

Enhancing accountability and governance

Report from the Chair of the IFRS Foundation Monitoring Board

The mission of the Monitoring Board is to monitor the Foundation, whose Trustees in turn are responsible for the oversight of the Board.



The Monitoring Board's objective is to reinforce the Foundation's public interest remit and the Trustees' responsibilities in promoting the development of a single set of high-quality, understandable, enforceable and globally accepted financial reporting standards.

High-quality financial information is the foundation for effective, fair and transparent capital markets. It underpins investors' confidence in these markets and facilitates optimal capital allocation. The application of high-quality financial reporting standards is the cornerstone for high-quality financial reporting.

The formal relationship between the Monitoring Board and the Foundation enables the Monitoring Board members to fulfil their mandate to protect investors, ensure market integrity and facilitate and promote capital formation.

Our priorities in 2019 focused on three objectives:

1. Regulatory and policy matters and market developments

In 2019, we strengthened our engagement with the Trustees on broad regulatory and policy matters and developments that could potentially affect financial reporting. I believe it is essential that accounting standards are kept up to date to reflect changes in the business environment and business practices. Monitoring Board members and Trustees have continued to deliberate on the challenges as well

as the opportunities posed by FinTech and emerging innovative technologies, which could potentially affect financial reporting in the future.

The Monitoring Board and the Foundation share an interest in enhancing comparability, which requires IFRS Standards to be consistently applied in many jurisdictions. The growth in the number of jurisdictions using the Standards, the number of new, significant Standards, and the perceived growing complexity of IFRS Standards, has focused attention on promoting consistent application. We continued discussing the initiatives and efforts by the Foundation, Board and Interpretations Committee to support consistent application.

2. Nominations

We approved the nomination of three new Trustees to the Foundation who started their terms 1 January 2020. They bring a wealth of international experience, a deep knowledge of corporate reporting and a profound understanding of the financial sector.

As a group of public authorities, the Monitoring Board has a duty to contribute to ensuring that the constitutional arrangements for the Foundation are adequately applied. To this effect, we continue to support a body of Trustees that brings together globally respected, experienced and competent individuals with a clear public interest focus, and who are

fully committed to supporting the development and consistent application of IFRS Standards around the globe.

3. Due process

Given the relevance of the *Due Process Handbook* in setting the due process principles that apply to the Board and the Interpretations Committee, the Trustees' review of the *Handbook* was a priority in our work plan. The Monitoring Board—its principals and deputies—has regularly discussed with the Trustees their proposed revisions to the *Handbook*, published in an exposure draft in 2019, and the feedback from stakeholders on the proposals. Our attention focused on those regarding agenda decisions and effects analyses. We will continue to monitor the developments until the review is finalised in 2020.

Thank you

I would like to express my gratitude to Monitoring Board members, our Deputies Working Group and the Secretariat for their support. I look forward to continuing to work closely with the Trustees, the Board and global stakeholders to support our common objective of achieving high-quality financial reporting.

Jean-Paul Servais