

### **IFAC's INTERNATIONAL STANDARDS-SETTING PUBLIC INTEREST ACTIVITY COMMITTEES'**

#### **PROPOSED DUE PROCESS AND WORKING PROCEDURES—[DATE]March 2010**

In promulgating international pronouncements, including international Standards, ~~IFAC's~~ international standards-setting Public Interest Activity Committees (PIACs) adopt the following due process and working procedures. The term "international pronouncements" refers to the PIACs' authoritative documents that are indicated in the PIACs' Terms of Reference as being subject to due process for their development.

Matters of due process are identified in paragraphs 1–~~3630~~ of this document. Only final international pronouncements issued by the PIAC after the Public Interest Oversight Board (PIOB) concludes that due process has been followed effectively and with proper regard for the public interest are authoritative.

Working procedures, shown in a separate section of this document, are steps adopted by the PIAC to facilitate the operation of its due process but are not themselves part of the due process. Working Procedures may be modified in practice to reflect unique circumstances of the individual PIAC or, as considered necessary, to respond to changes in circumstance. The PIOB is informed of significant modifications in practice made to the working procedures and the basis for them.

### **Due Process**

#### **General**

1. PIAC meetings to discuss the development, and to approve the issue, of international pronouncements are open to the public. Matters of a general administrative nature or with privacy implications may be dealt with in closed sessions of the PIAC. (Ref: Para. A1)
2. Meeting agenda papers, including issues papers and draft international pronouncements prepared for the PIAC's review and debate and minutes of the immediately preceding meeting of the PIAC, are published on the PIAC's~~IFAC~~ website in advance of each PIAC meeting. (Ref: Para. A2-A5)
3. Meetings and agenda papers are in English, which is the official working language of the PIACs~~IFAC~~.

#### **Project Identification and Prioritization**

4. The PIAC identifies potential new projects based on a review of national and international developments and on comments and suggestions from those who have an interest in the development of international pronouncements issued by the PIAC. To facilitate this process, the PIAC periodically develops and approves, based on appropriate consultation, a strategy and work program. (Ref: Para. A6-A8)
5. In setting its strategy and work program, the PIAC obtains the PIOB's conclusion as to whether the due process used to develop the PIAC's strategy and work program has been followed effectively and with proper regard for the public interest. The PIAC also obtains the PIOB's opinion, as at the date of that opinion, on the appropriateness of the items on the PIAC's work program, and its approval of the

completeness of the strategy and work program from a public interest perspective. The PIAC adds to its work program those items that the PIOB resolves should, from a public interest perspective, form part of the PIAC's work program. Annually, the PIAC discusses the PIAC's up-coming year's work program with the PIOB.

### **Project Commencement**

6. A proposal to start a new project is prepared based on research and on appropriate consultation within the PIAC, with consideration given to the costs and benefits of the anticipated output of the proposed project. The project proposal is circulated to other PIACs and IFAC Boards and Committees to identify matters of possible relevance to the project. The PIAC considers and prioritizes the project proposal having regard to the public interest. As appropriate, the PIAC approves, amends or rejects the project proposal in a meeting open to the public. (Ref: Para. A9-A10)

### **Development of Proposed International Pronouncements**

7. The PIAC may assign responsibility for a project to a Project Task Force. (Ref: Para. A11-A16)
8. The PIAC considers whether to hold a public forum or roundtable, or issue a consultation paper, in order to solicit views on a matter under consideration. The PIAC also considers the appropriateness of conducting a field test of the application of its proposals for a new or revised international pronouncement. The decision to undertake any of these steps may be made at any stage before or after a draft international pronouncement is issued for public exposure. The rationale for the PIAC's decision in relation to these steps is discussed at a PIAC meeting and the decision minuted. Comments received through a public forum or roundtable, or the issue of a consultation paper, are considered in the same manner as comments received on an exposure draft. (Ref: Para. A17-A18)
9. When the Project Task Force is satisfied that it has a proposed draft international pronouncement that is ready for exposure, it presents the draft to the PIAC. (Ref: Para. A19)
10. The PIAC votes on the approval of an exposure draft of the proposed international pronouncement in accordance with the PIAC's terms of reference. In voting in favor of the release of an exposure draft, a member of the PIAC is confirming that he or she is satisfied that the draft would form an acceptable international pronouncement in the event that no comments were received on exposure that required the PIAC to amend the proposals. (Ref: Para. A20)

