



## International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA  
Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

April 6, 2011

Mr. Takashi Nagaoka  
Director of International Accounting  
Financial Services Agency of Japan

By e-mail: [t-nagaoka@fsa.go.jp](mailto:t-nagaoka@fsa.go.jp) and [makoto.sonoda@fsa.go.jp](mailto:makoto.sonoda@fsa.go.jp)

Dear Mr. Nagaoka

### **Re: Consultative Report on the Review of the IFRS Foundation's Governance**

The International Federation of Accountants (IFAC) values the opportunity to provide input into the IFRS Foundation Monitoring Board's governance review. The establishment of the Monitoring Board, its responsibility to ensure that Trustees continue to discharge their duties as required, and the future of IFRSs are of particular interest to IFAC, as:

- The accounting profession, through IFAC, played an important role in the establishment of the International Accounting Standards Committee, and has a continuing interest in the development of International Financial Reporting Standards (IFRS);
- Through its membership, currently 164 professional accountancy bodies in 125 countries, IFAC represents approximately 2.5 million accountants in public practice, industry and commerce, government and education, who—through their various roles, including those of preparers and auditors of financial statements—implement IFRS; and,
- IFAC has committed itself to the achievement of global convergence to IFRS. Our Statement of Membership Obligations (SMO) 7, "International Financial Reporting Standards," requires the members of IFAC to support the work of the IASB by notifying their members of every IFRS, and to use their best endeavors:
  - To incorporate the requirements of IFRS in their national accounting requirements or, where the responsibility for the development of national accounting standards lies with third parties, to persuade those responsible for developing those requirements that general purpose financial statements should comply with IFRS, or with local accounting standards that are converged with IFRS, and disclose the fact of such compliance; and,
  - To assist with the implementation of IFRS, or national accounting standards that incorporate IFRS.

The Monitoring Board's report recommends numerous actions that reflect the desire to achieve greater separation of powers and responsibilities among the IFRS bodies, improved efforts in relation to candidate selection and wider representation, and improved due process procedures. Overall, IFAC supports efforts to ensure the principles of accountability, transparency, and independence among the bodies of the IFRS governance structure as this will reinforce its

legitimacy, as well as that of the standards themselves, in the eyes of stakeholders and the general public.

Below, IFAC offers some general comments about the overall governance structure of the IASB and the Trustees, and then offers responses to each of the seventeen questions posed in the Consultative Report.

### **General Comments on Overall Governance Structure**

In the Consultative Report, the Monitoring Board indicates that it does not intend to revamp the three-tiered governance structure, but proposes improvements designed to enhance the legitimacy and accountability of the standard-setting process while retaining the necessary level of independence.

IFAC recognizes the critical importance of legitimacy, accountability, and independence in the standard-setting process, and supports proposals that advance these aims. Key to enhancing legitimacy, accountability, and independence are governance arrangements that include an external process for monitoring (external public accountability) and oversight arrangements to ensure that the public interest is being appropriately considered. To be most effective, the various aspects of the governance arrangements should be clearly defined, with separate responsibilities assigned to different components of the governance structure.

The independent standard-setting boards operating under the auspices of IFAC have governance structures that we believe clearly define the responsibilities for each component, and achieve this appropriate separation of responsibilities. Responsibility for external public accountability rests with the Monitoring Group, which monitors overall standard-setting arrangements, including the work of the Public Interest Oversight Board (PIOB). The PIOB is assigned responsibility for the oversight of the boards' due processes and operations, while management and administrative functions for the boards are the responsibility of the IFAC Board. The focus of the boards is on standard setting.

IFAC notes that within the governance structure for the IASB, the roles and responsibilities of the various bodies involved in the governance arrangements do not appear to be clearly delineated and defined. It appears that the Trustees have both management and administration responsibilities, as well as oversight responsibilities. Also, it is not clear how the external public accountability responsibilities and oversight responsibilities of the Monitoring Board are delineated.

For example, responsibilities of the Trustees include establishing and amending the operating procedures and due process for the IASB—clearly a management and administrative role. However, another responsibility of the Trustees is to review compliance by the IASB with those operating procedures and due process—clearly an oversight role. The Monitoring Board has a responsibility to confer with the Trustees regarding the Trustees' oversight responsibilities, which could be described as an external public accountability role. It also has responsibilities in regard to the process of appointing the Trustees, which could be deemed to be an oversight role.

