46	Where differing methods of valuation have been adopted for different types of stock, does the financial statements state a. the amount, and b. method (s) used in												

	respect of each type? (SAS 4.57)											
47	Does the entity state the classification of stock in a manner appropriate to its business, in order to indicate the amounts held in each category? (SAS 4.58)											
48	Does the entity disclose any changes in the basis of valuation from that used in the previous period? (SAS 4.59)											
49	Which of the following valuation methods is used in determining the cost of stock? (SAS 4.46) i. first in, first out ii. average cost iii. specific identification iv. standard costing v. adjusted selling price											
50	Which measurement basis is used in valuing stocks? (SAS 4.44) i. cost ii. Lower of cost and net realizable value iii. Market value											
	SAS 5 Construction Constructs											
51	Which method is used in valuating construction contracts? i. completion contract method or ii. the percentage of completion method											
52-53	Does the accounting											

	policies for contracts disclosed in the notes to accounts? To show:(SAS 5.8) i. revenue recognition ii. assets recognition												
54-58	Are the following items disclosed in the financial statements of the reporting enterprises (SAS 5.9) a. Value of construction work in progress b. receivables, c. retentions d. progress payments and e. advance payments.												
59	Does the enterprise disclose the effect of a change made from the completed contract method to the percentage of completion method or vice versa in the financial statements? (SAS 5.10)												
	SAS 6 Extraordinary items and prior year adjustments												
60	Does the enterprise disclose extraordinary items, net of associated taxes in the appropriate section of the profit and loss account? (SAS 6.11)												
61	Does the enterprise disclose prior year adjustments, net of associated taxes in the retained profits/reserves section of the profit and loss accounts? (SAS 6.12)												
62	Does the enterprise disclose exceptional items gross of any associated taxes in profit and loss account? (SAS 6.13)												
	SAS 7 - On Foreign Currency Conversions and Translations												
63	Is the treatment given to foreign exchange gains and losses disclosed? (SAS 7.47b)												

	Has the net total gains or losses arising from changes in foreign exchange rates taken to the Profit and Loss Account been disclosed? (SAS 7.47c)												
64	Is post balance sheet rate movement on transactions that have significant impact on the Profit and Loss Account and Balance Sheet items disclosed in notes to the accounts? (SAS 7.47e)												
65	Is the amount of Gains and Losses deferred disclosed? (SAS 7.47f)												
66	Income statements of foreign operations are translated using: (SAS 7.41c) 1. closing rates ii. exchange rates at the day of transactions iii average rates												
67	Assets and Liabilities of foreign operations are translated using: (SAS 7.41a) i. closing rates 11. exchange rates at the day of transactions 1ll average rates												
68	Transactions in foreign currencies are converted into Naira at (SAS 7. 38): i. rates of the exchange ruling at the dates of such transactions 11. average exchange rate for the financial year Ill. closing exchange rate												
69	At balance sheet date, balance in foreign currencies are converted into Naira using (SAS 7.39) i. closing rates												

	ii. exchange rates at the day of transactions iii. average rates												
70	Exchange differences resulting from translation of foreign entities financial statements are taken to (SAS 7.41): i. Profit and Loss account ii. Reserve iii. Others												
71	Exchange differences resulting from translation of foreign entitle financial statements are taken to (SAS 7.41): i. profit and loss account ii. reserves iii. others												
	SAS 8 - On Accounting For Employees' Retirement Benefits												
72	Has the reporting entity disclosed in the notes to the accounts the categories of employees covered for the retirement, provident or pension plan? (SAS 8. 76a)												
73	Has the company disclosed in the notes to the accounts the accounting actuarial and funding methods used, and changes thereto, where a defined contribution or benefit plan exists? (SAS 8. 76b)												
74	Has the company disclosed in the notes to the accounts the provisions made for retirement, provident or pension costs for the year? (SAS 8.76c)												