### **Public Exposure**

11. Approved draft international pronouncements are exposed for public comment. Exposure drafts are placed on the ~~IFAC~~ PIAC's website where they can be accessed free of charge by the general public. Each exposure draft is accompanied by an explanatory memorandum that highlights the objective(s) of and the significant proposals contained in the draft international pronouncement, as well as the PIAC's view on the main issues addressed in the development thereof. (Ref: Para. A21-A22)

12. The exposure period will ordinarily be no shorter than 90 days.<sup>1</sup> (Ref: Para. A23-A24)
13. Comments made by respondents to an exposure draft are a matter of public record and are posted on the PIAC website after the end of the exposure period. (Ref: Para. A25-A27)

#### **Consideration of Respondents' Comments on an Exposure Draft**

14. To facilitate the deliberative process, the Project Task Force provides the PIAC, as part of the PIAC's public agenda papers, with an analysis that summarizes the significant issues raised by respondents, outlines their proposed disposition and, as appropriate, explains the reason(s) significant changes recommended by a respondent(s) are, or are not, to be accepted. (Ref: Para. A28-A29)
15. Members of the PIAC familiarize themselves with the issues raised in comment letters on exposure drafts such that they are able to make well informed decisions as they finalize an international pronouncement. The PIAC deliberates significant matters raised in the comment letters received, with significant decisions recorded in the minutes of the meeting of the PIAC. (Ref: Para. A30-A31)
16. At the meeting in which the PIAC deliberates significant matters raised in the comment letters received, members of the PIAC are asked whether there are any issues raised by respondents, in addition to those summarized by the Project Task Force, that they consider should have been discussed by the PIAC. This does not, however, preclude a member of the PIAC from raising a matter for discussion at a later time.

#### **Interaction with the PIAC's Consultative Advisory Group**

17. The PIAC is responsible for consulting with the PIAC's Consultative Advisory Group (CAG) on the identification and prioritization of projects to be undertaken by the PIAC. In particular, the PIAC's CAG is consulted on the PIAC's strategy and work program, including project priorities and any changes therein, to help establish their appropriateness. Where the PIAC's CAG has recommended a project for consideration by the PIAC, the Chair of the PIAC informs the PIOB and the PIAC's CAG of the decisions of the PIAC.
18. The PIAC is also responsible for consulting with the PIAC's CAG during the development and finalization of an international pronouncement. In particular, the PIAC's CAG is consulted on: (Ref: Para. A32-A33)
  - Proposals to start new projects;
  - Significant issues relating to the development of an international pronouncement; and
  - Significant issues raised in comment letters on exposure drafts and the PIAC's related response.
19. The Chair of the PIAC or the Project Task Force is responsible for bringing to the PIAC's attention significant comments received through the consultation with the PIAC's CAG. The Project Task

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<sup>1</sup> For the International Auditing and Assurance Standards Board, the exposure period will ordinarily be 120 days.

Force reports back to the PIAC's CAG the results of the PIAC's deliberations thereon. (Ref: Para. A34-A35)

### **Approval of an International Pronouncement, and Consideration of the Need for Re-Exposure**

20. When the Project Task Force is satisfied that it has a proposed final international pronouncement that is ready for approval, it presents the revised content of the exposed international pronouncement to the PIAC for approval.
21. The senior staff member of the PIAC is responsible for advising the PIAC on whether due process has been followed effectively and with proper regard for the public interest before a final international pronouncement is approved for issue. (Ref: Para. A36-A37)
22. The PIAC votes on the approval of the final revised content of an exposed international pronouncement in accordance with its terms of reference. Approval of the final revised content of an exposed international pronouncement is an approval for its issue as a final international pronouncement, unless the PIAC subsequently votes in favor of re-exposure as described below. (Ref: Para. A38-A39)
23. After approving the final revised content of an exposed international pronouncement, the PIAC votes on whether there has been substantial change to the exposed document such that re-exposure is necessary. An affirmative vote in accordance with the PIAC's terms of reference that re-exposure is necessary is required to issue a re-exposure draft. The basis of the PIAC's decisions with respect to re-exposure is recorded in the minutes of the PIAC meeting at which the related project is discussed. (Ref: Para. A40-A42)
24. When an exposure draft is re-exposed, the explanatory memorandum accompanying the re-exposure draft includes the reasoning for re-exposure and sufficient information to allow an understanding of the changes made as a result of the earlier exposure.
25. Where applicable, the PIAC will set an effective date for the application of the final international pronouncement. (Ref: Para. A43)
26. For each final international pronouncement, the PIAC issues a separate document explaining its basis for conclusions with respect to comments received on an exposure draft. (Ref: Para. A44)

