

CMAC meeting, 20 October 2017

Agenda paper 6

Perceptions of the IFRS Foundation: Reputation research findings and potential actions

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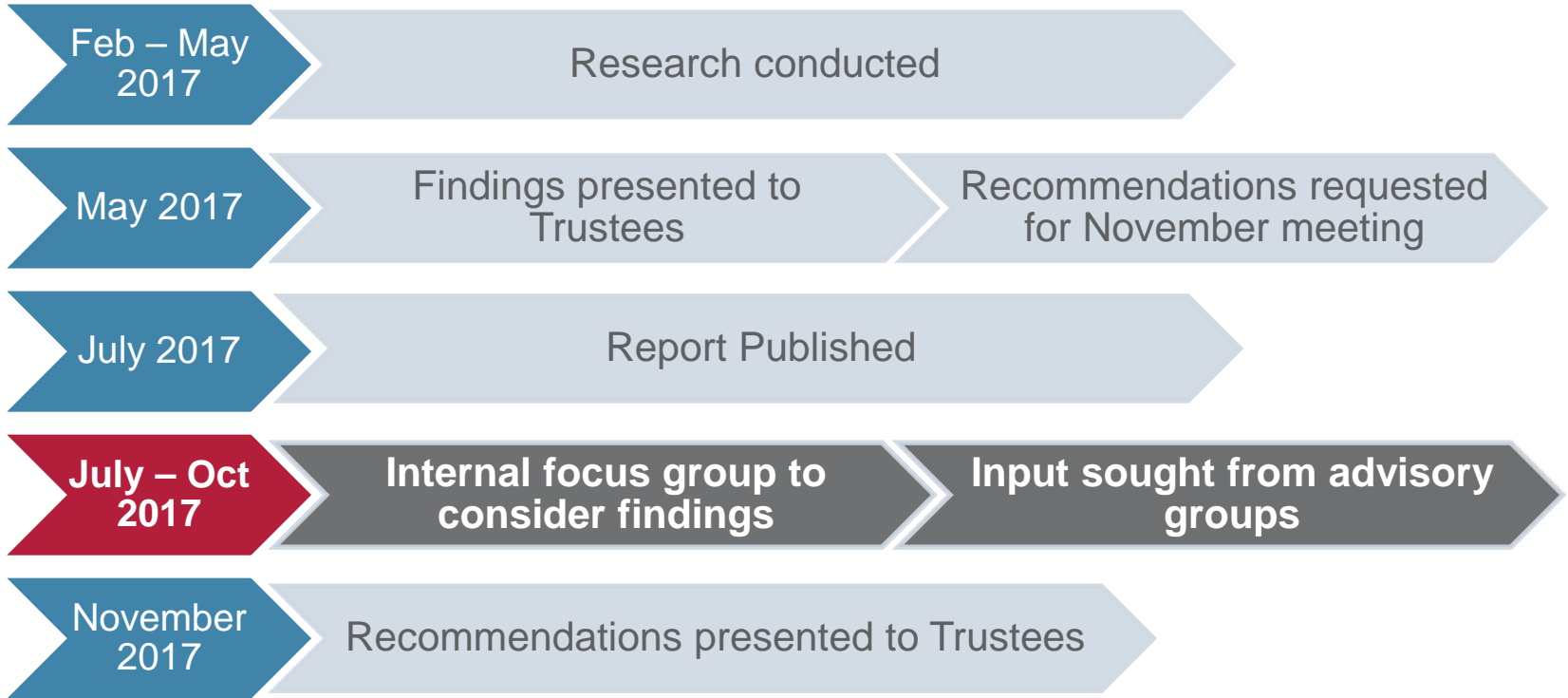
- The research
- Summary of findings
- Ebiquity's recommendations
- Actions already underway
- Questions for CMAC members

The research

- The objective of the research was to measure:
 - Perceived performance of the Foundation on reputation attributes such as transparency and independence
 - Perceptions of engagement and consultation and areas for improvement
 - How well or poorly the organisation meets its public interest mission and delivers on its objectives
- Did not re-open topics already addressed by
 - Agenda Consultation
 - Review of structure and effectiveness
 - Constitution update
- Will inform the Foundation's Key Performance Indicators
- To be repeated in 2020

