

IFRS Foundation Monitoring Board 2023-2024 Work Plan

May 2023

Capital markets authorities responsible for setting the form and content of financial reporting in jurisdictions where the use of International Financial Reporting Standards (IFRS) is mandated or permitted are able to more effectively discharge their mandates regarding investor protection, market integrity and capital formation through the IFRS Foundation Monitoring Board (MB). The mission of the MB is to promote the continued development of International Financial Reporting Standards as a high-quality set of global accounting standards and global sustainability disclosure standards, and to monitor and reinforce the public interest oversight function of the IFRSF, while preserving the independence of the International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB).

The MB plans to conduct the following activities in 2023 and 2024, which encompass three key areas:

- a) reviewing the Trustees' oversight of the IASB's and ISSB's standard-setting processes, including the interactions and interdependencies of their respective agendas;
- b) monitoring and conferring with the Trustees on their responsibilities; and
- c) the MB's organization and governance activities.

The MB intends to update its work plan periodically and keep stakeholders informed of its areas of focus which enhances both the operational efficiency of the MB and transparency regarding its operations.

a) Reviewing the Trustees' oversight of the IASB and the ISSB¹

(IASB's and ISSB's due process arrangements)

- The MB plans to continue to monitor the Trustees' plan for the oversight and review of the IASB's and ISSB's due process arrangements, as appropriate.

¹ Section 10.B. and 11.D. of the Memorandum of Understanding to Strengthen the Institutional Framework of the International Financial Reporting Standards Foundation note the IFRSF Monitoring Board may refer accounting issues to, and will confer regarding these issues with, the Trustees and the IASB and ISSB Chairs, respectively. In all cases, it is understood that the Monitoring Board will neither influence the decision-making process nor challenge the decisions made by the IASB or ISSB with regard to its standard-setting.

(Agenda referral)

- The MB will continue its dialogue with the Trustees on accounting and financial and sustainability reporting matters of broad public interest for consideration by the IASB and the ISSB. Such matters could encompass the following:
 - Monitoring the completion of the 2023 and 2024 Work Plans and priorities as determined by the IASB's 2021 Agenda Consultation and the ISSB's 2023 consultation on agenda priorities (including inputs to the consultation design and its work on new projects coming out of the consultation)
 - High-quality implementation of existing and new accounting and sustainability disclosure standards, including IFRS 9 on Financial Instruments, IFRS 15 on Revenue, IFRS 16 on Leases, IFRS S1 and IFRS S2 as well as IASB priority projects on IAS 38 on Intangible assets, IAS 7 on Statement of Cash Flows and Related Matters, Climate-related Risks in the Financial Statements, IFRS 8 on Operating Segments and the project on Pollutant Pricing Mechanisms.
 - The IASB's project on better communication in financial reporting and the Disclosure Initiative;
 - Areas of collaboration between the IASB and the ISSB, such as overarching sustainability topics including climate and development of consistent terminology and compatible requirements (e.g. Intangible Assets); and the alignment of the two boards' internal processes.
 - Digital reporting and the IFRS Taxonomies (including IFRS Accounting Taxonomy and IFRS Sustainability Disclosure Taxonomy).

(Other)

- Other Trustee initiatives, where relevant and appropriate, e.g. considerations regarding integrated reporting or connecting the work of the IASB and ISSB.

b) Monitoring and Conferring with the Trustees on Their Responsibilities

(Good governance of the IFRS Foundation)

- The MB plans to continue its ongoing dialogue with Trustees on its efforts to strengthen the governance framework of the IFRS Foundation and, in particular, the periodic review of the IFRS Constitution;
- The MB will continue to discuss the progress and results of the IFRS Foundation's exercise to identify and evaluate its operational risks, including the development of evaluation metrics and key performance indicators.

(Financing arrangements)

- The MB will continue to review the adequacy and appropriateness of the Trustees' arrangements for the IFRS Foundation's funding and share its perspectives with the Trustees, as appropriate.

(Nomination process)

- The MB plans to participate and provide input and help to the IFRS Foundation nomination and approval process for Trustee candidates, including its Chair, and the IASB and ISSB Chairs

c) Monitoring Board Organization and Governance

(Review of existing members)

- The MB plans to conduct its periodic review of existing MB members.
- (Observers)The MB will consider the rotation of two Observers from the IOSCO Regional Committees.

The activities in the work plan are the responsibilities of the MB specified by the “Charter of the IFRSF Monitoring Board” (hereinafter referred to as the “Charter”), the Memorandum of Understanding to Strengthen the Institutional Framework of the International Financial Reporting Standards Foundation (hereinafter referred to as the “MoU”), decisions made by the MB principals, and the “Final report on the Review of the IFRS Foundation's Governance”.

Section 7 v) of the MoU is the basis for the MB's work on the Trustees' oversight of the IASB and the ISSB, including their due process arrangements, section 7 vii) for the agenda referral, section 7 iv) for the MB's work on the IFRS Foundation's financing arrangement, section 7 i) and ii) for the Trustee nomination process.