

AGENDA PAPER

IFRS Foundation Trustees' meeting—Due Process Oversight Committee

Hong Kong

22 January 2013

Agenda paper 3B

To: Due Process Oversight Committee

From: Michael (Mike) Wells

Date: 11 January 2013

Re: **IFRS Education Initiative**

This paper provides an update on the planned due process that the staff of the Education Initiative are planning for each of the education products planned for 2013.

Paragraph 6.45 of the proposed *IFRS Foundation Due Process Handbook* (at Agenda Paper 3A(i)) specifies that the Education Initiative must report to the DPOC on the due process steps it expects to apply to education publications.

This paper sets out the educational material we expect to develop in 2013 and the *minimum* level of review we plan to undertake in each case. The material identified in this agenda paper is summarised from the Education Initiative's plan of activities for 2013.

Paragraph 6.44 of the proposed *IFRS Foundation Due Process Handbook*, specifies:

“educational material developed by the Education Initiative is subjected to peer review as follows:

- (a) high level summaries, such as Executive Briefings and PowerPoint presentations, are reviewed by an appropriate technical staff member and by a member of the editorial team;
- (b) teaching materials, such as those used for *Conceptual Framework*-based teaching are also reviewed by an IASB member or appropriate external expert, such as an academic. More detailed teaching materials, however, such as comprehensive *IFRS for SMEs* training material, is reviewed by at least two IFRS experts, one of which must be an IASB member; and
- (c) educational material accompanying an IFRS must be reviewed by at least three IASB members.”

Under the next heading I have summarised the products we plan to publish in 2013 for each of the review categories identified above, ie:

- (a) summaries and Microsoft PowerPoint® presentations;
- (b) teaching materials; and
- (c) educational material accompanying an IFRS.

We are aware that credibility of education material, and the risk that it is seen as being authoritative guidance from the IASB, will be an important matter for the DPOC to monitor over the next year. The purpose of this paper is to make the DPOC aware of the publication plans of the Education Initiative and to provide the DPOC with an indication of the level of review planned for each publication.

Assuming the DPOC approves the new Due Process Handbook, we will report to the DPOC on the actual due process steps undertaken as part of the normal publication process.

Question for the DPOC

Is the DPOC satisfied with initial planning in relation to the level of review that the education staff plan to seek for each of the IFRS Education Initiative's products planned for publication in 2013?

IFRS Education products planned for 2013

Disclaimer

All of the Education Initiative's products carry appropriate disclaimers that explain to the reader that the authors do not provide any warranty as to the correctness of the content and that official positions of the IFRS Foundation and the IASB are determined only after extensive due process and deliberation.

Summaries and Microsoft PowerPoint® presentations (Level A)

Documents
<ul style="list-style-type: none"> • The 2013 edition of the text <i>A Briefing for Chief Executives, Audit Committees & Boards of Directors</i>.
<ul style="list-style-type: none"> • The 2013 edition of the text <i>A Guide through IFRS</i> (in this text the education staff add annotations to the full text of IFRS, which provide cross-references to the documents that are issued with it but do not form part of IFRS—eg Basis for Conclusions and implementation guidance—and the rejection notices published by the IFRS Interpretations Committee when they decide not to add an item to their agenda). • This volume is a compilation of material that has already been the subject of extensive due process.
<ul style="list-style-type: none"> • PowerPoint presentations to support IASB presentations at conferences, special interest sessions and workshops. These presentations are also made available to others to conduct IFRS capacity-building.
<ul style="list-style-type: none"> • Teaching material on the <i>Conceptual Framework</i>, including video clips and PowerPoint presentations with voice-overs
<ul style="list-style-type: none"> • Occasional articles on selected IFRS issues in the trade press/academic press/on IFRS website.
Reviewers
<ul style="list-style-type: none"> (a) a technical staff member; and (b) a member of the editorial team.

Teaching materials (Level B)

Documents
<ul style="list-style-type: none"> • Stage 1¹ Framework-based teaching material on the following IFRS subjects: Liabilities, Business Combinations and Consolidations—including notes for students and tutorial exercises.
<ul style="list-style-type: none"> • A new text <i>A Briefing for Investors</i>.
<ul style="list-style-type: none"> • Material to support short (15 minute) investor-focused webcasts.
Reviewers
<ul style="list-style-type: none"> (a) a technical staff member; (b) a member of the editorial team; and (c) an IASB member (or an appropriate external IFRS teacher).

Documents
<ul style="list-style-type: none"> • Stage 2² Framework-based teaching material on the following IFRS subjects: Liabilities, Business Combinations and Consolidations—including comprehensive notes for students and tutorial exercises.
<ul style="list-style-type: none"> • Stage 3³ Framework-based teaching material on the following IFRS subjects: Liabilities, Business Combinations and Consolidations—including comprehensive case studies with accompanying teaching notes.
<ul style="list-style-type: none"> • Examples of examination questions that demonstrate how to examine IFRS in a way that tests candidates' understanding of IFRS and their ability to make the judgements and estimates necessary to apply it.
<ul style="list-style-type: none"> • Framework-based teaching material to support those delivering continuing professional development (CPD)⁴ on the expected new revenue recognition IFRS.

¹ a CA/CPA stream student's first financial reporting course

² a financial reporting course mid-way to qualifying as a CA or CPA

³ a course immediately before qualifying as a CA or CPA

⁴ sometimes referred to as continuing professional education (CPE)

- The remaining three modules of the comprehensive *IFRS for SMEs* training material (32 modules have already been published and translated into a number of languages).
- Investors' guide to the new IFRS on revenue recognition.

Reviewers

- (a) a technical staff member;
- (b) a member of the editorial team; and
- (c) **two** IASB members (or appropriate external IFRS teachers).

Educational material accompanying an IFRS (Level C)

Documents

- Additional chapters of education guidance/implementation guidance on IFRS 13 *Fair Value Measurement* (the first chapter of this guidance was published in December 2012).
- Education guide/implementation guide on IFRS 11 *Joint Arrangements*.
- Education guide/implementation guide on the new IFRS being developed on revenue recognition.

Reviewers

- (a) a technical staff member;
- (b) a member of the editorial team; and
- (c) **three** IASB members.