### **Withdrawal of an International Pronouncement**

27. The PIAC votes on the withdrawal of an international pronouncement, whether that withdrawal is due to the issue of a new or a revised international pronouncement that incorporates or replaces the subject matter of the existing international pronouncement or any other reason, in accordance with the PIAC's terms of reference.

### **Release of a Final International Pronouncement**

28. The senior staff member of the PIAC is responsible for advising the PIOB on whether due process has been followed effectively and with proper regard for the public interest in the development of the final international pronouncement. The Chair of the PIAC's CAG is responsible for advising the PIOB on whether due process relating to the PIAC's interaction with the PIAC's CAG in the

development of the final international pronouncement has been followed effectively. (Ref: Para. A45-A46)

29. Before release of a final international pronouncement, the senior staff member of the PIAC obtains the conclusion of the PIOB as to whether due process has been followed effectively and with proper regard for the public interest. This process may involve the PIAC taking further appropriate steps necessary in the circumstances should the PIOB express a negative conclusion about whether due process has been followed. (Ref: Para. A47)

### **Matters of Due Process**

30. If an issue over adherence to due process is raised formally with the PIAC (other than an issue that is clearly frivolous or vexatious), whether by a third party or otherwise, the PIAC assesses the matter and seeks an appropriate resolution. The PIAC's decision on the matter is communicated to the party raising the matter. Alleged breaches of due process and the resolution thereof are communicated by the PIAC to the PIOB. The results of investigations of alleged breaches of due process are reported at a PIAC meeting open to the public. (Ref: Para. A48-A49)

### **Circumstances Requiring an Accelerated Response**

#### *Project Identification, Prioritization, and Commencement (Ref. Para. A50-A52)*

31. In some circumstances, the PIAC may become aware of an issue that, in the public interest, the PIAC believes should be addressed through an amendment to an international pronouncement in an accelerated manner. The following therefore explains how various provisions within the due process may be adapted under specified conditions and with the concurrence of the PIOB.
32. Prior to commencing the project, the PIAC concludes that:
- (a) The set of facts and circumstances of the issue:
    - i. Is of such significance that, in the public interest, an amendment to an international pronouncement on an accelerated basis is warranted; or
    - ii. Indicates different interpretations amongst stakeholders to the intent or effect of an international pronouncement that can lead to undesired inconsistencies in practice and therefore it is in the public interest to clarify the PIAC's intent via an amendment to an international pronouncement.
  - (b) Adequate resources will be available and that the prioritization of such a project would be an effective and efficient utilization of the PIAC's resources, recognizing that such a project may redirect resources from the PIAC's stated priorities that were subject to public consultation.
  - (c) The nature of the issue is such that it is reasonable for the PIAC to become adequately informed, and appropriately conclude, on a matter with due regard to the public interest based on an expedited deliberation and consultation process. This consideration would need to take into account whether the issue requires extensive study, the complexity of the issue, and the pervasiveness of the possible change(s) to an international pronouncement(s).

(d) A sufficiently precise project proposal can be prepared to address the issue such that the scope of the project, and the issues to be addressed, are clear.

33. The PIAC informs the PIOB of its intention to discuss a project proposal to accelerate the amendment of an international pronouncement and requests the PIOB to advise the PIAC on any objection or relevant consideration.

34. In addition to the PIAC's deliberation on a proposal to start a new project as described in paragraph 6, the PIAC would provide advance notification on the PIAC's website, and through other regular communication channels, of its intent to discuss at its next public meeting an amended pronouncement(s), and encourages public submissions of evidence on the issue.

