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The Implication of IFRS Adoption for Financial Reporting in Oil and Gas Companies

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Abstract
This paper investigates the implication of IFRS adoption for financial reporting in the Oil and Gas companies in Nigeria. The study adopts the use of questionnaire as instrument of data collection. Chi-square statistical model was employed to test data from the research survey. From our findings we deduced that there is a significant relationship between IFRS adoption and technical competency of preparers, auditors and users in Oil and Gas Company in Nigeria. By implication of our second analysis we conclude that there is relationship between IFRS adoption and legislative requirements in Oil and Gas Company in Nigeria. Also it was also deduced that there is a relationship between IFRS adoption and system capability and internal capability in Oil and Gas Company in Nigeria. The study recommends that there should be more room for internal and external training in the implementation of IFRS in the Oil and Gas companies in Nigeria.

Keywords: adoption of IFRS, Oil and Gas companies, technical competency, and legislative requirements.

Introduction

Background of the Study

The Nigeria economy, up to the 21st century has remained and oil economy, as it forms well over 60% of our Gross Domestic Product (GDP). Until recently, when the Nigeria government, under sectors of the economy, such as agriculture (which had been the mainstay of the economy before the discovery of oil and gas), solid mineral and industries. It is the economy under which other economic activities revolve. The Nigeria economy, one could conclude without missing words, that it is an oil-push economy, at present (Labaran, 2011).

Accounting for oil and gas activities presents many difficulties. Significant upfront investment, uncertainty over prospects and long project lives have led to a variety of approaches being developed by companies, and a range of country-specific guidance for the sector. As countries around the world adopt IFRS, accounting approaches for affected companies may need to be reassessed. Many countries converted to IFRS in 2005 and conversions are imminent for other countries (KPMG, 2011).

Problem of the Study

Nigerian publicly listed companies and significant public interest entities were required to adopt International Financial Reporting Standards (IFRS) in 2012. IFRS and Nigerian Statements of Accounting Standards (SAS) are different in some significant ways. The problem is that if the companies are prepared for the accounting issues and other challenges that they are likely to be encounter. Industries standard under IFRS entities across a number of jurisdictions, with overwhelming acceptance that applying IFRS in this industry will be a continual challenge; and other jurisdictions, for which companies can draw on the existing interpretations of the industry. This structure of national economies, the legal framework, the tax system, the political environment and the level of development of the accounting profession and all significant factors that influences the extent to which these international standards can be implemented across countries consequently, significant cost are likely to occur from transitioning to IFRS for the purpose study following research questions are constituted.

1. What are the technical competency of preparers, auditors and users of IFRS in Oil and Gas Company in Nigeria?
2. What are the legislative requirements of IFRS in Oil and Gas Company in Nigeria?
3. What are the system capability and internal capability of IFRS in Oil and Gas Company in Nigeria?

Scope of the Study

The implication of adoption of International Financial Reporting Standard (IFRS) in Nigeria; challenges of implementation is restricted to the Oil and Gas companies in Nigeria. Consequently, it is based on a random sample size of 100 respondents consisting professional auditors and management of selected Oil and Gas companies in Nigeria. Questionnaires are used to generate the required information needed in test the hypothesis formulated. For the purpose of this research work, Oando, Afri Oil Total, NNPC Nigeria Plc will be used for study within Benin metropolis.

Literature Review

The importance of the oil and gas industry to the Nigerian economy cannot be over emphasis and as the country moves to the adoption of IFRS, the oil and gas industry companies need to take on a leadership role to demonstrate best practice in financial reporting. The Nigerian economy is largely dependent on its oil sector which supplies 95% of its foreign exchange earnings and its wealth of oil also makes it most attractive to the major oil-multinationals. The upstream oil industry can be considered as Nigeria's lifeblood, being the single most important sector in the economy, while the downstream oil industry is also a key sector. To tackle the complexity of accounting for extractive activities and the variety of accounting policy choices available to a company in the sector, the Nigerian standard setter issued in 1993 Statement of Accounting Standards dealing with upstream activities and later completed the task by issuing standards for downstream activities.

