

Working in the public interest

Report of the Chair of the IFRS Foundation Monitoring Board



The Monitoring Board, formed in 2009, comprises a group of capital market authorities responsible for setting the form and content of financial reporting in their jurisdictions, for monitoring and reinforcing the public interest oversight of the IFRS Foundation and for promoting the continued development of IFRS Standards as a high-quality set of global accounting standards.

The Monitoring Board's activities in 2017 have focused primarily on three key areas:

- reviewing the Trustees' oversight of the International Accounting Standards Board's (Board) standard-setting process;
- monitoring and conferring with the Trustees on their responsibilities, including strengthening the governance framework of the Foundation and participating and providing input on the Trustees' arrangements and nominations; and
- enhancing the Monitoring Board's organisation and governance activities.

Focus areas

In 2017, the Monitoring Board engaged in focused discussions on accounting matters of broad public interest. We welcomed the Foundation's orientation to support timely and consistent application and implementation of the Standards globally.

In this respect, we have continued our constructive dialogue with the Trustees regarding the application of new accounting standards, including revenue recognition, financial instruments, leases and insurance contracts.

We acknowledge the efforts made by the Foundation to underpin successful implementation and highlight the continuous need for ongoing support to ensure consistency. In addition, we have also continued our dialogue on effects analyses and due process oversight.

Supervisors, regulators and standard-setters, both at the national and global level, have increased their emphasis on the effects of technological change and innovations in the markets. As reporting practices evolve and technological advances shape the reporting landscape, we have continued to engage with the Trustees on their strategy related to digital reporting and the development and implementation of the IFRS Taxonomy and its interface with standard-setting. Similarly, we have also monitored developments and progress in the delivery of the Board's plan on Better Communication in Financial Reporting.

We noted the outcomes of the Foundation's reputational survey and look forward to following up with the Trustees, including on the Foundation's work to evaluate its operational risks, evaluation metrics and key performance indicators.

The Monitoring Board has continued to review the adequacy and appropriateness of the Trustees' arrangements for the IFRS Foundation's funding.

“ We acknowledge the efforts made by the Foundation to underpin successful implementation and highlight the continuous need for ongoing support to ensure consistency. ”

I would like to congratulate and welcome the seven new Trustees who took office in January 2018 and to reaffirm our intention to continue to work with the Trustees in the spirit of close cooperation.

Governance

Following my appointment as Monitoring Board Chair, the IOSCO Secretariat in Madrid has played an important role as the Monitoring Board Secretariat since March 2017. We held two meetings in 2017—in Paris in February and in Madrid in October—and a number of teleconferences. The Monitoring Board conducted its three-year review of existing members in 2017 and concluded that no member has been found non-compliant with the membership criteria.

I would like to express my appreciation and gratitude to my colleagues on the Monitoring Board, the Deputies Working Group and the Secretariat.

I look forward to continuing to work with the IFRS Foundation and with stakeholders around the world to accomplish our goal of high quality financial information.

Jean-Paul Servais