



Perception Audit of EFRAG

A **FleishmanHillard** Report

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DISCLAIMER

EFRAG commissioned a stakeholder perception audit from FleishmanHillard. The report was done by FleishmanHillard as an independent report and has not been approved by the EFRAG Board and does not represent the official views of EFRAG. FleishmanHillard cooperated with ComRes, an independent market research agency in designing the survey. ComRes executed the survey. The analysis of the results was conducted by FleishmanHillard. The recommendations put forward in this report are based on the results and analysis of this survey.

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Foreword from the EFRAG Board President

After a year and a half as President of the EFRAG Board, I believe that EFRAG delivers on its mission to serve the European public interest by developing and promoting European views in the field of financial reporting. At the end of the first three-year term of the EFRAG Board following the implementation of the Maystadt recommendations, we have made significant progress in our three core activities of producing high quality research, influencing the development of IFRS Standards and providing endorsement advice to the European Commission.

As a public interest organisation whose legitimacy is built on transparency, due process and public accountability, it is essential to gauge the awareness of our work among our stakeholders throughout the financial reporting community. Moreover, while it is clear to me that EFRAG is operating well, we must strive for continuous improvement. To do so we need input from our stakeholders. These goals led us to commission a stakeholder perception audit from FleishmanHillard.



The perception audit was carried out during the second half of 2017 and was based on an electronic survey addressing some 130 stakeholders of which 64 responded. By surveying our stakeholders in this way we want to gain some valuable insights into how our role and activity is understood.

The stakeholders surveyed did not include the European Commission and European Parliament given the direct dialogue and institutional accountability EFRAG has with and towards them. European Supervisory Authorities and the ECB, which are official observers on the EFRAG Board, EFRAG TEG and its supporting working groups, have also not been asked to participate in the survey since they are part of EFRAG's internal performance reviews.

I appreciate that so many stakeholders have responded to the survey and would like to thank them all for their contribution. The feedback received is very helpful and important to us. We are glad to share the results with all that have an interest in EFRAG.

I am pleased to see that the quality of our work is highly valued and that our close stakeholders express overwhelmingly positive views. Our stakeholders also appreciate the fulfilment of our extended mandate since the Maystadt reform.

The perception audit provides valuable input for EFRAG on the external perception of our work and will aid us in defining the right direction for the future. In 2017 we began to enhance our communication activities and we will continue to do so as visibility clearly stands out as an area in which we could do better.

We will continue our efforts to reach out to as many stakeholders as possible – covering the full range of interests in financial reporting – during our consultation processes. This is essential in order to present a truly European view. EFRAG will soon launch a consultation on its future research projects and we hope that many stakeholders will provide their input and indicate the issues that they consider to be priorities for Europe.

Personally I am delighted to see that some stakeholders expressed an appetite for EFRAG to increase the scope of its work. Financial reporting should not be seen in isolation. In our impact analysis work we already consider the broader impacts of financial reporting as part of the European public good assessment. I strongly believe EFRAG, together with our stakeholders, can contribute significantly to the wider reporting debate from a European perspective.

Jean-Paul Gauzès
EFRAG Board President

Executive Summary

This report examines how EFRAG and its work are perceived among key stakeholders in the area of financial reporting. On the basis of a survey carried out in the autumn of 2017, this report discusses the results against the broader backdrop of EFRAG's mission and mandate. On that basis, it presents a number of recommendations for EFRAG to consider where strengths and areas for improvement have been identified.

Findings are based on a survey of 64 respondents from different parts of the stakeholder community in financial reporting. Specifically, the survey was addressed to and received responses from:

- National (EU and non-EU) financial reporting standard-setters
- Private sector accountancy firms and associations
- Users of financial reporting standards (including professional organisations in banking, asset management, credit rating agencies, associations of corporates, and others).
- Think-tanks, NGOs, and international organisations.

Findings are structured around seven key areas of investigation addressing visibility of EFRAG; inclusiveness, transparency and accountability; influence and endorsement; quality of work; EFRAG serving the European public interest and priorities looking forward. **Overall, stakeholders present very positive views of EFRAG's work and governance, seeing a clear improvement over the past five years.**

With regard to **visibility**, results show a great deal of familiarity with EFRAG, however there is some asymmetry between those stakeholders who are familiar with EFRAG's work by virtue of being involved in it on the one hand, and those who are not directly involved and as a consequence are less able to pinpoint how EFRAG's work contributes to its objectives.

EFRAG's efforts to engage with stakeholders in an inclusive, transparent and accountable manner is also rated positively by stakeholders, with a continued demand for EFRAG to continue proactively reaching out to ensure EFRAG's work is understood by those affected by it.

The **ability to influence IFRS Standards prior to their publication** is generally granted a high priority by stakeholders, who on the whole see EFRAG as successfully fulfilling its mandate to carry European views to the International Accounting Standards Board (IASB). Similarly, stakeholders view EFRAG's **endorsement advice** on IFRS Standards delivered to the European Commission to be on the whole technically sound and effective. An area for improvement with regard to both influence and endorsement work could be to ensure stakeholders not directly involved in EFRAG's work in these areas are aware of EFRAG's achievements and how its work contributes to EFRAG's overarching mission to improve financial reporting standards in the European public interest.

Stakeholders generally rate EFRAG's **research work** to be of very high quality, though a number of stakeholders express a wish for EFRAG to broaden the areas of its research to emerging issues beyond the narrow scope of financial reporting standards, including for example the impact of technological change and sustainable finance on reporting.

Looking to the future, stakeholders very clearly advocate for EFRAG to continue on the path set out as part of the Maystadt reforms – meaning stakeholders' priorities broadly align with those already set by EFRAG. In addition, there is some appetite from stakeholders for EFRAG to engage more in areas and debates such as wider corporate reporting, sustainable finance, the impact of technology, and so forth.

The results of the perception audit strongly indicate that EFRAG should continue to focus on maintaining the high quality of its technical work, whilst enhancing its commitment to inclusive, transparent, and accountable governance.

Introduction

This perception audit aims to elucidate how different stakeholders involved in or affected by EFRAG's work perceive EFRAG, its governance, and work. By investigating perceptions across a wide range of different stakeholders both at present, as well as over time, this report provides a comprehensive view on current strengths and areas for improvement in seven core areas:

- EFRAG's visibility
- Inclusiveness and transparency of EFRAG's work
- Quality of EFRAG's research work
- EFRAG's perceived influence on financial reporting standards
- EFRAG's endorsement work
- Serving the European public interest
- Future areas of EFRAG focus

Against the backdrop of the upcoming 5-year anniversary of the Maystadt report and a significant set of reforms to EFRAG's governance and ways of working, this report sheds some light onto the perceived relative success of these changes.

Finally, this report also presents a number of forward-looking recommendations for EFRAG's consideration that have been identified as part of the survey.

Methodology

This report draws its conclusions from the results of a survey conducted among 128 stakeholders¹ between 13 October and 13 November 2017. The survey was designed by FleishmanHillard and ComRes, an independent market research agency, in collaboration with EFRAG. The data gathering and data aggregation was done by ComRes. The analysis of the results was conducted by FleishmanHillard.

In this section, we outline our approach to selecting stakeholders for surveying, designing the survey, and discuss a few general limitations of the methodology.

Stakeholder selection

In cooperation with EFRAG's senior leadership team, the different groups of stakeholders were identified, reflecting a broad range of stakeholders representing different sectors affected by financial reporting rules, as well as of varying levels of expertise².

Within each institution, the survey was sent to the person most involved in the financial reporting standard-setting debate or to the leadership of the organisation, so as to ensure that the survey reached either those with the highest level of expertise or the highest level of decision-making power. This ensured that the survey respondents' answers are of high quality, provide educated and valuable feedback on EFRAG, as well as critical insights as to how EFRAG's work and operations are perceived³.

¹ European umbrella associations were given the option to distribute the questionnaire to their members of which 6 responded resulting in an overall number of 134 being surveyed

² Results showed that a great majority of respondents had high levels of expertise and were aware of the work that EFRAG was doing.

³ To note is that some stakeholders responded individually, while others may have responded as an 'institution' thus receiving feedback from more than one employee of that stakeholder organisation.

Stakeholders were grouped into four different overarching categories including users and preparers, standard setters, accounting private sector actors and think tanks, NGOs and international organisations (IOs). Each consisted of two or more subcategories, which are further clarified below.

