



IFRS® Foundation

Agenda Paper 3

Advisory Council advice

Feedback report

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IFRS Advisory Council
November 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

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 (1/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Sustainability reporting

Consultation on proposed targeted amendments to the IFRS Foundation *Constitution* to accommodate an International Sustainability Standards Board (ISSB) closed on 29 July 2021. Staff have analysed feedback and Trustees were presented staff recommendations at their meeting in October 2021.

Next step:

Trustees to make a final determination about a new board in advance of the November 2021 United Nations COP26 conference.

Sep 2021

Apr 2021

Feb 2021

Nov 2020

Advisory Council discussed proposed amendments to the IFRS Foundation *Constitution* in response to feedback to the Exposure Draft. This included how to articulate the connectivity between the IASB and the proposed ISSB, and the naming and branding of the new Board and standards

Next step:

Advisory Council to receive a further update at November 2021 meeting; see Agenda Paper 4 for this meeting.

Strategic activities – relevance (2/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Board's Third Agenda Consultation

Staff analysing feedback provided on consultation, which ended on 27 September.

Next steps:

- Board to begin deliberations on feedback at November meeting.
- Determine priorities for 2022 to 2026.

May 2021

Sep 2019

Advisory Council shared views on questions in Request for Information at May 2021 meeting, as follows:

- Over-arching observations that:
 - Coordination with the proposed ISSB is important.
 - Board should not overpromise and take on more projects than it can work on.
- Generally agreed with or suggested increased levels of focus for all activities by reallocating focus from research and standard-setting activities.
- Provided recommendations on criteria to assess priority financial reporting issues and how to apply them.
- Identified possible projects to be added to the Board's work plan. Most frequently raised projects include intangibles, cryptocurrencies, climate-related risks, discontinued operations and disposal groups, government grants, other comprehensive income and going concern.

Next step:

Advisory Council to consider feedback received from stakeholders and advise on possible Board decisions in January 2022.

Strategic activities – relevance (3/4)

Foundation's strategic activities in the past six months

Advisory Council feedback

Note – meeting links take you to Chair's summary

Digital reporting

- Continued:
 - Researching digital financial reporting landscape.
 - Educating and raising awareness of digital financial reporting issues.
 - Soliciting feedback through Board's Third Agenda Consultation.
- Supporting Technical Readiness Working Group in developing recommendations to provide the proposed ISSB with a running start to facilitate the digital consumption of sustainability information from day one.

Next steps:

- As part of Agenda Consultation:
 - Determine whether to change Board's historic level of focus on digital reporting.
 - Determine strategic objectives related to digital reporting

May 2021

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.
- Some members recommended Board increase its level of focus on digital reporting and suggested possible activities to undertake, whereas one member recommended Board maintaining the current level of focus.

Next steps:

- In January 2022, Advisory Council to consider feedback received from stakeholders on Agenda Consultation and advise on:
 - Possible change to Board's historic level of focus on digital reporting.
 - Possible change to Board's historic strategic objectives related to digital reporting.
- Future meeting with Advisory Council to brainstorm specific work to support Board's updated strategic objectives related to digital reporting.

Strategic activities – relevance (4/4)

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:

- Consider implications of proposed ISSB.
- Finalise improvements to formal process and team to identify and evaluate implications of adoption matters.
- 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.
- Improving digital engagement:
 - Launch of new website platform (April 2021) – improved user experience & new Standards Navigator
 - Implemented Adobe Campaign and Analytics (potential for greater data insights & more sophisticated information dissemination)
 - Enhanced system allowing licensees to manage their digital subscriptions in a more effective way
 - Completed discovery phase of content strategy – moving into analysis then delivery phases
 - Further enhancements to website search

[Apr 2021](#)

[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.
- Digital engagement:
 - Improve search capabilities.
 - Simplify linkage to support materials.
 - Content – tension between accessibility and commercial; consider resource implications.
 - Enhance access to standards and related content
 - Benefit to reduced cost of engagement (virtual).

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.

Next step:

Advisory Council to provide feedback as part of Agenda Consultation discussion at January 2022 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

- Initiated use of online surveys to support monitoring the effectiveness of stakeholder engagement activities conducted with consultative groups, and assist in managing the preparations for group meetings

Next steps:

- Further develop thinking on KPIs to manage 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 – 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)

- Based on research and outreach, developed proposal for phased evolutionary Future of Work plans which aim to:
 - Balance preserving some of the gains made from working remotely, whilst maximising the benefits of having a shared office space.
 - Provide flexibility so we can adapt our approach as we go and as we learn.
- Office officially reopened on 20 September with all staff working under a hybrid model of between 2-3 days in the office, and 2-3 days from home

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.

A grayscale world map is the background, overlaid with a grid of dotted lines. Three thick, curved, light-gray bands sweep across the map from the bottom left towards the top right. The word "Questions?" is written in a large, white, sans-serif font on the right side of the map.

Questions?

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