

## Overview

1. At its meeting in June 2010 the Council decided to conduct a self-review of its performance. It was also decided to develop questionnaires to use in the self-review process. A subgroup of Council members worked on preparing the questionnaires used in the self-review and we would like to take this opportunity to thank the group members for their efforts in creating the questionnaires.
2. A questionnaire was sent to Council members early in September with responses due on September 30. 36 responses were received from Council members out of a possible 53, which is a 68% response rate. A similar but shorter questionnaire was also sent to the IASB members and Trustees at the same time with the same due date for responses. 11 responses were received from IASB members and four from Trustees. This represents a 73% response rate from the IASB and a 20% response rate from the Trustees. This paper presents the results of the council member's responses to questionnaire and will serve as a basis for the Council's discussion on the self-review at the November 2010 meeting. Agenda paper 5a presents the results of the IASB's and Trustees responses to the questionnaire.

## Overall responses

3. Council members seem generally satisfied with how the Council operates. The main area of concern identified is the Council's lack of ability to advise the IASB on its current standard setting agenda. Another area of concern is the lack

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This paper has been prepared for discussion at a public meeting of the IFRS Advisory Council of the IASB.

The views expressed in this paper are those of the authors.

Comments made in relation to the application of an IFRS do not purport to be acceptable or unacceptable application of that IFRS—only the IFRS Interpretation Committee or the IASB can make such a determination.

The tentative decisions made by the IASB at its public meetings are reported in *IASB Update*. Official pronouncements of the IASB, including Discussion Papers, Exposure Drafts, IFRSs and Interpretations are published only after it has completed its full due process, including appropriate public consultation and formal voting procedures.

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of feedback from the IASB and the Trustees on the advice provided by the Council.

### **Council members results**

4. The questionnaires to the Council members were divided into the following sections and the responses to individual question are discussed in more detail below;
  - (a) background information (paragraphs 5 –8),
  - (b) objectives and scope of activities of the Advisory Council (paragraphs 9 – 15);
  - (c) membership (paragraphs 19 – 19);
  - (d) operating procedures (paragraphs 20 – 37);
  - (e) interaction with the IASB and the Trustees (paragraphs 38 – 45);
  - (f) communications and liaison activities (paragraphs 46 – 51);
  - (g) leadership (paragraphs 52 –57); and
  - (h) overall evaluation (paragraph 58).
  - (i) other comments (paragraphs 59 – 66)

### ***Background information***

5. The first part of the questionnaire asked for background information on the members responding. On average the members, that responded to this question, had participated for 2.7 years on the Council or its predecessors. This short average period reflects the changes that were made to Council in the beginning of 2009 when many new members were appointed to the Council.
6. A breakdown of the responses is summarised below by type of respondent and geographic region.

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Respondent type	Number of respondents	Percentage of respondents
Preparer	9	25%
Standard setter	7	19%
Auditor	6	17%
User	6	17%
Regulator	4	11%
User/preparer	2	5,5%
Other	2	5,5%
<b>Total</b>	<b>36</b>	<b>100%</b>

Geographic region	Number of respondents	Percentage of respondents
International	11	31%
North America	8	22%
Asia/Oceania	7	19%
Europe	7	19%
Africa	2	6%
South America	1	3%
<b>Total</b>	<b>36</b>	<b>100%</b>

7. The questionnaire was set up to get the views of members based on their experience as Council members. It employed a rating graduation:
- 1 = strongly agree;
  - 2 = agree;
  - 3 = agree somewhat, but needs improvement; and
  - 4 = strongly disagree
8. Members were also encouraged to provide comments on all aspects of performance, especially on the things they considered in need of improvement or were unhappy with. The following sections provide the result of answers to individual question in the questionnaire.

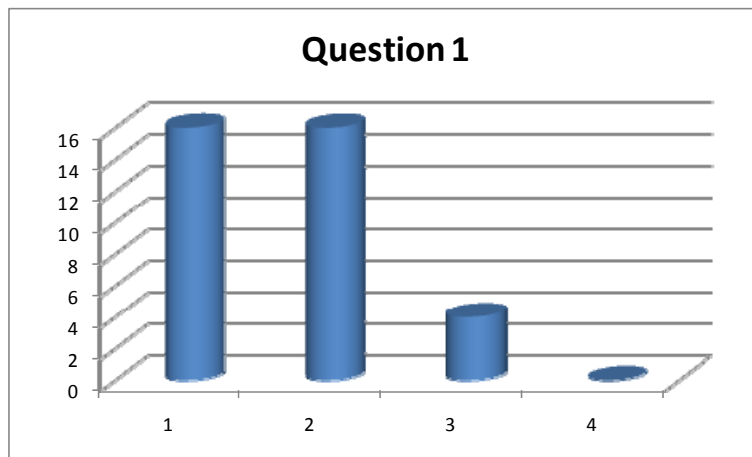
### ***Objectives and scope of activities of the Advisory Council (questions 1 – 6)***

9. Generally members agree that the Council is involved in supporting the objective of single set of high quality global accounting standards and that the Council understands its objectives. Members on the other hand seem to think that the interaction between the Council and the IASB and the Trustees need to

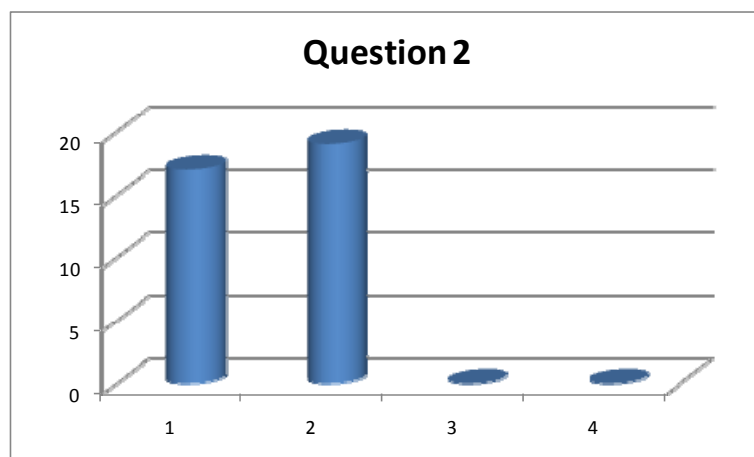
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be improved, especially the way the Council should be utilized and on what issues the Council should be consulted.

10. Question 1 - *The Council is actively involved in supporting the objective of a single set of high quality global accounting standards.* The average score for this question was 1.67 which indicates that members generally agree with this and no member strongly disagreed. The comments on this question indicate that members think they could do more in this respect.

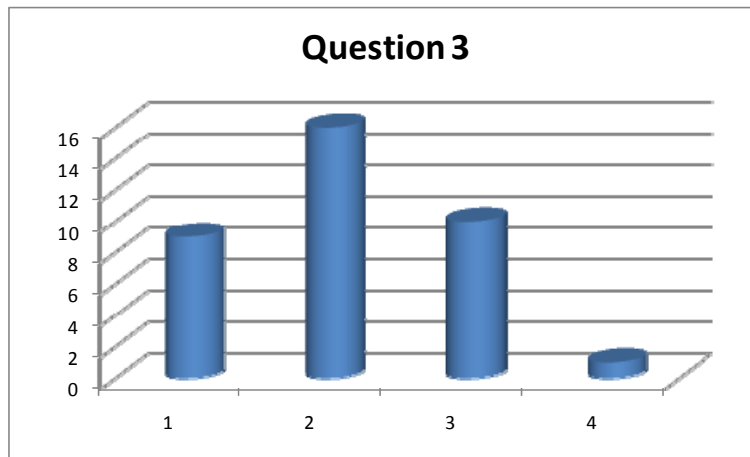


11. Question 2 - *The Council understands the objectives and roles of the IASB and the Trustees and these are reflected in the Council's deliberations.* The average score for this question was 1.53 which indicates that members largely agree that the Council understands its objective and the roles of the IASB and the Trustees.

