



Annual Plan

April 1, 2022 - March 31, 2023

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The Accounting Standards Board (AcSB) is an independent body with the authority to establish accounting standards for use by all Canadian entities outside the public sector.

For further details on the AcSB, please visit our [website](#).



The Accounting Standards Oversight Council (AcSOC) oversees the AcSB's activities, assesses and reports on our performance to the public, and ensures due process is followed.

AcSOC also appoints our members and provides input on our strategies and priorities.

For further details on AcSOC, please visit its [website](#).

Vision

To be a global leader in enhancing the relevance of financial information and supporting the improvement of non-financial information reported to stakeholders.

Mission

Our mission is to serve the public interest by developing accounting standards and other related reporting guidance that support informed economic decision making.



How we serve the public interest

- We establish high-quality accounting standards that promote stakeholder confidence in the information reported by Canadian private sector entities. These robust standards consider changes in the economy, as well as the costs and benefits to both preparers and users of financial statements. We are accountable to stakeholders by responding to their needs in a timely manner and facilitating their participation and input into the development of the standards that affect them.
- We contribute to global best practices in accounting standard setting for every major reporting entity category in Canada’s private sector: publicly accountable enterprises, private enterprises, not-for-profit organizations (NFPOs), and pension plans.
- We follow a due process based on three principles: transparency, consultation, and accountability. This means we are:
 - transparent in our communications to explain the range of alternatives considered and why we make certain decisions;
 - consulting with a broad range of stakeholders to incorporate diverse views into our work; and
 - accountable to a prudent use of our resources, and in how we value our stakeholders’ time.

Domestic Standards Due Process



IFRS Standards Due Process



Overview

Our strategy

Our 2022-2027 Strategic Plan officially takes effect on April 1, 2022. In our new five-year Strategic Plan, we have elevated our focus on enhancing the relevance of financial and non-financial information reported to meet the evolving information needs of Canadian stakeholders. Our core strategies are tailored to best support achieving this mandate.

At the time of writing this Annual Plan, the COVID-19 pandemic is ongoing. It will continue to be part of our lives at the date this Annual Plan becomes effective. We will continually assess our key priorities in this fluid working environment while listening closely to stakeholders to anticipate and address their needs and stay attuned to the Canadian financial reporting environment.

We are planning to operate under a hybrid working model in the 2022-2023 year. We have learned that conducting the business of standard-setting under a virtual format is still highly effective. As a result, we will continue to improve upon what's worked best for our stakeholders during this time and resume an element of in-person activity when it is considered safe and effective to do so.

How we will achieve the strategy

This Annual Plan is based on the vision, mission, and strategic objectives set out in our 2022-2027 Strategic Plan. It outlines the activities we plan to accomplish in the first year of our five-year Strategic Plan to achieve our major goals.

Our 2022-2023 Annual Plan includes undertaking and progressing important projects. As we carry out the activities described within this Annual Plan, we will keep in mind the need to reprioritize to effectively use resources and achieve objectives. This includes remaining responsive to the reporting needs and developments related to emerging areas such as crypto-assets, climate-related risks, and other financial reporting matters. In addition, given the interconnectedness of financial reporting with non-financial reporting, we will continue to focus on enhancing the relevance of financial and non-financial information to meet the evolving information needs of financial statement users.

We also recognize that the environment in which we operate is evolving rapidly. Environmental, Social and Governance (ESG) reporting is at an important juncture in Canada and around the world. Additionally, the Independent Review Committee on Standard Setting (IRCSS) in Canada is continuing its review of the governance and structure for establishing Canadian accounting, auditing, and assurance standards, as well as what might be needed for the future. This includes considering the need for a separate Canadian Sustainability Standards Board. We will keep a close eye on the IRCSS' final recommendations and pivot to emerging priorities to maintain our collaborative approach to standard setting in the public interest.

Strategies for Each Part of the Handbook

Part I: Support the application of IFRS in Canada

Our objectives

We believe that supporting implementation starts at the beginning of a standard's development. As a result, we will continue working to influence the International Accounting Standards Board (IASB) throughout its standard-setting process, leveraging our reputation to make advancements. We will also work to provide a direct line of contact to the IASB for our stakeholders whenever possible.