75	Retirement benefits are determined using (SAS 8.13): i. Benefit-based plan- ii. Contribution-based plan-defined contribution iii. Others - unfunded											
76-77	For contributory pension scheme: i. What is the percentage contribution of the employer? ii. What is the percentage contribution of the employee?											
	SAS 9 - Accounting For Depreciation											
78	The depreciable value of an item of property, plant and equipment is (S 9.35): 1. historical costs ii. revalued amount ii. cost and valuation											
79	What method of depreciation is used (SAS 9. 37)? i. Straight line method ii. Reducing balance method iii. Both (i) and (ii) v. other											
80-85	Average depreciation period for: Land and buildings is............ Plant and Machinery is............... Motor vehicles are................ Furniture and fittings..................... Computer Equipment is.................. Other Equipment is......................											
86	Is the amount charged as depreciation during the period disclosed in Notes to the Accounts? (SAS 9. 46a)											
87	Is the effect of changes in depreciation rate on the operating results of											

	period disclosed by way of Notes to the Account? (SAS 9. 46b)												
88	Are the method(s) used in computing depreciation in the period disclosed in the Notes to the Account? (SAS 9. 46c)												
89	Is the accumulated depreciation for each category or group of assets disclosed in the Notes to the Account? (SAS 9.46d)												
	SAS 11 Accounting for Leases												
90-98	In addition to the disclosure requirements of SAS 2 and SAS 3, does the enterprise (leasee) disclose: i. amount and major classes of assets on lease at balance sheet date. ii. liabilities relating to the leased assets separately iii. liabilities, differentiating between long and short term iv. amount and yearly future payments of commitments for minimum payments term in excess of one year v. any significant financing restrictions vi. renewals vii. purchase options viii. contingent rentals and ix. other contingencies arising from leases.												
99-105	Does the enterprise (leasor) disclose the following items in the financial statements: i. gross investment in finance leases ii. the related deferred income iii. unguaranteed residual values of the leased assets												

	iv. the net investment in leases breaking into current and non-current portions v. the basis or bases to allocate income vi. for operating lease the assets amount under each category vii. the accumulated depreciation at the balance sheet date.												
	SAS 13 - On Accounting for Investments												
106	Does the entity disclose the aggregate quoted market value of securities of quoted companies as well as their corresponding carrying amounts? (SAS 13.55)												
107	Has the company disclosed significant amounts included in income in respect of interest, dividends and rentals on short-term investments, and investment properties? (SAS 13.56)												
108	Has the company disclosed significant amounts included in income in respect of profits and losses on disposal of short and long term investments?(SAS 13.56)												
109	Has the company disclosed significant amounts included in income in respect of the amount by which aggregate cost exceeds market value? (SAS 13.56)												
110	Has the reporting enterprise disclosed the names of the persons making the valuation of its investment properties or other long-term investments for which an active market does not exist, their												

	professional qualifications, the dates and bases of valuation, or whether they are employees or officers of the company or group which owns the property? (SAS 13.59)												
	SAS 14 Accounting in the Petroleum Industry: Upstream Activities.												
	The entity discloses the following:												
111	Total proved developed and undeveloped reserves for oil and gas expressed in barrels and for gas expressed in cubic feet.												
112-116	Movements in reserves during the year under the headings: - revision of previous estimates - purchase of reserves in place - new discoveries - sales of reserve in place and - production												
117	Each of the joint venture partners' share of joint venture proved developed and undeveloped reserves.												
118-122	Costs relating to oil and gas exploration for the current year, setting out- - proved and unproved properties - accumulated depreciation - depletion - amortization - share of net capitalized costs of joint ventures, distinguish between offshore and onshore.												

123	Capitalized costs relating to oil and gas producing activities												
124	Details of concessions (OEL, OPL and OML) showing original and expired terms of the concessions.												
125	Amount of depreciation, depletion and amortization.												
126	The average rates used												
127-131	Results of operations showing under the following headings: - Revenues (both third party and intra party) - Production costs - Exploration costs - Depreciation and Amortisation and - Income taxes												
132	Standardized measure of oil and gas (SMOG) using 10% discount rate (where the accounts are prepared in U.S. dollars)												
133	Standardized measure of oil and gas (SMOG) using the Central Bank of Nigeria rediscount rate as at the balance sheet date (where the accounts are prepared in Nigeria)												
134	Significant non-production development costs (such as offshore production platform) which have been excluded from the amortization basis in determining the unit of production amortization												
135	Total cash calls made on the partners for the year and the amount of such cash calls received, indicating clearly the U. S dollar and Naira components.												
136	Deferred taxes												

