CAG Remit, Procedures and Value Proposition

Material(s) Presented

Agenda Item 2.1 Draft, IPSASB CAG Value Proposition
Agenda Item 2.2 IPSASB CAG Terms of Reference

Objective of the Issues Paper

1. The objective of this session is to inform members on the procedures and remit of the CAG and to discuss the CAG value proposition.
Objective

1. The purpose of this document is to define the CAG value proposition. The value proposition is important to focus the CAG’s activities so the CAG can provide the greatest value.

Roles and Relationships

2. **Public Interest Committee**—Oversight and Governance of the IPSASB to ensure Due Process and Working Procedures are followed with appropriate regard for the public interest.

3. **IPSASB**—Develop the IPSASB strategy and work program in order to set high-quality public sector accounting standards in accordance with Due Process and Working Procedures and the IPSASB Terms of Reference.

4. **IFAC**—Provide funding and administrative support to the IPSASB. Independently carry out the nominations process for the appointment of IPSASB Members.

5. **IPSASB CAG**—Provide a forum for two-way communication between the IPSASB and stakeholders.

IPSASB CAG Value Proposition

6. The CAG provides a forum for communication with the IPSASB in order to facilitate communication of stakeholders’ perspectives to the IPSASB.

7. This CAG Value Proposition is operationalized by the CAG members providing their unique perspectives (broad stakeholder views) related to issues raised either by the IPSASB or the IPSASB CAG, targeted on the following IPSASB Due Process steps:
   (a) CAG views (stakeholder perspective) on the IPSASB strategy, and work plan; and
   (b) CAG views on IPSASB projects related to technical issues and barriers to adoption or effective implementation of IPSASs.

8. The role of the CAG does not include developing:
   (a) IPSASs or Other Pronouncements; and
   (b) CAG Interpretations or Adoption/Implementation guidance related to IPSASs.
Appendix A: Key Background Information

1. The table below summarizes the mission and objectives of the IPSASB, PIC and IPSASB CAG, for reference purposes, in relation to the proposed CAG value proposition.

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<th>Mission &amp; Objective</th>
<th>IPSASB</th>
<th>PIC</th>
<th>CAG</th>
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| The IPSASB’s mission is: | The Committee has been established to promote the public interest in the standard setting activities of the IPSASB. In carrying out this mission, the Committee shall:  
(a) Review the terms of reference of the IPSASB and advise its members on any proposed changes;  
(b) Review the IFAC Nominating Committee’s reports on procedures and processes for nomination and appointment of the IPSASB and advise the IFAC on any proposed changes; and  
(c) Review the IPSASB’s reports on procedures and processes for formulating its strategy and work plan and developing individual accounting standards to ensure that the views of all relevant stakeholders are sought and given due consideration, and advise IPSASB members on any proposed changes. | The objective of the IPSASB Consultative Advisory Group (the CAG) is to provide a forum where the IPSASB consults representatives of public and private sector organizations, or individuals, that are interested in or affected by its work, including those engaged in the preparation, audit, or evaluation of public sector financial reports, to obtain:  
(a) Advice on the IPSASB’s strategy, work program and agenda, including project priorities;  
(b) Advice on projects, including views on key technical issues or matters that may impede the adoption or effective implementation of IPSASs; and  
(c) Advice on other matters of relevance to the standard-setting activities of the IPSASB. | To serve the public interest by developing high-quality accounting standards and other publications for use by public sector entities around the world in the preparation of general purpose financial reports. The IPSASB’s forward strategy from 2015 has a single strategic objective: Strengthening public financial management and knowledge globally through increasing adoption of accrual-based IPSAS by:  
(a) Developing high-quality public sector financial reporting standards;  
(b) Developing other publications for the public sector; and  
(c) Raising awareness of the IPSAS and the benefits of their adoption. |
International Public Sector Accounting Standards Board
CONSULTATIVE ADVISORY GROUP
Terms of Reference—June 2015

OBJECTIVE AND SCOPE OF ACTIVITIES

1. The objective of the IPSASB Consultative Advisory Group (the CAG) is to provide a forum where the IPSASB consults representatives of public and private sector organizations, or individuals, that are interested in or affected by its work, including those engaged in the preparation, audit, or evaluation of public sector financial reports, to obtain:

   (a) Advice on the IPSASB’s strategy, work program and agenda, including project priorities;

   (b) Advice on projects, including views on key technical issues or matters that may impede the adoption or effective implementation of IPSASs; and

   (c) Advice on other matters of relevance to the standard-setting activities of the IPSASB.

