International Journal of Auditing and Accounting Studies
ISSN: 2582-3272 • Volume 6; Number 3; 2024 : pp. 263-297
https://DOI:10.47509/IJAAS.2024.v06i03.01

ARF INDIA
Academic Open Access Publishing
www.arfjournals.com

INTERNATIONAL FINANCIAL REPORTING STANDARD COMPLIANCE IN SUB-SAHARAN AFRICA: THE INFLUENCE OF THE BOARD AND FIRM CHARACTERISTICS

Richmell Baaba Amanamah*

Department of Accounting Studies Education, Faculty of Business, Akenten Appiah-Menka University of Skill Training and Entrepreneurial Development, Ghana.
**Corresponding author; E-mail: rbamanamah@aamusted.edu.gh*

Received: 29 July 2024; Revised: 20 August 2024; Accepted: 15 September 2024

Abstract: The reliability of a company's financial statements depends on its adherence to the International Financial Reporting Standard (IFRS). Since the financial markets are now transparent and foster confidence, such compliance is essential to all economies in the global village that is the stock market. It also improves the reputation of companies that are listed there. This study looks at how board membership, corporate characteristics, and IFRS compliance in Sub-Saharan Africa are influenced by the regulatory environment. The researcher employed multiple linear regression analysis to look into these relationships. Software from SPSS and STATA was used for the analysis of the dataset, which contains 1885 firm-year observations. The results show a favorable correlation between IFRS compliance, firm size, and gender diversity on boards. IFRS compliance is adversely affected by firm age, although IFRS compliance is not directly impacted by board size. According to the study, regulatory regimes with stricter regulations improve the benefits of gender diversity on boards and business size on IFRS compliance. Another important factor influencing the relationship between board size and IFRS compliance is the regulatory environment. The aforementioned findings underscore the significance of robust regulatory frameworks and the configuration of corporate boards in attaining exceptionally efficient financial reporting standards.

Keywords: Board Composition, Firm Characteristics, IFRS Compliance, Corporate Governance, Sub-Saharan Africa

1. INTRODUCTION

Prior to the International Accounting Standards (IAS) being introduced in the early 1970s, various countries had developed and implemented their national

To cite this paper:
Richmell Baaba Amanamah (2024). International Financial Reporting Standard Compliance in Sub-Saharan Africa: The Influence of The Board and Firm Characteristics. *International Journal of Auditing and Accounting Studies*. 6(3), 263-297. *https://DOI:10.47509/IJAAS.2024.v06i03.01*

accounting standards. In 1973, professional accounting bodies from France, Mexico, Canada, the US, Germany, Japan, the UK, and Ireland formed the International Accounting Standards Committee (IASC), and it was responsible for establishing these international standards (Cummings, 1974; O'Cualain & Tawiah, 2023; Zeff, 2022). The goal of the IASC according to Zeff (2022) was the development and promotion of international accounting standards to improve and harmonize financial reporting globally. This led to the issuance of a series of IAS from 1975 to 2001. Anssari and Al-Tamimi (2023) posit that the globalization of financial markets accelerated the need for financial reporting standards that were more comprehensive and universally recognized. As a result, the International Accounting Standards Board (IASB) took over from the IASC in 2001. Its mission is to provide uniform standards for financial reporting around the world (Tweedie et al., 2023).

Thus, International Financial Reporting Standards (IFRS) were gradually issued to replace the older IAS to cover aspects of financial reporting globally. This led to the worldwide adoption of the IFRS in various countries in 2002. Currently, IFRS has been adopted in 140 jurisdictions worldwide, which reflects the global move in harmonizing financial reporting standards (Tlemsani et al., 2024; Zahid & Simga-Mugan, 2024). This ensures the enhancement of transparency, comparability and reliability of financial reports internationally (Zahid & Simga-Mugan, 2024).

The importance of having internationally recognized financial reporting standards was made clear when the whole world was hit by the COVID-19 pandemic. This pandemic from November 2019, brought the disruption of global economies and created challenges for most businesses in the world (Barai & Dhar, 2021; Liu et al., 2020; Naseer et al., 2023). Sub-Saharan African businesses also encountered intensified obstacles as a result of the pandemic's influence on already vulnerable economies (Agwanda et al., 2021; Mashige et al., 2021), increasing the importance of adhering to International Financial Reporting Standards (IFRS). Amidst the pandemic, firms found it necessary to have precise and open financial reporting to effectively handle economic risks, maintain investor trust, and obtain financial assistance (Ndiili, 2020). The COVID-19 pandemic amidst other financial disruptions in the Sub-Saharan African markets has indicated the importance of the characteristics of firms in complying with IFRS. According to Khatib and Nour (2021), firm characteristics refer to specific attributes that define a company and influence its operations and financial performance. For example, firms with higher Return on Assets (ROA) were better financially and this led to reporting accurate and

reliable reports during such economic disruptions (Hsu & Yang, 2022; Ozili, 2021). This is because they had the finances and resources to allocate to the compliance of these financial standards.

Moreover, older and larger firms also had more resources and systems which were better equipped to comply with the standards during the pandemic and other economic disruptions (Rashata, 2021). These firms found it easy to adapt to the demands of the stakeholders even during such challenging situations by continuing to comply with IFRS (Sappor et al., 2023; Tsalavoutas et al., 2020). Thus, according to Nimer et al. (2024), the characteristics of firms are important to complying with IFRS. Additionally, it has been discovered that the financial reporting requirements compliance is impacted by the board composition of an organisation. Alkurdi and Mardini (2020) state that the structure of a company's board of directors is referred to as board composition. The gender makeup of the board, the total number of board members, and other characteristics fall under this category (Alabdullah et al., 2021). Moreover, Arayssi et al. (2020) indicate that a company's board of directors further provide oversight responsibility over the affairs of the business. Board composition is a corporate governance feature that ensures that the agency problem in an organization is minimized (Huu Nguyen et al., 2020).

According to Amanamah (2024), a board's capacity to offer various viewpoints and guarantee robust supervision is greatly affected by the board's size. Furthermore, when a board is composed of different genders there is the enhancement of diverse viewpoints and experiences (Konadu et al., 2022). The composition of an effective board of directors ensures that a company has a well-rounded and competent board that is capable of providing strong governance and strategic direction. According to Sarma et al. (2024), by ensuring that there is an appropriate board composition, the company is able to navigate regulatory environments and also ensures that these companies maintain high standards of financial reporting. Typically, researchers have looked at the relationship between IFRS compliance, board composition, and firm characteristics separately (Kabwe et al., 2021; Nimer et al., 2024; Olateru-Olagbegi & Alade, 2023; Umar et al., 2022). Moreover, despite the literature available on corporate governance and financial reporting, there are significant gaps in understanding the relationship between firm characteristics, board composition and their impact on IFRS Compliance in the Sub-Saharan Africa region. First of all, this study seeks to examine how firm characteristics and board composition influence compliance with IFRS in Sub-Saharan Africa. Furthermore, the regulatory environments of the countries in the study

are different from each other. According to Tilt et al. (2021), the regulatory framework in this region is shaped by each country's unique economic, political and social environment. A regulatory framework is a set of laws, regulations, guidelines and institutions that govern and oversee activities within a country (Abbott & Snidal, 2021; Almeida et al., 2022).

Thus, to ensure compliance, transparency and accountability of organizations in a certain economic environment, the rules and standards are established. Since the regulatory environments of these countries differ, the implementation and compliance of IFRS differ significantly (Borgi & Mnif, 2022; Tsalavoutas et al., 2020). For example, in Ghana IFRS was adopted in 2007 and the companies are primarily overseen by the Securities and Exchange Commission (SEC) and Bank of Ghana (BoG) (Agana et al., 2023; Torku & Laryea, 2021). Nigeria's environment is regulated by the Financial Reporting Council (FRC), the Securities and Exchange Commission (SEC) and the Central Bank of Nigeria (CBN), having adopted the IFRS in 2012 (Nwufo & Chima, 2021; Osinubi, 2020; Uthman, 2021). Also, South Africa adopted the IFRS in 2005 and is being regulated by the Johannesburg Stock Exchange (JSE), the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA) (Munedzi, 2023; Rusconi, 2020). This shows that all these countries have different regulatory bodies and these frameworks can affect the compliance and implementation of the IFRS. Consequently, this research delves further into how regulatory environments moderate the relationship between firm characteristics, board composition, and IFRS compliance. The study's findings contribute to a better grasp of the factors impacting IFRS compliance. This study further helps policymakers and regulatory bodies in various countries to formulate effective regulations. Moreover, the study assists firms in optimizing their governance structures so that they can comply with international standards. Finally, given the economic significance of the sub-Saharan African region, this study helps in improving financial reporting standards and compliance to boost investor confidence, facilitate access to international capital markets and promote economic growth.

2. THEORETICAL REVIEW

2.1. Institutional theory

The theory that underpins this study is the institutional theory. The Institutional Theory postulated by Meyer & Rowan (1977) is a theory that explores how institutions shape the behaviour of individuals and organizations within a

society. Meyer and Rowan (1977) argued that formal structures and practices are normally adopted by organizations to gain legitimacy, even if the structures and practices do not necessarily improve efficiency. According to Yang et al. (2021), the structures and practices are heavily influenced by the broader social and cultural environment. The theory of institutional isomorphism was previously proposed by DiMaggio and Powell (1983). Coercive, mimetic, and normative forces cause organizations in the same field to become more similar over time, as shown by Cardona Mejía et al. (2020) and Choi and Woo (2022). Coercive isomorphism arises when organizations and society are subjected to both formal and informal pressures (DiMaggio & Powell, 1983). Professionalization and the shared fight of an occupation's members to define the circumstances and procedures of their work give rise to normative isomorphism, while mimetic isomorphism develops as a result of customary reactions to ambiguity (Cardona Mejía et al., 2020; Choi & Woo, 2022).

