

Reinforcing the public interest

Report from the Chair of the IFRS Foundation Monitoring Board



High-quality financial reporting is vital for enhancing confidence in capital markets. That is why, as a group of capital market authorities responsible for setting the form and content of financial reporting in our jurisdictions, the Monitoring Board reinforces the public interest oversight of the IFRS Foundation and the Trustees' work to strengthen the promotion and development of high-quality IFRS Standards.

As Chair, in 2018 I had the pleasure of welcoming two new rotating observers to the Monitoring Board: Jurgen Boyd, Deputy Executive Officer of the Financial Sector Conduct Authority of South Africa, representing the IOSCO Africa/Middle-East Regional Committee, and Marcos Ayerra, Chairman of the Comisión Nacional de Valores of Argentina and representative of the IOSCO Inter-American Regional Committee (Chairman). Their perspectives enhance the Monitoring Board's geographical spread and its engagement on accounting matters of broad public interest.

To achieve our goals, we have focused on three key areas:

- people—where we have actively participated in the selection and approval of the Trustees;

- processes and procedures—among our key duties we oversee and advise the Trustees on their responsibilities, including strengthening the governance framework of the Foundation; and
- engagement—with the Trustees on policy matters and market developments.

People

The Foundation is an independent body charged with serving the public interest, while its Trustees are entrusted with the governance and oversight of the International Accounting Standards Board. It is therefore paramount that the Trustees continue to be diverse, experienced and competent senior individuals who are globally respected, public-interest orientated and committed to the development and effective implementation of IFRS Standards globally. The Monitoring Board has a constitutional role to constructively contribute to safeguarding the application of the Foundation's *Constitution*.

In 2018, we welcomed the appointment of Erkki Liikanen, who succeeded Michel Prada in October 2018 as Chair of the Trustees. Mr Liikanen will be instrumental in leading the Foundation into the future, and the members of the Monitoring Board look forward to working closely with him. I take this opportunity to again thank Michel Prada for his remarkable achievements and his leadership over the last seven years.

In 2018 and 2019, we also welcomed ten new Trustees to the Foundation, bringing a wealth of international experience, deep knowledge of corporate reporting and an understanding of the financial sector.

Processes and procedures

In accordance with our responsibilities, we have established the monitoring of the Trustees' plan for reviewing the *Due Process Handbook* as a priority in its 2018-19 work plan. The review—and the proposed amendments resulting from it—is designed to ensure the *Handbook* remains fit for purpose in light of developments in the Board's and the IFRS Interpretations Committee's processes and that it continues to reflect best practice. The main proposed amendments relate to effects analyses and agenda decisions.

We have also continued to discuss with the Trustees the *Perceptions of the IFRS Foundation* research report and the IFRS Foundation's efforts to identify and evaluate its operational risks, including the development of evaluation metrics and key performance indicators.

We welcome the close collaboration between the Monitoring Board Deputies Working Group and senior staff of the Foundation and the Board on these matters.

Engagement

Our engagement with the Trustees on market and regulatory developments continues on financial reporting, digital reporting, challenges posed by technology and innovation, and the IFRS Taxonomy. Monitoring Board members share their views on issues that can affect how the Standards function and how the Foundation delivers its mandate.

Finally, I would like to express my appreciation to my Monitoring Board colleagues, our Deputies Working Group and our Secretariat. I look forward to continuing working closely with stakeholders around the world in accomplishing our goal of high-quality financial information.

Jean-Paul Servais