COMPOSITION AND MEMBERSHIP

2. The CAG comprises representatives of public and private sector organizations, or individuals, that are interested in or affected by the development and maintenance of high-quality international public sector accounting standards designed to serve the public interest and interested in the quality, consistency, and transparency of public sector financial reporting worldwide. The membership should provide, to the extent practicable, a balance of geographical representation and between regulators, auditors and professional accounting bodies, international organizations, users and representatives of governments and other public sector entities, including preparers.

3. Nominations may be submitted by organizations or individuals. The nominated individuals should be knowledgeable about international public sector accounting standards, public sector financial reporting or public sector finance management, and related issues.

4. A panel comprising the CAG Chair, two CAG Members selected by the Chair for this purpose, the IPSASB Chair and the IPSASB Technical Director (the CAG Membership Panel) considers nominations and where applicable, their origins and/or the organizations that they may represent, to determine whether the nominee organization and individuals are suitable for membership and to ensure balanced geographical and functional backgrounds. The CAG Membership Panel is also responsible for consideration of CAG Member reappointments.

5. The CAG Membership Panel determination of appointment of a proposed new Member includes a record of the reasons why the CAG Membership Panel considers the proposed new Member an important addition to the membership of the CAG.

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6. The IPSASB Public Interest Committee (PIC) may identify any emerging public interest segments not already represented on the CAG and bring these to the attention of the CAG Membership Panel for further consideration.

TERM OF OFFICE

7. Each term of service for a CAG Member is for a period of not more than three years. A CAG member may serve consecutive terms for up to an aggregate of nine years. Certain international organizations, however, may be granted permanent seats.

8. The CAG Chair is appointed as Chair for a term not more than three years. A CAG chair may serve consecutive terms for up to an aggregate of six years.

9. The membership of the CAG will be reviewed every five years by the CAG Membership Panel.

10. Continuity of representation on the CAG is expected; however, an organization represented on the CAG, 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.

11. Where necessary, an organization represented on the CAG may replace an existing CAG Member by another individual. The suitability of the proposed new CAG Member is considered by the CAG Membership Panel.

12. CAG Members who do not attend in person three consecutive meetings may be asked to stand down from the CAG.

CHAIR

13. The CAG Chair is an individual, elected by the CAG from amongst the CAG Members. Exceptions to this are permitted in the period of initial establishment of the CAG, or in rare circumstances where there is no nomination for the CAG Chair from amongst the CAG Members.

14. The Chair provides leadership to the CAG in ensuring that the IPSASB receives timely and effective input that contributes to the development of high quality IPSASs and other IPSASB pronouncements enjoying broad acceptance. The Chair monitors actively the progress of the IPSASB’s work program, projects and priorities and works closely with the IPSASB Chair and Technical Director to identify matters on which the CAG’s advice should be sought. The duties of the Chair include, but are not limited, to those necessary for the effective conduct of meetings of the CAG.

15. The Chair of the CAG leads the process to ensure adequate representation in the CAG.

16. The CAG Chair typically attends IPSASB meetings as an observer, or may appoint a representative to attend in the CAG Chair’s absence. The CAG Chair, or appointed representative, has the privilege of the floor at IPSASB meetings.

17. If the IPSASB decides to make use of a Steering Committee (or equivalent), the CAG Chair is entitled to attend meetings of such a Committee as an observer with privilege of the floor, or may appoint a CAG Member to attend with the same privilege.
OPERATING PROCEDURES

18. To ensure that the CAG operates efficiently and effectively, the following specific operating procedures are adopted.