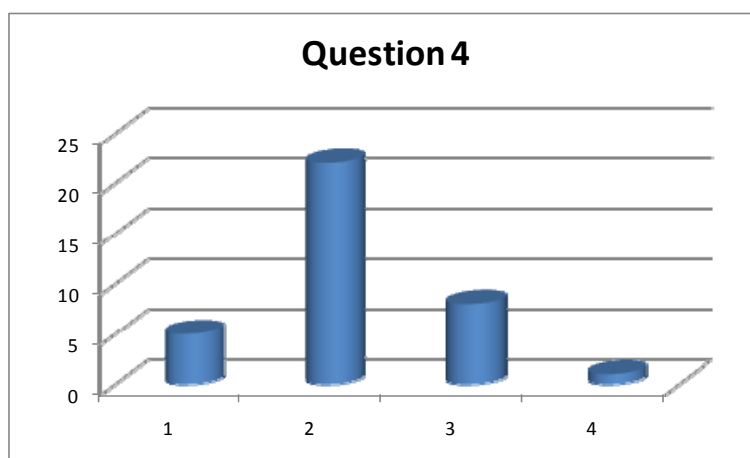


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12. Question 3 - *The Council's stated objectives and scope of activities are appropriate to assist the IASB in fulfilling its role of serving the public interest.* The average score for this question was 2.08 which indicates that members do not think that this is an area that is in urgent need for improvement. Comments on this question suggest that some members do however think that it is not clear how the Council should be used by the IASB.

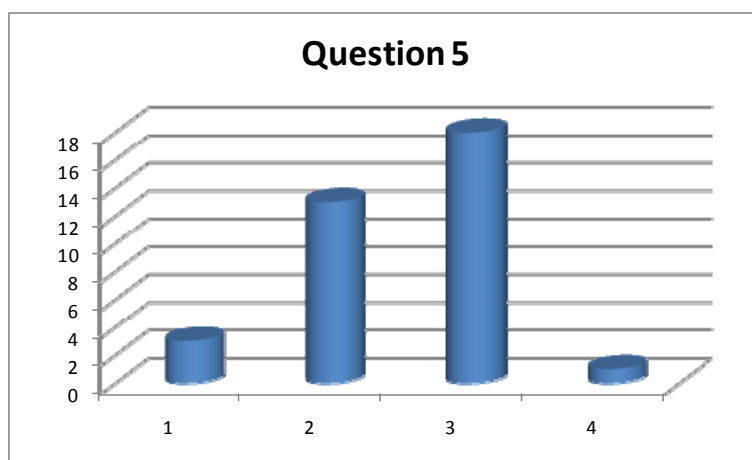


13. Question 4 - *The Council's activities appropriately balance the three stated objectives.* The average score for this question was 2.14 which again indicates that members do not totally agree with this. Comments on this question show that Council members are not satisfied with not being able to advise on the current agenda and maybe too much focus has been on the post June-2011 agenda. There is also call for more clarity on the interaction between the Council and the Trustees.



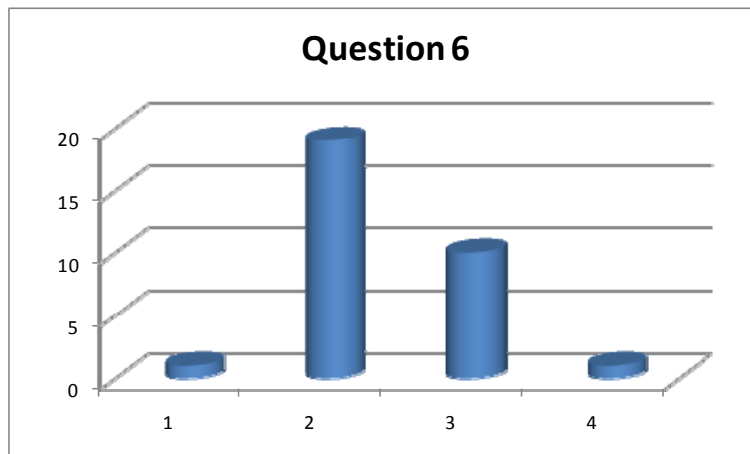
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14. Question 5 - *The Council's experience and expertise are being utilized by the IASB and the Trustees on important issues.* The average score for this question was 2.49 which indicates that members do not feel that the Council is being utilized as effectively as it could be by the IASB and the Trustees. Comments on this question show that Council members are unhappy with the feedback they receive from the IASB on its advice. Some members are also disappointed that the Council was not consulted on the changes that have been made to the current work program. One member was uncertain on this question.



15. Question 6 - *The other areas on which the IASB or Trustees seek the advice of Council are clearly communicated and well understood.* The average score for this question was 2.35 which indicates that members feel that increased communicated is needed on other areas of advice. Comments on this question show that this is somewhat unclear to members. Four members were uncertain on this question and one did not reply.

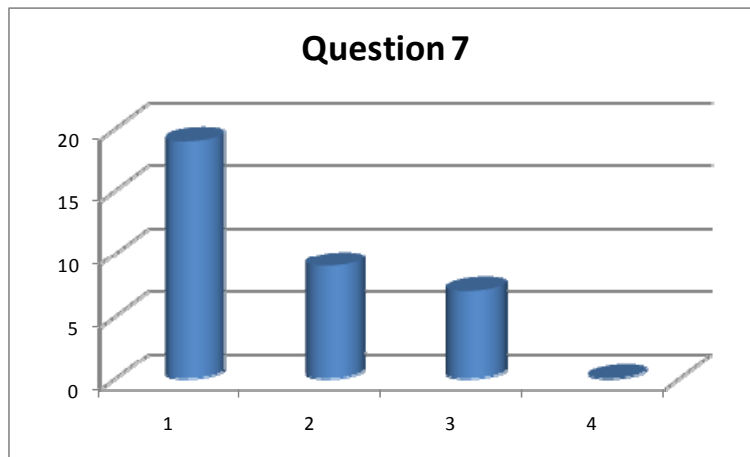
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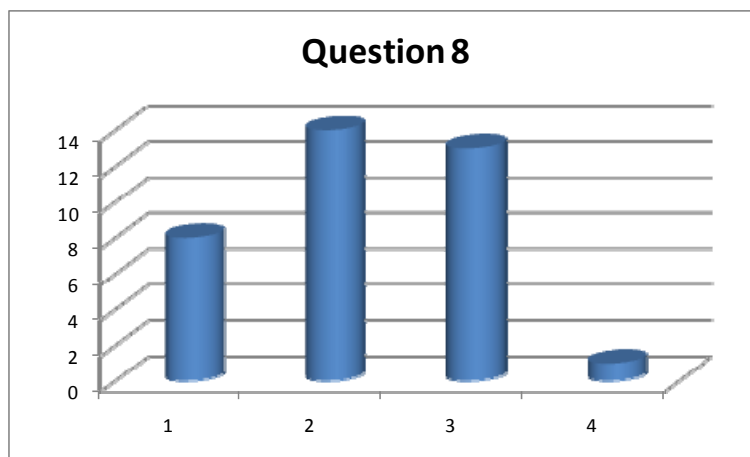
### **Membership (question 7 – 9)**

16. Members are generally satisfied with the composition of the Council in respect to expertise, experience and geographical representation. A number of members think that the Council is too big to function effectively, but some of those recognise that this is the cost of being a global organisation.
17. Question 7 - *The Council has a sufficiently broad range of collective expertise, experience and geographical representation to ensure its effective and efficient operation.* The average score for this question was 1.66 which indicates that members generally strongly agree with this. Comments on this questions indicated that some members think that certain geographical area are over represented while others, ie the emerging economies, may be under represented. A few members indicated that the big audit firms and regulators were over represented. One member was uncertain about this.

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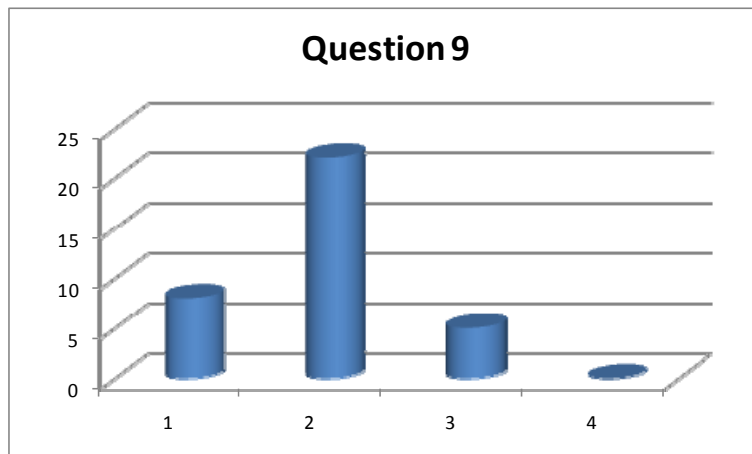
18. Question 8 - *The size of the Council is appropriate.* The average score for this question was 2.19 which indicates that members do not agree that the current size of the Council is optimal. Member commenting on this question generally remarked that the Council was too big. However, some also acknowledged that to enable global representation the Council had to be big.



19. Question 9 - *Council members demonstrate sufficient initiative to bring forward issues for discussion.* The average score for this question was 1.91 which indicates that Council members generally think that the agenda committee which has been established is working relatively well. One member was uncertain on this question.



