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INTERNATIONAL ASSOCIATION FOR
ACCOUNTING EDUCATION & RESEARCH

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Informing the International Accounting Standard Setting Process

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Philosophy

- Research, Teaching, and Service should complement each other
- My scholarship aims to achieve at least one of the following
 - Inform my teaching and/or that of other accounting faculty
 - Inform practice and/or international accounting standard setting
 - Help enable others to achieve at least one of the above



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IAAER

- Director of Research and Educational Activities (DREA) and Past President
 - International Association for Accounting Education and Research (www.iaaer.org)
 - Mission: promote excellence in accounting education and research on a worldwide basis and maximize the contribution of accounting academics to the development and maintenance of high quality, globally recognized standards of accounting practice



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IAAER DREA

- Member Education Advisory Group of IFRS Foundation
- Member Program Advisory Committee – IFRS Teaching Case Competition
- Member Beta Alpha Psi Advisory Forum
- Member Program Advisory Committee of Grant Program to Inform IAESB
- Chair Program Advisory Committee of Grant Program to Inform IASB
- Chair Program Advisory Committee of Grant Program to Inform IAASB
- Coordinator of Consortia to Build Research and Teaching Skills Capacity of Early Career Researchers in Transitional Economies (and associated seed grant program)
- Member ACCA Accountancy Futures Group
- ...



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Inform My Teaching and/or That of Other Faculty

- Education Advisory Group of IFRS Foundation (8 members)
 - Provides Advice and Support to Director of Foundation's Education Initiative
 - IAAER and IFRS Foundation Teaching Workshops
 - **Framework-based teaching of principle-based standards**
 - IFRS Foundation education initiative is arranging a series of regional half-day IFRS Teaching workshops to assist IFRS teachers and IFRS trainers educate IFRS accountants more effectively. The main focus of these sessions is encouraging and **supporting a *Framework-based approach to teaching IFRSs to develop in students the ability to make the judgments that are necessary to apply principle-based accounting standards and to prepare students for lifelong learning.*** Most of these sessions are hosted jointly with international and regional academic accounting associations in advance of major accounting conferences.



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Inform My Teaching and/or That of Other Faculty

- IFRS Teaching Resources: Available and Rapidly Growing
 - with Robert K. Larson
 - *Accounting Education: An International Journal*, 20(4), 2011, reprinted in *Teaching IFRS*, Routledge Taylor and Francis Group 2012
- Framework-based Teaching of IFRS Judgements
 - with Christopher Hodgdon and Susan B. Hughes
 - *Accounting Education: An International Journal*, 20(4), 2011, reprinted in *Teaching IFRS*, Routledge Taylor and Francis Group 2012
- White Oak Case (Framework-based approach to teaching inventories)
 - With Catalin and Nadia Albu (Bucharest Academy of Economic Studies)
 - Informing IFRS Interpretations Committee



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Inform My Teaching and/or That of Other Faculty

- “Besser Pharma: International Accounting for Pensions” with M. Geary, *Issues in Accounting Education*, 22 (4), November 2007.
- “IASB and FASB Face Challenges in Pursuit of Joint Conceptual Framework,” with W. R. McGregor, *Journal of International Financial Management and Accounting*, 18(1), 2007.



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Inform My Teaching and/or That of Other Faculty

- Member Program Advisory Committee – IFRS Teaching Case Competition
 - HEC Montreal and IAAER pleased to invite educators to develop an original IFRS teaching case for the HEC Montreal's International Watch Center for Financial Information
 - IFRS Foundation Director of Education Initiative and Academic Fellow both serve on Selection Committee



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Inform My Teaching and/or That of Other Faculty

- Member Beta Alpha Psi Advisory Forum
 - Conduct IFRS Workshops (and Sustainability Workshops) at BAP meetings
 - **BETA ALPHA PSI** is an honorary organization for Financial Information students and professionals. The primary objective of Beta Alpha Psi is to encourage and give recognition to scholastic and professional excellence in the business information field. This includes promoting the study and practice of accounting, finance and information systems; providing opportunities for self-development, service and association among members and practicing professionals, and encouraging a sense of ethical, social, and public responsibility.



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Inform Standard Setting

- **Street, Donna L.** *Journal of International Financial Management & Accounting*, Spring 2002, 13(1), “An Interview with Sir David Tweedie.”
- Question: What types of research would you encourage academics to pursue that would support the work of the IASB and national accounting standard setters?



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- Reply: **Standard setters do not get any help! The actual research that leads to policy decisions is not the number crunching appearing in these magazines that I cannot read anymore. I see all these scribbles and think, “for goodness sake.” Researchers are working on issues standard setters lost interest in 20 some years ago.**
- The future agenda is, “How do we capture the economic value of an entity in such a period of change?” We need to try and address this with accounting. It is a challenge, and we are not getting it right.



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- Research is needed to assist the IASB in addressing topics such as impairment and revaluation of property. Why does the US not revalue property? Why does the US favor historical cost? Does it matter if we revalue factories? The answer is probably not. **The IASB also needs assistance with pensions.** Why do we have smoothing built into the standards? Why not let the analysts do the smoothing? The whole point is, “Does it provide relevant information?” I do not think it does. Standard setters also need help on intangibles and fast! **Another big issue is measurement.** Why use exit values for financial instruments when everything else is based on entry value? What is the logic? Where does the deprival value system fit in? What is fair value? How do you determine if fair value is exit value, replacement value, or present value?



