

Summary findings from the self-review of the IFRS Advisory Council

IFRS Advisory Council, March 2019

April Pitman, Technical staff

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

Why carry out a review?

No requirement for a review, but best practice

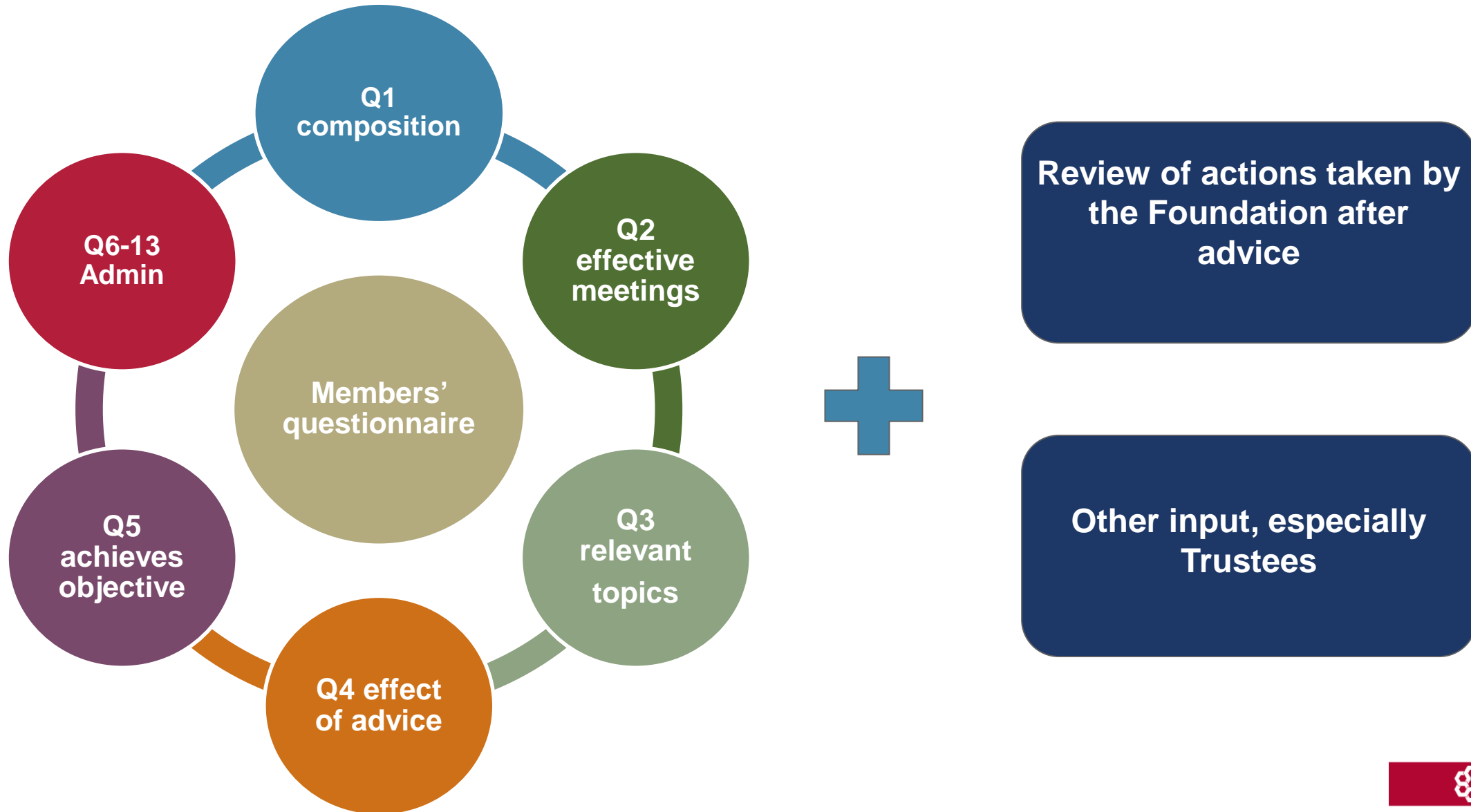
Self-reviews carried out in 2010 and 2013

Continuous, informal reviews

Update its terms of reference

- Public consultation has a cost for both the Foundation and stakeholders
- No concerns expressed; Advisory Council excluded from the Trustees' 2015 Strategy review
- Conclusion: self-review by members of the Advisory Council

