

SUFFICIENCY OF ACCOUNTING CURRICULUM IN EQUIPPING STUDENTS WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) SKILLS IN NIGERIAN UNIVERSITIES

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Abstract

This study was carried out to determine the sufficiency of accounting curriculum in equipping Nigerian university students with International Financial Reporting Standards (IFRS) skills. Two research questions were raised to guide the study. Descriptive survey design was adopted for the study. A structured questionnaire was used to induce response from the 47 teachers of accounting in the Departments of Accounting and Vocational Education (Business Education Unit), University of Uyo as well as Department of Accounting, Obong University, and Akwa Ibom State University, all in Akwa Ibom State. A total of 43 lecturers properly filled and returned the questionnaire. Data collected were analyzed using the Mean rating while real limit of the nominal scale was used for interpretation of results. The results of the analysis include that Accounting curriculum in universities were very insufficient in equipping students with IFRS skills towards the development of high level manpower. Based on the findings, it was recommended among others, that the stakeholders in university curriculum development in Nigeria should consider reviewing the curriculum of accounting to accommodate the IFRS.

International Financial Reporting Standards (IFRS) is a set of international accounting standards that state how particular transactions and events should be reported in the financial statements of organizations. The standards, which replace the old International Accounting Standards, are issued by the International Accounting Standard Board (IASB), for the purpose of making international comparison of organizations as easy as possible.

International Financial Reporting Standards (IFRS) is strictly based on principles and allows for comparability of financial statements prepared anywhere in the world especially as foreign investors would want financial statements that are comparable with those of similar businesses in other parts of the world, for strategic decision making in relation to mergers and acquisitions. By adopting IFRS, a business can present its financial statements on the same basis as its foreign competitors, making comparisons easier. The implementation of IFRS would reduce information irregularities and strengthens the communication link between all stakeholders and will also reduces the cost of preparing different version of financial statements where an organization is a multi-national (Healy and Palepu, 2001).

The adoption of International Financial Reporting Standards in over 120 countries is an issue of global relevance among various countries of the world due to the quest for uniformity, reliability and comparability of financial statements of companies. Before IFRS adoption, most countries had their own standards with local bodies responsible for developing and issuance. The Nigerian Accounting Standards Board (NASB) was responsible for developing and issuing standards known as Statements of Accounting Standards (SAS).

The Nigerian Accounting Standards Board (NASB) is the federal agency statutorily responsible for the development and issuance of Statements of Accounting Standards (SAS) used in the preparation of financial statements in Nigeria. The NASB initially derived its powers from Section 335(1) of Companies and Allied Matters Act 1990, until the Nigerian Accounting Standards Board Act No. 22 of 2003 was enacted. The Board has so far issued over thirty (30) Statements of Accounting Standards which address financial reporting issues in all major sectors of the economy.

Nigeria has joined the League of Nations in presenting financial reports based on IFRS. The journey to the adoption of IFRS in Nigeria started in July 2010 when the Federal Executive Council approved the Road map for Nigeria's adoption of the standards (Umoru and Ismail, 2010). This was followed with the enactment of the Financial Reporting Council of Nigeria Act in 2011, which led to the transformation of the Nigeria Accounting Standards Board (NASB) to the Financial Reporting Council

(FRC). The FRC among other things is charged with the responsibility of implanting the road map for the adoption of IFRS in Nigeria.

Nigeria commenced phased adoption of IFRS in 2012, with all companies quoted on the stock exchange and companies with significant public interest required to comply with the first phase, all other public interest entities were expected to comply with the second phase by January 1, 2013, while Small and Medium Sized Enterprises (SMEs) would mandatorily adopt IFRS by January 1, 2014 (NASB 2010). This means that all companies quoted on the stock exchange, companies with significant public interest, other public interest entities, and SMEs in Nigeria will statutorily be required to issue IFRS based financial statements forthwith.

