

Accounting Standards Board

Annual Plan

2016-2017

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About the AcSB

The [AcSB](#) is an independent body with the authority to establish accounting standards for use by all Canadian entities outside the public sector. Accounting standards specify how transactions and other events are to be communicated in financial statements.

Overview

In the AcSB 2016-2021 Strategic Plan, we concluded, and Canadians strongly agree, that the overall strategies adopted for the various categories of reporting entity are meeting stakeholder needs. We think we can do even better by not only listening to what our stakeholders say they need, but also anticipating changes in those needs resulting from developments in the financial reporting environment for each category of reporting entity in Canada's private sector. As a result, our strategic plan incorporates improvements to the way we implement our strategies.

The key elements considered for this annual plan are summarized in the chart below.

Long-term strategic goal – Retain separate strategies for each major category of reporting entity in Canada's private sector			
Sector	Strategy	Objectives	Page
Publicly accountable enterprises	Support the application in Canada of IFRSs (Part I of the Handbook)	<ul style="list-style-type: none"> • Leverage Canada's strong reputation in influencing future international standards. • Assist Canadians in applying new and existing International Financial Reporting Standards (IFRSs). • Work with others globally to encourage a common global adoption date for new standards. 	4
Private enterprises	Retain and improve the standards in Part II.	<ul style="list-style-type: none"> • Develop amendments to maintain and improve a high-quality set of standards that: <ul style="list-style-type: none"> ○ produces decision-useful information; ○ is complete; and ○ supports the exercise of professional judgment while providing sufficient guidance to result in consistent application. • Assist private enterprises applying new and existing standards. 	5

Long-term strategic goal – Retain separate strategies for each major category of reporting entity in Canada’s private sector			
Sector	Strategy	Objectives	Page
Not-for-profit organizations	Retain and improve the standards in Part III.	<ul style="list-style-type: none"> • Advance our initiative to improve the standards by considering stakeholder input to ensure changes meet the unique needs of the not-for-profit sector. • Assess changes to accounting standards for private enterprises and take appropriate steps to ensure those changes will meet needs of the not-for-profit sector. 	6
Pension plans	Retain the standards in Part IV.	<ul style="list-style-type: none"> • Monitor developments in this sector to determine when to start an improvements project and if new types of pension plans requiring standard-setting attention are appearing in the private sector. 	6

2016-2017 AcSB objectives and expected activities

Our objectives and expected activities, relative to the strategies set out in the AcSB 2016-2021 Strategic Plan, are set out below. Plans for each of the major categories of reporting entity in Canada’s private sector are set out under separate headings, followed by plans for our global contribution, communications, research and due process.

In carrying out the activities described, we will keep in mind the need to prioritize in order to apply our resources where they will be most effective in achieving objectives. It may not be possible to carry out some planned activities to the fullest extent that we would wish or to achieve all planned targets. In addition, we may need to reconsider some details of this plan during the year to respond to changing circumstances while continuing to work towards our key objectives.

Publicly accountable enterprises

Support the application in Canada of IFRSs

Objective 1: Leverage Canada's strong reputation in influencing future international standards.

- As a member of the International Accounting Standards Board's (IASB) Accounting Standards Advisory Forum, make significant contributions by providing advice and views on major technical issues relating to standard-setting activities and issues of concern in Canada.
- Provide ongoing support and input to the IASB to assist in finalizing the projects on:
 - insurance; and
 - conceptual framework.
- Generally respond to the IASB's invitations to comment, including documents expected on:
 - business combinations under common control;
 - disclosure initiative;
 - dynamic risk management; and
 - rate-regulated activities.
- Connect Canadians with the IASB on particular standard-setting projects when appropriate.

Objective 2: Assist Canadians in applying new and existing IFRSs.

- Encourage the early identification and resolution of IFRS implementation issues:
 - support our IFRS Discussion Group to identify implementation issues affecting Canadians — in particular, those relating to revenue and financial instruments;
 - revisit the mandate of the IFRS Discussion Group;
 - raise issues and participate in the IASB's process to ensure Canadian concerns are considered by the IASB;
 - encourage the IASB to support the application and interpretation of new IFRSs, such as through the use implementation groups; and
 - support Canadians appointed to implementation groups including revenue and impairment of financial instruments.
- Develop a process for incorporating into Part I of the CPA Canada Handbook – Accounting certain non-authoritative guidance issued by the IASB that Canadians consider necessary for the application of IFRSs:

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- Identify which IASB non-authoritative material should be translated first.
 - Begin to include IASB non-authoritative guidance in Part I.

Objective 3: Work with others globally to encourage a common global adoption date for new standards.

- Work with the IASB and other global standard setters to encourage a common global effective date for new and amended standards.
- Continue to remind the IASB of the efforts required to implement significant new or complex standards and encourage the IASB to set the effective dates accordingly.
- Consider further action in Canada if adopting a particular standard ahead of others would put our publicly accountable enterprises at a disadvantage.

