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**Trustees and DPOC Meeting Summary**

October 2020

**Trustees of the IFRS® Foundation**

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This paper reports on a meeting of the Trustees of the IFRS® Foundation, the oversight body of the International Accounting Standards Board (Board). The Trustees are responsible for governance of the IFRS Foundation and for delivery of the IFRS Foundation's objectives as set out in the IFRS Foundation *Constitution*. Consequently, this paper does not reflect the views of the Board or any individual Board member. Board technical decisions are made in public and reported in the IASB *Update*. Comments on the application of IFRS Standards do not purport to set out acceptable or unacceptable application of IFRS Standards.

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## 1. Introduction

The IFRS Foundation (Foundation) Trustees met by video conference on 15 October 2020. The Trustees' meetings have been virtual since March 2020 because of the continuing covid-19 pandemic.

## 2. Report of the Trustees' executive session

### 2.1 Report of the Executive Director

The Trustees received a report from the Executive Director Lee White on activities since the last meeting. This updated Trustees on:

- the monthly dashboard of key performance indicators;
- the challenges to the Foundation of all staff working remotely for seven months during the covid-19 pandemic and the continuing successful completion of all core activities; and
- current priorities. These include maintaining the Foundation's core technology; continuing the focus on staff well-being; the heightened risk of data breaches; the workload of the Trustee Committees; and the partial reopening of the Foundation's offices in Canary Wharf.

### 2.2 Update on sustainability reporting

The Trustees discussed the initial reactions to the *Consultation paper on Sustainability Reporting* that they published in September. The aim of the paper is to identify if there is a need for a global set of internationally recognised sustainability reporting standards and if so, what kind of a role should the IFRS Foundation play in this area. The Trustees considered what steps they could take to foster engagement and responses in their home regions and jurisdictions. This would include preparers, users, auditors, standard setters, and other national and international organisations.

## 2.3 Committee reports

The Trustees received reports from Committees.

- The Business Processes and Technology Committee received a progress report on the Foundation's Business Processes and Technology Project. The Committee noted that the continuing challenges of working remotely as a result of the global pandemic put a strain on resources and timing, but was informed that the key projects of the finance function, CRM and Web platforms were progressing positively in line with the revised plan and milestones. The Committee was also updated on progress on the project to enhance the digital experience for stakeholders in the Foundation's work.
- The Audit, Finance and Risk Committee reviewed the 2020 management accounts for the eight months to 31 August. These indicated that expenditure was under budget due to staff vacancies and reduced travel costs, and income was also under budget because of late collection of contributions. The Committee reviewed details of the delayed contributions and noted that staff expected them to be paid before the end of the year. The Committee approved changes to the Foundation's policy on hedging and investment and a proposal to establish a small internal audit function. They were updated on key risks, including an in-depth review of the Foundation's approach to mitigating the risk of inconsistent application of IFRS Standards. They were informed that there had been no reported issues around whistleblowing, bullying or harassment.
- The Human Capital Committee discussed human resource issues in the light of the covid-19 pandemic.
- The Nominating Committee discussed appointments in progress, including progress on the recruitment of a new Chair of the Board following the end of Hans Hoogervorst's term in 2021.
- The Due Process Oversight Committee met in public and a summary of the meeting is attached. A recording of the meeting is available on the Foundation's website.

## 3. Report of the IASB Chair

Hans Hoogervorst, the Chair of the International Accounting Standards Board (the Board), reported on recent technical activities. He noted the successful completion of time-sensitive amendments to IFRS 17 *Insurance Contracts* and to the financial instruments Standards to address the effects of ongoing IBOR Reform, and updated the Trustees on the continuing discussion in the EU about endorsement of IFRS 17. He also highlighted the Board's upcoming major consultations, and the successful IFRS Foundation virtual conference which was held in September.

## Report of the IFRS Foundation® Due Process Oversight Committee Meeting

13 October 2020

This meeting of the DPOC was held by telephone conference call and was open to the public. The recording is available on the IFRS Foundation website. The key issues discussed in the public session were as follows.

### 1. Update on technical activities

The DPOC received an update on the activities of the Board and the IFRS Interpretations Committee for the period June to September 2020. There were no matters in the report for which the DPOC was required to confirm that due process had been followed.

The DPOC noted the ongoing work the Board and staff were doing in response to the covid-19 pandemic notably in monitoring the application of the Standards in the current stressed environment by actively engaging with national standard-setters, accounting firms, regulators and others. They were reminded that in April the Board had adjusted the timelines of some projects to assist stakeholders during the covid-19 pandemic, including extending some consultation periods. They were informed that the Board continues to monitor carefully stakeholders' capacity to provide high-quality input in response to consultation documents.

The DPOC was updated on the outreach and fieldwork that has been undertaken during the consultation period for the Exposure Draft on *General Presentation and Disclosures* and on the Board's project to revise the Management Commentary Practice Statement.

### 2. Consultative Groups—Annual Review

The DPOC received a report on the technical staff's annual review of the IFRS Foundation's consultative groups for the year to 30 September 2020, as required by Paragraph 3.66 of the *Handbook*. They were informed that the report had been reviewed by the Board and that the staff's conclusion was that all currently active consultative groups continue to serve the function for which they were established. The DPOC noted that the consultative groups had been meeting virtually since March and that one meeting had been cancelled and one postponed because of the covid-19 pandemic. They were informed that staff had developed more objective performance indicators for the quantitative tests of effectiveness of consultative but that work was still underway to develop qualitative tests, and that there had been helpful discussions on this subject with the IFRS Foundation Advisory Council.

The DPOC agreed that staff should continue to develop qualitative indicators for the next review, and that these could build on the groups' self-evaluation by adding more formal assessments by Board members who worked with the groups.

DPOC members also raised whether the scope of the review extended to the Advisory Council. It was noted that the Advisory Council is established pursuant to the IFRS Constitution and is not a consultative group *per se*. The Council is thus outside the scope of this review. It was also noted that the effectiveness of the Council is a subject

for the Trustees as a whole and is being separately assessed by the Council's chairman, who is reporting to the Trustees.

### **3. Annual Reporting Protocol**

The DPOC received a report from the technical staff for the year ended 30 September 2020 on the receipt of comment letters and their public availability; the availability of papers to observers; and the Board's dialogue with securities and other regulators. They noted the steps that had been successfully taken to address an issue with posting comment letters to the website and were updated on the Board's relationship with the UK regulators as the regulatory system was amended in light of the UK leaving the EU.

### **4. Education Materials**

The DPOC received a report as required by paragraph 8.11 of the *Handbook* on the educational material published by the Foundation on its website to support the consistent application of IFRS Standards for the year to 30 September 2020. The DPOC based on information provided by staff noted that the reviews applied to educational material were consistent with the requirements of the revised *Handbook* and confirmed that materials had been appropriately reviewed as specified by paragraph 8.10 of the *Handbook*.

### **5. Publication of the revised Due Process Handbook**

The DPOC noted that the revised *Handbook* had been well-received on publication and that internal staff training was being arranged on the changes.

### **6. Correspondence**

The DPOC noted that no correspondence had been received which required its attention.