But in terms of IFRS, not willing to issue industry specific standards, the IASB has issued only one standard so far, IFRS 6, which deals with Exploration for and evaluation of mineral resources. When considering IFRS conversion by the oil and gas industry companies, there will be a variety of challenges faced by the companies in that sector. There are the companies which subsidiaries of oil-multinationals, with some of the multi-nationals already preparing IFRS financial statements and which would technically have no difficulties to understand the IFRS implications while there are others for whom IFRS would be new - such as the US multi-nationals, Then, there is the giant parastatal, NNOC which, with all its subsidiary companies, controls and dominates all sectors of the oil industry, both upstream and downstream and for whom the local Nigerian GAAP will be the only reporting framework.

Nevertheless, the local Nigerian GAAP is common to all and it is important that all oil and gas stakeholders to understand the gap between Nigerian SAS and IFRS. IFRS prescribes the minimum standards of disclosure and with only IFRS6 issued so far, the oil and gas industry company to provide additional disclosure to explain any unusual circumstances faced by it. In addition, where there are no IFRS standards which specifically address circumstances, particular events, transactions or other conditions arising in the industry, the oil and gas industry companies will have to select their own accounting policy. Following the IFRS hierarchy of guidance for the selection of an accounting policy, will existing accounting policies in line with the SASs be sufficient or are there alternatives which will provide more relevant and useful information? Nigerian accountants working in the oil and gas industry faces the challenge of moving to a new framework – IFRS – which does not deal with all the intricacies, complexities of transactions and events common to the sector.

Historical of IFRS

The International Financial Reporting Standards described as a set of high quality financial reporting standards was developed by the International Accounting Standards Board (IASB) formerly known as the International Accounting Standards Committee (IASC), as part of the standard to harmonize accounting standard worldwide. Many of the standards forming part of IFRS are known by the older name of International Accounting Standard (IAS) was issued between 1973 and 2001 by the board of the International Accounting Standard Committee (IASC). In April 2001 the IASB adopted all IAS and continued their development calling the new standards IFRS. This process received a significant boost in 2002 when the European Union (EU) adopted a regulation requiring public companies to convert to IFRS beginning in 2005. The EU now accounts for more than a third of the countries that prescribe the application of IASB standards. The major EU objectives in requiring the use of IFRS is the harmonization of accounting standards for listed companies in Europe. Since there are approximately twenty five (25) countries that make up the EU, most of the publicly headed companies reported their financial statements board on standards set in their individual countries which made interpretation of the financial statements difficult beyond their boundaries. The primary differences in the financial statements reported by these EU countries were in recognition, valuation, and disclosure issues because they varied significantly amongst countries. It is due to these differences in accounting reporting that the EU decided that the adoption of IASs is the best path to successful accounting harmonization for publicly traded companies. To date there are over 100 countries around the world that have adopted IFRS (Deloitte, Touche Tohmatsu, 2008). The U.S. Securities and Exchange Commission (SEC) issued a call for comment on a proposal to accept financial statements prepared in accordance with IFRS.

IFRS Adoption

IFRS are listed in many parts of the world. as of 27 August 2008, more than 133 countries around the world, including all of Europe, currently required of permit IFRS reporting. Approximately 85 of those countries require IFRS reporting for all domestic listed companies in addition, the U.S. is also gearing towards IFRS. The SEC in the U.S. is slowly but progressively shifting from requiring only U.S. GAAP to accepting IFRS and will likely accept IFRS standards in the long term.

Property, Plant and Equipment (PP&E)

The oil and gas industry is capital-intensive, incurring significant expenditures on plant and equipment. IFRS requires significant components of PP&E, for which different depreciation methods or rates are applicable, to be depreciated separately. IFRS also requires the separate recognition and depreciation of certain non-physical components such as major overhauls and refurbishments. Only directly attributable overhead and administrative costs can be capitalized as part of the cost of PP&E. Companies converting to IFRS will need to reassess their accounting for PP&E to determine whether further componentization of PP&E is required.

An oil and gas entity following the full cost method of accounting has generally been calculating depletion and depreciation for its oil and gas properties at the cost centre (i.e., typically a country) level. Component accounting under IAS 16 requires depreciation calculations to be performed at a

far more detailed level than under SAS. For an oil and gas entity, a component could be a single well or an entire field depending on facts and circumstances. This switch to component depreciation will be significant in terms of time, effort and process changes.

