



IFRS® Foundation

Agenda Paper 4

Advisory Council advice

Feedback report

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IFRS Advisory Council
April 2022

Objective




Provide an update on how the Advisory Council's feedback has been incorporated

into the IFRS Foundation's (Foundation) strategic activities by linking the Foundation's strategic activities over the past six months with feedback provided over the last three or four years.

Why three- to four-year lookback?

Strategic advice can take time to implement and even longer for the effect of this advice to manifest itself.

Status of feedback implementation

-  Substantially implemented – will not be reported again
-  In process
-  Limited progress



Do you have any questions or comments on how your advice is being incorporated into the Foundation's strategic activities?

Overview

The Foundation's **strategic activities** over the past six months include the following:

Relevance

- Sustainability reporting
- Agenda consultation
- Digital reporting

Process

- Key performance indicators (KPIs)
- Stakeholder engagement

Talent Management

- Future of work (post-covid-19)



We confirm that all Advisory Council feedback from the last meeting has been communicated to Trustees, IASB members, ISSB members and staff.

Strategic activities – relevance (1/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Sustainability reporting

At the November 2021 United Nations COP26 conference the Trustees announced:

- The establishment of the International Sustainability Standards Board (ISSB);
- The commitment to consolidate two investor-focussed international sustainability standards setters into the ISSB;
- The publication of two prototype standards: one on climate-related disclosures and the other on general sustainability disclosure requirements;
- The location of the future offices.

Since this announcement the Trustees have also appointed the inaugural Chair and Vice-Chair of the ISSB and have made significant progress with the appointment process of the other ISSB members.

[Nov 2021](#)

[Sep 2021](#)

[Apr 2021](#)

[Feb 2021](#)

[Nov 2020](#)

Advisory Council shared views on the importance of effective engagement with emerging economies to ensure the ISSB's credibility and legitimacy, and the need to encourage adoption in emerging economies to achieve a truly global footprint. They discussed strategies to achieve this, including:

- An appropriate focus on SMEs;
- The role of multilateral organisations and the link they can provide to emerging economies;
- Locating some operations in Africa and/ or South America.

Next steps:

Advisory Council to:

- Have an introductory session with the ISSB Chair, Emmanuel Faber (see agenda item 3).
- Receive an update on the publication of the ISSB Exposure Drafts on climate-related disclosures and general sustainability disclosure requirements (see agenda item 5).
- Further ISSB discussions with the Advisory Council will happen via regular updates from the ISSB Chair or will focus on specific areas of the ISSB's work. Therefore the status has been turned to green and 'sustainability reporting' will not be included in this report going forward

Strategic activities – relevance (2/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

IASB's Third Agenda Consultation

- In November and December, IASB discussed feedback on its Request for Information.
- In December, IASB confirmed its proposals on the criteria it will use to determine projects to add to its work plan for 2022 to 2026.
- In February, IASB decided to leave the strategic direction and balance of its activities largely unchanged, with tweaks, consistent with feedback, to:
 - slightly decrease focus on development of new IFRS Accounting Standards and major amendments
 - slightly increase focus on digital financial reporting
 - slightly increase focus on understandability and accessibility of IFRS Accounting Standards, which will indirectly support their consistent application.
- In February, IASB decided to continue projects on its current work plan, with the exception of one narrow-scope amendment.

Next steps:

- In March and April, using the criteria confirmed in December, IASB will decide which projects to add to its work plan for 2022 to 2026.

Jan 2022

May 2021

Sep 2019

- May 2021 - Advisory Council shared views on questions in Request for Information.
- Jan 2022 – Staff presented overview of feedback on the Request of Information and Advisory Council discussed staff's recommendations in response to that feedback. Specifically, members:
 - largely agreed with staff analysis of the implications on the IASB's priorities of connectivity between the IASB and ISSB, suggestions to partner further with national standard-setters and an approach to consistently prioritise matters arising from post-implementation reviews. In particular, some members noted:
 - implications of connectivity should not be under-estimated.
 - importance of retaining flexibility, with differing views on how to do so.
 - largely agreed with staff recommendation to leave the strategic direction and balance of the IASB's activities largely unchanged, with tweaks to:
 - slightly decrease focus on development of new IFRS Accounting Standards and major amendments
 - slightly increase focus on digital financial reporting
 - slightly increase focus on understandability and accessibility of IFRS Accounting Standards, which will indirectly support their consistent application.
 - provided views on the priority of the most popular projects recommended by stakeholders.

Next step:

Update on conclusion of the IASB's Third Agenda Consultation.

Strategic activities – relevance (3/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Digital reporting

- Continued:
 - researching digital financial reporting landscape.
 - educating and raising awareness of challenges with digital financial reporting.
- Staff began developing ISSB Taxonomy to facilitate the digital consumption of sustainability.
- IASB decided to slightly increase its focus on digital financial reporting as part of its Agenda Consultation for 2022 to 2026.

Next steps:

- Publish staff draft of ISSB Taxonomy in the coming weeks for stakeholder comment.
- Develop a more specific digital work plan for 2022 to 2026.

