

**Full draft report on effectiveness in oversight for 2008
and recommended priorities for 2009**

The first four columns are those approved by the Trustees. The right-hand column describes progress or further action steps needed. In considering how the Trustees demonstrate the organization's accountability, pay particular attention should be given to how the Trustees provide evidence these activities are occurring.

The Trustees now have a commitment to report on their oversight activities as part of this framework in the Annual Report. Based upon the conclusions reached at this meeting,

PART A: CONSTITUTIONAL REQUIREMENTS

CONSTITUTIONAL REQUIREMENT	CONST. PARA.	KEYS TO SUCCESS	DELIVERABLES REQUIRED IN A GIVEN YEAR	2008 PROGRESS, CURRENT STATUS, AND PRIORITIES
Assume responsibility for establishing and maintaining appropriate financing arrangements	13a	Having an assured and sustainable source of funding that preserves the IASB's independence and provides necessary resources for the organisation	<ul style="list-style-type: none"> -Provide the Trustees with a package of materials that enables them to engage in fund-raising efforts. -Ensure that this material is regularly updated as required. -Ensure prospects/donors contacted to provide funding -Agree to and maintain a funding system for 2008 and beyond 	<p>2008:</p> <ul style="list-style-type: none"> -Trustees continued to expand long term funding regimes for the organisation. -Whilst an EU-wide fee-based system for 2010 and beyond was not put in place, significant progress was made to secure long-term funding arrangements with major European countries and EU-wide payments is being proposed. - The possibility of introducing a levy system in the US is being explored. <p>2009</p> <ul style="list-style-type: none"> - Continue to create and develop a world wide secure and broad based funding mechanism for the long-term. - Consider, and where possible, implement requirements in order to secure possible long-term, broad based funding from the US. - Build in appropriate inflationary mechanism increases in the existing funding. - Adopt appropriate hedging policies to guard against foreign exchange risks. - Develop a five-year financial plan and build in appropriate contingency arrangements.

Establish or amend operating procedures for the Trustees	13b	Regular review of the Constitution and by-laws to conform to organizational needs	<p>-Tabulate comments from constituents on procedures and constitution on an ongoing basis.</p> <p>-Every 5 years, initiate a review of the Constitution</p>	<p>- Discuss with the Monitoring Board the best possible ways of introducing secured long-term funding.</p> <p>2008:</p> <p>- Initiated a full constitutional review by carrying out necessary consultation to ensure that the Trustees remain publically accountable, transparent and comply with agreed due process. The review was carried out in two parts: the first dealt with governance and was fast tracked. The Trustees have now approved the changes which included:</p> <ul style="list-style-type: none"> • The creation of a Monitoring Board to oversee the appointments and due process of the Trustees, and • Increasing the size of the IASB to 16 members, composed of 4 representatives each from Europe, US/Americas, Asia-Oceania and 4 from any other area or region of the world. <p>2009</p> <p>- Progress the second part of the Constitution Review to conclusion in December 2009. For implementation in 2010.</p> <p>- Ensure extensive consultation of stakeholders by holding round-table meetings in the second half of the year in</p>
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Determine the legal entity	13c	N/A	Review as necessary, depending upon changing regulatory requirements and strategic needs of the organisation	<p>Europe, Asia, Latin America and the United States to ensure stakeholders provide feedback, in accordance with due process.</p> <p>- Specifically consider developing and implementing emergency IASB due process procedures to cover exceptional circumstances.</p> <p>- Develop in conjunction with the Monitoring Board appropriate reporting and operating procedures.</p> <p>Update Bylaws to reflect Constitutional changes.</p>
Location of IASC Foundation	13d	Review and sign leases where appropriate	N/A	<p>2008</p> <p>- No changes following the occupation of the offices in the west wing of the ground floor at 30 Cannon Street in 2007.</p> <p>2009</p> <p>- To consider in more detail the financial feasibility and possibility of opening satellite offices in Asia and North America.</p>
Charitable status	13e	N/A	Prepare filings	<p>2008</p> <p>Filings completed as required</p>
Public meetings	13f	Preparation of topics and supporting papers of sufficiently high quality well in advance to ensure Trustees	-Have a reporting mechanism to ensure information is provided to the Trustees in an efficient manner to make	<p>Continue holding public meetings, including with the Monitoring Board.</p>

