

---

Agenda paper 1

# Advisory Council Feedback Report

IFRS Advisory Council  
April 2024

## 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

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

### Relevance

- IASB Strategy – Generation 3.0
- ISSB Capacity Building
- Adoption of ISSB Standards

### Process

- Earned Revenue
- KPIs
- Sustainable Operations

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

---

## Update

The following projects have previously been discussed by the Advisory Council but will not be reported on further in this report

<b>Project</b>	<b>Status</b>
Primary Financial Statements	IFRS 18 <i>Presentation and Disclosure in Financial Statements</i> will be published on Tuesday 9 April 2024

# Strategic activities – relevance (1/3)

Foundation's strategic activities in the past six months

Advisory Council feedback  
Note – meeting links take you to Nov 2023 papers

## IASB Strategy – Generation 3.0

The IASB is continuing to develop its strategy for the next decade:

- using advice from the Council in developing and considering possible scenarios; and
- updating the IFRS Foundation Trustees and seeking their views on possible scenarios.

Since November 2023 the following discussions have taken place:

- IASB January meeting – Review of data and possible ways forward;
- IFRS Foundation Trustees' February meeting - Review of data and possible ways forward;
- IASB March meeting – Analysis of possible ways forward, including consideration of whether there is 'white space' in the IASB product offering.

### **Next steps:**

- To discuss with the Council whether there is 'white space' in the IASB product offering.

## Nov 2023

The Council made a number of observations, including:

- the importance of the IASB's strategy fitting with a unified strategy within the framework of 'one Foundation, two boards' and connectivity between the IASB and the ISSB will enhance the credibility of IFRS Standards;
- the imperative of maintaining and even enhancing the quality of standards throughout the process of evolution. The ultimate goal remains high-quality standards;
- the need to be responsive to the changing environment, including AI, privatisation, climate change and changes in investment needs.

# 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

## Capacity Building

- Ongoing relationship management of 37 partners, mostly global/regional remit.
- IFRS knowledge hub (= open access online tool) containing over 80 partner / third party educational and other resources was launched at COP28, with 35,870 pageviews since launch in Dec 2023. Resources continue to be added on a regular basis.
- Body of core foundational capacity building resources, including starter and transition guidance were made available on the knowledge hub.
- Secured grant funding with FCDO to facilitate the development of a Pan African Federation of Accountants (PAFA) capacity building strategy to empower African Accountants for a sustainable future via the ISSB Standards.
- Foundational training programmes are ongoing with identified stakeholder constituencies, including issuers/reporters, accountants and securities regulators.
- High-level participation in global / regional industry and other strategic events.
- Multilateral Development Banks strategy has been approved by the board.

### **Next steps:**

- Ongoing development of educational and other resources (e.g. train-the-trainer) + continued curation of IFRS Knowledge Hub.
- Leveraging partners to deliver on a one-to-many basis.
- Actively collaborate with 10 MDBs worldwide to promote implementation of standards through advocacy, jurisdictional support, and facilitating the voluntary adoption of ISSB Standards by MDBs.

## Oct 2022

In October 2022 staff updated the Advisory Council on the rationale and proposed approach to build capacity in developing and emerging economies to adopt IFRS Sustainability Disclosure Standards. The Council made a number of observations including:

- the importance of sufficient IFRS Foundation resources on the ground in Africa, Asia and Latin America to coordinate and mobilise engagement;
- the importance of accessibility, for example access to an extensive range of educational and training materials;
- the need for flexibility, recognising different levels of maturity and capacity;
- the importance of engaging on capacity building needs with a broad range of stakeholders;
- the role of partnerships, but also the calibre of partnerships to ensure the brand is not compromised.

# 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

### Adoption of ISSB Standards

- Several jurisdictions are on a journey of potential or finalised adoption of ISSB in full or in part: Australia, Brazil, Canada, Costa Rica, Hong Kong SAR, Japan, Kenya, Nigeria, Malaysia, Mexico, Philippines, Singapore, Türkiye, UK, and Zimbabwe. [Jurisdictional consultations listed on IFRS.org.](#)
- Published the [Preview of the Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards](#) to support public transparency by setting out the features of jurisdictional approaches to adoption.
- [Close to 400 organisations from 64 jurisdictions](#) committed to advancing the adoption or use of the ISSB's climate-related reporting at COP28.
- Published additional educational materials to support understanding and implementation of the Standards
- [The Transition Implementation Group \(TIG\) discussed application questions](#)

