Contemporary Issues in Accounting: Covid-19 Pandemic and Financial Reporting - Implications and Challenges in Nigeria

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Abstract

This study looks at financial reporting issues and implications that have arisen as a result of the Covid-19 outbreak in Nigeria. The study spans the years 2019 to 2021, with the Covid-19 beginning in 2019 and continuing to this day. Using contents analysis of publically available archive documents, this study uses an exploratory research approach to look into the consequences and issues of financial reporting in Nigeria as a result of the Covid-19 outbreak. The research is entirely based on secondary data. Searches in publicly available sources yielded the literature. In terms of financial reporting and the Covid-19 epidemic, literature from non-serial journals, government reports, and conferences has been included, especially if they have been cited by other sources. The majority of the empirical findings revealed that the Covid-19 pandemic has an impact on financial reporting in Nigeria in the areas of revenue recognition, non-financial asset impairment, goodwill impairment, inventory valuation, fair value measurement, hedge accounting, and provisions for bad debts. Furthermore, the pandemic has an impact on going concern disclosures and audit evidence since they are regarded grey areas for management and auditors, requiring a lot of judgment in dealing with them. The study finds that, because the conditions of covid-19 on financial reporting are unpredictable, management should reveal going concerns and apply professional skepticism when preparing financial reports in order to preserve the quality of financial reports to users. Management should reconsider the accounting for fair value estimations, predicted credit losses, impairments, and other assets, according to the report.

Keywords: Financial Reporting, Issues and Challenges, Nigeria, Pandemic

INTRODUCTION

The novel Covid-19 Pandemic, with its attendant economic consequences, has made it more important than ever for investors and stakeholders to have accurate financial information. Government decisions in several nations to halt the spread of the Corona virus have had a significant influence on the global economy. As a result, many businesses have had to shut down or adopt a virtual working approach, resulting in dwindling revenue and cash flows, production facility closures, postponement of planned investment decisions, supply chain disruptions, manpower reductions, inability to raise finance, financial market volatility, and an increase in the price of essentials and consumables.The World Health Organization (WHO) proclaimed Covid-19 a global pandemic on March 11, 2020, after Nigeria confirmed its first case on February 27, 2020. The development of Covid-19 has wreaked havoc on economic activity. In order to prevent the spread of Covid-19, the Federal Government of Nigeria (FGN) has had to restrict individual travel and impose temporary closures of economic activities, social and religious gatherings. Following that, there has been a slow and progressive strategy to relaxing the limitations while the country and the world as a whole monitor the pandemic management and economic impact while maintaining a focus on public health.

This global epidemic has had a variety of effects on businesses, with some being more sensitive to the harmful effects of Covid-19 than others. For example, the pandemic has had a negative impact on industries such as hospitality, aviation, oil and gas, and entertainment, to name a few, while others, such as the health care industry and its value chain, technology/telecommunications, and fast moving consumer goods companies, will benefit.In response to the epidemic, the federal and state governments, as well as the Nigeria Center for Disease Control (NCDC), have taken a variety of steps to stop Covid-19 from spreading across the country. Measures have been put in place by the federal and state tax authorities to reduce some of the obligations on taxpayers. In addition, regulators such as the Central Bank of Nigeria (CBN) have established regulatory measures to mitigate the impact of the pandemic, such as extending the moratorium and lowering interest rates on specific facilities, among other things. The Nigerian Financial Reporting Council (FRC) has issued guidance to financial statement preparers on a variety of topics, including occurrences after the reporting period, going concern, interim financial reporting, and changes in estimated credit losses for financial assets, among others.Even though the effects of Covid-19 are gradually dissipating and the country is on the mend, it is critical for businesses to pay attention to the key financial reporting implications of the disaster, as they remain important considerations in the event of future business disruptions with a similar economic impact.As a result, while compiling financial statements, a variety of accounting and financial consequences based on the requirements of the International Financial Reporting Standards (IFRS) will need to be considered when addressing and disclosing the financial effects of Covid-19. The Covid-19 pandemic is spreading over the world and affecting countries one by one, which has a detrimental influence on organizations in terms of lower production due to a drop in economic demand and consumption. As previously mentioned pandemics demonstrated, the influence of Covid-19 is not limited to decreased consumption, demand, or economic downturn. It also has significant implications for financial reporting, accounting, auditing, and management. This necessitates the implementation of accounting modifications and applications in accordance with the IFRS emerging clauses. The board of directors of a corporation must take this seriously and examine the consequences of the epidemic in order to include IFRS issues in interim and yearly financial statements. This will have a number of indirect but significant economic consequences, and the organization must assess the areas that the pandemic will have a significant influence on.