		are able to make sound decisions and demonstrate that they are acting in the public interest	assessment regarding Trustee effectiveness -Develop agendas for Trustee meetings in an appropriate manner, determining whether items are discussed in public or private	
Publish an annual report	13g	Communicating key messages, including an evaluation of how successful the IASB has been in achieving its stated goals, the role of Trustees oversight and how the Trustees are fulfilling its duties	Preparation of report, including a specific section in the Annual Report discussing the achievements of the IASB, Trustees' oversight and how the Trustees fulfill this responsibility.	<p>2008</p> <ul style="list-style-type: none"> - The Annual Report included a separate section detailing the work of the Due Process Oversight Committee and its commitment to ensure Trustee oversight and public accountability. - The Annual Report included greater disclosure of financing. <p>2009</p> <ul style="list-style-type: none"> - To continue transparent and accountable reporting as adopted in 2008 so as to ensure that all stakeholders are better informed. - To provide this report to the Monitoring Board on an annual basis to ensure transparent and open reporting.
Appoint the members of the IASB and establish their contracts of service and performance criteria	15a	<ul style="list-style-type: none"> -Maintain high standards of recruiting -Ensure an appropriate mix of backgrounds and perspectives. -Ensure that appropriate and regular review performances of board members are made 	<ul style="list-style-type: none"> -Regular evaluation of different mechanisms for recruitment (eg use of external agencies or other outreach) -Develop a list of possible board candidates. -Undertake long-term planning on composition of 	<p>2008</p> <ul style="list-style-type: none"> -Appointed external consultant advisors to assist with performance assessments. Commenced their implementation towards the end of the year. -Began to address longer-term succession planning by appointing appropriate consultant advisors, consulted outside

		according to procedures	<p>Board</p> <ul style="list-style-type: none"> -Review procedures for annual board performance assessments - Review and discuss as required performance evaluations/ write-ups on all board members, including the IASB Chairman 	<p>parties and world wide standard-setters.</p> <p>2009</p> <ul style="list-style-type: none"> - Account for report of external consultants. - Continue to consult with outside parties to identify suitable candidates for the IASB in 2011. - Interview and appoint more IASB members to account for turnover and the increased size following the constitutional changes that come into effect on 1 February 2009. - Ensure appropriate geographic diversity of the IASB given the newly introduced constitutional requirements.
Appoint the members of the IFRIC and the SAC	15b	<ul style="list-style-type: none"> -Maintain high standards of recruiting -Ensure an appropriate mix of backgrounds and perspectives. 	<ul style="list-style-type: none"> -Regular evaluation of different mechanisms for recruitment (e.g. use of external agencies) -Develop a list of possible candidates. -Review whether the composition of both IFRIC and the SAC is such that these committees are benefiting from the appropriate range of views, considering the purposes for which these committees are established. 	<p>2008</p> <ul style="list-style-type: none"> - Filled the vacancies arising on the IFRIC in February and in July as the vacancies arose during the year. - Refined the working methods, size, composition and terms of reference of the SAC before its term expired at the end of 2008. -Appointed a new Chairman and introduced two Vice Chairmen for the SAC to ensure geographic diversity and active leadership. Chair to be rotated every three years. - Agreed the composition of the SAC to be primarily on the basis of representatives of organisations. However, there still remains

scope for individual appointments.

2009

- Fill the vacancies arising on the IFRIC in July as the vacancies arise during the year.
- The SAC chairman to arrange additional meetings beyond the plenary meeting held in London. Extend participation beyond the SAC members to provide opportunity for multiple contributions and enhanced due process.

2008 and Priority issues:

- Refined the annual review of the IASC Foundation and the IASB to emphasise the organisation's commitment to public accountability and due process.
- Initiated the first part of the Constitution Review.
- Commenced the Brand Refresh project and introduced it internally within the organisation.
- Made greater use of technology and on-line communication tools, to assist in engagement, transparency and to support due process obligations.
- Utilised Brunswick Group LLP to continue to progress the communication plan for the IASC Foundation and build good relations with key journalists and publications.
- Continued to focus enhanced communications with interested parties

Review annually the strategy of the IASC Foundation and the IASB and its effectiveness, including consideration, but not determination, of the IASB's agenda

15c

- Ensure the successful fulfillment of the strategy as laid out in the MOU with FASB and other convergence initiatives, and
- Raise questions as to whether proposed IASB projects are consistent with fulfilling the organization's objectives
- Consider and question if necessary, whether proposed IASB projects can be successfully concluded in the light of available and expected resources
- Communicate with external parties the rationale behind IASB and IASC Foundation efforts and how they fit into the organization's objectives

- Regular review of the IASB's work program
- Review and discuss existing and potential convergence opportunities with the IASB
- Open discussions with the IASB on proposed new agenda items and discussion with interested parties to learn their views
- Establish a coherent communications strategy in conjunction with the IASB
- Regular meeting with public and private officials in home jurisdictions to share common messages

and created good relations with journalists and key stakeholders

- Created a database of key stakeholders, a single slide deck for presentations, and information pack.
- Ensured consistent communication by utilising the newly formed Communications Tool Kit.
- Appointed a new Director of Finance and Resources to aid strategic development.
- Develop timely responses to the G20 recommendations and keep the G20 appropriately informed.