Also, Scott (1987) expands this theory by focusing on the multidimensional aspects of institutions. This includes regulatory, normative, and cultural-cognitive elements. According to Risi et al. (2023), the work of Scott (1987) has helped with the understanding of how institutional environments shape organizational practices and how organizations influence these institutional environments. This theory has been applied in studies across different research areas to understand how organizational behavior is shaped by institutions. In the adoption of IFRS, this theory has been applied in various settings, including Romania (Albu et al., 2014), Brazil and Portugal (Silva et al., 2021), Egypt (Alnaas & Rashid, 2019), Turkey (Kılıç et al., 2021), etc. This theory was adopted for this study because it examines how external pressures and norms shape organizational behavior. Institutional pressures, including coercive (regulatory requirements), mimetic (imitation of successful firms), and normative (professional standards), drive firms to adopt and comply with IFRS to gain legitimacy and support from stakeholders. Firm characteristics such as size and age influence how firms respond to these institutional pressures. According to Tsalavoutas et al. (2020), larger, older, and more profitable firms are likely to have more established processes and resources to comply with IFRS, thereby aligning with institutional demands for transparency and accountability. Also, a diverse and competent board (board composition) provides the necessary oversight and expertise to ensure compliance with IFRS (Kabwe et al., 2021; Nalukenge, 2020). This helps firms navigate the regulatory environment effectively. The diverse perspectives and experiences brought in by board members enhance the firm's ability to meet institutional

expectations and maintain high standards of financial reporting (Arayakarnkul et al., 2022; Cheng et al., 2021). Furthermore, according to Kabwe et al. (2021) and Tsalavoutas et al. (2020), complying with IFRS is affected by the regulatory environment in which the firms operate. Differences in the regulatory frameworks of Ghana, Nigeria, and South Africa create varying levels of institutional pressure, influencing how firms in these countries adhere to international standards. Thus, this theory supports the study, the objectives, and the hypothesis developed.

Harmonization of accounting information is needed more today than ever, as the world is now a global village, and technology has strengthened this and given access to the international markets irrespective of country. IFRS compliance is key to the comparability and harmonization of accounting information. Melladoa and Saonab (2020), in their research on real earnings management and corporate governance, found that the quality of the regulatory system is an effective mechanism in reducing real activity manipulation. Filatotchev, Jackson, & Nakajima (2013) assert that corporate governance's effectiveness depends on regulatory quality. The national and global regulatory framework curbs managers' intentions to overstate the elements of the financial statements by complying with the IFRS. Rachisan, Bota-Avram, and Grosanu (2017) reiterate that regulation improvements significantly influence management's behaviour in misreporting financial information. Numerous studies document corporate governance structures are important in IFRS compliance and reporting quality (Kukah et al., 2016; Nelson & Devi, 2013). Mbir et al. (2020) argue that effective corporate governance creates the environment for IFRS compliance. It has been noted in literature that board gender diversity creates an appropriate environment for high-quality financial reporting, hence IFRS compliance. Kukah et al. (2016).

2.2. Conceptual framework

The links between the regulatory environment, corporate characteristics, board makeup, and IFRS compliance are defined in the conceptual framework. It serves as a basis for the investigation, bolstering the development of theories and the plan of the study to investigate these connections. First, the board composition and business characteristics—the independent variables—are identified by the framework. Firm characteristics variables include firm age and size, whereas board composition variables include board size and gender diversity. The framework indicates how these variables impact IFRS compliance, the dependent variable in this study. Businesses' adherence to the

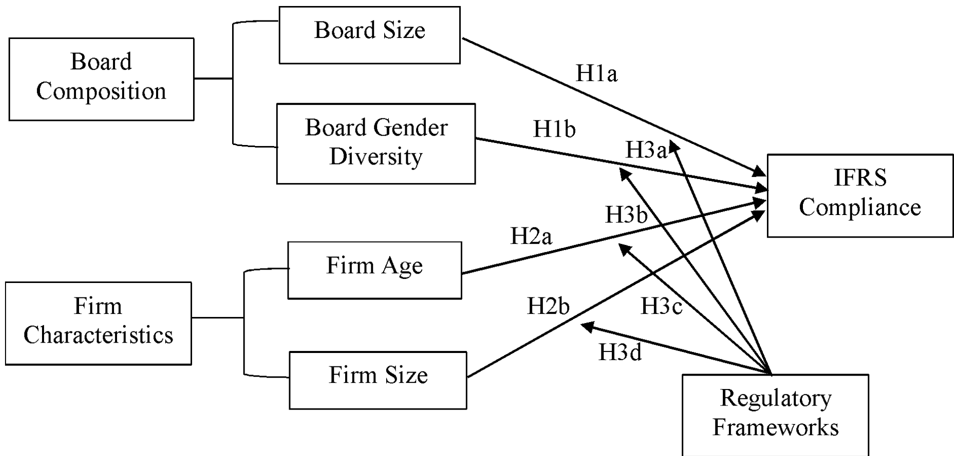

Figure 1: Conceptual framework for the study

Source: Author, 2024

guidelines set forth by IFRS is referred to as their level of IFRS compliance. The regulatory framework, a moderating variable, is included in the framework as well. This variable influences the associations' direction and strength between the independent and dependent variables.

2.3. Empirical review and hypothesis development

2.3.1. Board composition and IFRS compliance

Recent studies on corporate governance have emphasized the importance of board size in impacting organizational compliance with financial reporting standards such as the International Financial Reporting Standards (IFRS). According to Al-Matari (2020), boards with a higher number of directors or larger boards tend to have a wider variety of skills, knowledge, and viewpoints. El Beshlawy and Ardroumli (2021) add that the presence of diverse perspectives in the boardroom can boost the oversight and decision-making processes, hence improving the organization's capacity to adhere to detailed reporting standards. Nalukenge (2020) found that larger boards are more effective in ensuring compliance with IFRS because they have a wider range of expertise and more ability to oversee. Therefore, a varied group of directors with different skills and expertise enables larger boards to carefully examine financial reports and ensure they comply with the standards defined by the International Financial Reporting Standards (IFRS).

Sanni et al. (2020) provided more evidence to support this claim, showing that Nigerian enterprises with larger boards had greater compliance with IFRS standards. Thus, greater compliance is attributed to the heightened examination and varied perspectives seen in larger boards, which enable them to efficiently recognize and address probable non-compliance (El Beshlawy & Ardroumli, 2021; Sanni et al., 2020). Therefore, larger boards significantly affect increased compliance with International Financial Reporting Standards (IFRS), according to the empirical findings. Therefore, it is hypothesized that:

H_{1a}: Board Size has a positive and significant impact on IFRS Compliance

In addition, according to Dobija et al. (2022), gender diversity on boards has a significant impact on financial reporting quality. Thus, adding women to boards offers a distinct range of viewpoints, abilities, and moral considerations that can benefit decision-making and supervision procedures in the boardroom (Bufarwa et al., 2020; Orazalin, 2020). According to Srinidhi et al. (2020), having more women on boards improves the board's capacity to evaluate financial data thoroughly, which raises the standard of reports. Furthermore, Alves (2023) revealed that companies with a greater representation of women on their boards demonstrated increased adherence to IFRS regulations. This conclusion is attributed to the improved ethical supervision and involvement of stakeholders that female directors bring to the boardroom (Kabara et al., 2023; Sanad & Al Lawati, 2023). As a result, having women on boards increases diversity of opinion and promotes more inclusive decision-making. This practice of inclusion is thought to contribute to a more thorough examination of multiple aspects, including ethical considerations, ultimately leading to improved compliance with financial reporting standards. Therefore, it is hypothesized that:

H_{1b}: Board Gender Diversity has a positive and significant impact on IFRS Compliance

2.3.2. Firm characteristics and IFRS compliance

An organization's age is frequently linked to its level of experience, stability, and maturity. These elements affect the business's capacity to abide by rules like the International Financial Reporting Standards (IFRS). According to Nimer et al. (2024), older organizations are perceived as having more established protocols and a better understanding of regulatory standards because of their longer market experience. This makes them more adept at adhering to IFRS. Research on Eastern European enterprises, such as that conducted by Petre and Albu (2020), indicates that older businesses are more likely to adopt IFRS.

Older organizations have developed established methods and accumulated experience over time, which is the reason for this compliance.

