



Project:	Post-Implementation Review IFRS Adoption	Meeting	AASB October 2015 (M148)
Topic:	Project Plan	Agenda Item:	19.2
Contact(s):	Eric Lee elee@asb.gov.au (03) 9617 7646	Project Priority:	High
		Decision-Making:	Medium
		Project Status:	Project Plan

Objective of this paper

- 1 The objective of this paper is to obtain Board decisions in relation to the project plan and timeline of the post-implementation review of the adoption of International Financial Reporting Standards (IFRS) in Australia.

Background

- 2 As agreed by the Board as part of the research work program, staff is conducting a post-implementation review of IFRS adoption.
- 3 The review aims to:
 - (a) explore the major costs and benefits of IFRS adoption to each main constituent group with a view to informing the AASB's process for adopting IFRS and potentially providing feedback to the IASB; and
 - (b) consider whether and, if so, the extent to which the *Process for Modifying IFRS for Not-for-profit Entities* might need to be changed.
- 4 While the review is not intended to identify any particular alternatives to IFRS, the outreach will be conducted in the context that any concerns about IFRS need to be considered in light of what the alternatives might be. Some of the outreach is expected to reveal areas in which previous Australian GAAP might help inform future directions on some topics; however given the length of time since IFRS has been in place, this is not expected to be a major focus. That is, the review is not a comparison between IFRS as the foundation for both for-profit and not-for-profit entity reporting and previous Australian GAAP because it is not feasible to know how the latter might have developed to address the challenges of the last decade. The review does not include a review of Tier 2 principles – there is a separate project underway to revise the basis for the Reduced Disclosure Regime (RDR).
- 5 It is expected that this project will generate a range of outputs as progress is made and that the work will culminate in a research report to the Board, the Financial Reporting Council (FRC) and the Minister.

- 6 The possible outcomes arising from this post-implementation review are:
- (a) No further action needed after issuing the research report;
 - (b) Follow-up research in specific areas identified from the findings; and/or
 - (c) Recommendations on how IFRS is used as the foundation for all of its standards for general purpose financial reports, including those of not-for-profit entities.

Outline of project plan and timetable

7 As various constituencies may have different perspectives, for example Tier 1 for-profit entities are essentially applying full IFRS, whereas Tier 1 not-for-profit entities and Tier 2 entities are applying IFRS amended in some way by the AASB, the outreach will be conducted in various ways. That will include consultation with individual constituents and focus group sessions for some major constituent groups.

8 The major steps and their estimated timing are set out in the following table.

	Project step	Estimated time	Research outputs*
1.	Literature review		
1.1	Research on the background and history of IFRS adoption in Australia. Conduct literature review which involves identifying and reviewing published and/or unpublished research articles on IFRS adoption in Australia. Work and collaborate with academics (identified through literature review or the Academic Advisory Panel recommendation).	September to November 2015	
1.2	Prepare a literature review.	December 2015 to January 2016	<i>No.1: Literature review</i>
1.3	Present the findings from the literature review to the Board.	Feb 2016	
2.	Review on for-profit-entities		
2.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on for-profit-entities and IFRS adoption research, to elaborate on their work and possible collaboration.	September to December 2015	
2.2	Conduct focus group discussions (probably) in Melbourne and Sydney. Participants to be preparers/directors, analysts, auditors and regulators.	January to March 2016	

	Project step	Estimated time	Research outputs*
2.3	Meeting individual constituents for further discussion and analysis.	January to March 2016	
2.4	Summarise findings and prepare a report.	March to May 2016	<i>No.2: Research paper</i>
2.5	Present findings to the Board.	June 2016	
3.	Review on not-for-profit entities (excluding public sector)		
3.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on not-for-profit entities and IFRS adoption research, to elaborate on their work and possible collaboration.	September to December 2015	
3.2	Conduct focus group discussions (probably) in Melbourne and Sydney. Participants to be accounting bodies, regulators, preparers and auditors.	January to March 2016	
3.3	Meeting individual constituents for further discussion and analysis.	January to March 2016	
3.4	Summarise findings and prepare a report.	March to May 2016	<i>No.3: Research paper</i>
3.5	Present findings to the Board.	June 2016	
4.	Review on public sector		
4.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on public sector and IFRS adoption, to elaborate on their work and possible collaboration.	September to December 2015	
4.2	Conduct focus group discussions in Canberra. Participants to be representative from Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC), Australian Council of Auditors-General (ACAG), Public Accounts Committees (including ACPA) and various government departments and agencies.	January to March 2016	
4.3	Meeting individual constituents for further discussion and analysis.	January to March 2016	

