

STAFF PAPER

July 2012

IASB

Project	Due Process
Paper topic	Consultative Groups
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Background

1. The proposed new Due Process Handbook states:

The IASB normally establishes a consultative group for each of its major projects, such as a specialist or expert advisory group. Consultative groups give the IASB access to additional practical experience and expertise.

All consultative groups are reviewed by the staff each year to assess whether each group is continuing to serve the function for which it was established and whether, if that is the case, the membership should remain the same. The outcome of the review is presented to the IASB and DPOC.

2. The main type of working group we use is established to provide input on a project. We currently have six working groups, relating to five projects:

- Insurance Contracts
- Leases
- Financial Instruments
- Financial Statement Presentation (Financial Institution Advisory Group on Financial Statement Presentation and the Joint International Group on Financial Statements— jointly appointed by the IASB and FASB)
- Employee Benefits.

3. In addition, the IASB sometimes establishes other consultative groups, such as expert advisory panels, to provide input on narrower issues within a particular project. We currently have three such groups:

- Expert Advisory Panel—Fair Value Measurement

- Expert Advisory Panel—Impairment of Financial Instruments
 - Valuation Expert Group (to assist with educational material for IFRS 13 *Fair Value Measurement*).
4. We have some additional groups, the XBRL Advisory Council, XBRL Quality Review Team, Education Advisory Group and the SME Implementation Group. The XBRL and Education groups will be reviewed separately as part of more comprehensive reviews of those areas. The membership of the SME Implementation Group is being considered by the Due Process Oversight Committee at its meeting in July 2012.

Meeting activity in the year to 30 June 2012

5. During the last year we hosted four meetings of these consultative groups, as follows:

Consultative Group	Meetings in the year to 30 June 2012	Last meeting
Insurance Contracts	2	June 2012
Leases	1	January 2012
Financial Instruments	1	August 2011
Financial Statement Presentation	Nil	December 2010
Employee Benefits	Nil	September 2010
Expert Advisory Panel – Impairment of Financial instruments	Nil	June 2010
Expert Advisory Panel – Fair Value Measurement	Nil	October 2008
Valuation Expert Group	Nil	Formed May 2012

6. The three groups that met relate to three of the four MoU projects (the IASB does not have a consultative group for the Revenue Recognition project).

Recommendation

7. I recommend that we formally wind up the consultative groups for Financial Statement Presentation, Employee Benefits and the Expert Advisory Panel for Fair Value Measurement. Aspects of the Financial Presentation Project will be

absorbed into the Conceptual Framework project and we should create a new consultative group for that project—a separate paper on the planning for the conceptual framework project will be discussed at a later IASB meeting. The Employee Benefits project has been completed, as has Fair Value Measurement—with a new group helping us with education material.

8. The Insurance Contracts, Leases and Financial Instruments consultative groups remain active and I am not proposing any changes to the membership or activities of those groups at this stage.

Staff recommendation

The staff recommend that the IASB formally wind up the working groups for Financial Statement Presentation and Employee Benefits and the Expert Advisory Panel for Fair Value Measurement, thanking the members for their assistance with these projects.