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Abstract:

This study examines, from the perspective of the commercial banks' managers and accountants in Rwanda, whether there are measurable gains stemming from the adoption of international financial reporting standards (IFRS). The main purpose of the International Financial reporting Standards (IFRS) is to meet the needs of users of financial statements by providing quality information considered necessary to make informed decisions. The key research questions in this study sought to find out the perceptions of the financial managers and accountants of the commercial banks on the impact of IFRS' adoption on the areas of: quality of recognition and measurement of transactions; quality of recognition and measurement of assets and liabilities; quality of presentation and disclosure of the elements of financial transactions in the financial reports; and the general overall quality of the commercial bank's financial reporting. The study also sought to find out the perceptions of the banks financial managers and the accountants on the challenges faced by the commercial banks in the adoption of IFRS. The study used a descriptive survey as the research design. Census survey was carried out on the entire population which included the financial managers and the accountants of all the nine commercial banks in Rwanda. Primary data was collected using structured questionnaires administered to nine financial managers and thirty seven accountants employed by the commercial banks. The questionnaires used contained close-ended questions which helped to get specific answers and did not take a lot of time to answer. The questionnaires were administered using a drop-and-pick method and self-addressed envelopes were enclosed in the letters to the respondents. All the questionnaires were received back representing a response rate of 100% that resulted from concerted efforts in follow-ups and constant reminders in the form of phone calls and personal visits. The Results of the study indicate that it is the respondents' perception that the quality of recognition and measurement of transactions has improved following the adoption of IFRS by the commercial banks in Rwanda. On the quality of recognition and measurement of assets and liabilities, their perception is that it has remained the same in most areas just like the quality of classification and presentation of elements of financial transactions. The quality of information disclosure, especially in the statement of comprehensive income is considered to have

greatly improved. It is the respondents' perception that the overall quality of financial reporting has increased following the adoption of IFRS by the commercial banks in Rwanda. The respondents have also strongly agreed that lack of qualified personnel and knowledge of IFRS are the major challenges to the implementation of IFRS.

Key words: IFRS adoption, quality of financial reporting, accounting information