In addition to the roles and responsibilities not being clearly defined and delineated, it seems that oversight responsibilities are being shared between the Monitoring Board and the Trustees, as evidenced by the statement on page 8 of the Consultative Paper that “...at the oversight level the Trustees and the Monitoring Board should act as...”.

IFAC recommends that consideration be given to ensuring that greater clarity is provided in respect of the roles and responsibilities of the Monitoring Board and the Trustees, including separation of the governance responsibilities, as appropriate. Our response to Question 5 (below) highlights the importance of this separation of management and oversight responsibilities in relation to the nominations process. In our response to Question 8 (below), we support the establishment of an Advisory Board for the Monitoring Board, which will potentially increase the involvement of public authorities and other international organizations in monitoring and external public accountability activities.

## **IASB**

**Question 1:** *Do you agree with the proposal to urge concrete efforts to deepen the pool of candidates for IASB membership from diverse geographical and professional backgrounds? Please provide reasons for your agreement/disagreement.*

IFAC supports the proposal to urge concrete efforts to deepen the pool of candidates for IASB membership from diverse geographical and professional backgrounds. However, appointments to the IASB should ultimately be based upon finding the best candidate for a position. Membership should be representative of the different regions, cultures and economies where IFRSs are adopted and applied, and where there has been a formal commitment to adopt and apply IFRSs, or where capital markets bear significant impact upon the future of IFRS. Membership should also be inclusive of different professional backgrounds, both technical and non-technical, with experience using IFRS. A majority of members should have technical experience. To ensure the objective of broader representation, IFAC is supportive of consideration being given to a limited increase in the total number of board members. By way of example, the International Auditing and Assurance Standards Board (IAASB) operates effectively with a membership of eighteen. While the goal of achieving balance should be paramount, a predetermined or specific allocation of such groups is not necessarily the most effective approach. The limited number of seats on the IASB will likely necessitate that not all groups and stakeholders in the process can be represented simultaneously and that the IFRS Trustees will bear the ongoing responsibility for apportioning seats to different stakeholders over time, depending upon which types of expertise are required for changing agendas and work programs.

**Question 2:** *Do you agree with the proposal to separate the roles of the IASB Chair and the CEO of the IFRS Foundation, and if so would you have suggestions on how to formalize this? Please provide reasons for your agreement/disagreement.*

IFAC agrees with the proposal to separate the roles of IASB Chair and CEO of the IFRS Foundation. The Chair of the IASB serves an inherently different role to that of the CEO of the IFRS Foundation.

The Chair should be concerned with managing the IASB work program, administering due process procedures, facilitating meetings, allocating tasks to board members, and representing the Board to external parties. Primarily, the CEO should be concerned with the management and administration of the Foundation.

**Question 3:** *Do you agree that clearer division of responsibility between staff dedicated to the IASB operations and staff dedicated to the Foundation's administrative and oversight functions should be considered, and if so would you have suggestions on how to formalize this? Please provide reasons for your agreement/disagreement.*

IFAC does not see a compelling reason at this time for there to be a further division of responsibilities between IASB staff and IFRS Foundation staff.

**Questions 4 and 5:** *Please provide comments on any aspects of Trustee composition or appointments that you believe the Monitoring Board should consider.*

*Do you agree with the proposal to provide increased transparency into the process for Trustee nominations? Please provide reasons for your agreement/disagreement. To what extent should the Monitoring Board be involved in the nomination process?*

*Do you agree that further clarification of criteria for the Trustees' candidacy would help support confidence off the stakeholders? Please provide reasons for your agreement/disagreement.*

IFAC supports a nominations process for the Trustees that is clearly articulated to the general public via a published document that outlines the nominations procedures, clear criteria for candidacy, and reasons for criteria sought in respect to both the work program of the IASB and ongoing objectives of the Trustees. In addition, a clear framework of the due process for the nomination of Trustees should be adhered to by the Trustees and the Monitoring Board.

Furthermore, there should be a clear delineation between the body responsible for managing the nominations and appointments process for Trustees, and the body that oversees the process (refer to earlier general comments on the overall governance structure; page 2). Currently, it appears that the Monitoring Board plays an active role in the nominations process. Having a separate oversight body helps to ensure that appropriate due process is followed in the nomination and appointment of Trustees, and allows for the oversight body to object to proposed appointments should the need arise.

