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   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITE

Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

ENFORCING THE INTERNATIONAL FINANCIAL REPORTING STANDARDS WORLDWIDE

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ABSTRACT

This study aims at examining the consequences of the lack of uniformity in financial reporting and ways of putting them under control for improvement across the globe. With evidences from Europe, Africa, Asia, USA, and other countries in the global community, the study shows that although different countries are making efforts to apply the International Financial Reporting Standards (IFRS), the absence of complete harmonization is considered to hinder the success of the convergence to the IFRS. Consequently, financial reporting has remained a problematic endeavour across the globe thereby making the understanding of the various reports from the countries difficult for stakeholders. The fact that the application of IFRS for all countries has great advantages for investors, governments, citizens, financial institutions, and for everyone who is interested in how firms function or fare, this study concludes that while countries are encouraged to totally embrace IFRS further and total enforcement of IFRS across the globe is absolutely necessary.

KEYWORDS

Financial Reporting Standards' classifications, International Financial Reporting Standards, Enforcement.

INTRODUCTION

Differences occur in the application of financial reporting worldwide at the moment.These differences in financial reporting have often lagged behind the evolution of application of accounting because financial reporting has long been guided by the dictates of national standards. The accounting community of every country has been in agreement with officially set standards of nations to ensure the reliability and relevance of financial information provided at any given time. In addition to each country's national standards, accounting officials and educators have often sought the development of international standards so as to make international financial communication an easy and worthwhile possibility. Nobes and Parker (2008), observes that the efforts, which have taken about 20 years in its development process is yet to reach its zenith in the financial world. Only in the past ten years have international financial accounting standards reached prominence with some countries adopting the international standards in place of their own standards. The United States has been most reluctant and has maintained its own generally accepted accounting principles (GAAP). However, according to Security Exchange Commission (SEC) Release (2008), the SEC has started using International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) in recent time.

Mukhtar (2009) observes that in Africa and Asia, all organizations of accounting have commenced a convergence and to adopt their financial reports according to IFRS. African countries like Kenya started the practice long time ago; others are gradually adopting the practice in exchange for their own national traditional methods. It is important to state that the growing adoption of the international financial accounting standards has been partly resultant from the United Nations (UN) contribution to the promotion of a uniform accounting framework that will ensure comparability and reliability of corporate reports in the world. Due to the foregoing UN contribution to the issue of enforcement of international financial reporting standard, the adoption has been increasingly manifested in many countries of the world.

BACKGROUND OF IFRS

The International Accounting Standards Board (IASB) was established on July 1, 2000 to replace the International Accounting Standards Committee (IASC), established in London in June, 1973 and was saddled with the responsibility of setting International Accounting Standards.The IASB is an independent, standard-setting, body whose trustees are accountable for the promotion of public interests in Accounting. It receives support from an external Standards Advisory Council (SAC) which advises the IASB on various technical and strategic issues such as the selection of topics for future development into standards. In addition the IASB is supported by the International Financial Reporting Interpretations Committee (IFRIC) which is mandated to interpret the standards and produce binding guidance when divergences occur in the application of the standards. In the interests of the international public, the IASB has developed a set of high quality, understandable, and enforceable international financial reporting standards for general purpose financial statements. The standards developed by the IASB follow a rigorous due process involving various stakeholders that include accountants, users of financial statements and regulators. The due process ensures through public debate and exposure of the views of the various stakeholders is incorporated in the requirements mandated by the IASB in the formation of the final standards.

The aim of the IASB is to issue principles based standards that can be applied across the globe. International Accounting Standards (IASs) and International Financial Reporting Standards (collectively referred to as IFRSs), issued by the IASB, have gained momentum in recent years all over the world. As the capital markets become increasingly global in nature, more and more investors see the need for a common set of International Accounting Standards. About 109 countries presently require or permit use of IFRS in preparation of financial statements in their countries and the number was expected to reach 150 by 2011 (Kannah, 2009).