Private enterprises

Retain and improve the standards in Part II

Objective 1: Develop amendments to maintain and improve a high-quality set of standards that produces decision-useful information, is complete, and supports the exercise of professional judgment while providing sufficient guidance to result in consistent application.

- Obtain recommendations from our Private Enterprise Advisory Committee on how to improve the standards.
- Advance our work on our current projects:
 - Decide next steps on the project on redeemable preferred shares.
 - Issue final amendments on subsidiaries and investments.
 - Consult on the project on agriculture and deliberate comments received.
 - Consult with stakeholders about our relative priorities for future Part II projects.
- Consider whether amendments to other accounting frameworks would significantly improve accounting standards for private enterprises and engage with other groups.

Objective 2: Assist private enterprises applying new and existing standards.

- Obtain recommendations from our Private Enterprise Advisory Committee on how to improve the standards.
- Issue an exposure draft on annual improvements.
- Consult with stakeholders to determine if and when to undertake post-implementation reviews for:
 - Section 1582, *Business Combinations*; and

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- Section 3462, *Employee Future Benefits*.

Not-for-profit organizations

Retain and improve the standards in Part III

Objective 1: Advance our initiative to improve the standards by considering stakeholder input to ensure changes meet the unique needs of the not-for-profit sector.

- Obtain recommendations from our newly established Not-for-Profit Advisory Committee on how to improve the standards.
- Advance our work on our current projects:
 - Issue an exposure draft on the short-term project to improve accounting standards for not-for-profit organizations (NFPOs).
 - Identify topics and decide on the relative priority of projects including the project on contributions – revenue recognition and related matters.
 - Begin research and decide on next steps on prioritized projects.
- Assess the need to undertake post-implementation reviews of existing standards.
- Consider whether amendments to other accounting frameworks would significantly improve accounting standards for NFPOs.

Objective 2: Assess changes to accounting standards for private enterprises and take appropriate steps to ensure those changes will meet needs of the not-for-profit sector.

- Monitor the projects to revise accounting standards for private enterprises and consider whether those changes affect NFPOs.
- Obtain recommendations from our Not-for-Profit Advisory Committee.
- Develop any necessary changes to deal with the specific circumstances of the not-for-profit sector.

Pension plans

Retain the standards in Part IV

Objective: Monitor developments in this sector to determine when to start an improvements project and if new types of pension plans requiring standard-setting attention are appearing in the private sector.

- Monitor developments by considering:
 - implementation challenges faced by this sector, including the evolution of new types of plans;

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- changes to corresponding standards for other sectors; and
 - developments in reporting by pension plans at the IASB or in other jurisdictions.

Global contributions

Contribute to global standard setting

Objective: Act as thought leaders and contribute to global best practices for all major categories of reporting entities in Canada's private sector.

- Make significant contributions as a member of the IASB's Accounting Standards Advisory Forum by providing advice and views on major technical issues relating to standard-setting activities and issues of concern in Canada.
- Maintain enhanced strategic collaboration with the IASB and global standard setters by contributing to international meetings including:
 - World Standard Setters; and
 - International Forum of Accounting Standard Setters.
- Maintain enhanced strategic collaboration with the FASB by participating in semi-annual meetings.
- Nominate Canadians for international standard-setting roles.
 - Support Canadians appointed to committees.
- Contribute to the work of others (for example, responding to requests for comment, answering surveys and providing data on Canadian transactions/environment).
- Provide input to the IFRS Foundation Monitoring Board and IFRS Foundation Trustees when requested.

Communications

Increase stakeholder awareness and engagement in our processes and activities

Objective: Find new opportunities and methods to communicate with Canadians including building on new and existing relationships, and ensuring we are accessible to all stakeholders.

- Enhance the our communications plan to better identify:
 - what key themes need to be communicated;
 - what vehicles to use;
 - who to liaise with; and
 - who to build relationships with.

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- Improve style of communications to be in plain language to appeal to a broader range of stakeholders.
 - Develop and initiate a plan to improve our website.
 - Consult with our committees including the Academic and User Advisory Councils.

Research

Conduct research to support evidence-based decision making

Objective 1: Initiate a formal research program pertaining to all major categories of reporting entities in Canada's private sector that focuses on topics of importance to Canadians and contributes to evidence-based global best practices.

- Develop a plan to conduct research including determining:
 - the objectives of the research program;
 - the criteria to select topics; and
 - a preliminary research agenda.
- Identify opportunities to conduct research such as:
 - assessing user needs and the financial reporting environment for private enterprises;
 - compiling statistics about publicly accountable enterprises, private enterprises and not-for-profit organizations;
 - gathering data through mechanisms such as surveys and database research; and
 - contributing to global thought leadership research projects (for example, the IASB, other national standard setters, and academia).
- Assess the effect of removing the pre-changeover standards in Part V of the Handbook.

