

**A SURVEY OF COMMUNITY COLLEGE EDUCATORS ON THE
INCORPORATION OF IFRS INTO THE ACCOUNTING CURRICULA**

Dr. Roberta J. Cable, CMA*
Pace University
Pleasantville, NY 10570
rcable@pace.edu
914-773-3688

Patricia Healy, CPA and MBA
Pace University
Pleasantville, NY 10570
phealy@pace.edu
914-773-3661

Ashton Vines
Pace University
Pleasantville, NY 10570
avines@pace.edu
914-773-3794

*Corresponding Author

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The SEC asked the U.S. accounting profession to comment its Roadmap for adoption to IFRS. The Roadmap put forth milestones relating to training and education. This paper presents the results of a survey of community college accounting educators on their views about the incorporation of IFRS into their accounting curricula.

INTRODUCTION

The move towards adopting International Financial Reporting Standards (IFRS) continues. Currently, over 100 countries have adopted IFRS and the SEC asked the U.S. accounting profession to comment on its Roadmap for adoption and/or convergence to IFRS. The SEC stated, "This Roadmap sets forth several milestones that, if achieved, could lead to the required use of IFRS by U.S. issuers in 2014 . . ." (p. 1) One of the milestones relates to education and training. The SEC stated, "Colleges and universities would need to include IFRS in their curricula. Furthermore, it would be appropriate to include IFRS in the Uniform CPA Examination." (p. 29)

There has been considerable research on how four-year colleges and universities are responding to this challenge. This research has been spearheaded by two online faculty surveys sponsored by the American Accounting Association Education Committee and KPMG LLP. (2009) However, two-year community colleges also play an important role in the higher education landscape. This paper presents the results of a survey of community college accounting educators on their views about the incorporation of IFRS into their accounting curricula.

TWO-YEAR COMMUNITY COLLEGES AND THE PURPOSE OF THIS STUDY

According to the National Center for Education Statistics, 35% of all students enrolled in postsecondary education are enrolled in community colleges. Also, "28% had planned to use a community college as a stepping stone to a bachelor's degree and 39% revised their original plans to attend a four-year college and earn a bachelor's degree by starting their postsecondary education at a community college." Long stated, "Community colleges play an important role in American higher education. For many, they offer open, affordable access to postsecondary schooling." (p. 30) Today, with the costs of community college tuition at less than half that of public four-year postsecondary institutions, we are seeing an increase in the number of students who plan start their education at a community college with the intent of transferring to a four-year college or university. Two-year community colleges are becoming an even more important factor in the education of future accountants.

The transfer of credits from community colleges to four-year institutions has long been a source of debate as to whether or not these credits are truly fungible. Many institutions, like Pace University, have transfer agreements with their local community colleges which guarantee the transfer of credits to their accounting programs. Courses may include Financial, Managerial

and Intermediate Accounting. And, Intermediate Accounting has been the course of choice among accounting faculty at four-year colleges and universities to incorporate IFRS.

The integration of IFRS at four-year colleges and universities has been studied and well documented. However, IFRS research has not been specifically addressed on the community college level. The purpose of our study was to survey community college faculty to solicit their views on the incorporation of IFRS into the accounting curricula.

OUR STUDY

Sample and Survey

Our sample consisted of 202 community college educators who have taught Intermediate and/or Financial Accounting. The community colleges that were chosen were located in the Northeast and have students who either attended or are currently attending Pace University. We chose this sample for two reasons: (1) faculty teaching Intermediate and/or Financial Accounting was most likely to consider integrating IFRS into their course curriculums, and (2) we were most interested in community college students who have attended our university.

The results of the survey questions are presented in Tables I, II and III. Given the nature of our study, many of the questions were based on the American Accounting Association Education Committee and KPMG surveys of accounting faculty at four-year colleges and universities in 2008 and 2009. The survey was conducted online. The response rate was approximately 26%.

Results and Analysis

Table I provides an analysis of our sample. Over the past two years 92% of the faculty taught Intermediate Accounting and 88% taught Financial Accounting. The majority of our sample had Masters Degrees and CPA certifications, 92% and 85%, respectively. Approximately three quarters of our sample, 73%, taught at their colleges for over ten years.

Tables II and III present an analysis of faculty responses relating to IFRS. In Table II, we find that an overwhelming majority, 96%, of the faculty believed that two year students who transfer into accounting programs at four year colleges will be expected to have some familiarity with IFRS. Further, most faculty, 77%, believed that students entering the workforce with an Associate's Degree will need to have some familiarity with IFRS.

Approximately 77% of faculty planned to incorporate IFRS into their course curriculum within the next two years. However, only 19% of faculty believed they have significant knowledge of IFRS. Approximately 50% believed they have some knowledge and 31% believe they have little knowledge of IFRS. Thus, it is likely that most faculty will need additional preparation in this area. Faculty were asked about their schools' plans to prepare faculty to teach IFRS. Unfortunately, 35% answered that either they didn't know or their colleges had no plans, and 37% answered that individual faculty will have to bear the responsibility to develop the course materials themselves. Only, 27% believed their colleges will provide funding for faculty to attend training sessions. Further, 72% believed their school leadership (those responsible for allocating resources) understand the changes IFRS will cause within the accounting profession.