IFAC recommends the following:

- a) A public call for nominations should be published well ahead of each nominations process outlining candidacy requirements and criteria sought, as well as the due process framework that will be adhered to by Trustees and Monitoring Board. Clarification of such criteria in a publically issued document will enhance the confidence of stakeholders by demonstrating that:

- i. Those responsible for appointing the Trustees are following a formal due process framework;
- ii. Those responsible for overseeing the process have a formal due process framework by which to assess the performance and quality of the appointments process;
- iii. Those responsible for appointing the Trustees are responsive to the ongoing need to ensure balance in the composition of the Trustees; and,
- iv. Those who wish to nominate candidates have a clear understanding of the qualifications sought in respect to the geographic and professional expertise (conversely, those who do not get appointed have some indication of why their qualifications were not commensurate with the criteria sought).

Another aspect of the appointment process to which further consideration should be given is the composition of the Nominating Committee, which currently is comprised solely of Trustees. The perceived independence of the entire process may benefit from including several people who are external to the governance arrangements of the IASB as members of the nominations committee. These members may include representatives from key external stakeholders of the IASB who represent the public interest.

## **Monitoring Board**

**Question 6:** *Should the membership of the Monitoring Board continue to be confined to capital markets authorities responsible for setting the form and content of financial reporting in respective jurisdictions?*

*Do you agree with the proposal to expand the Monitoring Board's membership by adding a mix of permanent members ([four]) representing primarily major emerging markets and rotating members ([two]) from all other markets? Please provide reasons for your agreement/disagreement. How should the major markets be selected? Should a jurisdiction's application of IFRSs and financial contribution to standard-setting play a role?*

*Do you agree that rotating members should be selected through IOSCO? Please provide reasons for your agreement/disagreement.*

IFAC disagrees with the view that membership of the Monitoring Board should be confined solely to capital markets authorities responsible for setting the form and content of financial reporting standards in respective jurisdictions. However, we recognize that having only capital markets authorities represented on the Monitoring Board is consistent with the IASB's mission. There is merit in considering the inclusion of authorities that oversee or regulate specific industries, or for those in which high-quality financial reporting is important in fulfilling their objectives (e.g., Basel Committee of Banking Supervision and International Association of

Insurance Supervisors), in the membership, or as observers, of the Monitoring Board.<sup>1</sup> Potentially, greater benefits will accrue where broader consideration is given to appointments.

IFAC supports the Monitoring Board's recommendation that its membership be expanded to include a certain number of relevant authorities from emerging markets as members and to provide for a fair process for rotating membership. These additional members may be drawn from a number of public authorities that have a dedicated public interest in financial reporting standards. IFAC does not concur with the view that rotating members of the Monitoring Board should be selected exclusively through IOSCO. However, IFAC cautions that the total proposed composition may present some challenges if broad regional representation is still not achieved.

IFAC supports the notion that Monitoring Board members be selected from jurisdictions that adopt or converge to, or have committed to adopt or converge to, IFRS. In addition, IFAC supports the notion that all members should be financial contributors to IFRS; however, the Monitoring Board must be cognizant of the perceptions of self-interest, and threats to independence of the Board, that can be created if financial contributions are the only factor considered for selection.

**Question 7:** *Do you agree that the Monitoring Board should continue to make its decisions by consensus? Please provide reasons for your agreement/disagreement. Are there any types of decisions taken by the Monitoring Board for which voting other than by consensus (for example, by qualified majority) may be appropriate? If so please describe why and suggest an appropriate voting mechanism.*

IFAC supports the process of decision making by consensus on the Monitoring Board, even in light of the additional number of members proposed. The total number of eleven members should be manageable for achieving consensus-style decisions. Many international organizations of similar caliber achieve fair and effective decision making with higher membership numbers than those proposed. As noted in the paper, modern technology helps to ensure participation in discussions and reaching consensus.

**Question 8:** *To ensure increased involvement of public authorities and other international organizations in Monitoring Board activities, do you support the Monitoring Board (a) expanding the number of Monitoring Board observers, (b) holding more formalized dialogue, or (c) establishing an advisory body, and on what basis? What should be the criteria for selecting participants?*

---

<sup>1</sup> To illustrate this point, we refer to the Monitoring Group that oversees the Public Interest Oversight Board (PIOB), which oversees the Public Interest Activity Committees (PIACs) of IFAC. The PIACs are the International Auditing and Assurance Standards Board (IAASB), the International Ethics Standards Board for Accountants (IESBA), the International Accounting Education Standards Board (IAESB), and the Compliance Advisory Panel (CAP). Membership of the Monitoring Group includes the International Organization of Securities Commissions, Basel Committee of Banking Supervision, European Commission, International Association of Insurance Supervisors, The World Bank, the Financial Stability Board, and the International Forum of Independent Audit Regulators (the latter has observer status). These groups are not all directly responsible for setting professional standards in auditing, ethics, or education; however they represent a broad group of stakeholders whose responsibility is tied to the reinforcement of public confidence as it pertains to the audit of financial statements.

