

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

## INFORMATION FOR OBSERVERS

### IFRS Foundation Trustees Meeting, Tokyo, 10 February 2011

#### AGENDA PAPER 9

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#### Advisory Council Chairman's Update on Activities

1. Council members were deeply saddened by the passing of Tommaso Padoa-Schioppa. His strong leadership and commitment to high quality financial reporting will be sorely missed.
2. I previously submitted a brief written report on 3-4 November 2010 Council meeting. This report provides an update on subsequent developments and the upcoming Council meeting.
3. Trustee's strategy review and Monitoring Board review. I had previously reported that members believed the proposed comment periods were too brief. We appreciate the Trustees' decision to extend their comment period to 24 February. We have also received clarification from the Chairman of the Monitoring Board Working Party regarding the process and timing of their review.
4. Performance review. This has proved extremely worthwhile. The staff has prepared a 50-page summary of the comments received with many suggestions on how the Council can operate more effectively and efficiently. Jon Baldurs would be pleased to provide you with an electronic copy of the analysis. A work group chaired by Vice-Chairman Charles Macek has been analyzing the responses. Two sub-groups, one headed by Charles and the other by Vice-Chairman Patrice Marteau, have met by conference call several times to develop a paper and recommendations for improvement to be discussed by the Council in February.
5. The overall tenor of the responses is extremely positive and indicates a strong commitment to the work of the Council. Two areas attracted considerable criticism: (i) frustration over the very limited opportunity for consultation on the current IASB agenda; and (ii) the desire for more interaction with the IASB and the Trustees (often expressed in terms of inadequate "feedback"). The upcoming IASB agenda consultation responds to concerns regarding the former and is discussed further below. The lack of adequate "feedback" is a long-standing

6. Members would welcome more participation of the Trustees in our meetings. For example, one or more Trustees might be designated to attend Council meetings as the liaison with the Trustees. Stephen Cooper does this for the IASB and it has worked well. Another suggestion is that, perhaps once a year, we meet with the Trustees for a half-day in conjunction with one of your meetings to discuss items of particular interest to you.
7. Areas for improvement to be discussed in February include:
  - a. Clarify the Council's role in providing advice and views on the IASB work plan and individual major projects (e.g., what? how [i.e., process]? timing? communications between the Council and IASB).
  - b. Clarify the Council's role in providing advice and views on other important ("peripheral") activities that support the adoption and effective implementation of IFRSs.
  - c. Identify areas where Council can assist the Trustees.
  - d. Increase the public awareness ("profile") of the Council and its work, thereby enhancing its effectiveness in supporting IFRSs and the IASB.
8. IASB agenda consultation. The Council strongly supports the need to improve the agenda setting process, including public consultation. I am very pleased that Council members will be asked to review and comment in writing on the draft IASB consultation document prior to our meeting and to discuss any major issues and concerns at our February meeting before the document is released. The IASB will consult Council again in November 2011 before making final decisions. I want to thank the Board and staff for their efforts to accommodate timely involvement of the Council in this important public consultation process. This is the sort of timely consultation process between Council and IASB that we should strive for.
9. Council meeting 21-22 February, 2011. The Agenda Committee has adopted several suggestions from the performance review in developing the agenda for February. More small breakout groups enables more in-depth exchange of views among Council members and greater participation of IASB members than is feasible in plenary sessions. IASB members and Trustees are encouraged to participate in these sessions. The main agenda items are:
  - a. Meeting with Trustees/ strategy review.
  - b. Update on IASB activities.
  - c. Breakout sessions on post-implementation reviews, the Council's performance review and the IASB's request for views on effective dates and transition requirements.
  - d. IASB agenda consultation document agenda.

e. Monitoring Board review.

f. The role of academic research in standard setting.

10. Size, composition and renewal of membership. The current term of all members expires on 31 December, 2011. Appointing members as representatives of their organizations has worked well. We had some misgivings initially that the Council was too large. Based on the last two years and the balance of feedback in the recent performance assessment, we think the current size is manageable although it may be timely to rebalance the composition in terms of geographic and stakeholder group representation. Another consideration going forward is staggering the terms so as to achieve an orderly turnover of members.