



Memorandum

To:	AASB members	Date:	18 August 2015
From:	Nikole Gyles	Agenda Item:	18.1 (M147)
Subject:	Trustees' Review of Structure and Effectiveness: Issues for Review	Project	n/a
Project Status:	Initial consideration	Priority	
		Decision-Making:	n/a

Action for this meeting

To decide whether to submit a comment letter to the IFRS Foundation in response to the Request for Views – *Trustees' Review of Structure and Effectiveness: Issues for the Review*

Attachment

Agenda Paper 18.2 Request for Views – *Trustees' Review of Structure and Effectiveness: Issues for the Review*

Overview

In July 2015 the IFRS Foundation (the 'Foundation') issued a Request for Views in relation to the Trustees' Review of Structure and Effectiveness. The Foundation is seeking comments by 30 November 2015 (refer Agenda Paper 18.2).

The Foundation's Constitution requires the Trustees to undertake a review of the structure and effectiveness of the organisation every five years¹. The 2015 review proposes further enhancements the structure and effectiveness of the Foundation and focuses on three key areas (paragraph 8, Agenda Paper 18.2):

- (a) **Relevance of IFRS:** considering the evolving financial, and wider corporate, reporting landscape, as well as potential implications of technological developments for financial reporting;
- (b) **Consistent application of IFRS:** looking at the Foundation's approach to supporting the consistent application of IFRS and whether there is anything more it could, or should, be doing considering the limitations; and

¹ Previous reviews, published in 2005, 2010 and 2012, recommended significant enhancements to the governance, accountability and operational efficiency of the IFRS Foundation and the IASB, while a Governance Review by the IFRS Foundation Monitoring Board was completed in 2012.

- (c) **Governance and financing of the Foundation:** proposing further enhancements, including changes with respect to the size of the IASB.

Previous reviews

The AASB has previously made submissions to the Foundation in relation to the following:

- Strategy Review (March and July 2011):
http://www.aasb.gov.au/admin/file/content102/c3/AASB_submission_to_Trustees_on_Strategy_Feb_2011.pdf
<http://www.ifrs.org/About-us/IFRS-Foundation/Oversight/Strategy-Review/Trustees-report-comment-letters/Documents/CL14strategyreview2.pdf>
- Review of IFRS Foundation Governance (April 2011)
http://www.aasb.gov.au/admin/file/content102/c3/AASB_submission_Monitoring_Board_7-Apr-2011.pdf

Previous reviews were conducted in 2007 (Strategy Review) and 2003 and 2008 (Constitution Reviews).

Staff recommendation

AASB staff recommend that the AASB submit a comment letter to the IFRS Foundation in response to the Request for Views because it provides an ideal opportunity to have input on matters that have been of longstanding interest to the AASB, including:

- extending the types of entities for which the IASB sets standards (e.g. the public sector); and
- engagement with securities regulators.

AASB staff further recommend that the draft comment letter be discussed by the Board at the October 2015 AASB meeting.

Question for Board members:

Do Board members agree with the staff recommendation to:

- (a) submit a comment letter to the IFRS Foundation in response to the Request for Views?
- (b) discuss a draft comment letter at the October 2015 AASB meeting?