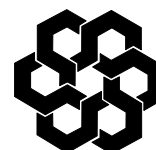


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International
Accounting Standards
Committee Foundation

This document is provided as a convenience to observers at IASCF meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

**IASCF Trustees Meeting
New York, 7 October 2009**

REPORT FROM THE DUE PROCESS OVERSIGHT COMMITTEE

Agenda Paper 1

Memorandum

To: IASCF Trustees
From: Warren McGregor
Date: 9 September 2009
Re: **Voting procedures on retirement from the Board**

1. Before issuing an Exposure Draft or International Financial Reporting Standard, the Board votes on all of the technical provisions that will be included in the document and agrees to publish the document. The staff prepares the document based on the decisions of the Board including application guidance and the basis for the Board's conclusions. Pre-ballot drafts are sent to Board members for comment. Staff amends these drafts in response to comments received and provides Board members with an analysis of the comments and their disposition. After an initial round or after several rounds of drafts, comments and resolutions of comments, a final draft is sent to the Board for final comment along with a ballot for sign off by Board members. In some instances, significant issues are identified that are brought back to the Board for resolution at a public Board meeting. In many instances, issues identified are not significant enough to warrant deliberation by the Board.
2. The Board has a very aggressive schedule for completing projects and issuing documents under the Memorandum of Understanding with the Financial Accounting Standards

3. The Board is concerned that the turnover could result in significant delays in issuing exposure drafts and final standards. The Board is specifically concerned with the situation in which it has resolved all of the technical issues and voted to issue an exposure draft or standard in a public meeting but a ballot draft of a document is not ready for sign off before each retirement date. Because new Board members will require sufficient time to study and understand all of the technical issues relating to each project before they would be able to vote and sign off on a document there could be a significant delay in issuing the document. This process could entail redeliberation of issues that had been resolved previously.
4. The Board observes that allowing retiring Board members to vote on a document after retirement would mitigate the risk of significant delays in these circumstances, but understands that this would require a change to the Constitution to clarify the respective responsibilities of both retiring and newly appointed Board members.
5. The Board discussed this matter at its Away Days in July. At the meeting it agreed an alternative approach that would not require a constitutional amendment. Under this approach, the retiring member could cast a ballot on a ballot draft up to the point of retirement (but not beyond). This ballot would stand provided only editorial changes were made to the text of the ballot draft subsequent to the signing of the ballot. If any substantive change to the ballot draft was proposed and, after discussion in a public session, made subsequently, the ballot would be regarded as invalid and a fresh ballot taken of the current members.