STAKEHOLDER GROUP	STAKEHOLDER
FINANCIAL REPORTING STANDARD SETTERS	<ul style="list-style-type: none"> – National financial reporting standard setters based in the EU – National financial reporting standard setters based outside of the EU – Global financial reporting standard setters
PRIVATE SECTOR ACCOUNTING	<ul style="list-style-type: none"> – Private sector accountancy firms (incl. Big Four) – International and European accountancy associations – National accountancy associations
USERS	<ul style="list-style-type: none"> – EU and national trade associations from the banking, asset management, pension, and insurance sectors⁴ – Other financial actors including stock exchanges associations, credit rating agencies, and financial analysts – European and national associations of corporates
THINK TANKS, NGOS AND INTERNATIONAL ORGANISATIONS	<ul style="list-style-type: none"> – Brussels-based economic and financial think tanks – Brussels-based Non-Governmental Organisations specialised in financial services – International securities markets and banking standard setters

Table 1: Breakdown of all stakeholders targeted

European umbrella associations further received the option to forward the survey to their respective member associations so as to increase the number of respondents relevant to the perception audit.

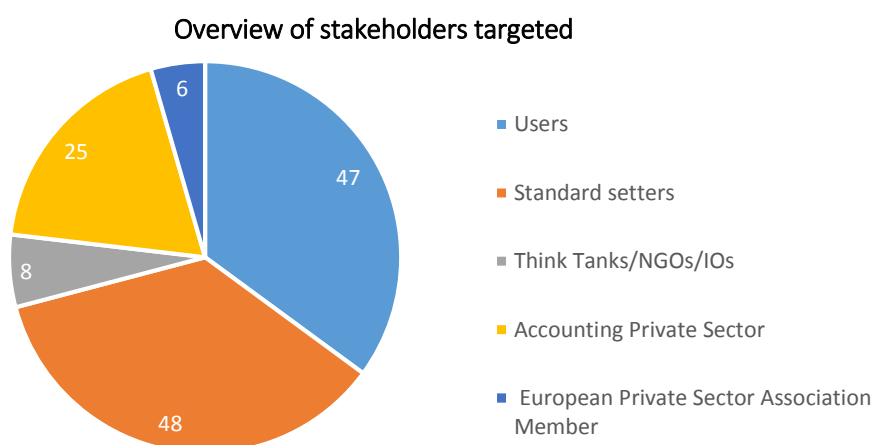


Figure 1: Makeup of stakeholders targeted

These different groups of stakeholders were further classified into categories such as (non-) EFRAG member organisations, (non-) experts, users, as well as third parties impacting the debate around

⁴ European private sector stakeholders surveyed included organisations in the larger EU Member States including Germany, France, the UK, Italy, Spain, and the Netherlands.

financial reporting standards. A distinction between experts and non-experts was made based on EFRAG's view on the degree of regular exposure to the debate on setting financial reporting standards and whether or not the stakeholder is actively contributing to the debate on financial reporting such as EFRAG members, for example.

While expert and member responses were not differently weighted in the evaluation, the additional distinction permits a slicing of the data into different subcategories thereby improving the assessment to provide more concrete and applicable recommendations.

Survey design

The survey was conducted online between 13 October and 13 November 2017. The online survey was conceived as a fairly simple tool to examine stakeholder views on a number of issues – whilst covering sufficient ground to allow for deductions on where perceived main strengths and weaknesses lie.

Having worked with EFRAG to determine the specific issues/aspects of most relevance, the survey questions were designed to ensure conclusions can be drawn with maximum precision.

The survey was consciously kept to a length of 14 questions so as to seek a high response rate and motivate stakeholders to provide additional feedback where relevant. To this end, the survey used multiple-choice, ranking, and open-ended question formats as suited to interrogate underlying issues and possible trends. A full copy of the survey is attached in the annex to this report.

The survey was structured into four main sections:

- I. Overall awareness and visibility of EFRAG
- II. EFRAG's activities, specifically as regards:
 - a. Influencing the IASB
 - b. Advising the European Commission on endorsing IFRS Standards in the EU
 - c. EFRAG's research work
- III. EFRAG's mission to serve the EU public interest
- IV. Future priorities

Limitations

The findings of this report provide insights into stakeholder perceptions in various areas relating to EFRAG's work and mission. Nonetheless, it is important to bear a number of limitations in mind when drawing broader conclusions or recommendations from the findings of the survey. Two principal general limitations are important to note upfront.

First, the vast majority of stakeholders surveyed were fairly, or in many cases very, familiar with EFRAG and its work – by virtue of being members or as a result of frequent engagement with EFRAG and its team in Brussels. While in itself not a limitation, it is important to bear in mind when extrapolating findings of the survey to broader conclusions regarding EFRAG's perception, given that only a portion of those identified as relevant to EFRAG's role gave their views.

A second consideration of relevance is that the survey did not include European or national policy-makers and regulators.

Therefore, it is important to note that these responses do not allow for conclusions to be drawn on the broader perception of EFRAG not only by stakeholders not familiar with EFRAG and its work, but also by those charged with determining EFRAG's mandate and constitution, such as European policy-makers.

Respondent profiles

The survey received 64 responses constituting a response rate of 45% of the around 130 targeted stakeholders.

Of these, 17 private sector actors (users of financial reporting rules) from varying industry backgrounds responded to the survey.

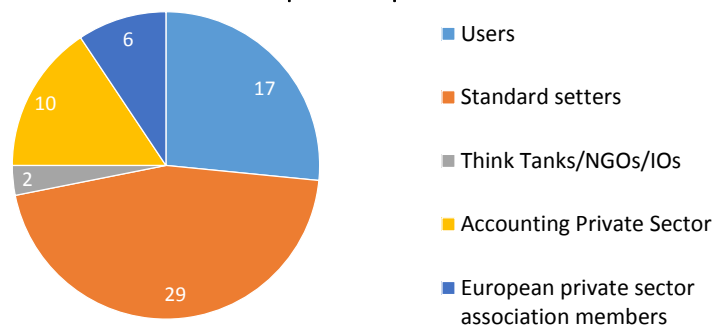
A relatively large portion is made up of 29 international and EU financial reporting standard setters and 10 private sector financial reporting experts.

The exact makeup of respondents is illustrated in the pie chart below (Figure 2). Important to note is that there were 6 responses from members of national member associations of EFRAG members that received the survey from their umbrella organisations.

The largest number of respondents comes from Belgium (12) and the UK (7) given the concentration of EFRAG’s members in these two constituencies. Brussels also hosts most of the headquarters of the majority of EU-based industry associations, in particular from the users’ category. The large number of respondents from Belgium can be broken down into 9 European private sector associations (users, accounting) and 3 European private sector association members. At the same time the UK is home to the identified private sector accountancy companies of which 4 responded from the UK. Moreover, there is a broadly equal spread across the EU with national standard setters from Germany, Denmark, the Netherlands, Luxembourg, France, Sweden, Lithuania, Slovenia, Poland, Italy, Romania, Austria, the Czech Republic, Cyprus, Malta, Portugal, Slovakia and Bulgaria also responding. Non-EU standard setters were also represented with 8 of 16 reached out responding to the survey. Non-EU standard setters included individual non-EU standard setters such as for example from Japan, Korea or Canada as well as international standard setting bodies such as the International Accounting Standards Board (IASB).

Of the 64 respondents, 43 have been identified as experts (see Figure 4) and more than 80% of respondents identified that they are very familiar with EFRAG and its work (see Figure 7). This also includes 14 of the 17 identified EFRAG members that responded to the survey (see Figure 3).

General overview of respondent profiles



Breakdown of users

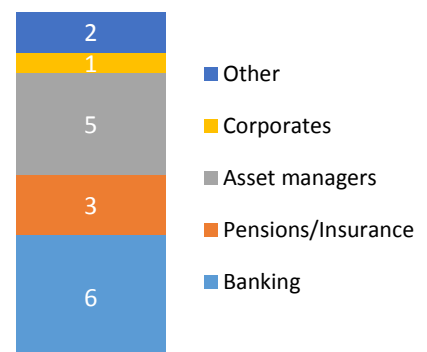


Figure 2: Survey respondent profiles

This shows overall high levels of expertise and familiarity with EFRAG and its work. In addition, the relative diversity of respondents, as well as the number of responses, affirm that results can be seen as sufficiently representative and valid for the purposes of this report, whilst bearing in mind the limitations discussed in the previous section.

In order to later be able to draw valuable conclusions, light should also be shed on stakeholders that did not respond and identify potential trends amongst the ca. 55% that did not respond to the survey. When separating the data into stakeholders classified as experts versus non-experts, there is a significant split in response rate. Of the experts, more than half (43) of the 80 experts identified

responded, whereas less than a third of those stakeholders with a smaller degree of regular exposure to the debate on setting financial reporting standards responded to the survey.