	Project step	Estimated time	Research outputs*
4.4	Summarise findings and prepare a report.	March to May 2016	<i>No.4: Research paper</i>
4.5	Present findings to the Board.	June 2016	
5.	Review on education sector		
5.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on education and IFRS adoption research, to elaborate on their work and possible collaboration. Conduct research either through questionnaire or interviews.	November to December 2015	
5.2	Summarise findings and prepare a report.	January to March 2016	<i>No.5: Research paper</i>
5.3	Present findings to the Board.	April 2016	
6.	Research report		
6.1	Prepare a final research report to summarize all findings.	June to August 2016	<i>No.6: Research report</i>

*See appendix Table 2 for details of each report.

Question to the Board Members

Does the Board agree with the proposed project plan and timeline?

APPENDIX
Table 1: Project Plan Chart

	Project Steps	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016
1.	Literature review												
1.1	Research on the background and history of IFRS adoption in Australia. Conduct literature review which involves identifying and reviewing published and/or unpublished research articles on IFRS adoption in Australia. Work and collaborate with academics (identified through literature review or the Academic Advisory Panel recommendation).												
1.2	Prepare a literature review.												
1.3	Present the findings from the literature review to the Board.												
2.	Review on for-profit-entities												
2.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on for-profit-entities and IFRS adoption research, to elaborate on their work and possible collaboration.												
2.2	Conduct focus group discussions (probably) in Melbourne and Sydney. Participants to be preparers/directors, analysts, auditors and regulators.												
2.3	Meeting individual constituents for further discussion and analysis.												
2.4	Summarise findings and prepare a report.												
2.5	Present the findings to the Board.												

	Project Steps	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016
3.	Review on not-for-profit entities (excluding public sector)												
3.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on not-for-profit entities and IFRS adoption research, to elaborate on their work and possible collaboration.												
3.2	Conduct focus group discussions (probably) in Melbourne and Sydney. Participants to be accounting bodies, regulators, preparers and auditors.												
3.3	Meeting individual constituents for further discussion and analysis.												
3.4	Summarise findings and prepare a report.												
3.5	Present the findings to the Board.												
4.	Review on public sector												
4.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on public sector and IFRS adoption, to elaborate on their work and possible collaboration.												
4.2	Conduct focus group discussions in Canberra. Participants to be representative from Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC), Australian Council of Auditors-General (ACAG), Public Accounts Committees (including ACPA) and various government departments and agencies.												

	Project Steps	Sep 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Feb 2016	Mar 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016
4.3	Meeting individual constituents for further discussion and analysis.												
4.4	Summarise findings and prepare a report.												
4.5	Present the findings to the Board.												
5.	Review on education sector												
5.1	Consult with academics (identified through literature review or the Academic Advisory Panel recommendation), who are the experts on education and IFRS adoption research, to elaborate on their work and possible collaboration. Conduct research either through questionnaire or interviews.												
5.2	Summarise findings and prepare a report.												
5.3	Present the findings to the Board.												
6.	Research report												
6.1	Prepare a final research report to summarize all findings.												

APPENDIX

Table 2: Details of Proposed Research Outputs

Research outputs
<p><i>No.1: Literature review – IFRS adoption in Australia.</i></p> <p>The literature review is intended to provide the background of IFRS adoption in Australia and an overview and highlights of the main findings from the academic literature. It would provide context for the review and identify productive lines of enquiry for the evaluation of the impact of the adoption of IFRS in Australia.</p>
<p><i>No.2: Research paper: costs and benefits of IFRS adoption to for-profit entities.</i></p> <p>This research aims to report views of costs and benefits of IFRS adoption to for-profit entities.</p>
<p><i>No.3: Research paper: costs and benefits of IFRS adoption to not-for-profit entities.</i></p> <p>This research aims to report views of costs and benefits of IFRS adoption to not-for-profit entities. It also considers whether and, if so, the extent to which the <i>Process for Modifying IFRS for Not-for-profit Entities</i> might need to be changed.</p>
<p><i>No.4: Research paper: costs and benefits of IFRS adoption to public sector entities.</i></p> <p>This research aims to report views of costs and benefits of IFRS adoption to public sector entities.</p>
<p><i>No.5: Research paper: Accounting Education and IFRS adoption.</i></p> <p>This research aims to report views on IFRS adoption and accounting education.</p>
<p><i>No.6: Research Report: IFRS Adoption in Australia</i></p> <p>This research report summarises the findings from the research projects.</p>