*Development of Proposed International Pronouncements, Public Exposure, and Consideration of Respondents' Comment on an Exposure Draft*

35. In relation to the development of proposed international pronouncements, public exposure, and consideration of respondents' comments on an exposure draft as described in paragraph 7–16:

(a) It is unlikely to be practical for the PIAC to consider holding a public forum or roundtable, or issuing a consultation paper, as contemplated by paragraph 8. However, the actions contemplated by paragraphs 32(c) and 34 are intended to achieve the same effect (that is, informing the PIAC of matters relevant to developing an amended pronouncement).

(b) The exposure period would be accelerated, likely allowing for public consultation for 30–45 days. (Ref: Para. A53–A54)

36. In relation to the interaction with the PIAC's CAG as described in paragraphs 17–19, the PIAC would also provide advance notification to the CAG of the PIAC's intention to proceed with a project in an accelerated manner and the related project proposal. In relation to consulting with the CAG as described in paragraph 18, the PIAC would be required to consult on significant issues relating to the project prior to the release of the exposure draft. Such consultation may occur via electronic or telephonic means outside of the usual CAG meeting schedule. Discussion with the CAG on the significant issues raised in comment letters on the exposure draft and the PIAC's related response may be undertaken, but is not required.

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## **Working Procedures**

### **General**

#### *PIAC Meetings (Ref: Para. 1)*

A1. Where practicable, PIAC meetings are broadcast over the Internet or recorded and archived on the PIAC's IFAC website.

#### *Meeting Agenda Papers (Ref: Para. 2)*

A2. Meeting agenda papers are published on the PIAC's IFAC website ordinarily no later than three weeks in advance of each PIAC meeting. Draft meeting minutes are published on the PIAC's IFAC website ordinarily within six weeks after each PIAC meeting.

- A3. The Appendix of this document lists the unique titles for common PIAC documents at various stages of due process.
- A4. Agenda papers are retained on the PIAC's IFAC website for at least three years from the date of the meeting. Final minutes are retained on the website indefinitely.
- A5. Updated project summaries and meeting highlights are posted to the website after each meeting.

#### **Project Identification and Prioritization (Ref: Para. 4)**

- A6. The PIAC's strategy review involves a formal survey of its key stakeholders to obtain views about issues that they believe should be addressed by the PIAC in the immediate future.
- A7. The development of the PIAC's strategy and work program includes the issue of a consultation paper for public comment, placed on the PIAC's IFAC website where it can be accessed free of charge by the general public, for ordinarily no less than 60 days. The PIAC considers the results of the public consultation in formulating, as necessary, a revised strategy and work program.
- A8. The PIAC's strategy reviews and consultations are not anticipated to be an annual process.

#### **Project Commencement**

##### *Project Proposals (Ref: Para. 6)*

- A9. Where the PIAC has a Steering Committee (or equivalent), a proposal to start a new project is first considered by the Steering Committee (or equivalent). As appropriate, the Steering Committee (or equivalent) recommends to the PIAC either that a project proposal be approved or that no new project be initiated at that time. A project proposal identifies, where applicable, who has recommended the project for consideration by the PIAC.
- A10. Project proposals identify the objectives of the project and explain how achievement of those objectives would serve the public interest. PIAC members, the PIAC's CAG, and others interested in the development of the proposed pronouncement are thereby provided with a benchmark against which the project can be measured.

#### **Development of Proposed International Pronouncements**

##### *Project Task Force (Ref: Para. 7)*

- A11. A project proposal includes any proposed assignment of responsibility for the project to a Project Task Force. It addresses, where appropriate, specific areas of expertise or geographical representation that may be needed on the Project Task Force. The identification of Project Task Force members focuses on finding the best persons for the job.
- A12. A Project Task Force is usually chaired by a member of the PIAC. The senior staff member of the PIAC, in consultation with the Chair of the PIAC, determines the composition of the Project Task Force in a manner that brings the right balance of technical expertise and public interest perspectives to the project discussion, and considers whether there is sufficient direct participation by members of the PIAC on the Project Task Force. Project Task Forces may contain participants, such as external experts, who are not members of the PIAC but have experience relevant to the

subject matter. Members of a Project Task Force are identified in the project summaries contained on the PIAC's IFAC website and in the relevant project agenda papers for a PIAC meeting.

