

**DUE PROCESS OVERSIGHT COMMITTEE'S ASSESSMENT
OF THE TRUSTEES' EFFECTIVENESS IN THEIR OVERSIGHT RESPONSIBILITIES
DURING 2009 -2010**

The Trustees have a commitment to report on their oversight activities as part of this framework in the Annual Report.

The following table represents the Due Process Oversight Committee's assessment of the Trustees' effectiveness in their oversight responsibilities during 2009 and into 2010, in accordance with the framework approved in October 2006.

The first four columns are those approved by the Trustees. The right-hand column describes progress or further action steps needed.

Part A: Constitutional requirements				
CONSTITUTIONAL REQUIREMENT	CONSTITUTION SECTION	KEYS TO SUCCESS	DELIVERABLES REQUIRED IN A GIVEN YEAR	2009 PROGRESS, CURRENT STATUS, AND PRIORITIES
Assume responsibility for establishing and maintaining appropriate financing arrangements	13(a)	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"> Establish and maintain a financing that meets the budgetary requirements in a way that maintains the organisation's independence and shares the burden equitably Inform the Monitoring Board of financing and expenditure plans on a timely basis, consistent with the agreed Memorandum of Understanding Plan on a multiyear basis to be well prepared for upcoming challenges and needs 	<p>2009:</p> <ul style="list-style-type: none"> Fundraising efforts aimed at diversifying and ensuring the sustainability of resources. Country-specific efforts under way and already complete in a number of areas. Enhance communications on funding arrangements on the IASC Foundation's Website and in the annual report. Completion of five-year planning exercises to identify needs and risks—shared with the Monitoring Board. <p>2010</p> <ul style="list-style-type: none"> Trustees continue to find solutions to secure long-term funding for the organisation. Continued discussion with authorities in the European Union and the United States to address risks arising from proposed new systems and potential financial shortfalls. Individual Trustees will work to increase or secure sustainable funding in their regions.
Establish or amend operating procedures for	13(b)	The Trustees believe that the keys to success depend upon	<ul style="list-style-type: none"> Review and amend operating procedures on a 	<p>2009:</p> <ul style="list-style-type: none"> The Trustees conducted and brought

the Trustees		<p>both formal adherence to procedure and to actions taken by the organisation to comply with the spirit of procedure in consultations, outreach, and public accountability initiatives.</p>	<p>regular and timely basis to meet market concerns.</p> <ul style="list-style-type: none"> • Twice yearly meeting between the IASB and the Due Process Oversight Committee meeting to identify areas of concern. • The establishment and maintenance of a robust outreach programme by the Trustees and the IASB. • Regular public reporting to help ensure accountability and transparency. 	<p>to near completion the second five-yearly Constitution. Taking into account the feedback received from an extensive global consultation, the Constitution Review put in place key reforms aimed at enhanced public accountability and stakeholder engagement.</p> <ul style="list-style-type: none"> • The Trustees' Due Process Oversight Committee took actions aimed at assuring the quality of IASC Foundation-created XBRL taxonomies. • The Due Process Oversight Committee considered due process related complaints. • The Trustees met with the Monitoring Board twice and provided them with a public account of their oversight activities. <p>2010:</p> <ul style="list-style-type: none"> • The Trustees concluded the second part of the Constitutional Review, per above. Further information on the Constitution Review is found at www.iasb.org. • The Trustees will undertake a strategic review of the organisation looking beyond June 2011.. This review will include public consultation with external stakeholders and the Monitoring Board. The Trustees will aim to
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				<p>conclude the review by the end of 2010.</p> <ul style="list-style-type: none"> • The Due Process Oversight Committee will carry out a review of its activities and how the Trustees carry out their oversight functions, including a review of Trustee committee charters and committee effectiveness. • The Committee will review the effectiveness of the IFRS Interpretations Committee's operations.
Determine the legal entity	13(c)	N/A	Review as necessary, depending upon changing regulatory requirements and strategic needs of the organisation	<p>2010</p> <p>The necessary steps will be taken to change the organisation's name from the IASC Foundation to the IFRS Foundation.</p>
Location of IASC Foundation	13(d)	Review and sign leases where appropriate	N/A	<p>2010</p> <p>Trustees will consider the possibility of opening regional offices to enable better outreach with stakeholders.</p>
Charitable status	13(e)	N/A	Prepare filings	Filings completed as required.
Public meetings	13(f)	Preparation of topics and supporting papers of sufficiently high quality well in advance to ensure Trustees are able to make sound decisions and demonstrate that they are acting in the public interest	<ul style="list-style-type: none"> • Have a reporting mechanism to ensure information is provided to the Trustees in an efficient manner to make assessment regarding Trustees' effectiveness • Develop agendas for Trustee meetings in an appropriate manner, determining whether items 	The Trustees continue to meet on a quarterly basis in locations throughout the world to ensure interaction with global stakeholders.