We support our stakeholders with implementation through targeted activities:

- **Influence:** We will perform the appropriate degree and type of consultation on documents for comment issued by the IASB to the extent they are relevant to our Canadian stakeholders.
- **Monitor:** We will closely monitor for application issues related to emerging issues and newly issued amendments. Our IFRS® Discussion Group is a part of all these activities. We will work with this Group to identify implementation issues affecting Canadians through open communication and robust agendas. We are also continuing to monitor the implementation of the new insurance contracts standard. This includes continuing our dialogue with industry stakeholders to support them with implementation matters.
- **Committee support:** We will maintain an open dialogue with our advisory committees as needed, including the Academic Advisory Committee and User Advisory Committee to ensure Canadian-specific issues are considered.

Similar financial reporting outcomes under IFRS Standards and U.S. GAAP are highly important for our stakeholders. We will continue to work toward narrowing new, unnecessary differences in financial reporting outcomes under IFRS Standards and U.S. GAAP by regularly engaging with the IASB and U.S. Financial Accounting Standards Board. We will also leverage our relationships with other national standard setters.

Part II: Continue to establish appropriate accounting standards for private enterprises

Our objectives

Our priorities for 2022-2023 focus on supporting private enterprises in the areas that are causing them difficulties when reporting financial reporting outcomes. These priorities remain directly linked to enhancing the relevance of the standards applied by private enterprises. We are continually listening to our stakeholders to ensure we are aware of new and emerging issues facing Canadian private enterprises. This includes listening to our stakeholders and using that information to align our priorities with their evolving reporting and information needs.

We will advance our planned activities on priority projects, such as cloud computing arrangements. This includes analyzing and discussing all comment letter feedback we receive on the Accounting Guideline and making changes if necessary. Additionally, we will advance our understanding on topics such as the accounting for insurance contracts with cash surrender value if staff capacity is available.

We recognize that in today's continually evolving environment, we need to use various tools to respond to stakeholders' needs in a timely manner and to support the consistent application of ASPE. For example, we will continue to provide stakeholders with implementation guidance for new and amended standards in a timely manner, sharing it through tools such as webinars and In Briefs. We will also continue to assess changes in our environment and re-evaluate our priorities as needed to respond to stakeholders' needs. This includes closely monitoring international discussions on topics that may be relevant from a domestic perspective (for example, the accounting for intangible assets and the amortization of goodwill).

Our [Private Enterprise Advisory Committee](#) will also continue to support high-quality and timely implementation and solutions by identifying and assessing application issues and providing recommendations to address them.

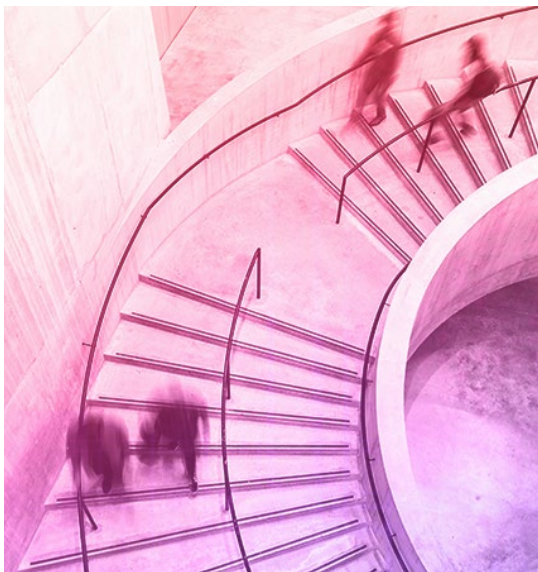


Part III: Continue to establish appropriate accounting standards for NFPOs

Our objectives

We are dedicated to ensuring NFPO standards reflect the current environment and support the improved application of standards. This means not only continuing to provide high-quality standards to stakeholders, but also ensuring that important areas such as Contributions are advanced in a timeframe that is useful for our Part III stakeholders.