Companies should assess the key consequences of Covid-19 on potential risk areas and uncertainties, according to Parker Russel International (2020). The continual growth in cases and bad economic conditions may need an impairment test, which will almost certainly necessitate further impairment in carrying values of assets and obligations, particularly in terms of leases, which are becoming burdensome and must be disclosed.When analyzing how current events may affect financial reporting, businesses should take into account their unique circumstances and exposure to risks, according to the International Financial Reporting Standards (2020). Financial reporting, in particular, including the corresponding disclosure in the financial statement, must indicate all substantial current or anticipated Covid-19 consequences. Similarly, it is critical that management recognizes and understands the risks that its organization faces, as well as how these risks may affect management.Corporations and other enterprises are confronting conditions of total economic downturn as a result of the pandemic's extent and duration. It is not limited to financial market attrition, credit clashes, and liquidity issues, but also includes increased government intervention to reduce unemployment as a result of lockdowns, which significantly reduces consumer discretion on consumption and could have a long-term negative impact on an entity's financial results. This research looks into a few major aspects of financial reporting that have been impacted by the Covid-19 epidemic. Although the concerns covered in this study will differ by industry and entity, the topic is thought to be the most widespread because it relates to the Covid-19 pandemic and financial reporting in Nigeria. Studies that relates Covid-19 pandemic to financial reporting focused on countries outside the domain of Nigeria, such as the studies of (Khan, 2020; Prem, 2020; Albitar, Gerged, Kikhia & Hussainey, 2020; AbdulRahman & Eitedal, 2020; Gladie, Paul & Francesco, 2020; Ozili, 2020; Jabin, 2021; Da Silva, Schutte & Surujlal, 2021; Pham, Ho, Nguyen, Pham & Bui, 2021).

The only study that focused on Nigeria environment is the empirical work of Akenbor and Adue (2020). The study focused on the non-financial firms in Nigeria looking at the pre and post pandemic changes to key financial ratios of the listed non-financial firms in Nigeria. The difference between this present study and the study of Akenbor and Adue (2020) is that the focus of the present study is on content analysis of archival documents, while they focused on ex post facto research design. The main objective of this study is to examine the implications and challenges facing financing reporting as a result of covid-19 pandemic in Nigeria. Other specific objectives are to;

i. Assess the implications of covid-19 pandemic on financial reporting in Nigeria.
ii. Determine the challenges facing financial reporting as a result of covid-19 pandemic in Nigeria.

LITERATURE REVIEW

Concept of Covid-19 Pandemic

COVID-19 is for corona virus disease 2019 and refers to a disease caused by a novel corona virus that produced severe acute respiratory problems and was discovered during a respiratory illness outbreak in Wuhan, China. On the 31st of December 2019, it was formally notified to the World Health Organization (WHO). The outbreak of COVID-19 was declared a global pandemic by the World Health Organization (WHO) on January 30, 2020, and again on March 11, 2020 (Cennimo, 2020; Kaka, 2020).