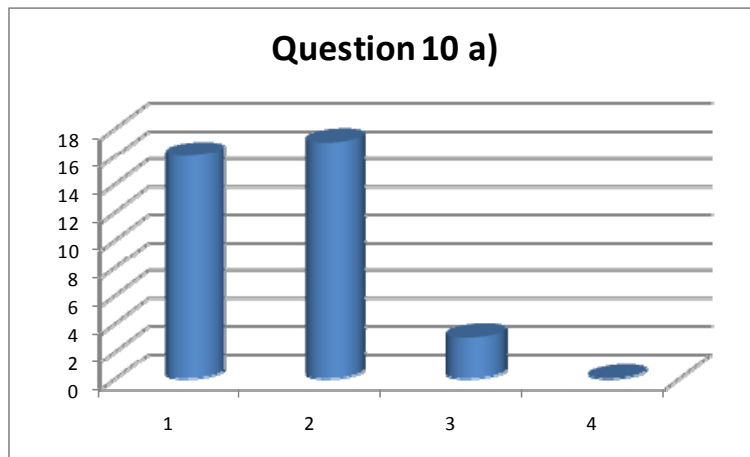
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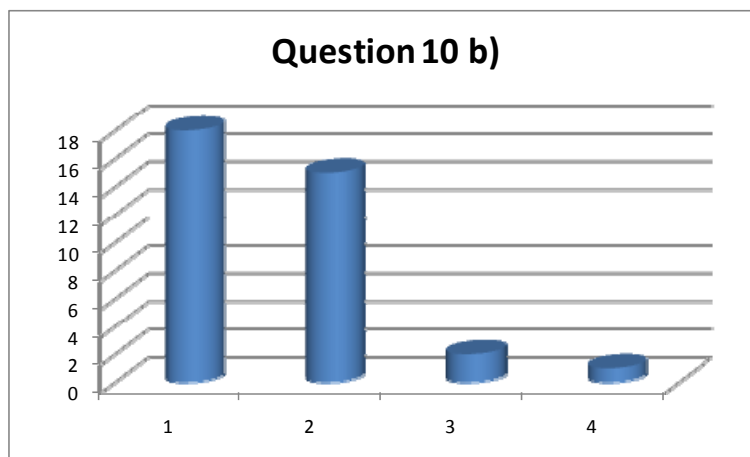
### ***Operating procedures (question 10)***

20. Members seem generally satisfied with the operating procedures of the Council. The areas where members have identified need for improvement are on the timeliness of agenda material, the breakfast meeting for emerging markets and communication between meetings. The comments members had on these issues are discussed below.
21. Question 10 of the questionnaire asked members about Council meetings and whether members thought that different aspects of the meeting were efficient and effective.
22. Question 10 a) – *Frequency*. The average score for this question was 1.64 and members seem to agree that having three meetings each year is appropriate. Those that commented on this question indicated that four meeting each year might be more appropriate and that the gap between the June and November meetings was quite long.

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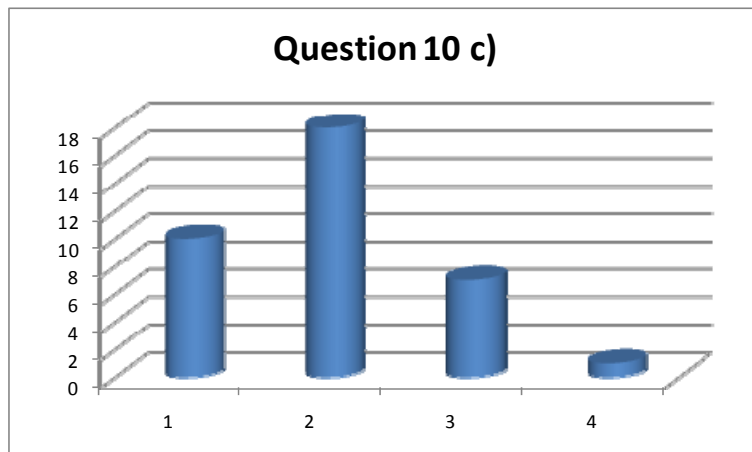


23. Question 10 b) – *Length*. The average score for this question was 1.61 which indicates that members are satisfied with the current two day format for the Council meetings. However, comments on this question indicate that some members think that the meetings should be two full days instead of 1.5 to 1.75 as currently.

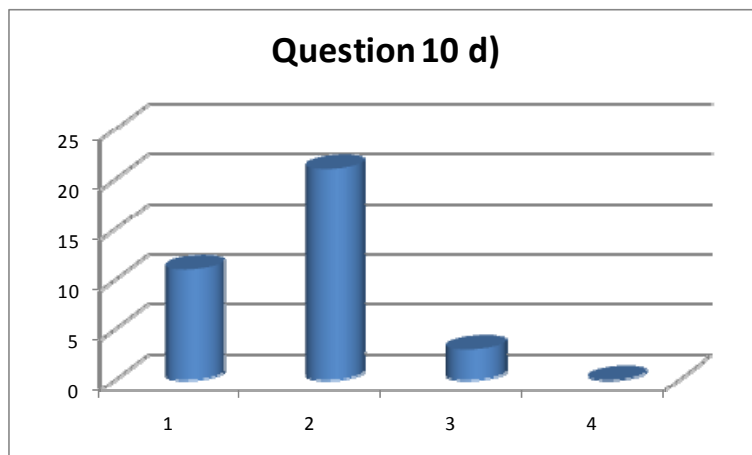


24. Question 10 c) - *Geographical location (London)*. The average score for this question was 1.97 so members seem satisfied with the current location. Although most members do not have a problem with all meetings being held in London the comments on this question show member's interest in having at least one meeting each year in a another location, rotating around regions. Members seem to think that doing so could increase the Councils' profile and awareness.

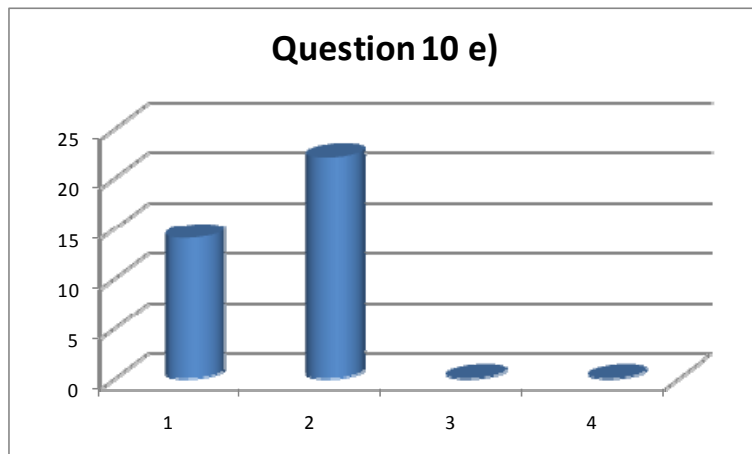
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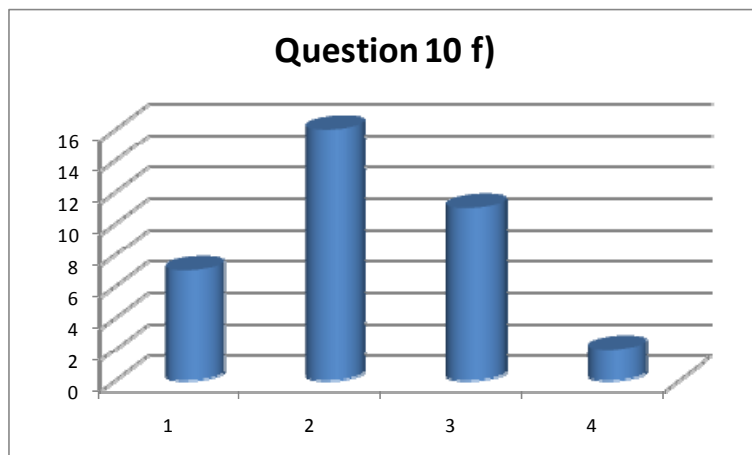
25. Question 10 d) - *Quality of agenda material*. The average score for this question was 1.77 and members seen generally satisfied with the quality of the agenda material. One member did not respond to this question.



26. Question 10 e) - *Quantity of agenda material*. The average score for this question was 1.61 which indicates that member do generally think that the quantity of agenda material is appropriate.