Respondents profiles - member/non-member

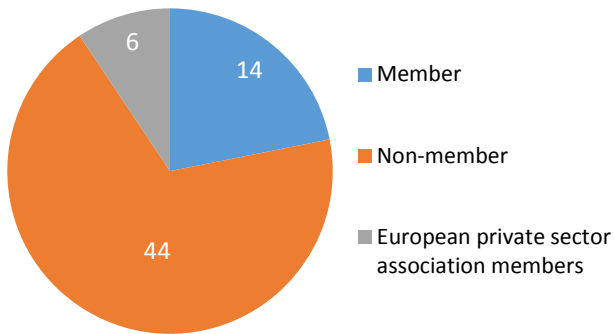


Figure 3: Survey respondent profiles – members/ non-members

Respondents profiles - expert/non-expert

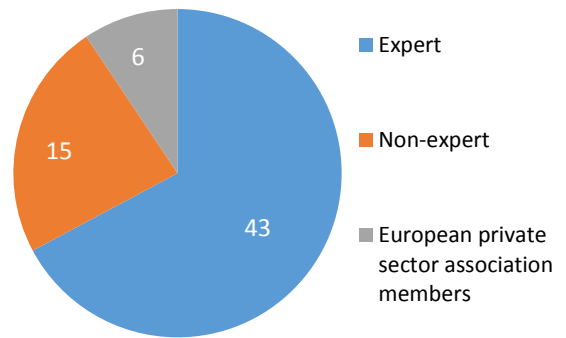


Figure 4: Survey respondent profiles – expert/ non-expert

A similar picture emerges, if one looks more closely at the subcategory of users, of which around only 36% responded (17 out of 47). In contrast, more than half of the standard setters and 40% of private sector accountancy firms responded to the survey. While this reaffirms the conclusion on the validity of the results, identifying the non-respondents also points out that, to a degree, stakeholders with less exposure to the debate on setting financial reporting standards either did not have the time to respond, or did not know EFRAG, or did not feel sufficiently engaged in what EFRAG does to motivate a response (this will be further discussed in the below section on visibility).

Overview of non-respondents

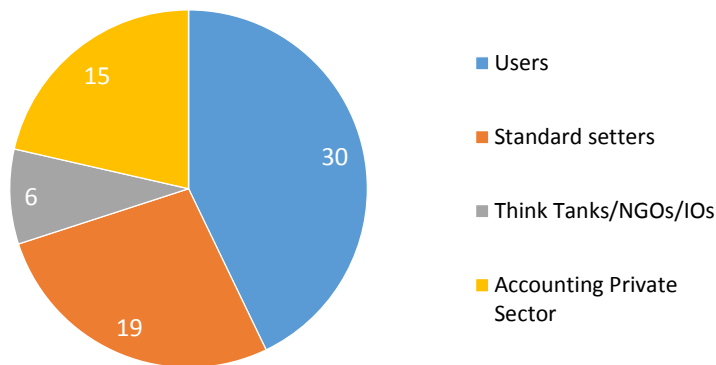


Figure 5: Overall overview of non-respondents into assigned categories

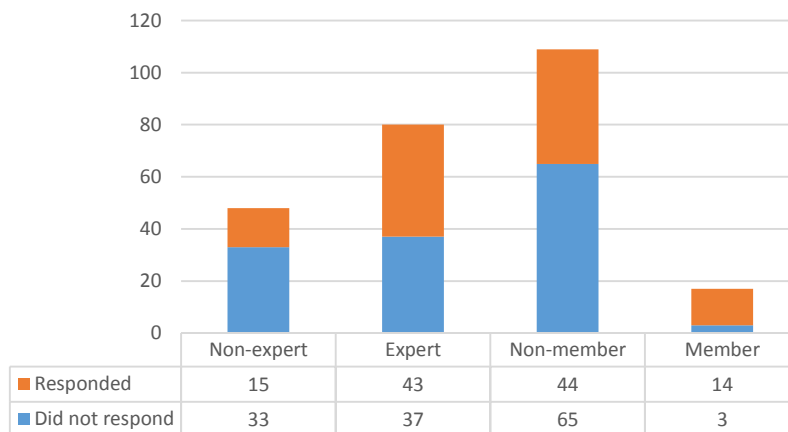


Figure 6: Overall overview of non-respondents into non-experts and experts as well as members and non-members

Results

In the next seven sections we discuss the main findings of the perception audit in relation to the corresponding main areas of investigation:

- EFRAG’s visibility
- Inclusiveness, transparency and accountability of EFRAG
- EFRAG’s influence at international level
- EFRAG’s EU endorsement work
- Quality of EFRAG’s research work
- Serving the European public interest
- Forward-looking recommendations

EFRAG’s Visibility

This section examines the degree to which the stakeholders surveyed are familiar with EFRAG, its mission, and its work – in other words, how visible EFRAG is among those impacted by its work.

Findings are based primarily on the results to the first section of the questionnaire – whilst inferences are drawn from trends identified throughout.

Overall, figure 7 below shows that all respondents have at least a general idea about EFRAG and 86% claim to be very familiar. This is clearly reflective of the population of respondents, and is important to consider when evaluating other aspects of the survey. This finding further underlines that for those who follow or are involved in financial reporting policy, EFRAG enjoys a prominent position of visibility.

Nonetheless, 12.5% of the respondents, of whom almost all were non-members, seem overall less aware of how EFRAG’s work translates into its broader aims, indicating a gap in the visibility of EFRAG’s work when it comes to non-members. This became manifest as regards respondents being in particular:

- Not able to identify/opine on EFRAG’s ‘footprint’ within the IASB
- Unclear to what extent EFRAG’s advice is taken on board by the European Commission
- Unable to clearly identify whether and how much EFRAG’s influence over the above has changed
- Not clear on, or not of the view that EFRAG’s research work translates into influence.

Overall, this points to a gap between those stakeholders who enjoy a full understanding (and appreciation) of EFRAG’s work, and those who are familiar with EFRAG but are not sure how its work provides added value from their own perspective.

The issue of influence will be examined in the sub-sections below – nonetheless, this headline finding constitutes a basic visibility issue and points to a potential challenge for EFRAG to boost its efforts to demonstrate the value of its work to those who are affected by, but not involved in, EFRAG’s work.

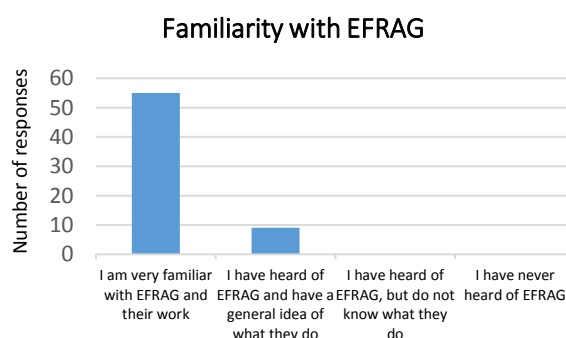


Figure 7: Respondents’ familiarity with EFRAG’s work

Inclusiveness, Transparency and Accountability

Inclusiveness and transparency of EFRAG and its work were investigated through a multitude of questions enquiring how far EFRAG is engaging with stakeholders in seeking to influence IFRS Standards (question 3), involving them in the endorsement process (question 6) as well as asking respondents to rate the importance of transparency and inclusiveness to them (question 10) and where they see EFRAG has most improved (question 13). An overview of the responses can be seen in the Annex, while the below table summarises the relevant sections of the above mentioned questions.

	Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know
Questions 3: How far do you agree that EFRAG engages with European stakeholders in an inclusive and transparent manner in seeking to influence IFRS Standards	32 (50%)	21 (33%)	7 (11%)	2 (3%)	2 (3%)
Questions 6: How far do you agree that EFRAG engages with European stakeholders in an inclusive and transparent manner as part of the EU endorsement process	33 (52%)	25 (39%)	4 (6%)	1 (2%)	1 (2%)

Table 1: Summary of responses providing feedback on perception around the inclusiveness and transparency of EFRAG's work

Question 13: In which of the areas below would you say EFRAG has improved, remained constant, or deteriorated over the past five years?	Significantly improved	Somewhat improved	Remained constant	Somewhat deteriorated	Significantly deteriorated
Inclusiveness and transparency of stakeholder engagement	10 (16%)	30 (47%)	23(36%)	1 (2%)	0
Accountability to its member organisations and the European institutions	10 (16%)	22 (34%)	32 (50%)	0	0

Table 2: Summary of results on question on EFRAG's progress concerning inclusiveness, transparency and accountability

The responses are very positive as regards EFRAG's engagement with stakeholders. Overall, 83% of respondents agree that EFRAG has been inclusive and transparent in its engagement with European stakeholders when it comes to the IFRS process (the area seen as EFRAG's top priority overall – see table 3 below). That number is even higher (91%) regarding the EU endorsement process. 63% of respondents also see an improvement in the way that EFRAG engages with stakeholders, though 36% have seen no particular improvement to EFRAG's engagement and transparency efforts. This view is reflected by the responses of EFRAG members, with 3 seeing significant improvement while 5 see a relative improvement and 5 not having experienced change in engagement. Only 1 member perceives a decrease in engagement efforts. A similar tone is struck by national standard setters with 12 seeing an improvement while 8 see it as remaining constant. This split of 50% perceiving improvement and 50% not having seen any change in EFRAG's accountability to its member organisations is mirrored in the perceptions of all stakeholders.