- A13. Project Task Force meetings are not open to the public.
- A14. A Project Task Force identifies issues, and proposes recommendations, relevant to the development of the proposed international pronouncement on which PIAC input is appropriate. These papers, which are ordinarily accompanied by a draft version of the proposed pronouncement, are developed based on research and consultation, which may include: conducting research; consulting with the PIAC or the PIAC's CAG, practitioners, regulators, national standard setters and other interested parties; and reviewing professional pronouncements issued by IFAC member bodies and other parties.
- A15. The papers submitted by the Project Task Force to the PIAC include confirmation that no other significant matters were discussed and agreed by the Project Task Force, in particular in regard to a decision to exclude a significant matter from the proposed draft pronouncement.
- A16. The PIAC may carry out projects in cooperation, or conduct projects jointly, with a national standard setter(s) or other organizations with relevant expertise. In the case where a project is to be conducted jointly,<sup>2</sup> a member of the PIAC chairs, or co-chairs, the joint Project Task Force. Where practicable, joint projects are conducted on a multi-national basis whereby two or more national standard setters or national organizations are involved in the joint project.

*Public Forum or Roundtable, or Consultation Paper* (Ref: Para. 8)

- A17. In deciding upon the need to hold a public forum or roundtable or to issue a consultation paper, the PIAC considers whether the subject of the international pronouncement, the level of interest within and outside the profession, the likely or actual existence of a significant and controversial divergence of views, the need for additional information in order to further the PIAC's deliberative process, or some other reason indicates that wider or further consultation would be appropriate.
- A18. The outcome(s) of a public forum or roundtable, or the issue of a consultation paper, is summarized and reported to the PIAC, as part of the PIAC's public agenda papers, for purposes of the PIAC's deliberation on the subject under consideration.

*Proposed Draft International Pronouncement* (Ref: Para. 9)

- A19. The Project Task Force recognizes the importance of appropriate liaison with other PIACs and IFAC Boards and Committees. The Project Task Force raises proactively any amendments proposed in an international pronouncement by the PIAC that may have implications for another PIAC or IFAC Board or Committee.

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<sup>2</sup> Joint projects are subject to the due process of the PIAC. If exposed separately both internationally and by the national standard setter(s) with whom the project is being jointly developed, and where applicable, PIAC may additionally have regard to comments received by the national standard setter(s), where they may be relevant internationally, and to the extent the process does not result in unnecessary delay in the finalization of the pronouncement. The final pronouncement approved by PIAC becomes a final international pronouncement in the normal way. It may differ from the corresponding document(s), if any, approved by the collaborating national standard setter(s).



*Approval of Draft International Pronouncement (Ref: Para. 10)*

A20. Where applicable, the PIAC will set a proposed effective date for the application of the pronouncement as part of the exposure draft.

**Public Exposure**

*Exposure Drafts (Ref: Para. 11)*

- A21. Notice of the issuance of exposure drafts is widely distributed to: regulatory bodies; organizations that have an interest in the pronouncements issued by the PIAC; member bodies of IFAC; and the press. The PIAC considers whether there are any additional broad stakeholder groups to whose attention a proposed pronouncement should be drawn.
- A22. The explanatory memorandum may also direct respondents, including those representing specific constituencies such as developing nations, small- and medium-sized practices or the public sector, to aspects of the draft international pronouncement on which specific comments are sought.

*Exposure Period (Ref: Para. 12)*

- A23. Although the exposure period for a draft international pronouncement will ordinarily be no shorter than 90 days, a shorter or longer exposure period may be set when considered appropriate. A longer exposure period may be set, for example, where complex or pervasive changes might affect translation or to make wider consultation possible. A shorter exposure period may be set, for example, where in the public interest there is a need to conclude on a matter more quickly, the exposure draft is relatively simple or short, or where the PIAC decides to re-expose all or only part of a draft international pronouncement.
- A24. Exposure drafts indicate that the PIAC cannot undertake to consider comments and suggestions received after the close of the exposure period.