Meeting Details

19. The CAG Chair assumes the chairmanship of any meeting of the CAG at which he or she is present. In the absence of the CAG Chair, the CAG Chair will nominate a representative to act as chair and, if no such deputy is appointed by the CAG Chair, the CAG Members will appoint a deputy from amongst themselves. Such appointment of a deputy chair is valid only for the duration of the meeting in question.

20. Generally, up to two meetings are held each year (with consideration given to holding the meetings adjunct to meetings of the IPSASB). However, additional CAG meetings may be convened at the discretion of the CAG Chair. The CAG Members, and other meeting participants, are notified of meeting dates well in advance. IPSASB staff provides administrative support for the meetings.

21. The IPSASB Chair, Deputy Chair and Technical Director attend the CAG meetings, and have the right to speak at the CAG meetings. The CAG Chair invites selected IPSASB members or IPSASB staff, as appropriate, to lead discussions at the CAG meetings on IPSASB projects.

22. The CAG Chair may arrange a private session at a CAG meeting, to be attended by CAG members and members of the PIC (as and when the PIC decides to attend a meeting) only.

Meeting Agenda and Papers

23. The CAG Chair, in appropriate consultation with the IPSASB Chair and Technical Director, and with reference to the IPSASB agenda and project timetable, sets the agenda for a CAG meeting.

24. Written materials supporting the CAG agenda items are provided prior to each meeting, highlighting issues for consideration.

Confidentiality Requirements

25. Materials that have not yet been made available to the public, for example through publication on the IPSASB or CAG’s website, should not be provided to third parties or used as a basis for comment to the media. It is acknowledged that CAG Members may need to discuss the materials with their constituencies or the organizations they represent; however, they are expected to put in place arrangements that enable the distribution of confidential material to be confined to a small group.

TRAVEL AND ACCOMMODATION COSTS

26. Members of the CAG or the organizations they represent meet their own travel and accommodations costs.

TRANSPARENCY
27. The membership, terms of reference, including the operating procedures of the CAG, are published on the IPSASB website.

28. CAG meetings are open to the public. When considered necessary, the CAG Chair will arrange closed or private sessions\(^1\) at which the public are not admitted to deal with administrative and similar matters.

29. Members of the public can access the agenda papers, including minutes, of the open sessions of the CAG meetings on the IPSASB website. Minutes of the open and closed sessions of the CAG meetings are made available to the members of the IPSASB. Should minutes of the private sessions of the CAG meetings be prepared, they will be sent to the CAG Members and other attendees.

30. The CAG may bring to the attention of the PIC matters which may be of interest to the PIC. The PIC has the right to attend all meetings of the CAG, whether open, closed or private.

**APPROVAL AND CHANGES**

31. These terms of reference of the CAG have been approved by the IPSASB, on the advice of the PIC, and endorsed by IFAC. Any changes thereto require approval by the IPSASB, on the advice of the PIC, and endorsement by IFAC. The PIC may periodically review the terms of reference of the CAG and the aforementioned operating procedures. The IPSASB, in consultation with IFAC and the PIC, shall undertake a review of the terms of reference of the CAG within a period of seven years from establishment.

32. The PIC reviews the CAG operating procedures for appointing or reappointing members of the CAG and for appointing or reappointing the CAG Chair, receives notification of any changes, and is provided the opportunity to advise on any concerns.

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\(^1\) Open sessions of the CAG meetings are attended by the CAG Chair, CAG Members, member(s) of the PIC (as and when the PIC decides to attend a meeting), and relevant IPSASB members and staff (including the IPSASB Chair), and are open to other IPSASB members and the public. The public is not allowed to attend closed sessions of the CAG meetings. Matters of a general administrative nature or with privacy implications may be dealt with in closed sessions of the CAG meeting. Matters discussed or to be discussed in an IPSASB closed session that are also to be discussed with the CAG are discussed in the closed session of the CAG meeting. No decisions that would affect the content of CAG’s input to the Standards and other pronouncements issued by the IPSASB are made in the closed sessions of the CAG meetings. Private sessions of the CAG meetings are attended by the CAG Chair, CAG Members and member(s) of the PIC (as and when the PIC decides to attend a meeting) only. The constraints on the topics of private sessions of the CAG meetings are the same as for the closed sessions of the CAG meetings.