

# AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

Video Conference **October 2021**

**Agenda ref 1E**

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## **Educational material—review of due process**

### **Purpose**

1. The purpose of this paper is to report to the DPOC, in accordance with paragraph 8.11 of the *Due Process Handbook*, on the educational material published by the Foundation on its website to support the consistent application of IFRS Standards. The report covers the year to 30 September 2021.
2. The staff confirms that all educational material published in the year to 30 September 2021 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 2021 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 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 Standard and that are published with that Standard—these form part of the package that is balloted by the Board;
  - (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 Standards and cannot add or change requirements in the 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 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 Standards and is clearly distinguished from the 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 Standard, such as introductory webcasts on a new Standard, are reviewed by a Board member;
- b. more detailed materials explaining the requirements in a Standard, such as a webcast on specific aspects of a Standard, are reviewed by two Board members; and
- c. material explaining or illustrating how the requirements in a 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 Board members.

#### **Educational material published and level of review**

7. Educational material published since the last review at 30 September 2020 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*.
8. The reviews consider both the technical accuracy of the material as well as ensuring the material is educational, explanatory information about IFRS Standards, and does not add or change requirements in the 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 2021**

<b><i>Level of review specified in paragraph 8.10(a)—1 Board member</i></b>
<ul style="list-style-type: none"><li>• <i>Investor Update</i> newsletter articles discussing IFRS Standards to support investor education.</li></ul>
<b><i>Level of review specified in paragraph 8.10(b)—2 Board members</i></b>
<ul style="list-style-type: none"><li>• In this period there were no materials published with this level of review.</li></ul>
<b><i>Level of review specified in paragraph 8.10(c)—3 Board members</i></b>
<ul style="list-style-type: none"><li>• Educational document: Going concern—a focus on disclosure.</li><li>• Educational document: Effects of climate-related matters on financial statements.</li><li>• Educational document: Applying IFRS Standards in 2020—impact of covid-19.</li></ul>