Development or production assets are commonly classified as oil and gas interests in property, plant and equipment on the balance sheet. The IASB recently amended IFRS 1 First-time Adoption of International Financial Reporting Standards to allow entities in the oil and gas industry to use their previous GAAP carrying amounts as deemed cost at the date of transition for oil and gas assets.

Impairment of PP&E

IFRS has one impairment model under IAS 36 covering PP&E, goodwill and intangible assets. Assets are evaluated either individually or grouped in a CGU for impairment testing purposes. IFRS requires management to identify its CGUs based on the smallest group of assets that is capable of generating independent cash inflows. This is significantly different from Nigerian SAS where oil and gas entities following full cost accounting can perform impairment tests at the country level.

Under IFRS, for costs capitalized in the development phase, impairment testing at the CGU level would be at a lower level (i.e., a field or a core area level), depending on the entity's operations. Under special IFRS 6 impairment recognition rules, a CGU used during the E&E phase and the transition of E&E assets to the development phase may be at a more aggregated level than would be required for non-E&E assets, but must not be larger than an operating segment. The timing of impairment testing under IFRS is consistent with the timing of impairment testing under Nigerian SAS, except again for the special IFRS 6 facts and circumstances available to assets in the E&E phase.

Impairment charges are recognized if an asset's (CGU's) carrying amount exceeds its recoverable amount, which is the greater of its value in use (an entity specific model) or its fair value less costs to sell (market-based model). When testing for impairment under IFRS, the entity's goodwill will also need to be allocated to CGUs, whereas under Nigeria SAS.

Misconception of IFRS by Management and Staff of Companies in Nigeria

The management and personnel of companies believed and continue to emphasize that IFRS is all about accounting and its implementation lies with the finance function of companies. But at large, IFRS is just more than accounting; rather it is all about the following:

- The way and manner in which an entity conducts its business after giving consideration to its accounting and financial reporting implications.
- It has a regulatory implication which is not limited to capital adequacy for bank, and solvency margins for insurance, but it considers capital management for all entities.
- It also has a tax implication based the divergence of the tax reporting of transactions as against the financial reporting of the same transactions.
- There are implications to Human Resources Management and Accounting in terms of Employees' Benefits.
- There is equally a legal perspective to IFRS, as this will guide companies on the implication of the contents of some contracts, as they will be treated based on the overall economic substance of the transactions and not merely based on its legal content or form (e.g. Contract management).
- It equally affects the way and manner of Treasury Management vis-à-vis Risk Management of Asset.

Methodology

The population consists of all auditors and management staff of Oil and Gas companies listed in Nigeria Stock Exchange as at 2012. In view of the large population and for the purpose of this work, a sample of five 5 companies namely; Oando, Afri Oil, Total, NNPC Nigeria Plc will be used for study within Benin metropolis will be used in this study for effective and efficient derivation of reasonable results that will be used for decision making. The data was gathered or collected by administering questionnaire to respondent in the study.

The researcher decided to use the chi-square test as the research tool because of its simplicity, the chi-square (x^2) is a statistical tool that enable the researcher to establish if there is any relationship between two variables in the total population. It does this by testing whether; the row classification of the dependent variables are related to, or affected by the different levels of the column classification of the dependent variables, the variables in question must have the structural characteristics of nominal and ordinal measures. It is clearly one of the simplest and most popular non-parametric tests in applied statistics. The computation of chi-square is based on the formula.

$$X^2 = \frac{E(fo - fe)^2}{fe}$$

Where

fo = obtained frequency

fe = expected frequency

x^2 = measure of the departure of observed frequencies expected by chance.

It is a basic analytical tool and more practicable when primary data is used.

4.1 Discussions of Findings

The research was done in other to test the "Adoption of international Financial Reporting Standards (IFRS) by Nigeria Oil and Gas companies: challenges of implementation". The data used were gathered using questionnaire administration, which comprises professional accountants, management staff of listed companies and academicians. Data analysis was done through the use of chi-square, using responses from the respondents was analysed. Percentage tables were also used to analyze the demographic data. These includes personal data information, the sex, age, number of years in present employment qualification, present position and professional qualification (if any).

4.2 Data Presentation of the Questionnaire

Question 1: Table Survey of Respondent Sex

Option	Numbers of respondents	Percentage (%)
Male	55	69
Female	25	31
Total	**80**	**100**

Source: Field Survey 2014

Table 1 showed that 69% of the respondents constitute male while 31% were female. This implies a good proportion of men and women are in participation in the study.

