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# IFRS ADOPTION AND AUDITING ISSUES - REVIEW PAPER

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**Abstract**

*The main purpose of this paper is to analyse the adoption of IFRS and audit issues. The authors have identified five different issues pertaining to the adoption of IFRS, which are audit fees, auditor's choice, auditor's preferences, audit time lag and comparability. The review paper is based on 28 empirical studies and their main findings. Secondly, the aforementioned five issues have been discussed in detail in connection with the previous studies conducted in a similar domain. Based on the in-depth review, it is clearly found that the adoption of IFRS increases audit fees and comparability. Moreover, it is also found that adoption of IFRS increases the auditor's time lag in developing countries. Based on the current review paper, it can be said that the adoption of IFRS could be highly efficient and applicable to developing countries, but the utilisation of the same factor for developed economies as well as (also) advised. The selected literature review represents a historical record along with an introduction to the main topic that needed to investigate accordingly. Future research investigation has also been proposed subsequently.*

*Keywords: Audit Fees, IFRS Adoption, Audit choice, Audit Report Lag, Switching Auditing firms, Auditor's perceptions*

## INTRODUCTION

A strong financial reporting system that supports valuable and efficient governance, quality standards and the effervescent regulatory system is essential for the economic development of a country (Kim, Liu and Zheng, 2012). Inevitably, standards of financial reporting, ethics and auditing reinforce the understanding and trust which investors place in the financial information of a company that ultimately affirms the economic growth and financial stability of a country. Due to increasing globalisation, more and more countries are opening their doors to attract foreign direct investment (FDI) along with the expansion of their cross-border recognition (Lin and Yen, 2016). Before investing in a country, investors always like to assess the information that encompasses the framework of financial reporting and its values. Investors are well cognizant of the fact that a proper global financial reporting could bring numerous advantages and features for them in the long run (De et al., 2012). One of the most prominent advantages of a powerful financial reporting framework is the facilitation of e greater compatibility with financial information for the investors along with the efficient allocation of the resources (Cascino and Gassen, 2016). Most of the think tanks across the globe are striving to follow a uniform accounting standard. This particular assertion highlights the importance and implications of the adoption of International Financial Reporting Standards (IFRS).

More than hundred countries throughout the world have either adopted IFRS alreadyor are in the process of adopting (them) the same. The adoption of IFRS caused umpteenth repercussions on the global capital market that urged millions of policymakers to divert their mind towards the same contention. Both developed and developing economies of the world are now in the mindset to implement a single set of accounting standards. Indeed, the introduction of a single set of accounting standards globally has received unbelievable attention and praises from practitioners as well as from academicians. As indicated by Yip and Young, (2012), the level of independence, transparency, training and materiality of the auditors are some of the most important topographies that affect the quality of the financial reporting, if and only if the convergence towards a global reporting standing is fully rationalised. Nonetheless, one cannot ignore different opinions of the authors pertaining to the potential adoption. Odia and Ogiedu, (2013) satisfied the policymakers with their statement that global IFRS will be efficient in financial reporting that maximises the audit quality eventually. On the other hand, retaliating to the same statement Pope and McLeay, (2011) argued that the adoption of IFRS is costly, as it increases the auditing cost that finally affects adversely on the bottom line of the companies. The same study has revealed that the adoption of IFRS increases the litigation risk for accountants- resulting to different reporting issues within the companies.

The stance of adoption of IFRS has attained certain effectiveness all over the world, as both, developed and developing countries are now adopting IFRS as the basis of their financial reporting as the basis of their financial reporting framework (Kim, Liu and Zheng, 2012). The European Union (EU) took the lead in this particular proclamation, after the providence of mandate to all the listed companies in Europe to commence the adoption and implication of the IFRS in their reporting profile (Yip and Young, 2012). Accentuation is placed on the wilful deception of IFRS and market reactions to the revelations of appropriation of the IFRS in the European Union, while the analyst centres on a required selection of the IFRS for a constrained period from 2007 to 2010 (Byard, Li and Yu, 2011). It has been explored in an extensive variety of obligatory impacts for the utilization of IFRS, incorporating bookkeeping choices in the use of IFRS, capital markets, and macroeconomic results. The specialist's audit late significant investigations of securities identified with the compulsory appropriation of IFRS (Li et al., 2016). These surveys concentrate together on the advantage side of the reception of IFRS in connection with financial specialists and supervisors (Lin and Yen, 2016).

It has been observed that the adoption of IFRS has gained gigantic pace after the recent Global Financial Crisis (GFC) (Daske et al., 2013). According to most of the think tanks, the adoption of a global financial reporting standard such as IFRS can reduce the likelihood of such financial crisis in the future, because of its tendency to present and focus valuable information in the documents. As per the demonstration in the study conducted by Byard, Li and Yu, (2011), the recent economic slump has brought many issues into the focus of the policymakers, predominantly in the financial reporting standards that increased the importance and implications of compliance with the global standards. Compliance with the global financial standard tends to enhance the efficiency of a company in widening their capacity to strengthen their financial forecast mechanisms (Yip and Young, 2012).

Apart from the underlying benefits of adopting IFRS, there are certain issues as well that are highlighted in the same aspect, such as Auditing Issues (Joos and Leung, 2012). This particular review paper will look at the adoption of IFRS and the auditing issues it highlighted. Since it is a review paper, therefore comparison and contrast within the statement of the authors are required to make a robust review paper that welcomes certain arguments from different authors (Callao, Jarne and Laínez, 2007). The mere focus of this review paper is on the adoption of IFRS in both developed and developing countries and the effects of the same on their financial reporting. Some of the main issues in terms of auditing are audit fees, auditor's choice, audit-reporting lag and others. Both theoretical and empirical evidence will be considered while writing the subsequent parts of the review paper.

