



IFRS® Foundation

Agenda Paper 4

# Advisory Council advice

## *Feedback report*

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April 2021

# Objective




**Provide an update on how the Advisory Council's feedback has been incorporated**

into the IFRS Foundation's (Foundation) strategic activities by linking the Foundation's strategic activities over the past six months with feedback provided over the last three or four years.

## Why three- to four-year lookback?

Strategic advice can take time to implement and even longer for the effect of this advice to manifest itself.

## Status of feedback implementation

-  Substantially implemented – will not be reported again
-  In process
-  Limited progress



Do you have any questions or comments on how your advice is being incorporated into the Foundation's strategic activities?

# Overview

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The Foundation's **strategic activities** over the past six months include the following:

## Relevance

- Sustainability reporting
- Agenda consultation
- Digital reporting

## Process

- Key performance indicators (KPIs)
- Stakeholder engagement

## Talent Management

- Future of work (post-covid-19)



We confirm that all Advisory Council feedback from the last meeting has been communicated to Trustees, Board members and staff.

# Strategic activities – relevance (1/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Sustainability reporting

In March 2021, the Trustees announced the strategic direction of a possible new board to set sustainability reporting standards.

### Next steps:

- Consult on proposed changes to the Foundation's Constitution necessary to establish a new board.
- Make final determination about a new board in advance of the November 2021 United Nations COP26 conference.

[Apr 2021](#)

[Feb 2021](#)

[Nov 2020](#)

[Oct 2020](#)

Advisory Council discussed considerations in establishing a new board to set sustainability reporting standards, including funding, technical expertise, timing, coordination with market participants and delineation from the work of the IASB.

### Next step:

Advisory Council to provide further advice at April 2021 meeting; see Agenda Paper 1 for this meeting.

## Board's Third Agenda Consultation

Board published its Request for Information in March 2021, with a 180-day comment period.

### Next steps:

- Deliberate feedback.
- Determine priorities for 2022 to 2026.

[Sep 2019](#)

Advisory Council provided feedback on content of the Request for Information.

### Next step:

Advisory Council to provide feedback on Request for Information at May 2021 meeting.

# Strategic activities – relevance (2/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Digital reporting

- Agenda Consultation asks whether Board's focus on digital reporting should change.

**Next step:**

Deliberate feedback from Agenda Consultation.

- Staff considering digital reporting implications if Trustees establish a new board to set sustainability reporting standards.

**Next step:**

Discuss further with Trustees.

**Sep 2019**

**Sep 2018**

- IFRS Taxonomy will continue to be relevant, as an integral part of financial reporting standards.
- Own what Foundation can control (important for brand), but not Foundation's role to go whole journey with structured electronic reporting.
- Foundation is an enabler, but consider creative means of influencing or collaborating with others about use of IFRS Taxonomy.

**Next step:**

Advisory Council to provide feedback as part of Agenda Consultation discussion at May 2021 meeting.

# Strategic activities – relevance (3/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Monitoring adoption

Monitoring adoption of IFRS Standards, with support from national standard-setters and accounting firms.

### Next steps:

- Finalise formal process and team to identify and evaluate implications of adoption matters.
- Develop summary report.
- Discuss further with Trustees.

May 2020

Sep 2019

- General agreement on need and objectives of monitoring consistent adoption and application of IFRS Standards. This should be a priority.
- Establish guidance, formal process and dedicated team.
- Partner with others to achieve objectives.

# Strategic activities – process (1/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Stakeholder engagement

- Continuing virtual engagement.
- Increased academic engagement for more research for post-implementation reviews.
- Developing KPIs, including better website analytics.
- Enhanced follows on the website.
- Improving accessibility on website and eIFRS (eg, search, linkage to support materials).
- Developing content strategy.
- Introduction of new customer relationship management system.

May 2020

Sep 2019

Mar 2019

Sep 2018

Feb 2018

- Expand engagement in emerging economies.
- Be flexible and creative in obtaining feedback without compromising quality or extent.
- Determine engagement objective and then whether conference is right tool.
- Academic strategy - prioritise research; provide public recognition.
- Content – tension between accessibility and commercial; may require considerable resources.
- Accessibility important:
  - Improve machine learning search capabilities.
  - Simplify linkage to support materials.
  - Consider more translations.
- Digital engagement:
  - Develop IFRS app.
  - Benefit to reduced cost of engagement (virtual).
  - Consider community forum, but caution about echo chamber and resource to engage.

# Strategic activities – process (2/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Stakeholder engagement

### Next steps:

- Deliberate feedback from Agenda Consultation and other market research.
- Refresh and further develop stakeholder engagement strategy, including impact of covid-19 learnings.
- Improve monitoring of engagement activities.
- Discuss further with Trustees.

May 2020

Sep 2019

Mar 2019

Sep 2018

Feb 2018

### Next step:

Advisory Council to provide feedback as part of Agenda Consultation discussion at May 2021 meeting.



# Strategic activities – process (3/3)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Key performance indicators

*The development of KPIs is an important initiative for the Foundation. However, progress has been limited due to the need to prioritise other activities.*

- Exploring KPIs to manage timeliness, effectiveness of stakeholder engagement and effectiveness of risk mitigation strategies.
- Discussed project management KPIs with a project management expert.
- Discussed with similar organisations the types of KPIs they use.

### Next steps:

- Further develop thinking.
- Discuss further with Trustees.

## May 2020

- General agreement about the areas of technical work to assess with KPIs.
- Value of KPIs recognised – you manage what you measure, but caution about over-emphasising a KPI just because it can be measured.
- Ideas provided for KPIs, noting:
  - a. distinction between internal (management) and external KPIs (governance);
  - b. unit of account (project vs. organisation); and
  - c. internal vs. external data.

# Strategic activities – talent management

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

## Future of work (post-covid-19)

- Held initial discussions with Trustee Human Capital Committee.
- Researched plans of similar organisations.

### Next steps:

- Discuss with leadership teams
- Obtain feedback from Board members and staff.

## Feb 2021

Advisory Council made several observations, including:

- a one-sized approach does not fit all.
- the need for an evolutionary approach.
- in the competition for talent, need to consider what talent wants.
- positives in current working from home experience may not continue once covid-19 is over, due to employee turnover and inequalities in a hybrid environment.
- people value flexibility but miss informal interactions that are essential for developing people and ideas.



Questions?

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