Financial Reporting

Financial reporting is the dissemination of a company's published financial statements and related information to third parties (external users), such as shareholders, creditors, consumers, government agencies, and the general public. It is the dissemination of accounting data from an entity (person, firm, company, or government agency) to a user or group of users. The accounting profession as measurers and auditors; the company law regulatory or administrative authorities; and the company as issuer (preparer) are all part of a total communication system that includes the company as issuer (preparer), investors and creditors as primary users, other external users, the accounting profession as measurers and auditors, and the accounting profession as measurers and auditors. An assessment of a company's financial reporting necessitates some agreement on its goals. Financial reporting is a means to achieving particular goals, not an end in itself.

Implications of Covid-19 on Financial Reports

The following are the financial reporting consequences of Covid-19:

Receivables: Due to the lockout enforced as a result of Covid-19, debt collection will now take longer. As a result, some of the debt in the financial statements may become bad, leaving the organization with no choice but to treat the debt as bad debt. As a result, auditors are obliged to evaluate and appraise the level of bad debts and, where possible, provide for credit losses.

Inventories: The lockdown restricts movement, which has an impact on businesses because some enterprises were unable to sell their items, and some goods perished, while others became obsolete. As a result, the financial accounts were impacted because slow-moving equities had to be written down or declared as scrape. As a result, one of the things auditors should look for during an audit is the number of slow-moving goods.

Loans: Due to its inability to meet maturing loan repayment obligations, Covid-19 has caused individuals and corporations to breach loan agreements. As a result, auditors are anticipated to categorize defaulted loans as current liabilities and determine whether the company is still viable.Regular cash movements in and out of organizations are disrupted, resulting in cash depletion in individuals, trades, businesses, and corporate organizations. This has an impact on people's, businesses', and organizations' ongoing operations. As a result, in a circumstance like this, auditors should place a greater emphasis on assessing the organizations' or individuals' ability to survive and continue as a going concern.

Capital: The pandemic of covid-19 has depleted the capital of several businesses. These have impacted the financial statements' existence and continued operation (going concern) difficulties. As a result, auditors are required to review the organization's capacity to continue operating as a continuing concern.

Revenue: As a result of the COVID-19 pandemic's limits on transportation and business closures, certain corporate organizations have seen and experienced a significant decline in revenue generation. Some firms' long-term viability has been harmed as a result of this. Assessing the organization's capacity and capabilities to continue operations as a going concern is one of the issues that must be tackled and solved.Other income statement items: the majority of businesses have seen a considerable drop in business volume, resulting in excess capacity. The financial statements have been impacted by surplus capacity, including provisions for onerous contracts and write-offs of extra overhead costs. Auditors should analyze the adequacy of provisions and writeoffs, among other things.

Investments: Many firms' market values have dropped, affecting stock prices in the market. The written down value to market value of stocks held by corporations should be checked by auditors.These occurrences: following events resulted in a significant shift in the business environment, financial statements, and disclosures. Auditors should decide if the following occurrences should be adjusted or unadjusted.

Challenges facing Financial Reporting as a Result of Covid-19

The following are some of the potential financial reporting issues posed by the Covid-19 epidemic in Nigeria:
Revenue contracts: Unprecedented or unforeseen changes in the business environment have resulted in revisions to several contract agreements that organizations have entered into. Penalties or reimbursements for failure to fulfill contract

obligations, contract amendments, and changes in contract enforceability are among the changes. As a result, the impact of these alterations must be explored, revealed, or quantified.

Inventories: this is concerned with recognizing changes in net realizable values due to obsolescence (out of date) or a decrease in the selling price's value.

Non-financial assets, such as buildings and equipment, are depreciated. The auditor should look for signs of impairment, changes in key drivers, and assumptions that were utilized to estimate the receivables accounts of productive assets.

Going concern: substantial uncertainties may cast significant doubt on a company's capacity to continue operating as a going concern.
Receivables: The auditor will need to use more judgment in estimating the potential credit loss as a result of the pandemic's lockdown.

Fixed production overheads: Due to anomalous production capacity/low production volume, a higher quantity of unallocated fixed overheads must be expensed.

Lease contracts: any lease rent concessions must be identified and accounted for.Update major drivers and assumptions utilized in assessing the recoverable amounts of productive assets for unquoted equity instruments.