## LITERATURE REVIEW

Operating cost has emerged as one of the mainstream problems for organisations in the current economic times (Adebayo and Sharma, 2017). Every firm endeavours hard to reduce their operational costs in order to maximise their net income (Lin and Yen, 2016). From the theoretical viewpoint, most of the literature on auditing contended that the adoption of IFRS increases the efforts of the auditors (Jermakowicz and Gornik-Tomaszewski, 2006). Joos and Leung, (2012) analysed and mentioned clearly in their research that the connection between Auditor's efforts and Audit fees is direct and positive. It means that when auditor's effort increases, the fees associating with the same also increases (Lahmar and Ali, 2017).

### *Adoption of IFRS and Audit Fees*

Abdulmalik and Ahmad, (2016) designed/constructed a model for operational cost and analysed that the adoption of IFRS increased the operational cost and resultantly decreases the financial outcome of the companies. The same idea initiated and completely backed by Adebayo and Sharma, (2017), who analysed the market of Nigeria in the context of IFRS and its adoption. Based on the same analysis and discussion, the author identified that the adoption of IFRS increases operational costs in Nigeria because companies there paid higher audit fees to change their accounting treatment in accordance with the IFRS.

The idea totally opposed by Bryce, Ali and Mather (2015) when the comparison between audit fees and IFRS adoption has been initiated pertaining to the developed countries. The study considered the Australian market, and it found that audit fees did not increase much in the Australian market due to the adoption of the IFRS. In other words, the fees of the audit remained the same as previous, because the previous standards like Australian Accounting Standards (AAS) were identical to IFRS. The same author has developed a theoretical model for an auditor who has a prime objective to choose certain audit efforts that minimises the total auditing as well as operational cost (Rossi and Hanni, 2016).

With every increase in the cost of the audit, the risk pertaining to audit will likely to increase for the companies (Yip and Young, 2012) and (Ball, 2006). The main part of the aggregate review costs identifies with the problem/issue that a reviewer does not recognize and report material misquote of the organization's money related articulations and the danger of being considered responsible under the watchful eye of the court after such survey (Adebayo and Sharma, 2017).

The review charge is equivalent to the aggregate review expenses to adjust after the assurance of the base review exertion and the substitution of the review work to be determined (Sun et al., 2011) (Scholer, 2015). The creator likewise shows systematically that review charges are a developing capacity of review many-sided quality, which is ordinarily expanded as per IFRS (Sultana et al., 2015).

There is a difference found in the theoretical and practical underpinnings. From a practical perspective, auditors are more prone in terms of increasing audit efforts that ultimately reduces the risk factor associated with auditing of the financial statements (Yip and Young, 2012). Many authors including the Institute of Chartered Accountants in England and Wales clearly stated that the conversion of IFRS did not bring positive results as it was anticipated before its inception (Griffin, Lont and Sun, 2009).

The study of Byard Li and Yu, (2011), Hoogendoorn, (2006)and Lahmar and Ali, (2017) found that the conversion of IFRS will be highly complex and detailed for many corporations and important changes are not encouraging enough for them. The mutual combination of such complexity and lack of preparation results in an increase in the risk for auditors that affects in preparing the audited financial statements of the company (Habib, 2015). A noteworthy wellspring of hazard emerges from the convergence of IFRS on the reasonable esteem required by a few IFRSs, including IAS 16 Property, Plant and Equipment, IAS 40 Investment Property and IFRS 5 Non-current Assets Held IFRS 8 Impairment of Assets IAS 38, Impairment of Assets (Lin and Yen, 2016). Impairment of Assets and Impairment of Assets and Liabilities, IAS 38, Impairment of Assets and Accounting Standards IAS 39 Recognition and Measurement of Financial Instruments (IFRS 9) replaces money related instruments. Different complexities in IFRS emerge from the disability test gave in IAS 36 (Odia and Ogiedu, 2013).

Keeping in view the assertion of managing the operational cost, most of the organisations throughout the world are now trying to focus on managing their operational costs in order to maximise their income accordingly (Yip and Young, 2012). Hence, In light of the above projections, specialists demonstrate that the inspector will require a top-notch review charge to counterbalance the expanded review hazard and many-sided quality related with the United budgetary explanations as per International Financial Reporting Standards (Adebayo and Sharma, 2017) and (Soderstrom and Sun, 2007).

### *IFRS and Audit Choice*

As mentioned in the aforementioned discussion that the notion of IFRS is fully characterised with higher complexity that may strengthen the position of the globalised audit firms that increase its barriers as far as entering in the global markets (Khlif and Achek, 2016) and (Filip et al., 2017). Therefore, the essence of adopting the IFRS behaviour would represent a serious and efficient competitive advantage for the auditors, especially to the Big4 companies because they possess more expertise relating to IFRS merely to deal with greater standards, complexity and intellectual barriers (Odia and Ogiedu, 2013). More concerned with the audits are associated with the Big 4 Auditing firms because they are more concerned with their name reputation and recognition in the market. This particular recognition is one that influences them to work more diligently and efficiently to comply with their missions in a professional manner (Higgins, Lont and Scott, 2016).