*Comments Received (Ref: Para. 13)*

- A25. An acknowledgement of receipt is sent to every respondent to an exposure draft.
- A26. PIAC members, their technical advisors, PIAC observers, and Project Task Force members who are not members of the PIAC are notified when comment letters have been made available on the PIAC's ~~IFAC~~ website.
- A27. The exposure draft and comment letters are made available for the reference purpose of PIAC members at the PIAC meeting in which the project is scheduled for discussion.

**Consideration of Respondents' Comments on an Exposure Draft**

*Comments Received on Exposure (Ref: Para. 14)*

- A28. The comments and suggestions received within the exposure period are read and considered by the Project Task Force.

- A29. Project agenda papers contain a cumulative summary of the significant decisions made by the PIAC on matters relating to the project, including its position on the significant issues raised in comment letters.

*Deliberation of Significant Matters* (Ref: Para. 15)

- A30. The PIAC does not enter into debate with respondents on individual comment letters. The PIAC may decide, however, to discuss a letter of comment with the respondent to seek clarification on a matter.
- A31. For comments received from members of the Monitoring Group,<sup>3</sup> if and as requested, the PIAC will explain to them the reason(s) for not having accepted their proposals. The nature and outcome of such discussions are reported and recorded in the minutes of the PIAC meeting at which the related project is discussed.

**Interaction with the PIAC's Consultative Advisory Group**

*Development of an International Pronouncement* (Ref: Para. 18)

- A32. All stages in the development of an international pronouncement are taken through the PIAC's CAG to provide an opportunity for issues to be exposed and insight to be gathered. In consulting with the PIAC's CAG, the PIAC may bring forward significant issues on which it seeks the input of the PIAC's CAG. The PIAC's CAG is also afforded the opportunity to bring forward matters for consideration by the PIAC. Significant points arising in PIAC's CAG discussions are included in the minutes of the meeting of the PIAC's CAG.
- A33. The meetings of the PIAC's CAG are attended by the Chair of PIAC and the senior staff member of the PIAC and, where appropriate, by a representative of the Project Task Force, usually the chair.

*Report Back* (Ref: Para. 19)

- A34. Minutes of the meetings of the PIAC's CAG, or a draft thereof, relating to significant points arising in the PIAC's CAG discussion on a draft international pronouncement are sent to the relevant Project Task Force for consideration. The Project Task Force produces a "report back" document for the PIAC's CAG, referring to each item noted in the PIAC's CAG minutes and commenting as to whether a point has been accepted or not by the PIAC, and if not the reasons. While the "report back" document addresses the points made in relation to each item noted in the PIAC's CAG minutes, it is not intended that there be a reconciliation in the "report back" of every view on every point. Each "report back" is discussed at a subsequent meeting of the PIAC's CAG. The conclusion of this discussion is recorded in the minutes of the PIAC's CAG meeting.
- A35. The "report back" documents and the discussion by the PIAC's CAG on them result in a rolling-check on whether significant comments received through the consultation with the PIAC's CAG

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<sup>3</sup> The Monitoring Group includes the Basel Committee on Banking Supervision, the European Commission, the Financial Stability Board, the International Association of Insurance Supervisors, the International Forum of Independent Audit Regulators, the International Organization of Securities Commissions, and the World Bank. ~~The International Forum of Independent Audit Regulators is an observer.~~

during the development of a draft international pronouncement have been brought to the PIAC's attention. Nevertheless, on the occasion on which the PIAC's CAG plans to discuss a draft international pronouncement for the last time before it goes to the PIAC for final approval, the PIAC's CAG is asked to advise, based on minutes of previous meetings, whether it is satisfied that the PIAC has consulted it on, and has considered its comments in relation to, the development and finalization of the international pronouncement. The conclusion of this discussion is recorded in the minutes of the PIAC's CAG meeting.

### **Approval of a Pronouncement, and Consideration of the Need for Re-Exposure**

#### *Adherence to Due Process (Ref: Para. 21)*

- A36. The senior staff member provides a written report in the agenda papers of the meeting outlining the basis for concluding whether due process has been followed with respect to actions up to the date of the meeting.
- A37. The senior staff member also reports to the PIAC whether due process has been followed during the meeting at which a final international pronouncement is approved for issue. The substance of this report is recorded in the minutes.