Provision for onerous contracts: When the inevitable cost of performing obligations exceeds the benefits envisaged under the contracts, a provision is required.

Government assistance: to identify the proper or correct accounting treatment of government assistance, such as a stimulus package. Is a government grant that should be accounted for under SAS the same as a government grant that should be disclosed as government assistance?

Impact on auditors' reports: determine whether Covid-19's impact is a key audit concern or matter. Depending on the settlement of accounting and auditing issues as a result of Covid-19, it may be necessary to issue a modified opinion or include a distinct part in the audit report under material uncertainty relating to ungoing concern.

Breach of loan covenants: the auditor should consider how a breach of loan covenants may influence the timing of repayment of a defaulted loan (such as a loan on demand) and the categorization of related liabilities at the reporting date. This has an impact on the ability of the company to continue to function as a going concern.

Financial statement disclosures: Significant accounting judgements, estimates, and assumptions utilized in the preparation of the financial statements that potentially result in major modifications to the carrying amount of assets and liabilities must be disclosed in greater detail.

Foreign currency transactions: to examine the effects of major swings in foreign exchange rates on the organization's operations and hedge accounting effectiveness.

After the reporting date, carefully consider whether information about Covid-19 made available after the reporting date is an adjusting or non-adjusting event for accounting purposes. If the event is a significant adjusting event, financial statements must be amended; otherwise, a disclosure is required.

Empirical Review

Khan (2020) looked into the financial reporting implications of Covid-19. A questionnaire with 31 questions based on IFRS pandemic implications was created and given to the company's concerned personnel. The questionnaire covers roughly 31 parts of IFRS disclosures, and the study examines how Unilever Pakistan Limited implemented these changes, as well as whether areas of the company continue to maintain the same policy without affecting COVID-19.Prem (2020) outlined some of the financial reporting issues and ramifications for accounting and auditing professionals that have arisen as a result of Covid-19's occurrence. The impact of the corona virus spread is a non-adjusting event for 2019, according to the research, and will only be reported and adjusted in the first quarter of 2020 under interim reporting. It also goes into the potential effects and issues in key accounting areas such revenue recognition, non-financial asset impairment, goodwill impairment, inventory valuation, fair value measurement, hedge accounting, and bad debt provisions. Furthermore, going concern concerns and audit evidence are highlighted since they are regarded grey areas for management and auditors because they require a lot of judgment. Covid-19's expected implications on the company's financial situation, operating performance, and liquidity must be disclosed in a meaningful and timely manner. The study suggests that, because situations are unpredictable, auditors should use professional skepticism while evaluating financial statement statistics in order to maintain the integrity of financial information provided to users.The theoretical influence of the Covid-19 social distancing outbreak on audit quality was examined by Albitar, Gerged, Kikhia, and Hussainey (2020). The study employed a desk study method to investigate the influence of the Covid-19 crisis on five important audit quality factors during the pandemic. Audit fees, going concern assessments, auditor human capital, audit procedures, and audit personnel pay are only a few examples. The ramifications of the Covid-19 pandemic, according to the study, would be the most difficult task for auditors and their clients since the global financial crisis of 2007-2008. The study found that the Covid-19 social distancing can have a significant impact on audit fees, going concern assessments, audit human capital, audit processes, audit personnel wages, and audit effort, all of which can have a negative impact on audit quality.