Big four auditors are favouring the safe transition of companies towards the IFRS factors because they are aware of the benefits associated with the same transformation particularly in the developed countries (Lin and Yen, 2016). However, the scenario is not as viable in developing markets such as Bangladesh, which has been analysed by Bhattacharjee (2009) in their research. According to the study, accounting firms in Bangladesh are now as viable as in developed countries; therefore, they cannot constitute part of the audit choice and preferences.

The research revealed that the scenario is applicable with every single developing country, but the idea opposed completely by Shukla (2015), who also analysed a developing country, but accounting firms are powerful enough to take actions relating to IFRS adoption. Given that the progress to IFRS is an intricate exchange and since nations, for the most part, seek to enforce compliance with the implementation of IFRS in monitored organizations, extensive evaluators will be more ready to guarantee a sheltered change to IFRS in this condition (Yip and Young, 2012). Finally, enhance your notoriety for being an astounding review and protection supplier (Adebayo and Sharma, 2017). In any case, the expanded interest for the four noteworthy review administrations following the appropriation of IFRSs could create restricted generation limit with respect to these inspectors and would not have the capacity to react satisfactorily to all review prerequisites, which implied the loss of a few customers (Yip and Young, 2012).

There are numerous cases in which, the transformation brought some vital and efficient changes in the long run business and efficiency attainment of the companies (Karmańska, 2017). This is the main reason why most of the companies throughout the world are now focusing on changing their behaviour and sincerity based on the IFRS compared to the standards, which they are using currently (Wines, Dagwell and Windsor, 2007). The one-line answer is that they are getting appreciation in their positioning.

### *Auditor's Perception of the Transition to IFRS*

Fodio et al., (2015) described two different perspectives that use widely in the financial reporting and reporting quality. The first perspective is relating to rely on the needs of the users of the financial statement (Bhattacharjee, 2009). Based on the same perspective, the quality of the reporting is determined and analysed based on the usefulness of the financial statement from the viewpoint of the end-users (Lin and Yen, 2016) and (Adebayo and Sharma, 2017). Contrary to this, the second perspective is more about the financial reporting than its mere focus on the protection of the shareholders (Rezaee et al., 2010). This particular statement has been endorsed completely by Higgins, Lont and Scott, (2016) and Ebrahim and Fattah, (2015), as according to the compliance with the same perspective is more than essential for a company, as proper management of shareholders is necessary for the sake of an organisation. Therefore, they have to incorporate efficient, valuable and transparent information in their financial accepts, as the factor would be an ideal one from their standpoint (Lin and Yen, 2016) and (Khaled, 2016).

There are several definitions of financial reporting and quality introduced by many authors and analysts (Thomas, 2009). The definition proposed by Ahmad, Mohamed and Nelson, (2016) clearly identified that financial reporting is a mechanism whereby the financial numbers of the companies are duly presented and reported for the purpose of giving thorough information to the clients (Fodio et al., 2015). Therefore, the implication of the financial standards is more than essential for them. The trend of transition of IFRS has opened more pathways to the auditors as far as providing timely information and quality is concerned (Khaled, 2016).

The previous standards were not as efficient as the IFRS, as IFRS reserves more accuracy in providing factual and targeted information to the investors. This particular statement has been endorsed completely by Lahmar and Ali, (2017), as according to them auditors always remain concerned about the efficient allocation of resources pertaining to the companies (Aisbitt, 2006). Reid et al., (2016), while an analysis of the developed market in the United Kingdom revealed that IFRS has a great tendency to ponder the activities through which the stance of resources allocation would become efficient and integral that ultimately leads to enhance the audit quality factor.

This particular evidence was also confirmed in the developing market such as China, as initiated by Shan and Troshani (2016). The study conducted in Chinese region. The study revealed that audit preferences would remain the same in both, developing and developed market. The report further elaborated that proper resource allocation would be ideal for the companies as well as for the investors to take timely and effective actions relating to the company.

Reid et al., (2016) put their focus on the perception of the auditors in the transition towards the IFRS. The author has identified that there are a total of four assertions, which could improve with the transition to the IFRS than other reporting standards. These assertions are comparability, verifiability, timeliness and understandability. Ratifying the same idea Jung, Kim and Chung, (2016) stated that comparability is the most important characteristic that visualised and considered by the auditors during the transition process to IFRS. The feature of comparability allows an investor to compare the similarities and differences between two different sets of the economic phenomenon (Khaled, 2016).

***Audit Efficiency through Audit Report Lag***

By definition, Audit Report Lag (ARL) is a terminology that specifically associated with length of time required for a company to make a financial report in a specific fiscal year and make its audited report (Shan, Troshani and Richardson, 2015). ARL has been referred as the most important factor of timeliness that includes both, the making of the financial statement and its complete auditing (Shan and Troshani, I2016). There are numerous studies that analyse the relationship between the convergence to the IFRS in the financial reporting and its impact on the ARL. Bryce et al., (2015) and Florou and Kosi, (2015) are among those researchers who found a strong and direct connection between IFRS adoption and its impact on the ARL factor.

The researcher found that the adoption and convergence is a planned and time-consuming process that requires the organisation to change their entire capacity of financial reporting to a new scenario (Carmona and Trombetta, 2008). The same study has been endorsed by Chen and Khurana, (2017), in accordance to the same study, the transition from one financial standard to the other requires a lot of time since it's a time-consuming exercise. The study also identified that ARL is a long process that requires the auditors to visualise the things accordingly and to perform the analysis on the basis of the assigned standards (Abdulmalik and Ahmad, 2016). The efficiency of auditing activity will enhance positively with the help of shrinking the ARL (Griffin et al., 2009).