137	Costs of providing amenities for communities in areas of operation of the enterprise												
148	Summarized comparative balance sheet and income statements for the years, including the current year												
139	The amount of write-off between prices used for the purposes of the ceiling test and the prices at the measurement date.												
140	The total estimated liability of the company for restoration and abandonment costs calculated at the current year-end prices.												
141	The amount incurred by the farmee in aggregate during the accounting period to provide for a consideration received from the farmor												
142	The items involve in construction in progress												
143	The functional currency and the basis of transaction in the accounting policies												
144	The turnover from exploration and production that exceed 10% of the group turnover												
	SAS 17 Accounting For Petroleum Industry-Downstream Activities.												
	The entity discloses:												
	A. **Refining and Petrochemical companies**.												
145	Processing fees from third parties												
146	Tam capitalization and expenses split into materials and layout costs.												
147	The amortization rate for capitalized costs												
148	Major plant modification, rehabilitation and												

	replacements capitalized.												
149	Costs of research and development												
150	Basis of valuation of products and intermediaries (stock in-progress valuation)												
151	Revenues earned for each classes of business												
152	Transfer pricing methods												
	B **Marketing and Distribution companies**												
153	Bridging claims and related provisions made (for doubtful debts)												
154	ATK overbilling claims and related provisions made (for doubtful debts)												
	C. **Liquefied Natural Gas (LNG) Companies**												
155	Details of take or pay contracts not yet fulfilled and the related deferred revenue or payment												
	SAS 18 - Statement of Cash Flows												
	The cash flow statement discloses:												
156	Cash flows during the period classified by operating, investing and financing activities (SAS 18.66)												
157	Cash flows from operating activities using either: (SAS 18.67) i) the direct method or ii) the indirect method												
158	Cash flows separately from: (SAS 18.80)												
159	Interest received,												
160	Dividends received,												
161	Interest paid,												
162	Dividends paid and												
163	Income taxes paid												
164	Cash flows on a net basis (SAS 18.81)												
165	By way of notes a reconciliation of the amounts in its Statement of Cash Flows with equivalent items reported in the profit and loss account												

	and the balance sheet (SAS 18. 82)												
166	Cash Flows including a reconciliation of the increase and decrease in cash and cash equivalents. (SAS 18.82)												
	SAS 19- Accounting For Taxes												
	The entity discloses:												
167	Deferred tax computed using either of the following methods (SAS 12.32) i. liability method ii. full provision iii. deferral method												
168	The recognition of tax as an expense ((income) in the profit and loss account as a separate line item (SAS 19.65)												
169	Company Income Tax by way of notes (SAS 19.65)												
170	Petroleum Profit Tax by way of notes (SAS 19.65).												
171	Capital Gains Tax by way of notes (SAS 19.65).												
172	Education Tax by way of notes (SAS 19.65).												
173	Deferred Tax by way of notes (SAS 19.65) .												
174-175	Tax assets and liabilities separately in the balance sheet with movements shown by way of notes (SAS 19.69) as i. Current Taxes ii. Deferred Taxes												
	SAS 22: Research and Development Costs												
	The entity discloses:												
176	The amount of research costs and development costs disclosed as expense												
177	The method used in treating research and development i. write-												

	off method or ii. deferral method												
178	The amortization method for development costs												
179	A reconciliation of the balance of unamortized development costs at the beginning and at the end of the period												
	SAS 23 :Provisions, Contingent liabilities and Contingent Assets												
180	The entity discloses the carrying amounts of provisions, contingent liabilities and contingent assets; amounts used during the period and unused amounts reversed during the period.												
181	The entity discloses provision for any obligation, its outflows or economic benefits and any expected reimbursement.												
182	The company discloses the nature amount of any contingent liabilities, estimate of its financial effects and possibility of reimbursement.												
183	The entity discloses amount of any contingent assets and its financial effects where an inflow of economic benefit is probable.												
	SAS 24 Segment Reporting												
184	Does the enterprise discloses:												
185	Segment figures that add up to the total company figures or the reconciliation figures.												
186	Revenues from both external and internal customers separately												
187	Revenue from internal customers shown at												

	transfer prices												
188	Any change in the basis used.												
189	Internal sales between segments.												
190	Depreciation and amortization included in segment expenses.												
191	Profit or loss before taxation, extra-ordinary items and minority interest												
192	Share of profit or loss from associates, joint ventures and other investments accounted for under the equity method.												
193	Comparative figures of previous period												
194	Changes in the basis of accounting (if any)												
195	Tangible and intangible assets identifiable with the reported segments.												
	SAS 27 Consolidated and Separate Financial Statements												
	The enterprise discloses:												
196	The nature of the relationship with the subsidiary, if the parent company does not own more than 50% of voting power												
197	Where ownership of more than 50% of voting power does not constitute control												
198	Reason for subsidiary having a different reporting date												
199	Schedule of changes in parent's ownership interest												
200	The gain or loss attributable to recognizing the investment at a fair value, if there is a case of loss of control in a subsidiary.												
201	Nature and extent of any significant restrictions on transfer funds to the parent company (if is a foreign subsidiary)												
202	Information as to where the cash, assets and debt reside within the consolidated												