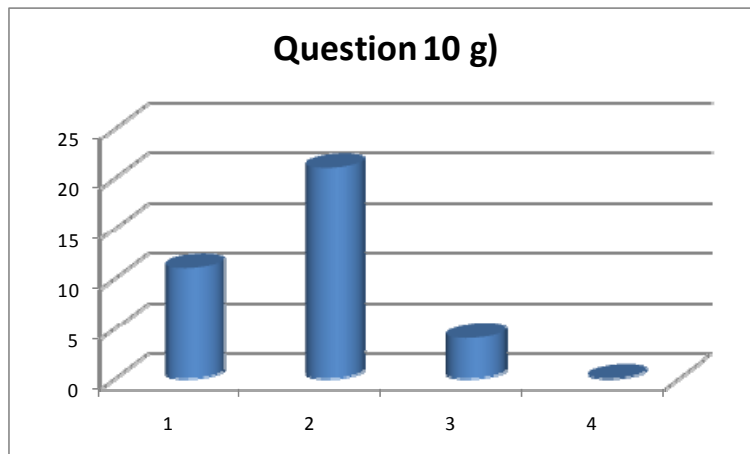


27. Question 10 f) - *Timely provision of agenda materials*. The average score for this question was 2.22 which highlights that members think that an improvement is needed. Most comments suggest that members think that more timely provision is necessary to enable them to consult on issues with their organizations.

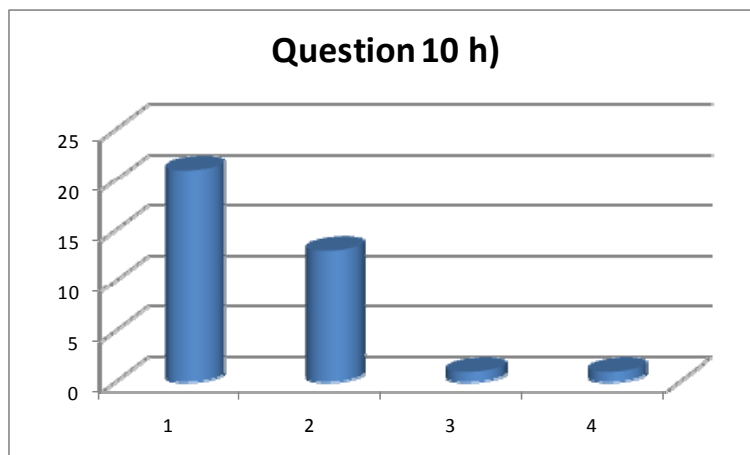


28. Question 10 g) - *Presentations are useful and contribute to discussions at those meetings*. The average score for this question was 1.81 and show that members are generally satisfied with the presentations. The comments on this question show that sometimes member think that the presentations are too long and do not leave much time for discussions.

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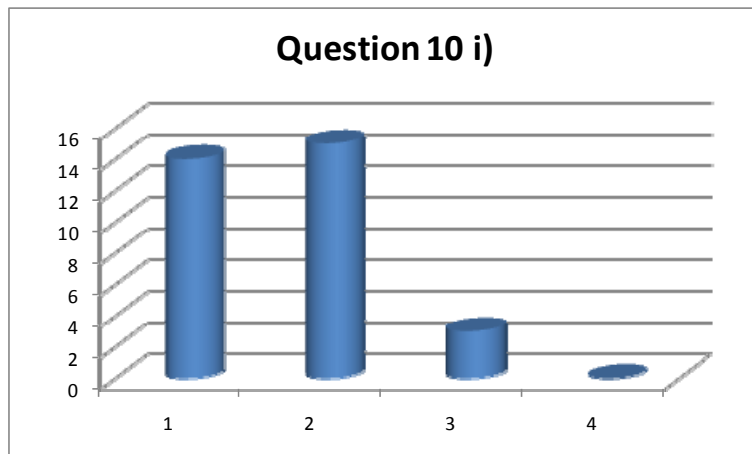


29. Question 10 h) - *Breakout sessions and report-backs to the full Council*. The average score for this question was 1.5 which shows that members are very satisfied with the breakout sessions. Comments indicate that members find these working well and think that this is one of the most effective ways to deal with issues in the Council.

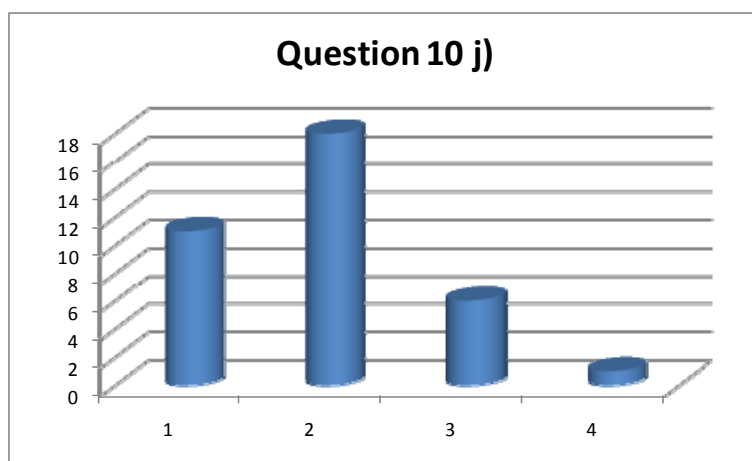


30. Question 10 i) - *Working groups formed to assist on projects*. The average score for this question was 1.66 which indicates that members think that the working groups that have been formed to assist on certain projects have worked well. Comments on this question showed that some members are not aware of the working groups that have been formed. Three members were uncertain about this issue and one did not respond.

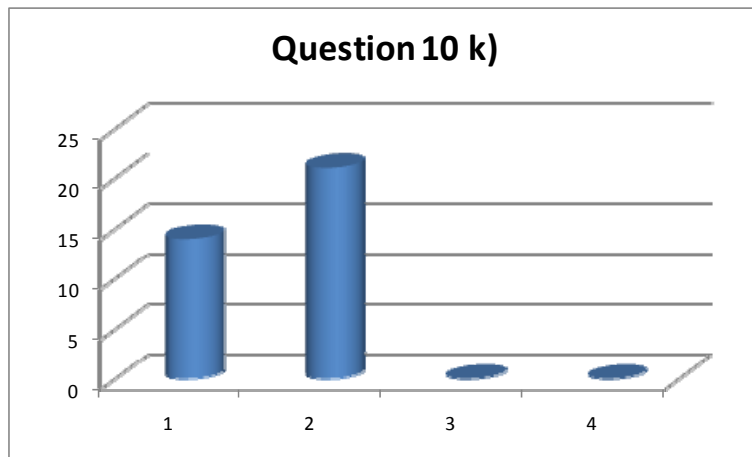
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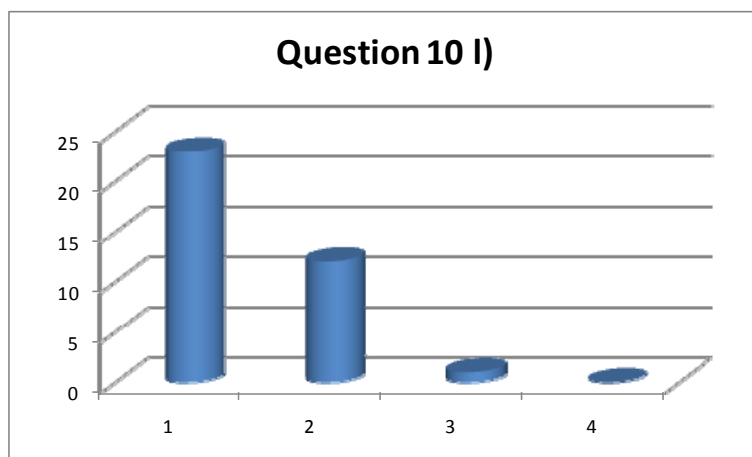
31. Question 10 j) - *The closed administrative sessions*. The average score for this question was 1.92 indicating that members are generally satisfied with these sessions. Comments on this included that the sessions were too long and that they should be at the beginning of the meeting.



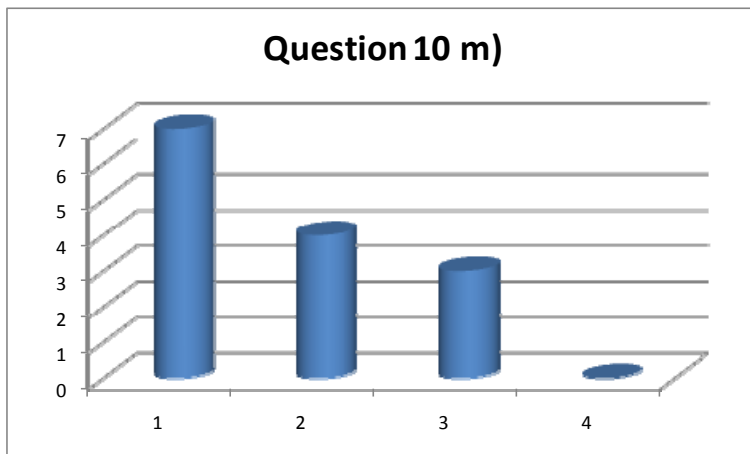
32. Question 10 k) - *Meeting notes reflect the significant activities and outcomes of Council meetings*. The average score for this question was 1.6 which shows that members are very satisfied with the meeting notes. One member was uncertain about this.



