

AGENDA PAPER

IFRS® Foundation Trustees meeting – Due Process Oversight Committee

New Delhi 12 October 2016

Agenda ref 1H

PRESENTER HENRY REES

AUTHOR MATT TILLING

This paper has been prepared for discussion at a public meeting of the IFRS Foundation Trustees by the staff. It does not represent the views of the Trustees or any individual member of the Trustees. Comments on the application of IFRS® Standards do not purport to set out acceptable or unacceptable application of IFRS Standards. Technical decisions are made in public and reported in IASB® *Update*.

IFRS Education Initiative Due Process Report

Introduction

1. The purpose of this paper is to report to the DPOC, in accordance with paragraph 6.45 of the *Due Process Handbook* (the Handbook), the material that the IFRS Education Initiative (EI) has developed, or is developing, in 2016 and the level of review undertaken in each case.

Background

2. The International Accounting Standards Board (the Board) and the technical staff have a responsibility to ensure that any educational material is not confused with an International Financial Reporting Standard or perceived as being mandatory. Consequently, the Board has an interest in ensuring that the Education Initiative has quality assurance processes that are appropriate for each of its publications (paragraph 6.43).
3. In order to meet the assurances above, educational material developed by the Education Initiative is subjected to the following peer reviews (paragraph 6.44):
 - “high level summaries, such as Executive Briefings and PowerPoint presentations, are reviewed by an appropriate technical staff member and by a member of the Editorial team” (paragraph 6.44(a))
 - “teaching materials, such as those used for Conceptual Framework-based teaching, are also reviewed by an IASB member or appropriate external expert, such as an academic” (paragraph 6.44(b))

- “More detailed teaching materials, however, such as comprehensive *IFRS for SMEs* training material, is reviewed by at least two IFRS experts, one of which must be an IASB member” (paragraph 6.44(b))
- “educational material accompanying an IFRS must be reviewed by at least three IASB members” (paragraph 6.44(c))

Materials developed in 2016 and level of review

4. The education material that the EI has developed, or is developing, in 2016 is set out in the Appendix A to this paper categorised by the levels of review specified in paragraph 6.44 (as described above).
5. The staff has undertaken, or plans, reviews of each product developed by the EI in 2016 that satisfy or exceed those set out in the Appendix.
6. Note that the Education Initiative plans to discuss a new medium-term plan for its activities with the Trustees in 2017.

Question for DPOC

7. Does the DPOC have any views or comments on the level of review for each of the materials developed or being developed by the IFRS Education Initiative in 2016?

Appendix A

Review level for EI's products for 2016

Material
<i>Level of review specified in paragraph 6.44(a)—1 appropriate technical staff + 1 Editorial team member</i>
<ul style="list-style-type: none"> • Multimedia presentations on selected aspects of each topic of Framework-based teaching material completed • Commercial text—A Briefing for Chief Executives, Audit Committees and Boards of Directors¹ • Commercial text—A Guide through IFRS Standards (The 'Green Book')² • Microsoft PowerPoint presentations, designed to assist those facilitating continuing professional development courses, on each new or recently amended IFRS • Microsoft PowerPoint presentations used in the Education Initiative's multi-day workshops for IFRS teachers, IFRS trainers and IFRS regulators • Microsoft PowerPoint presentations used in the Education Initiative's multi-day <i>IFRS for SMEs</i> 'train the trainer' workshops
<i>Level of review specified in paragraph 6.44(b)—1 appropriate technical staff + 1 Editorial team member + 1 IASB member or 1 external IFRS expert</i>
<ul style="list-style-type: none"> • Framework-based teaching (FBT) material³ Stage 1⁴ material on the following topics: IAS 8; Impairment; Leases • Framework-based teaching (FBT) Stage 2⁵ material on the following topics: IAS 8; Impairment; Leases • FBT Stage 3⁶ case studies on the following topics: IAS 8; Impairment; Leases • FBT Stage 3 teaching notes⁷ that accompany each of the Stage 3 case studies • Investor education slide deck materials on the following topics: IFRS 9, IFRS 15, IFRS 16, IAS 1 • Investor Perspectives articles on the following topics: IFRS 16, Better Communication theme relating to 'capitalisation table' disclosure, and Applying IFRS 9 with IFRS 4. • Investor education article in Investor Update newsletter on the following topics: Spotlight article on "Non-IFRS" information and IAS 1. • Investor education article in <i>The Essentials</i> series on the following topics: IAS 19
<i>Level of review specified in paragraph 6.44(b)—1 appropriate technical staff + 1 Editorial team member + 1 IASB member + 1 external IFRS expert</i>
<ul style="list-style-type: none"> • Comprehensive <i>IFRS for SMEs</i> training material

Note: the material to which paragraph 6.44(c) applies is currently developed by technical staff outside the EI. Consequently, no such material is presented in this Appendix.

¹ A summary in plain language of: the main principles in each Standard; significant judgements and estimates in applying the Standard; and first-time adoption considerations.

² The official text of IFRS and accompanying documents (eg Basis for Conclusions) at 1 July each year annotated with: extensive cross-references; footnotes setting out the official reasons why the IFRS Interpretations Committee (or its predecessor bodies) declined to develop an Interpretation on a particular issue; and other minor annotations.

³ Comprehensive teaching material which is designed to support those teaching aspiring professional accountants to make the judgements and estimates that are necessary to apply IFRS with rigour and consistency.

⁴ a CA/CPA stream (or similar) student's first financial reporting course

⁵ a financial reporting course mid-way to qualifying as a CA or CPA (or similar)

⁶ A course immediately before qualifying as a CA or CPA (or similar)

⁷ Distribution of these teaching notes is limited exclusively to those teaching IFRS because the efficacy of the case study as a tool to develop students' ability to make IFRS judgements will be greatly impaired if the students have access to the teaching notes.