Sources of input

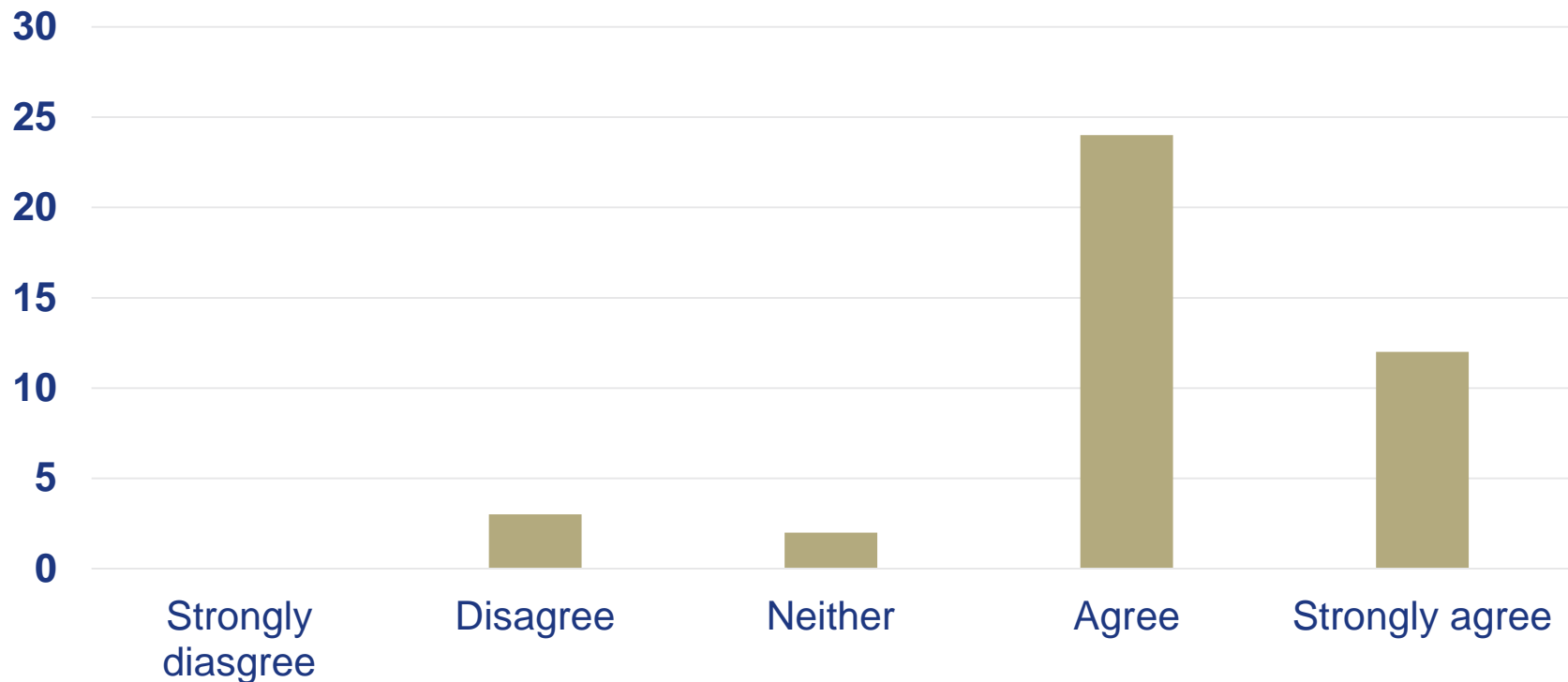


Basis of the questionnaire

- **Completed by Advisory Council members**
- **Contains statements about the effectiveness and activities of the Advisory Council**
- **Participants asked to score their agreement with five statements about the Advisory Council on a scale of 1 to 5**
 - **1 Strongly disagree to 5 strongly agree**
- **Other questions asked about individual member's performance and the administration of meetings**

Q1 Composition of the Advisory Council

I think the Advisory Council is balanced in its composition and its members have the right range of experience to provide strategic advice to the Board and the Trustees.