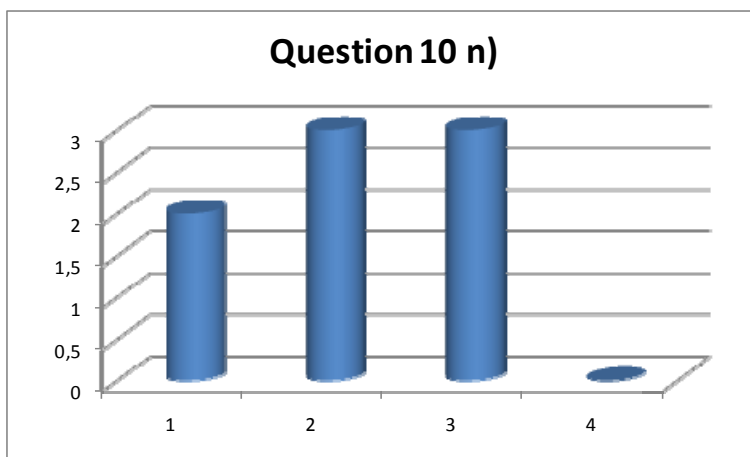
33. Question 10 l) - *Optional educational sessions are informative and useful.* The average score for this issue was 1.39 which shows that members are very satisfied with these sessions. Comments on this show that members find these sessions very useful.



34. Question 10 m) - *Closed breakfast meeting for users are useful.* The average for this question was 1.71 which shows that those who responded to the question are satisfied with those meetings. However, only 14 members responded to this question, five were uncertain and 17 did not respond. Comments on this question indicate that members do not understand why this group has been picked out and what the objective of these meetings is.



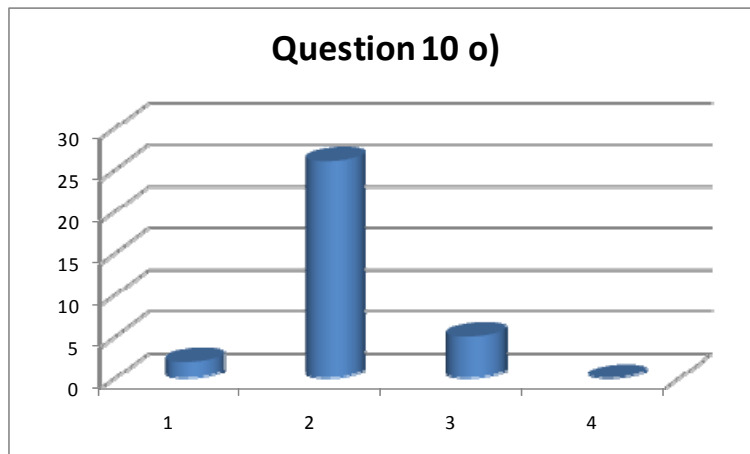
35. Question 10 n) - *Closed breakfast meeting for emerging markets are useful.* The average score for this question was 2.13 which indicates that members are not satisfied with these meetings. Only eight members responded to this question and comments show that as with the investor breakfast meeting member do not understand the objective of these meetings. Eight members were uncertain on this question and 20 did not respond, probably mostly because they had not attended these meetings.



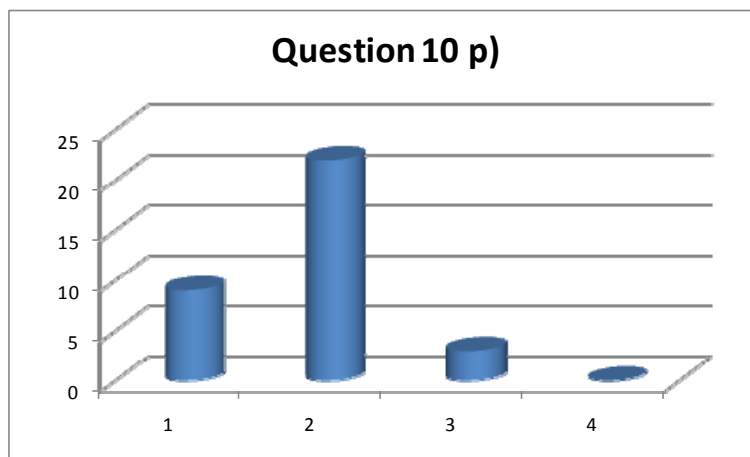
36. Question 10 o) - *Communications between meetings are appropriate.* The average score for this question was 2.13 which show that members think that an improvement is needed in the communications between meetings. Comments on this indicate that the new Council website is working well, but members would like to get more information between meetings. One member was uncertain on this issue and one did not respond.



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37. Question 10 p) - *Overall, staff resources provide sufficient and appropriate support to assist the Council in achieving its stated objectives and scope of activities.* The average score for this question was 1.82 which indicates that members are generally satisfied with the staff resources and support available to the Council. Comments on this question indicate that members think that the Council will require more resources in the future. Two members were uncertain on this issue.



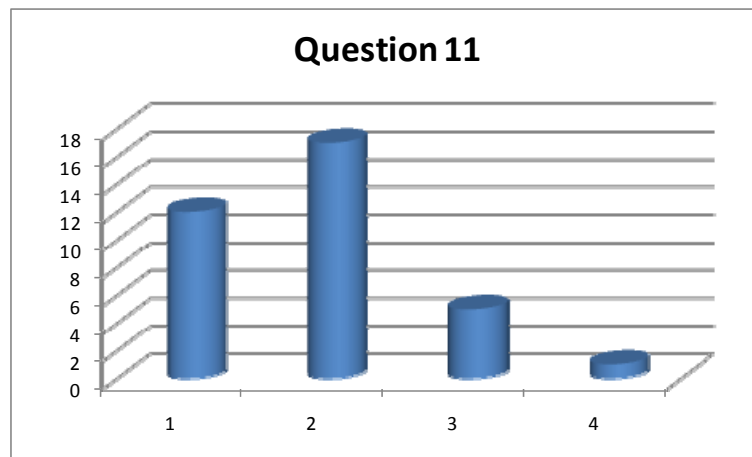
### ***Interaction with the IASB and the Trustees (questions 11 – 17)***

38. This sections deals with the interaction between the Council and the IASB and the Trustees. From the responses to the questions in this section it is clear that members think that this is an area that needs improvement. The things that members are most unsatisfied with are the input the Council has been able to

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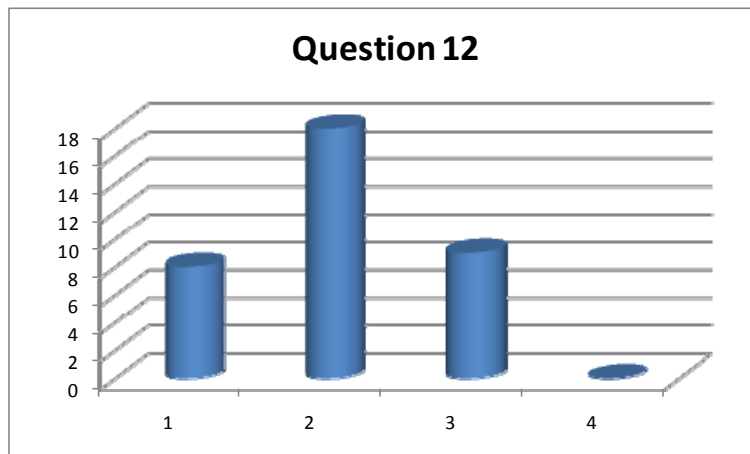
provide on agenda decisions, the consideration given to the input provided by the Council and feedback from the Trustees and the IASB. This is discussed in more detail in responses to specific questions.

39. Question 11 - *The extent of attendance and participation of IASB members in Council meetings is appropriate and effective.* The average score for this question was 1.86 and members seem satisfied with Board member participation in Council's meetings. However view seem divided on whether more or less attendance would be better if judged by the comments made on this question. One member was uncertain on this issue.

