

## **IFRS Advisory Council**

### **Terms of reference and operating procedures**

#### **I Objectives and scope of activities**

1 The primary objective of the IFRS Advisory Council of the International Accounting Standards Board is to provide a forum where the International Accounting Standards Board (IASB) consults individuals, and representatives of organisations affected by its work, that are committed to the development of high quality International Financial Reporting Standards (IFRS). As part of that consultative process the Council gives advice to the IASB on a range of issues which includes, but is not limited to, the following:

- input on the IASB's agenda;
- input on the IASB's project timetable (work programme) including project priorities, and consultation on any changes in agenda and priorities; and
- advice on projects, with particular emphasis on practical application and implementation issues, including matters relating to existing standards that may warrant consideration by the IFRS Interpretations Committee.

In view of the importance of the IASB's agenda and priorities, once these have been determined by the IASB, changes thereto are expected to be the subject of consultation with the Council.

When considered appropriate by the members of the Council, or on the request of the Trustees of the IFRS Foundation, the Council also provides input to the Trustees on matters relating to the activities of the Council or the IASB and any other relevant issues.

2 A secondary objective of the Council is to take steps to encourage broad participation in the development of IFRS as high-quality, globally-accepted standards. This may include making use of the global network of the influential organisations represented on the Council.

#### **II Composition and membership**

3 The Council is composed of individuals, or representatives of organisations, interested in the development of high quality IFRS. The membership provides for a broad geographical spread and a range of functional backgrounds that include members drawn from user groups, preparers, financial analysts, academics, auditors, regulators and professional accounting bodies. In addition, certain international organisations may be granted permanent seats on the Council by the Trustees. Official observer status may also be granted by the Trustees to other bodies and organisations that are influential in the global financial community.

4 A panel of the Trustees considers nominations and, where applicable, their origins and/or the organisations that may be represented, to determine whether nominee associations and individuals are suitable for membership and to ensure a broad geographical spread and a range of functional backgrounds.

## July 2014

- 5 Members are appointed for an initial term of three years and, depending upon the need to maintain a proper balance and for continuity, may be asked to remain for a further period of up to three years. A maximum period of service of six years is permitted.
- 6 In the interests of retaining an active and engaged membership, individuals who do not attend in person three consecutive meetings will be asked to stand down from the Council.
- 7 The Trustees appoint members to the Council in an individual or representative capacity, and at Council meetings members are expected to express their individual views unless it is expressly stated that they are the opinions of the organisations they represent. No sourcing record is made of organisational or individual views in the Council minutes. In adopting this convention the Council is mindful that discussion at a Council meeting may often be free-ranging and an individual's contribution might be unduly hampered if reference had to be made back to an organisation before a view was expressed at the meeting. Council members are free to table written materials for circulation, prior to the meeting, should they wish.

### III Chair

- 8 The Chair of the Council is appointed by the Trustees from nominations submitted by the Council. The term of office of the Chair is three years renewable for up to three years, subject to a maximum of six years.
- 9 The Chair provides leadership to the Council in ensuring that the IASB receives timely and effective input that contributes to the development of high quality IFRS enjoying broad acceptance. To achieve this goal, the Chair actively monitors the progress of the IASB's work programme, projects and priorities and works closely with the Chair of the IASB and senior staff to identify, on a timely basis, matters on which the Council's advice should be sought. Specifically, the duties of the Chair include, but are not limited to, the following:
- working with the senior staff of the IASB and IFRS Foundation to ensure the preparation of timely and appropriate materials to facilitate the conduct of the Council meetings;
  - conducting meetings of the Council;
  - reviewing the draft minutes of Council meetings before distribution to members;
  - appointing the Agenda Committee of the Council;
  - acting as the liaison between the Council and the IASB and the Trustees;
  - keeping abreast of developments within the IASB and informing members of the Council of these matters, if considered necessary, between meetings;
  - assisting the Trustees in the identification of new members of the Council;
  - briefing new members of the Council on its operations and their role and responsibilities;
  - assisting the Chair of the IASB to encourage broad participation in the development of IFRS as high-quality, globally-accepted standards; and
  - at the request of the Trustees, attending and participating in the Trustees' meetings.

## IV Operating procedures

- 10 In order to ensure that the Council operates efficiently and effectively the following operating procedures are adopted.

### Meeting details

- 11 Generally, the Council meets three times per year for a period of two days, but additional meetings may be convened at the request of the Chair.
- 12 The Chair of the IASB, the IASB's Director of Technical Activities and those IASB members and staff who are responsible for items on the agenda are required to attend Council meetings. IASB members are generally required to attend the meetings so that they can hear at first hand the views of the Council.
- 13 Secretarial support for the meetings, as well as the recording of the minutes, is the responsibility of a designated member of the IASB secretariat.
- 14 The meetings of the Council are open to the public except for administrative items, which are dealt with in closed session.

### Meeting agenda and papers

- 15 The Agenda Committee, appointed by the Chair from amongst the members, is responsible for preparing the agenda for each meeting in consultation with the IASB secretariat. All Council members are encouraged to submit to the Agenda Committee items for consideration for inclusion in the agenda in advance of the meeting date and in accordance with the timing determined by the Chair.
- 16 Written materials supporting Council agenda items are provided before each meeting. A briefing paper highlighting those issues on which specific guidance is sought from the Council is usually prepared for each technical item on the agenda. The extent of the supporting documentation is dependent on the complexity of the issues involved and the need for Council members to be adequately briefed. The following should be the norms for distribution of material to Council members by the Secretariat:
- minutes of each meeting are distributed to Council members within thirty days following each meeting of the Council (or subcommittee of the Council);
  - the agenda for each Council meeting, including a brief description of each agenda item, is distributed to Council members at least thirty days before each Council meeting; and
  - all detailed agenda papers are distributed to Council members at least ten days before each Council meeting.

### Conduct of meetings

- 17 The conduct of technical topics is generally prefaced by an introduction of the topic by the relevant IASB member or staff, and may include papers prepared and/or delivered by Council members. The extent of these briefings is dependent on the complexity of the topic.

At the meeting members are invited to comment on the questions raised by the IASB or any other related matters. Depending upon the issue, the Chair may call for a formal poll to demonstrate to the IASB the extent of support within the Council for a particular point of view. If the IASB ultimately takes a position on a particular issue that differs from a polled expression of the Council, feedback is given at the next meeting of the Council on the reasons for the IASB's decision.

#### **Subcommittees**

- 18 In order to improve the quality of comment submitted to the IASB on a specialised topic, the Chair may call for the establishment of a subcommittee of knowledgeable Council members to provide expert comment. This subcommittee reports to the Council, which in turn presents its views to the IASB.

#### **V Travel and accommodation costs**

- 19 Members of the Council or the organisations they represent meet their own travel and accommodation costs.

#### **VI Approval and changes**

- 20 The Trustees have approved the terms of reference and operating procedures and any changes thereto require their concurrence.