2009 and Priority issues.

- Work with the formed Monitoring Board and ensure reporting and communication between the Monitoring Board and the Trustees.
- Arrange early meeting with the Monitoring Board and the Trustees to progress consideration on funding requirements, trustee appointment procedures and reactions to the global financial crisis.
- Progress the examination of the IFRS brand to conclusion.
- Increase the diversity, age, gender and profession of Trustees and IASB members.
- Continue to ensure that the Annual Report is an effective communication tool

Approve budget annually	15d	Develop and approve annual budgets that provide sufficient resources within the framework of available funding to achieve the IASC Foundation's objectives within appropriate parameters for a not-for-profit organization	Create a budget in a timely fashion, following a strategic review of priorities	<p>and demonstrates transparently the organisation's commitment to enhanced due process.</p> <ul style="list-style-type: none"> - Continue with the second part of the Constitution Review as commenced in December 2008. To be concluded at the end of 2009 for implementation in January 2010. - Make greater use of video conferencing and other technology to improve communication and outreach. - Develop an enhanced five-year plan to be measured against funding requirements and future long-term objectives. - Continue to monitor the G20 communiqués and respond appropriately and timeously. <p>2008</p> <ul style="list-style-type: none"> - Budget reviewed, accounts and audit produced in consultation with auditors and printed in Annual Report. - Updated budget document to ensure greater transparency and conformity to IFRSs. - Introduced a five-year budget plan. <p>2009</p> <ul style="list-style-type: none"> - Continue to ensure accurate and transparent budget and audit. - Continue to ensure budget confirms to IFRSs. - Introduce inflationary provisions in the
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<p>Review broad strategic issues affecting accounting standards, promote the IASC Foundation and its work and promote the objective of rigorous application of IFRSs, provided that the Trustees shall be excluded from involvement in technical matters relating to accounting standards</p>	<p>15e</p>	<ul style="list-style-type: none"> -Maintain a high degree of awareness on issues related to accounting matters -Undertake steps to preserve the consistency and quality of the application of IFRSs -Encourage and promote recognition of and convergence to IFRS by national accounting standard setters 	<ul style="list-style-type: none"> -Identify opinion formers in international and national organizations and develop program of contact. -Regular meeting with public and private officials in home jurisdictions to share common messages -Develop policies and programs (such as the education initiative) that are consistent with the Constitutional Requirement 	<p>funding regime.</p> <ul style="list-style-type: none"> - Assess funding levels for all major countries. - Monitor hedging policies on foreign currencies and investments. - Introduce a risk register and keep it updated. - Improve access to financial data. <p>See points two rows above.</p>
<p>Establish and amend operating procedures, consultative arrangements and due process for the IASB, IFRIC, and the SAC</p>	<p>15f</p>	<ul style="list-style-type: none"> -Critically review the operating procedures of the IASB on a regular basis and provide an avenue for suggestions -Ensure that dialogue with interested parties extends beyond formal due process -Require SAC and IFRIC to set forth clear and measurable operational objectives that are 	<ul style="list-style-type: none"> -Trustees to communicate as necessary comments from constituents on due process to the Procedures Committee on an ongoing basis -Trustees Procedures Committee to review Due Process Handbook for amendment on annual basis -Trustees should host at least one meeting annually between 	<p>2008</p> <ul style="list-style-type: none"> - Updated Due Process Handbook to reflect changes agreed through 2007 and 2008. - Focused on improving communication between IASB and Trustees. - Monitored the effectiveness of the Working Groups. - Created an improved SAC made up of representative organisations rather than solely individual members.

subject to review by the Trustees

an IASB group and relevant parties within their home or another jurisdiction as required.

-Trustees Procedures Committee to review the SAC's and IFRIC's objectives on an annual basis and determine whether expectations are being met. Would require meetings with SAC and IFRIC and the Trustees

- Monitored the suspension of due process procedures in the face of the global financial crisis in the Autumn of 2008.