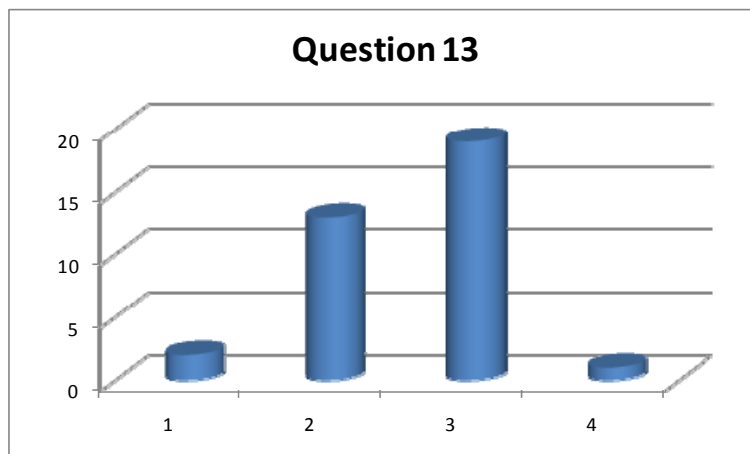


40. Question 12 - *The extent of attendance and participation of Trustees in Council meetings is appropriate and effective.* The average score for this question was 2.03 which indicates that members think that more participation and attendance from Trustees in the Council meetings would be beneficial. Comments on this question show that member would like more participation from Trustees in the meetings, and would like Trustee participation in the whole meeting, not just the sessions the Council has with the Trustees. Members also seem to think that more interaction between the Council and the Trustees would be of value. One member was uncertain on this issue.

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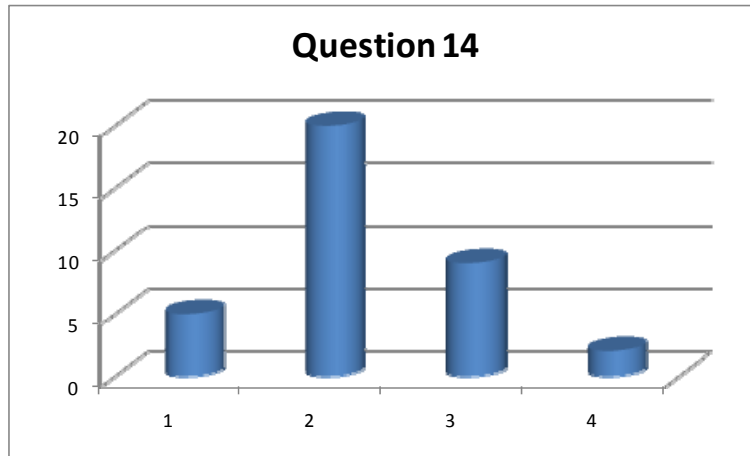
41. Question 13 - *The Council's views are sought by the IASB on IASB agenda decisions and priorities on a timely basis.* The average score for this question was 2.54 and members are unsatisfied with the manner in which the IASB seeks advice on its agenda and priorities. Comments from members on this question show that members do think that the IASB has sought advice on its agenda priorities. The Council has been presented with near final decisions and the Board has consulted more with the Monitoring Board rather than the Council. The Council has only been asked about the future agenda, not the present. One member was uncertain on this issue.



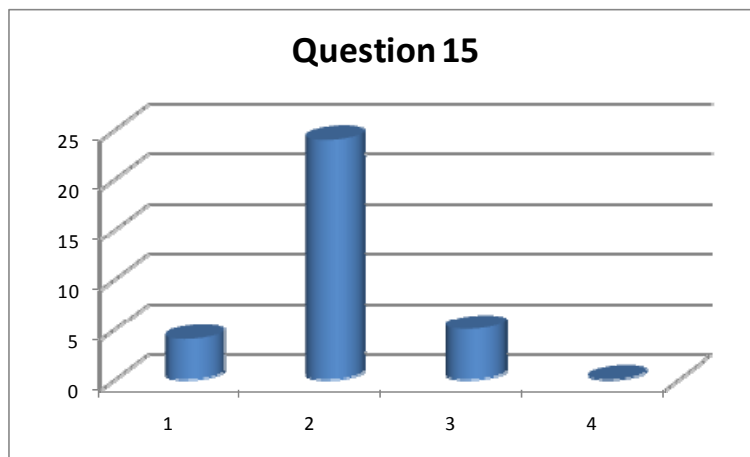
42. Question 14 - *The Council is given reasonable opportunity to provide views to the IASB on major standard-setting projects.* The average score for this question was 2.22 which again shows that Council members think that this is an area that needs improvement. The comments on this question again highlight

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the Council's disappointment on not being able to provide input on the current agenda.

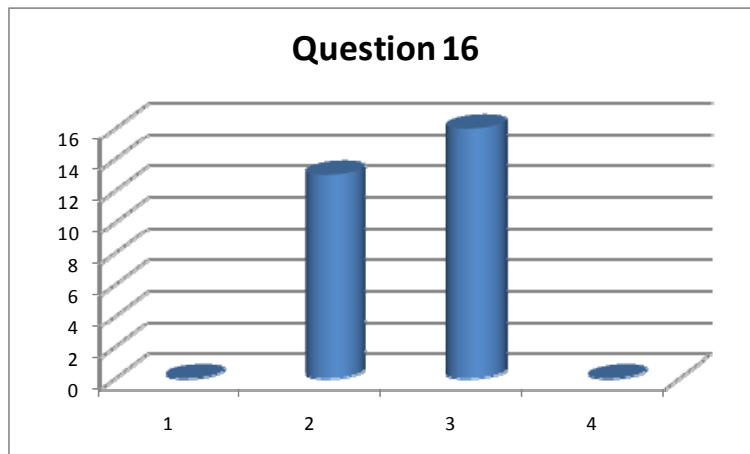


43. Question 15 - *The Council provides advice to the IASB and the Trustees on other important matters, as appropriate.* The average score for this question was 2.03 which shows that members do not necessarily agree that the Council is asked appropriately for advice on other matters. Three members were uncertain on this issue.

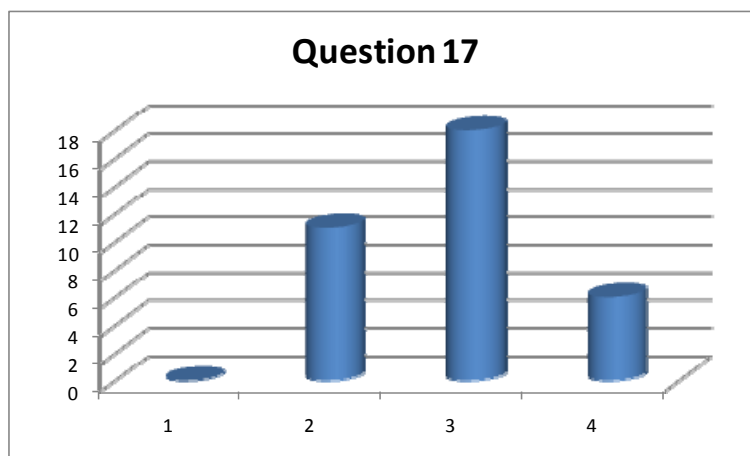


44. Question 16 - *The Council's views and advice are given due consideration by the IASB and the Trustees.* The average score for this question was 2.55 which indicates that members are not satisfied with the consideration its views and advice are given by the Board and the Trustees. Comments on this question are largely related to the lack of feedback from the Board on how it has dealt with the Council's advice. Seven members were uncertain on this issue.

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45. Question 17 - *Adequate feedback is provided to the Council by the IASB and the Trustees on the views and advice expressed at Council meetings.* The average score for this question was 2.86 which show that majority of the Council member is not satisfied with the feedback they are getting. Comments on this question clearly indicate that Council members want more formal feedback from the IASB and the Trustees. One member was uncertain on this issue.