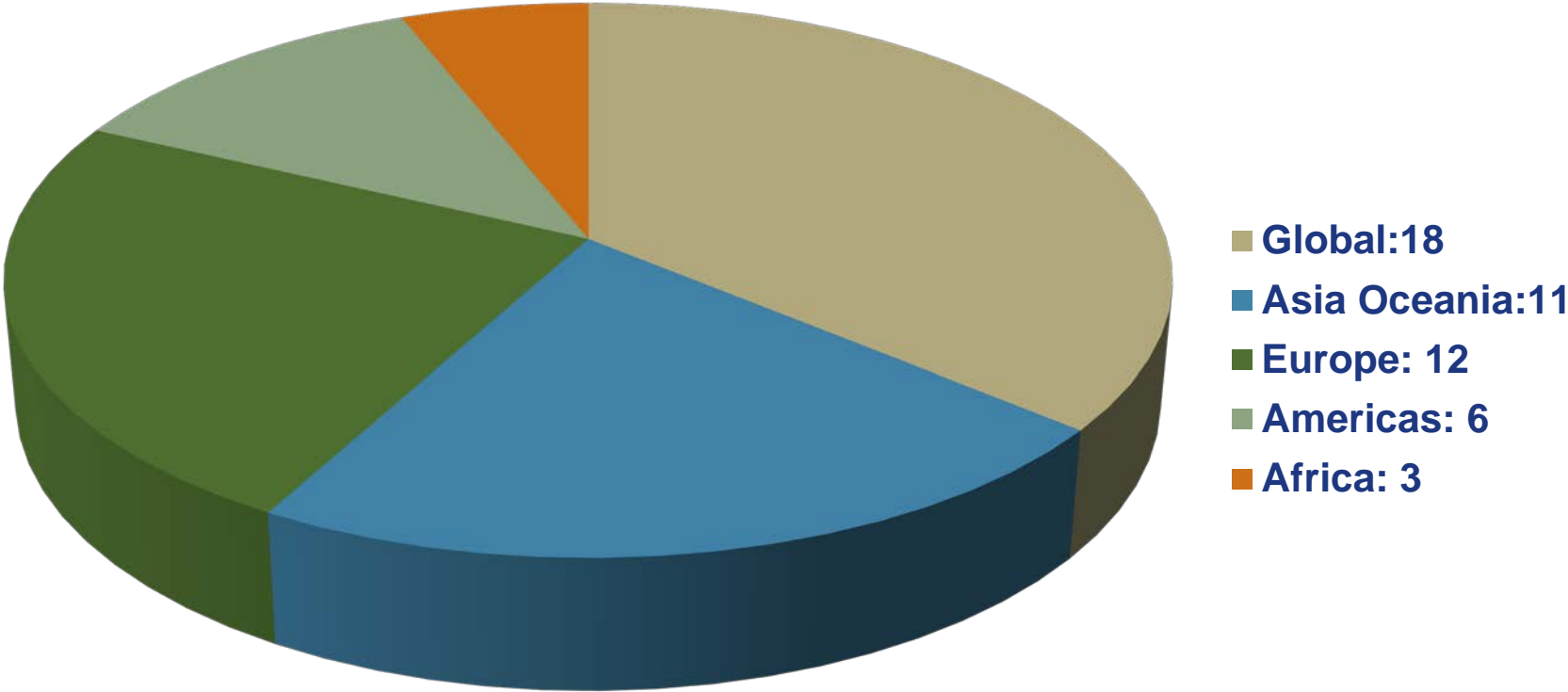
Q1 Composition of the Advisory Council

Statement rated: 4.10 out of 5.00

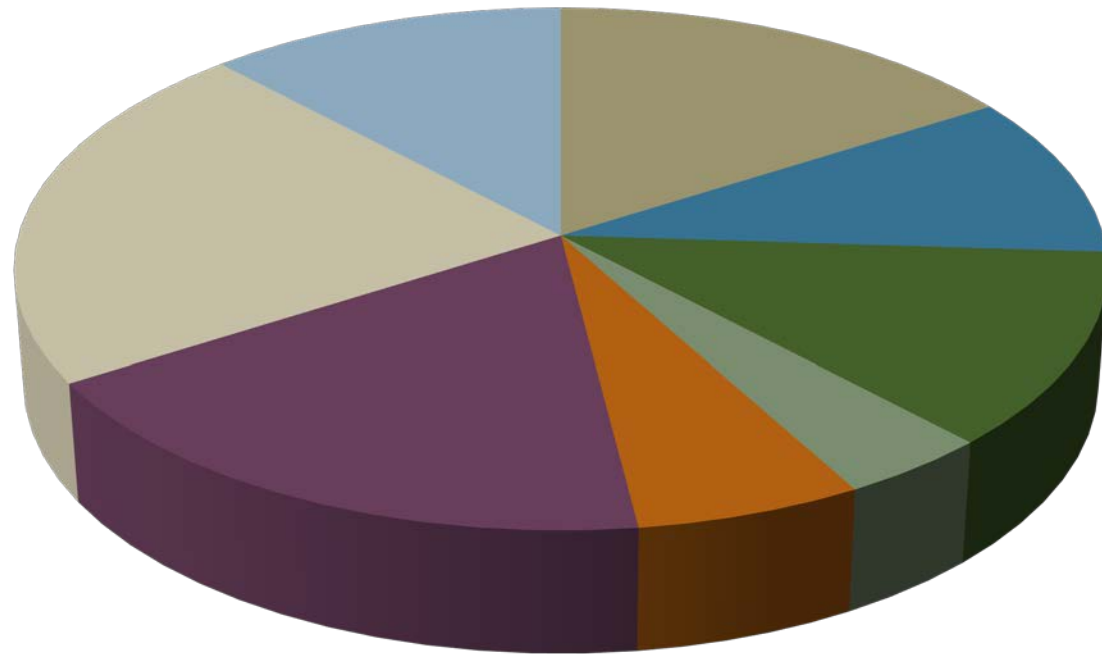
- Diversity in background and geographical distribution important
- Most diverse group of advisors to the Board and the Foundation
- Special skills needed, especially with respect to technology
- Perceived focus on accountancy, finance and economic skills