IFAC supports the increased involvement of public authorities and other international organizations in the Monitoring Board activities. While any of the three alternatives proposed by the Monitoring Board would achieve this aim, IFAC supports the proposition to establish an advisory body. An advisory group consisting of IOSCO and other public authorities and international organizations could fulfill the role described as “External Public Accountability” in the section of this letter titled ‘General Comments on Overall Governance Structure’ (refer to page 2). A governance structure that includes an advisory group allows for clear delineation between the role of those responsible for external public accountability, and those responsible for oversight of the standard-setting process in the public interest.

Participants in the advisory group should be selected from those authorities that oversee or regulate specific industries, or for which high-quality financial reporting is important in fulfilling their objectives (e.g., Basel Committee of Banking Supervision, International Association of Insurance Supervisors).

**Question 9:** *Do you believe that the current arrangements for the standard-setting process adequately ensure the appropriate involvement of all relevant stakeholders and that all relevant public policy objectives are taken into account? Please provide reasons for your agreement/disagreement.*

The current arrangements for the standard-setting process adequately ensure the appropriate involvement of most relevant stakeholders and most public policy objectives are taken into account.

In its response to the IFRS Trustees’ Governance Review process, IFAC made the following comments in respect to the standard-setting process of the IASB:

- a) “Outlining an additional set of procedures for a ‘rapid response’ system that can be reserved for times of crisis or unusual circumstances would likely be a reasonable and proactive measure for alleviating systemic threats in the future. A rapid response system would essentially provide the IASB with a mandate to override the normal due process protocol in favor of a modified or truncated process that enables its members to convene, consult with certain stakeholders, and issue either a standard or some provisional authoritative guidance when environmental stresses necessitate such action. Such a standard or guidance might be subject to further reviews and final approval at a later date with the approval of the wider group of stakeholders. Without a rapid response system, there is the risk that individual jurisdictions will develop their own solutions in the absence of an IFRS solution. These solutions may vary and therefore create differences in the application of IFRS on a global basis as opposed to the goal of a single set of accounting standards.
- b) The Trustees might also consider ways to standardize Regulatory Impact Assessments (RIAs) so that they can be enacted on a global level using a universally accepted approach. Currently, many jurisdictions employ their own RIAs for IFRSs to conduct a cost/benefit analysis relevant to their own domestic environments. However, it would be beneficial for

the Trustees to consider ways that redundancies could be reduced and RIAs conducted for multiple jurisdictions.”

**Question 10: *What are the appropriate means and venues for the Monitoring Board to enhance the visibility and public understanding of its activities?***

IFAC supports the notion that additional measures of transparency would demonstrate greater accountability on the part of the Monitoring Board. In this regard, IFAC agrees with the measures proposed in the Board’s review document, including:

- a) Disclosure of the public portion of the Monitoring Board meetings;
- b) Provision of agenda papers from meetings with the IFRS Trustees; and,
- c) Making more materials readily available concerning the Monitoring Board deliberations.

The Monitoring Board may also consider making its meetings open to the public.

IFAC also supports the notion that the Monitoring Board should take further steps to improve the public’s understanding of its role. This could be achieved via a dedicated website (much in line with what the Public Interest Oversight Board maintains at [ipiob.org](http://ipiob.org)), where all materials could reside.

**Question 11: *Do you believe that the current arrangements for Monitoring Board involvement in the IASB’s agenda-setting are appropriate, or should the Monitoring Board have an explicit ability to place an item on the agenda, or would you consider other alternatives that would enhance the Monitoring Board involvement in the IASB agenda setting? Please provide reasons.***

IFAC adheres to the principle that the roles of agenda-setting and oversight should remain separate and independent in the governance structure. The IASB should have the comprehensive authority in respect of setting its agenda. However, the Monitoring Board should be provided with mechanisms to engage in discussions and make suggestions for specific matters to be included on the work agenda, where necessary, so long as the due process for such procedures is established.