#### *Approval (Ref: Para. 22)*

- A38. The results of voting, including dissenting votes and the reason(s) therefore, on the approval of the revised content of an exposure draft are recorded in the minutes of the meeting.
- A39. The agenda paper containing the draft proposed revised content of exposed international pronouncement is updated for changes agreed by the PIAC during the course of the meeting and is posted to the PIAC's ~~IFAC~~ website after the meeting at which the PIAC approves the final international pronouncement. The updated agenda paper posted to the PIAC's ~~IFAC~~ website is for information purposes only and is not the final pronouncement. The final pronouncement is that approved by the PIAC ~~IAASB~~ and published by IFAC after the PIOB has confirmed that due process was followed in its development.

#### *Re-Exposure (Ref: Para. 23)*

- A40. When an exposure draft has been subject to many changes, a summary comparative analysis is presented to the PIAC. This analysis shows, to the extent practicable, the differences between the exposure draft and the proposed final international pronouncement.
- A41. The senior staff member of the PIAC, in consultation with the Chair of the PIAC and chair of the Project Task Force, advises the PIAC on whether a draft international pronouncement, or part thereof, needs to be re-exposed.
- A42. Situations that constitute potential grounds for a decision to re-expose may include, for example: substantial change to a proposal arising from matters not aired in the exposure draft such that commentators have not had an opportunity to make their views known to the PIAC before it reaches a final conclusion; substantial change arising from matters not previously deliberated by the PIAC; or substantial change to the substance of a proposed international pronouncement.

*Effective Date (Ref: Para. 25)*

A43. In setting the date for the application of an international pronouncement, the PIAC considers the reasonable expected minimum period for effective implementation, including the need for translation into national languages.

*Basis for Conclusions (Ref: Para. 26)*

A44. The document explaining the PIAC's basis for conclusions with respect to comments received on an exposure draft is circulated to the PIAC for comment and is issued after clearance by the Chair and senior staff member of the PIAC. The issue of the document is not subject to voting approval by the PIAC and therefore does not constitute part of the final international pronouncement and is non-authoritative. It is retained for an indefinite period on the PIAC's IFAC website.

**Release of a Final Pronouncement**

*Adherence to Due Process (Ref: Para. 28)*

A45. The senior staff member of the PIAC provides the PIOB with a written report outlining the basis for the conclusion on whether due process has been followed.

A46. The Chair of the PIAC's CAG provides the PIOB with a written report outlining the basis for the conclusion on whether due process relating to the PIAC's interaction with the PIAC's CAG in the development of the final international pronouncement has been followed. In forming this conclusion, the Chair of the PIAC's CAG considers the conclusion of the PIAC CAG's discussion described in paragraph A35, and whether significant comments received at the last meeting of the PIAC's CAG, as recorded in the minutes, or draft minutes, of the meeting, have been brought to the PIAC's attention. For this purpose, the senior staff member of the PIAC prepares, at the conclusion of the meeting at which the PIAC approves a final pronouncement, a "report back" document (as described in paragraph A34) together with other relevant documents as may be necessary for consideration by the Chair of the PIAC's CAG.

*Final Pronouncement (Ref: Para. 29)*

A47. Subject to any concern received from the PIOB upon its review of due process applied in the development of the final international pronouncement at its earliest meeting after receiving the report of the senior staff member, the final pronouncement, together with the separate document explaining its basis for conclusions with respect to comments received on an exposure draft, will be posted to the PIAC's IFAC website.

**Matters of Due Process (Ref: Para. 30)**

A48. Where the PIAC has a Steering Committee (or equivalent), the Steering Committee (or equivalent) assesses issues raised over due process and obtains relevant information from all parties involved. The Steering Committee (or equivalent) brings the issue to the attention of the PIAC with a recommendation on whether the alleged breach has merit and, if so, an appropriate resolution.

A49. The PIAC reports annually on whether it has complied with due process during the period.

