

# AICPA IFRS Preparedness Survey

Conducted 9/3 through 9/28, 2009

(1,132 qualified respondents with a margin of error of plus-or-minus 3 percentage points.)

## 1) Please choose the category that best fits where you work:

Response	Count	Percent
Business & Industry	436	34.3 %
Public Practice	698	54.9 %
Government	10	0.8 %
Consulting	59	4.6 %
Other	69	5.4 %

## 2) How would you classify your company?

Public Company – U.S.	128	29.4 %
Public Company - Foreign	27	6.2 %
Private Corp – U.S.	230	52.8 %
Private Corp – Foreign	23	5.3 %
Not-for-Profit	27	6.2 %
Educational Institution	1	0.2 %

(\* Asked of 436 Business and Industry respondents.)

## 3) Please rate your familiarity with the International Financial Reporting Standards (IFRS).

Does not apply-No Plans to Learn	135	11.9 %
No Knowledge	254	22.4 %
Basic Knowledge-Familiar with high level concepts	429	37.9 %
Some Knowledge-familiar with some specifics	264	23.3 %
Advanced Knowledge-very familiar with most of the specifics	44	3.9 %
Expert Knowledge-very familiar with specifics, could train others	6	0.5 %

## 4) Please rate the level of familiarity with the International Financial Reporting Standards (IFRS) that you need.

Does not apply-No Plans to Learn	183	16.2 %
----------------------------------	-----	--------

No Knowledge	156	13.8 %
Basic Knowledge-Familiar with high level concepts	251	22.3 %
Some Knowledge-familiar with some specifics	274	24.3 %
Advanced Knowledge-very familiar with most of the specifics	208	18.4 %
Expert Knowledge-very familiar with specifics, could train others	56	5.0 %

**5) When do you need this level of knowledge?**

Now	91	8.1 %
Within the next year	234	20.8 %
In the next 2 to 3 years	335	29.8 %
In more than 3 years	55	4.9 %
Not sure	408	36.3 %

**6) Please rate the extent to which your company is prepared for IFRS adoption\***

Does not apply; No plans to adopt in next 5 years	150	34.7 %
Still evaluating whether to adopt	123	28.5 %
Planning to adopt; Not yet begun	60	13.9 %
Preliminary discussions	58	13.4 %
Actively preparing	16	3.7 %
Ready to adopt; Adopted	25	5.8 %

(\* Asked of 436 Business and Industry respondents.)

**7) Please select the stage of transition that best describes the status of your implementation\***

Initial Planning	44	44.9 %
Heavy Planning, including establishment of project teams	7	7.1 %
Diagnostic, including comprehensive identification of GAAP and IFRS differences	16	16.3 %
Design, including identification of required system changes	4	4.1 %
Implementation, including required system changes	3	3.1 %
Started parallel reporting	4	4.1 %
IFRS adoption completed	20	20.4 %

(\* Asked of 98 Business and Industry respondents preparing to adopt IFRS.)

**8) What are the largest challenges that implementing IFRS has presented/will present to your company? (Please check all that apply)\***

Educating financial staff/management	254	63.3 %
Educating non-financial staff/management	162	40.4 %
Updating/changing IT systems	166	41.4 %
Managing public perception of changes in financial statements	64	16.0 %
Updating accounting policies	197	49.1 %
Managing transition workload while maintaining day-to-day activities	197	49.1 %
Other (please specify.)	63	15.7 %

(\* Asked of 401 Business and Industry respondents.)

**9) Please rate the extent to which your firm is ready to support clients preparing for IFRS adoption or who have already adopted IFRS\***

Does not apply-No plans to support in next 5 years	219	31.6 %
Still evaluating whether to support	193	27.9 %
Planning to support; Not yet begun preparing	139	20.1 %
Preliminary discussions	68	9.8 %
Actively preparing	43	6.2 %
Ready to support/supporting	30	4.3 %

(\*Asked of 692 respondents in Public Practice.)

