

## STAFF PAPER

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## Accounting Standards Advisory Forum

Project	Academic Liaison
Paper topic	Academic liaison objectives supporting the IFRS Foundation strategic goals
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**Academic liaison objectives supporting the IFRS Foundation strategic goal**

1. One of the recommendations from the Trustees in February 2012 following their review of the strategy of the IFRS Foundation was that, to provide leadership in intellectual thinking in financial reporting, the IASB should establish, or should facilitate the establishment of, a dedicated research capability. Such a research capability could draw upon some combination of internal and external intellectual resources, including a more active engagement of the academic community. The IASB is currently reviewing its academic liaison activities with the intention of developing objectives and a coherent set of activities. Attached is a paper that establishes draft objectives that support the IFRS Foundation strategic goals, and maps existing and potential future activities against those objectives. We would like to discuss these draft objectives and activities with you.

<b>IFRS Foundation strategic goal</b>	<b>Academic liaison objective</b>	<b>Reason</b>
IFRS as high quality standards	<p>A Improve Board and staff awareness and understanding of academic research relevant to the Board’s standard-setting activities.</p> <p>B Encourage academics to engage in research that is relevant to the Board’s standard-setting activities, and to communicate that research evidence to us.</p>	<ol style="list-style-type: none"> <li>1) Academics have been thinking and writing about financial reporting issues for a long time.</li> <li>2) Academics are skilled in collecting and analysing data.</li> <li>3) Academics are less likely to have vested interests than some other stakeholders.</li> </ol>
Support IFRS implementation	C Support academics teaching IFRS Standards through informing them about current developments in IFRS projects, providing access to appropriate materials and facilitate discussion about teaching financial accounting.	1) Teaching by academics is the foundation of IFRS learning in many jurisdictions. <sup>1</sup>
Global adoption of IFRS	<p>D Communicate the Board’s activities supporting objectives A-C.</p> <p>E Engage with academics from jurisdictions yet to adopt IFRS.</p>	<ol style="list-style-type: none"> <li>1) Visible engagement with academics enhances the IFRS Foundations’s credibility and legitimacy.</li> <li>2) Engaging with academics in jurisdictions yet to adopt IFRS Standards may provide an effective and relatively apolitical way of promoting interest in IFRS Standards in those jurisdictions.</li> </ol>
Organisational excellence and best practice	D Communicate the Board’s activities supporting objectives A-C.	1) Part of good communication with stakeholders.

<sup>1</sup> IFRS teaching is performed by a broader group than just academics. Similarly research is carried out by others, eg NSS, as well as academics. However, this chart is about academic liaison.

### Chart of academic liaison activities supporting the academic liaison objectives

	<b>Activity or potential future activity (research/education)</b>	<b>Objectives supported</b>	<b>Resources required</b>	<b>Progress towards objectives</b>
1	IASB Research Forum (research)	A, B and E	<p>Board/staff time for preparation, travelling and 2 day event.</p> <p>Cost of venue, travel and accommodation for Board/staff.</p> <p>Substantial admin effort each year to organise event. Some costs are borne by journal partner and other bodies and by academics.</p>	<p>Encourages academics to be engaged on research relevant to IFRS. Shows to academic community that the IFRS Foundation is serious about obtaining evidence from research.</p> <p>High profile event; visible in academic community. Attracts scholars from around the world -reputation benefits for academics.</p>
2	Research Centre website/newsletter (research)	D	1-2 days staff time per month	Freely available many countries. Provides resources to academics where resources are limited (developing countries)
3	IAAER-KPMG research programme (research)	A, B and E	<p>Board/staff time for preparation and attending presentations at 30 Cannon Street.</p> <p>Small amount of admin effort. Low cost of time and travel for staff and Board. All costs for non-IFRS Foundation participants borne by IAAER.</p>	High quality (free) contribution from mentors (academic and other). Attracts high quality researchers. Shows to academic community that the IFRS Foundation is serious about obtaining evidence from research.