### **Circumstances Requiring an Accelerated Response**

#### **Project Identification, Prioritization, and Commencement (Ref: Para. 31–34)**

- A50. It is expected that nearly all public interest issues will have been identified and appropriately prioritized as a result of the PIAC's development of, and public consultation on, its strategy and work program. Accordingly, it is expected that PIACs will rarely need to accelerate work on a project or pronouncement to such a degree that the due process would need to be adapted.
- A51. However, any such project is intended to address only specific and defined matters (for example, to clarify the intent or effect of an international pronouncement for which there is evidence of different interpretations amongst stakeholders). Accordingly, in such circumstances, PIACs do not subsequently alter an approved project proposal to address matters that have not been subjected to the process outlined in paragraphs 32–34. It is essential, therefore, that the project proposal clearly sets out the scope and issues for the project.
- A52. In deciding to undertake a project in an accelerated manner, the PIAC considers whether a non-authoritative publication would better achieve the desired outcome (for example, a non-authoritative publication may be appropriate when it is not necessary to extend, interpret, or otherwise amend the authoritative pronouncements of a PIAC).

#### **Development of Proposed International Pronouncements, Public Exposure, and Consideration of Respondents' Comment on an Exposure Draft (Ref: Para. 35)**

- A53. The PIAC also considers the likely length of the exposure period of proposed international pronouncement(s), and notifies known translating organizations (for example, organizations that may be listed in the IFAC Translations Database) that a project has commenced and is being conducted in an accelerated manner, and that translating organizations should be prepared for an urgent release of a draft international pronouncement(s) with an abbreviated public exposure period.
- A54. Due to the need for an accelerated standard-setting response, the PIAC, when issuing the exposure draft, advises that comments should be received by the end of the exposure period. The PIAC's consideration of late submissions is subject to the consent of the PIAC's Chair.

## **Appendix**

### **List of Unique Titles for Common PIAC Documents at Various Stages of Due Process**

#### **Project Commencement**

*Proposal to start a new project:*

- “[Title of Project]—[PIAC] Project Proposal”

#### **Development of Proposed International Pronouncements**

*Agenda papers prepared for the PIAC’s review and debate addressing issues in the course of the development of a proposed international pronouncement:*

- “[Title of Project]—Issues and [PIAC] Task Force Proposals dated [MM/YY]”

*Draft versions of a proposed pronouncement accompanying such agenda papers:*

- “[Title of Project]—Draft Pronouncement dated [MM/YY]”
- “[Title of Project]—Draft Pronouncement dated [MM/YY] Showing Changes from Draft dated [MM/YY]”

*Consultation papers issued to solicit views on a matter under consideration:*

- “[Title of Project]—[PIAC] Consultation Paper dated [MM/YY]”

#### **Consideration of Respondents’ Comments on an Exposure Draft**

*Agenda papers addressing the significant issues by respondents on an exposure draft:*

- “[Title of Project]—Summary of Significant Comments on Exposure and [PIAC] Task Force Recommendations dated [MM/YY]”

*Agenda papers prepared for subsequent PIAC meetings that outline the Project Task Force’s response to the PIAC’s consideration of significant comments on exposure:*

- “[Title of Project]—[PIAC] Task Force Recommendations dated [MM/YY] in Response to [PIAC’s] Consideration of Significant Comments on Exposure”

*Draft versions of a proposed pronouncement accompanying such agenda papers follow the format described above.*

*Agenda papers setting out the main differences between an exposure draft and the proposed final international pronouncement, when the exposure draft has been subject to many changes:*

- “[Title of Project]—Comparison of Exposure Draft and Draft Pronouncement dated [MM/YY]”

### **Approval of a Final Pronouncement**

*Document posted to the ~~PIAC's~~IFAC website after the meeting at which the PIAC approves the final international pronouncement showing final changes agreed by the PIAC:*

- “[Title of Project]—Final Draft Pronouncement dated [MM/DD/YY] Showing Changes from Draft dated [MM/DD/YY]: As Approved by [PIAC] for Submission to PIOB”

### **Release of a Final Pronouncement**

*Final pronouncement:*

- “[Title of Pronouncement]”

*Document explaining the PIAC's basis for conclusions with respect to comments received on an exposure draft:*

- “[Title of Pronouncement]—Significant Comments on [PIAC] Proposals and Basis for Conclusions Thereon”