The influence of the Covid-19 pandemic on Nigeria's accounting system was explored by Akenbor and Adue (2020). The study's population comprised of sixteen publicly traded non-financial enterprises with a reporting date other than December 31st. The mean and probit regression of the Generalized Linear Model were used to analyze the data for this study, which were gathered from the companies' annual reports for 2018. According to the study's conclusions, the Covid-19 lockout will result in a loss of approximately 4.5 billion dollars in income, a 233 million rise in operating expenses, and a six-month delay in credit collection. It was also discovered that the Covid-19 epidemic has had no substantial influence on the accounting systems of Nigeria's publicly traded non-financial enterprises.In light of events and circumstances of uncertainty, AbdulRahman and Eitedal (2020) investigated the influence of the Covid-19 pandemic on the company's continuity when generating financial accounts in compliance with international accounting standards. The study used a descriptive analytical approach, and a questionnaire was issued to collect the essential data. After the research sample of financial managers, heads of departments, and accountants working in the financial departments and departments of industrial businesses listed on the Palestine Stock Exchange was evaluated and arbitrated by a number of professionals, the number (49) single was chosen. The study's findings demonstrated that taking precautionary measures to avoid a Covid-19 pandemic has an effect on the continuity of industrial companies listed on the Palestine Stock Exchange, as well as disclosing substantial doubts about the ability of industrial companies listed on the Palestine Stock Exchange to operate on the principle of continuity.Gladie, Paul, and Francesco (2020) looked at the issues Chief Financial Officers confront when compiling financial statements in light of the current Covid-19 crisis. CFOs, in particular, must examine the extent of the outbreak's interruption to their company operations and adequately report information concerning assets and liabilities that are exposed to considerable estimation uncertainty. Furthermore, whether the epidemic occurred before or after the conclusion of the most recent reporting period (Financial Year 2019) is a matter that must be addressed in the (current) financial statements of 2019.

Ozili (2020) examined Nigeria's Covid-19 issue, its economic impact, and the structural causes that exacerbate the dilemma. The data show that a combination of falling oil prices and spillovers from the Covid-19 outbreak drove Nigeria's economic crisis, which not only reduced demand for oil products but also halted economic activity when social distancing policies were implemented. The government responded to the problem by assisting businesses and a small number of households affected by the Covid-19 epidemic with financial aid. The central bank pursued accommodating monetary policies and provided targeted 3.5 trillion in credit support to certain industries.Ozili (2021) highlighted how the nature of financial reporting is influenced by pandemics, particularly for financial and non-financial institutions that were severely impacted by the 2020 Covid-19 pandemic. Fair value accounting, big bath earnings management, loss avoidance, and income smoothing approaches, according to the study, can help to mitigate the impact of a pandemic on corporate performance. During a pandemic, some considerations about the benefits and risks of accounting are highlighted and debated.In light of Covid-19, Kaka (2021) emphasized some of the practical issues auditors may have in evaluating financial statements of an organization, as well as areas where they should focus more in their audit reports. For this study, a documentary research design was adopted, and secondary data sources were obtained and exploited. According to the findings, professional associations, accounting and auditing authorities are keeping an eye on issues and scenarios that may affect financial statements and audit reports as a result of Covid-19's impact. Furthermore, they are constantly prepared to issue additional guidelines as new developments emerge, and they continue to update professional accountants on issues relating to the organization's business continuity, workforce, economic impact, and other resources to assist their members in better serving their clients during this pandemic.