As a result, we will continue to progress work on topics of importance to NFPOs. We will finalize the drafting of proposals for the Contributions project with the goal of issuing an exposure draft for stakeholder feedback by the end of the 2022-2023 year. We will also continue the work on accounting for cloud



computing arrangements. Furthermore, we will advance our understanding on the reporting controlled and related entities if staff capacity permits. Where appropriate, we will align work on Part II projects, such as cloud computing arrangements, with Part III.

We will provide stakeholders with implementation guidance for new standards coming into effect, sharing it through tools such as webinars.

We will also look to our [Not-for-Profit Advisory Committee](#) for key support, such as when we are developing and drafting the proposals for the exposure draft on Contributions. The Committee will continue to support high-quality and timely implementation and application solutions by identifying and assessing application issues and providing recommendations to address them.

Part IV: Enhance the relevance of accounting by pension plans to meet stakeholder needs

Our objectives

We will continue to ensure that Part IV standards meet the needs of this sector.

To do this, we will continue to utilize our [Pension Plan Working Group](#) to discuss feedback we receive on the proposed narrow scope amendments issued in March 2022. Through these discussions with our expert Group, we will deliberate any feedback received and plan to issue the narrow scope amendments relating to Section 4600 into Part IV of the Handbook this fiscal year. We will also advance our understanding on other issues in Section 4600, such as the presentation and disclosure of investments, if staff capacity permits.

Preface of the Handbook and Scaling the Standards

Our objectives

We will continue to establish high-quality accounting standards that promote stakeholder confidence in the information reported by Canadian publicly accountable enterprises, private enterprises, NFPOs, and pension plans. Due to the diverse landscape of reporting entities in Canada, and in line with our 2022-2027 Strategic Plan, we will focus on enhancing the relevance of the accounting standards for each category of reporting entity to ensure the information needs of financial statement users are met.

As part of our 2022-2023 Annual Plan, we will complete initial research and stakeholder consultation on the current Preface to the Handbook to ensure it remains fit-for-purpose for reporting entities and the users of their financial statements. We will also complete initial research that explores scaling existing accounting frameworks to ensure the standards being applied by non-listed Canadian reporting entities are relevant to their financial statement users and best meet the range of needs of Canadian reporting entities.

Support Improving the Quality of Reporting Beyond the Traditional Financial Statements

Our objectives

We continue to see a rapid amount of change in the reporting needs of Canadian entities. Additionally, capital providers, investors, and stakeholders are demanding more transparency and decision-useful information, beyond what is currently available in the traditional financial statements. In line with our vision, we are focused on identifying how best to support Canadian stakeholders' needs – inside and outside the traditional financial statements.

We recently updated our published Framework for Reporting Performance Measures (the “Framework”) in response to the Canadian Securities Administrators recently published National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*. The Framework continues to assist entities in improving the quality of financial and non-financial performance measures they choose to report outside of the traditional financial statements. We will continually monitor the regulatory environment for any further updates required and will undertake communications activities in conjunction with the publication of the revised Framework.

Our 2022-2027 Strategic Plan identifies strategies to do just that across all stakeholder groups – helping financial statement users make well-informed, economic decisions and allowing financial statement preparers to explain their results in a cost-effective way. This includes continuing with our core mandate of serving the public interest through the development of accounting standards and other related reporting guidance.

We will participate in the global dialogue around ESG-related matters, when appropriate. We will also actively monitor International Sustainability Standards Board (ISSB) activities toward the development of

a global set of sustainability standards that result in decision-useful sustainability information that is comparable across industries and jurisdictions. This includes familiarizing ourselves with the preparatory work already completed by the Technical Readiness Working Group for the ISSB. Their work is focused on prototype climate and general disclosure requirements and will provide the foundation on which the ISSB can base its first exposure draft of the proposed standards. We plan to respond to financial impacts within the exposure drafts as part of our 2022-2023 key activities, to the extent the exposure drafts will impact our stakeholders. As standard setters, we recognize the importance of these developments and the interconnection between financial and sustainability reporting.