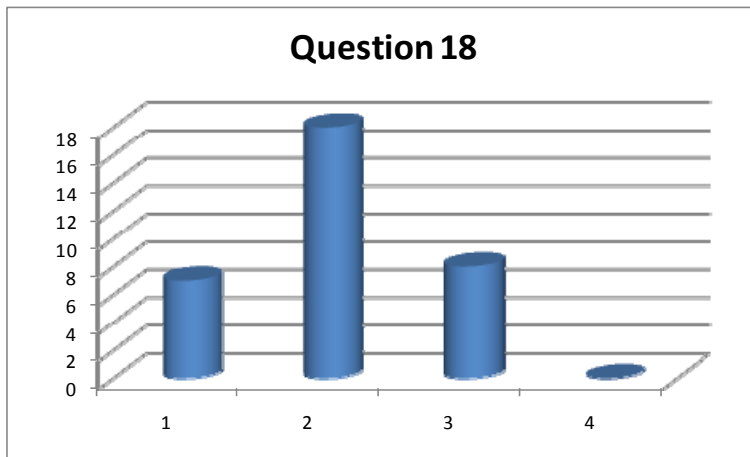


### ***Communications and liaison activities (questions 18-22)***

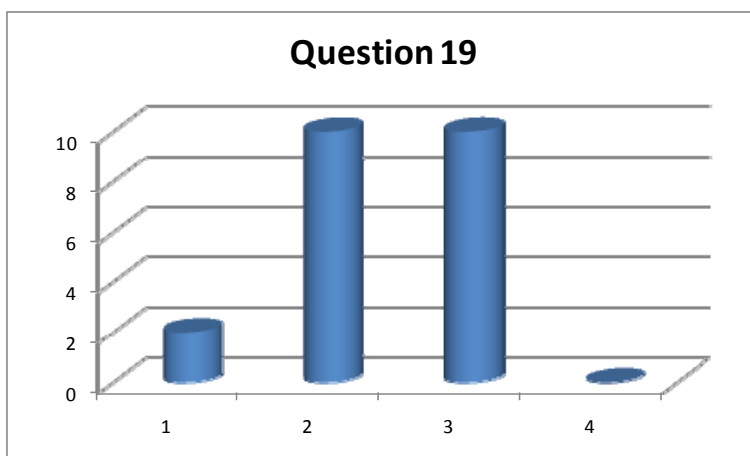
46. Members seem generally satisfied with the communication and liaison activities of the Council. The areas identifies by members as unsatisfactory relate to lack of time to liaise with their organisations due to late distribution of agenda material and the liaison with other similar bodies where member think that too much focus has been on FASAC.

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47. Question 18 - *You have adequate time to liaise with the organisation you represent on matter relating to Council activities.* The average score for this question was 2.03 which indicates that member think they need more time to liaise with their organisations on Council matters. The comments indicate that untimely arrival of agenda material is the main problem is doing so. One member was uncertain on this issue and two did not respond.

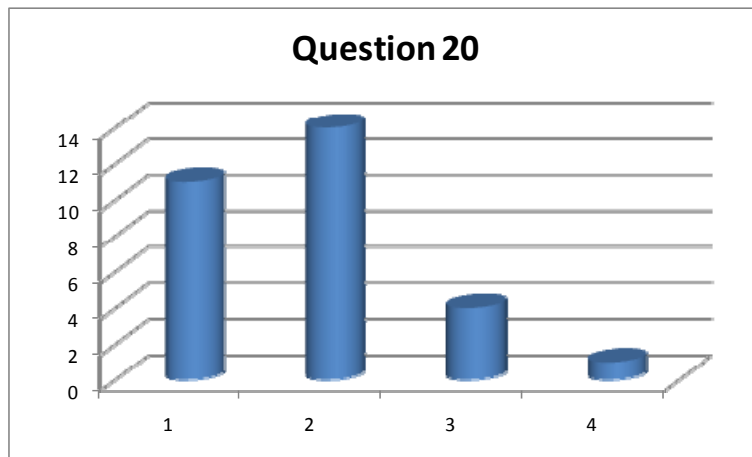


48. Question 19 - *When appropriate, the Council liaises effectively with other similar advisory bodies.* The average score for this question was 2.36 which shows that members are not satisfied with the Council’s interaction with other similar advisory bodies. Comments indicate that members think that too much focus has been on interaction with FASAC and liaison with other bodies should be considered. 13 members were uncertain on this issue and one did not respond.

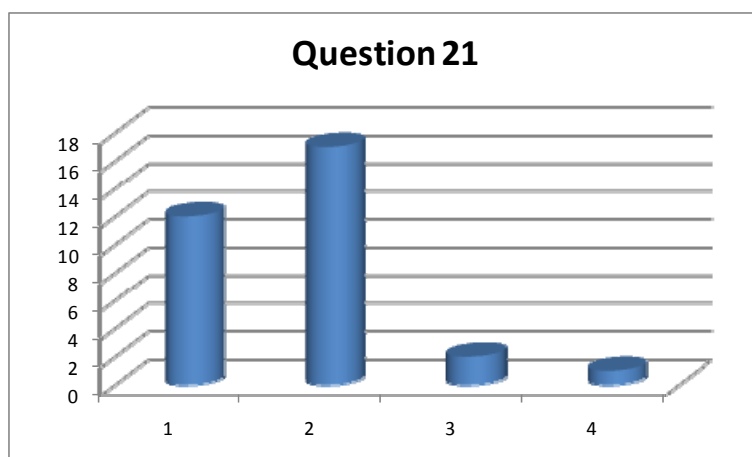


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49. Question 20 - *The Council promotes transparency and accountability on the part of the IASB through regular and accurate communications to stakeholders.* The average score for this question was 1.83 so members seem to be satisfied with how the Council promotes transparency and accountability. Six members were uncertain about this question and did not respond.

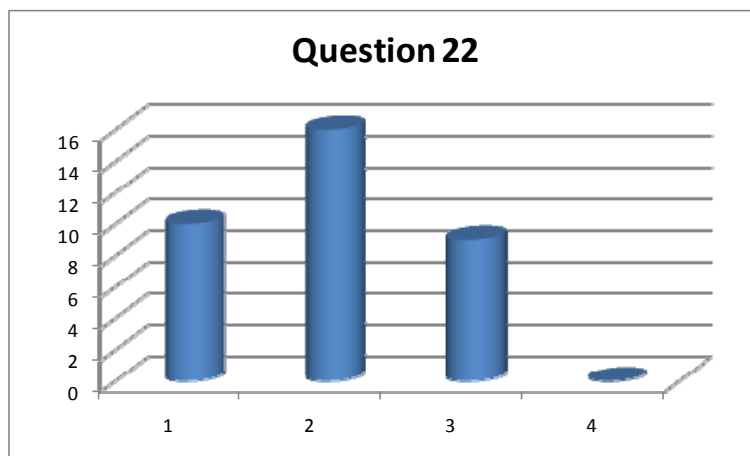


50. Question 21 - *The Council's activities are sufficiently transparent to stakeholders.* The average score for this question was 1.75 which suggests that generally members agree that the Council's activities are sufficiently transparent. Comments on this question indicate that members do not think that the awareness about the Council and its activities need to be increased. Three members were uncertain about this question.



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51. Question 22 - *You receive sufficient input from the organisation you represent to enable you to achieve your objective as a Member and support the Council's mission.* The average score for this question was 1.97 and more than 2/3 of the Council members are satisfied with the input they receive from the organizations they represent. Comments on this question suggest that some members find it difficult to get input from the organizations they represent. One member did not respond to this question.

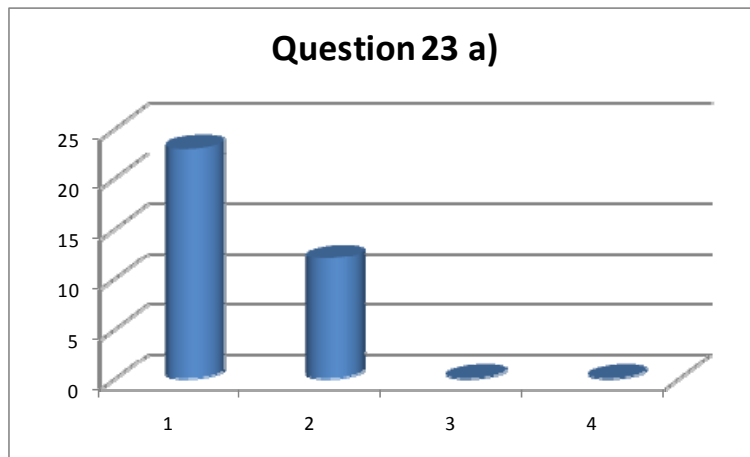


### **Leadership (question 23)**

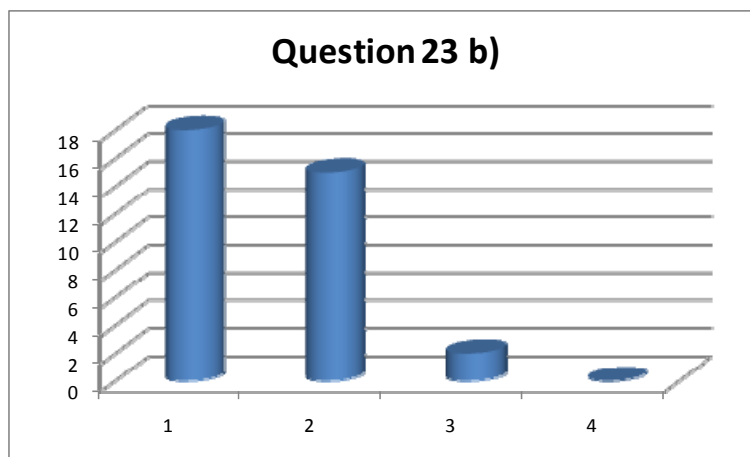
52. Members are generally very satisfied with the leadership of the Council, how the meetings are run and how the agenda is set.
53. Question 23 a) - *Members are given adequate opportunity to participate in discussion.* The average score for this question was 1.34 which show that member are very satisfied with the opportunity they get to participate in the discussions. One member did not respond to this question.