Kameliya (2021) investigated the global influence of Covid-19 on the idea of "going concern," which is used to produce financial statements for businesses. The study technique is based on a systematic approach that includes the use of appropriate methodological tools for analysis, generalization, and graphic visualization of the results. Based on released interim financial statements for the first quarter of 2020, an empirical study of the information on revenues, profitability, and net cash availability of non-financial firms issuers on the Bulgarian Stock Exchange was done.Jabin (2021) investigated the impact of Covid-19 on Bangladesh's accounting profession. With the help of a questionnaire, the study gathered primary data. The survey was sent via Facebook and email. A random sampling approach was used to establish the sample size. A total of 190 Bangladeshis took part in the survey. A five-point Likert scale was employed. Wilcoxon signed-rank test was used for descriptive and inferential statistical analysis. Covid-19 has a significant impact on the accounting profession in Bangladesh, according to the study. In Bangladesh, the accounting profession has undergone many changes; most accountants are now working remotely due to the epidemic, and they have adapted to modern technology. Virtual meetings and trainings are held. They are also dealing with cyber security issues as a result of a lack of data security, as well as increased employment uncertainty.The IFRS implications of Covid-19 for selected travel and leisure companies listed on the Johannesburg Stock Exchange were investigated by Da Silva, Schutte, and Surujlal (2021). The study looked into how these companies disclosed financial information on their going concern, or how they account for the impact of the corona virus pandemic on their financial information, such as the company's sustainability, revenue, how they made estimates, and more. The financial statements of ten travel and leisure companies listed on the JSE were examined using content analysis. In light of Covid-19, this study revealed what additional disclosures these firms had. Despite the fact that there is no specific IFRS standard offering advice on the impact of Covid-19, the findings demonstrated that the companies exercised extreme caution when disclosing information regarding the impact of Covid-19 in their financial statements. Companies carefully analyzed the influence of the Covid-19 on their financial performance and supplied transparent financial information to readers of these financial statements, including information on the company's going concern and sustainability, revenue, estimates, and more. As a result of Covid-19 and the IFRS implications, such as the effect on sustainability and going concern, impact on revenue of companies, financial estimations during the corona virus pandemic, the effect of Covid-19 on financial subsequent events, and other financial statement disclosures, a new economic crisis emerged, unlike any other economic crisis.

Teresa and Alves (2021) looked into the standards and norms that entities must follow, as well as the orientations that they must follow in relation to Covid-19, in order to determine how Covid-19 has impacted interim financial statements of the businesses in the sample. The goal of the study is to assess financial health of organizations using financial ratios and the Zmijewski model, in order to see if there is a link between financial health and Covid-19 disclosures. It verifies that, on average, entities followed the required procedures and that Covid-19 had an influence, particularly on credit risk, revenues, and expenses, and that the financially healthy business is a very transparent one.Al-Khasawneh (2021) investigated the impact of the Corona pandemic on the external audit process in Jordanian banks according to auditing standards, and the researcher used a deductive approach by distributing a questionnaire about the pandemic's impact on audit steps and procedures in accordance with international standards. The Corona pandemic had a statistical influence on planning procedures, establishing the level of materiality, auditing risks, and evidence collection methods, as well as affecting the contents of the auditor's report in light of the Corona pandemic, according to the study.Firmansyah and Rusydiana (2021) looked at articles on accounting and Covid-19 that were published during the epidemic and indexed by Dimension, focusing on journal, article, and keyword analysis. Bibliometric analysis with the help of R Biblioshiny software was used to evaluate as much as 150 publications. The findings revealed that the subjects explored in various journals that published articles on the theme of accounting and covid-19 were not limited to accounting, but also included topics such as the environment, science, energy, and health. The Journal of Accounting and Organizational Change is the journal that publishes the most articles on this topic, with the most popular keywords being 'covid-19' and 'accounting.' The University of Florence, Shanghai University, and Kanazawa Medical University are among the affiliates that frequently perform research. Switzerland is also the country with the most quoted articles. In the post-pandemic era, Pham, Ho, Nguyen, Pham, and Bui (2021) assessed the financial reporting quality of Vietnamese businesses. It also looked at the impact of Big 4 audit firms against non-Big 4 audits, as well as the effectiveness of internal controls on financial reporting quality. The case study technique was used to finish the scale of financial reporting quality established by the International Accounting Standards Board in 2010 and to identify the obstacles faced when creating and representing financial reports during the Covid-19 pandemic issue. The purpose of the survey was to assess financial reporting quality and investigate the impact of the three elements listed above on financial reporting quality. According to the findings, all three criteria have a considerable impact on financial reporting quality. The findings also point to the predictive relevance of financial reporting from Vietnamese businesses, which have been heavily impacted by the Covid-19 outbreak.