THE ISSUES

The issues are that not all companies or firms have complied with the rules which are based on IFRSs. Also, not all Stock Exchanges across the world have accepted the international financial accounting standards and to present their financial statements in that format. Failure to do this makes such financial reports unacceptable to the community of international Stock Exchanges as the reports will not be in uniformity with those of other counterparts of the community. Moreover, such defiance will usually make the use of such a report more difficult than the generally accepted accounting practices of the IFRS. To eliminate the differences in financial reporting, reduce accountancy fees, and enable faster access to all major capital markets, the IFRSs have to be globally applied. But some countries and their Stock Exchanges are yet to adopt the method. This has made comparability difficult in the international financial market deals. The need to make international financial business an easier burden is the problem that this paper tries to resolve. Also, the objective of this study is to ascertain the progress of implementation of International Financial Reporting Standards in selected countries in order to deduce the areas where more efforts need to be applied in order to achieve the expected goals of IFRS.

LITERATURE REVIEW

In countries where the quality of governance institutions is high, IFRS adoption is likely to be less attractive as high qualityinstitutions represent high opportunity and switching costs to adopting international accounting standards is less likely. However, in many developing countries, the quality of local governance institutions are low and thus are important determinants ofthe decision to adopt IFRS (Ball, Kothari and Robin, 2000; Leuz, Nnada and Nysocki, 2003; Ball, 2006). Developing countries are often liable to suffering from corruption, slow-moving or ineffectual governments when they are resistant to change. La porta, Lopez de Silanes, Shelifer and Vishmy, (1999). In these countries, the opportunity and switching costs are lower and the chance to adopt an externally developed body of accounting standards presents an advantage. The decision to adopt IFRS is therefore likely to be driven by lower opportunity and switching costs in developing countries. Developing countries however have their peculiar challenges in such costs switching.

Before undertaking an assessment of country by country convergence and enforcement effort on the IFRS, prior international classifications or groupings of international accounting systems are reviewed. A difference in financial reporting has been mainly differences in accounting systems. For instance, formerly colonized countries often present their financial reports in similitude to those of their former colonial master countries. For instance, the UK-influenced countries are often former British colonies. These include Hong Kong, Malaysia, Nigeria, Philippines, South Africa, Singapore, Taiwan, Sri Lanka, Zambia, Botswana, Namibia, and Zimbabwe (Nobles, 1998).

Nobes and Robert (2008) further observed that, the 'US GAAP'is a well-defined set of practices required by US regulators to be used by certain US companies. Users of this system are U.S SEC-registered companies, and certain large Japanese companies for their group accounts. US GAAP bears a resemblance to UK and IFRS rules. These classes are divided into two which are the Strong Equity Class (UK, Irish, Dutch individual and US SEC-registered companies) and the Weak Equity Class (Belgian, French, German, Italian and Japanese enterprises.

Although, these classifications were based on classes of large share markets, Radebaugh and Gray (1997) presented the cultural classification of international accounting systems as Anglo-American culture area compose of the United Stated of America, United Kingdom and British colonials; Nordic countries which comprise of Netherlands, Sweden, Finland, Denmark; Germanic accounting comprising Germany, Austria, Israel, Switzerland, and former European colonies in Africa. The Latin American group comprise France, Italy, Brazil, Argentina, Belgium, Portugal, Spain, Chile, Columbia, Mexico, Peru,and Uruguay; and Asia accounting group comprise of China, Japan, India, Pakistan, Hong Kong, Singapore, Malaysia, and Philippines.

Knowing that Financial Statements are prepared for external users by corporate entities around the world, such financial statements may appear similar from country to country. There are differences which have probably been caused by a variety of social economic, legal circumstances and by different countries to meet the needs of different users of financial statements when setting national requirement. It is imperative that all countries have to apply the IFRS, for the harmonization of financial statements reporting (IFRS, 2011).

To harmonize all financial reporting, it will require that all countries enforce the recommended International Financial Reporting Standards on all companies which are registered with their Stock Exchange. Enforcement of the International Financial Reporting Standards and rules can be carried out by several agencies and regulatory bodies such as the Stock Exchanges; Regulators of Stock Exchanges; Government departments and agencies; and Private-sector bodies.

ENFORCEMENT OF FINANCIAL REPORTING STANDARDS IN UNITED KINGDOM

The enforcement of IFRS is under European Enforcement Coordination sessions (EECS) and Committee of European Securities Regulations (CESR). In the UK the body responsible for enforcement of the IFRS is the Financial Reporting Review Panel. Rolf (2010) suggests in through the CESR Annual Reports in 2010 that harmonization and the enforcement of the IFRS in Europe facilitate an efficient single capital market in Europe within the context of evolving EU legislation.