According to Tsalavoutas et al. (2020), these businesses have improved their internal controls and compliance procedures to meet IFRS requirements because they have previously dealt with a variety of regulatory changes and difficulties. El-Helaly et al. (2020) found that an organization's age significantly affected its compliance with International Financial Reporting Standards (IFRS) in a study done in Egypt. According to Abdelqader et al. (2022), well-established businesses have more sophisticated internal controls and compliance procedures, which improves their adherence to IFRS requirements. Therefore, a firm's longevity can be a helpful instrument for ensuring that tight financial reporting laws are followed because it allows the company to modernize and adapt its operations gradually in order to fulfil compliance requirements. Thus, it is hypothesized that:

H_{2a}: Firm Age has a positive and significant impact on IFRS Compliance

Furthermore, a company's capacity to adhere to reporting standards, such as the International Financial Reporting Standards (IFRS), is affected by its size (Kabwe et al., 2021; Nimer et al., 2024). Since they are bigger, larger companies usually have additional organizational structures, resources, and competencies in place to make sure these standards are followed. According to research by Boateng et al. (2022), there is a relationship between a company's size and its compliance with IFRS. The relationship indicates that larger companies are more inclined to adhere to IFRS since they have the capability to commit greater resources to the implementation and maintenance of compliance. Also, Mbir et al. (2020) add that large businesses possess the necessary financial resources to allocate towards hiring highly trained employees, implementing advanced compliance systems, and providing continuous training programs. These factors are vital in guaranteeing compliance with reporting standards. Similarly, Krismiaji and Surifah (2020) found that in Indonesia, larger enterprises exhibited greater adherence to IFRS regulations. The researchers attributed this higher degree of compliance to the capacity of larger corporations to allocate resources and establish the infrastructure that is necessary for fulfilling the demands of IFRS. In order to understand and enforce the standards, it is important to form specialized teams of experts with the appropriate knowledge and abilities. Additionally, it entails installing strong internal controls and monitoring systems to guarantee adherence to the regulations (Krismiaji & Surifah, 2020; Mbir et al., 2020). Therefore, a company's ability to comply with IFRS is significantly impacted by its size. Thus, it is hypothesized that:

H_{2b}: Firm Size has a positive and significant impact on IFRS Compliance

2.3.3. Board size, board gender diversity, firm age, firm size, regulatory environment and IFRS compliance

Businesses' adherence to IFRS is influenced by the environments in which they operate. According to Tsalavoutas et al. (2020), there is a greater effect of board size on IFRS compliance in countries with stringent regulatory regimes. Larger boards are more successful in guaranteeing IFRS compliance in settings with stringent regulatory oversight (Nalukenge, 2020; Zaid, 2023). As a result, businesses operating under stringent regulations must be more accountable and subject to more inspection, which calls for stronger governance structures (Tsalavoutas et al., 2020).

Also, larger boards, due to their wide range of experience and ability to provide more comprehensive supervision, are more capable of meeting these statutory requirements (Al-Matari, 2020; Nalukenge, 2020). They have the ability to thoroughly examine financial reports, guarantee openness, and maintain the honesty of financial information, all of which are essential for complying with IFRS standards. In contrast, a smaller board may not have as much of an impact on IFRS compliance in less stringent regulatory environments. This is because smaller boards may still be capable of effectively carrying out their governance duties (Sanni et al., 2020). Having bigger boards is beneficial in cases of stringent regulatory requirements since they can better ensure that businesses follow the standards. The importance of aligning board size with regulatory obligations is further emphasized by this. Thus, it is hypothesized that:

H_{3a}: The regulatory environment positively moderates the relationship between board size and IFRS compliance.

Furthermore, Dobija et al. (2022) and Orazalin (2020) widely acknowledge that enhancing board gender diversity is crucial for enhancing financial reporting quality and ensuring compliance with International Financial Reporting Standards (IFRS). In nations with robust regulatory frameworks, the impact of a gender-diverse board of directors on compliance with International Financial Reporting Standards (IFRS) is greater, according to research by Alves (2023). It can be inferred from this that a robust regulatory environment enhances the effect of a gender-diverse board in encouraging compliance with IFRS. Corporate boards with more female representation are likely to pay closer attention to ethical issues and conduct more thorough audits in countries with strong regulatory oversight (Sanad & Al Lawati, 2023;

Srinidhi et al., 2020). Female directors frequently offer diverse viewpoints, backgrounds, and expertise in the boardroom, leading to a more thorough and discerning evaluation of financial data (Kabara et al., 2023). Consequently, this improves the board's capacity to guarantee adherence to IFRS. Hence, the results indicate that having regulatory backing is essential in utilizing board diversity, including gender diversity, to enhance adherence to financial reporting standards. Encouraging and supporting gender diversity on boards can greatly improve the credibility and accuracy of financial reports. Thus, it is hypothesized that:

H_{3b}: *The regulatory environment positively moderates the relationship between board gender diversity and IFRS compliance.*

In countries where regulations are firmly in place, stable companies are more likely to use IFRS (International Financial Reporting Standards) than new businesses (El-Helaly et al., 2020; Petre & Albu, 2020). This implies that the relationship between the age of a company and its compliance with IFRS standards is more noticeable in situations where there is intense regulatory oversight (Tsalavoutas et al., 2020). The findings suggest that older organizations, with a longer operating history, are likely to have gathered greater expertise and established more effective internal control mechanisms. These companies have superior capabilities to handle the complicated requirements of IFRS and fulfill the strict demands imposed by regulatory bodies (Nimer et al., 2024). However, especially in highly regulated contexts, younger companies lack the knowledge and resources to ensure full compliance with International Financial Reporting Standards (IFRS) (Abdelqader et al., 2022). Hence, the research emphasizes the significance of considering both the age of the company and the regulatory framework while understanding IFRS compliance. The statement implies that regulatory frameworks have a significant impact on how organizations comply with rules and that older firms may be better equipped to achieve compliance standards, especially in highly regulated settings. Thus, it is hypothesized that:

H_{3c}: *The regulatory environment positively moderates the relationship between firm age and IFRS compliance.*

In addition, Mbir et al. (2020) draw attention to the relationship between a company's size, the regulatory environment in which it works, and the extent to which it implements IFRS. The research conducted by Nimer et al. (2024) suggests that in nations with strict regulatory frameworks, bigger companies are more likely to comply with IFRS better than smaller ones. This suggests that strict regulatory environments increase the effect of firm size on IFRS compliance. The results indicate that larger companies, due to

their increased resources and capabilities, are more capable of fulfilling the requirements of intricate regulatory frameworks (Kabwe et al., 2021). Krismiaji and Surifah (2020) also add that they can dedicate additional resources to the implementation and upkeep of conformity with IFRS.

Furthermore, the close examination and supervision enforced by stringent regulatory frameworks motivate bigger companies to allocate resources towards hiring highly qualified staff, implementing advanced compliance systems, and maintaining continuous training programs. Achieving conformity with IFRS requires these actions. This study shows that regulatory factors are important because they affect companies' compliance behavior. This implies that stringent regulatory environments can improve the capacity of big companies to follow international standards. Thus, it is hypothesized that:

H_{3d}: *The regulatory environment positively moderates the relationship between firm size and IFRS compliance.*

3. METHODOLOGY

3.1. Research design

The purpose of this study is to investigate the relationship between firm characteristics, board composition, and compliance with International Financial Reporting Standards (IFRS) in Ghana, Nigeria, and South Africa, all of which are subject to diverse regulatory frameworks. The research methodology utilized in this study is a quantitative research approach. The quantitative approach allowed for systematic data analysis to test hypotheses and examine the interaction effects between variables (Taherdoost, 2022). The research design is longitudinal, involving data collection over multiple periods. This enhances the ability to investigate causal relationships between variables (Al-Ababneh, 2020). Longitudinal studies follow the same individuals over a period of time that spans many time intervals, in contrast to cross-sectional research, which only provides a snapshot at a single point in time (Kelloway & Francis, 2012). Hassett and Paavilainen-Mäntymäki (2013) state that this method enables one to track how organizations change over time, offering a dynamic perspective on how IFRS compliance, board composition, and firm characteristics evolve. Additionally, Hill et al. (2020) state that by taking into consideration individual business characteristics that remain constant across time, longitudinal studies can isolate the impact of the relevant factors and control for unobserved variability. This method also allows for the analysis of lagged effects, where past values of independent variables can influence current

compliance levels (Hassett & Paavilainen-Mäntymäki, 2013; Hill et al., 2020). Therefore, the longitudinal research design provides a robust framework for examining how regulatory environments in Ghana, Nigeria, and South Africa influence firms' compliance with IFRS over time.

3.2. Data collection and sample

The data for this study is collected from a combination of publicly available sources and databases, as well as financial reports and disclosures of companies operating in Ghana, Nigeria, and South Africa. The data spans from 2009 to 2021, ensuring a comprehensive analysis over a substantial period. To ensure a representative sample, a stratified sampling method is employed. This approach ensures that companies across different industries and sizes within each country are proportionally represented, providing a robust basis for generalizing the findings (Etikan & Bala, 2017). The study included listed and unlisted companies in the sample to capture a diverse range of firm characteristics and board compositions. With this variety in mind, one better understands the myriad of elements that impact IFRS compliance in varied organizational settings. The inclusion criteria for the sample are to ensure data completeness and reliability. Thus, only companies with complete annual reports and disclosures for each year from 2009 to 2021 are included. This criterion ensured that the data used for analysis is consistent and allows for accurate longitudinal tracking of changes in firm characteristics, board composition, and compliance with IFRS.

3.3. Variable measurement

The variables in this study are measured using established proxies from the literature, ensuring the robustness and reliability of the constructs. Table 1 summarizes the variables, their proxies, and measurements.

