Consultative Groups—Update

Introduction

1. This paper updates the DPOC on:

   (a) some improvements being made to the process for assessing the effectiveness of consultative groups, and

   (b) membership changes to the consultative groups for Rate Regulation and Management Commentary.

2. **No decisions are required of the DPOC, but we welcome any feedback.**

Background

3. The *Due Process Handbook* requires the staff to assess annually whether each consultative group ‘is continuing to serve the function for which it was established and whether the membership should remain the same’ (paragraph 3.66). The last such review occurred at the October 2020 DPOC meeting (see paper 1C for that meeting).

4. Over the last couple of reviews, the staff have introduced objective quantitative measures for assessing the effectiveness of the groups, such as number of meetings held relative to a group’s mandate and attendance levels. We have also extended the use of surveys of the members of a consultative group following a meeting.

5. At the October 2020 meeting, the DPOC ‘agreed that staff should continue to develop qualitative indicators for the next review, and that these could build on the groups’ self-evaluation by adding more formal assessments by Board members who worked with the groups’.
Update

6. Starting in May 2021, after a consultative group meeting, the staff will survey the Board and project staff team members attending a particular agenda item at that meeting (eg a discussion on Rate-regulated Activities at the Emerging Economies Group). The survey will ask them to rate the usefulness of the input obtained from the discussion (on a scale of 4) and encourage free-form comments on any sessions that were assessed as not particularly useful.

7. We have also enhanced the survey that we have been using for consultative group members to improve our understanding of their assessment of:
   - the introduction of the topic for discussion,
   - the quality of the materials provided to support the discussion, and
   - participants’ engagement in the discussion,
   with opportunity for free-form comment.

8. In creating or enhancing the surveys, we have focused on the information that we think will be most useful to us. There are other questions that could be asked, but we think it is important to keep the survey as short as possible to encourage participation.

9. As well as being used in planning future discussions with the groups and staff development, the additional information from these surveys will be incorporated into the next review of the groups later this year.

10. In advance of reporting the results of the review of the consultative groups to the Board and DPOC, we will review the feedback from the surveys with the respective lead Board member assigned to the group, as well reviewing attendance and participation to support consideration of whether any changes to membership are required.

Membership changes to consultative groups

Consultative Group for Rate Regulation

11. At the October 2020 review, the staff noted that as planned, the Consultative Group for Rate Regulation had not formally met for three years (although some members and observers of the Group provided input on a draft of the Exposure Draft). We explained that following publication of the Exposure Draft, we would determine how to use the
Group in the next phase of the project, which would also entail reviewing the membership of the Group.

12. The Group met (virtually) in February 2021, soon after publication of the Exposure Draft, and the staff provided an overview of the proposals and asked for advice on outreach during the consultation period. Subsequently, the staff discussed with the Board plans for future use of the Group and possible changes in membership, given some departures from the Group and our desire for greater participation from preparers in some jurisdictions and users of financial statements. The staff expect to call at least one more meeting of the Group once the comment letters have been reviewed; if comment letters are reasonably supportive one meeting may be sufficient. Given the limited number of changes to the members and the expected future use of the Group, the Board’s thinking is to identify possible new members during the comment period of the Exposure Draft, drawing on the support of the national standard-setters and our experience of which countries and industries are affected, rather than undertaking a public call for members. We will update the DPOC on the expected composition of the Group at a future date so that you can review that there is an appropriate balance of perspectives, including geographical balance in line with paragraph 3.62 of the Due Process Handbook.

Management Commentary Consultative Group

13. Since October 2020, members of the Management Commentary Consultative Group have been updated on the Board’s discussions leading up to the publication of the Exposure Draft Management Commentary in May 2021. As reported in October 2020, we plan to consider the role and membership of the Group for the next phase of the project during the consultation period on the Exposure Draft (which ends in November 2021). We will update the DPOC on how we expect to use the Group and on any plans to change the membership at a future date.