Composition is monitored closely by the Trustees as part of the annual appointments and reappointments process

Composition 2019—by geography

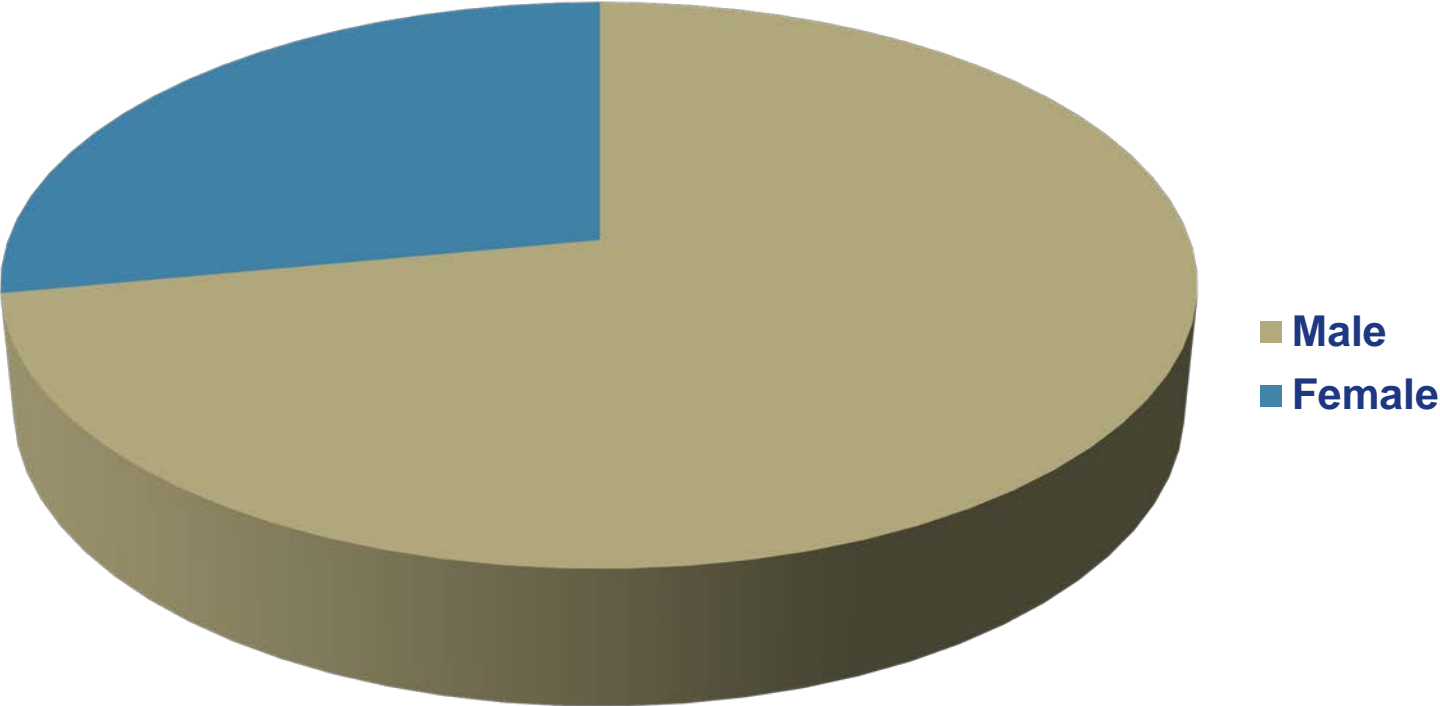


Composition 2019—by function



- Investors: 8
- Standard-setters: 5
- Auditors: 6
- Accountancy bodies: 2
- Academics: 3
- Preparers: 9
- Regulators: 11
- Other: 6