Most of the countries across the globe have changed their policies to minimise the ARL and bring a high level of efficiency in terms of their financial reporting, therefore the factor would be ideal for them. Houqe, (2017) opposed the idea that the factor of reporting convergence is the only one that influences ARL. According to them, there are certainly other factors as well which directly or indirectly affect the ARL (Chevers et al., 2016). The study clearly revealed that one of the main reasons behind the same factor is the personal instinct and the efficiency level of the auditors to maximise the workability and efficiency of auditing.

***IFRS Adoption and Switching Auditing Firm***

Auditing is a prime game from the standpoint of an organisation. Auditing means double checking. It is mandatory for the companies to hire external auditing firms to check out their financials and other major aspects accordingly (Bhattacharjee, 2009). One of the mainstream problems that underline in the context of IFRS adoption and convergence is switching the auditing firm. According to Shukla, (2015), most of the companies that transit their financial standards to IFRS from other standards face the problems of mandatory rotation of auditors, because most of the investors are not familiar with the doctrines of the IFRS.

Dobre, (2015), also endorses this particular factor completely as according to them it is mandatory for the companies to change their auditors after respective financial years. However, the connection will get a certain edge in case of switching to the IFRS from other standards. Most of the investors deliberately separate their pathways from the companies because they are unaware of the standards of IFRS completely (Chua and Taylor, 2008). This particular turnover in the switching of auditing not only affect the credibility of auditors but also increases the auditing. Apart from the switching of the auditing firm, it is a mandatory requirement of the firms to switch their audit firm after a specific time period, such as 3 to 5 years (Adebayo and Sharma, 2017; Daske, 2006). The study conducted by Avram, Grosanu and Rachisan, (2015) clearly identified that Big-4 Auditing companies hire the resource as per the requirement of the industry (Hodgdon et al., 2008). For example, they hire and are likely to hire CPA in the United States that have a hand on commands over the standards of U.S. GAAP. Hence, if the entities are likely to change their standards to IFRS, then auditors have to hire the individuals and move to the one that has sufficient experience in IFRS comparing to U.S. GAAP. Therefore, the transition of the IFRS increases the risk of auditor's switching (Hail, Leuz and Wysocki, 2009).

## MAIN ISSUES AND FOCUS OF THE STUDY

There are several issues which have been identified in the previous researchers particularly in the context of the financial reporting. Two major problems which have been highlighted in the context of the developing countries are the auditor's perceptions regarding the audit and switching of audit firms. The perception of auditors hasn't been given much attention in the developing market. Another major literature that needs to be covered in the context of the developing countries is switching of the audit firms. A very few researchers have been conducted in the developing countries in the same domain in which the personal intentions of the companies could become a major reason behind the adoption of the IFRS.

This contribution of this review paper is a bit different that apart from highlighting the major issues in the transition of the IFRS, this research also focuses on the potential benefits and effectiveness of the adoption of IFRS than other reporting standards. As most of the issues after the recent economic crisis arise due to inefficient auditing, therefore the paper emphasizes the audit quality and IFRS adoption. Moreover, this research is focused on developing countries, hence a focus on under-developed countries is recommended as well in order to analyse the effects of transition of the accounting standards in order to present the reporting mantra in a more efficient manner.

## FUTURE RESEARCH SUGGESTIONS

There are several studies that have been conducted in the same domain in which, adoption of IFRS has been determined along with the pertaining issues and advantages of the same. From the past studies, it is clearly found that audit fees, audit time lag, comparability and auditor's preference are some of the major issues, which have been associated with the IFRS adoption. It means that when the companies are likely to transit to IFRS from other accounting standards, then above-mentioned problems will be highlighted for them that may emerge as major issues and problems for the companies.

Auditors in developing countries such as United Arab Emirates (UAE), Malaysia and others are reluctant to rationalise the changes in the auditing techniques, as they think that the issue is a bit time consuming and expensive. They are reluctant because they haven't been informed about the benefits of adopting IFRS. Hence, more and more researchers are required in these domains in order to persuade the auditors regarding the adoption by comparing it with previous standards.

In developing countries, wherein the stance of IFRS has not yet adopted completely, organisations have no option except switching their audit firms and select the one that has sufficient experience in IFRS accounting treatment. Such studies need to be considered and make within the developing countries through which the stance and absorption of IFRS switching would become effective and better.

The below-mentioned graph reflects that most of the studies, which have been selected in writing this review paper, relate to developed countries, while fewer studies have been conducted in relation to developing countries. For future research, it is suggested to conduct more studies in the developing regions, as these regions are more prone to provide the auditing base issues due to the transition of IFRS. In this connection, it is also suggested that there are other countries as well that found in the queue of developing countries who required efficient financial reporting for their betterment. It is especially within the region of Asia that should have been analysed such as Indonesia, Singapore and others. In particular, within the region of Asia, countries such as Indonesia, Singapore…. should have constituted investigational focus. This particular assertion will be helpful for the future researchers to identify more issues relating to auditing due to the divergence to IFRS from other standards.