3.4. Models

This study makes use of multiple linear regression analysis in its model to investigate how IFRS compliance is influenced by firm characteristics and board composition, as well as how the Regulatory Framework moderates this relationship. The following models are created based on the variables and the hypothesis. This will help accomplish the study's goals while also testing the hypothesis.

$$IFRS.Comp_{it} = \alpha + \beta_1 BS_{it} + \beta_2 BGD_{it} + \beta_3 FA_{it} + \beta_4 FS_{it} + \beta_5 ROA_{it} + \beta_6 FL_{it} + \varepsilon_{it} \quad (1)$$

Table 1: Variables and their Measurement

Variables	*Proxies*	*Measurement*	***References***
Independent Variables: Board Composition Firm Characteristics	Board Size and Board Gender Diversity Firm Age and Firm Size	BS (The square of the number of board members) BGD (The ratio of female directors to the total number of directors on the board) FA (Number of years the company has been in existence) FS (Log of Total Assets)	(Al-Rahahleh, 2017; Ali et al., 2020; Chijoke-Mgbame et al., 2020; Elmagrhi et al., 2017; Pouraghajan et al., 2012; Too & Simiyu, 2018)
Dependent Variable: IFRS Compliance		Composite index based on the extent of adherence to IFRS guidelines in financial reporting	(Agyei-Mensah, 2013; Kabwe, 2023)
Moderating Variable: Regulatory Framework		Country-specific random effect, capturing the unique regulatory environment of each country	(Samaha & Khlif, 2016; Waweru, 2020)
Control Variables: Return on Assets and Financial Leverage		Net Income / Total Assets Total Debt/Total Equity	(Ayuba et al., 2019; Bei & Wijewardana, 2012; Ibrahim & Isiaka, 2020)

Source: Author, 2024

$$IFRS.Comp_{it} = \alpha + \beta_1 BS_{it} + \beta_2 BGD_{it} + \beta_3 FA_{it} + \beta_4 FS_{it} + \beta_5(BS_{it}*RF_{it}) + \beta_6(BGD_{it}*RF_{it}) + \beta_7(FA_{it}*RF_{it}) + \beta_8(FS_{it}*RF_{it}) + \beta_9 ROA_{it} + \beta_{10} FL_{it} + \varepsilon_{it} \quad (2)$$

Where;

IFRS.Comp = IFRS Compliance

BS = Board Size

BGD = Board Gender Diversity

FA = Firm Age

FS = Firm Size

ROA = Return on Assets
FL = Financial Leverage
RF = Regulatory Framework
BS*RE: Interaction Term between Board Size and Regulatory Framework
BGD*RE: Interaction Term between Board Gender Diversity and Regulatory Framework
FA*RE: Interaction Term between Firm Age and Regulatory Framework
FS*RE: Interaction Term between Firm Size and Regulatory Framework
ε = Error Term

3.5. Data analysis

The data analysis for this study was carried out using SPSS and STATA, taking advantage of their complementing strengths throughout. Initially, descriptive statistics were calculated using SPSS to summarize the central tendencies, dispersion, and overall distribution of the variables. This provided a foundational understanding of the dataset and helped identify any anomalies or outliers that needed to be addressed before further analysis. After making sure multicollinearity wasn't a problem, the study used SPSS's correlation analysis to examine the relationships between the independent variables and the dependent variable (IFRS compliance). The relationships between IFRS compliance and several firm characteristics and board composition variables were then tested using multiple linear regression. STATA was used for this regression analysis due to its robust capabilities in handling complex models. Additionally, the regulatory environment was treated as a country-specific random effect, allowing the study to account for unobserved heterogeneity at the country level. Hence, the robustness tests, descriptive statistics, and correlation analyses were conducted in SPSS, whereas the regression analyses, which included both direct associations and moderating effects, were run in STATA. This dual-software approach ensured a comprehensive analysis, providing robust insights into the research objectives.

3.6. Robustness checks

Robustness checks were conducted to assess the reliability and validity of the data. Sensitivity tests are also conducted to assess the impact of outliers and influential observations on the results. To ensure the reliability of the regression results, the Huber-White standard errors were calculated (Bell et al., 2019). This is important for addressing potential heteroscedasticity, which can bias

the standard errors and lead to incorrect inferences. Huber-White standard errors provide more accurate estimates, thereby enhancing the validity of the findings.

Huber-White standard errors

Table 2: Tests of Model Effects

Source	Type III		
	Wald Chi-Square	df	Sig.
(Intercept)	86091.634	1	0.000
Dependent Variable: IFRS.Comp Model: (Intercept)			

Source: Author, 2024

Table 3: Parameter Estimates

Parameter	*B*	*Std. Error*	*95% Wald Confidence Interval*		*Hypothesis Test*		
			Lower	*Upper*	*Wald Chi-Square*	*df*	*Sig.*
(Intercept)	.891	.0030	.885	.897	86091.634	1	0.000
(Scale)	.017[a]	.0006	.016	.018			
Dependent Variable: IFRS.Comp Model: (Intercept)							
a. Maximum likelihood estimate.							

Source: Author, 2024

The Huber-White standard errors were used to ensure robust statistical inference in this study. The results, summarized in Tables 2 and 3, highlight the significance of the model's intercept, with a Wald Chi-Square value of 86,091.634 ($p < 0.000$), indicating a highly significant relationship between the intercept and the dependent variable, IFRS compliance. The parameter estimates show that the intercept (B =.891, SE =.0030) has a 95% confidence interval ranging from 885 to 897, reaffirming its precision and statistical significance ($p < 0.000$). The scale parameter estimates (SE =.017) further indicate the model's robustness, suggesting that the variability in IFRS compliance is well accounted for by the model. Therefore, these results demonstrate the strength and reliability of the regression model, indicating the importance of the intercept in explaining IFRS compliance among the firms studied.

3.7. Breusch-Pagan test

The Breusch-Pagan test was conducted to check for heteroscedasticity in the regression model.

Table 4: Residuals Statistics[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
		B	*Std. Error*	*Beta*		
1	(Constant)	.827	.016		52.799	0.000
	BS	-1.634E-05	.000	-.007	-.308	.758
	BGD	.066	.024	.064	2.722	.007
	FS	.007	.002	.100	3.995	.000
	FA	.000	.000	-.070	-2.994	.003
	ROA	.001	.002	.008	.348	.728
	FL	-3.353E-05	.000	-.036	-1.584	.113
a. Dependent Variable: IFRS.Comp						

Source: Author, 2024

Table 5: Coefficients[a]

Model		*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*
		B	*Std. Error*	*Beta*		
1	(Constant)	-1.821E-15	.147		.000	1.000
	Unstandardized Predicted Value	0.000	.165	0.000	0.000	1.000
a. Dependent Variable: Unstandardized Residual						

Source: Author, 2024

Table 4 presents the residual statistics, indicating that most coefficients are significant, with a few exceptions. The constant (B =.827, SE =.016, p < 0.000) and firm size (FS) (B =.007, SE =.002, p < 0.000) are significant predictors of IFRS compliance. Board gender diversity (BGD) is also significant (B =.066, SE =.024, p =.007), while board size (BS), return on assets (ROA), and financial leverage (FL) are not. Table 5 shows that the unstandardized predicted value and its coefficients (B = 0.000, SE =.165) are not significant (p = 1.000), indicating no significant relationship between the predicted values and the residuals. Homoscedasticity is confirmed, as the variance of the residuals is not dependent on the independent variables. As a result, the regression analysis is resilient since the model satisfies the assumption of constant variance.

3.8. Collinearity (VIF)

The collinearity diagnostics for the regression model are summarized in Tables 6 and 7.

Table 6: Collinearity Diagnostics[a]

Model		*Eigenvalue*	*Condition Index*	*Variance Proportions*						
				(Constant)	*BS*	*BGD*	*FS*	*FA*	*ROA*	*FL*
1	1	4.300	1.000	.00	.01	.01	.00	.01	.00	.00
	2	.995	2.079	.00	.00	.00	.00	.00	.09	.90
	3	.987	2.087	.00	.00	.00	.00	.00	.89	.10
	4	.308	3.739	.00	.01	.41	.00	.57	.00	.00
	5	.246	4.177	.00	.51	.40	.00	.17	.00	.00
	6	.146	5.432	.08	.43	.17	.05	.24	.00	.00
	7	.018	15.400	.91	.04	.00	.95	.00	.01	.00
a. Dependent Variable: IFRS.Comp										

Source: Author, 2024

Table 6 presents the collinearity diagnostics, including eigenvalues and condition indices. A high condition index (above 15) in the seventh dimension suggests potential collinearity issues, primarily between the constant term and the predictors. However, examining the variance proportions reveals that only the seventh dimension shows significant proportions for multiple variables, indicating some collinearity but not severe.

Table 7: Tolerance and VIF

Variable	*Tolerance*	*VIF*
BS	0.882	1.134
BGD	0.946	1.057
FS	0.828	1.207
FA	0.955	1.047
ROA	0.989	1.011
FL	0.997	1.003

Source: Author, 2024

Tolerance levels and Variance Inflation Factors (VIF) for all independent variables are presented in Table 7. No major issues about multicollinearity were indicated by VIF values ranging from 1.003 to 1.207, which are all significantly lower than the threshold of 10. The tolerance values, which are the reciprocal of VIF, range from 0.828 to 0.997, further confirming that multicollinearity is

not problematic in this model. Thus, the collinearity diagnostics indicate that the independent variables are not highly collinear, and the model is robust with respect to multicollinearity. This supports the validity of the regression analysis and the reliability of the coefficient estimates.