Among the positive responses, those who see EFRAG as transparent and inclusive also see that quality of work and EFRAG's ability to influence have increased. This is both true for members and non-members. National standard setters have a particularly positive perception of EFRAG's efforts to engage as 20 of 21 strongly agree that EFRAG engages in an inclusive and transparent manner. This highlights the importance of transparency and broad-based stakeholder consultation and engagement as a key tool for EFRAG to exert influence effectively. These numerical results are reinforced by some individual written comments put forward by respondents, which praise the implementation of the Maystadt reforms implemented by EFRAG as well as encouraging EFRAG to "stay on track" and continue "step-by-step the way things have been done since the [...] reforms".

On a scale of 1 to 6, where 1=most important and 6=least important, please rank each of the following in order of what you consider to be the most important factors for EFRAG to be able to meet its core mission.	Rank assigned to each priority area by respondents					
	Priority Ranking	1=most important	2	3	4	5
Ability to influence IFRS Standards prior to publication	26 (41%)	12 (19%)	8 (13%)	7 (11%)	5 (8%)	6 (9%)
Quality of technical work	15 (23%)	22 (34%)	10 (16%)	8 (13%)	6 (9%)	3 (5%)
Inclusiveness and transparency of stakeholder engagement	3 (5%)	10 (16%)	21 (33%)	9 (14%)	13 (20%)	8 (13%)
EFRAG's representation of its EU stakeholders	7 (11%)	12 (19%)	11 (17%)	12 (19%)	12 (19%)	10 (16%)
Effective and independent governance	7 (11%)	2 (3%)	7 (11%)	16 (25%)	14 (22%)	18 (28%)
Accountability to its member organisations and the European institutions	6 (9%)	6 (9%)	7 (11%)	12 (19%)	14 (22%)	19 (30%)

Table 3: Overview of priority assigned by respondents to perceived most important areas for EFRAG to meet its core mission

Furthermore, the answers show that stakeholders surveyed value the inclusiveness and engagement that EFRAG is seeking with its stakeholders and suggests that this process has to continue and somewhat increase in the future. This is reinforced by the fact that inclusiveness and transparency of stakeholder engagement is considered among the priority areas for EFRAG to meet its core mission in the future. As one respondent (non-member/standard setter) expressed that they “have no additional proposal in this regard beyond that what EFRAG already does after the Maystadt reforms”.

However, individual comments were made by some respondents, asking EFRAG to increase collaboration with stakeholders, in particular to⁵:

- “Engage more with national standard setters and integrate them in its structure to better represent it’s the European voice and integrating diversity in Europe”;
- Improve “accountability to Member States in a more transparent way [...] through quarterly reports of main [...] conclusions [to] make [stakeholders] more involved and more interested to participate in the future”;
- Make EFRAG’s work (endorsement advice/recommendations) more easily understandable for stakeholders in particular non-experts such as Commission, Council, and European Parliament in the form of “shortened summary reports in some bullets or develop videos so as to ensure people read them”;
- Reach out more proactively to users and non-experts so they are able to contribute to the debate via for example “organising workshops” as proposed by one national standard setter;
- “Have a more publicly-known agenda so that other organisations could contact and engage with EFRAG on specific topics/issues”;
- Increase inclusiveness of recommendation process by including other bodies such as non-EU jurisdictions or institutions developing rules for other parts of the industry such as the Basel Committee on Banking Supervision (BCBS); and
- Seek greater feedback from investors and include an investor on EFRAG board.

This, as one respondent indicated, should help EFRAG to better take into account stakeholder concerns and align its position more with that of its stakeholders.

Regarding EFRAG’s accountability, stakeholders are split, with 32 seeing an overall improvement over the last five years, while 32 indicate they have not seen change (see table 2). However, Table 3 shows that this is the lowest priority for the plurality (30% rank it as least important) of respondents surveyed.

⁵ The following statements are aggregated results from comments left in the commentary box underneath questions 12 and 14 respectively indicating improvements to governance, inclusiveness and accountability.

Regarding EFRAG's governance, a similar picture emerges, as 36 perceive that effective and independent governance has improved (14 significantly), while 23 see no change, and 5 see a deterioration. Again however, Table 3 indicates that this is a fairly low priority among the respondents surveyed.

Note should also be taken that individual respondents, including a national standard setter (non-member) do highlight that their response 'remained constant' has to be considered to be an appreciation of "EFRAG's quality of technical work and transparency in stakeholder's engagement[,which] has always been of high quality and transparent".

Looking at the industry perspective, the picture remains constant with the overall findings, as a majority has seen positive developments with some (around one third of respondents) seeing no change.

EU national standard setters, however, differ as more than half (12 of the 21 having responded) do not perceive a change in EFRAG's governance, despite the fact that these hold very positive views of the way that EFRAG is engaging with stakeholders. Responses indicate a similar perception when asked about EFRAG's accountability to its member organisations and EU institutions. 12 members however remain positive and see improvements in EFRAG's accountability.

In conclusion, while governance structures, transparency, and inclusiveness are perceived as having somewhat improved over the last five years, responses indicate that there is further room for improvement and engagement with stakeholders trying to make EFRAG's work overall more transparent and understandable. However, these results should be seen in the light that, as pointed out by some respondents, EFRAG's work around accountability and governance has consistently been of high quality and thus no change was perceived as necessary by the respondents. Moreover, although governance and accountability are not considered by respondents as important as the ability of EFRAG to influence IFRS Standards or the quality of technical work for EFRAG to achieve its mission (as shown in table 3 above), clarifications were made by around five stakeholders that even though "effective and independent governance has been ranked as the least important, [it] is still an important factor and the ranking should not be interpreted [as] saying it does not matter"⁶.

Influence at International Level

The perception audit tested respondents' views on EFRAG's influence on IFRS Standards both 'upstream' concerning their development at the IASB, as well as the perceived 'downstream' impact of EFRAG's work in advising the European Commission on endorsing IFRS Standards in the EU. This section examines the international aspect against the broader aim of understanding how stakeholders perceive EFRAG's ability to shape IFRS Standards in the interest of the EU public good.

In order to provide a differentiated analysis of EFRAG's influence, we consider three 'channels of influence' – that is those activities EFRAG carries out as part of the broader aim of influencing:

1. Direct participation in developing standards
2. Delivering technical advice or input
3. Gathering a broad range of stakeholder feedback

Whilst respondents hold generally positive views of the concrete activities EFRAG carries out, the degree to which this translates into influence is more difficult to pinpoint for some respondents. This trend chimes with the observations made with regard to the visibility of EFRAG's work – concretely that a number of respondents are not able to grasp the footprint left by EFRAG. We examine this trend in greater detail in the table below.

⁶ The question asked respondents to prioritise from 1 (most important) to 6 (least important) and thereby forced respondents to rank. This was intentioned to make respondents critically reflect on where they see the most important issues for EFRAG to achieve its core mission.

<i>To what extent do you agree, or disagree...</i>	Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know
EFRAG's technical input into IFRS Standards is of a consistently high quality	37 (58%)	22 (34%)	3 (5%)	0	2 (3%)
EFRAG consistently focuses on the most important aspects of IFRS Standards for European stakeholders	29 (45%)	29 (45%)	3 (5%)	1 (2%)	2 (3%)
EFRAG's input is provided in a sufficiently timely manner to be taken on board by the IASB	23 (36%)	34 (53%)	3 (5%)	2 (3%)	2 (3%)
EFRAG engages with European stakeholders in an inclusive and transparent manner in seeking to influence IFRS Standards	32 (50%)	21 (33%)	7 (11%)	2 (3%)	2 (3%)
EFRAG's work is consistently taken on board when IFRS Standards are developed at the global level by the IASB	13 (20%)	39 (61%)	3 (5%)	1 (2%)	8 (13%)

Table 4: Perception of upstream influence (International level)

With regard to EFRAG's ability to take influence 'upstream', table 4 above clearly shows a heavy concentration of responses on the positive side ('tend to agree' or 'strongly agree'). This is particularly true for the first four statements, which relate to some of the activities EFRAG carries out under the broader aim of influencing relevant bodies and organisations. The last row shows respondents' views when asked directly about the actual taking on board by the IASB of EFRAG's work. Four in five (81%) respondents judge that EFRAG's work is consistently taken on board when IFRS Standards are developed at the global level by the IASB. Nonetheless, this question sees a higher than average number of not only 'tend to agree' (versus 'strongly agree') responses, but also of 'don't know' responses, almost all of which came from non-members. This in itself is not an indication of a weakness, but it is a concrete example of the broader trend observed previously regarding the visibility of EFRAG's influence. Whilst the majority of stakeholders hold very positive views of the activities EFRAG carries out, as well as the overall influence it is able to exert, the results of this survey indicate that this view may be different among those who are not involved in the same activities as members or through other close contact with EFRAG. Nonetheless, it is important to recall that this survey's respondents fell primarily into the latter category.

