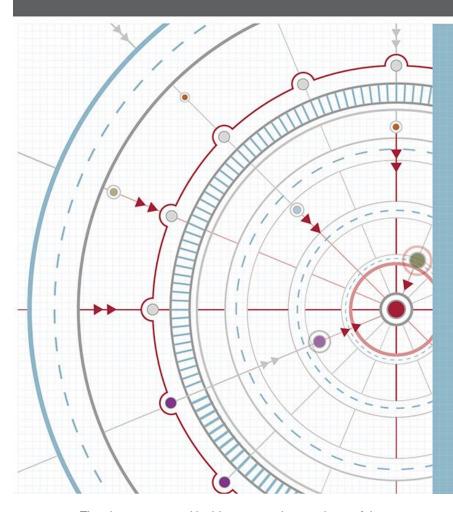
IFRS® Foundation



Working with National Standard-setters

Examples of better communication

Accounting Standards Advisory Forum meeting September 2016

Agenda paper 6C

The views expressed in this presentation are those of the presenter, not necessarily those of the International Accounting Standards Board (the Board) or IFRS Foundation.



Objective

- To develop and publish a report that illustrates how entities have improved communication in their financial statements.
- The report is intended to:
 - demonstrate that better communication is possible;
 and
 - inspire others to improve communication.



Process

- We would like ASAF members to identify entities in their jurisdictions that have improved the way they communicate in their financial statements and would be willing to:
 - be included as examples in the report; and
 - discuss those improvements with IASB staff.



Process

- We would like to focus on effective communication principles listed in the Appendix to show:
 - how those preparers communicated 'before' and how they communicate 'now'; and
 - the journey they have gone through to improve the way they communicate.



Appendix—effective communication principles

- Communication can be more effective if information is:
 - entity-specific—information should be tailored to an entity's own circumstances, not based on boilerplates;
 - simple and direct—simple descriptions and sentence structures without losing useful information;
 - organised to highlight important matters—the organisation and formatting should help users rank the importance of information items;



Appendix—effective communication principles

- Communication can be more effective if information is:
 - linked to other information in the financial statements disclosures should help users understand the relationships between information;
 - presented or disclosed in an appropriate format—for example, bullets can assist in highlighting important information; lists can break up long narrative text and tables may be appropriate for data-intensive information, such as reconciliations; and
 - free of duplication—unnecessary duplication clouds communication.

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