**10) What are the largest challenges that implementing IFRS has presented/will present to your firm? (Please check all that apply.)\***

Educating CPA staff/management	413	66.2 %
Educating non-CPA staff/management	102	16.3 %
Educating clients	366	58.7 %
Educating the public on changes in financial statements	173	27.7 %
Updating accounting policies	239	38.3 %
Updating auditing policies	201	32.2 %
Managing transition workload while maintaining day-to-day	198	31.7 %
Other (please specify)	67	10.7 %

(\*Asked of 624 respondents in Public Practice.)

**11) Are you aware that the International Accounting Standards Board issued an International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs), which is a simplified, self-contained set of accounting standards designed to meet the financial reporting needs of constituents of private entities?**

Yes	622	55.3 %
No	503	44.7 %

**12) Do you believe a self-contained set of accounting standards designed to meet the needs of constituents of private company financial reporting should be available to U.S. private companies?**

Yes	751	66.5 %
No	82	7.3 %
Unsure	124	26.3 %

**13) Would you consider adopting the IASB's recently issued IFRS for Small and Medium-Sized Entities?**

Yes	29	11.5 %
Yes, but only if IFRS is required for public companies	41	16.2 %
No	38	15.0 %
Unsure	137	54.2 %
Already use IFRS	8	3.2 %

(\*Asked of 253 Private Companies only.)

**14) Would you advise your clients to consider adopting the IASB's recently issued IFRS for Small and Medium-Sized Entities?**

Yes	62	8.9 %
Yes, but only if IFRS is required for public companies	110	15.8 %
No	156	22.4 %
Unsure	304	43.7 %
Does not apply	64	9.2 %

(\*Asked of respondents in Public Practice only.)

**15) What do you perceive as the most significant benefit to adopting IFRS?**

No benefits	306	27.3 %
Simplified financial accounting and reporting	82	7.3 %
Improved comparability of companies within an industry	215	19.2 %

Cost savings	7	0.6 %
Earlier access to capital	13	1.2 %
Improved financial reporting and transparency	103	9.2 %
Unsure	357	31.9 %
Other (please specify)	37	3.3 %

**16) In its proposed roadmap for the potential use of IFRS issued in November 2008, the SEC estimates the cost of IFRS transition would range between 0.125% to 0.13% of revenue for U.S. issuers. If your company is planning to adopt IFRS, what is an appropriate range of cost based on a percentage of revenue?**

Less than 0.125%	63	14.5 %
Between 0.125% and 0.13%	17	3.9 %
Between 0.13% and 0.16%	10	2.3 %
Between 0.16% and 0.20%	10	2.3 %
Between 0.20% and 0.25%	10	2.3 %
More than 0.25% of revenue	18	4.1 %
Do not know	195	44.8 %
Not applicable	112	25.7 %

**17) The leaders of the G-20 nations have called for significant progress towards a single set of high quality, global accounting standards by the end of 2009. Do you believe ultimately the SEC should require adoption of IFRS for U.S. public companies?**

Yes	159	14.1 %
Yes, but only after more convergence of accounting standards	446	39.5 %
No, but IFRS should be available as an option for use by U.S. issuers	205	18.1 %
No, IFRS should not be mandated or allowed for use by U.S. issuers	110	9.7 %
Unsure	210	18.6 %

**18) In her confirmation hearing in January, SEC Chairwoman Mary Schapiro said she will not necessarily feel bound by the prior administration's "roadmap" for IFRS adoption. Do you believe the SEC should make an announcement on its plan for evaluating IFRS before the end of 2009?**

Yes	738	65.3 %
No	128	11.3 %
Unsure	264	23.4 %

**19) Are you delaying IFRS preparations until the SEC announces that it will set a date certain for its adoption in the United States?**

Yes	385	34.3 %
No	245	21.8 %
Not Applicable	492	43.9 %