| Authors | Research Questions | Theoretical Underpinnings | Sample | Main Findings |
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| Hsiao-Lun Lin (2010) | Is Audit Fees Increase for listed firms in Chinese firms after the adoption of IFRS | Audit Fees has increased when the companies transit to IFRS from their previous financial reporting standards | A total sample of 4,581 has been selected for the same analysis. These companies are listed on Shanghai and Shenzhen Stock Exchanges during the year 2005 to 2008/ | The main findings of this study reveal that audit fees increased in listed Chinese companies particularly in the initial years of adoption of IFRS. However, it decreased considerably with the passage of time. |
| Khaled et al., (2014) | Is there any increase in the Audit Fees for Listed Jordanian Industrial Companies after the adoption of IFRS | | A total of 91 Listed companies have been selected for the same analysis covering a period from 1998 to 2011 | It is found that the adoption of IFRS has increased the audit fees significantly for the Jordanian listed industrial companies. It is also recommended in the report to the Jordanian companies to explore more advantages with the transition with IFRS |
| Clement et al., (2017) | Are Audit Fees and Listed Deposit increases with the adoption of IFRS in the Banks in Nigeria | | The study conducted the data from 15 listed Deposit Money Banks (DMBs) working within the region of Nigeria. The study has considered two different accounting regimes covering a period from 2009-2011 and 2012-2014. | It is clearly found from the analysis that the adoption of IFRS has increased the audit fees in the Nigerian banks by 50%. Moreover, it is also found that apart from the audit fees, the financial reporting quality has enhanced positively. |
| Daniel, P and Jen, W. (2015) | Does the convergence of IFRS affect the Audit Fees among trading and service companies listed in Malaysia? | | A quantitative research design is selected to analyse the numerical data collected from the annual report of 156 trading and services companies covering a period from 2011 to 2013 | The empirical findings reveal that the convergence of IFRS has given rise to the audit fees primary in the Malaysian context. |
| Lucy, H and Inder, K. (2017) | is the audit fees are higher for U.S. listed foreign firms using IFRS compared to U.S. GAAP | | Total of 100 companies have been selected who are changing their U.S. GAAP to IFRS | It is found that the cost associated with IFRS is comparatively higher than U.S. GAAP. The complexity level is also increased in the transition of to IFRS from U.S. GAAP. |
| Hafiz, M et al., (2012) | Is there any association between IFRS adoption and Audit Fees in the Malaysian firms? | | The researcher has selected a sample of 166 companies listed on Bursa Malaysia for the Financial year ended 2006 (the First year after the convergence takes place) | The result revealed that the adoption of IFRS is positively and significantly associated with the statutory audit fees in particular. The research finds that the convergence of IFRS requires more work to be done by the external auditors that ultimately lead to higher cost for the end users such as audit fees. |

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| Irina, D (2015) | Does the adoption of IFRS ensure the enhancement of quality of financial reporting that diverts the attention of auditors towards the same assertion? | More authors and auditors are looking forward to transit to IFRS from other financial standards, because of its tendency to increase more efficiency in financial reporting and audit quality | A total of 26 listed firms of Romania has been selected for the same analysis which has converted their attention towards the adoption of IFRS in the context of IAS regulation 2002. | From the same analysis, it is found that the transition to IFRS has increased the quality of the audit that ultimately diverted the attention of the companies towards the same |
| Wanqing, X. (2014) | is there any significant relationship between the transition to IFRS and its impact on Audit Quality and Earnings Management in the private firms of UK | | A total of 1747 private companies working within the region of UK has been selected as a sample for the completion of this research who started to use IFRS covering a period from 2003 to 2010 | The researcher used Discretionary Accruals to detect earnings management based on the Modified Jones Model. The result shows that adoption of IFRS has mitigated the probability of earnings manipulation, which is indeed a positive aspect from the standpoint of the management as well as for the shareholders. This is the main thing that diverts the attention of lots of companies and auditors towards the same. |
| Serdar, O and Cagnur, K. (2015) | Is there any significant relationship between the transition to IFRS and its impact on Accounting Disclosure in the firms of Turkey, listed on Istanbul Stock Exchange (ISE). | | For the same analysis, the researcher has managed to select a total of 100 companies from the ISE to analyse the stance of IFRS adoption | The researcher found that the relationship between accounting policies and adoption of IFRS is positive. It means that with the adoption of IFRS, the accounting policies of the company would become better and better that impact positively on their earnings and revenue management positively. |
| Philip, D. Palmer. (2013) | How the adoption of IFRS increases the quality of disclosure in the Australian Firms | | 80 companies have been selected which were using Australian Accounting Standards (AAS) and now transit to IFRS completely | Based on the statistical analysis and orientation, it is found that there is a significant relationship between the quality of disclosure and IFRS adoption. Regardless of the size and profitability of the companies, the transit to IFRS enhances the financial reporting and disclosure, which is indeed quite an efficient situation for the companies operating in the same industry. |

