
IFRS Foundation Trustees meeting – Due Process Oversight Committee

Date **October 2022**
Topic **Educational material — review of due process**
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This document is prepared for discussion at a public meeting of the IFRS Foundation Trustees' Due Process Oversight Committee (DPOC). The Trustees are responsible for governance of the IFRS Foundation, oversight of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB), and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*.

Purpose

1. The purpose of this paper is to report to the DPOC, in accordance with paragraph 8.11 of the Due Process Handbook (*Handbook*), on the educational material published by the Foundation on its website to support the consistent application of IFRS Accounting Standards. The report covers the year to 30 September 2022.
2. The staff confirms that all educational material published in the year to 30 September 2022 has received the level of review required by the *Handbook*.

Question for the DPOC

3. On the basis of the descriptions set out in the Appendix, does the DPOC agree that educational material published in the year to 30 September 2022 has been appropriately reviewed as specified by paragraph 8.10 of the Handbook?

Background

4. Educational material refers to material published on the IFRS Foundation website related to *issued* IFRS Accounting Standards, including webcasts, articles, presentations for conferences and *IFRS for SMEs* training material (ie it does not include any materials relating to ongoing projects). For these purposes it does not include:
 - (a) Illustrative Examples accompanying an IFRS Accounting Standard and that are published with that Accounting Standard—these form part of the package that is balloted by the IASB;
 - (b) Agenda Decisions published by the Interpretations Committee—the Committee follows the due process requirements in paragraphs 8.2–8.7 of the *Handbook*.
5. Paragraphs 8.8 and 8.9 of the *Handbook* explain that:

...Educational material is not part of the [Accounting] Standards and cannot add or change requirements in the [Accounting] Standards.

The development of educational material does not take place in public meetings and is not subjected to the public scrutiny that is given to the development of IFRS [Accounting] Standards. Nonetheless, educational material is subject to quality assurance processes reflecting the nature and complexity of the material, and to ensure that the material does not add or change requirements in the [Accounting] Standards and is clearly distinguished from the [Accounting] Standards.

6. Paragraph 8.10 of the *Handbook* specifies the review required for educational material as follows:

In order to meet the assurances in paragraph 8.9, educational material is subjected to at least the following level of review:

- a. high-level summaries of the requirements in an IFRS [Accounting] Standard, such as introductory webcasts on a new [Accounting] Standard, are reviewed by an [IASB] member;
- b. more detailed materials explaining the requirements in a, [Accounting] Standard, such as a webcast on specific aspects of an [Accounting] Standard, are reviewed by two IASB members; and
- c. material explaining or illustrating how the requirements in an [Accounting] Standard might be applied to particular transactions or other circumstances, such as a new example demonstrating how the requirements might be applied to a particular fact pattern, are reviewed by three [IASB] members.

7. In recent years, educational material has typically been developed when the IFRS Foundation can provide a particular 'value add' to what is already produced in the market, such as to:

- (a) support the implementation of new IFRS Accounting Standards.
- (b) support understanding and application of existing IFRS Accounting Standards that have become more relevant due to global developments, such as the covid-19 pandemic.
- (c) communicate the work of the IASB to investors.

8. As part of the Third Agenda Consultation, the IASB decided to slightly increase its focus on the understandability and accessibility of IFRS Accounting Standards, which will indirectly improve their consistent application for users of financial statements. This additional focus, along with the creation of the IFRS Sustainability Disclosure Standards, may have implications for the future approach to developing educational material. Further consideration will be made in this regard in due course.

Educational material published and level of review

9. Educational material published since the last review at 30 September 2021 is set out in the Appendix to this paper, categorised by the levels of review required by paragraph 8.10 of the *Handbook* (as described above). The staff confirms that the contents of the materials are accurately described in the Appendix and that the level of review meets the requirements of the *Handbook*.

10. The reviews consider both the technical accuracy of the material as well as ensuring the material is educational, explanatory information about IFRS Accounting Standards, and does not add or change requirements in the Accounting Standards. In practice, the level of review for the material set out below has often exceeded the minimum specified.

Appendix

Educational materials published in the year to 30 September 2022

<i>Level of review specified in paragraph 8.10(a)—1 IASB member</i>
<ul style="list-style-type: none">• <i>Investor Update</i> newsletter articles discussing IFRS Accounting Standards to support investor education.
<i>Level of review specified in paragraph 8.10(b)—2 IASB members</i>
<ul style="list-style-type: none">• In this period there were no materials published with this level of review.
<i>Level of review specified in paragraph 8.10(c)—3 IASB members</i>
<ul style="list-style-type: none">• In this period there were no materials published with this level of review.