## IFRS Advisory Council

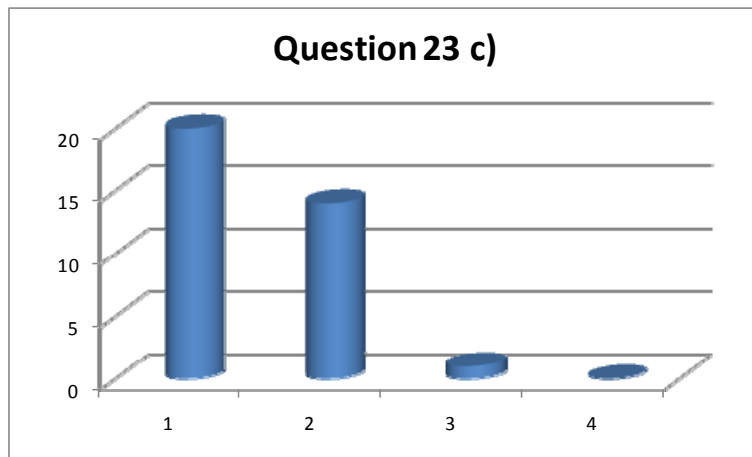


54. Question 23 b) - *Discussions are at the appropriate level of detail.* The average score was 1.54 which suggests that members are very satisfied with the discussions taking place at Council meetings. The comments indicate that at time members get into too much detail, but generally they are well controlled by the chair. One member did not respond to this question.

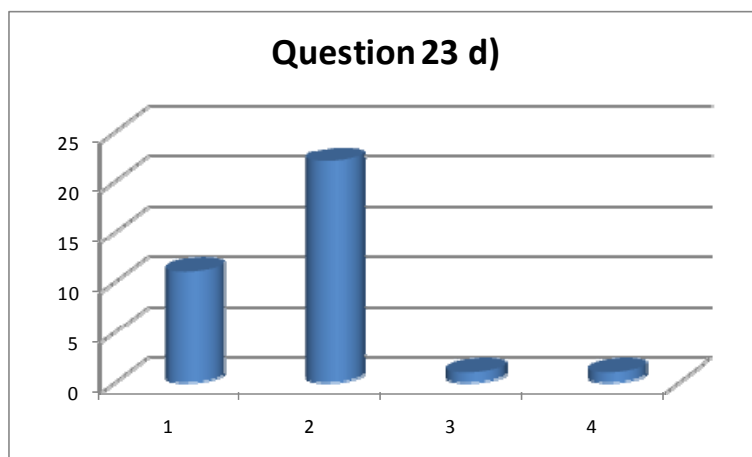


55. Question 23 c) - *Discussions are focused on the right issues.* The average score for this question was 1.46 and members seem very satisfied how discussions at Council meetings are controlled. Comments on this question praised the chair's control of meetings. One member did not respond to this question.

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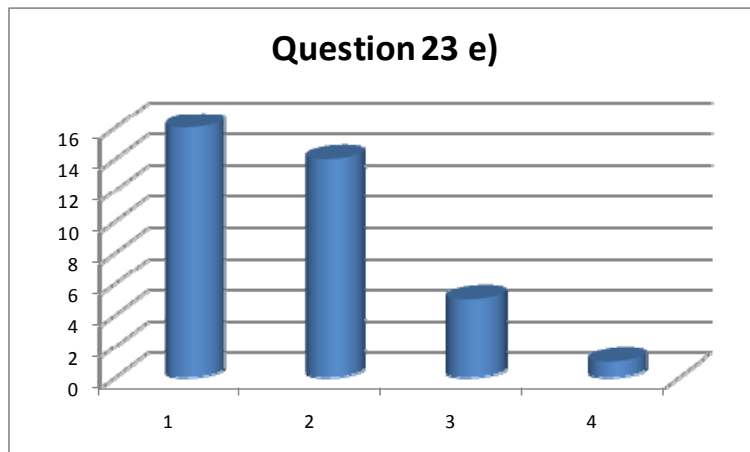


56. Question 23 d) - *Issues are identified and deliberated in a timely and effective manner.* The average score for this question was 1.77 and members seem generally satisfied with this aspect of the Council's leadership. One member did not respond to this question.



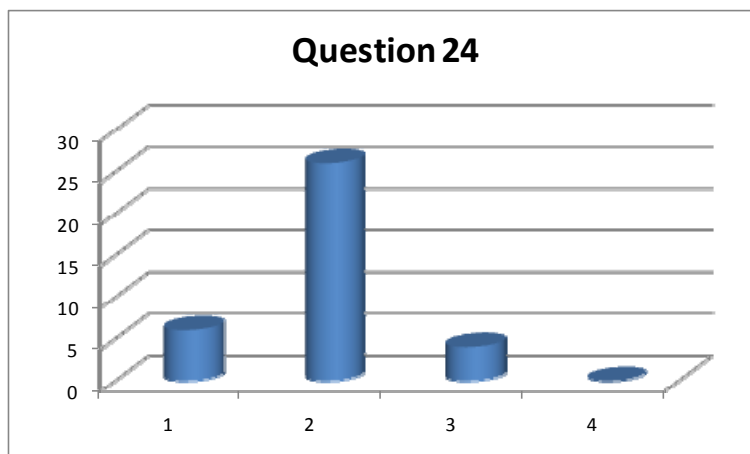
57. Question 23 e) - *The agenda setting process under the direction of the Agenda Committee is operating effectively.* The average score for this question was 1.75 and members seem to be satisfied with the how the agenda setting process for the Council is working. The comments made on this question indicate that some members want more consultation with the whole Council on the final agenda.

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### **Overall evaluation (question 24)**

58. Question 24 - *Overall, the Council is achieving its stated objectives and scope of activities.* The average score for this question was 1.94 so Council members generally seem to think that the Council working effectively and achieving its objectives. Comments on this question indicate that members think that the Council is progressing but it should have a bigger role in decision on the current agenda of the IASB.



### **Comments on other issues**

59. The questionnaire also asked members for comments on other issues and most of the members provided comments on those issues. The main comments are highlighted here below.

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### *Aspects of the Council's activities that are working well*

60. Members were asked to identify three things they thought worked well in the Council. The responses that were most common were the following, number of members that identified each item in brackets.
- (a) Breakout sessions (17)
  - (b) Broad representation of stakeholders (8)
  - (c) Strong leadership (7)
  - (d) Education sessions (6)
  - (e) Agenda setting process (4)

### *Aspects of the Council's activities that need improvement*

61. Members were asked to identify three things which they considered in need of improvement in the Council's activities. The responses that were most common were the following, number of members that identified each item in brackets.
- (a) Feedback from the IASB on Council's advice (10)
  - (b) More interaction with the Trustees (5)
  - (c) Earlier dispatch of agenda papers (3)

### *Assistance that was most helpful when first becoming a Council member*

62. Most members that responded to this question said that meeting other Council members and talking to them was most helpful when they first became Council members.

### *Additional ways to support member that would make the Council more effective*

63. The most common response on additional support to members that could make the Council more effective was the suggestion of a formal induction process.

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### *Ways to improve the process for self-assessment*

64. Members either have no suggestion on how to improve the process for self-assessment or want to see the results of this self-review before thinking about way sto improve the process.

### *Role of the Advisory Council in the governance structure and in setting the technical priorities*

65. Members were asked to provide comment on the role of the Council in the governance structure and in setting the technical priorities. Member seem to think that the Council should have a bigger role as to setting the technical priorities, and the IASB should provide more feedback on how it has dealt with the advice given by Council. As to the role in the governance structure members seem to think the current role is about right.

### *General comments*

66. Members were also encouraged to make additional comments. The comments made relate mainly to how the Council has improved compared to its predecessors and that members welcome the opportunity to serve on it. Other comments related to meeting dates and size of the Council.