Theoretical Framework

Contingency Theory

This research is based on Lawrence A. Gordon and Danny Millier's contingency theory for the design of accounting information systems, which was proposed in 1976. It describes how the basic foundation for looking at accounting information systems from a contingency standpoint is built out. According to the notion, an accounting information system should be flexible enough to account for the business's organizational structure and perceived environmental uncertainty. To put it another way, an accounting system must be created in an adaptive framework.Uncertainty in the environment, such as the Covid-19 epidemic, is a key factor in the development of an accounting system. In order to represent current circumstances in financial reports and accounts, managers who are decision makers prefer to seek additional external, non-financial, and ex ante information in addition to internal financial and ex post information as the Covid-19 pandemic continues to spread.

METHODOLOGY

This study adopts exploratory research design; it tries to examine the implications and challenges facing financial reporting as a result of Covid-19 pandemic in Nigeria using content analysis of publicly available archive documents. The study relies solely on secondary data. The research is conducted by examining literature concerning the implications and challenges facing financial reporting in Nigeria as a result of Covid-19 pandemic. Literature was obtained through searches in publicly available material. Literature from non-serial publications, official reports, and conferences has been included particularly if they have been cited by other references in term of financial reporting and Covid-19 pandemic.

RESULT AND DISCUSSION

The majority of the empirical findings revealed that the Covid-19 pandemic has had an impact on financial reporting in Nigeria in the areas of revenue recognition, non-financial asset impairment, goodwill impairment, inventory valuation, fair value measurement, hedge accounting, and provisions for bad debts. Furthermore, the pandemic has an impact on going concern disclosures and audit evidence since they are regarded grey areas for management and auditors, requiring a lot of judgment in dealing with them. Prem (2020); Albitar, Gerged, Kikhia, and Hussainey (2020); Akenbor and Adue (2020); AbdulRahman and Eitedal (2020); Gladie, Paul, and Francesco (2020); Ozili (2021); Kaka (2021); Kameliya (2021); Jabin (2021); Da Silva, Schutte, and Surujlal (2021); Teresa and Alves (2021); Teresa and Alves (2021); P (2021).

CONCLUSIONS AND RECOMMENDATIONS

The goal of this research is to highlight some of the financial reporting implications and issues in light of Covid-19. Covid-19 is having an unprecedented impact on financial reporting, according to the study, which also identified some of the main areas that financial report providers and users should be aware of. Because of the influence of Covid-19, professional bodies in Nigeria, such as the Institute of Chartered Accountants of Nigeria (ICAN) and the Association of National Accountants of Nigeria (ANAN), have obliged its members to report the going concern of audited firms. Covid-19's expected implications on the company's financial situation, operating performance, and liquidity must be disclosed in a meaningful and timely manner. In order to provide stakeholders with a better understanding of the financial implications, the study concludes that management should consider the magnitude of the disruptions caused by the outbreak to their businesses and adequately disclose information on those assets and liabilities that are subject to significant estimation uncertainty. The financial consequences of the epidemic will put further pressure on management to reveal information about the company's ongoing operations. Regulators will also need to consider the current situation's disruptive effects and strike a careful balance between their role of "protection" of stakeholders' interests in terms of access to transparent, reliable, and adequate information and the uncertainties, concerns, and issues that companies face in providing the requested information to the market.

Management should reconsider the accounting for fair value estimations, predicted credit losses, impairments, and other assets, according to the report. Finally, management should consider if these events or circumstances could jeopardize the company's capacity to continue as a going concern. Auditors should show professional skepticism while assessing financial statement data in order to maintain the quality of financial information provided to users. Furthermore, they are constantly prepared to issue additional guidelines as new developments emerge, and they continue to update professional accountants on issues relating to the organization's business continuity, workforce, economic impact, and other resources to assist their members in better serving their clients during this pandemic. The study recommends that management disclose the firm's ongoing concerns, exercise sufficient professional skepticism and judgment, and remain focused on the public interest and ethical responsibilities entrusted to them, as well as continue to apply IFRS standards and adhere to the fundamental principles of professional competence, confidentiality, objectivity, and independence. These are the keys to maintaining and increasing management trust in the eyes of the public.

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