The adoption of IFRS in Nigeria has created the need for standardized education for stakeholders in education. Undoubtedly, its adoption will entail significant costs and will have far reaching consequence on a wide variety of stakeholders in the financial reporting process, including financial statement preparers, investors, analysts, auditors, regulators and universities (Isenmila and Adeyemo 2013). As a tactical and significant diversity, IFRS requires a high level of education, competence, and proficiency to be able to understand, interpret, and then make use of these standards (IFRS).

Among the goals of tertiary education in Nigeria as stated in the National Policy on Education (2004) are contributing to national development through high level relevant manpower training, the acquisition of both physical and intellectual skills which will enable individuals to be self-reliant and useful members of the society. These shall be pursued through teaching, generation and dissemination of knowledge and maintenance of minimum educational standards through appropriate agencies. Also, the National Policy on Education states that University Education is to make optimum contribution to national development by intensifying and diversifying its programmes for the development of high level manpower within the context of the needs of the nation and by making professional course contents to reflect our national requirements.

For the above to be achieved, the university education would require a curriculum that is sufficient in content and facilities. It is only when a sufficient curriculum that reflects our national requirement is provided that learners would be exposed to the experiences that would aid the development of high level manpower within the context of the needs of the nation, especially by providing professional course contents for the acquisition of International Financial Reporting Skills. Hence, there seems to be a gap in the accounting education curriculum as it does not reflect the IFRS skills required by the students for relevance, self reliance and high level manpower development. The critical question now is, 'how sufficient is the curriculum

content of universities in Nigeria in preparing students to face the challenges of accounting practice'. It was against this backdrop that this research was undertaken.

The purpose of this research is to investigate the sufficiency of the accounting curriculum in universities for equipping students with IFRS skills towards the development of high level manpower within the context of the needs of the nation and for making students self-reliant and useful members of the society.

Specifically, the research was designed to:

1. determine the sufficiency of accounting education curriculum for equipping students for the change in format and nomenclature of the items in financial statements based on IFRS
2. determine the sufficiency of accounting education curriculum for equipping students with the components of financial statements based on IFRS

Research Questions

The following research questions were formulated to guide the study:

1. What is the state of sufficiency of accounting education curriculum in equipping students for the change in format and nomenclature of certain items in financial statements based on IFRS?
- 2.
3. What is the state of sufficiency of accounting education curriculum in equipping students with the components of financial statements based on IFRS?

Methodology

The descriptive survey research design was adopted for this study. The population of the study was made up of the forty seven teachers of accounting in the Departments of Accounting and Vocational Education (Business Education Unit), University of Uyo as well as Departments of Accounting, Obong University, and Akwa Ibom State University, all in Akwa Ibom State. The entire population was studied because of its size and manageability.

A 17-item structured questionnaire on a 4-point scale of very sufficient, sufficient, insufficient and very insufficient was used to collect data for the study. The instrument was validated by three experts from University of Uyo. Chronbach's Alpha was used to determine the internal consistency at coefficient of 0.79. Forty seven copies of the questionnaire were distributed to the lecturers with the help of three research assistants who are postgraduate students of the University of Uyo. Forty three copies of the questionnaire were properly filled and returned. The data collected were analyzed using Mean. Items with a Mean rating of 2.50 and above were regarded as sufficient

while items with response below 2.50 were regarded as insufficient. Real limit of response scales was used for interpretation as follows:

Very insufficient	-	mean scores between 0.00 and 0.49,
Insufficient	-	mean scores between 0.50 and 1.49,
Sufficient	-	mean scores between 2.50 and 3.49,
Very sufficient	-	means score between 3.50 and 4.00

The results of the study are presented as shown in tables 1 – 2 below:

Table 1: Mean Score Rating of Respondent's Assessment of Accounting Curriculum in Equipping Students for the Change in Format and Nomenclature in Financial Statements