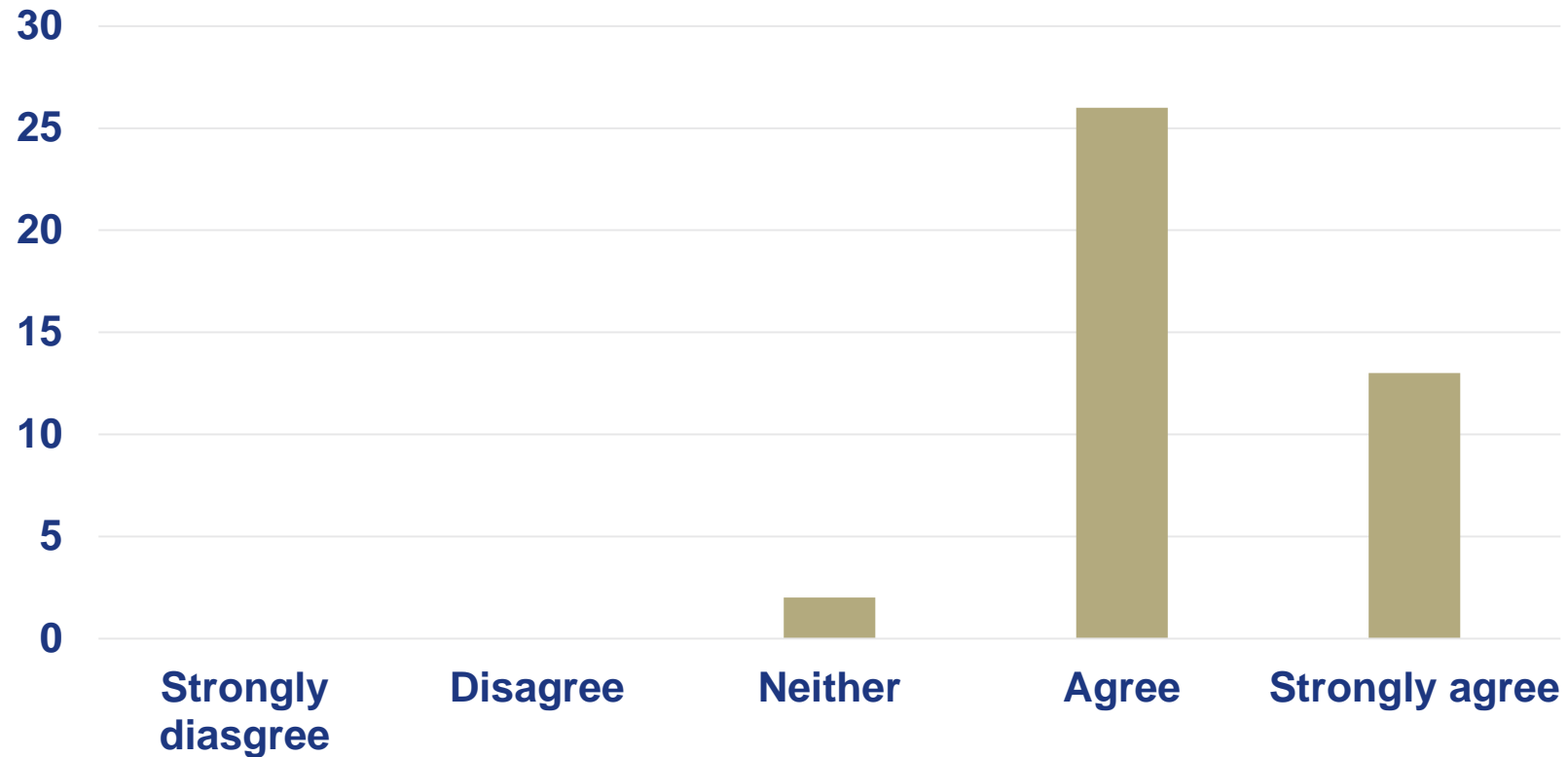
Composition 2019—by gender



Q2 Effective meetings

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I think that the Advisory Council meetings are run effectively.