Objective 2: Consider how stakeholders can assist in the research initiative.

- Identify how to involve stakeholders in research activities to leverage their knowledge and experience.
- Develop skills in conducting surveys by obtaining technical support from experts.
- Promote results of completed research.

Due process

Follow due process that is based on the key principles of transparency, consultation and accountability

Objective 1: Conduct the standard-setting process in an open and transparent manner by being clear about how we make our decisions and telling stakeholders about standard-setting developments.

- Apply due process and report on compliance to the Accounting Standards Oversight Council.
- Look for ways to improve the transparency of our processes and activities, including being more accessible to all Canadians.
 - Expand communications about the role of our committees and the standard-setting process.
- Review and update:
 - Due Process Handbook; and
 - Terms of Reference and Operating Procedures.

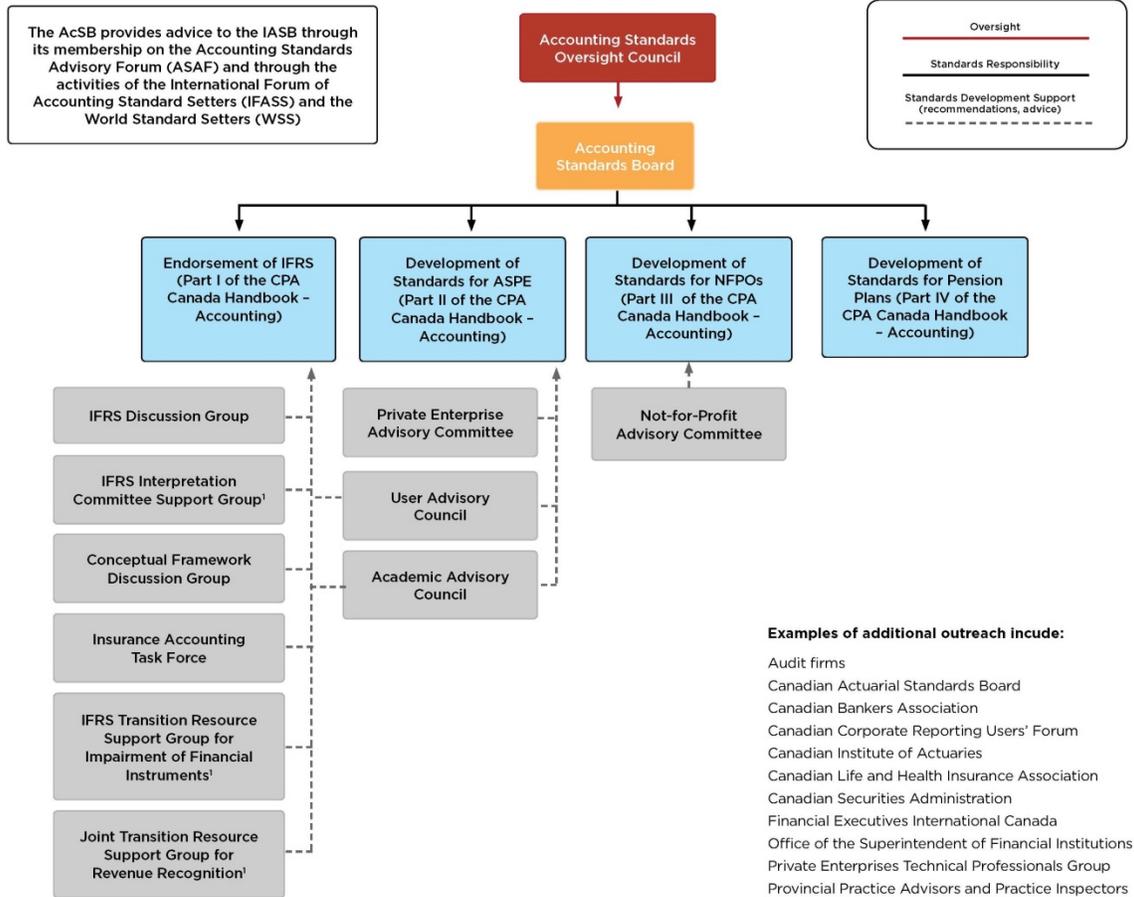
Objective 2: Consult with those affected by Canadian financial reporting standards to understand different perspectives.

- Improve accessibility by reaching stakeholders in different cities (both in person and virtually).
- Maintain balanced memberships for our committees across several different dimensions (personal background, geographic location, language, gender, etc.).

Objective 3: Be accountable to stakeholders by explaining the rationale for the decisions we have made.

- Assess the content of our decision summaries and committee meeting reports to better explain decisions and rationale.
- Consider style of communications to find ways to reach more stakeholders.
- Publish a basis for conclusions at the same time as a final standard in Parts II to IV of the Handbook.

Appendix – Organization chart



¹These Groups support Canadian member(s) appointed to International Committees

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