Finally, respondents were asked to consider how, if at all, EFRAG's influence had changed (see table 5 below), with 58% seeing positive change. Yet, a significant portion also sees no change or did not know, again pointing to a potential need for EFRAG to demonstrate and highlight its efforts, as well as the changes it has undergone to strengthen its influence.

Total	64
Increased a lot	18
Increased a little	19
Stayed the same	15
Decreased a little	3
Decreased a lot	0
Don't know	9
Net: Increased	37
Net: Decreased	3

Table 5: Over the past five years, would you say that EFRAG's influence on IFRS Standards has...?

EU Endorsement advice

The survey also sought stakeholder feedback on EFRAG's role in advising the European Commission as part of the endorsement process for IFRS financial reporting standards in the EU. Similarly to questions asked on EFRAG's 'upstream' influence on IFRS Standards under development at the IASB, the survey

sought both general and specific views on EFRAG’s activities that constitute this process. Table 6 below provides an overview of results.

<i>To what extent do you agree, or disagree...</i>	Strongly agree	Tend to agree	Tend to disagree	Strongly disagree	Don't know
EFRAG's technical endorsement advice to the European Commission on IFRS Standards is of a consistently high quality	32 (50%)	27 (47%)	2 (3%)	0	3 (5%)
EFRAG engages with European stakeholders in an inclusive and transparent manner as part of the EU endorsement process	33 (52%)	25 (39%)	4 (6%)	1 (2%)	1 (2%)
EFRAG effectively assesses how IFRS Standards relate to the European public good through comprehensive impact analysis	18 (28%)	32 (50%)	8 (13%)	1 (2%)	5 (8%)
EFRAG's endorsement advice is consistently followed by the European Commission	22 (34%)	29 (45%)	5 (8%)	0	8 (13%)

Table 6: Perception of EFRAG’s endorsement work (European Level)

A trend can be observed with regard to ‘downstream’ influence – in other words, to what extent EFRAG’s endorsement work is visible to stakeholders as having affected the shape in which IFRS Standards are implemented for use within the EU.

Respondents hold overall positive opinions of EFRAG’s activities as part of the endorsement process, though a group of primarily non-members see scope for improvement in EFRAG’s impact assessments (reinforced by qualitative feedback). The general observation is particularly striking when comparing how stakeholders respond to the question of how they see influence materialise i.e. responses in the last row of table 6, highlighted in blue. As with ‘upstream’ influence, a similar proportion is again unsure regarding EFRAG’s footprint in the endorsement process and the final result from the European Commission. Together, these results in our view again suggest that those not directly involved in EFRAG’s work find the relevance and added value difficult to determine.

Quality of EFRAG’s Research Work

This section examines how stakeholders perceive the quality of EFRAG’s research work into issues surrounding IFRS Standards and broader issues in the area of financial reporting.

Overall, respondents judge EFRAG’s work to be of high quality. Specifically, the largest part of respondents (44%-58%) cluster around ‘tend to agree’ statements, indicating an overall net positive outcome, though without the high concentration of ‘strongly agree’ responses seen in regards to EFRAG’s other core activities.

In our view, this relates back to the question of whether respondents see the added value of research work as regards EFRAG’s role in shaping IFRS Standards at international and European levels. This is particularly evident in that the main area for improvement for respondents relates to identifying how research contributes to a broader mission of widening influence and promoting a broader agenda. Here, 17% disagree that EFRAG’s research work is effective in influencing the IASB, whilst 14% don’t know. This again underlines the challenge of communicating how work relates to less tangible aims – particularly to non-members who made up a sizeable portion of these 31%.

As regards the thematic focus of the research, EFRAG’s research priorities broadly align with respondents’ interests – see table 7 below. Only six respondents say they do not find EFRAG’s research work focusses on the most important topics in financial reporting.

Nonetheless, a number of suggestions were made as to how EFRAG might improve its work. Some of the proposals made include (see also section on future priorities):

- Placing greater emphasis on issues that fall outside the narrow remit of IFRS Standards – such as the impact of technology.
- Ensuring a broader geographical spread of data beyond the largest EU Member States to provide a more fully European perspective.

Total	64
Strongly agree	18
Tend to agree	34
Tend to disagree	6
Strongly disagree	0
Don't know	4
Not applicable	2
Net: Agree	52
Net: Disagree	6

Table 7: Breakdown of answers to question to what extent respondents agree that EFRAG's research focuses on the most important upcoming topics in financial reporting

An issue of particular note, highlighted by some respondents, is also the lack of visibility of EFRAG's research work. Whilst deeming research to be of a high quality, respondents saw room for improvement in boosting the visibility of such research – and by extension EFRAG as a thought leader and instigator of research projects. One respondent highlights this aspect and calls for EFRAG to make enhanced use of its Academic Panel, whilst a number of respondents explicitly call for enhanced cooperation with academic institutions or indeed the IASB so as to develop said broader perspective.

This is underpinned by the finding that the largest group of respondents (57%) remark a positive change in EFRAG's research work over the past five years, whilst 22% say it has stayed the same and a further 19% couldn't say. The last figure is a case in point in underlining a need for greater visibility of EFRAG's work – with non-members again forming the largest group of those unable to identify changes.

In sum, the survey provides a valuable finding – indicating that whilst stakeholders seem to judge EFRAG's research and thought-leadership work as being of good quality, the added value towards EFRAG's broader aims is sometimes difficult to pinpoint, especially for non-members.

Serving the European public interest

EFRAG's core mission is to serve the European public interest. It does so by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates. While the above addresses the perception of individual aspects of EFRAG's work to achieve its core mission, this section will look at how stakeholders are overall assessing EFRAG's efforts to serve the European public interest as well as the level of improvement perceived over the past five years. To note is that previous sections should be understood as part of this assessment.

Total	64
Very successful	20
Somewhat successful	38
Somewhat unsuccessful	3
Very unsuccessful	1
Don't know	2
Net: Successful	58
Net: Unsuccessful	4

Table 8: Breakdown of answers to question on how far EFRAG is perceived to have been successful in serving the European public interest

Overwhelmingly, 91% of stakeholders express a net positive perception of EFRAG’s overall ability to serve the European public interest (see table 8).

In terms of evolution over the last five years, 69% note an improvement with only 19% seeing no change (see table 9)⁷.

The overall support is reflected in answers by EFRAG members; 12 out of 14 see that EFRAG has successfully been serving the European public interest.

This support also shows strongly among the EU-based national standard setters, with 20 of the 21 respondents stating that EFRAG has been successful in achieving its core mission.

Also noteworthy is the fact that all 8 of the non-EU based standard setters acknowledge that EFRAG has been successful in achieving its core mission.

Of the 4 respondents which do not perceive that EFRAG has been serving the public interest well, 2 are users and 1 a national standard setter. Additionally, 1 NGO/Think Tank believes that EFRAG has been unsuccessful in serving the public interest.

Total	64
Much better (5)	19
A little better (4)	25
The same (3)	12
A little worse (2)	0
Much worse (1)	0
Don't know	8
Net: Better	44
Net: Worse	0

Table 9: Breakdown of answers to question on how far EFRAG is perceived to have improved over the last five years in in serving the European public interest

As before, eight respondents were unable to identify whether or not there has been an improvement. This reaffirms previous points underlining the importance of highlighting EFRAG’s efforts to serve the EU public interest.

EFRAG’s priorities looking forward

Regarding the future outlook for EFRAG, the below analysis combines an evaluation of stakeholders’ views on past performance with requests/recommendations made on where EFRAG should focus on in the future. The responses to question 6 (Effectiveness in advising the European Commission on IFRS), question 8 (Research focus on future topics), and question 14 (Future areas of work) were assessed to illustrate where stakeholders believe EFRAG should focus on in the future. An area, where respondents see a positive trend going forward, is the focus of EFRAG’s research work. This positive perception of EFRAG’s research effort is reaffirmed by answers to question 14 (see further below), where the majority of responses stressed that it is imperative for EFRAG to maintain the quality of research.

EFRAG’s performance to date is perceived positively throughout the perception audit, in particular if serving the public interest is a proxy for EFRAG’s overall performance and work since the publication of the Maystadt report (see prior section for reference) including research, effectiveness of influence and representing European views vis-à-vis international stakeholders.

⁷ Caveated that this does not need to be understood as negative but rather EFRAG having maintained a steady service.