Question 2: Survey Respondents Age

Option	Numbers of respondents	Percentage (%)
Below 25	38	48
26-35	25	31
36-45	10	13
46 & above	7	8
Total	**80**	**100**

Source: Field Survey 2014

Table 2 showed that 48% of respondents constitutes the age below 25 years, 31% of respondents constitute the age below 26-35, then 13% of respondents constitute the age between 36-45 while 8% of respondents constitute 46 and above.

Survey qualification of Respondents

Option	Numbers of respondents	Percentage (%)
WAEC/SSCE/GCE/NECO	0	0
OND/NCE	8	10
HND/B/SC	50	62.5
M.SC/MBA/PH.D	22	27.5
Total	**80**	**100**

Source: Field Survey 2014

Table 3 shows that 10% of respondents constitute OND/NCE, 62.5% of respondents constitute of HND/B.Sc, and 27.5% of respondents constitute of HND/B.Sc, are 27.5% of respondents of M.Sc/MBA/PH.d.

4.3 Testing of Hypothesis

The main purpose of hypothesis testing is to examine the reasonableness of a particular population on the basis of a sample from the population. The hypothesis is either accepted or rejected.

A hypothesis is a statement about the relationship between two or more variable, the chi-square distribution was used in testing the study.

$$\frac{\sum(fo-fe)}{fe}$$

The x^2 formular is =
Where X^2 = computed value
fo = observed frequency
fe = expected frequency

Contingency table: Is a table used to analyzing the simple response from the questionnaire administered, the table is made up of rows and column which provides basis for classification.

Hypothesis I

Research question 1, 2, and 3 will be used in testing the hypothesis.

Question 1: There is no significant relationship between IFRS adoption and technical competency of preparers, auditors and users in Oil and Gas Company in Nigeria.

Question 2: IFRS need to address the challenges of short period of time to implement a complex IFRS that require significant changes to an entity financial reporting system.

Question 3: The structure will pose serious challenges in Nigeria.

Table 4.3.1: Sample size of response in question 1, 2 and 3.

Options	No of Responses			
Questions	**1**	**2**	**3**	**Total**
Strongly Agree	36	34	3	73
Agree	18	7	3	28
Undecided	25	13	37	75
Disagree	1	12	13	26
Strongly Disagree	0	14	24	38
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Expected frequency $\frac{\text{(Column Total) Row Total}}{\text{Grand Total}}$

The contingency table below shows that observed frequencies alongside the expected frequency in brackets. The expected frequencies are obtained as follows:

$R_1C_1 \quad \frac{80\,x\,73}{240} = 24.3$

$R_2C_1 \quad \frac{80\,x\,28}{240} = 9.3$

$R_3C_1 \quad \frac{80\,x\,75}{240} = 25$

$R_4C_1 \quad \frac{80\,x\,26}{240} = 8.7$

$R_5C_1 \quad \frac{80\,x\,38}{240} = 12.7$

Table 4.3.2: Observed and expected frequencies

Options	No of Responses			
Questions	**1**	**2**	**3**	**Total**
Strongly Agree	36 (24.3)	3 (24.3)	3 (24.3)	73
Agree	18 (9.3)	3 (9.3)	3 (9.3)	28
Undecided	25 (25)	37 (25)	37 (25)	75
Disagree	1 (8.7)	13 (8.7)	13 (8.7)	26
Strongly Disagree	0 (12.7)	24 (12.7)	24 (12.7)	38
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Table 4.3.3: Computation of chi-square (x^2)

Fo	fe	(fo – fe)	$(fo - fe)^2$	$\frac{(fo - fe)^2}{Fe}$
36	24.3	11.7	136.89	5.6
34	24.3	9.7	94.09	3.87
3	24.3	-21.3	453.69	18.67
18	9.3	8.7	75.69	8.13
7	9.3	-2.3	5.29	0.56
3	9.3	-6.3	39.69	4.26
25	25	0	0	0
13	25	-12	144	5.76
37	25	12	144	5.76
1	8.7	-7.7	59.29	6.81
12	8.7	3.3	10.89	1.25
13	8.7	4.3	18.49	2.12
0	12.7	-12.7	161.29	12.7
14	12.7	1.3	1.69	0.13
24	12.7	11.3	127.69	10.05
				85.67

Source: Field Survey, 2014

The degree of freedom is determined from the contingency table.
Degree of freedom = (number of row – 1) x (number of column – 1).