This is in significant contrast to faculty. The vast majority, 88%, believed that IFRS is relevant to the community college curriculum.

Table III asks community college faculty to rank a list of potential challenges to teaching IFRS. As could be deduced from the analysis of responses presented in Table II, the greatest challenge was training and support for faculty to learn and teach IFRS. The second most important challenge was making room in the curriculum and the third was developing curriculum materials. The least important challenge was when to start teaching IFRS.

Limitations

First, our sample focused on community colleges in the Northeast that have students who attended or are attending Pace University. The geographic sample can be expanded, but we believe our sample and analysis can be generalized to include all community college educators. Second, we recognized that different four-year colleges and universities have different agreement regarding the transfer of credits. Therefore, in some cases, Intermediate Accounting cannot be transferred from two-year colleges regardless of the course content.

CONCLUSIONS AND RECOMMENDATIONS

The majority of our respondents were CPA's and had over ten years teaching experience at their institutions. Thus, they had significant ties to their schools and their profession. Approximately 92% taught Intermediate Accounting within the past two years. An overwhelming majority believed their students should learn about IFRS in community college. Almost all, 96%, agreed their students who transferred to four-year colleges and universities were expected to be familiar with IFRS, and 88% said this topic was relevant to the community college accounting curriculum.

The good news is that over three quarters of the faculty surveyed planned to incorporate IFRS into their courses. However, the bad news is that few faculty (19%) believed they had significant knowledge of IFRS, and as a result, many will need training in this area. And, unfortunately, they thought the greatest challenge to teaching IFRS was the availability of training and support. This is evidenced by their belief that their leadership did not understand the potential impact of IFRS in the accounting curriculum.

In conclusion, community college educators and the courses they teach play an important role in educating future accountants. Courses, such as Intermediate Accounting, will need to include the appropriate level of content to be transferable for credit in accounting programs at some four-year colleges and universities, such as Pace University. This includes the incorporation of IFRS. Therefore, a goal of many community college educators may be to develop and revise the content of their Intermediate Accounting courses. Training and support will be crucial in achieving this goal.

Table I - The Sample	
1. Which of the following accounting courses have you taught at your college over the past two years? (Select all that apply.)	
Financial Accounting	88%
Managerial Accounting	62%
Intermediate Accounting I or II	92%
Other	35%
2. Which advanced academic degrees and certifications do you hold? (Select all that apply)	
Masters Degree	92%
Doctorate Degree	8%
CPA	85%
CMA	4%
Other / None of the Above	8%
3. How long have you been teaching accounting at a college or university?	
<1 Years	0%
1-3 Years	0%
3-10 Years	27%
10+ Years	73%

Table II - Community College Faculty - IFRS Responses	
4. Do you believe students from your two year college who transfer into accounting programs at four year colleges will be expected to have some familiarity with IFRS?	
Yes	96%
No	0%
Not Sure	4%
5. Do you believe that students who graduate with an Associate's Degree in Accounting who plan to enter the accounting profession will need to have some familiarity with IFRS?	
Yes	77%
No	4%
Not Sure	19%

6. Are you planning to incorporate IFRS into your course curriculum within the next 2 years?	
Yes	77%
No	4%
Not Sure	19%
7. How would you describe your knowledge of IFRS?	
I have significant knowledge of IFRS	19%
I have some knowledge of IFRS	50%
I have little knowledge of IFRS	31%
I have no knowledge of IFRS	0%
8. What action is your school planning to take to prepare faculty to teach IFRS?	
Don't know or no plans	35%
Individual faculty will bear the responsibility to develop course materials themselves	38%
School prospectively will hire new faculty ready to teach IFRS	0%
School will provide funding for faculty to attend training sessions and/or acquire study materials.	27%
9. How well do you believe your school leadership (those responsible for allocating resources) understands the changes IFRS will cause within the accounting profession?	
Understands this change very well	12%
Has some understanding of this change	16%
Has little or no understanding of this change	72%
10. Do you believe IFRS is relevant to the community college curriculum?	
Yes	88%
No	4%
Not Sure	8%

Table III - Community College Faculty - IFRS Teaching Challenges Responses

11. Below are possible challenges to teaching IFRS. Please rank in order of importance with 1 being the most important and 4 being the least important.			
Statistic	Mean	Variance	Standard Deviation
Training and support for faculty to learn and teach IFRS	1.81	0.8	0.9
Making room in the curriculum for IFRS	2.19	1.28	1.13
Developing curriculum materials for IFRS	2.54	0.82	0.9
Timing of when to start teaching IFRS	3.35	0.96	0.98

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