			are discussed in public or private	
Publish an annual report	13(g)	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 their duties	Preparation of report, including a specific section in the annual report discussing the achievements of the IASB, Trustees' oversight and how the Trustees fulfil this responsibility.	<p>2009:</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 Trustees' oversight and public accountability. The annual report included greater disclosure of financing. The annual report was submitted to the Monitoring Board <p>2010 priorities:</p> <ul style="list-style-type: none"> Enhanced publication of the Trustee's oversight functions and activities.
Appoint the members of the IASB and establish their contracts of service and performance criteria	15(a)	<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 according to procedures 	<ul style="list-style-type: none"> Regular evaluation of different mechanisms for recruitment (e.g. use of external agencies or other outreach) Develop a list of possible Board candidates. Undertake long-term planning on composition of Board Review procedures for annual board performance assessments Review and discuss as required performance evaluations/write-ups on 	<p>2009</p> <ul style="list-style-type: none"> Implemented new performance assessments. Consulted outside parties on performance and engaged stakeholders in the establishment of a process to search for a new IASB Chairman. Continued to use an international search firm for IASB appointments. <p>2010</p> <ul style="list-style-type: none"> Finding a successor for the Chair in 2011. Constitution review introduced the flexibility to appoint up to two Vice

			all Board members, including the IASB Chairman.	Chairs to support the Chair. Vice Chairs will be appointed to ensure geographical balance.
Appoint the members of the IFRIC and the SAC	15(b)	<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 the IFRIC and SAC is such that they are benefiting from the appropriate range of views, considering the purposes for which they are established. 	<p>2009</p> <ul style="list-style-type: none"> • The Trustees reconstituted to the SAC membership and laid out clearer expectations to help the SAC's effectiveness and to ensure two-way communication between the IASB and stakeholder groups. • Dedicated staff support provided to SAC. • Appointed two Vice Chairs to support the Chair. Vice Chairs were appointed from different regional backgrounds to provide geographical balance. <p>2010</p> <ul style="list-style-type: none"> • Trustees agreed to change the name of the SAC to the IFRS Advisory Council (Advisory Council) and IFRIC to the IFRS Interpretations Committee (Interpretations Committee). The Interpretations published by the Interpretations Committee will continue to be called 'IFRICs'. • Trustees will continue to fill vacancies in a timely manner and advertise for the best possible

<p>Review annually the strategy of the IASC Foundation and the IASB and its effectiveness, including consideration, but not determination, of the IASB's agenda</p>	<p>15(c)</p>	<ul style="list-style-type: none"> • Ensure the successful fulfilment of the strategy as laid out in the MOU with the FASB and other convergence initiatives. • Question whether proposed IASB projects are consistent with fulfilling the organisation'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 organisation's objectives 	<ul style="list-style-type: none"> • Regular review of the IASB's work programme • 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 	<p>candidates.</p> <p>2009</p> <ul style="list-style-type: none"> • See points related to 13(a). • The Trustees and the IASB took a number of steps to improve outreach to constituent groups. For the Trustees, this included the Constitution Review, referred to above, and individual Trustee meetings with stakeholder groups in their own jurisdictions. The IASB undertook an intensive global consultation on IFRS 9, which will become the model for future consultations. <p>2010 and priority issues:</p> <ul style="list-style-type: none"> • Continue to focus enhanced communications with interested parties. • A strong commitment to diversity of background of individuals in the organisation and related committees. • A separate section on the website detailing the work of the Due Process Oversight Committee and the oversight work undertaken by the Trustees. • Continued enhanced consultation and stakeholder input in the governance of the Foundation and the work of the IASB. • Trustees approved a change to the Constitution which will obligate the
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				<p>IASB to publically consult on its agenda every three years; the first such review to commence no later than 30 June 2011. The Trustees will undertake a full strategic review of the organisation beyond June 2011, including the financing of the organisation. This review will include public consultation with external stakeholders and the Monitoring Board. The Trustees will aim to conclude the review by the end of 2010.</p> <ul style="list-style-type: none"> • Other oversight initiatives described above.
Approve budget annually	15(d)	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 organisation	Create a budget in a timely fashion, following a strategic review of priorities	<p>2009</p> <ul style="list-style-type: none"> • See points related to financing above. <p>2010</p> <ul style="list-style-type: none"> • Trustees will continue to review the budgetary needs of the Foundation and balance this against funding.
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	15(e)	<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 with IFRSs 	<ul style="list-style-type: none"> • Identify opinion formers in international and national organisations and develop programme of contact. • Regular meeting with public and private officials in home jurisdictions to share common messages • Develop policies and programmes (such as the 	<p>See points two rows above at section 15(c).</p> <p>2009</p> <ul style="list-style-type: none"> • Training programmes relating to IFRSs for Small and Medium Sized Enterprises were rolled out and delivered around the world. <p>2010</p>