Jan 2022

May 2021

Sep 2019

Sep 2018

- IFRS Taxonomy will continue to be relevant, as an integral part of financial reporting standards.
- Own what Foundation can control (important for brand), but not Foundation's role to go whole journey with structured digital reporting.
- Foundation is an enabler, but consider creative means of influencing or collaborating with others about use of IFRS Taxonomy.
- Some members recommended IASB increase its level of focus on digital reporting and suggested possible activities to undertake, whereas one member recommended IASB maintain the current level of focus.

Next steps:

- Future meeting with Advisory Council to brainstorm specific work to support development of more specific digital work plan for 2022 to 2026.

Strategic activities – relevance (4/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Monitoring adoption

Monitoring adoption of IFRS Standards, with support from national standard-setters and accounting firms.

Next steps:

- Consider implications of proposed ISSB.
- Finalise improvements to formal process and team to identify and evaluate implications of adoption matters.
- Discuss further with Trustees.

May 2020

Sep 2019

- General agreement on need and objectives of monitoring consistent adoption and application of IFRS Standards. This should be a priority.
- Establish guidance, formal process and dedicated team.
- Partner with others to achieve objectives.

Strategic activities – process (1/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Stakeholder engagement

Progress has been made in the following areas and these will not be reported on at the next meeting:

- Improved and ongoing virtual engagement.
- Academic engagement for research for post-implementation reviews.
- Digital engagement:
 - Launch of new website platform (April 2021) – improved user experience & new Standards Navigator
 - Implemented Adobe Campaign and Analytics (potential for greater data insights & more sophisticated information dissemination)
 - Enhanced system allowing licensees to manage their digital subscriptions in a more effective way
 - Completed discovery phase of content strategy – moving into analysis then delivery phases
 - Further enhancements to website search
 - Greater use of electronic surveys to obtain feedback

[Apr 2021](#)

[May 2020](#)

[Sep 2019](#)

[Mar 2019](#)

[Sep 2018](#)

[Feb 2018](#)

- Expand engagement in emerging economies.
- Be flexible and creative in obtaining feedback without compromising quality or extent.
- Academic strategy - prioritise research; provide public recognition.
- Digital engagement:
 - Improve search capabilities.
 - Simplify linkage to support materials.
 - Content – tension between accessibility and commercial; consider resource implications.
 - Enhance access to standards and related content
 - Benefit to reduced cost of engagement (virtual).

Strategic activities – process (2/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Stakeholder engagement

The staff will continue to progress:

- Content framework and strategy
- Post-covid-19 learnings for stakeholder engagement
- Improved monitoring of engagement activities
- Implications of new ISSB

[Apr 2021](#)

[May 2020](#)

[Sep 2019](#)

[Mar 2019](#)

[Sep 2018](#)

[Feb 2018](#)

- Determine engagement objective and then whether conference is right tool.
- Be flexible and creative in obtaining feedback without compromising quality or extent.
- Content – tension between accessibility and commercial; consider resource implications.

Next steps:

Advice from the Advisory Council will be sought at appropriate points in these projects

Strategic activities – process (3/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Key performance indicators

- Continued use of online surveys to support monitoring the effectiveness of stakeholder engagement activities conducted with consultative groups.
- Conducted annual review of feedback with IASB members assigned to relevant groups & updated Due Process Oversight Committee.

Next steps:

- Further develop thinking on KPIs to manage timeliness, effectiveness of stakeholder engagement and effectiveness of risk mitigation strategies.
- Discuss further with Trustees.

May 2020

- General agreement about the areas of technical work to assess with KPIs.
- Value of KPIs recognised – you manage what you measure, but caution about over-emphasising a KPI just because it can be measured.
- Ideas provided for KPIs, noting:
 - a. distinction between internal (management) and external KPIs (governance);
 - b. unit of account (project vs. organisation); and
 - c. internal vs. external data.

Strategic activities – talent management

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Future of work (post-covid-19)

- Based on research and outreach, developed proposal for phased evolutionary approach to:
 - Balance preserving some of the gains made from working remotely, whilst maximising the benefits of having a shared office space.
 - Provide flexibility so we can adapt our approach as we go and as we learn.
- Office officially reopened in September with all staff working under a hybrid model of between 2-3 days in the office, and 2-3 days from home
- Office closed again in December due to Omicron variant and has recently re-opened.

Next steps:

- After more experience, consider need to refine hybrid work approach.

Feb 2021

Advisory Council made several observations, including:

- a one-sized approach does not fit all.
- the need for an evolutionary approach.
- in the competition for talent, need to consider what talent wants.
- positives in current working from home experience may not continue once covid-19 is over, due to employee turnover and inequalities in a hybrid environment.
- people value flexibility but miss informal interactions that are essential for developing people and ideas.

A grayscale world map is the background. Overlaid on the left side are several concentric, curved lines that sweep across the map. Some of these lines are solid, while others are composed of small white dots. The overall aesthetic is clean and modern.

Questions?

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