

# International Financial Reporting Standards (IFRS) Education in Colleges of Education in Southeastern States of Nigeria

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**Abstract** The study surveyed international financial standards education in Colleges of education in Southeastern states of Nigeria. Three research questions and three null hypotheses tested at 0.05 level of significance guided the study. A four point structured questionnaire having a reliability co-efficient of 0.79 was administered on the sixty-two (62) accounting education lecturers in the Colleges of education in the area. Mean was used to answer the research questions while z-test was used to test the hypotheses at 0.05 level of significance. It was found that accounting education lecturers are not all that IFRS aware and that effective IFRS education could be achieved by including IFRS in the curriculum, adequate funding and amendment of relevant laws among others. It was recommended that NCCE should integrate IFRS into the accounting curriculum, TetFund should intervene in IFRS education and relevant laws should be adjusted to accommodate IFRS.

**Keywords:** IFRS, education, colleges of education, southeastern states, awareness

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## 1. Introduction

A strong international financial reporting structure has been the desire of accountants (academics and practitioners) and other stakeholders of financial statements. This is because financial reporting greatly ensures a strong investor confidence which Herbert, Tsegba, Ohanle and Anyahara [1] described as vital to the optimal functioning of financial markets and, in turn, economic development. The practice where each country operated her own reporting standards bred disparity which Penman in Okpala [2] described as a threat to comparability, interpretation simplicity and foreign direct investment (FDI). Hence, Accountants International Study Group (AISG) was founded in 1967. Then in 1973, AISG led to the establishment of International Accounting Standards Committee (IASC) which metamorphosed into International Accounting Standards Board (IASB) and issued International Financial Reporting Standards (IFRS).

IFRS refers to those accounting standards adopted and/or issued by IASB to provide a global language for international comparability of financial standards. Okpala [2] described IFRS as a global Generally Accepted Accounting Principles (GAAP), setting principles-based and globally accepted standards published by the IASB to facilitate preparation and presentation of high quality,

transparent and comparable financial statements. Considering the gains of IFRS, the Nigerian Accounting Standards Board (NASB) transformed into Financial Reporting Committee (FRC) and adopted IFRS in January 2012 [1].

America, Canada, England and Wales proactively formed a study a group before the formation of IASB that issued IFRS (Herbert et al). This underscores the need for IFRS education. As a major economic and financial innovation, IFRS should reflect in the curricula of institutions that train accountants [3]. On this premise, Federal Republic of Nigeria [4] demanded tertiary institutions to generate and disseminate knowledge, skills and competencies that would contribute to the attainment of economic goals. In agreement, the fifth objective of Business Education is to equip graduates with the right skills [5]. Hence this study is an examination of the status of IFRS education in colleges of education (COEs) in southeastern states of Nigeria.

Accounting education lecturers in COEs need to be fully aware of IFRS in order to give IFRS education. Herbert et al [1] found that accounting practitioners and lecturers in Nigerian universities are aware of IFRS and ready to adopt it. Similarly, Owolabi, Ilogho, Eluyela, Akomolafe and Bassey [6] agreed that Nigerian universities are aware of IFRS and earnestly seek its inclusion in the curricula of schools and professional training institutes. Likewise, Sunder [7] pointed out that

Washington accounting consensus 5 advised U. S. educational system to integrate IFRS into its curriculum in order to produce graduates capable to prepare and audit IFRS-based financial reports. Again, Chartered Accountants Australia and New Zealand [8] opined that IFRS education seek to make graduates up-to-date on IFRS, understand the fundamental requirements of IFRS, speak the global language of accounting, stay relevant and add value to the accounting profession. Isa [9] regretted that the roadmap for transition to IFRS in Nigeria did not consider IFRS education and awareness.

