Executive summary

The Education Initiative reinforces the IFRS Foundation’s goal of promoting the adoption and consistent application of IFRS by arranging IFRS events (eg major IFRS conferences and ‘train the trainer’ workshops) and by developing material (eg texts—Executives Briefings, A Guide through IFRS—, comprehensive Framework-based teaching material for those teaching CA/CPA stream students and comprehensive training material for the IFRS for SMEs). Its activities are designed to support the Trustees’ duty to foster and review the development of educational programmes and materials that are consistent with the Foundation’s objectives [IFRS Foundation Constitution section 15(j)].

Planning

The work of the Education Initiative is guided by its medium-term plan. This medium-term plan (Plan 2012–2016) was developed in consultation with the IASB and IFRS Foundation senior staff and executive management, IFRS Foundation Education Advisory Group (EAG), IFRS Advisory Committee, IASB Education Committee (BEC), appropriate others (eg select World Bank staff) and the Trustees’ Education and Content Services Committee (TECSC).

Funding and staffing

The Education Initiative is self-funding. It is staffed by a Director (Michael Wells), two Project Managers (Guillermo Braunbeck and Elizabeth Buckley), and Investor Education Manager (Fred Nieto), an Executive Assistant (Gloria Lindfield) and an Academic Fellow (in 2014: Iwona Nowicka from the German Accounting Standards Board). Consistently with the Trustees’ Strategy review other technical staff at the IASB are increasingly contributing to the development of IFRS education material. For example, Mariela Isern led the development of the first chapter of the education material on IFRS 13 which is dedicated to measuring the fair value of unquoted equity instruments.

Objectives and guiding principles

Consistently with the objectives of the IFRS Foundation the objectives of the Education Initiative are:(1)

1. Reinforce IFRS Foundation’s goal of promoting the adoption and consistent application of IFRS
2. Generate revenue to fund the Education Initiative’s activities
3. In fulfilling the objectives associated with 1 and 2, to take account of, as appropriate, the special needs of:
   (i) small and medium-sized entities, and
   (ii) emerging economies.

In striving to achieve its objectives, by making available an appropriate range of high quality, understandable and up-to-date education material and services about standard-setting, IFRS and the IFRS for SMEs, the Education Initiative is guided by the following principles:(2)

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(1) The objectives presented are as amended by the Trustees at their meeting in Tokyo in January 2007 and reconfirmed at their meeting in London in March 2011.
1. Education Initiative and standard-setting operation should work together towards the common objectives of the IFRS Foundation
2. IFRS Foundation education material and services should be accessible worldwide
3. IFRS Foundation education material and services must complement and not derogate from the complete text of IFRS and the IFRS for SMEs
4. The IFRS Foundation Education Initiative shall leverage the work of select external parties
5. Take account of the special needs of small and medium-sized entities
6. Take account of the special needs of emerging economies.

Working with others
The initiative builds upon the work of others to maximise its contribution to the adoption, implementation and rigorous and consistent application of IFRS and the IFRS for SMEs worldwide. For example, the world’s development agencies and regional professional associations fund the translation of the teaching material developed by education staff into widely spoken languages and they arrange and fund ‘train the trainer’ workshops to enhance the ability of teachers and trainers to use that material effectively. To encourage the adoption of IFRS the Education Initiative also hosts regional IFRS conferences with select professional bodies (eg AICPA, Australian Institutes, CICA and SAICA). The Foundation also co-brands leading IFRS conferences organised by the bigger accountancy firms. Their technical staffs also provide peer reviews of the material developed by the Education Initiative. These significant voluntary contributions and strategic co-operative arrangements greatly enhance the Education Initiative’s contribution to the adoption, implementation and rigorous and consistent application of IFRS and the IFRS for SMEs worldwide.

Because most countries have now adopted IFRS, and to respond to concerns about the consistency and rigour with which IFRS is being applied (eg a topic repeatedly highlighted in the World Bank Accounting and Auditing Reports on the Observance of Standards and Codes (ROSC reports)), Plan 2012–2016 focuses increasingly on supporting the rigorous and consistent application of IFRS (whereas previously the predominant focus was on adoption). For example, conferences will increasingly focus on updating attendees about new and amended IFRSs and, through the sharing of the experience of those that have adopted early or who have tested the effects of adopting a new IFRS, on supporting others to implement new IFRS requirements.

