

Due Process Oversight Committee

IFRS Foundation Trustees

13 October 2011

Agenda paper 3A

Trustees' Due Process Oversight Committee Protocol

1. During the week of 10 October the Trustees' Due Process Oversight Committee (DPOC) is seeking the input of their fellow Trustees and the IFRS Advisory Council on a working draft of a protocol under development that will guide the DPOC's work. The protocol is intended to provide a framework for continuous oversight of the IASB's work throughout all stages of development of IASB standards. The protocol aims to provide definable and transparent steps to provide oversight by the DPOC on behalf of the Trustees of the due process procedures followed by the IASB in developing its standards.
2. The due process procedures for the IASB are set out in the IASB's *Due Process Handbook*. Over the years, these procedures have been augmented by additional and optional steps that the IASB has incorporated into the process for developing standards. The IASB is responsible for reporting to the DPOC on the IASB's compliance with due process requirements, providing evidence of the process undertaken compliance and explaining any changes from normal procedures. In addition to its focus on compliance by the IASB, the DPOC wishes to ensure that concerns raised by stakeholders related to due process are satisfactorily addressed. In short, this protocol will help the IASB in managing its due process commitment and provide greater understanding regarding the DPOC's work.
3. In addition to Trustee feedback, the DPOC is seeking the IFRS Advisory Council's advice on how the DPOC could receive greater input from the Council in fulfilling their oversight responsibility. The DPOC also wishes to receive the Council's input on how the Council would assess its current effectiveness.
4. The DPOC will be able to report back on the discussion at the Council's meeting which will focus on the following areas:
 - a) the effectiveness of the IFRS Advisory Council in the IASB's agenda-setting process, a role mandated by the Constitution. Are there areas where this can be improved? How should Council views on the agenda-setting process best be communicated to the IASB and DPOC?
 - b) areas where concerns are arising regarding the process (and not content) of the IASB's standard-setting. How these should be communicated to both the IASB and the DPOC?
 - c) other issues of process of which the DPOC should be aware. Are Council members aware of other best practices carried out by other organizations that could be applied in IASB due process?
 - d) General comments on the proposed DPOC Protocol.
5. With the benefit of the Trustees' and the IFRS Advisory Council's advice, the DPOC will agree a revised draft for public comment.