As indicated already in the ranking of most important areas EFRAG should focus on to achieve its mission (see table 3), quality of technical work, as well as the ability to influence the IFRS decision-making process are the top priorities for EFRAG. Respondents also made recommendations for the focus of EFRAG's future work. These include⁸:

- Issues pertaining to post IFRS implementation,
- Wider corporate reporting,
- Addressing technology developments more broadly and within financial reporting,
- Sustainable finance, non-financial reporting, and long-term finance (each referenced by three respondents).

Governance issues are overall deemed a lower priority for EFRAG to achieve its core mission. On the one hand, this could reflect stakeholders' overall positive views on EFRAG's governance. On the other, non-members, in contrast, highlight that maintaining independent governance is also considered important, with two stakeholders underlining the importance of keeping internal governance on the top of EFRAG's agenda.

An important point to highlight is linked to the inclusiveness and transparency of EFRAG's operations and work. Six individual respondents, mainly non-members and one member, stress that there should be a greater pro-active engagement with other stakeholders including the European Parliament, Member States, and non-EU jurisdictions. Cooperating more closely with ESMA to ensure that enforcement and reporting is effectively meeting the needs of users was highlighted in the same vein. One respondent suggested that EFRAG should improve independence from "special interests".

In conclusion, comments on EFRAG's priorities vary. A clear message is emerging from stakeholders that EFRAG should also continue to focus on its current role in influencing IFRS, within the endorsement process, as well as maintaining the high quality of its research. Some voices express the need to adapt to recent developments and address technology and financial reporting, taxonomy, as well as sustainable financial reporting. When looking at EFRAG's engagement, stakeholders see a greater need for EFRAG to engage more actively with key decision-makers in the European Parliament, EU capitals, and the European Commission.

⁸ Answers are quoted in aggregate if at least three respondents have raised this issue. Improvements can be made in financial reporting (number of respondents = 1), wider corporate reporting (6), sustainable finance/long-term finance (2), SME financial reporting (1), taxonomy (1), greater inclusion of Member States and involvement of stakeholders (3), post implementation of IFRS (4), technology and reporting (3), internal governance (2), improve influence and influence early in the process (3), look beyond IFRS (2).

Recommendations

The results of this survey indicate a number of areas in which EFRAG has clearly achieved its objectives, as well as a set of specific challenges.

Large approval of EFRAG overall

Stakeholder feedback suggests that, on balance, those who interact closely with EFRAG and are thus familiar with its structures, processes, and work hold overwhelmingly positive views. This in itself is a valuable insight, as it underlines the importance of the recent reforms and EFRAG's continued emphasis on delivering high-quality technical work as well as serving the European public interest, not least by representing European views at international level with regard to financial reporting standards.

The results strongly suggest that EFRAG's priority should continue to focus on the high quality of its work, in particular if it pertains to influencing the IASB standard setting process, contributing to the endorsement process, contributing to the IASB Post-Implementation Reviews, as well as maintaining high quality in research.

Below we examine some of the areas for improvement that EFRAG could consider for the future, specifically within the seven main areas of investigation.

Visibility

As discussed above, the survey indicates that a number of stakeholders who are not members of EFRAG or otherwise closely involved in its work are not as familiar with some of EFRAG's work, or indeed how its overarching objectives are being met through day-to-day activities. This is reaffirmed by looking at the distribution of non-respondents, which mainly come from the non-expert, non-member categories with a majority of industry representatives (users and preparers) also not responding.

Given the survey was conducted primarily among those who are in fact familiar with EFRAG, this could point to a need for enhanced outreach efforts, so as to demonstrate EFRAG's added value in a clear manner to those stakeholders – in particular those who are impacted by its work, without, however, being closely involved. This is in line with the demand for more proactive engagement with a broader financial reporting community, in particular those that may not see the impact of EFRAG's work, as manifest in this survey, as well as the success of EFRAG's outreach initiatives to date.

In order to effectively boost visibility, EFRAG could develop further its communications efforts aimed at non-expert audiences, incorporating clear messaging on how its everyday work contributes to the achievement of its mandate and broader aims. As a second step, this could include European policy-makers in order to further raise EFRAG's profile and increase understanding and appreciation for its work. These efforts should also be expanded beyond EU Member States surrounding Belgium, but targeted towards South Eastern Europe as well as the Baltics for example.

Inclusiveness, Transparency and Accountability

Overwhelmingly, results indicate that EFRAG has overall improved accountability, transparency, and inclusiveness and even when perceived as constant, respondents underlined that this was due to the already existing transparency EFRAG is adhering to. However, a closer look shows that stakeholders, including individual members and non-members as well as experts and users, express certain reservations regarding EFRAG's ability to include the full breadth of stakeholder views to be able to represent a more comprehensive point of view, thereby not only increasing influence but also

transparency and inclusiveness. Though clearly EFRAG already consults with stakeholders, this is not always clearly seen by users in particular – contrary to national standard setters.

These findings suggest that EFRAG could be more proactive in seeking feedback from outside its immediate sphere, as well as highlighting its commitment to representativeness as manifest in the composition of its board. In addition, and somewhat beyond the narrow scope of this study, efforts could be made to increase awareness of the successful governance reforms EFRAG has undergone since the Maystadt report – in particular vis-à-vis policy-makers and, again, stakeholders not directly exposed to EFRAG.

Quality of Research Work

The quality of EFRAG's research work was met with high satisfaction, though respondents pointed to areas of improvement, in particular the need to adapt research topics to current trends and future developments in financial reporting, such as the impact of technology, or integrated reporting. A further relevant result of the survey is that a number of respondents fail to see how EFRAG's research contributes to its mandate.

On this basis, we see scope for EFRAG to leverage its research work as part of a broader drive to boost visibility and develop EFRAG's reputation as a thought leader – adding a clear European perspective to that of the IASB. In addition, leveraging EFRAG's expertise to contribute to research on emerging topics in financial reporting could position EFRAG more prominently in forward-looking debates, as the agenda begins to move away from the post-crisis focus on IFRS Standards alone.

EFRAG's perceived influence

Closely linked to the visibility issue, the survey indicates that EFRAG may face some difficulty in demonstrating its footprint on financial reporting rules both internationally and within the EU across the full range of stakeholders impacted by its work. While the survey results show that EFRAG is already seen as a highly influential body, and experts generally see a positive impact on IFRS Standards endorsed in the EU – they also suggest that this influence can be difficult to see from the outside.

In as far as this result is representative of a broader challenge, it could be met with many of the same measures outlined above – that is, boosting efforts to demonstrate to non-expert audiences the role EFRAG plays and the work it undergoes to act in the public interest. While acknowledging that influence as such is difficult to portray and sometimes better to be deployed subtly, EFRAG could consider communicating more openly aspects on where and how its expertise and its stakeholders' input has achieved a better outcome for the EU.

Apart from greater efforts to demonstrate influence over their development, the results show a continued demand by stakeholders for EFRAG to increase its influence on IFRS Standard setting prior to publication. This could be achieved through even more pro-active engagement with other international standard-setting bodies such as Accounting Standards Board of Japan (ASBJ), Canadian Accounting Standards Board or Group of Latin American Accounting Standard Setters (GLASS) as well as seeking greater convergence with Member States so as to maximise EFRAG's voice in international fora such as the IASB.

Looking Ahead

Asked directly where EFRAG's priorities should lie, stakeholders clearly stress that EFRAG should continue to focus on the high quality of its work, in particular if it pertains to influencing the IASB

standard setting process, contributing to the endorsement process, contributing to the IASB Post-Implementation Reviews, as well as maintaining high quality in research.

Still, as indicated in the comment section of question 14, a variety of stakeholders expressed appetite for EFRAG to increase its scope of work to further include issues pertaining to wider corporate reporting, technology developments more broadly and within financial reporting, and sustainable finance, non-financial reporting, and long-term finance.

Annex 1 – Stakeholder Questionnaire

1. In which of the following countries is your organisation based? Please select only one.

- 1) Austria
- 2) Belgium
- 3) Bulgaria
- 4) Croatia
- 5) Cyprus
- 6) Czech Republic
- 7) Denmark
- 8) Estonia
- 9) Finland
- 10) France
- 11) Germany
- 12) Greece
- 13) Hungary
- 14) Italy
- 15) Latvia
- 16) Lithuania
- 17) Luxembourg
- 18) Malta
- 19) Netherlands
- 20) Poland
- 21) Portugal
- 22) Republic of Ireland
- 23) Romania
- 24) Slovakia
- 25) Slovenia
- 26) Spain
- 27) Sweden
- 28) United Kingdom

Section I – Overall Awareness and Visibility of the European Financial Reporting Advisory Group (EFRAG)

2. Which of the following statements best describes how familiar you are with the role and work of the European Financial Reporting Advisory Group (EFRAG)?