UK's Department of Trade and Industry (DTI) has since pronounced that publicly traded companies in UK should apply the International Accounting Standard in their individual financial reporting and that all EU listed companies were required to prepare their consolidated Financial Statements under IFRS effective from January, 2005 (ICAEW, 2006' AECA, 2010 and Rolf, 2010). PricewaterhouseCoopers (2009) has confirmed that the U.K has since complied to the requirement; also small companies (SMEs) were required to report under IFRS effective from January 1, 2012.

TURKEY

Sigma, (1995) and Sigma and Hosal, 2005) observed that in 1980, a series of economic decisions following the International Monetary Fund's (IMF) recommendations were taken to reduce the inflation rate, increase production, and support importing activities. In the reconstruction period starting in the early 1980s, Act No. 2499 was put into effect in 1981 by the Parliament to prepare the grounds for establishing the Capital Markets Board (CMB). There are some major issues that are covered in IFRS/IAS but not in the old CMB rules. Specifically, these include impairment of assets (IAS 36); the de-recognition of financial assets (IAS 39), provision for employee benefits other than lump-sum termination indemnities (IAS 19), segment reporting (IAS 14), provisions, contingent liabilities and contingent assets (IAS 37), Deferred taxes (IAS 12); Treasury shares (IAS 32); and Hedge accounting (IAS 39). Furthermore, there are certain differences between the old CMB rules and IFRS/IAS that could lead to reporting of different financial results and financial position. Major differences include: measurement issues and disclosure issues (Sigma, 1995 and Sigma and Hosal, 2005).

BRAZIL

Brazil is converging its accounting standards with the IFRS. According to UNCTAD (2008), the main institutions leading the convergence process are the Brazilian SecuritiesCommission (CVM), the Brazilian Institute of Independent Auditors (IBRACON), and the Central Bank of Brazil. A number of developments have recently advanced the country's progress towards IFRS. The Central Bank of Brazil announced that as from 2010 all financial institutions under its supervision will be required to prepare their consolidated financial statements inaccordance with IFRS. UNCTAD (2008) also reports that the Brazilian Securities and Exchange Commission has promoted effortsby companies listed in capital markets in Brazil to gradually adopt IFRS. For example, the CVMhas been working more closely with IBRACON to accelerate convergence with IFRS and regulatory members. Companies listed on Sao Paulo Stock Exchange's New Market are required toprovide financial statements prepared in accordance with IFRS or to the US-GAAP, in addition to those that are prepared under Brazilian accounting standards. The Committee of Accounting Pronouncements was set up in Brazil, whose objective will be to achieve full adoption of IFRS in the country.

INDIA

Ravindra and Shrikhadi (2010) observed that there is a growing international consensus on the International Financial Reporting Standards as acceptable standards for assessment of the financial health of a company across the globe." Based on the recommendations of the core group set up to facilitate IFRS convergence in India, its Ministry of Corporate Affairs (MCA) announced the approach and timelines for achieving convergence with IFRS. Also the Institute of Chartered Accountants of India (ICAI) commenced the process of issuing IFRS equivalent accounting standards. ICAI stated that for companies with exposure in European markets through equity or debt, transparency on IFRS is essential to cheap capital and hence, the proactive approach. ICAI set a time line of 2011 for compulsory switch over to the new standards.

SOUTH AFRICA

The South African Institute of Chartered Accountants (SAICA), the Johannesburg Stock Exchange (JSE) and the Accounting Practices Board (APB) of South Africa has recognized the need to be part of a global economy with respect to financial reporting. Local accounting standards in South Africa have been harmonized with international accounting standards since 1993. In February 2004, a decision was taken by the APB to issue the text of IFRS as South African statements of GAAP without any amendments (SIACA, 2006). The reasons for the ongoing harmonizing and the issuing of the text of IFRS as South African statements of GAAP were: for South African companies to attract foreign investment, to provide credibility to the financial statements of South African companies in the global market, and to do away with the need for dual listed entities to prepare financial statements in accordance with more than one set of accounting standards (Deloitte, 2006).

ZIMBABWE

Zimbabwe faces a challenge of high inflation that is affecting the wholesome application of the IFRS. The Institution of Chartered Accountants Zimbabwe (ICAZ, 2010) recommends that the IFRS should be in full application by end of 2010. Although Zimbabwe has economic challenges, the Zimbabwe Stock Exchange it has said that IFRS compliance is mandatory to all listed companies in its Stock Exchange (Tom, 2010). Currently, a ZSE panel of experts is responsible for checking IFRS compliance. It encourages accurate and correct presentation of companies' financial accounts including historical data and internationally comparable balance sheets and disclosure. This makes it easier for investors, including external investors. The ZSE (ZSE, 2010) added that IFRS for SME is compulsory which was expected to commence by January, 2011, also the local GAAP which was based on the 1998 version was expected to translate into IFRS. The local tax authority has yet to adopt or convergence plans of tax reporting to the IFRS.