IFRS education, like other education programmes, has a lot of challenges. Taxguru [10] observed that influence of local laws and lack of training facilities confront IFRS in India. Madawaki [11] observed that conflicts exist between IFRS and some extant laws in Nigeria. Similarly, Owolabi et al [6] identified problems of IFRS education to include cost implication, resistance to change, complexity of the standards (demanding extra meticulous preparation), inadequate IFRS educational materials, and insufficient manpower to train accountants. Likewise Okorie and Okoli [12] found that inadequacy of qualified manpower critically inhibits effective implementation of an education programme.

Achievement of effective IFRS education demands a lot of inputs. Herbert et al [1] submitted that provision of relevant IFRS education resources and adjustment of relevant legal frameworks would provide a leverage for effective IFRS education. In consonance, Okoli and Okorie [13] found that adequate provision of relevant textbooks is a condition sine quo non for effective implementation of upper basic education business studies curriculum. Similarly, Owolabi et al [6] affirmed that effective IFRS could be achieved through:

- Urgent review of accounting curriculum, especially in tertiary education system, to incorporate IFRS.
- Government at all levels, accounting institutes, private and public companies, regulating agencies and accounting bodies should invest in IFRS education.
- Use of such mediums as seminars, workshops and train the trainer to facilitate understanding and promote implementation of IFRS. Fast tracking IFRS through the use of information and technology by accountants (academics and practitioners) to aid complete IFRS transition.

## 2. Research Questions

The study was guided by the following research questions:

1. What is the level of IFRS awareness of colleges of education accounting lecturers in Southeastern States of Nigeria?
2. What are the problems of IFRS education in colleges of education in Southeastern States of Nigeria?
3. How could effective IFRS education be achieved in colleges of education in Southeastern States of Nigeria?

## 3. Hypotheses

The following null hypotheses tested at 0.05 level of significance guided the study:

1. There is no significant difference in the mean ratings of IFRS awareness of male and female accounting education lecturers.
2. There is no significant difference in the mean ratings of male and female accounting education lecturers on the problems of IFRS education.
3. There is no significant difference in the mean ratings of male and female accounting education lecturers on how effective IFRS education could be achieved.

## 4. Research Methodology

Descriptive survey design was adopted for the study. The study covered the fourteen (14) colleges of education in the five (5) southeastern states of Nigeria. These comprised three (3) federal colleges of education, four (4) state colleges of education and seven (7) private colleges of education. Two (2) of the colleges are located in Abia State, three (3) in Anambra State, one (1) in Ebonyi State, Seven (7) in Enugu State and one (1) in Imo state. The population of the study comprised the sixty-two (62) accounting education lecturers in the fourteen (14) colleges of education. The entire population was used for the study; hence, no sampling technique was employed. A four scale structured instrument designed by the researchers was used to collect data. The instrument was validated by three experts – two from Ebonyi State University Abakaliki and one from Enugu State University of Science and Technology Agbani. To establish the reliability of the instrument, it was administered on accounting educators of Federal College of Education, Okene and Federal College of Education (Technical), Omoku. Using Cronbach Alpha, data got therefrom were correlated to get a correlation coefficient of 0.79 adjudged to make the instrument reliable for the study. Sixty-two copies of the instrument were administered on the respondents through trained research assistants. Mean was used to answer the research questions while z-test was used to test the hypotheses at 0.05 level of significance. Any item with a mean rating of 2.50 or above was taken as agree while any item with a mean rating less than 2.50 was taken as disagree. Similarly, any hypothesis with z-calculated value less than the z-critical of 1.68 at 0.05 level of significance was upheld as of no significant difference.

## 5. Data Analysis

The result in Table 1 shows that the mean scores of the respondents ranged within 1.50 and 2.66 with a grand mean of 2.04. This implies that accounting education lecturers in colleges of education in Southeastern States of Nigeria are not considered adequately IFRS aware.

The result in Table 2 reveals that the calculated z-value of 1.22 is less than the critical z-value of 1.68. This implies that there is no significant difference in the mean ratings of male and female accounting education lecturers on the level of IFRS awareness of accounting education lecturers.