	group.												
	Condensed financial data of consolidated entities												
203	Financial split between parent and subsidiary												
204	Guarantees made by parent or subsidiary												
205	List of significant subsidiaries												
	Where separate financial statements are prepared, does the enterprise discloses:												
206	That the financial statements are separate financial statement												
207	That the exemption from consolidation has been used												
208	Name and country of incorporation												
209	List of significant investments in subsidiaries, joint ventures and associated companies.												
210	Method used to account for investments listed in xvii above.												
	SAS 28 Investment in Associates												
	The enterprise discloses:												
2011	The fair value of investments in associates for which there are published price quotations												
212	Summarized financial information of associates including aggregate amounts of assets, liabilities, revenues and profit or loss												
213	The reasons for concluding that the enterprise has significant influence by holding less than 20% of equity or potential equity or 20% or more of equity of potential equity of the associate.												
214	The reporting date and the reasons for using different date by the associate if the												

	associate's reporting date is different from that of the investor and the associate is applying the equity method.												
215	Evidence showing that investments in associates accounted for by the equity method is classified as non-current assets												
216	The investor's share of the profit or loss of such associates shall be separately disclosed in the profit and loss account.												
217	The carrying amount of such investment in associates should also be separately disclosed on the balance sheet												
218	The investor's share of any discontinued operations of associate separately disclosed												
219	The investor's share of changes in the associate's equity directly recognized in equity by the investor and disclosed in notes to the financial statements												
220	Investor's share of the contingent liabilities of an associate incurred jointly with other investors and												
221	Those contingent liabilities that arise because the investor is severally liable for all or part of the liabilities of the associate												
	SAS 29 Interests in Joint Ventures												
222-232	The venturer discloses the following in its Financial Statements												
233-235	Aggregate amount of all contingent liabilities - capital commitment. - List and description of interests in significant joint ventures - Proportion of ownership												
236-241	Aggregate amount of each of: - current assets												

	- long-term assets - current liabilities - long-term liabilities - incomes and - expenses												
242	State in notes whether method adopted by the venturer. Thus: - Proportionate - consolidation or - Equity method												
	SAS 31. Intangible Assets												
	The entity discloses:												
243	. Useful life of the asset												
244	The amortization rate												
245	Amortisation method												
246	Gross carrying amount												
247	Accumulated amortization amount to date												
248-253	Details of the carrying amount showing: - Addition - Held for sale - Included in disposal - Decrease/increases due to revaluation - Amortization during the year - Net exchange differences (if any)												
254	Any change in accounting estimate with material effect.												
255	The revalued assets amount, effective date, carrying amount, revaluation surplus, methods adopted and significant assumptions.												
255-280	Research and development showing: - aggregate amount - development amount recognized as expense during the year - description of fully amortized												

	assets still in use - assets not recognized under the intangible assets due to particular problems.												
SAS Sub-Total													
	IAS DISCLOSURE TEMPLATE												
	IAS 18 Revenue												
281	The entity discloses the accounting policies for revenue												
282	Method adopted for of revenue for services being rendered												
283	The amount of each significant category of revenue recognized during the period, including revenue arising from the sale of goods, rendering of services, interest, royalties, dividends and amount of revenue arising from exchange of goods. (1AS I 8.35)												
	IAS 20- Accounting for Government Grants and Disclosure of Government Assistance												
284	The **amount** of government grant/subventions												
285	The **accounting policy** adopted for grants												
206	The **method of balance sheet presentation** (IAS 20.39)												
	IAS 23: Borrowing Costs												
287	The enterprise discloses the **accounting policy** adopted for borrowing costs (IAS 23.29)												
288	The entity discloses the **amount** of borrowing cost capitalized during the period (lAS 23.29)												