NIGERIA

There are a number of institutions and agencies in Nigeria which provide guidelines that determine what information, and in what format such information, should be included in financial reports. Such institutions are the Institute of Chartered Accountants of Nigeria (ICAN), the Association of National Accountants of Nigeria (ANAN), the Central Bank of Nigeria (CBN), Nigerian Accounting Standards Boards (NASB). Now the Financial Reporting Commercial (FRC), National Insurance Commission (NAICOM), Security and Exchange Commission (SEC), and Corporate Affairs Commission (CAC). These institutions are ready to give up on Nigeria's GAAP and adopt IFRS from 2012 (Hassab, Epps and Said, 2001; Iyoha and Jimoh, 2011).

Mukthar, (2009) asserts that, there is no better time than now to contribute to the debate for the need and feasibility of adopting the IFRS as a financial reporting framework in Nigeria. This is due to the pronouncements by the banker's committee (a committee of Managing Directors of banks and the Nigerian Stock Exchange (NSE) to the effect that banks and all listed companies should prepare financial statements in accordance with the IFRS.

Such pronouncements were made considering that complying with IFRS will facilitate transparency and lead to more disclosure in financial statements which will be useful to stakeholders, especially foreign stakeholders. IFRS-based financial statements stand to have added advantage in their business relationships with their correspondent banks, multilateral institutions and international investors. Companies that prepare IFRS-based financial statements are also expected to get some boost in their rating. Adoption of the IFRS in Nigeria commenced in January, 2012.

KENYA

Kenya is one of the earliest countries to adopt the use of the IAS and IFRS in 1999. UNCTAD (2008) confirms that over the years, Kenya has developed a wealth of experience in the use of IFRS, which provide useful insights in the development of strategies by International Standards of Accounting and Reporting (ISAR) to aid other countries in the implementation of IFRS. There a lone stock market in Kenya, the Nairobi Stock Exchange, in which the shares of about 50 companies are traded. In addition to these listed companies, there is also a sizeable number of companies which are either multinationals or companies owned privately by the nationals, as well as a large number of small and medium-sized enterprises (SMEs). In terms of financial reporting, all the companies are required to prepare financial statements based on IFRS. In most cases, however, SMEs would prepare financial statements for use by the tax authorities or by the banks for purposes of accessing credit. Other public interest companies such as banks, insurance companies, cooperative societies and non-governmental organizations also prepare accounts in accordance with IFRS (Caroline, 2010).

UGANDA

The Institute of Certified Public Accountants of Uganda (ICPAU, 2009) stipulates that Uganda has adopted IASs, SIC IFRSs and IFRIC without amendment since 1998. All openly accountable bodies are obliged to present their financial statements in compliance with full IFRS. In additional, Uganda has instructed on the application of IFRS for SMEs at the beginning of 2010. Uganda Security Exchange (USE, 2010) directed that all foreign or national companies listed on the stock exchange to comply with IFRS when the time of reporting was due.

TANZANIA

According to Tanzania's National Board of Accountants and Auditors (NBAA, 2009), Tanzania shifted to IFRSs, IPSASs, and ISAs with effect from July, 2004. In that effect, compliance required all preparations of financial statements to be in accordance with the IFRSs no matter the size of the firm. Pacter (2010), observed that publicly accountable entities were required to use full IFRS including the entities that offer shares to the public, financial institutions such as banks, insurance, pension funds, mutual funds, security brokers or dealers. Also, entities that have essential public service such as utilities; and non-publicly accountable entities are permitted to use the IFRS for SMEs. In that case, all bodies using IFRS for SMEs should apply those pronouncements as issued by the IASB in full and without modification.

CANADA

In January 2006, the Accounting Standards Board (AcSB) adopted a strategic plan for embracing IFRSs across the whole country for all public companies and other profit-oriented enterprises that are responsible to large or diverse groups of shareholders in Canada. From that time, AcSB proposed on its section 1506 to house the approval of IFRSs (Peter, Michael, and Ken, 2008, Deloitte, 2011). Peter (2008) recommended that:

"The AcSB has recently confirmed January 1, 2011 as the changeover date to which IFRSs was supposed to replace current Canadian Standards and interpretations as GAAP" (p.2).