The oversight aspects of the Monitoring Board’s role also provide means to ensure that the IASB agenda remains relevant and responsive to a wide group of stakeholders. This is facilitated through one of the key roles of oversight, which is to ensure (whether directly or via the Trustees’ oversight functions) the adherence to due process. One of the most important aspects of due process in this regard is the request for, and consideration of, input from the general public and all stakeholders. This can and should include input received from the Monitoring Board itself.



**Question 12: *Do you have concrete suggestions on how the Monitoring Board or the Trustees could encourage a move towards a more stable and independent funding model?***

IFAC restates the position it provided to the Trustees on the IFRS Trustees' Governance Review process:

- a) "The Foundation should consider funding models that reflect a public/private arrangement. IFAC maintains the position that standard setting should be a private/public partnership and a shared responsibility between both sectors, as this facilitates greater legitimacy and a wider scope of accountability to society at large. IFRS and all professional accounting standards are global public goods that should be appropriately funded. Neither direct government nor private funding models would be desirable due to the threat that either could impose on the independence of the Foundation.
- b) However, a model incorporating an indirect yet consistent source of funding originating from both is conceivable. For example, stock exchanges or corporate regulators in countries that adopt IFRSs might levy a fee (a fraction of one percentage point) on registered public companies to support the costs of developing IFRSs and potentially other global professional accounting standards. This model could be instituted under the mandate of governments worldwide.
- c) Whatever funding solutions are agreed upon, they must not result in a model whereby the funders have an unreasonable control over the work of the IASB. Nor should the ability of the IASB to develop its standards without donor influence be compromised. At the same time, the public markets benefit from the development of the IFRS and they are used around the world. Companies benefit from having only one set of financial statements that can be used in multiple jurisdictions. Accountants and auditors benefit by being able to transport their skills and knowledge from one jurisdiction to another. Governments around the world have delegated at least some of their standard-setting role to the IASB. Such governments have therefore avoided a direct cost that would be supported out of taxation revenues.
- d) Each country that has adopted IFRS should assume greater responsibility in mobilizing institutions to contribute resources to the Foundation on an annual basis. The Foundation may consider providing guidance and public awareness to IFRS countries regarding the establishment of funding arrangements (all based on the mobilization of local institutions, accounting and audit firms, or public funds) that can facilitate funding from the national level to the Foundation."

**Question 13: *Do you believe that the Monitoring Board should have a more prominent role in the selection of the IASB Chair? Do you agree with the proposal that the role include involvement in establishing a set of publicly disclosed criteria for the Chair, and assessment of a short list of candidates against those criteria? Please provide reasons.***

***Do you believe that the Monitoring Board should be given any further, specific role in the selection of the IASB Chair? In particular, should the Monitoring Board approve the Trustees' final selection? Please provide reasons.***

IFAC does not support the notion that the Monitoring Board should have a more prominent role in the selection of the IASB Chair, as this has been set aside as a responsibility for the Trustees. However, the Monitoring Board should have a clearly defined oversight role in ensuring that the Trustees have followed an established, publicly articulated due process. As noted in our response to Questions 4 and 5, IFAC believes there should be a clear delineation between the body responsible for managing the nominations and appointments process, and the body that oversees the process.

While the Monitoring Board should possess the power of final approval of the Trustees' recommendation for appointment, it should not be directly involved in the selection process itself. IFAC supports the notion that the Monitoring Board should be entrusted with the role of ensuring, via oversight, that due process is followed effectively by the Trustees in recommending appointments to the IASB.

The selection of the IASB Chair should be a transparent process and IFAC supports that a set of publicly disclosed criteria for the Chair be provided.

**Question 14: *Do you agree that the Monitoring Board's responsibilities should explicitly include consultation with the Trustees as they further develop the framework to ensure proper balance in the composition of the IASB? Please provide reasons for your agreement/disagreement.***

IFAC supports the involvement of the Monitoring Board in the development of a framework to ensure proper balance and composition of the IASB. This is especially important if the Monitoring Board is to play a key role in oversight of the Trustees' appointment process. From the outset, both the Monitoring Board and Trustees should be in agreement on the following:

- a) The procedures for due process in the public solicitation for candidates, the evaluation of candidates, and general statements of criteria sought;
- b) The timeline for the appointments cycle, including the public call for candidates, deadlines for submission, and meetings and processes that lead up to candidate selection, oversight review, and appointment; and,
- c) The numbers that will be sought for each category of Board member (e.g., region, type of professional, etc.) and the process for altering predetermined category numbers should appropriate circumstances arise.