289	The enterprise discloses the capitalization **rate** used to determine the amount of borrowing costs eligible for the capitalization (IAS 23.29) IAS												
	IAS 24: Related Party Disclosures												
290	The entity discloses relationships between parents and subsidiaries (IAS 24.12)												
291	The entity discloses key management personnel compensation plans (IAS 24.16)												
292	The entity discloses types and amount of transactions between related parties												
	IAS 41 – AGRICULTURE												
	The entity discloses the following:												
293	The aggregate gain and loss												
294	Description of each group of biological assets.												
295	Output of agricultural produce for the year.												
296	Methods and significant assumption applied in value of agricultural assets.												
297	The fair value less costs to sell.												
298	Carrying amount of agricultural assets.												
299	Amount of biological assets pledged as security for liabilities												
300	Any event that occurs that give rise to material item of income or expense												
301	Amount of depreciation												
302	Depreciation method												
303	Depreciation rate												
304	Gross carrying amount and accumulated depreciation												
305	The nature and amount of government grant												
TOTAL													

APPENDIX A3: COMMERCIALISED FEDERAL GOVERNMENT ENTERPRISES SUBMISSION OF PUBLISHED ANNUAL REPORTS FROM 2002-2013

S/NO	ENTERPRISES	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTAL
1	Nigerian Railways Corporation	1	1	1	1	1	1	1	1	1	1	1	0	11
2	Nigerian Airports Authority	1	1	1	1	1	1	1	1	1	1	1	0	11
3	Federal Housing Authority	1	1	1	1	1	1	1	1	1	1	1	0	11
4	Sokoto- Rima Rivers Basin Development Authority, sokoto	1	1	1	1	1	1	1	1	1	1	0	0	10
5	Hadejia-Jema'are River Basin Development Authority, Kano	1	1	1	1	1	1	1	1	1	1	0	0	10
6	Chad Basin Development Authority, Maiduguri.	1	1	1	1	1	1	1	1	1	1	1	0	11
7	Lower Benue River Basin Development Authority, Makurdi.	1	1	1	1	1	1	1	1	1	1	1	0	11
8	Cross River River Basin Development Authority, Calabar.	1	1	1	1	1	1	1	1	1	1	1	0	11
9	Anambra-Imo Basin Development Authority, Owerri.	1	1	1	1	1	1	1	1	1	1	1	0	11
10	Niger River Basin Development Authority, Minna.	1	1	1	1	1	1	1	1	1	1	1	0	11
11	Niger Delta Basin Development Authority, Port Harcourt.	1	1	1	1	1	1	1	1	1	1	1	0	11
12	Benin-Owena Basin Development Authority, Benin City.	1	1	1	1	1	1	1	1	1	1	1	0	11
13	Oshun-Ogun Basin Development Authority, Abeokuta	0	0	0	1	1	1	1	1	1	1	1	0	8
14	Federal Radio Corporation of Nigeria, Abuja	1	1	1	1	1	1	1	1	1	1	1	0	11
15	Nigerian Television Authority, Abuja	1	1	1	1	1	1	1	1	1	1	1	1	12
16	News Agency of Nigeria, Abuja	1	1	1	1	1	1	1	1	1	1	1	1	12
17	Nigerian National Petroleum Corporation	1	1	1	1	1	1	1	1	1	1	0	0	10
18	Upper Benue River Basin Development Authority, Yola.	1	1	1	1	1	1	1	1	1	1	1	1	12