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4	IAAER Leadership role (executive committee and advisory committee) (research/education)	A, B and E	Board/staff time for preparation, travelling and attendance. Travel costs.	Demonstrates engagement with academics. Influence strategic direction of IAAER re research/education thus contributing to development of teaching/research community with some focus on IFRS Standards.  Supports IAAER, an organisation that plays an important role in promoting IFRS teaching and research, for example by providing academics access to eifrs for a small subscription and through high-quality research workshops in emerging economies.
5	Attendance/activities at academic conferences (research/education)	A, B, C, D and E	Board/staff time for preparation, travelling and attendance. Events of varying durations. <i>Academic organisations</i> AAA – 3-5 days EAA – 3-5 days IAAER – 3 x 2 days <i>Standard-setters/professional accounting bodies</i> AASB – 2-3 days ANC – 1 day	Provide information and/or training for academics through panel sessions and workshops. Conferences attract people from a number of countries so the audience is broad.  IASB members and staff can learn about available evidence and future projects.  Some benefits may not be directly observable.  eg encouraging academics to undertake

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			FASB – 3 days ICAEW – 1.5 days UK FRC – 2 days Travel and accommodation costs.	research relevant to standard setting.
6	Visiting academic fellow/placement of PhD (research/education)	A, B, C and E	Staff time to engage with fellow. Travel/accommodation expenses?	Reputation building for individual academic.  Demonstrates engagement of IFRS Foundation with academics, although benefits may not be directly observable. Indirect benefit – spread of knowledge of IFRS Foundation to other countries/places via the return of the academic.
7	Calls for academic literature reviews/research (research)	A, B and E	Funding costs (£4,000 for IFRS 13 PIR). Staff/Board time advising/reviewing.	Draws on knowledge and expertise beyond IFRS Foundation.  Accesses material from independent parties.
8	Creation of an academic advisory group (potential future activity) (research/education)	A, B, C, D and E	Similar resource as CMAC/GPF.	Access to academic knowledge and experiences. Gain independent input from another stakeholder group.  Indirect benefit – building relationships with academics. Demonstrating engagement with this stakeholder group.

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9	Framework-based teaching (education)	C	Significant time (100s of hours) allocation required to develop, review and update material. Material will require a substantial review in light of the new conceptual framework and it would be a shame to lose all the work done to date on this material.	Has been a flagship product that has been highly valued by a vocal group of academics. However significant doubt about the depth of penetration into the broader academic community.
10	Student visits (education)	C	We offer both 1 hour (free) and 3 hour (£1,500) sessions. The time commitment is effectively contact time plus 1 hour per session. The 3 hour sessions involve both board members and technical staff.	Limited to students that visit. Nevertheless, contributes significant amounts of goodwill and some reasonable financial return.
11	Teaching workshops	C	Workshop at IFRS Foundation involves multiple staff but recycles existing material so time limited to 1 or 2 days + some preparation. Materials can be reused when we travel internationally as an add on to conferences and other events.	Valued engagement. Though limited to those attending workshops this can account for many academics over a year. Also politically seen as a useful activity. May become more valuable as we look for ways to increase utilisation of staff time when we travel.
12	Membership of IFAC International Accounting Education Standards Board (education)	This is under review as part of a larger review of our engagement with IFAC	Effectively 2 weeks of Director of Education's time per year.	Hard to assess at the moment. May be politically important, little evidence of significant impact on tertiary education.

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13	Curated academic resources (education)	C	Significant hours would need to be invested. This could be recommended as a substitute for Framework Based Teaching Project. Would involve Education Initiative staff plus IT support.	Potential to have a broad impact on academics and other looking to utilise IFRS materials in their courses. It would use materials already being generated by the Board as part of other activities.
14	Education advisory group (education)	C	This could be wrapped into Academic Advisory Group as discussed above.	