IFRS Advisory Council Meeting

Agenda reference	**3a**
Date	**June 2010**

Topic

Results of a survey by Advisory Council members on projects for the post June 2011 IASB agenda

Overview

1. At its meeting in February 2010 the Council decided to survey its members on which projects it should recommend that the IASB gives highest priority for consideration for admission to its post June 2011 agenda. Council members recognise that the Board must balance a variety of factors in making agenda decisions. The survey was conducted on the Council private website between May 17 and June 7 2010. A total of 31 responses was received. This paper highlights the results of the survey and the comments that were received.

2. The survey asked Council members to consult within the organisations and select five projects and give reasons for their choice. Members were provided with a list of eleven projects that had been suggested in previous discussions and encouraged to identify additional projects. Members were also asked to suggest possible research projects for the IASB to take on.

3. As it was considered important to survey members before the June Council meeting and present the results at the meeting, the time members had to consult with their organisations was limited. Despite this, the response rate was around 65% and we would like to thank members for their efforts.

Results of the survey

Projects to be recommended to the IASB's work plan post June 2011

4.   The results of the survey on which projects should be recommended was the as follows:

> **Question - Which five of the following projects would you give highest priority for consideration by the IASB as post-2011 agenda items?**

Project	No. of votes
Conceptual framework (including definition of profit or loss (net income))	29
Disclosure framework	28
Common control transactions	19
Pension obligations (measurement)	16
Income taxes	12
Foreign currency translation	11
Intangibles	10
Impairment of long-lived non-financial assets	7
Extractive activities	6
Going concern and liquidation accounting	5
Government grants	3

5.   It clear from this that two projects have the support of the vast majority of the members that took part in the survey, that is the conceptual framework project (which would include definition of profit or loss) and a disclosure framework.

Only two other projects were supported by more than half of those that responded, common control transactions and pension obligations (measurement). The remaining seven projects were all selected by less than half of the respondents.

6. Most of the respondents that commented on the selection of projects said that the completion of the conceptual framework was essential as it provides the foundation for the development of other standards and should therefore reduce inconsistency between standards.

7. On the development of disclosure framework respondents say that it is needed to reduce the complexity of disclosures in order to maintain the relevance of financial statements.

8. Many respondents say that common control transactions represent a 'gap' in current standards where there is currently no guidance which results in diversity in practice.

9. On pension accounting respondents say that a review is needed to reflect the development that has taken place in this area.

Other possible projects

10. The respondents that named possible projects other than those eleven listed in the first question named these:

    (a) share based payments;

    (b) investment fund accounting;

    (c) investigation of underlying earnings (non-GAAP profit and loss measures);

    (d) agriculture;

    (e) Islamic accounting; and

    (f) discount rate project and expected value measurement in face of uncertainty project as parts of the conceptual framework.

11. None of the projects named in paragraph 10 got more than one mention. A few respondents also named as possible projects some of the projects classified as possible research projects.

Possible research projects

12. The last question of the survey asked about possible research projects for the IASB to take on post June 2011. The projects that were listed were the following:

    (a) Comprehensive review to identify significant gaps, inconsistencies and areas where additional application guidance in IFRS might be needed.

    (b) The impact of technology on financial reporting (eg. XBRL).

    (c) The future of financial reporting. Are financial statements meeting the needs of users today? What will financial statements need to communicate in 2015-20 to remain decision-useful (ie. relevant)? Who are the principal users? What are their information needs?

    (d) Preliminary research on the financial reporting needs of not-for-profit organizations to determine whether IASB's focus should be expanded beyond profit-oriented entities at some future date.

13. Respondents that commented on the research projects did not identify any additional research projects that the IASB might take on. However, a few had reservations about (d) and thought that it should not be taken on.

General comments

14. Some respondents to the survey had some general comments on the work plan. Most of them had some reservations about whether the current work plan would be completed by June 2011 and offered their input into how the current projects should be prioritised. The changes to the current work plan will be addressed in a separate session at the June Council meeting and will therefore not be discussed further in this paper.

Questions to Council members

1. How many projects should the Council recommend to the IASB for its post June 2011 agenda and why?

2. Should the projects with the highest vote in the survey be recommended to the IASB?
   If not, why?