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| Fiona, B. (2013) | Is there any relation between IFRS adoption and relationship of auditors and management that leads to enhancing the audio quality | | A final sample of 688 firms have been selected out of 3440 observations of the firms covering a period from 2005 to 2009 listed on Australian Stock Exchange (ASX) | It is found that the adoption of IFRS has a great ability to enhance the auditor-client relations that enhance the audit quality in a positive manner. The research also suggests that controls implemented by the regulators and audit firms are operating effectively that strengthen the auditor's choice as well |
| Joseph, C, et al., (2011) | What is a relationship between IFRS adoption and reporting the mandatory accounting requirements as a disclosure for the firms found in European Union. | | There are 1,326 companies which have been selected as a sample for this research covering 14 different countries of EU | The study provides the evidence of a link between the demand for the large auditors and the development of the financial accounting practices, which underpins positively on the choice of the auditors |
| Michaela, I. et al., (2014) | What are the potential benefits of IFRS adoption for the auditors and the listed companies in Romania | Preferences of the auditors are increasing based on the IFRS transition which is showing certain benefits and effectiveness to the companies in particular | Since the research is based on the Romanian market, therefore 92 Romanian companies have been selected as a sample that converged their financial reporting standards | It is found that the adoption of IFRS is in an incipient stage in Romania, and it is showing their great benefits and positivity to the companies operating in the same outcome. It is found that the perception is positive for the auditors in adopting the IFRS, as the quality of audit will increase considerably |
| Stergios, T and Michalis, B. (2012) | Are the auditors preferring the adoption of IFRS for a better financial reporting quality in Greece | | The analysis is based on 80 listed companies operating in the region of Greece | The researcher has emphasized the fact of financial reporting and adherence to the objectives of financial reporting information. The research found that auditors in Greece are preferring the IFRS adoption, as the stance is making things quite efficient and positive for them as far as financial reporting is concerned |
| Jonathan, A, et al., (2014) | Are the perceptions of the shareholders enhance the implementation or transition to the IFRS from previous standards | | The analysis is based on the quantitative method in which total sample of 250 individuals have been selected to get an idea about the perception of auditors regarding the audit quality | It is found that there is no considerable relationship and significance is found between the adoption of IFRS and changing the perception of the stakeholders, especially in the region of Nigeria |

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| Lan, A, Thi. (2016) | Are the auditors preferring the adoption of IFRS for a better financial reporting quality and ethical sensitivity in Vietnam | | The analysis is qualitative, as 16 different Vietnam based highly qualified accountants have been approached for the purpose of conducting Semi-Structured Interviews | The researcher has emphasized the fact of financial reporting and adherence to the objectives of financial reporting information. The research found that auditors in Vietnam are preferring the IFRS adoption, as the stance is making things quite efficient and positive for them as far as financial reporting and ethical standings are concerned |
| Amr M. Khamis (2016) | Are the perceptions of the Auditors with convergence to IFRS effects on the Revenue and Earnings Management | | A total of 50 companies have been selected which are operating in the Egyptian market covering a period from 2008 to 2013 | The result shows that adoption of IFRS has mitigated the probability of earnings manipulation, which is indeed a positive aspect from the standpoint of the management as well as for the shareholders. |
| Tony, H. (2013) | Are the auditors preferring the adoption of IFRS for a better financial reporting quality and Corporate Governance for the firms operating the EU | | The analysis is based on the second method in which 12 past publications have been used considered and conducted in the same domain for the same analysis | The researcher has emphasized on the fact of financial reporting and adherence to the objectives of financial reporting information, particularly in the EU. The research found that companies and auditors working with different companies across the EU are adopting IFRS in order to enhance their reporting quality and corporate governance factor for the companies working within the region. |
| Sharifah, M and Amirul, A. (2014) | Is Convergence to IFRS increases the Audit Report Lag in the Malaysian companies? | Audit Time Lag is an important element in the context of auditing that found very important and interesting for the companies. The new concepts of IFRS have increased the factor of ATL in different companies | 257 companies have been selected for the same analysis from the market of Bursa Malaysia covering a period of 2009 to 2010 | With the help of Descriptive Statistics and Regression, it is found that the Report Time lag has increased in the designated Malaysian firms due to the convergence to IFRS from their respective standards. |
| Kogilavani, A. (2012) | Is Convergence to IFRS increases the Audit Report Lag and Corporate Governance factor in the Malaysian companies? | | A total of 843 companies of Malaysia have been selected for the same analysis | It is revealed that convergence to IFRS has increased the ATL. Based on the selected companies, it is found that average audit takes 100 days, but after the convergence, it moved to 126 days on average. |

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| Ibadin, L and Ayemere, E. (2015) | What is relationship between IFRS Adoption and corporate attribute and audit delays? | | A total of 140 companies have been selected for the analysis of the same relationship, particularly in the market of Nigeria | The researcher has found a strong and direct relationship between IFRS Adoption or convergence with the incremental corporate attributes and audit time delays particular in the firms of Nigeria |
| Tiia, L. (2013) | Is timeliness and quality of financial reporting increases with the convergence to IFRS | | 10 different individuals have been selected for the purpose of conducting the semi-structured interviews | The interviewees have clearly identified that adoption of IFRS increases the audit time. According to most of the individuals, audit takes place normally in 60 to 90 days, but due to IFRS convergence it moved to a level of 120 days or more |
| Matthew, A. (2015) | is there any relationship between IFRS adoption and its impact on Financial Reporting Practices in Nigeria | | The study is based on primary data collection in which 50 employees of KPMG have been approached for the purpose of considering the financial reporting factor within the region of Nigeria. | It is clearly found from the analysis based on regression analysis that there is a positive relationship between IFRS adoption and financial reporting initiatives through which quality becomes essential and maintaining the reporting in Nigerian firms |
| Nazh, H and Akman, G (2011) | Is it possible to attain the factor of comparability with the adoption of IFRS | Comparability is an important element that found in the auditing and corporate reporting, which has now become an important factor for the shareholders | The data is considered with 498 firms of Turkey covering a period from 2004 to 2006. | From the entire analysis, it is found that the factor of comparability is effective in the IFRS, as it gives more efficient information to the shareholders that enable them to put their stake in the companies effectively |
| Stephen, L and William, R. (2015) | Is the financial statement comparability becomes efficient in IFRS than US GAAP | | A total of 74 companies have been selected from the market of Germany who recently converge to IFRS from other standards | It is found that the financial statement comparability becomes more efficient and valuable in the German firms after the adoption of IFRS from the standards they were using previously |
| Pawan, J. (2011) | is the implementation of IFRS in India will be effective for the shareholders to compare the financial statements | | In order to analyse the current financial reporting standards and the intentions to be covered to IFRS, a total of 300 individuals have been selected | The analysis found that the implementation of IFRS in India has brought much effectiveness and changing to the companies operating in the region. The mere benefit found from the same aspect is the comparison in the financial statement that allows them to take the decisions accordingly |