Table 3 reveals that the mean scores of the respondents ranged within 1.78 and 2.98 with a grand mean of

2.66. Items 14 and 16 got mean scores lower than the benchmark (2.50). This implies that the items in the table, with the exception of numbers 14 and 16, are problems of IFRS education in the area.

Table 4 reveals that the calculated z-value of 0.77 is less than the critical z-value of 1.68. This implies that there is no significant difference in the mean ratings of male and female accounting education lecturers on

what constitutes the problems of IFRS education in colleges of education in Southeastern States of Nigeria.

The result in Table 5 shows that the mean scores ranged within 3.07 and 3.53 with a grand mean of 3.28. This implies that accounting education lecturers in the area agree that all the seven items are means of achieving effective IFRS education.

**Table 1. Mean ratings of respondents on level of IFRS awareness of accounting lecturers**

S/N	IFRS Awareness Level of Accounting Lecturers	Mean ( $\bar{X}$ )	Remarks
1.	Lecturers are aware that IFRS is an acronym for International Financial Reporting Standards	2.66	Agree
2.	Lecturers are aware that IFRS are issued by International Accounting Standards Board (IASB)	2.51	Agree
3.	Lecturers are aware that IFRS provide a global language for International comparability of financial statements	2.61	Agree
4.	Lecturers are aware that IFRS are meant to replace our national standards and GAAP	2.11	Disagree
5.	Lecturers possess copies of IFRS	1.58	Disagree
6.	Lecturers possess IFRS compliant textbooks	1.85	Disagree
7.	Lecturers apply the provisions of IFRS in classroom activities	2.05	Disagree
8.	Seminars and Workshops on IFRS have been organized to train accounting lecturers	1.50	Disagree
9.	Lecturers have carried out researches on IFRS	1.50	Disagree
	Grand mean	2.04	

**Table 2. z-test Comparison of the mean ratings of the respondents on the level of IFRS awareness of accounting education lecturers**

Group	N	$\bar{X}$	SD	zcal	zcrit	Decision
Male	41	1.96	0.44	1.22	1.68	Accept
Female	21	2.11	0.51			

**Table 3. Mean ratings of the respondents on problems of IFRS education in COEs**

S/N	Problems of IFRS Education in Colleges of Education	Mean ( $\bar{X}$ )	Remarks
10.	Lecturers find it difficult to change from the old Standards	2.87	Agree
11.	IFRS compliant accounting textbooks are unavailable	2.83	Agree
12.	Lecturers do not have copies of the IFRS as reference document	2.98	Agree
13.	There is Paucity of researches on IFRS	2.93	Agree
14.	IFRS is demanding because of its complexity and rigour	2.05	Disagree
15.	IFRS is at variance with relevant legal frameworks	2.56	Agree
16.	There is Paucity of qualified manpower for IFRS education	1.78	Disagree
17.	IFRS is not included in the NCE accounting curriculum (NCCE Minimum Standards)	2.96	Agree
18.	Funding is a problem to IFRS education	2.96	Agree
	Grand mean	2.66	

**Table 4. z-test Comparison of the mean ratings of accounting education lecturers on the problems of IFRS education**

Group	N	$\bar{X}$	SD	zcal	zcrit	Decision
Male	41	2.66	0.47	0.77	1.68	Accept
Female	21	2.65	0.42			

**Table 5. Mean ratings of respondents on how effective IFRS education could be achieved.**

S/N	How Effective IFRS Education could be Achieved.	Mean ( $\bar{X}$ )	Remarks
19.	Inclusion of IFRS in NCE accounting education curriculum (NCCE Minimum Standards).	3.11	Agree
20.	Provision of adequate fund for IFRS education.	3.07	Agree
21.	Provision of relevant materials for IFRS education.	3.28	Agree
22.	Adjustment of relevant legal frameworks in line with IFRS.	3.23	Agree
23.	Organizing seminars, workshops and train-the-trainer programmes for accounting lecturers.	3.33	Agree
24.	Sponsoring accounting lecturers' further education and training.	3.53	Agree
25.	Use of ICT to encourage self-education on IFRS.	3.43	Agree
	Grand mean	3.28	