Flagship project
The ‘flagship’ project in Plan 2012–2016 is to promote and support the use of Framework-based teaching of principle-based accounting standards (ie IFRS and IFRS for SMEs). The project is designed to improve the application of IFRS by contributing to the development of the skills and knowledge needed to interpret IFRS (and the IFRS for SMEs) and to make the judgements that are necessary to apply it. This should reduce the perceived need for industry-specific IFRS Application Guidance and for IFRS Interpretations. It should also reduce resistance to improvements in IFRS and better prepare constituents to deal with the changes in new and improved standards. This project is also a timely focus on direct training in a manner that will have long-term benefits for the global financial reporting community and that will directly assist and facilitate the broad use of IFRS for global financial reporting.

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(2) The guiding principles presented are as amended by the Trustees at their meeting in Tokyo in January 2007 except that in developing Plan 2012–2016 principles 5 and 6 were disaggregated and presented as two separate principles.
Aspirational and ‘living’ medium-term plan

Plan 2012–2016 is a ‘living’ document designed to set objectives, guiding principles and 
aspirational medium-term goals for the Education Initiative. Although it provides a framework
from which the initiative’s more concrete short-term plans are developed, it is envisaged that the
initiative may deviate from that plan in response to previously unforeseen opportunities and
education needs. Consequently each year the Education Initiative consults with the EAG, BEC
and TECSC in considering whether there is a need to update its medium-term plan.
That consultation process provides much flexibility for the Education Initiative to respond to
changing circumstances. Consistently with the Trustees’ strategic review, the medium-term plan
require revision after the implementation decisions are taken by, for example, the US and Japan.
Plan 2012–2016 consider only projects that are reasonably within the self-funding objective of
the IFRS Foundation Education Initiative.

Updating Plan 2012–2016 for recent developments

In 2013 Plan 2012–2016 was updated in response to a number of material events, including:
• consistently with the Trustees’ strategic review and feedback from the IASB’s agenda
consultation process, the IASB’s strategy is changing to focus more on IFRS implementation
support. Implementation support has many facets. Plan 2013 sets out only the education
projects approved to be undertaken to give effect to that strategic focus in 2013.
• in response to investor education issues observed in the Final SEC Staff Report (and as
observed in other forums) and for strategic reasons, the education staff (and investor relations
staff) proposed that they collaboratively develop a range of investor focussed IFRS education
material and services . Consequently, with effect from 2013 a new Investor focussed project
was added to Plan 2012–2016.
• in response to requests for IFRS training from regulators and discussions with development
agency staff engaged in accounting reforms and the associated regulatory capacity building
and for strategic reasons, the staff are to prioritise in 2013 the development of education
material and services that are tailored to the needs of regulators.
• in response to the increased use of IFRS in leading emerging markets—eg Brazil (2010),
Russia (2012), Malaysia (2013) China and Indonesia (convergence ongoing)—and issues
raised by emerging economies (eg China) in the IASB’s agenda consultation, the Education
Initiative is to pay particular attention to providing education products and services that are
designed to enhance IFRS capacity in the world’s emerging markets.
In response to those events, with the support of the EAG, BEC and TECSC, the Trustees (in
October 2012) added an investor education project to Plan 2012–2016 and a number of activities
designed to enhance regulatory IFRS capacity building.

Expanding the education activities necessarily requires additional resources. Consistently with
the Education Initiative’s guiding principles and current practices the staff continue to minimise
the costs and maximise the effect of those new IFRS capacity building projects by working with
the world’s development agencies and select others. The staff also planned some new income
generating activities that the staff believe are not inconsistent with the public interest objectives
of the Education Initiative and the IFRS Foundation. For example, a new annual
IFRS conference in London for the banking and insurance industries.

(3) eg issues raised at the Emerging Markets Group