4. RESULTS AND DISCUSSION

4.1. Descriptive statistics

Table 8 summarises the descriptive statistics for the study's main variables. These statistics provide insights into the central tendencies, dispersion, and distribution characteristics of the dataset.

Table 8: Descriptive

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*	*Skewness*		*Kurtosis*	
	Statistic	*Statistic*	*Statistic*	*Statistic*	*Statistic*	*Statistic*	*Std. Error*	*Statistic*	*Std. Error*
IFRS. Comp	1885	0.000	1.000	0.891	0.132	-2.682	.056	9.241	.113
BS	1885	10.000	361.000	98.655	60.393	1.202	.056	1.183	.113
BGD	1884	0.000	1.000	0.185	0.128	.541	.056	.735	.113
FS	1885	4.346	13.076	9.028	1.792	-.542	.056	-.409	.113
FA	1885	1.000	134.000	43.655	30.262	1.144	.056	.759	.113
ROA	1885	-4.672	45.825	0.175	1.580	21.145	.056	517.021	.113
FL	1882	-44.355	4703.658	11.056	142.425	25.700	.056	752.563	.113

Source: Author, 2024

Table 8 shows that most companies have high levels of IFRS compliance, with an average score of 0.891 and a standard deviation of 0.132. The smallest value is 0.000, and the maximum value is 1.000. Indicating a concentration of values at the maximum compliance score, the distribution is significantly skewed to the left (-2.682) and has a positive kurtosis of 9.241. And with a standard deviation of 60.393 and a mean of 98.655, board size demonstrates a great deal of diversity. The number of board members varies significantly across firms, with a minimum of 10 and a maximum of 361. Companies with smaller boards tend to have moderate kurtosis (1.183) and positive skewness (1.202), however, a small percentage of companies have very big boards. Also, the mean proportion of gender diversity on boards is 0.185, with a standard deviation of 0.128. The values range from 0 to 1, reflecting firms with no gender diversity to those with full gender diversity. The positive skewness

(0.541) and moderate kurtosis (0.735) suggest that many firms have low gender diversity, with fewer firms achieving higher levels of gender balance. In addition, there is a standard deviation of 1.792 and a mean of 9.028 for firm size when assessed logarithmically. The range of possible values is from 4.346 to 13.076. The distribution is somewhat skewed in a negative direction (-0.542), and it also has a slight negative kurtosis (-0.409), which indicates that it is a normal distribution along with a few smaller enterprises. Along with a standard deviation of 30.262, the average age of a firm is 43.655 years. One year is the very minimum, while 134 years is the maximum age for the firms in the study. The distribution is positively skewed (1.144) with a moderate kurtosis (0.759), indicating a concentration of younger firms with a few much older firms. The significant variation in ROA is highlighted by its standard deviation of 1.580 and mean of 0.175. The wide range of values, from -4.672 to 45.825, indicates that different firms have very different profitability. The high positive skewness (21.145) and kurtosis (517.021) suggest that most firms have low ROA, with a few firms having high profitability. Financial leverage as a control variable also has a mean of 11.056 and a high standard deviation of 142.425. The values range from -44.355 to 4703.658, indicating substantial variability in firms' debt levels. The distribution is highly positively skewed (25.700) with extremely high kurtosis (752.563), reflecting that most firms have low leverage, while a few have extremely high debt levels.

4.2. Correlation

Table 9 shows the correlation results for the key variables, which provide insight into the relationships between IFRS compliance (IFRS. Comp) and several independent variables.

Table 9: Correlations

	IFRS.Comp	*BS*	*BGD*	*FS*	*FA*	*ROA*	*FL*
IFRS.Comp	1						
BS	.030	1					
BGD	.080**	.151**	1				
FS	.097**	.329**	.211**	1			
FA	-.046*	.099**	.050*	.207**	1		
ROA	.003	.008	.012	-.088**	-.044	1	
FL	-.036	-.023	.025	-.033	-.020	-.002	1

Source: Author, 2024

From Table 9, IFRS compliance shows several significant correlations with the independent variables, highlighting important trends and relationships. To begin with, a correlation coefficient of.080 ($p <.01$) indicates a positive and statistically significant relationship between IFRS compliance and board gender diversity (BGD). This suggests that IFRS compliance is higher for companies with more female board members. Likewise, there is a positive relationship between IFRS compliance and firm size (FS), evidenced by a correlation coefficient of .097 ($p <.01$), indicating that bigger enterprises are more likely to adhere to IFRS standards. Conversely, there is a little but noteworthy negative relationship between IFRS compliance and firm age (FA), as indicated by a correlation value of -.046 ($p <.05$). This suggests that compliance levels are marginally lower among older enterprises. An insignificant relationship is indicated by the positive but statistically insignificant correlation ($r =.030$) between IFRS compliance and board size (BS). Moreover, when it comes to the control variables, IFRS compliance is correlated with financial leverage (FL) with a coefficient of -.036 and return on assets (ROA) with a coefficient of .003. This suggests that profitability and leverage do not have a direct linear relationship with compliance levels in this dataset.

4.3. Regression analysis

The results of the regression analysis that are shown in Table 10 offer a thorough understanding of the relationships that exist between IFRS compliance and a variety of independent variables, including the moderating impacts of the regulatory framework. The analysis is based on a series of regression models that include main effects and interaction terms.

Table 10: Regression Results

Dependent Variable	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*
BS	-.00001				
	(-0.31)				
BGD	.066***				
	(2.72)				
FS	.007***				
	(3.99)				
FA	-.0003***				

Dependent Variable	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*	*IFRS.Comp Coef. (t-stat)*
	(-2.99)				
BS*RF		.065***			
		(17.08)			
BGD*RF			.055***		
			(16.01)		
FS*RF				0.63***	
				(17.05)	
FA*RF					0.61***
					(17.03)
ROA	.001	.001	.001	.001	.001
	(0.35)	(0.56)	(0.56)	(0.56)	(0.56)
FL	-.00001	-.00001	-.00001	-.00001	-.00001
	(-1.58)	(-0.89)	(-0.89)	(-0.89)	(-0.89)
Constant	.827***	.804***	.804***	.804***	.804***
	(52.80)	(54.94)	(54.94)	(54.94)	(54.94)
Number of observations	1881	1881	1881	1881	1881
Adjusted R^2	-0.0161	-0.1482	-0.1482	-0.1482	-0.1482

Source: Author, 2024

In Table 10, the first column displays the first model as well as the direct effects that the independent variables have on IFRS compliance. With a coefficient of -0.00001 and a t-statistic of -0.31, it is clear that board size (BS) does not significantly impact IFRS compliance. This would imply that the size of the board does not have any direct impact on the levels of compliance with IFRS. The empirical literature reviewed indicated that larger boards enhance compliance with IFRS due to the diverse skills and perspectives they bring, which improve oversight and decision-making processes (Nalukenge, 2020; Sanni et al., 2020). Yet, this study's results reveal that board size has a negative and insignificant impact on IFRS compliance. Also, the finding of this study does not support hypothesis H1a, which posited a positive and significant impact of board size on IFRS compliance.

Also, according to institutional theory, while larger boards are theorized to bring diverse skills and enhance oversight (Al-Matari, 2020; El Beshlawy & Ardroumli, 2021), this finding suggests that board size alone is sufficient to drive compliance without additional factors. In addition, the data from Board Gender Diversity (BGD) reveals that IFRS compliance is positively and significantly impacted, with a coefficient of 0.066 and a t-statistic of 2.72 ($p < .01$). This lends credence to hypothesis H_{1b}, which states that companies with more female board members are more likely to comply with IFRS. The results of this study correspond to those of Alves (2023) and Dobija et al. (2022), which support the same hypothesis. These studies indicated that diverse boards enhance financial reporting quality and compliance through varied perspectives and ethical considerations. Also, according to Bufarwa et al. (2020) and Sanad and Al Lawati (2023), female directors contribute to more thorough evaluations of financial data, encouraging better compliance with standards. Furthermore, this study aligns with the institutional theory by indicating how normative pressures for gender diversity and ethical considerations contribute to better compliance with IFRS standards.

In a similar vein, the t-statistic of 3.99 ($p < .01$) and the coefficient of 0.007 (FS) indicate that compliance is positively and significantly impacted by firm size, indicating that larger organizations are more likely to adhere to IFRS standards. This confirms the hypothesis H_{2a}. This aligns with studies by Boateng et al. (2022) and Krismiaji and Surifah (2020), which found that larger firms are better equipped to comply with IFRS due to more resources and advanced compliance systems. Also, the finding is supported by Mbir et al. (2020), who found that larger companies can allocate significant resources towards hiring skilled employees and implementing sophisticated compliance mechanisms. Further, this finding is consistent with institutional theory, suggesting that larger firms, with more resources and established processes, are better able to comply with IFRS due to the mimetic and coercive pressures they face. The coefficient of -0.0003 and the t-statistic of -2.99 ($p < .01$) indicate that firm age (FA) has a significant and negative impact on IFRS compliance. This indicates that older firms have slightly lower levels of compliance. This finding is contrary to hypothesis H_{2b}. Thus, the results of this study are in contrast with findings from Nimer et al. (2024) and Shehata et al. (2017), who suggested that older firms should have better compliance due to their experience and established processes. The negative impact indicates that older firms are flexible and slower to adapt to new regulatory changes, hence showing lower compliance. The coefficients and t-statistics of the control variables Return on assets (ROA)

and financial leverage (FL) do not reveal any significant influence on IFRS compliance in any of the models. ROA has a coefficient of 0.001 and t statistics ranging from 0.35 to 0.56, while FL has a coefficient of -0.00001 and t statistics ranging from -0.89 to -1.58.