If a clear, concise framework for the composition of the IASB exists, the link between transparency and accountability to the public (and all stakeholders) will be strengthened. The framework should be available to the general public.<sup>2</sup>

***Question 15:*** *Do you agree with the proposal to consider establishing a permanent secretariat for the Monitoring Board to support its increasing roles in overseeing the governance of the standard-setter? Would you support this proposal even if it would require additional financial contributions from stakeholders? Please provide reasons.*

IFAC supports the establishment of a permanent secretariat for the Monitoring Board, as well as a permanent secretariat for the Monitoring Group, to support the increasing roles in monitoring the governance of standard setters, especially where this achieves the aim of improving the legitimacy and accountability of the standard-setting processes. However, IFAC believes that this should not require additional financial contributions from stakeholders. Members of each of the Monitoring Board and the Monitoring Group should meet the cost of any secretariat as part of their role and responsibility in being involved in the monitoring and public accountability process. Furthermore, having members contribute to the cost of the secretariat means that greater discipline to be cost efficient is imposed.

Before considering the possibility of creating a permanent secretariat shared by the Monitoring Board and the Monitoring Group of IFAC, it is important to consider the following points. Although there is overlap of member organizations, the composition of the membership of the Monitoring Group of IFAC differs from the composition of the Monitoring Board. While the Monitoring Board comprises only “capital market authorities,” the Monitoring Group has a broader membership, which includes bodies such as the Basel Committee on Banking Supervision and The World Bank. Given that it assumes monitoring responsibilities for the International Auditing and Assurance Standards Board, International Accounting Education Standards Board, and International Ethics Standards Board for Accountants, the Monitoring Group also has a much more diverse range of stakeholders to consider. Furthermore, there are important differences between the standards issued by the various boards. For example, it is important to note that International Standards on Auditing (ISAs) are written for audits of public interest entities (PIEs), small- and medium-sized entities (SMEs), and the public sector, whereas IFRSs are written for the more focused purpose of PIEs. Consequently, a much wider interest group needs to be included in consultations for ISAs.

Any decision about the possibility of a shared permanent secretariat could only be made following detailed consideration, and ultimately agreement, by the Monitoring Group of IFAC. However, we note that should each of the Monitoring Board and Monitoring Group establish its own permanent secretariat, there may be opportunities to seek out efficiencies in the operations of both—for example, in making arrangements for meetings.

---

<sup>2</sup> For an example of a framework for candidate appointments, please see Call for Nominations for IFAC Boards and Committees 2012 at [web.ifac.org/download/Notice\\_CFN\\_2012.pdf](http://web.ifac.org/download/Notice_CFN_2012.pdf).

**Question 16:** *Do you agree with the need for regular reviews, and the interval of five years as a benchmark? Should the reviews be aligned with the timing of the Foundation's mandated Constitution reviews? Please provide reasons for your agreement/disagreement.*

IFAC supports the suggested approach that the Monitoring Board conduct a follow-up review of the implementation of any decisions reached in regard to the current report. The review process should be jointly developed by the IFRS Trustees and the Monitoring Board, and be conducted at intervals of every five years. The Monitoring Board should undergo such periodic effectiveness reviews (e.g., every five years) to assess its performance, relevancy, and the extent to which it has carried out its intended mandate.<sup>3</sup>

IFAC agrees to the proposition that the Monitoring Board's review should be coordinated with the IFRS Foundation's mandatory Constitution reviews in order to ensure that changes from the former can be addressed by the latter with expediency and without losing relevance or timeliness with key issues or concerns of the day.

**Question 17:** *Do you have any other comments?*

IFAC has no further comments at this time.

IFAC supports the IFRS Monitoring Board's consideration of the input other organizations can provide for the governance assessment. Please do not hesitate to contact me should you wish to discuss any of the matters raised in this submission.

Sincerely,



Ian Ball  
Chief Executive Officer

---

<sup>3</sup> This effectiveness review process could potentially mirror the process undertaken by IFAC, the PIOB, and its Monitoring Group in 2010, which has enabled all parties the opportunity to evaluate the effectiveness and responsiveness of all three groups.