Source: Fieldwork, 2014

APPENDIX A4: LIST OF AUDIT FIRMS

	LIST OF AUDIT FIRMS	CODE
1	Muhtari Dangana & Co and Mu'allahyidi & Co	1
2	Chika Nwafor & Co, Chartered Accountants, Suite 208 Anbeez Plaza, Ndola Crescent, Zone 5, Wuse, Abuja. 08034545677 chikassociates@yahoo.com	2
3	Olabisi Fayombo & Co, Chartered Accountants, No 52, Ososami road, Oke-Ado, Ibadan. 08033051123 olabisifayombo@yahoo.com and	2
4	Solanke & Sulaimanu (Chartered Accountants), Societe Generale Bank building, Shehu Laminu Way, P.O.Box 1573, Maiduguri. Tel: 08055511124, 08055059497	3
5	Idowu Jenfa & Co. certified National Accountants, 42T Bauchi Ring Road, P.M.B 2734, Jos.	4
6	Joe Nongoh & Associates, Certified National Accountants, 4 Iyorchia-Ayu road, P.O.Box 1345, Makurdi.	5
7	Babalola Oyeyemi & Co, 3, Old Jebba Road, Gamba Plaza, Opposite Min. of Agric, Ilorin.	6
8	Adeyemi Apanya & Co, Apanpa house, 4 Adeyemi apanpa Avenue, off Inikpi Street, High Level, Makurdi. Tel: 08034352515, 08054990594	7
9	Bernard Edu & Co, Chartered Accountants, 53 Edgerly Road, P.O.Box 2584, Calabar, tel/Fax 234-087235749, e-mail - ics@skannet.com	8
10	Ovo Asanga Nyong & Co, Chartered Accountants, 26 IBB Way (40 Akim Rd), P.O.Box 2875, Calabar, Cross River State. Tel: 08023263011, 08039301415/ 087234264. e-mail: asangameu@yahoo.com	9
11	Okoi Okpebri & Co, chartered Accountants, 2nd floor, 55 Ndidem Usang Iso Road, P.O.Box 2322, calabar, Nigeria. Phone: +234-703-824-7754 e-mail: okoiokpebri@yahoo.com	10
12	Spiropoulos, Adiele, Okpara & Co. Chartered Accountants Nigerian correspondent firm of Grant Thornton. Allbound house, 5/6 Samek Road, P.M.B. 1339, Owerri, Imo State, Nigeria. GSM: 08034512610. e-mail: Ojokpechi@sao-ng.com	11
13	Jumbo, Jumbo & Co. Chartered Accountants,9C Station Road, (behind union bank plc), PORT HARCOURT. GSM: 08033035491, 08033411823, 08033400957., SUITE 05 BUS. PLAZA, MOBIL SERVICE STATION, KARU EXTENTION, KARU, ABUJA. 08033426068. Nigerian correspondent firm of Neville Russell & Co.	12
14	Adebisi Oguneye & Co, (CHARTERED ACCOUNTANTS) BLOCK K HOUSE 3, ABDULLAHI ADAMU ESTATE IJEH-OBALENDE, P.O.BOX 50929 (FALOMO P.O), LAGOS, NIGERIA. TEL: 234-1-4738260,4737352. FAX: 234-9-2673838, E-MAIL: oguneye-bisi@hotmail.com	13
15	Bayo Ajayi & Co , 16, ADEGBOLA STREET, OPPOSITE RAILWAY ROAD ANIFOWOSHE-IKEJA, LAGOS.	14
16	Giwa-Osagie DFK & Co, CHARTERED ACCOUNTANTS, 6, UGBAGUE STREET, (between Mission road & Lagos street), P.O.BOX 16, BENIN CITY, TEL: (052) 899654, E-MAIL: gocdfk_nig@yahoo.com	15
17	Tunde Oduwole & Co,CHARTERED ACCCOUNTANTS, 7, IKORODU ROAD, LAGOS.	16
18	Olatunji Asekun & Co, Lagos, Nigeria. and Tijjani Musa Isa & Co, Kaduna, Nigeria	17
19	Abubakar Abdulsalam & Co, G9-12 NUT HOUSE, MOGADISHU CITY CENTRE, P.O.BOX 9261, KADUNA	18
20	BDO Professional Services, ADOL HOUSE, 15 CIPM AVENUE, CBD ALAUSA, IKEJA, LAGOS	18
21	Ndubuisi Ijeomah & Co, CHARTERED ACCOUNTANTS, LAGOS, NIGERIA.	19
22	Rebo Usman & Co,CHARTERED ACCOUNTANTS, SABRU HOUSE No, 30, Mubi Road, P.O.Box 5433, Yola. Tel:075-624709. e-mail: rebousman@yahoo.com	20