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| Michael, B and Francois, E. (2015) | Is the financial statement comparability becomes efficient in IFRS in the Canadian firms | | A total of 150 companies have been selected from the market of Canada covering a period of 2011 | It is found that the financial statement comparability becomes more efficient and valuable in the Canadian firms after the adoption of IFRS from the standards they were using previously. |
| Michela, C. (2010) | Is there any relation between IFRS adoption and effective accounting practices in Listed firms in Italy | | The data is considered with 250 firms of Italy | From the entire analysis, it is found that the factor of comparability is effective in the IFRS, as it gives more efficient information to the shareholders. It is also found that the accounting practices of the companies become effective in the Italian based firms due to the adoption of IFRS |

## KEYWORD BASED ANALYSIS

Hahn, Mohanty and Manda (2017) stated that the Keyword Based Analysis is a helpful tool to identify the relevant researchers so that the final results of the study can become reliable. For the identification of the relevant researchers for the topic, the keywords of IFRS adoption, Auditing issues, Developing countries and Developed countries are selected. The years which are considered for the identification of researchers are starting from 2006 and ending on 2017 so that the reliable trends can be identified. It can be identified from the below graph that the results for the developing countries are less as compared to the developed countries. The bar graph is showing the results for the developing countries and the line graph is depicting the figures for developed countries. The similar results can be identified from the country wise graph also which is showing that there is a considerable difference between the studies conducted on IFRS adoption and auditing issues in developing countries such as Bangladesh, India, Malaysia and UAE and developed countries which include UK, USA, Europe and Australia.

Figure 1 Comparison of Number of Studies

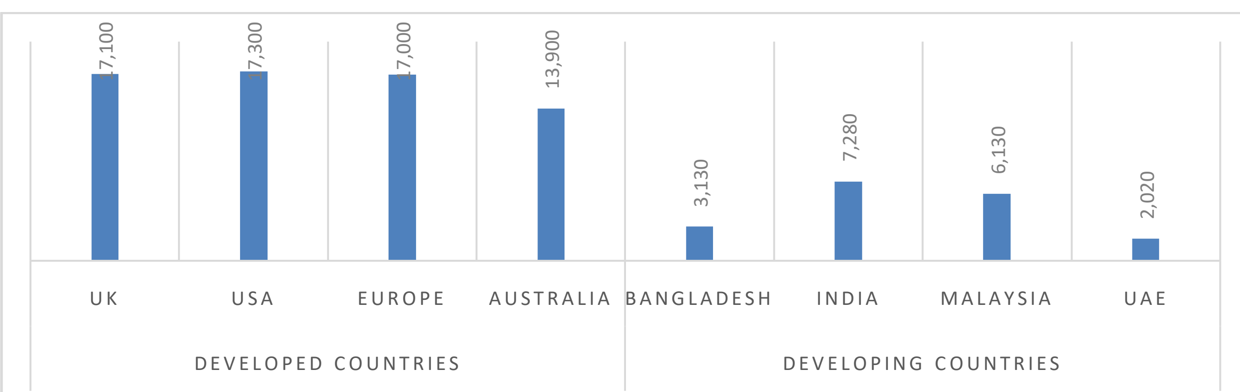
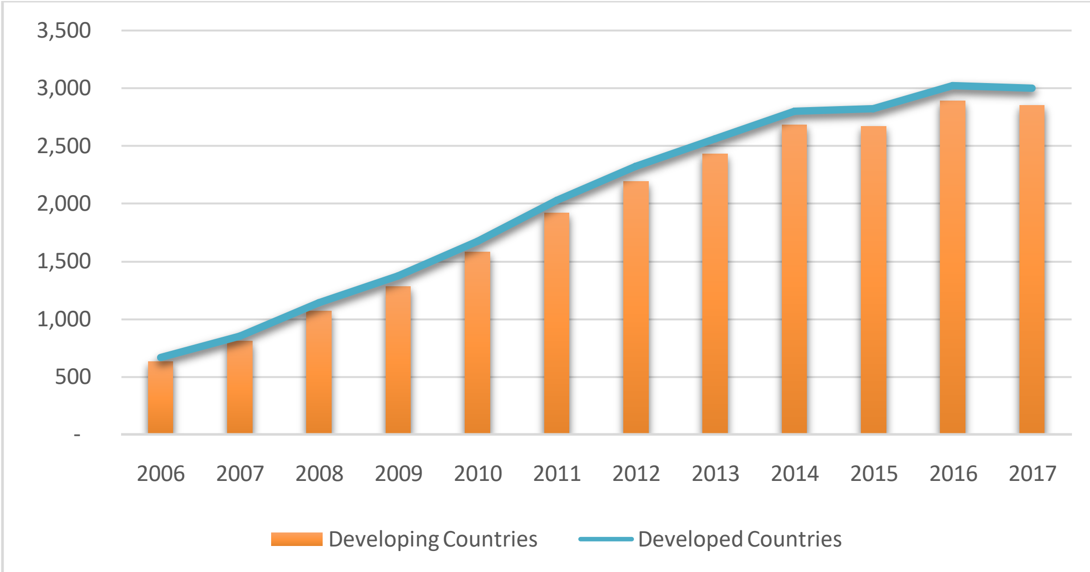