Furthermore, there is a model that incorporates interaction terms to explore how the regulatory framework (RF) moderates the relationships between the independent variables and IFRS compliance. Table 10, columns 2–5, displays this information. A t-statistic of 17.08 ($p < .01$) and a significant positive coefficient of 0.065 for the interaction term BS*RF indicate that the regulatory environment enhances the relationship between board size and IFRS compliance. This supports Hypothesis H_{3a} and aligns with the works of Nalukenge (2020) and Tsalavoutas et al. (2020), who emphasized that larger boards are more effective in stringent regulatory environments due to enhanced scrutiny and accountability.

Similarly, the interaction term BGD*RF has a significant positive effect, with a coefficient of 0.055 and a t-statistic of 16.01 ($p < .01$), supporting Hypothesis H_{3b}. This indicates that the regulatory framework enhances the positive impact of board gender diversity on compliance, consistent with findings by Alves (2023) and Sanad and Al Lawati (2023). Thus, diverse boards, particularly with female directors, bring varied perspectives and ethical considerations that are valuable in strict regulatory environments. The interaction term FS*RF also shows a significant positive effect, with a coefficient of 0.63 and a t-statistic of 17.05 ($p < .01$), suggesting that larger firms benefit more from a stringent regulatory environment in terms of compliance. This supports Hypothesis H_{3d} and aligns with Kabwe et al. (2021) and Nimer et al. (2024), who noted that larger firms, with more resources, are better positioned to comply with regulatory requirements. Finally, the interaction term FA*RF is significant and positive, with a coefficient of 0.61 and a t-statistic of 17.03 ($p < .01$), indicating that the negative impact of firm age on compliance is mitigated by a stricter regulatory framework. This supports Hypothesis H_{3c} and aligns with studies by Abdelqader et al. (2022) and Petre and Albu (2020), suggesting that older firms with more experience are better able to navigate stringent regulatory environments. The regulatory framework moderates these relationships, emphasizing the role of institutional pressures in enhancing compliance (Meyer & Rowan, 1977; Scott, 1987).

Finally, the models explain varying degrees of variance in IFRS compliance, as reflected in the adjusted R-squared values. The inclusion of interaction terms significantly enhances the explanatory power of the models, with the adjusted

R-squared improving from -0.0161 in the basic model to -0.1482 in the models with interaction terms.

5. CONCLUSIONS, LIMITATIONS, IMPLICATIONS AND DIRECTION FOR FUTURE RESEARCH

5.1. Conclusions

Maintaining transparency, comparability, and dependability of financial statements across different jurisdictions requires adoption and adherence to International Financial Reporting Standards (IFRS). This study sought to examine the effects of different board compositions and firm characteristics on IFRS compliance, with a focus on the moderating role of the regulatory environment. The results show that better levels of IFRS compliance are correlated with both a larger firm size and a gender diverse board. This emphasizes how important it is to have a variety of perspectives and a wealth of resources in order to achieve stringent compliance criteria.

The lack of a substantial direct influence of board size suggests that IFRS compliance cannot be improved by simply increasing the number of board members in isolation from other considerations. Furthermore, the age of the company has a negative impact on IFRS compliance since older companies are typically more inflexible and have a harder time adjusting to new rules. The correlations between board size, gender diversity, business age, and IFRS compliance were significantly influenced by the regulatory environment. As a result, stricter regulatory frameworks lessened the detrimental effects of firm age while increasing the beneficial effects of business size and gender diversity on IFRS compliance.

These findings indicate the importance of regulatory environments in improving corporate governance and IFRS compliance practices. In addition, institutional theory provides an in-depth explanation for these relationships, highlighting the influence of various pressures that force firms to comply with international reporting standards. Having larger and more diverse boards helps meet regulatory demands and ensure high standards of financial reporting. These boards are influenced by normative and coercive pressures, which further enhance their effectiveness. The study highlights the importance of policymakers and regulators creating environments that promote strict compliance and encourage boards that are diverse and well-equipped. This study adds to the existing literature by explaining how board composition, firm characteristics, and regulatory environments influence IFRS compliance.

5.2. Limitations of the study

When analyzing the findings of this study, it is essential to take into account the limitations of it. To begin, the data was gathered from three separate nations, namely Ghana, Nigeria, and South Africa. This may limit the extent to which the findings may be applied to other locations in Sub-Saharan Africa or even the entire world. Additionally, the study is based on publicly available financial reports and disclosures, which may not include all elements of IFRS compliance, especially the qualitative factors that can impact compliance behaviors. Understanding the interaction effects of the regulatory environment can be quite complex, as they may not completely consider other external factors like political stability, economic conditions, and cultural influences that could affect IFRS compliance.

5.3. Implications

The findings of this study have significant implications for those who decide policy, for those who work in their field, and for academics. This study emphasizes the part that robust regulatory frameworks play in enhancing IFRS compliance, which is important for policymakers to know. It is important for regulatory bodies to consistently enforce regulations and strengthen oversight mechanisms to uphold the most stringent standards of financial reporting. This involves strengthening regulatory frameworks, modernizing regulations to match global standards, and maintaining consistent enforcement. Moreover, as it has a positive impact on the standard of financial reporting, encouraging gender diversity on corporate boards should be taken into consideration. Having policies that promote or require gender diversity can result in improved board oversight and enhanced compliance outcomes. For practitioners, especially board members and corporate executives, the study emphasizes the role of board composition in achieving compliance. Firms must prioritize diversity and inclusion, particularly when it comes to women on boards. Additionally, it is important to carefully consider the optimal board size to ensure effective oversight. Improving board composition requires proactively seeking out female directors and cultivating a diverse range of skills and expertise to enhance the effectiveness of oversight and decision-making. In addition, companies must make substantial investments in strong compliance systems and ongoing training programs to guarantee strict adherence to IFRS. The ability of the company to comply with financial reporting standards is improved as a result of this process, which involves acquiring experienced people who are capable of efficiently navigating complex reporting standards and regulatory requirements.

In emerging markets, this study contributes to the existing body of knowledge regarding corporate governance and compliance issues.

5.4. Direction for future research

Furthermore, it is recommended that future research examine the degree to which IFRS compliance is seen in a wider range of nations and regions in order to increase the significance of the findings. Studying a variety of rules can provide you with important insights into how different factors affect the issue when it comes to compliance. Researchers may also consider employing qualitative data to record specific aspects of IFRS compliance, such as corporate culture and ethical standards, that are challenging to measure. Furthermore, a comprehensive analysis and review of post-2021 trends will offer insightful information on the continuing impacts of world events on corporate governance and IFRS compliance.

Acknowledgement

The author is grateful to the anonymous reviewers for their helpful comments and to the editorial for editing this paper. However, for any errors, I owe the responsibility.

Declaration of Conflict of Interest

There is no conflict of interest involved in the publication of this paper.

References

Abbott, K. W., & Snidal, D. (2021). The governance triangle: Regulatory standards institutions and the shadow of the state. In *The spectrum of international institutions* (pp. 52–91). Routledge.

Abdelqader, M., Darwish, T. K., & Nimer, K. (2022). *Corporate governance and IFRS in the Middle East: Compliance with international financial reporting standards*. Routledge.

Agana, J. A., Zamore, S., & Domeher, D. (2023). IFRS adoption: A systematic review of the underlying theories. *Journal of Financial Reporting and Accounting*, Forthcoming.

Agwanda, B., Dagba, G., Opoku, P., Amankwa, M. O., & Nyadera, I. N. (2021). Sub-Sahara Africa and the COVID-19 pandemic: reflecting on challenges and recovery opportunities. *Journal of Developing Societies*, *37*(4), pp.502–524.

Agyei-Mensah, B. K. (2013). Adoption of international financial reporting standards (IFRS) in Ghana and the quality of financial statement disclosures. *International Journal of Accounting and Financial Reporting, 3(2), pp. 269-286.*

Al-Ababneh, M. M. (2020). Linking ontology, epistemology and research methodology. *Science & Philosophy*, *8*(1), pp.75–91.

Al-Matari, E. M. (2020). Do characteristics of the board of directors and top executives have an effect on corporate performance among the financial sector? Evidence using stock. *Corporate Governance: The International Journal of Business in Society*, *20*(1), pp.16–43.

Al-Rahahleh, A. S. (2017). Corporate governance quality, board gender diversity and corporate dividend policy: Evidence from Jordan. *Australasian Accounting, Business and Finance Journal*, *11*(2), pp.86–104.

Alabdullah, T. T. Y., Al-Fakhri, I., Ahmed, E. R., & Kanaan-Jebna, A. (2021). Empirical study of The influence of board of directors' feature on firm performance. *Russian Journal of Agricultural and Socio-Economic Sciences*, *11*(119), pp. 137–146.

Albu, C. N., Albu, N., & Alexander, D. (2014). When global accounting standards meet the local context—Insights from an emerging economy. *Critical Perspectives on Accounting*, *25*(6), pp. 489–510.

Ali, S. A., Yassin, M., & Abu Raya, R. (2020). The impact of firm characteristics on corporate financial performance in emerging markets: evidence from Egypt. *International Journal of Customer Relationship Marketing and Management (IJCRMM)*, *11*(4), pp.70–89.