2009

- Possibly introduce emergency due process procedures after appropriate consultation during the Constitution Review.
- Agree with the Monitoring Board appropriate operating procedures and Trustee appointment procedures.
- Update the IASB's Due Process Handbook to reflect the changes agreed from the second part of the Constitution Review.
- Maintaining the organization's focus on achieving the G20 milestones
- Reviewing the IASB's progress relative to the timeframe set out in the Memorandum of Understanding
- Liaising with the Monitoring Board, as appropriate on issues of due process oversight
- Monitor the newly formed SAC and determining whether any enhancements may be necessary.
- Introduce an XBRL due process handbook

See constitutional point 15c.

Review compliance with the operating procedures, consultative

15g

-Develop a culture whereby effective consultation is viewed as extending beyond

-Trustees to review and assist, where appropriate, in the implementation of the IASB's

arrangements and due process as described in (f);		formal due process -Establish where necessary, formal procedures to review compliance with due process, both in the formulation of IASB project plans and in response to complaints -Determine the necessity of Constitutional amendments after consultation with the SAC and other stakeholders	communications plan (including providing necessary resources) -Procedures Committee to undertake review of complaints and respond in an appropriate manner -Review comments received from various consultations on a regular basis.	
Approve amendments to this Constitution after following a due process, including consultation with the Standards Advisory Council and publication of an Exposure Draft for public comment	15h			2008 and 2009 Priorities - See points four rows above at point 15c.
Exercise all powers of the IASC Foundation except for those expressly reserved to the IASB, the International Financial Reporting Interpretations Committee and the Standards Advisory Council	15i	N/A	N/A	
Foster and review the development of educational programmes and materials that are consistent with the IASC Foundation's objectives	15j	Ensure that the IASC Foundation maintains high standards of quality in its educational materials Ensure that educational materials are subject to periodic review by the IASB	-Review the education program plan and ensure that the plans are consistent with the organization's objectives and operates within its financial resources	2008 - XBRL team provided a high quality IFRS Taxonomy to the market, at the same standard as the IFRS bound volume. 2009 - Continue to progress the work of the

or someone designated by the IASB to ensure that the material is current and reflects consistency with applicable standards and interpretations.

XBRL team to provide high quality IFRS Taxonomy to the market.
- Review existing contractual relationships to ensure best practice and value.

PART B – OTHER OPERATIONAL RESPONSIBILITIES ASSOCIATED WITH TRUSTEE DUTIES

RESPONSIBILITIES	KEYS TO SUCCESS	DELIVERABLES REQUIRED IN A GIVEN YEAR	2008 PROGRESS, CURRENT STATUS, AND PRIORITIES
Appointment of Trustees	Identify and recruit motivated and well-respected candidates for the Trustees	<ul style="list-style-type: none"> -Evaluate different ways of recruiting (eg use of external agency) - Advertise for vacant positions -Contact relevant organizations and stakeholders -Consult with the Trustees Appointments Advisory Group	<p>2008</p> <ul style="list-style-type: none"> - Approved the creation of a link to a Monitoring Board following extensive consultation and implementation of constitutional amendments. - Replaced retiring Trustees. <p>2009 and Priorities</p> <ul style="list-style-type: none"> - To advertise and replace retiring Trustees. - To create a Trustee appointment procedure for presentation to the Monitoring Board for approval and implementation. - To ensure greater diversity by age, gender, career and background when seeking to appoint new Trustees. Members assigned to committees.
Assign Trustees to Committees	Identify Trustee area of interest and expertise and assign Trustees accordingly	<ul style="list-style-type: none"> -Document the specific skill sets/knowledge needed on each committee. -Ensure Committees have a full complement of members 	
Orientation of new Trustees	Ensure Trustees have necessary information to perform duties as soon as possible following appointment	<ul style="list-style-type: none"> -Meet with new Trustees in a timely fashion -Emphasize independence requirements and the separation of roles between the IASCF Trustees and the 	<ul style="list-style-type: none"> -New Director of Finance and Resources has introduced enhanced orientation and induction materials for all staff which can be extended to Trustees. Chief Operating Officer meets with new Trustees and provides relevant materials. Chief