- 1) I am very familiar with EFRAG and their work
- 2) I have heard of EFRAG and have a general idea of what they do
- 3) I have heard of EFRAG, but do not know what they do
- 4) I have never heard of EFRAG

Section II – EFRAG’s Activities

The following questions are about EFRAG’s role in influencing International Financial Reporting Standards (IFRS) developed at the global level by the International Accounting Standards Board (IASB).

3. To what extent do you agree, or disagree, with each of the following statements regarding EFRAG’s role in influencing IFRS Standards developed by the IASB?

Strongly agree / Tend to agree / Tend to disagree / Strongly disagree / Don’t know / Not applicable

- 1) EFRAG engages with European stakeholders in an inclusive and transparent manner in seeking to influence IFRS Standards.
- 2) EFRAG consistently focuses on the most important aspects of IFRS Standards for European stakeholders
- 3) EFRAG's technical input into IFRS Standards is of a consistently high quality
- 4) EFRAG's input is provided in a sufficiently timely manner to be taken on board by the IASB
- 5) EFRAG's work is consistently taken on board when IFRS Standards are developed at the global level by the IASB.

4. Overall, to what extent, if at all, would you say that EFRAG is effective at influencing the development of IFRS Standards by the IASB?

- 1) Very effective
- 2) Somewhat effective
- 3) Somewhat ineffective
- 4) Very ineffective
- 5) Don't know [FIX]

5. Over the past five years, would you say that EFRAG'S influence on IFRS Standards has...?

- 1) Increased a lot
- 2) Increased a little
- 3) Stayed the same
- 4) Decreased a little
- 5) Decreased a lot
- 6) Don't know [FIX]

[OPEN] What, if anything, do you think EFRAG could do within its mandate to improve how effectively it influences IFRS Standards?

The following questions are about EFRAG's role in advising the European Commission on endorsing IFRS Standards in the EU.

6. To what extent would you agree, or disagree, with each of the following statements about EFRAG's role in advising the European Commission on endorsing IFRS Standards in the EU?

Strongly agree / Tend to agree / Tend to disagree / Strongly disagree / Don't know / Not applicable

- 1) EFRAG's technical endorsement advice to the European Commission on IFRS Standards is of a consistently high quality
- 2) EFRAG effectively assesses how IFRS Standards relate to the European public good through comprehensive impact analysis
- 3) EFRAG engages with European stakeholders in an inclusive and transparent manner as part of the EU endorsement process
- 4) EFRAG's endorsement advice is consistently followed by the European Commission

7. To what extent has EFRAG's effectiveness in advising the European Commission on endorsing IFRS Standards changed over the past five years?

- 1) Improved a lot
- 2) Improved a little
- 3) Stayed the same
- 4) Worsened a lot
- 5) Worsened a little
- 6) Don't know [FIX]

[OPEN] What, if anything, do you think EFRAG should do to improve how effectively it advises the European Commission on endorsing IFRS Standards in the EU?

The following questions are about EFRAG's research work.

8. To what extent do you agree, or disagree, with each of the following statements about EFRAG's research work on accounting?

Strongly agree / Tend to agree / Tend to disagree / Strongly disagree / Don't know / Not applicable

- 1) EFRAG's research focuses on the most important upcoming topics in accounting for Europe
- 2) EFRAG's research is of a consistently high quality
- 3) EFRAG's research work is influential in stimulating a broader debate on the relevant issues
- 4) EFRAG's research work is effective in influencing the IASB

9. Over the past five years, do you think the overall quality of EFRAG's research work has...?

- 1) Improved a lot
- 2) Improved a little
- 3) Stayed the same
- 4) Gotten a little worse
- 5) Gotten a lot worse
- 6) Don't know [FIX]

[OPEN] What, if anything, do you think EFRAG should do to improve its research work?

Section III – EFRAG's mission to serve the EU public interest

EFRAG's core mission is to serve the European public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates. The following questions are about EFRAG's core mission.

10. On a scale of 1 to 6, where 1=most important and 6=least important, please rank each of the following in order of what you consider to be the most important factors for EFRAG to be able to meet its core mission.

- 1) Effective and independent governance
- 2) Accountability to its member organisations and the European institutions
- 3) Quality of technical work

- 4) Inclusiveness and transparency of stakeholder engagement
- 5) Ability to influence IFRS Standards prior to publication
- 6) EFRAG's representation of its EU stakeholders

11. Overall, to what extent would you say EFRAG has been successful, or unsuccessful, in serving the European public interest?

- 1) Very successful
- 2) Somewhat successful
- 3) Somewhat unsuccessful
- 4) Very unsuccessful
- 5) Don't know [FIX]

12. Compared to five years ago, how would you say that EFRAG is doing in meeting its core mission to serve the EU public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates?

- 1) Much better
- 2) A little better
- 3) The same
- 4) A little worse
- 5) Much worse
- 6) Don't know [FIX]

[OPEN] What, if anything, do you think EFRAG could do differently to ensure it meets its core mission?

Section IV – Looking forward

13. In which of the areas below would you say EFRAG has improved, remained constant, or deteriorated over the past five years?

Significantly improved / Somewhat improved / Remained constant / Somewhat deteriorated / Significantly deteriorated

- 1) Effective and independent governance
- 2) Accountability to its member organisations and the European institutions
- 3) Quality of technical work
- 4) Inclusiveness and transparency of stakeholder engagement
- 5) Ability to influence IFRS Standards prior to publication

14. [OPEN] What one policy issue do you think EFRAG should focus on over the next year?

Annex 2 – Survey Responses

The survey was conducted by ComRes between 13 October and 13 November 2017. Results shown are at aggregate level.

Q1. In which of the following countries is your organisation based?

Total	64
Belgium (incl. European private sector associations and their members)	12
United Kingdom (incl. non-EU standard setters)	7
Spain	5
Germany	4
Netherlands	3
France	2
Sweden	2
Denmark	2
Lithuania	2
Slovenia	2
Poland	1
Italy	1
Romania	1
Austria	1
Czech Republic	1
Cyprus	1
Malta	1
Portugal	1
Slovakia	1
Bulgaria	1
Luxembourg	1
Croatia	0
Greece	0
Hungary	0
Finland	0
Republic of Ireland	0
Estonia	0
Latvia	0
Other (incl. non-EU standard setters and international organisations)	12

Q2. Which of the following statements best describes how familiar you are with the role and work of the European Financial Reporting Advisory Group (EFRAG)?

Total	64
I am very familiar with EFRAG and their work	55
I have heard of EFRAG and have a general idea of what they do	9
I have heard of EFRAG, but do not know what they do	0
I have never heard of EFRAG	0
Net: Have at least a general idea of what EFRAG do	64

Q3. To what extent do you agree, or disagree, with each of the following statements regarding EFRAG's role in influencing IFRS Standards developed by the IASB?

EFRAG engages with European stakeholders in an inclusive and transparent manner in seeking to influence IFRS Standards

Total	64
Strongly agree (4)	32
Tend to agree (3)	21
Tend to disagree (2)	7
Strongly disagree (1)	2
Don't know	2
Not applicable	0
Net: Agree	53
Net: Disagree	9
Mean score	3.3
Standard deviation	0.81

EFRAG consistently focuses on the most important aspects of IFRS Standards for European stakeholders

Total	64
Strongly agree (4)	29
Tend to agree (3)	29
Tend to disagree (2)	3
Strongly disagree (1)	1
Don't know	2
Not applicable	0
Net: Agree	58
Net: Disagree	4
Mean score	3.4
Standard deviation	0.66

EFRAG's technical input into IFRS Standards is of a consistently high quality

Total	64
Strongly agree (4)	37
Tend to agree (3)	22
Tend to disagree (2)	3
Strongly disagree (1)	0
Don't know	2
Not applicable	0
Net: Agree	59
Net: Disagree	3
Mean score	3.5
Standard deviation	0.59

EFRAG's input is provided in a sufficiently timely manner to be taken on board by the IASB

Total	64
Strongly agree (4)	23
Tend to agree (3)	34
Tend to disagree (2)	3
Strongly disagree (1)	2
Don't know	2
Not applicable	0
Net: Agree	57
Net: Disagree	5
Mean score	3.3
Standard deviation	0.7

EFRAG's work is consistently taken on board when IFRS Standards are developed at the global level by the IASB

Total	64
Strongly agree (4)	13
Tend to agree (3)	39
Tend to disagree (2)	3
Strongly disagree (1)	1
Don't know	8
Not applicable	0
Net: Agree	52
Net: Disagree	4
Mean score	3.1
Standard deviation	0.59

Q4. Overall, to what extent, if at all, would you say that EFRAG is effective at influencing the development of IFRS Standards by the IASB?

Total	64
Very effective (4)	22
Somewhat effective (3)	36
Somewhat ineffective (2)	3
Very ineffective (1)	0
Don't know	3
Net: Effective	58
Net: Ineffective	3
Mean score	3.3
Standard deviation	0.56

Q5. Over the past five years, would you say that EFRAG's influence on IFRS Standards has...?