Alkurdi, A., & Mardini, G. H. (2020). The impact of ownership structure and the board of directors' composition on tax avoidance strategies: empirical evidence from Jordan. *Journal of Financial Reporting and Accounting*, *18*(4), pp.795–812.

Almeida, D., Shmarko, K., & Lomas, E. (2022). The ethics of facial recognition technologies, surveillance, and accountability in an age of artificial intelligence: a comparative analysis of US, EU, and UK regulatory frameworks. *AI and Ethics*, *2*(3), pp.377–387.

Alnaas, A., & Rashid, A. (2019). Firm characteristics and compliance with IAS/IFRS: Evidence from North African companies. *Journal of Financial Reporting and Accounting*, *17*(3), pp. 383–410.

Alves, S. (2023). Gender diversity on corporate boards and earnings management: Evidence for European Union listed firms. *Cogent Business & Management*, *10*(1), 2193138.

Amanamah, R. B. (2024). Corporate Governance, Financial Leverage, External Audit Quality, and Financial Reporting Quality in Ghanaian Companies. *Financial Markets, Institutions and Risks*, *8*(1), pp. 43–62.

Anssari, M. A. A. L., & Al-Tamimi, S. A. (2023). The impact of international financial reporting standards (IFRS) on conditional conservatism in the financial statements of non-financial industry sectors in the United Arab Emirates. *Journal of Namibian Studies: History Politics Culture*, 33(2), pp.5392–5419.

Arayakarnkul, P., Chatjuthamard, P., & Treepongkaruna, S. (2022). Board gender diversity, corporate social commitment and sustainability. *Corporate Social Responsibility and Environmental Management*, *29*(5), pp.1706–1721.

Arayssi, M., Jizi, M., & Tabaja, H. H. (2020). The impact of board composition on the level of ESG disclosures in GCC countries. *Sustainability Accounting, Management and Policy Journal*, *11*(1), pp.137–161.

Ayuba, H., Bambale, A. J., Ibrahim, M. A., & Sulaiman, S. A. (2019). Effects of financial performance, capital structure and firm size on firms' value of insurance companies in Nigeria. *Journal of Finance, Accounting & Management*, *10*(1), pp.27-74.

Barai, M. K., & Dhar, S. (2021). COVID-19 pandemic: Inflicted costs and some emerging global issues. *Global Business Review*, 25(3), pp. 812-831.

Bei, Z., & Wijewardana, W. P. (2012). Financial leverage, firm growth and financial strength in the listed companies in Sri Lanka. *Procedia-Social and Behavioral Sciences*, *40*, pp. 709–715.

Bell, A., Fairbrother, M., & Jones, K. (2019). Fixed and random effects models: making an informed choice. *Quality & Quantity*, *53*, pp.1051–1074.

Boateng, R. N., Tawiah, V., & Tackie, G. (2022). Corporate governance and voluntary disclosures in annual reports: a post-International Financial Reporting Standard adoption evidence from an emerging capital market. *International Journal of Accounting & Information Management*, *30*(2), pp. 252–276.

Borgi, H., & Mnif, Y. (2022). Compliance level with IFRS disclosure requirements across 12 African countries: do enforcement mechanisms matter? *Journal of Financial Regulation and Compliance*, *30*(1), pp. 60–81.

Bufarwa, I. M., Elamer, A. A., Ntim, C. G., & AlHares, A. (2020). Gender diversity, corporate governance and financial risk disclosure in the UK. *International Journal of Law and Management*, *62*(6), pp. 521–538.

Cardona Mejía, L. M., Pardo del Val, M., & Dasí Coscollar, M. del S. (2020). The institutional isomorphism in the context of organizational changes in higher education institutions. *International Journal of Research in Education and Science*, *6*(1), pp. 61–73.

Cheng, J. Y.-J., Groysberg, B., Healy, P., & Vijayaraghavan, R. (2021). Directors' perceptions of board effectiveness and internal operations. *Management Science*, *67*(10), pp. 6399–6420.

Chijoke-Mgbame, A. M., Boateng, A., & Mgbame, C. O. (2020). Board gender diversity, audit committee and financial performance: evidence from Nigeria. *Accounting Forum*, *44*(3), pp. 262–286.

Choi, Y., & Woo, H. (2022). Understanding diverse types of performance information use: evidence from an institutional isomorphism perspective. *Public Management Review*, *24*(12),pp. 2033–2052.

Cummings, J. P. (1974). The International Accounting Standards Committee--its purpose and status. *The CPA Journal (Pre-1986)*, *44*(000009), 50.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), pp. 147–160.

Dobija, D., Hryckiewicz, A., Zaman, M., & Puławska, K. (2022). Critical mass and voice: Board gender diversity and financial reporting quality. *European Management Journal*, *40*(1), pp. 29–44.

El-Helaly, M., Ntim, C. G., & Soliman, M. (2020). The role of national culture in international financial reporting standards adoption. *Research in International Business and Finance*, *54* (C), pp. 101241.

El Beshlawy, H., & Ardroumli, S. (2021). Board dynamics and decision-making in turbulent times. *Corporate Governance and Organizational Behavior Review*, *5*(1), pp. 57–68.

Elmagrhi, M. H., Ntim, C. G., Crossley, R. M., Malagila, J. K., Fosu, S., & Vu, T. V. (2017). Corporate governance and dividend pay-out policy in UK listed SMEs: The effects of corporate board characteristics. *International Journal of Accounting & Information Management*, 25(4), pp.459-483.

Etikan, I., & Bala, K. (2017). Sampling and sampling methods. *Biometrics & Biostatistics International Journal*, *5*(6), pp. 215-217.

Filatotchev, I., Jackson, G., & Nakajima, C. (2013). Corporate governance and national institutions: A review and emerging research agenda. Asia Pacific Journal of Management, 30(4), pp. 965–986.

Hassett, M. E., & Paavilainen-Mäntymäki, E. (2013). Longitudinal research in organizations: an introduction. In *Handbook of longitudinal research methods in organisation and business studies* (pp. 1–22). Edward Elgar Publishing.

Hill, T. D., Davis, A. P., Roos, J. M., & French, M. T. (2020). Limitations of fixed-effects models for panel data. *Sociological Perspectives*, *63*(3), pp. 357–369.

Hsu, Y.-L., & Yang, Y.-C. (2022). Corporate governance and financial reporting quality during the COVID-19 pandemic. *Finance Research Letters*, *47*, 102778.

Huu Nguyen, A., Thuy Doan, D., & Ha Nguyen, L. (2020). Corporate governance and agency cost: Empirical evidence from Vietnam. *Journal of Risk and Financial Management*, *13*(5), pp. 1-15.

Ibrahim, U. A., & Isiaka, A. (2020). Effect of financial leverage on firm value: Evidence from selected firms quoted on the Nigerian stock exchange. *European Journal of Business and Management,* 12(3),124-135.

Kabara, A. S., Abdullah, D. F., Khatib, S. F. A., Bazhair, A. H., & Al Amosh, H. (2023). Moderating Role of Governance Regulatory Compliance on Board Diversity and Voluntary Disclosure of Non-Financial Firms in a Developing Country. *Sustainability*, *15*(5), pp.1-19.

Kabwe, M. (2023). Assessment of financial reporting quality in a developing country using nice qualitative characteristics measurement. *International Journal of Finance and Accounting*, *8*(1), pp.1–22.

Kabwe, M., Mwanaumo, E., & Chalu, H. (2021). Effect of corporate governance attributes on IFRS compliance: evidence from a developing country. *Corporate Governance: The International Journal of Business in Society*, *21*(1), pp.1–22.

Kelloway, E. K., & Francis, L. (2012). Longitudinal research and data analysis. In *Research methods in occupational health psychology* (pp. 374–394). Routledge.

Khatib, S. F. A., & Nour, A. (2021). The impact of corporate governance on firm performance during the COVID-19 pandemic: Evidence from Malaysia. *Journal of Asian Finance, Economics and Business*, *8*(2), pp. 943–952.

Kılıç, M., Uyar, A., Kuzey, C., & Karaman, A. S. (2021). Does institutional theory explain integrated reporting adoption of Fortune 500 companies? *Journal of Applied Accounting Research*, *22*(1), pp.114–137.

Konadu, R., Ahinful, G. S., Boakye, D. J., & Elbardan, H. (2022). Board gender diversity, environmental innovation and corporate carbon emissions. *Technological Forecasting and Social Change*, *174*, 121279.

Krismiaji, K., & Surifah, S. (2020). Corporate governance, compliance level of IFRS disclosure and value relevance of accounting information-Indonesian evidence. *Journal of International Studies,13*(2), pp. 191-211.

Kukah, M. A., Amidu, M., & Abor, J. Y. (2016). Corporate governance mechanisms and accounting information quality of listed firms in Ghana. African Journal of Accounting, Auditing and Finance, 5(1), pp. 38–58.

Liu, Y., Lee, J. M., & Lee, C. (2020). The challenges and opportunities of a global health crisis: the management and business implications of COVID-19 from an Asian perspective. *Asian Business & Management*, *19*, pp.277–297.

Mashige, K. P., Osuagwu, U. L., Ulagnathan, S., Ekpenyong, B. N., Abu, E. K., Goson, P. C., Langsi, R., Nwaeze, O., Timothy, C. G., & Charwe, D. D. (2021). Economic, health and physical impacts of COVID-19 pandemic in Sub-Saharan African regions: A cross sectional survey. *Risk Management and Healthcare Policy*, 14, pp. 4799–4807.