involvement in technical matters relating to accounting standards		by national accounting standard-setters	education initiative) that are consistent with the constitutional requirement	<ul style="list-style-type: none"> See points related to oversight above.
Establish and amend operating procedures, consultative arrangements and due process for the IASB, IFRIC, and SAC	15(f)	<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 the SAC and IFRIC to set out clear and measurable operational objectives that are subject to review by the Trustees 	<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 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 annually and determine whether expectations are being met. Would require meetings with SAC and IFRIC and the Trustees 	<ul style="list-style-type: none"> 2009 <ul style="list-style-type: none"> See points related to the Advisory Council above. 2010 <ul style="list-style-type: none"> The Trustees will carry out a full review of the Advisory Council by the end of 2010 to ensure that this body remains as effective as possible. This will include a review of its size, membership and operations. Per above, a review of the Interpretations Committee's effectiveness will be undertaken.
Review compliance with the operating procedures, consultative arrangements and due process as described in	15(g)	<ul style="list-style-type: none"> Develop a culture whereby effective consultation is viewed as extending beyond formal due process Establish, where necessary, 	<ul style="list-style-type: none"> Trustees to review and assist, where appropriate, in the implementation of the IASB's communications plan 	See constitutional point 15(c).

(f);		formal procedures to review compliance with due process, both in the formulation of IASB project plans and in response to complaints	(including providing necessary resources) <ul style="list-style-type: none"> • Due Process Oversight Committee to undertake review of complaints and respond in an appropriate manner 	
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	15(h)	<ul style="list-style-type: none"> • Determine the necessity for constitutional amendments after consultation with the SAC and other stakeholders 	<ul style="list-style-type: none"> • Review comments received from various consultations on a regular basis. 	2009 <ul style="list-style-type: none"> • See points four rows above at point 15(c).
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	15(i)	N/A	N/A	
Foster and review the development of educational programmes and materials that are consistent with the IASC Foundation's objectives	15(j)	<ul style="list-style-type: none"> • 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 or someone 	<ul style="list-style-type: none"> • Review the education programme plan and ensure that it is consistent with the organisation's objectives and operates within its financial resources 	2009 <ul style="list-style-type: none"> • XBRL team provided an IFRS Taxonomy to the market, at the same time as the IFRS bound volume. • Training programmes relating to IFRSs for Small and Medium Sized Enterprises were rolled out and delivered around the world.

		designated by the IASB to ensure that the material is current and reflects consistency with applicable standards and interpretations.		2010 <ul style="list-style-type: none">• XBRL will be developing a set of Extensions in conjunction with other interested stakeholders.
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Part B – Other operational responsibilities associated with Trustees’ duties			
RESPONSIBILITIES	KEYS TO SUCCESS	DELIVERABLES REQUIRED IN A GIVEN YEAR	2006 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 (e.g. use of external agency) Advertise for vacant positions Contact relevant organisations and stakeholders Consult the Trustee Appointments Advisory Group 	<p>2009</p> <ul style="list-style-type: none"> Advertised for new Trustees to replace those retiring. The Monitoring Board approved the Trustee appointment process and approved their first Trustee appointments. <p>2010</p> <ul style="list-style-type: none"> Continued commitment to diversity among Trustees. Trustees approved a change to the Constitution that allows for the appointment of up to two Vice Chairs. The Monitoring Board has been asked to approve the proposed appointees.
Assign Trustees to committees	Identify Trustee’s 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 	Trustees assigned to committees.
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 new Trustees in a timely fashion Emphasise independence requirements and the separation of roles between the Trustees and the IASB Provide materials related to the organisation’s operating procedures and guidelines. 	<ul style="list-style-type: none"> Management team meets new Trustees and provides relevant materials. Management team raises issues in the oversight framework.
A clear understanding of committees’ roles and responsibilities	Charters or terms of reference for Trustee committees, if appropriate	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	<ul style="list-style-type: none"> Committee charters approved and updated. Committee membership and roles are posted on the Website.