A clear understanding of Committee roles and responsibilities	Charters or Terms of reference for Trustee Committees, if appropriate	IASB -Provide materials related to the organisation's operating procedures and guidelines. Determine whether Charters or Terms of Reference to be developed where these do not exist and/or updated for each standing Trustee committee, and approved by the Trustees	Operating Officer raises issues raised in the oversight framework. -Committee Charters approved and updated. Committee membership and roles are posted on the Website.
Establish personnel and hiring policies	Establish rules that help to attract and retain staff, comply with the latest regulations, and are consistent with the organization status as a charity	-Review employee handbook and terms and conditions on a regular basis	-New Director of Finance and Resources appointed. She has introduced competency based interviews, appropriate induction policies, updated the Staff Handbook and reviewed all other HR policies as appropriate.
Review compensation of management, IASB, and staff	Have a process for an annual review of compensation following performance reviews and benchmarking	Decision by Trustees in March/April for IASB (now annually) and staff (annually)	-Remuneration Subcommittee met to review compensation matters. The Trustees implemented agreed policies regarding annual reviews and per diems. Compensation is benchmarked against appropriate external organizations.
Appointment of external auditors	Reputable audit firm	- Discussion with auditors regarding the quality of accounting policies and internal financial controls at least once a year -Review and pre-approve on type and nature of services to be provided by auditors -Review auditors	-Audit Committee carries out all tasks in accordance with the Audit Committee Charter and works closely with the Director of Finance and Resources and appointed Auditor, BDO Stoy Hayward.

Management accounts	Timely and accurate financial information to manage the organization	<p>independence</p> <ul style="list-style-type: none"> - Review quality of service provided by auditors. -Audit opinion <p>Preparation of monthly management accounts and quarterly accounts. Review critically the quarterly accounts together with the Audit Committee prior to presentation to the Trustees Creation and updating of a disaster recovery plan</p>	<ul style="list-style-type: none"> -Tasks accomplished and evidenced by signatures on accounts and Trustee minutes.
Establishment of a disaster recovery policy	A disaster recovery plan that would minimize the disruption to the organization's work		<p>2008</p> <ul style="list-style-type: none"> -Director of Finance and Resources introduced a renewed and robust Policy which has been successfully tested and reviewed and approved by the Audit Committee. <p>2009</p> <ul style="list-style-type: none"> - Continue to test the Disaster Recovery system. - Ensure constant updating of key materials. - Appropriate briefings for Gold Team and support teams.
Filing of statutory accounts and tax information	<ul style="list-style-type: none"> -Compliance with US and UK requirements in order to maintain good standing -Awareness that IASB's reputation & public profile means the IFRS accounts should display 'best in class' 	<ul style="list-style-type: none"> -US 990 and relevant state tax forms -UK Companies House filing -UK HM Revenues and Customs taxes -VAT requirements -Appropriate and correct use 	<ul style="list-style-type: none"> -All activities accomplished, evidenced by compliance checklist.

An active communications and public affairs program	<p>attributes in terms of application of IFRS, as well as in presentation and disclosure.</p> <p>A communications program that conveys key messages to the relevant parties, fosters support for and provides thought leadership of the IASC Foundation's objectives, and enables the IASB to hear the views of affected parties</p>	<p>of IFRS</p> <ul style="list-style-type: none"> -Identification and development of key messages -Identification of key parties and administration of program that reaches these groups -Effective utilization of Trustees and IASB members 	<p>2008 and 2009</p> <ul style="list-style-type: none"> - Communications program consolidated and augmented. - see points at constitution point 15c above. established - The Trustees must consider the appropriate amount of time that they as individuals are able to devote to communications activities. - Ensure consistent messaging and feedback provided to central HQ. - Extend communication around the globe whilst still concentrating on key geographic regions.
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PART C – 2008 TRUSTEE SCHEDULE

Duty	January	March/April	June/July	October/ November
Maintain adequate financing arrangements	X	X	X	X
Discuss and approve an annual report		X		
Report regularly to the Monitoring Board and receive adequate feedback.	X	X	X	X
Appoint the members of the IASB	X (or previous mtg)			X (or 1 st meeting of next year)
Review of IASB's agenda and strategy	X	X	X	X
Approval of annual budget				X
Review progress related to the adoption, application, and interpretation of IFRSs – Reports of the Chairman of the IASB, IFRIC, and/or SAC	X	X	X	X
Review of education and publications programs	X	X	X	X
Appointment of Trustees in consultation and conjunction with the Monitoring Board.				X
Trustee committee assignments	X			
Introduction for new Trustees	X			
Compensation review		X		
Appointment of external auditors		X		
Review of accounts		X	X	X
Review of Communications Program	X	X	X	X
Review of financial situation and quarterly financial information	X	X	X	X