We will also identify opportunities and support the bringing together of financial and non-financial information relied on by financial statement users. Doing so will provide added insight to Canadian stakeholders with respect to a reporting entity's financial performance.



Grow the AcSB's International Influence

Our objectives



One of our proudest achievements is the strong international reputation we have cultivated for Canadian standard setting. This could not have been achieved without our stakeholders' support.

We will continue to advance our effort in 2022-2023 and remain firmly seated at the international table when issues important to Canadians are discussed to ensure that the Canadian perspective is heard and considered.

We also plan to use the traction we have gained to grow our international influence for private enterprises, NFPOs, and pension plans. We will work to advance global standard setting by providing thought leadership and global best practices for all major reporting entity categories in Canada's private sector.

To do this, we will continue to:

- maintain and grow strong strategic collaborations with standard setters across the world, and discuss issues faced by private enterprises, NFPOs, and pension plans in Canada;
- significantly contribute at international meetings, such as the Accounting Standards Advisory Forum¹, World Standard Setters, and International Forum of Accounting Standard Setters, by sharing Canadian perspectives and practices on relevant issues; and
- support any Canadian(s) appointed to the IASB and other Canadians appointed to international committees, as well as recommend Canadians for appointments when opportunities arise.

¹ The AcSB was reappointed as a member of the Accounting Standards Advisory Forum for a fourth term.

Monitor for Success

Due Process

Our objectives

Our due process is based on three principles: transparency, consultation, and accountability. We are committed to following our due process in each decision we make and will consider other factors when applying due process to address extenuating circumstances, such as the current global pandemic. We will continue to look for ways to improve the transparency of what we do, including being even more accessible to our stakeholders and expanding our stakeholder reach. This is essential to our consultation activities.

We will also maintain other ways for stakeholders to get in touch with us, including growing our use of virtual channels, such as social media and online meetings.

Our overarching goals for governance also mean ensuring our stakeholders can hold us accountable and understand the decisions we make. To support this, we will be clear, timely, and concise when sharing information.



Continuously improve our communications

The quality of everything we do is directly related to ensuring the lines of communication are open to our stakeholders.

Along with the issuance of our new Strategic Plan for fiscal years 2022-2027, our communications strategy will align with these new strategies and our stakeholders' needs. The focus will be to make it easier for effective two-way communication with stakeholders, while consistently leveraging new tools and technologies.

We will continue to look for ways to use technology to increase our accessibility, enhance communication, and seek input from stakeholders.

Manage our risks

To make sure we achieve goals set in our Annual and Strategic plans, we monitor our progress, and identify and manage risks effectively. This risk management process includes identifying mitigating controls and monitoring developments in the business environment. This helps ensure we know when to change our standard-setting approach.

Many of the key risks that we manage are operational in nature. For example, capacity constraints faced by the Board in the current work environment present unique challenges to the way we operate. The Board faces capacity constraints in terms of its available meeting time and the staffing available to carry out the activities in its Annual Plan. Additionally, remaining relevant to our stakeholders is a key priority when managing our strategic and reputational risks. As such, we are committed to staying nimble and re-evaluating priorities based on stakeholder needs. This includes trying new and innovative ways to progress projects given our capacity constraints.



Deliverables and timelines

Our project plan is based on best estimates of current staffing levels, Board-approved projects for standards for private enterprises and NFPOs, and the latest information on the IASB's work plan. We are ready to change our plans to ensure our stakeholders are well served. We will communicate any changes and the reasons for them in a clear and timely manner.

Stay up to date on our current projects and activities:

- [IFRS Standards](#)
- [Accounting for private enterprises](#)
- [Accounting for NFPOs](#)
- [Pension Plans](#)

Also see [the IASB's work plan](#) for additional information on IFRS Standards projects and the AcSB's [decision summaries](#) which follow every meeting, outlining the work we do on domestic standards and IFRS Standards.

For an overview of our past achievements, read our [Annual Report](#).





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