		Trustees	<p>2010</p> <ul style="list-style-type: none"> • Charters to be reviewed, updated and posted on Website
Establish personnel and recruitment policies	Establish rules that help to attract and retain staff, comply with the latest regulations, and are consistent with the organisation's status as a charity	<ul style="list-style-type: none"> • Review employee handbook and terms and conditions on a regular basis 	<p>2009</p> <ul style="list-style-type: none"> • HR Manager has been appointed under the management of the Director of Finance and Resources. • Organisation seeking accreditation from Investor in People. • Management has reviewed and improved interviewing and recruitment policies with assistance of an HR professional. • Introduced effective appraisal mechanisms on a biannual basis. <p>2010</p> <ul style="list-style-type: none"> • Continued implementation of policies to achieve Investor in People accreditation.
Review remuneration of management, IASB, and staff	Have a process for an annual review of remuneration following performance reviews and benchmarking	Decision by Trustees in March/April for IASB (now annually) and staff (annually)	<ul style="list-style-type: none"> • Compensation Subcommittee met to review remuneration matters. The Trustees implemented agreed policies regarding annual reviews and per diems. • Regular benchmarking exercise continued. In 2009, this included the use of external expertise in the field.
Appointment of external auditors	Reputable audit firm	<ul style="list-style-type: none"> • Discussion with auditors about the quality of accounting policies and internal financial controls at least once a year • Review and pre-approve type and nature of services to be provided by auditors • Review auditors' independence • Review quality of service provided by 	<ul style="list-style-type: none"> • Audit Committee carries out all tasks in accordance with its charter and works closely with appointed auditor, BDO.

		<p>auditors.</p> <ul style="list-style-type: none"> • Audit opinion 	
Management accounts	Timely and accurate financial information to manage the organisation	<ul style="list-style-type: none"> • Preparation of monthly management accounts and quarterly accounts. • Review critically the quarterly accounts together with the Audit Committee before presentation to Trustees 	<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 minimise the disruption to the organisation's work	Creation and updating of a disaster recovery plan	<ul style="list-style-type: none"> • Policy approved and reviewed by Audit Committee. • Telephone cascade introduced and tested on a regular basis.
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 and public profile means that IFRS accounts should display 'best in class' attributes in terms of application of IFRSs, as well as in presentation and disclosure. 	<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 of IFRSs 	<ul style="list-style-type: none"> • All activities accomplished, evidenced by compliance checklist.
An active communications and public affairs programme	A communications programme 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	<ul style="list-style-type: none"> • Identification and development of key messages • Identification of key parties and administration of programme that reaches these groups • Effective utilisation of Trustees and IASB members 	<p>2009 and 2010</p> <ul style="list-style-type: none"> • Communications programme embedded in organisation. • Continued emphasis on the need for outreach in Trustee and IASB activities.

Part C – 2010 Trustee Schedule				
Duty	January	March/April	June/July	October/ November
Report to the Monitoring Board	X	X	X	X
Maintain adequate financing arrangements	X	X	X	X
Discuss and approve an annual report		X		
Change the name of the Foundation.		X	X	X
Commence a strategic review of the Foundation		X	X	X
Commence a strategic review of the Advisory Council		X	X	X
The Due Process Oversight Committee to carry out a review of its activities and how the Trustees carry out their oversight functions.		X	X	X
The Due Process Oversight Committee to review their oversight framework and their fulfilment of their oversight functions and report to the Trustees.		X	X	X
Carry out interviews to find the successor for the IASB Chair in 2011.		X	X	
Appoint the members of the IASB		X		X
Review of IASB's agenda and strategy	X	X	X	X
Approval of annual budget	X			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 programmes	X	X	X	X
Appointment of Trustees in conjunction with the Monitoring Board				X
Appointment of Vice Chairs to the Trustees in conjunction with the Monitoring Board		X		
Trustee committee assignments	X			
Introduction for new Trustees	X			
Remuneration review		X		
Appointment of external auditors		X		
Review the funding of the Foundation and report to the Monitoring Board	X	X	X	X
Review of accounts		X	X	X
Review of communications programme	X	X	X	X
Review of financial situation and quarterly financial information	X	X	X	X
Review of the XBRL activities and the Extensions project	X	X	X	X