UNITED STATES OF AMERICA

AICPA (2011) asserts that asfar as the USA is concerned; the enforcement of IFRS has taken the following forms. From 2001 to 2004 USA has made effort to implement IFRS. In 2005;The Securities and Exchange Commission (SEC) released a roadmap allowing IFRSfilings without GAAP reconciliation for foreign firms by 2009. In 2006;The IASB and the FASB agree to work on a number of major projects.In 2007;The SEC announced that it will accept from foreign filers in the U.S. financial statements prepared inaccordance with IFRS, as issued by the IASB, without reconciliation with U.S. GAAP. Also, the SEC issued a ConceptRelease asking if U.S. public companies should be given an option to follow IFRS instead of U.S. GAAP. In2008;The SEC was expected to vote on a proposal creating a timeline for moving U.S. public companies to IFRS, also, the FASB and the IASB updated the Norwalk Agreementwith the goal of accelerating convergence. In 2009;the IASB ended its moratorium, set in 2005, on the required application of new accounting standards andmajor amendments to existing standards. The board had frozen its rules while more countries adopted IFRS.

In 2011; Canadian and Indian companies are slated to begin using the global standards, and Japan was slated to haveeliminated all major differences between Japanese GAAP and IFRS. In the United States, questions concerningIFRS are expected to be included in the Uniform CPA examination.Year 2013 is the earliest year projected by accounting firms for mandating that large U.S. public companies convert theirfinancials to IFRS, year that the updated Norwalk Agreement expects all major capital markets to operate fromone set of accounting standards (AICPA, 2011). The year 2015 is earliest year the SEC would allow public companies to convert their financials to IFRS(AICPA, 2011).

JAPAN

Japan financial reporting is guided by both international and domestic factors which fall under the Accounting Standards Board of Japan (ASBJ). From 2004 to 2010, the Japanese Institute of Certified Public Accounts (JICPA) along with ASBJ has made a tremendous move towards the harmonization between Japanese GAAP and IFRS. Some problems remained unsolved as they have to be worked on by 30 June, 2011 (Afaanz, 2011).

According to (Global Glimpses, 2009) and (Smart, 2012), Japan allowed a number of international companies the use of IFRS and some local companies to use them on their own choice for the year ending March 31, 2010. In 2012, the decision about the mandatory adoption of IFRS by 2016 is expected by the year 2013.

HONG KONG

Starting in 2005, Hong Kong Financial Reporting Standards (HKFRS) were made identical to the IFRS. While Hong Kong had adopted many of the earlier IAS as Hong Kong standards, some had not been adopted, including IAS 38 and IAS 39. All of the December, 2003 improvements and new and revised IFRS issued in 2004 and 2005 started takingeffect in Hong Kong beginning from 2010. In 2005, implementing Hong Kong Financial Reporting Standards, the challenge sets out a summary of each standard and interpretation. The key changes it makes to accounting in Hong Kong, the most significant implications of its adoption, and related anticipated future developments. There are some Hong Kong standards and several Hong Kong interpretations that do not have counterparts in IFRS. Also there were several minor wording differences between HKFRS and IFRS (Deloitte, 2008,Tyrone, 2010).

CHINA

Chinese government had conducted series of accounting standard reforms in 1992, 2001 and 2006 in which each replaced the previous. According to Gingham and Haitao (2010) the Chinese accounting standards were considered to be in great conformity with IFRS. This developments confirm response to the emerging stock market and the increasing demand of foreign investors in China. Karthik, Donavan and Nancy (2005) and Romanna (2010) have however remarked that although in 2005 China converged with IFRS, but not in full compliance with IFRS requirements.

The Chinese Accounting Standards Committee (CASC) is the body charged with developing accounting standards in collaboration with the Ministry of Finance (Elmer, 2011). CASC had issued new standards regarding cash flow statement, lease and other standards in conformity with the IFRS. In February 2006, the Chinese Ministry of Finance promulgated the introduction of Chinese Accounting standards based on IFRS. In January, 2007, China was obliged to adopt the IFRS so as to get placed into the global capital market (Zhang, Andrew and Collier, 2007). China is considered being the fourth world economy with far reaching economic effect regarding the application of IFRS. Afaanz (2011) argues that although China is adopting the IFRS there are challenges converging domestic standards with the IFRS expected to have been concluded by December 2011, and the application of IFRS to all companies big, small and medium effective January 2012.