Figure 2 Keyword Based Analysis

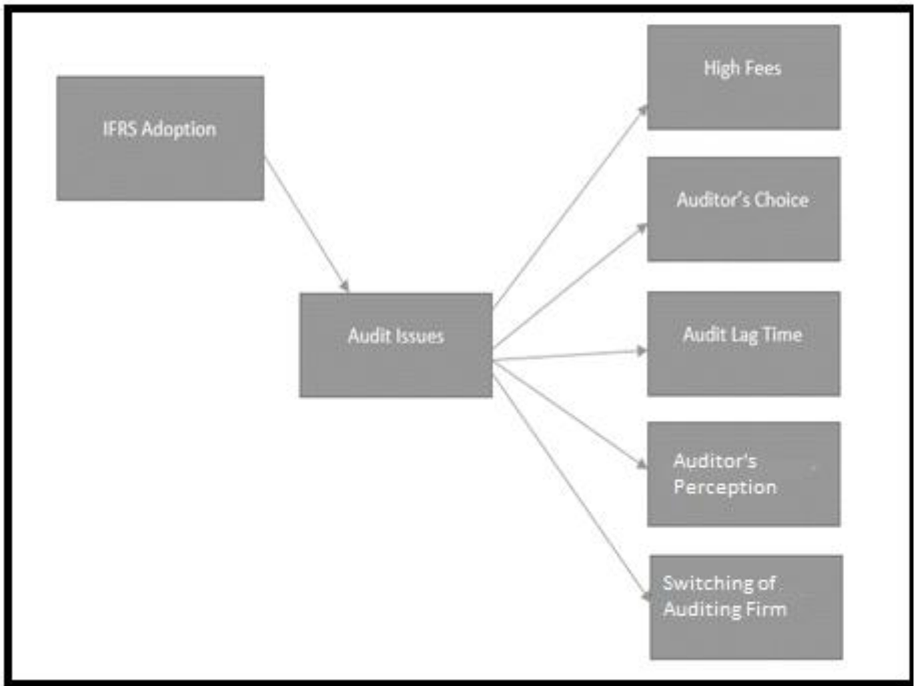



## CONCLUSION

In this paper, we reviewed existing observational writing and offer recommendations for future research on four pilot test streams identifying with review and IFRSs, including the selection of IFRS, review expenses, reception of IFRS, and the review showcase, appropriation of International Financial Reporting Standards, Auditor and Compliance with International Financial Reporting Standards. Our audit uncovers four key discoveries. To start with, the reception of the International Financial Reporting Standards (IFRS) is connected to expanded review expenses in European nations and different IFRS-endorsed designs, for example, Australia, Malaysia and New Zealand. In any case, we trust that this examination stream should be refined to control the difference in review amid the change time frame. Second, the use of IFRSs has affected the review showcase through the race of the inspector, changes in the review and the focal point of the review advertise.

In any case, we affirm that this exploration is still in its early stages, on the grounds that trial prove is restricted. We contend that future research regarding this matter could extend its exact research to cover different angles, specifically the determination of joint evaluators. Third, the utilization of IFRS has affected the proficiency of the review, estimated by the review report's deferral, as this change has expanded fundamentally following the progress to IFRS. Finally, our review demonstrates that review quality, contingent upon the kind of evaluator, can assume a vital part in authorizing consistency with IFRS. In any case, assist observational research is expected to affirm these discoveries. Our examination in bookkeeping and evaluating writing contributes from various perspectives. The contribution of this literature is highly recommended for the future researcher, as this literature highlighted the financial reporting stance from the stance of under-developed countries as well. It means that developing and developed countries are not the only that gets benefit from the transition to the IFRS, but this particular factor provides efficient reporting parity for under-developed countries as well. To begin with, we survey the experimental archives that arrangement only with universal guidelines for the planning of money related reports and reviews.

Figure 3 Conceptual Framework




Second, we trust that our audit arrives in an auspicious way for controllers and analysts. For controllers, our survey features the way that the selection of IFRSs is related with a few expenses and may profit global review firms in the examination with neighbourhood firms, which may illuminate controllers of future situations for the reception of IFRS. For analysts, our survey features the requirement for promoting experimental research on the ramifications of the selection of IFRSs on review expenses, the review advertises and delays in the review report. In this sense, creators should endeavour to enhance their examination at the national and universal levels to educate controllers of the real effect of the appropriation of IFRS in the review market and review charges.

At last, the subject of whether review quality builds consistency with IFRSs is a critical research issue, especially in rising economies. All in all, we trust this is an ideal opportunity to evaluate what we know and, in particular, what we don't think about IFRS and review, and to take after the development of pilot inquire about patterns related with the financial outcomes of IFRSs in the zone of the audit. We trust that this survey will animate research around there to enhance our insight into the effect of the reception of IFRS on the structure of the review showcase, review cost and review conduct.

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