23	Olawale Shorunke & Co, CHARTERED ACCOUNTANTS & TAX CONSULTANTS, Suite 102, Lozumba Commercial Complex, Area 10 Garki, Abuja, FCT, NIGERIA. Tel: 09-2346608, 08033498649. e-mail: olawaleshorunke@yahoo.com	21
24	Muhtari Dangana & Co., No. 13 Ajesa Street off Aminu Kano Crescent, Wuse ll, P.O Box 7436 Wuse Abuja.	22
25	Akintola Williams Deloitte & Touche, 2nd Floor, Metro Plaza, Central Business District, Abuja CHARTERED ACCOUNTANTS , ABUJA-NIGERIA.	22
26	Sulaimon & Co. Chartered Accountants, Ahmed Talib House, 18/19, Ahmadu Bello Way, Kaduna.	23
27	Akintola Williams Deloitte, Chartered Accountants, 2nd Floor, Metro Plaza, Central Business District, Abuja.	23
28	ALATTA, NZEWI & CO. (CHARTERED ACCOUNTANTS), 53 JAMES ROBERTSON STREET, SURULERE, G.P.O BOX 5555, LAGOS-NIGERIA. TEL: (01)2713326, 08034030156, 08035396060. E-mail:wnzewi@alattanzewi.com. Website:www.alattanzewi.com	24
29	TELE OGUNJOBI & CO. (CHARTERED ACCOUNTANTS), 2 ALLEN AVENUE, FIRST FLOOR, P.O. BOX 6157. IKEJA, LAGOS. TEL: (01) 8183992, 2348033953095, 2348033477666. E-mail: info@teleogunjobiandco.com. Website: www.teleogunjobiandco.com	25
30	BELLO MUHAMMAD DAKU & CO. CHARTERED ACCOUNTANTS, KADUNA-NIGERIA.	26
31	AHMED IDRIS & CO. CERTIFIED NATIONAL ACCOUNTANTS. 18, ZAIRA ROAD (GYADI-GYADI) P.O.BOX 4845, KANO. GSM: 08033140789. BRANCH: KASUWAN DARE SABON LAYI, GOMBE, GOMBE STATE. 08023832078, 08051361751	27
32	OLUJIMI KUYE &CO. (CHARTERED ACCOUNTANTS) 22, TAGOE STREET, OFF LAUBU STREET, OKE-ILEWO, IBARA, P.O.BOX 998, ABEOKUTA, OGUN STATE, NIGERIA. GSM:039-776647, 08027161996. E-mail: olujimi_kuye@yahoo.com	28
33	ADEYINKA GBEGUDU &CO. CHARTERED ACCOUNTANTS, SUITE 13, 14, AKURE SHOPPING COMPLEX, OWO ROAD, AKURE.	29
34	HORWATH DAFINONE, CHARTERED ACCOUNTANTS, CEDDI TOWERS, 16 WHARF ROAD, APAPA, P.O.BOX 2151 MARINA, LAGOS.,	29
35	ABUBAKAR, ABDULSALAM & CO., CHARTERED ACCOUNTANTS, MOGADISHU CITY CENTRE, NUT BUILDING, KADUNA.	30
36	GRACE LAYA & CO., CHARTERED ACCOUNTANTS, 3 DENIS OSADEBE WAY, ASABA-DELTA STATE.	30
37	ABDULRAUF JIMOH & C0., CHARTERED ACCOUNTANTS, 197 AJASE IPO ROAD, ILORIN, KWARA STATE.	30
38	DELE OTITOJU &CO. CHARTERED ACCOUNTANTS, SW 419 KETERENGWARI ROAD, P.O.BOX 1047, MINNA, NIGER STATE., ,	30

Source: Fieldwork, 2014

APPENDIX B1: STATEMENTS OF ACCOUNTING STANDARDS

SAS 1 - Disclosure of accounting policies

SAS 2 - Information to be disclosed in Financial Statements

SAS 3 - Accounting for Property, Plant and Equipment

SAS 4 - On Stocks

SAS 5 - Construction Contracts

SAS 6 - On Extraordinary Items & Prior Year Adjustments

SAS 7 - On Foreign Currency Conversions & Translations

SAS 8 - Accounting for Employees' Retirement Benefits

SAS 9 - Accounting for Depreciation

SAS 10 - Accounting by Banks and Non-Bank Financial Institutions (Part I)

SAS 11- On Leases

SAS 12 - Accounting for Deferred Taxes

SAS 13 - Accounting for Investments

SAS 14 - Accounting in the Petroleum Industry: Upstream Activities

SAS 15 - Accounting by Banks and Non-Bank Financial Institutions (Part II)

SAS 16 - Accounting for Insurance Business

SAS 17 - Accounting in the Petroleum

SAS 18 - Statement of Cash Flows

SAS 19 - Accounting for Taxes

SAS 20 - On Abridged Financial Statements

SAS 21 - On Earnings Per Share

SAS 22 - On Research and Development Costs

SAS 23 - On Provisions, Contingent Liabilities and Contingent Assets

SAS 24 - Segment Reporting

SAS 25 - Telecommunications Activities (Added in 2007)