Thus, degree of freedom = (5 -1) x (3 – 1)
Degree of freedom = (4) x (2)
Degree of freedom = 8
The test of significance is conducted at 5% level therefore, the objective is summarized as;
H_0: $p_1 \neq p_3 = p_4$
H_1: $p_1 = p_3 = p_4$

Decision:
From the chi-square, the critical value at 8 degree of freedom (5-1) (3-1) and 5% level of significance 15.507. The computed value is 85.67 which is greater than the critical value of 15.507. Therefore the null hypothesis is rejected while the alternative hypothesis is accepted. It is therefore concluded that there is a significant relationship between IFRS adoption and technical competency of preparers, auditors and users in Oil and Gas Company in Nigeria.

Hypothesis II
Research question 4, 5 and 6 will be used in testing the hypothesis.
Question 4: There is no significant relationship between IFRS adoption and legislative requirements in Oil and Gas Company in Nigeria.
Question 5: The volume and speed of changes made it impossible for student to develop the skill and ability to implement IFRS.
Question 6: The impact of IFRS on enterprise performance management capability will be significant.

Table 4.3.4: Survey of respondents responses to questions 4, 5, and 6.

Options	No of Responses			
Questions	**4**	**5**	**6**	**Total**
Strongly Agree	5	23	7	35
Agree	2	10	2	14
Undecided	44	13	67	124
Disagree	2	4	0	6
Strongly Disagree	27	30	4	61
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Expected frequency $\frac{\text{(Column Total) Row Total}}{\text{Grand Total}}$
The contingency table below shows that observed frequencies alongside the expected frequency in brackets. The expected frequencies are obtained as follows:

$R_1C_1 \quad \frac{80 \, x \, 35}{240} = 11.7$

$R_2C_1 \quad \frac{80 \, x \, 14}{240} = 4.7$

$R_3C_1 \quad \frac{80 \, x \, 124}{240} = 82.7$

$R_4C_1 \quad \frac{80 \, x \, 6}{240} = 2$

$R_5C_1 \quad \frac{80 \, x \, 61}{240} = 20.3$

The contingency table below shows the observed frequencies along side the expected frequencies in brackets.

Table 4.3.4: Survey of respondents responses to questions 6, 8, and 10.

Options	No of Responses			
Questions	**4**	**5**	**6**	**Total**
Strongly Agree	5 (11.7)	23 (11.7)	7 (11.7)	35
Agree	2 (4.7)	10 (4.7)	2 (4.7)	14
Undecided	44 (82.7)	13 (82.7)	67 (82.7)	124
Disagree	2 (2)	4 (2)	0 (2)	6
Strongly Disagree	27 (20.3)	30 (20.3)	4 (20.3)	61
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Table 4.3.3: Computation of chi-square (x^2)

Fo	Fe	(fo – fe)	$(fo - fe)^2$	$\frac{(fo - fe)^2}{Fe}$
5	11.7	-6.7	44.89	3.84
23	11.7	11.3	127.09	10.91
7	11.7	-4.7	22.09	1.8
2	4.7	-2.7	7.29	1.55
10	4.7	5.3	28.09	5.98
2	4.7	-2.7	7.29	1.55
44	82.7	-38.7	1,497.69	18.11
13	82.7	-69.7	4,858.09	58.74
67	82.7	-15.7	246.49	2.98
2	2	0	0	0
4	2	2	4	2
0	2	-2	4	2
27	20.3	6.7	44.89	2.21
30	20.3	9.7	94.09	4.63
4	20.3	-16.3	265.69	13.08
				129.47

Source: Field Survey, 2014

The degree of freedom is determined from the contingency table.
Degree of freedom = (number of row) (number of columns).
Thus, degree of freedom = (5 x 1) (3 x 1)
= 4 x 2
DF = 8
The test of significance is conducted at 5% level therefore, the objective is summarized as:
H_0: $p_6 \neq p_8 = p_{10}$
H_1: $p_6 = p_8 = p_{10}$

Decision
The computed value from the chi-square is 129.47, which is greater than the critical value of 15.507 obtained from chi-square table at 5% significance and V = 8 degree of freedom.
It implies that the null hypothesis is rejected while alternative is accepted, concluding that there is relationship between IFRS adoption and legislative requirements in Oil and Gas Company in Nigeria.