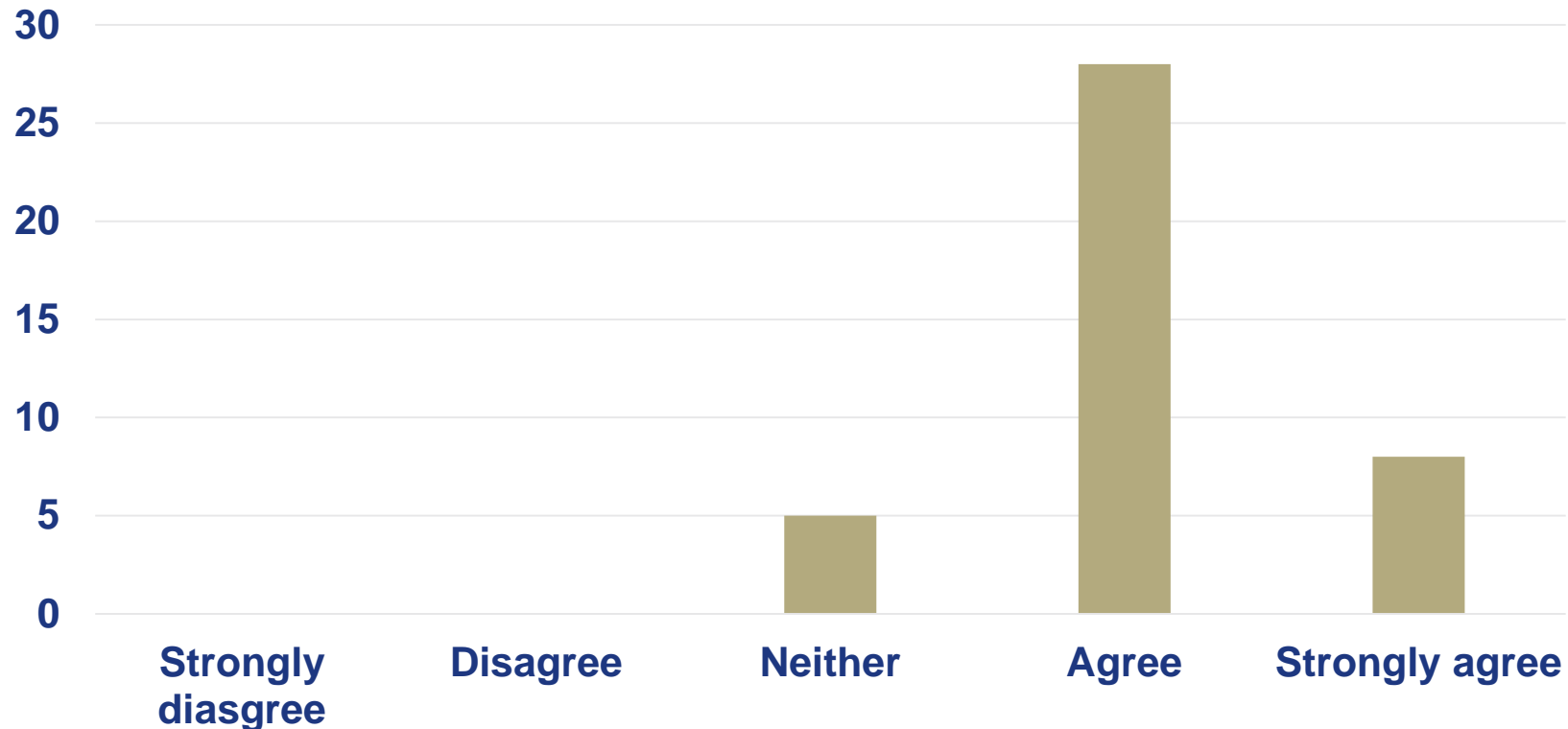
Q2 Effective meetings

Statement rated: 4.27 out of 5.00

- General view is meetings run effectively; chairing is good
- Breakout sessions are a useful format
 - encourages participation by all
 - results in a fuller exchange of information
 - panel sessions good, but need time to digest discussions before feedback
- Move from written papers to slides was beneficial

Q3 Relevant topics

I think the topics discussed at our meetings are relevant and appropriate and focus properly on questions of a strategic, rather than technical, nature.