ENFORCEMENT OF FINANCIAL REPORTING STANDARDS (FRS) TOWARDS SMES

The application of IFRS, will affect SMEs. In July 2009 the IASB issued IAS for Small and Medium Enterprises. At the European Union level, the body responsible for adopting IFRS and IASproposed the application of the IFRS for SMEs on a representative group of States, effective in August, 2009. The mission of the SME Implementation Group is to support the international adoption of the IFRS for SMEs and monitor its implementation. This representative group of 21 members was selected based on their knowledge and experience on SMEs reporting. The selection pursued the criteria of fairness, related to geographical location (Ana-Maria and Andrea, 2011).

On the other hand all of them agreed on the necessity of a cost/benefit analysis of implementing the standards, before any decision is taken. Also mentioned is the comparability between full EU IFRS and IFRS for SMEs. Using IFRS for SMEs as the regulatory legal framework for financial reporting has its own benefits.(European Commission, 2010; Grosu and Bostan, 2010).It is known that IFRS for SMEs are characterized by greater flexibility on the implementation of the professional reasoning, so it is possible that applying the same standard will not prevent the same transaction from being recognized and reported differently in financial statements (Grosu&Bostan, 2010).

CONCERNS FOR THE GAAP AND IFRS LINGERING DIFFERENCES

It is often considered that U.S. GAAP is the gold standard, especially since it has been in existence for many decades and has remained most influential in the world (Nobes& Parker, 2008; AICPA, 2011). To test how America has influence in accounting worldwide and if it applies IFRS, the obligation to apply IFRS does not apply unless to traded companies. Listed companies from the United States of America are required to apply us Financial Accounting Standards (FASs). Harmonization of international accounting has been a process with two speeds, fast for large publicly traded companies, but much slower for others (Ana-Marie, and Andrea, 2011).

Another concern is that many countries that claim to be converging to internationalstandards all over the world may never get to 100 percent compliance. Most reserve the right to carve out selectively or modify standards they do not consider in their national interest, an action that could lead to incomparability thevery issue that IFRS seek to address.

Great strides have been made by the FASB and the IASB to converge the content of IFRS and U.S. GAAP.The goal is that by the time the SEC allows or mandates the use of IFRS for U.S. publicly traded companies,all or most of the key differences would have been resolved.Because of these ongoing convergence projects, the extent of the specific differences between IFRS andU.S. GAAP is shrinking (Sawami, 2011).

CONCLUSION

Based on the foregoing literature review, it is clear that from the selected countries, effortsare ongoing to ensure the enforcement of Financial Reporting Standard in them. It is foreseeable that from the first year of IFRS reporting, the various management unitsto take many decisions due to the IFRS, aiming at finding explanations on how the targeted transition will be effectively achieved from previous national GAAPs to national regulations of IAS/IFRS.

One can deduce that there are many areas that need to be converged with IFRS to achieve the stated goals. These include the: (1) Legal environment; (2) tax, cultural and Education issues; (3) Financial instruments and hedging; (4) Adoption of inventories based on LIFO; (5) Recognition of financial Assets and Liabilities; (6) Contingencies regarding Assets and Liabilities; (7) Business combinations; (8) Leasing, and (9) Property, plant and equipment.

A most fundamental change that has affected many countries in recent times is the introduction of international Financial Reporting Standards.Most countries have undertaken a number of steps to improve its financial reporting and auditing systems. Huge amount of money have been invested for training and education for financial-statement preparersand auditors of small local companies. This is to understand that high quality financial reporting depends on enforcement. Merely adoptinginternationally accepted accounting and auditing standards cannot ensure improvementsin corporate financial reporting. There are three important links in the enforcementchain, and each must be strengthened.

Firstly, company directors, who have legalresponsibility for preparing and presenting financial statements, must ensure that accounting staff properly applies the IFRS accounting standards. Secondly, auditors mustact independently to provide assurance that financial statements comply with theestablished standards and portray a true and fair view of an enterprise's financialconditions and results of operations.Thirdly, both self-regulatory organizations andstatutory regulatory bodies must implement arrangements for efficient monitoring ofregulatory compliance and consistently take action against violators.

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