SAS 26 - Business Combinations (Added in 2008)

SAS 27 - Consolidated and Separate Financial Statements (Added in 2008)

SAS 28 - Investments in Associates (Added in 2008)

SAS 29 - Interests in Joint Ventures (Added in 2008)

SAS 30 - Interim Financial Reporting (Added in 2008)

SAS 31 - Intangible Assets (Added in 2008)

Source: **SAS: Accounting Standards for Exams (2008)**

APPENDIX B2: INTERNATIONAL ACCOUNTING STANDARDS (IAS)

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 11 -Construction Contracts

IAS 12 -Income Taxes

IAS 16 -Property, Plant and Equipment

IAS 17 -Leases

IAS 18 -Revenue

IAS 19 -Employee Benefits

IAS 20 -Accounting for Government Grants and Disclosure of Government Assistance

IAS 21 -Effects of Changes in Foreign Exchange Rates

IAS 23 -Borrowing Cost

IAS 24 -Related Party Disclosures

IAS 26 -Accounting and Reporting by Retirement Benefit Plans

IAS 27 -Consolidated and Separate Financial Statements

IAS 28 -Investments in Associates

IAS 31 -Interests in Joint Venture

IAS 32 -Financial Instruments: Presentation

IAS 33 -Earning Per Share

IAS 34 -Interim Financial Reporting

IAS 36 -Impairment of Assets

IAS 37 -Provisions, contingent Liabilities and Contingent Assets

IAS 38 -Intangible Assets

IAS 39 -Financial Instruments: Recognition and Measurement

IAS 40 -Investment Property

IAS 41 - Agriculture

Source: Greuning, Scott and Terblanche (2010).

APPENDIX B3: INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

IFRS	1	First-time Adoption of International Financial Reporting Standards
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
IFRS	8	Operating Segments
IFRS	9	Financial Instruments

Source: **Greuning, Scott and Terblanche (2010)**

APPENDIX B4: PARASTATALS SLATED FOR COMMERCIALISATION

S/N	ENTERPRISES	NUMBER	TYPE
1	Nigerian Railways Corporation	1	Partial
2	Nigerian Airports Authority	1	Partial
3	National Electric Power Authority	1	Partial
4	Nigeria Security Printing and Minting Company Ltd.	1	Partial
5	National Provident Fund	1	Partial
6	Nigerian Machine Tools Ltd.	1	Partial
7	Federal Housing Authority	1	Partial
8	National Iron Ore Mining Company Ltd.	1	Partial
9	Delta Steel Company Ltd.	1	Partial
10	Ajaokuta Steel Company Ltd.	1	Partial
11	Sokoto- Rima Rivers Basin Development Authority, sokoto	1	Partial
12	Hadejia-Jema'are River Basin Development Authority, Kano	1	Partial
13	The Lake Chad Basin Development Authority, Maiduguri.	1	Partial
14	The Upper Benue River Basin Development Authority, Yola.	1	Partial
15	Lower Benue River Basin Development Authority, Makurdi.	1	Partial
16	Cross River River Basin Development Authority, Calabar.	1	Partial
17	Anambra-Imo Basin Development Authority, Owerri.	1	Partial
18	Niger River Basin Development Authority, Ilorin.	1	Partial
19	Niger Delta Basin Development Authority, Port Harcourt.	1	Partial
20	Benin-Owena Basin Development Authority, Benin City.	1	Partial
21	Oshun-Ogun Basin Development Authority, Abeokuta	1	Partial
22	Kanji Lake National Park	1	Partial
23	Federal Radio Corporation of Nigeria, Abuja	1	Partial
24	Nigerian Television Authority, Abuja	1	Partial
25	News Agency of Nigeria, Abuja	1	Partial
26	Nigerian National Petroleum Corporation	1	Partial
27	Nigerian Telecommunications Ltd.(NITEL)	1	Full
28	Nigerian Mining Corporation	1	Full

29	National Insurance Corporation of Nigeria(NICON)	1	Full
30	Nigerian Coal Corporation	1	Full
31	Nigerian Reinsurance Corporation	1	Full
32	National Properties Ltd.	1	Full
33	Tafawa Balewa Square Management Committee	1	Full
34	Nigerian Ports Authority	1	Full
	Total number of enterprises	34	

Source: Greuning, Scott & Terblanche (2010)