Mbir, D. E. G., Agyemang, O. S., Tackie, G., & Abeka, M. J. (2020). IFRS compliance, corporate governance and financial reporting quality of GSE-listed non-financial firms. *Cogent Business & Management*, *7*(1), 1759856.

Mellado, C. & Saona, P. (2020). Real earnings management and corporate governance: a study of Latin America, Economic Research-Ekonomska Istraživanja, 33(1), pp. 2229-2268.

Meyer, J. W., & Rowan, B. (1977). Institutionalized organizations: Formal structure as myth and ceremony. *American Journal of Sociology*, *83*(2), pp. 340–363.

Munedzi, S. (2023). *A comparative statutory analysis of the collaboration and cooperation between the South African Reserve Bank and other financial regulatory bodies under the Financial Sector Regulation Act 9 of 2017*. North-West University (South Africa).

Nalukenge, I. (2020). Board role performance and compliance with IFRS disclosure requirements among microfinance institutions in Uganda. *International Journal of Law and Management*, *62*(1), pp. 47–66.

Naseer, S., Khalid, S., Parveen, S., Abbass, K., Song, H., & Achim, M. V. (2023). COVID-19 outbreak: Impact on global economy. *Frontiers in Public Health*, *10*, 1009393.

Nelson, S. P., & Devi, S. (2013). Audit committee experts and earnings quality. Corporate Governance: *The International Journal of Business in Society*,13 (4), pp. 335-351.

Ndiili, N. (2020). Unprecedented economic attack on Sub-Sahara African economies: coronavirus: How severe is the perceived slump? *Environment Systems and Decisions*, *40*(2), pp. 244–251.

Nimer, K., Qader, M. A., & Darwish, T. K. (2024). Firm characteristics and the level of IFRS compliance and disclosure in GCC countries. *International Journal of Business Governance and Ethics*, *18*(2), pp. 215–240.

Nwufo, C. I., & Chima, M. I. (2021). The effect of IFRS adoption on corporate performance of listed firms in Nigeria. *Sciences*, *11*(3), pp. 1–18.

O Cualain, G., & Tawiah, V. (2023). Review of IFRS consequences in Europe: An enforcement perspective. *Cogent Business & Management*, *10*(1), 2148869.

Olateru-Olagbegi, A., & ALADE, M. (2023). Corporate characteristics and International Financial Reporting Standards (IFRS) compliance among family-owned listed firms in Nigeria. *The Journal of Accounting and Management*, *13*(2), pp.91–103.

Orazalin, N. (2020). Board gender diversity, corporate governance, and earnings management: Evidence from an emerging market. *Gender in Management: An International Journal*, *35*(1), pp. 37–60.

Osinubi, I. S. (2020). The three pillars of institutional theory and IFRS implementation in Nigeria. *Journal of Accounting in Emerging Economies*, *10*(4), pp.575–599.

Ozili, P. K. (2021). Accounting and financial reporting during a pandemic. In *New Challenges for Future Sustainability and Wellbeing* (pp. 87–93). Emerald Publishing Limited.

Petre, S., & Albu, N. (2020). Investigating IFRS compliance in transitioning countries: A qualitative study. *Accounting and Management Information Systems*, *19*(1), pp. 89–112.

Pouraghajan, A., Malekian, E., Emamgholipour, M., Lotfollahpour, V., & Bagheri, M. M. (2012). The relationship between capital structure and firm performance evaluation measures: Evidence from the Tehran Stock Exchange. *International Journal of Business and Commerce*, *1*(9), pp.166–181.

Rachisan, P. R., Bota-Avram, C., & Grosanu, A. (2017). Investor protection and country-level governance: Cross-country empirical panel data evidence. *Economic Research,* 30(1), pp 806–817.

Rashata, H. (2021). Firm characteristics and firm performance during the COVID-19 pandemic: Evidence from an emerging market. *International Journal of Finance & Economics*. Available at SSRN: https://ssrn.com/abstract=3960757.

Risi, D., Vigneau, L., Bohn, S., & Wickert, C. (2023). Institutional theory-based research on corporate social responsibility: Bringing values back in. *International Journal of Management Reviews*, *25*(1), pp. 3–23.

Rusconi, R. (2020). The contribution of South Africa's insurers to systemic risk: thoughts for policymakers. *South African Actuarial Journal*, *20*(1), pp.149–210.

Samaha, K., & Khlif, H. (2016). Adoption of and compliance with IFRS in developing countries: A synthesis of theories and directions for future research. *Journal of Accounting in Emerging Economies*, *6*(1), pp. 33–49.

Sanad, Z., & Al Lawati, H. (2023). Board gender diversity and firm performance: the moderating role of financial technology. *Competitiveness Review: An International Business Journal*. Forthcoming.

Sanni, M., Aliu, I. D., & Olanrewaju, Y. E. (2020). Board characteristics and International Financial Reporting Standards (IFRS) compliance among Nigerian listed companies: mixed method approach. *Global Journal of Accounting*, *6*(1), pp. 24–40.

Sappor, P., Atta Sarpong, F., & Ahmed Seidu Seini, R. (2023). The adoption of IFRS for SMEs in the northern sector of Ghana: A case of structural equation modeling. *Cogent Business & Management*, *10*(1), 2180840.

Sarma, G. D., Choudhury, S., Bharadwaj, P., & Sarma, M. (2024). Navigating corporate governance and ethics: The cornerstones of sustainable business practices. *Educational Administration: Theory and Practice*, *30*(5), pp. 5442–5454.

Scott, W. R. (1987). The adolescence of institutional theory. *Administrative Science Quarterly*, 32(4), pp. 493–511.

Shehata, N., Salhin, A., & El-Helaly, M. (2017). Board diversity and firm performance: evidence from the UK SMEs. *Applied Economics*, *49*(48), pp. 4817–4832.

Silva, A. P., Fontes, A., & Martins, A. (2021). Perceptions regarding the implementation of international financial reporting standards in Portugal and Brazil. *Journal of International Accounting, Auditing and Taxation*, *44 (C)*, 100416.

Srinidhi, B., Sun, Y., Zhang, H., & Chen, S. (2020). How do female directors improve board governance? A mechanism based on norm changes. *Journal of Contemporary Accounting & Economics*, *16*(1), 100181.

Taherdoost, H. (2022). What are different research approaches? Comprehensive review of qualitative, quantitative, and mixed method research, their applications, types, and limitations. *Journal of Management Science & Engineering Research*, *5*(1), pp.53–63.

Tilt, C. A., Qian, W., Kuruppu, S., & Dissanayake, D. (2021). The state of business sustainability reporting in sub-Saharan Africa: an agenda for policy and practice. *Sustainability Accounting, Management and Policy Journal*, *12*(2), pp. 267–296.

Tlemsani, I., Mohamed Hashim, M. A., & Matthews, R. (2024). The impact of IFRS adoption on Saudi Arabia. *Journal of Islamic Accounting and Business Research*, *15*(3), pp.519–533.

Too, I. C., & Simiyu, E. (2018). Firms characteristics and financial performance of general insurance firms in Kenya. *International Journal of Business Management & Finance,* 1 (39), pp. 672, 89.

Torku, K., & Laryea, E. (2021). Corporate governance and bank failure: Ghana's 2018 banking sector crisis. *Journal of Sustainable Finance & Investment*, forthcoming.

Tsalavoutas, I., Tsoligkas, F., & Evans, L. (2020). Compliance with IFRS mandatory disclosure requirements: a structured literature review. *Journal of International Accounting, Auditing and Taxation*, *40* (C), 100338.

Tweedie, D., Cook, A., & Whittington, G. (2023). *The UK Accounting Standards Board, 1990-2000: Restoring Honesty and Trust in Accounting*. Routledge.

Umar, K., Emmanuel, A. D., Abubakar, M., & Teru, S. P. (2022). Firm's characteristics and compliance with International Financial Reporting Standard (IFRS). *TSU-International Journal of Accounting and Finance*, *1*(2), 201–216. https://doi.org/ Retrieved from https://tsuijaf.com/index.php/tsuijaf/article/view/33

Uthman, A. B. (2021). *Impact of Accounting Regulatory Reforms on Audit Quality of Listed Companies in Nigeria*. Kwara State University (Nigeria).

Waweru, N. (2020). Business ethics disclosure and corporate governance in Sub-Saharan Africa (SSA). *International Journal of Accounting and Information Management*, *28*(2), pp. 363–387.

Yang, K., Kim, J., Min, J., & Hernandez-Calderon, A. (2021). Effects of retailers' service quality and legitimacy on behavioral intention: the role of emotions during COVID-19. *The Service Industries Journal*, *41*(1–2), pp. 84–106.

Zahid, R. M. A., & Simga-Mugan, C. (2024). The impact of International Financial Reporting Standards adoption on the integration of capital markets. *International Journal of Finance & Economics*, *29*(1), pp.229–250.

Zaid, M. A. A. (2023). Do professional shareholders matter for corporate compliance with IFRS reporting requirements: the moderating effect of board independence. *International Journal of Accounting & Information Management*, *31*(4), pp. 647–675.

Zeff, S. A. (2022). The IAPC's international auditing guidelines and its controversial IAG 13 on the auditor's report. *Accounting and Business Research*, *52*(1), pp. 94–113.