Hypothesis Testing
Research question 7, 8 and 9 will be used in testing the hypothesis.
Question 7: There is no significant relationship between IFRS adoption and system capability and internal capability in Oil and Gas Company in Nigeria.
Question 8: There is positive implementation of IFRS and system capability and internal capability.
Question 9: Your organization has a clear potential implementation accounting education at a group entity level.

Table 4.2: Survey of respondents responses to questions 7, 8 and 9.

Options	No of Responses			
Questions	**13**	**15**	**17**	**Total**
Strongly Agree	26	21	23	70
Agree	13	21	17	51
Undecided	30	28	13	71
Disagree	11	9	26	46
Strongly Disagree	0	1	1	2
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Expected frequency $\frac{\text{(Column Total) Row Total}}{\text{Grand Total}}$

$R_1C_1 \quad \frac{80 \, x \, 70}{240} = 23.3$

$R_2C_1 \quad \frac{80 \, x \, 51}{240} = 17$

$R_3C_1 \quad \frac{80 \, x \, 71}{240} = 23.7$

$R_4C_1 \quad \frac{80 \, x \, 46}{240} = 15.3$

$R_5C_1 \quad \frac{80 \, x \, 2}{240} = 0.7$

The contingency table below shows the observed frequencies alongside the expected frequencies in brackets.

Table 4.1: Observed and expected frequencies

Options	No of Responses			
Questions	**13**	**15**	**17**	**Total**
Strongly Agree	26 (23.3)	21 (2.33)	23 (23.3)	70
Agree	13 (17)	21 (17)	17 (17)	51
Undecided	30 (23.7	28 (23.7)	13 (23.7)	71
Disagree	11 (15.3)	9 (15.3	26 (15.3)	46
Strongly Disagree	0 (0.7)	1 (0.7)	1 (0.7)	2
Total	**80**	**80**	**80**	**240**

Source: Field Survey 2014

Table 4.3: Computation of chi-square (x^2)

fo	Fe	(fo – fe)	$(fo - fe)^2$	$\frac{(fo - fe)^2}{Fe}$
26	23.3	2.7	7.29	0.31
21	23.3	-2.3	5.29	0.23
23	23.3	-0.3	0.09	0.0038
13	17	-4	16	.094
21	17	4	14	0.94
17	17	0	0	0
30	23.7	6.3	39.69	1.67
28	23.7	4.3	18.49	0.78
13	23.7	-10.7	109.62	4.63
11	15.3	-4.3	18.49	1.21
9	15.3	-6.3	39.69	2.59
26	15.3	10.7	109.62	4.63
0	0.7	-0.7	0.49	0.7
1	0.7	0.3	0.09	0.12
1	0.7	0.3	0.09	0.12
				18.87

Source: Field Survey, 2014

The degree of freedom is determined from the contingency table.

Degree of freedom = (number of row) (number of column).

Thus, degree of freedom = (5 -1) (3 – 1)

Degree of freedom = (4) x (2)

Degree of freedom = 8

The test of significance is conducted at 5% level therefore, the objective is summarized as;

H_0: $p_{13} \neq p_{15} = p_{17}$

H_1: $p_{13} = p_{15} = p_{17}$

Decision:

The computed value from the chi-square is 18.87, which is greater than the critical value of 15.507 obtained from chi-square table at 6 significance and V = 8 degree of freedom.

It implies that the null hypothesis is rejected while alternative is accepted, concluding that there is a relationship between IFRS adoption and system capability and internal capability in Oil and Gas Company in Nigeria.

Conclusion

From our investigation we deduced that there is a significant relationship between IFRS adoption and technical competency of preparers, auditors and users in Oil and Gas Company in Nigeria. By implication of our second analysis we conclude that there is relationship between IFRS adoption and legislative requirements in Oil and Gas Company in Nigeria. Also it was also deduced that there is a relationship between IFRS adoption and system capability and internal capability in Oil and Gas Company in Nigeria.

Recommendation

There should be more room for internal and external training in the implementation of IFRS in the Oil and Gas companies in Nigeria

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