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Inform Standard Setting and/or Practice

- Member Program Advisory Committee of Grant Program to Inform IAESB (Plan to soon launch Round 3)
 - International Accounting Education Standards Board
 - IAAER and ACCA pleased to invite research proposals to support the work of the IAESB. The program supports **scholarly research directed at the IAESB's standard setting activities**. Up to five research grants of US\$25,000 each will be awarded under this program. Funded projects will be showcased at events involving representatives from the IAESB, as well as renowned accounting education researchers.



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Inform Standard Setting and/or Practice

- Chair Program Advisory Committee of Grant Program to Inform IASB (Beginning Round 4)
- IAAER, KPMG LLP and KPMG Foundation pleased to invite research proposals under the Informing the IASB Standard Setting Process Research Program. The program supports **scholarly research directed at informing the IASB's decision process** on any current agenda item. ... Up to five research grants of \$US 25,000 each will be awarded. Funded projects will be showcased at three events involving representatives from the IASB.



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Inform Standard Setting and/or Practice

- Chair of Program Advisory Committee of Grant Program to Inform IAASB (Soon to launch Round 2)
- IAASB WELCOMES NEW AUDITING RESEARCH INITIATIVE
 - (New York/March 16, 2010) – The IAASB looks forward to findings from four new auditing research projects announced today by ACCA and IAAER. IAASB, IAAER, and ACCA ... are committed to supporting this initiative as it will **help to inform debate within the profession on a range of important subjects relating to audit and assurance, and thereby public confidence in financial reporting.**



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- Based on two IAAER Roundtables on Building IASB Research Capacity
 - IAAER asked to Submit Proposal to IASB on how IAAER can facilitate building Board's Research Capacity
 - Invited to prepare a paper with IAAER VP Research Katherine Schipper (UD Trustee) based on the Roundtables for *Journal of Business Finance and Accounting*



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Inform Practice CII

- *Criteria for an Independent Accounting Standard Setter: How Does the IASB Rate?*
 - Council of Institutional Investors white paper (CII), 2011
 - Posted on site of Harvard Law School Forum on Corporate Governance and Financial Regulation
 - *International Convergence of Accounting Standards: What Investors Need to Know*, Council of Institutional Investors, 2007
 - Purpose to ‘inform Council members’ and utilized in Council’s comment letters to the US Securities and Exchange Commission



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Inform Standard Setting and/or Practice ACCA Research Reports

- *Methods for Recognition of Actuarial Gains and Losses and Discount Rate Assumptions Utilised by Listed Companies in the UK, Germany and France Under IAS 19*, with Martin Glaum, 2010
- *Adoption Of IAS 19R By Europe's Premier Listed Companies: The Corridor Approach Versus Full Recognition*, with J. Fasshauer and M. Glaum, 2008
- **Pension accounting**
Research introduced at ACCA/FEE pensions accounting seminar, Brussels, March 2009
 - Recent research commissioned by ACCA, updating the previous study investigating the application of IAS 19 Employee Benefits by major European companies, finds that, ...
 - **Acknowledging the importance of the issue, FEE hosted a seminar in its offices in Brussels to showcase the latest ACCA findings. The meeting, which was attended by representatives from IASB and EFRAG**, covered the extent of use of the corridor approach and of the alternative options, as well as the effect of the alternatives on reported equity and liabilities, along with some evidence of discount rates and examples of disclosures.



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- *Making Acquisitions Transparent – An Evaluation of M&A Related IFRS Disclosures by European Companies in 2005*, published by **PwC** (Big 4 international accounting firm)
- *Rechnungslegung der Unternehmen am Neuen Markt - Die Einhaltung der Ausweispflichten nach IAS und US-GAAP*, Studie Nr. 17 des Deutschen Aktieninstituts, with M. Glaum, Frankfurt am Main, April 2002 (translated: *Financial Accounting of Companies in the New Market - Compliance with Disclosure Requirements According to IAS and US GAAP*, **German Stock Market Institute Study No. 17**).
- Lead researcher, *GAAP Convergence 2002* published by **BDO, Deloitte Touche Tohmatsu, Ernst & Young, Grant Thornton, KPMG, PriceWaterhouse Coopers**, February 2003.
- *The Road Ahead: Collected Thoughts on Convergence and Adoption of IFRS in the United States*,” edited by Donna L. Street and Belverd E. Needles, (**AICPA**), 2009.



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Inform Standard Setting IFRS 8

- “LOB and Geographic Segment Disclosures: An Analysis of the Impact of IAS 14 Revised,” with N. B. Nichols, *Journal of International Accounting, Auditing, and Taxation*, 11(2).
- "Segment Disclosures Under SFAS 131: Has Business Segment Reporting Improved?" with N. B. Nichols, and S. J. Gray, *Accounting Horizons* September 2000, 14(3).
- "Geographic Segment Disclosures in the United States: Reporting Practices Enter A New Era," with N. B. Nichols and S. J. Gray, *The Journal of International Accounting, Auditing, and Taxation*, 2000.



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- IFRS 8 Post Implementation Review
 - Working paper with Nichols and Cereola
- IFRS 3 Post Implementation Review
 - *Making Acquisitions Transparent – An Evaluation of M&A Related IFRS Disclosures by European Companies in 2005*, published by PwC



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Enable Others

- Coordinate Consortia to Build Research Capacity of Early Career Researchers in Transitional Economies (and related seed grant program)
- Addressing the programs, Professor Barry Cooper – Chair of the ACCA Research Committee – said,
 - “These initiatives are making a real difference. The IAAER/ACCA consortia and seed grant programs are **actively supporting the development of early career researchers, as well as the future development of the profession.** We are already beginning to see concrete results such as papers presented during IAAER/ACCA consortia evolving into publications in internationally recognised journals.”



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Thanks for Your Kind Attention!

Questions?