

IAASB CAG PAPER

IAASB CAG Agenda (September 2007)

Agenda Item C.1

**Due Process for Reappointment of CAG Member Organizations – September 2007 PIOB
Agenda Item 7.2.1**

TO: PUBLIC INTEREST OVERSIGHT BOARD

FROM: JIM SYLPH

DATE: SEPTEMBER 4, 2007

**RE: DUE PROCESS FOR REAPPOINTMENT OF CAG MEMBER
ORGANIZATIONS**

1. Current Position

- 1.1 The terms of reference for each CAG currently include the following statements. This wording is taken from the IAESB web site. Similar wording appears for the other PIACs.

PUBLIC INTEREST OVERSIGHT

7. Conclusions of the CAG Membership Panel (see paragraph 12) are sent to the PIOB for final consideration. The PIOB also has ongoing authority to identify any emerging public interest segments not already represented on the CAG and to bring these to the attention of the CAG Membership Panel for further consideration.

COMPOSITION AND MEMBERSHIP

10. Apart from the Chair, the CAG comprises Member Organizations that are interested in the development and maintenance of high quality education benchmarks to ensure the competence of the profession, designed to serve the public interest. The membership should provide, to the extent practicable, a balance of geographical representation and between regulators, international organizations, users and preparers. Exceptionally, with the agreement of the CAG Chair, an individual might be appointed directly as a CAG member.
11. Nominations of member organizations and of their Representatives may be submitted by individuals and organizations. Representatives should be knowledgeable about accounting education and have a recognized interest therein.
12. A panel comprising the CAG Chair, two Representatives selected by the Chair for this purpose, the IAESB Chair, and the IAESB Technical Manager (the CAG Membership Panel) considers the nominations to determine whether the organizations, and the Representatives nominated, are suitable for membership and to ensure a balanced geographical spread and functional backgrounds.
13. Each Member Organization is represented at the CAG meetings by either one or two Representatives. This limitation can be relaxed by the CAG Chair, in consultation with the CAG Membership Panel, only in exceptional circumstances.

TERM OF OFFICE

14. The Member Organizations are appointed for a renewable term of three years.

IAASB CAG PAPER

IAASB CAG Agenda (September 2007)

Agenda Item C.1

Due Process for Reappointment of CAG Member Organizations – September 2007 PIOB Agenda Item 7.2.1

15. The CAG Chair is appointed as Chair for a term of three years, renewable once.
 16. Continuity of representation on the CAG is expected; however, Member Organizations, with the prior permission of the CAG Chair, may occasionally send other Representatives to a CAG meeting to be better able to contribute to discussions of the particular issues under review.
 17. Where necessary, a Member Organization may replace an existing Representative by another Representative. The suitability of the proposed new Representative is considered by the CAG Membership Panel.
- 1.2 Since these terms of reference were instituted, the CAG Chairs have followed the procedures in paragraphs 12 and 7 when appointing a new Member Organization and the procedure in paragraph 17 when considering a change in the Representative of an existing Member Organization.

2. Purpose of this Paper

- 2.1 This paper proposes that paragraph 7 of the current terms of reference be amended to clarify that appointment of a new Member Organization requires the approval of the PIOB.
- 2.2 In addition, the CAGs should be asked to accept the proposed Operating Procedures set out in Agenda Item 7.2.2 Amended for the reappointment of Member Organizations and the appointment or reappointment of the CAG Chair.

3. Amendment to the Terms of Reference

- 3.1 It is proposed that paragraph 7 be amended as follows:

~~Conclusions of the~~ The CAG Membership Panel recommends the appointment of a proposed new Member Organization, and its nominated Representative(s), (see paragraph 12) are sent to the PIOB for final consideration approval. The recommendation outlines the reasons why the CAG Membership Panel considers the proposed new Member Organization an important addition to the membership of the CAG. It also includes information about the nominated Representative(s). The PIOB also has ongoing authority to identify any emerging public interest segments not already represented on the CAG and to bring these to the attention of the CAG Membership Panel for further consideration.

When an existing Member Organization changes its Representative (see paragraph 17), the CAG Membership Panel notifies the PIOB of the change and provides the PIOB with information about the new Representative.

- 3.2 The CAGs will be asked to consider this proposed amendment at their meetings scheduled for September 2007 and the CAG Chairs will report to the PIOB the reactions of the CAGs.

IAASB CAG PAPER

IAASB CAG Agenda (September 2007)

Agenda Item C.1

Due Process for Reappointment of CAG Member Organizations – September 2007 PIOB Agenda Item 7.2.1

- 3.3 **It is recommended that, subject to any comment presented at the meeting, the PIOB approve this proposed amendment to paragraph 7.**

4. Operating Procedures for Reappointing Member Organizations and Appointing or Reappointing the CAG Chair

- 4.1 Agenda Item 7.2.2 Amended proposes operating procedures to be followed by various parties in proposing the reappointment of Member Organizations or the appointment or reappointment of the CAG Chair.
- 4.2 The CAGs are being asked for their support of this process at their meetings scheduled for September 2007. The CAG Chairs will report to the PIOB the reactions of their respective groups.
- 4.3 **It is recommended that, subject to any comment presented at the meetings, the PIOB adopt the proposed operating procedures set out in Agenda Item 7.2.2 Amended.**

* * * * *