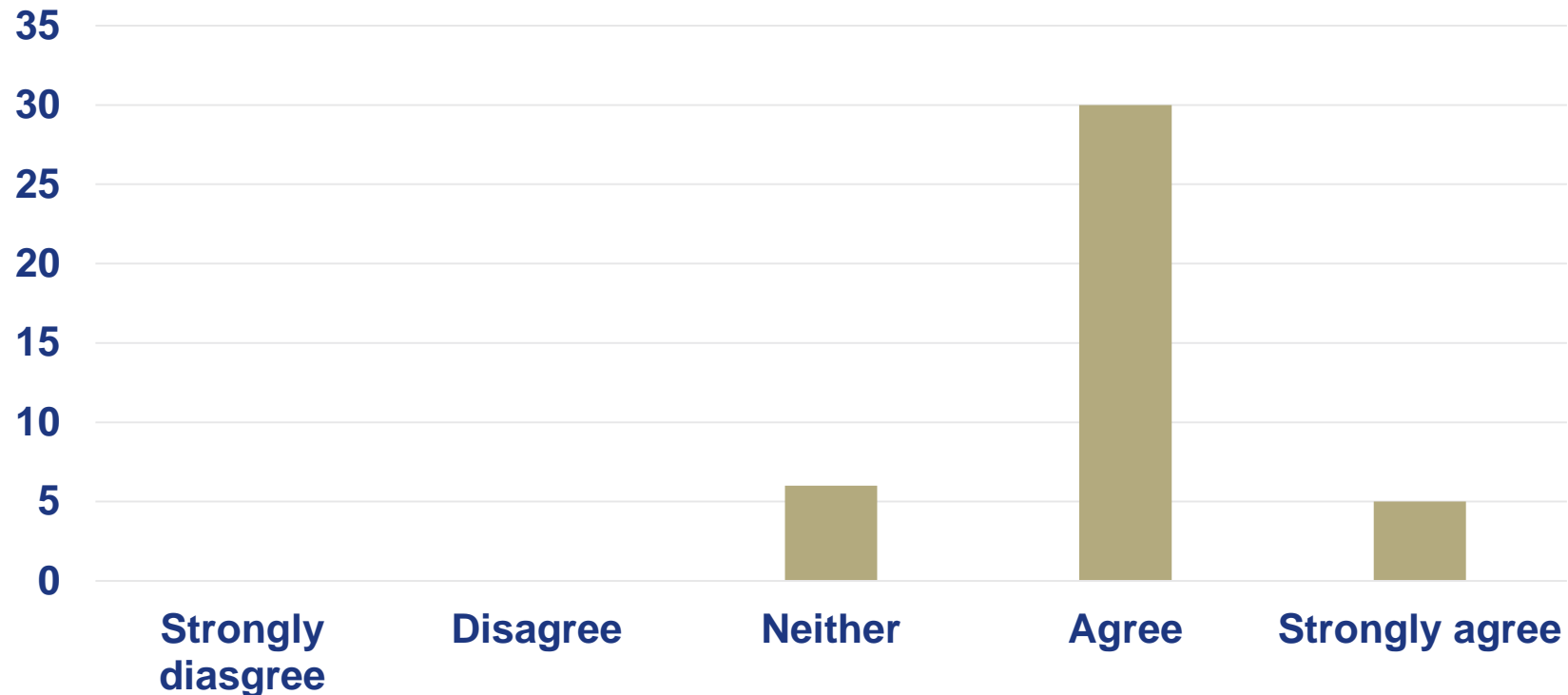
Statement rated: 4.07 out of 5.00

- In recent years, topics have been more strategic
- Members clear about the strategic nature of the role
- Report backs and updates on specific aspects of the Foundation's activities are useful
- Ensure objective of each session is clear and that questions are carefully laid out
- Suggestions for a broader range of topics

Q4 Advice is acted upon

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I think the advice we give to the IFRS Foundation is acted upon and can be seen to affect the Foundation's thinking and strategy.