**Table 6. z-test Comparison of the mean ratings of accounting education lecturers on how to achieve effective IFRS education**

Group	N	$\bar{X}$	SD	zcal	Zcrit	Decision
Male	41	3.27	0.15	1.45	1.68	Accept
Female	21	3.29	0.17			

Table 6 above shows that the calculated z-value of 1.45 is less than the critical z-value of 1.68. This implies that there is no significant difference in the mean ratings of male and female accounting education lecturers on how to achieve effective IFRS education in COEs in Southeastern States of Nigeria.

## 6. Discussion of Findings

The study found that accounting education lecturers in colleges of education in the Southeastern States of Nigeria are not reasonably IFRS aware. This finding contradicts Herbert et al [1] who found that accounting lecturers in Nigerian universities and accounting practitioners were aware of and ready to adopt IFRS. It also contradicts Owolabi et al [6] who posited that accounting lecturers in Nigerian universities were not only aware of IFRS but sought for its inclusion in the curriculum. With this negative departure, how could accounting education lecturers speak the global language of accounting, stay relevant and add value to the accounting profession?

The study found that resistance to change, paucity of human and material resources, conflict with legal frameworks, poor funding and non-inclusion in the curriculum are the problems of IFRS education. This finding agrees with Madawaki [11] who observed that conflicts existed between IFRS and laws operational in Nigeria. It also agrees with Owolabi et al [6] who identified cost implication, resistant attitude to change and dearth of materials as problems of IFRS education. A breakdown of this finding showed that the respondents were averse to paucity of qualified manpower and complexity of IFRS constituting problem to IFRS education. This contradicts Okorie and Okoli [12] who established that dearth of qualified manpower is a problem to an education programme. A close examination would make one realize why the respondents could not identify IFRS as being demanding; they are not all that IFRS aware, hence they may not judge better. Similarly, they may not judge themselves unqualified since they may need only workshops and seminars to become up-to-date.

The study also found that inclusion of IFRS in the NCE accounting education curriculum, adequate funding, provision of relevant materials, adjustment of relevant legal frameworks, retraining of lecturers and use of ICT are means of achieving effective IFRS education. This finding agrees with Okoli and Okorie [13] who found that adequate materials should be provided for effective implementation of an education programme. It agrees with Okorie and Okoli [12] who found adequate qualified manpower as a condition sine qua non for effective education. It also agrees with Owolabi et al [6] who identified curriculum review; investment in IFRS education, retraining programmes and use of ICT as means of achieving effective IFRS education.

## 7. Conclusion

The level of IFRS awareness of accounting education lecturers in colleges of education in Southeastern States of Nigeria is low. Attitude of resistance to change, dearth of relevant materials and qualified manpower, non-inclusion of IFRS in the curriculum and poor funding are the problems of IFRS education in the area. Adjustment of relevant legal frameworks, curriculum revision, retraining of accounting education lecturers, provision of relevant materials and manpower, and use of ICT are means to achieve effective IFRS education.

## 8. Recommendations

Based on the findings of this study, the following recommendations were made:

1. NCCE should revise the minimum standards and integrate IFRS into the accounting education curriculum.
2. Copies of the IFRS should be supplied to schools to serve as reference document for accounting lecturers.
3. Legal frameworks should be amended to accommodate IFRS.
4. Seminars, workshops and train-the-trainer programmes should be organized to bring accounting education lecturers up-to-date.
5. Tertiary Education Trust Fund (TetFund) should intervene in IFRS education by sponsoring accounting lecturers to oversea training and funding seminars and workshops for the lecturers.
6. All accounting education lecturers should be computer literate in order to easily learn IFRS.

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