S/N	Sufficiency of Accounting Curriculum in Equipping Students for the Change in Format and Nomenclature in Financial Statements Based on IFRS	\bar{X}	Remarks
1	Knowledge of GAAP	0.607	Sufficient
2	Awareness of IFRS adoption	0.379	Insufficient
3	Knowledge of implication of IFRS	0.151	Insufficient
4	Measure basis of assets & Liabilities	0.379	Insufficient
5	Revenue recognition	0.151	Insufficient
6	Nomenclatures	0.303	Insufficient
7	Recognition and measurement of Liabilities	0.303	Insufficient
8	Measurement of financial assets & liabilities	0.151	Insufficient
9	Depreciation computation	0.250	Insufficient
10	Tax computation preparation	0.456	Insufficient
	Average Mean Score	0.313	Insufficient

Data in Table 1 above indicates that 9 of the items were rated grossly insufficient in the opinion of the respondents on change in format and nomenclature. The total average of the mean of 0.313 is an indication that the curriculum of universities does not accommodate the change in format and nomenclature of financial statements based on IFRS

Table 2: Mean Score Rating of Respondent's Assessment of the Sufficiency of Accounting Curriculum in Equipping Students with the Components of Financial Statement Based on IFRS

S/N	Sufficiency of Accounting Education Curriculum in Equipping Students with the Components of Financial Statements Based on IFRS	— X	Remarks
1	Requirements for the preparation of financial statements	0.250	Insufficient
2	Presentation of financial statements	0.303	Insufficient
3	Guidelines for financial statements structure	0.250	Insufficient
4	Minimum requirements for the content of financial statements	0.151	Insufficient
5	Deferment & amortization of development costs	0.00	Insufficient
6	Presentation and disclosures	0.379	Insufficient
7	Formal identification of the reporting and the transition date	0.075	Insufficient
Average Mean Score		0.201	Insufficient

Data in Table two above indicates that all the items were rated insufficient in the opinion of the respondent on the components of IFRS. The total average of the mean of 0.201 is indicative that the curriculum of universities does not contain the components of financial statements based on IFRS

Discussion of Findings

Findings of this study indicated that the curriculum content of universities is not sufficient for students in the acquisition of IFRS skills. Based on the 4 points scale and the real limit nominal scale used for the interpretation of the results, the average mean of 0.313 and 0.201 as contained in table 1 and 2 respectively show that all the respondents agreed that the curriculum of universities is insufficient and does not cover the change in format and nomenclature as well as the components of financial statements based on IFRS. The insufficiency of the curriculum of universities to equip students with the IFRS skills would imply that students would be handicapped at the point of graduation. In a study to examine the state of readiness of Nigerian academics and accounting practitioners to embrace IFRS adoption with focus on the extent of IFRS familiarity by academics and practitioners; the state of readiness to embrace IFRS by academics and practitioners; and their opinion regarding a proper national transition plan to IFRS adoption by Wilson, Loraver , Adaeze & Iheanyi (2013), showed significant differences between accounting students, lecturers and practitioners with respect to their degree of familiarity with IFRS. An important policy implication of the study was the urgency of accounting curriculum review in the Nigerian tertiary educational institutions to incorporate IFRS and its implementation dimensions.

Conclusion

From the results of the study, it was concluded that in aligning with the National Policy on Education and the adoption of IFRS by the Federal Government, Nigerian tertiary institutions would have to be in a position to enable the accounting education graduates have an understanding of IFRS. That means that universities need to review their curriculum materials to ensure that future accounting education professionals receive a substantial amount of IFRS education. The significance of updating accounting education curriculum to incorporate IFRS is underscored in the precept that accounting education students are the future accounting teachers and accountants whose knowledge and familiarity with IFRS must invariably be invoked in their work places.

Recommendation

Based on the findings of the study and the conclusions drawn, the following recommendations are made:

1. Stakeholders in curriculum development in tertiary education in Nigeria should consider the revamping of accounting education curriculum to accommodate IFRS by making professional course contents to reflect national requirements.
2. Teachers of accounting in tertiary institutions should be trained and retrained on IFRS for knowledge update and the development of high level manpower within the context of the needs of the nation.
3. Instructional materials should be sourced for and developed for use in the teaching and learning of IFRS

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