Q4 Advice is acted upon

15

Statement rated: 3.98 out of 5.00

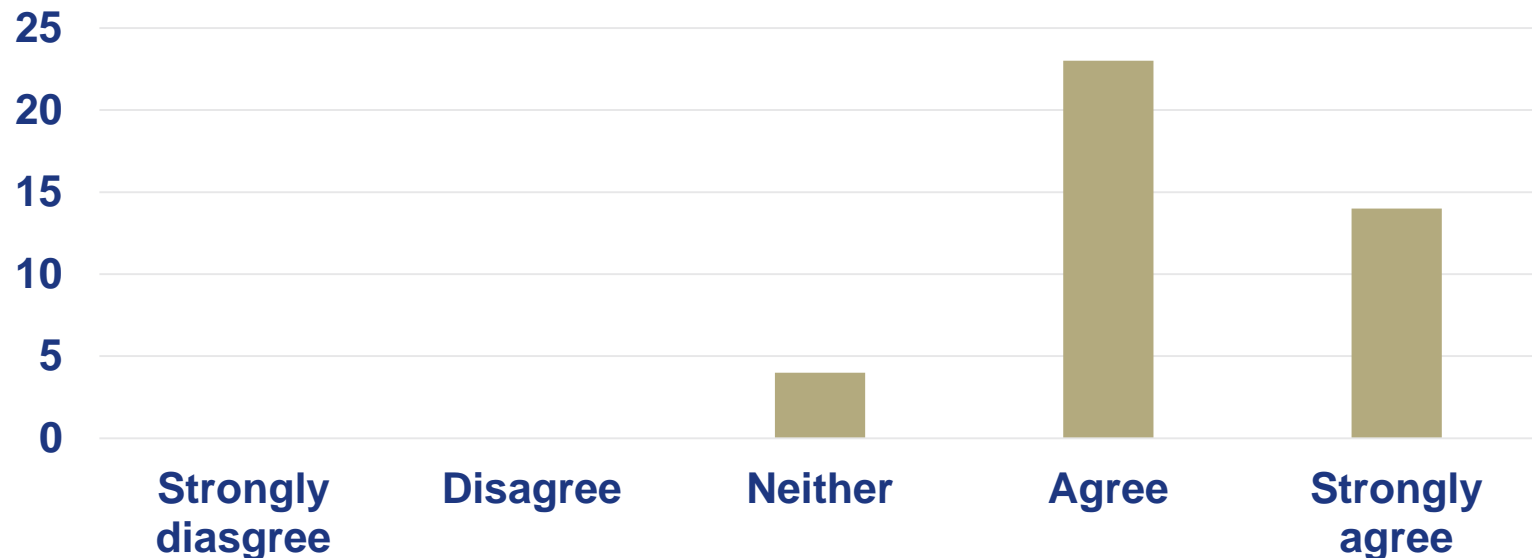
- Minutes are reported promptly to the Trustees and the Board and published on the website
- Each meeting includes an admin feedback session on advice received at the previous meeting
- Suggestion for continuing feedback, with update on progress

This meeting includes a more detailed paper on the effect of recent advice given by the Advisory Council (AP 2A)

Q5 Advisory Council achieves objectives

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I think the Advisory Council achieves its primary objective of providing a forum in which the Board can consult individuals and representatives of organisations that are committed to the development of high quality IFRS Standards.



Q5 Advisory Council achieves objectives

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Statement rated: 4.24 out of 5.00

- General agreement that the Advisory Council's role is a strategic one
- Segregation of its role from that of the Accounting Standards Advisory Forum (ASAF) is clear
- Overall view is that the Advisory Council achieves its purpose
- Need to update the terms of reference

Actions taken on advice

| Action | Number |
|---|-----------|
| Considered by the Board | 40 |
| Considered by the Trustees | 19 |
| Considered by both Board and Trustees | 11 |
| Considered by staff within project teams | 11 |
| Staff discussed with individual AC members subsequently | 3 |
| No advice given | 6 |
| TOTAL | 90 |

- **Generally favourable**
- **The role of the Advisory Council is complementary to that of the Trustees**
- **The Advisory Council is particularly useful to help in modelling strategy for discussion and development by Trustees**
 - **examples such as taxonomy strategy; technical approach**
- **Trustees reinforce the strategic, rather than technical, role**

Terms of reference

- Last updated in June 2014
- Discussed at the admin session of the September 2018 meeting
- Matters arising from the self-review include
 - membership terms
 - strategic, rather than technical, advice
- Revised TOR will be submitted to the Trustees for approval

Length of membership term

- **Currently 3 years, renewable once**
- **Some members thought that members had a stiff learning curve and 4 years would allow greater familiarity**
- **Majority of members thought 3 years appropriate**
 - **allows a genuine contribution, but not too onerous**
 - **6 years in total is reasonable**
 - **achieves a balance between familiarity with process and need for new blood**

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