Total	64
Increased a lot (5)	18
Increased a little (4)	19
Stayed the same (3)	15
Decreased a little (2)	3
Decreased a lot (1)	0
Don't know	9
Net: Increased	37
Net: Decreased	3
Mean score	3.9
Standard deviation	0.91

Q6. To what extent would you agree, or disagree, with each of the following statements about EFRAG's role in advising the European Commission on endorsing IFRS Standards in the EU?

EFRAG's technical endorsement advice to the European Commission on IFRS Standards is of a consistently high quality

Total	64
Strongly agree (4)	32
Tend to agree (3)	27
Tend to disagree (2)	2
Strongly disagree (1)	0
Don't know	3
Not applicable	0
Net: Agree	59
Net: Disagree	2
Mean score	3.5
Standard deviation	0.57

EFRAG effectively assesses how IFRS Standards relate to the European public good through comprehensive impact analysis

Total	64
Strongly agree (4)	18
Tend to agree (3)	32
Tend to disagree (2)	8
Strongly disagree (1)	1
Don't know	5
Not applicable	0
Net: Agree	50
Net: Disagree	9
Mean score	3.1
Standard deviation	0.71

EFRAG engages with European stakeholders in an inclusive and transparent manner as part of the EU endorsement process

Total	64
Strongly agree (4)	33
Tend to agree (3)	25
Tend to disagree (2)	4
Strongly disagree (1)	1
Don't know	1
Not applicable	0
Net: Agree	58
Net: Disagree	5
Mean score	3.4
Standard deviation	0.69

EFRAG's endorsement advice is consistently followed by the European Commission

Total	64
Strongly agree (4)	22
Tend to agree (3)	29
Tend to disagree (2)	5
Strongly disagree (1)	0
Don't know	8
Not applicable	0
Net: Agree	51
Net: Disagree	5
Mean score	3.3
Standard deviation	0.63

Q7. To what extent has EFRAG's effectiveness in advising the European Commission on endorsing IFRS Standards changed over the past five years?

Total	64
Improved a lot (5)	16
Improved a little (4)	22
Stayed the same (3)	15
Worsened a little (2)	2
Worsened a lot (1)	0
Don't know	9
Net: Improved	38
Net: Worsened	2
Mean score	3.9
Standard deviation	0.85

Q8. To what extent do you agree, or disagree, with each of the following statements about EFRAG's research work on accounting?

EFRAG's research focuses on the most important upcoming topics in accounting for Europe

Total	64
Strongly agree (4)	18
Tend to agree (3)	34
Tend to disagree (2)	6
Strongly disagree (1)	0
Don't know	4
Not applicable	2
Net: Agree	52
Net: Disagree	6
Mean score	3.2
Standard deviation	0.61

EFRAG's research is of a consistently high quality

Total	64
Strongly agree (4)	18
Tend to agree (3)	34
Tend to disagree (2)	6
Strongly disagree (1)	0
Don't know	4
Not applicable	2
Net: Agree	52
Net: Disagree	6
Mean score	3.2
Standard deviation	0.61

EFRAG's research work is influential in stimulating a broader debate on the relevant issues

Total	64
Strongly agree (4)	21
Tend to agree (3)	28
Tend to disagree (2)	6
Strongly disagree (1)	0
Don't know	7
Not applicable	2
Net: Agree	49
Net: Disagree	6
Mean score	3.3
Standard deviation	0.65

EFRAG's research work is effective in influencing the IASB

Total	64
Strongly agree (4)	4
Tend to agree (3)	37
Tend to disagree (2)	11
Strongly disagree (1)	0
Don't know	9
Not applicable	3
Net: Agree	41
Net: Disagree	11
Mean score	2.9
Standard deviation	0.53

Q9. Over the past five years, do you think the overall quality of EFRAG's research work has...?

Total	64
Improved a lot (5)	12
Improved a little (4)	24
Stayed the same (3)	14
Worsened a little (2)	2
Worsened a lot (1)	0
Don't know	12
Net: Improved	36
Net: Worsened	2
Mean score	3.9
Standard deviation	0.81

Q10. On a scale of 1 to 6, where 1=most important and 6=least important, please rank each of the following in order of what you consider to be the most important factors for EFRAG to be able to meet its core mission.

Summary	Top 3	Mean Score
Quality of technical work	47	2.6
Ability to influence IFRS Standards prior to publication	46	2.5
Inclusiveness and transparency of stakeholder engagement	34	3.7
EFRAG's representation of its EU stakeholders	30	3.6
Accountability to its member organisations and the European institutions	19	4.2
Effective and independent governance	16	4.3

Quality of technical work

Total	64
1 = Most important (1)	15
2 (2)	22
3 (3)	10
4 (4)	8
5 (5)	6
6 = Least important (6)	3
Net: Top 3	47
Mean score	2.6
Standard deviation	1.45

Ability to influence IFRS Standards prior to publication

Total	64
1 = Most important (1)	26
2 (2)	12
3 (3)	8
4 (4)	7
5 (5)	5
6 = Least important (6)	6
Net: Top 3	46
Mean score	2.5
Standard deviation	1.71

Inclusiveness and transparency of stakeholder engagement

Total	64
1 = Most important (1)	3
2 (2)	10
3 (3)	21
4 (4)	9
5 (5)	13
6 = Least important (6)	8
Net: Top 3	34
Mean score	3.7
Standard deviation	1.41

EFRAG's representation of its EU stakeholders

Total	64
1 = Most important (1)	7
2 (2)	12
3 (3)	11
4 (4)	12
5 (5)	12
6 = Least important (6)	10
Net: Top 3	30
Mean score	3.6
Standard deviation	1.62

Accountability to its member organisations and the European institutions

Total	64
1 = Most important (1)	6
2 (2)	6
3 (3)	7
4 (4)	12
5 (5)	14
6 = Least important (6)	19
Net: Top 3	19
Mean score	4.2
Standard deviation	1.65

Effective and independent governance

Total	64
1 = Most important (1)	7
2 (2)	2
3 (3)	7
4 (4)	16
5 (5)	14
6 = Least important (6)	18
Net: Top 3	16
Mean score	4.3
Standard deviation	1.59

Q11. Overall, to what extent would you say EFRAG has been successful, or unsuccessful in serving the European public interest?

Total	64
Very successful (4)	20
Somewhat successful (3)	38
Somewhat unsuccessful (2)	3
Very unsuccessful (1)	1
Don't know	2
Net: Successful	58
Net: Unsuccessful	4
Mean score	3.2
Standard deviation	0.62

Q12. Compared to five years ago, how would you say that EFRAG is doing in meeting its core mission to serve the EU public interest by developing and promoting European views in the field of financial reporting and ensuring these views are properly considered in the IASB standard-setting process and in related international debates?

Total	64
Much better (5)	19
A little better (4)	25
The same (3)	12
A little worse (2)	0
Much worse (1)	0
Don't know	8
Net: Better	44
Net: Worse	0
Mean score	4.1
Standard deviation	0.74

Q13. In which of the areas below would you say EFRAG has improved, remained constant, or deteriorated over the past five years?

Effective and independent governance

Total	64
Significantly improved (5)	14
Somewhat improved (4)	22
Remained constant (3)	23
Somewhat deteriorated (2)	5
Significantly deteriorated (1)	0
Net: Improved	36
Net: Deteriorated	5
Mean score	3.7
Standard deviation	0.9

Accountability to its member organisations and the European institutions

Total	64
Significantly improved (5)	10
Somewhat improved (4)	22
Remained constant (3)	32
Somewhat deteriorated (2)	0
Significantly deteriorated (1)	0
Net: Improved	32
Net: Deteriorated	0
Mean score	3.7
Standard deviation	0.74

Quality of technical work

Total	64
Significantly improved (5)	11
Somewhat improved (4)	29
Remained constant (3)	24
Somewhat deteriorated (2)	0
Significantly deteriorated (1)	0
Net: Improved	40
Net: Deteriorated	0
Mean score	3.8
Standard deviation	0.72

Inclusiveness and transparency of stakeholder engagement

Total	64
Significantly improved (5)	10
Somewhat improved (4)	30
Remained constant (3)	23
Somewhat deteriorated (2)	1
Significantly deteriorated (1)	0
Net: Improved	40
Net: Deteriorated	1
Mean score	3.8
Standard deviation	0.73

Ability to influence IFRS Standards prior to publication

Total	64
Significantly improved (5)	7
Somewhat improved (4)	36
Remained constant (3)	20
Somewhat deteriorated (2)	1
Significantly deteriorated (1)	0
Net: Improved	43
Net: Deteriorated	1
Mean score	3.8
Standard deviation	0.66

Q14. What one policy issue do you think EFRAG should focus on over the next year?

Open-text answers omitted for confidentiality reasons.

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