#### **Next steps:**

- Publish the Inaugural Jurisdictional Guide in Summer 2024
- Publish additional interoperability materials for ESRS and ISSB Standards
- Continue working with jurisdictions and publishing educational materials

### April 2023

### Nov 2023

A number of theme's arose from the Advisory Council's discussion, including:

- the opportunities to learn from the IASB's adoption experience;
- the broad range of stakeholders important to the adoption process, including those that may not consider themselves relevant.
- the importance of prioritising full adoption of the Standards and avoiding carve-outs which could become entrenched. Similarly, the need to consider what 'imperfect' adoption may look like so that support can be provided to entities to avoid this outcome;
- the need for prompt engagement with national standard-setters to get them on board and ensure interoperability;
- the possible impact on SMEs if a local regulator requires ISSB Standards without amendments;
- the importance of capacity building to support the adoption process;
- the importance of the outcome of the *ISSB Consultation on Agenda Priorities* to give stakeholders a better understanding of what adoption will mean in the long-term.

# 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

## Earned revenue

- Continued to implement plan to transition away from printed publications for IFRS Accounting Standards, with Spanish Annotated Required no longer offered as bound volume, with other bound volumes no longer offered over the next 2 years. As of 2024 we are no longer printing the Spanish Annotated Issued. We are also exploring the introduction of a B2C ePub to provide our customers and stakeholders with a digital alternative to the Foundation's digital subscription.
- Updated the Accounting and Sustainability earned revenue services on IFRS.org.
- Developed internal product marketing working group to both coordinate Accounting and Sustainability product marketing, exchange best practices, and increase efficiencies and impact
- Continuing to prioritise activities for ISSB adoption and use in near-term, while still leaving room for future growth of earned revenue products and services

### Next steps:

- Continue to explore Accounting and Sustainability-related products as a package, building off lessons learned from initial clients who pay for products from both Accounting and Sustainability
- Develop a path for earned revenue to cover half the Foundation's budget by 2027

## April 2023

A number of suggestions and comments were made, including:

- the importance of establishing clear principles to underpin strategic decisions on earned revenue;
- the importance of maintaining the IFRS Foundation's independence and the role of a diverse revenue base to achieve this;
- different ways that licencing and subscriptions could be structured;
- the importance of considering Accounting and Sustainability-related products as a package;
- the importance of timing of a new earned revenue model, particularly in relation to sustainability-related products – balancing the need to earn revenue vs. the need to encourage adoption;
- the importance of ensuring revenue-generating activities retain alignment with the IFRS Foundation's mission and are not perceived as excessively progressive or aggressive by stakeholders.



# 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

## Key Performance Indicators (KPIs)

- Continued use of online surveys to help monitor the effectiveness of stakeholder engagement activities conducted with consultative groups.
- Some further thinking on relevant KPIs to monitor.
- Use of new systems (e.g. CRM system) to calculate and monitor KPIs.

### Next steps:

- Further develop KPIs and implement systems to calculate KPIs on timeliness, effectiveness of stakeholder engagement and effectiveness of risk mitigation strategies.
- 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 – process (3/3)

Foundation's strategic activities in the past six months

Advisory Council feedback  
Note – meeting links take you to Chair's summary

## Sustainable Operations Strategy

- Full time staff member joined in Dec 2023 to manage internal sustainability.
- Commenced 2023 baseline GHG emissions inventory calculation.
- Sustainability Roadmap is in place, supported by a 2024 working plan that includes key milestones.
- Process is underway to implement an environmental management system, with the support of an external vendor.
- Contract and timelines are agreed for an external vendor to provide certification of the environmental management system, and verification of the 2023 GHG emissions data.
- Sustainability strategy has been drafted and is under review.
- Sustainability and GHG emissions policies have been drafted and are under review.

### Next steps:

- Complete 2023 baseline GHG emissions inventory calculation.
- Set KPI's for 2024 and beyond.
- Complete implementation of an environmental management system.

## Oct 2022

In October 2022 staff updated the Advisory Council on the planned approach to ensure sustainability is built into the Foundation's operations. The Council were invited to share their thoughts on the most important topics. These included:

- GHG emissions, air pollution from transport, looking beyond Scope 1 and avoiding green washing within the topic of environmental;
- diversity and inclusion, employee turnover and employee mental health within the topic of social;
- organisation mission/purpose, legislative compliance, risk and opportunity identification, ethical business practices and anti-corruption within the topic of governance;
- resilience and supply chain/procurement within the topic of economic;
- the importance of both macro and micro impact for both the organisation and wider system change.

---

Thank you