- Conducted by independent research company Ebiquity
- 50 telephone interviews
- 58 online survey responses (54% response rate)
- Three stakeholder groups invited to take part:
 - External stakeholders
 - Advisory group members
 - IFRS Foundation senior staff and Board members

Timeline



Summary of findings

- Extremely useful feedback
- Main message from stakeholders is ‘Continue the good work’
- Encouraging results, particularly for an organisation of a relatively small size
- Findings consistent with feedback received through other channels
- Some areas identified which require further attention

Drivers of reputation

- Perceived as successfully harmonising global accounting standards
- Highly rated for transparency, independence, and people
- Perception that the Foundation is not timely and does not respond quickly enough to a changing world
- Nearly three in five External Stakeholders say they would definitely speak highly of the Foundation

- Perceived as professional, open, and effective with good quality documentation, but slow
- Majority confident the Foundation manages an appropriate stakeholder balance
- Stakeholders in Asia Oceania and Africa most likely to disagree with the balance of stakeholders
- Some perception that emerging markets and users may be under-represented in consultations
- Almost half of interviewees do not believe that the Foundation has the right balance between due process and speed

- 78% of stakeholders agree that the Foundation is effective in its relationship management (84% of Advisory Group members)
- The least positive group were preparers, where 67% agreed the relationship is managed effectively
- The consensus is that the Foundation listens and takes various viewpoints into account through regular outreach and being available to stakeholders
- There is a clear appetite for more opportunities to engage outside the consultation process through informal dialogue, training, and events

- 80% agree the Foundation meets its public interest mission
- More practical/less complex standards, timeliness, and balanced stakeholder representation are viewed as key to achieving the public interest mission
- 73% of stakeholders agree that the Foundation meets its objective of delivering consistent global standards
- Stakeholders who disagree cite complexity as a factor; they perceive that complexity makes it difficult for emerging economies to participate fully

Ebiquity's recommendations

Ebiquity's recommendations

- Ebiquity makes several recommendations on the basis of the perceptions they found. They recommend:
 - Continuing the 'good work'
 - Improving outreach and consulting more widely
 - Improving timeliness
 - Responding to the need for simple, practical and workable Standards
 - Harnessing advocates to act as ambassadors

Actions already underway

Responding to this feedback

- Actions have already been taken that will address some of these issues; typically the benefits of changes take time to be reflected in perceptions
- To improve in the areas identified by the feedback we are considering where there are opportunities to take action
- We would like your feedback to assist with the development of our recommendations

Improve outreach and consult more widely

- There is a clear desire for us to do even more in terms of outreach and consultation
- We have strengthened our ties with national standard setters and international organisations, including the World Bank
- We now report to the Due Process Oversight Committee publicly to ensure transparency regarding the levels of outreach conducted

Develop events, training and education

- There are calls from stakeholders for more events, training and educational initiatives
- We have increased our output of webinars and podcasts
- We are currently developing a module in CPD to test the market

Improve timeliness

- We hear that timeliness is an area of concern for some stakeholders
- We have streamlined our research programme, and this was highlighted as a positive action by some survey respondents
- We fast-track issues where possible, e.g. IFRS 9 amendments

Respond to the need for simple, practical, and workable standards

- The Standards are often perceived as complex or too academic
- We support application through the use of Transition Resource Groups
- We have strengthened our editorial function to focus on plain English, structure, and readability
- We perform Post-implementation Reviews on new Standards to understand how they are working in practice

Harness advocates to act as ambassadors

- We enjoy high levels of advocacy amongst our stakeholders
- Strengthening our ties with international organisations through committees and MoUs has sought to capitalise on these relationships

Questions for CMAC members

1. Ebiquity recommend that we engage more with stakeholders, especially emerging markets, investors, and smaller businesses:
How can the Foundation improve its engagement with investors, what does great engagement look like?
2. Ebiquity recommend we harness advocates as ambassadors:
How do you think the Capital Markets Advisory Committee could be better utilised as ambassadors for the IFRS Foundation?
3. Many stakeholders comment on timeliness:
How do you think we can improve timeliness without adversely affecting the quality of IFRS Standards, or while still conducting greater outreach and consulting more widely?

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