


International Federation of Accountants

545 Fifth Avenue, 14th Floor, New York, NY 10017 USA

Tel +1 (212) 286-9344 Fax +1 (212) 286-9570 www.ifac.org

Agenda Item
3
Committee: IAASB

Meeting Location: Lima

Meeting Date: March 7-11, 2005

IAASB Due Process and Working Procedures
Objectives of Agenda Item

To consider a summary of significant comments received on the Exposure Draft, *Proposed Amendments to Preface – IAASB Due Process and Working Procedures*, and the recommended dispositions.

Activities Since Last IAASB Discussion

In July 2004, the IAASB approved by ballot the issue of the Exposure Draft (ED), *Proposed Amendments to Preface – IAASB Due Process and Working Procedures*, with a comment period ending October 15, 2004. The ED proposed certain enhancements to IAASB's due process and working procedures. It also proposed to expand the present description of IAASB's due process and working procedures to reflect more fully the practices that are being followed, including the steps taken by the IAASB to enhance the transparency of its standard setting process.

In November 2004, the IFAC Board agreed in principle to the development of a common description of due process for all its standard setting Public Interest Activity Committees (PIACs), including the IAASB, for consideration by the Public Interest Oversight Board (PIOB). This development is subject to further consideration by the IFAC Board and consultation with the various PIACs. This matter is discussed further in the enclosed agenda material.

In November 2004, the International Accounting Standards Committee Foundation issued an invitation to comment on proposals for change arising from the review of its constitution. The proposals included planned responses to the International Accounting Standards Board (IASB) consultation paper, *Strengthening the IASB's deliberative process*, published in March 2004. The IASB consultation paper was considered as part of the development of the IAASB's ED. An analysis of how the IASB's due process, and proposed changes thereto, compares to the revised proposed IAASB due process is presented in the enclosed agenda material for reference by the IAASB.

In December 2004 and January 2005, the IAASB Steering Committee considered staff's analysis of significant comments received on the IAASB's ED and the recommended dispositions. The Steering Committee agreed in principle with staff's proposed recommendations for purposes of discussion with the IAASB at its March 2005 meeting.

Material Presented

Agenda Item 3-A (Pages 53 – 70)	Due Process – Summary of Significant Comments and Recommended Dispositions
Agenda Item 3-B (Pages 71 – 78)	Due Process – Proposed Revised IAASB Due Process and Working Procedures
Agenda Item 3-C (Pages 79 – 86)	Due Process – Mark-up Changes to the ED, <i>Amendments to Preface – IAASB Due Process and Working Procedures</i> (for information purposes only)
Agenda item 3-D (Pages 87 – 90)	Due Process – IASB Due Process and Related Proposals
Agenda Item 3-E (Pages 91 – 140)	Due Process – Detailed Analysis of Respondents’ Comments
Agenda Item 3-F	Due Process – Respondents’ Comment Letters

Action Requested

The IAASB is asked to note that Agenda Item 3-B presents the proposed revised IAASB Due Process and Working Procedures document, reworded and restructured in response to comments received on the ED (as discussed in Agenda Item 3-A). The IAASB is therefore asked to focus on the material presented in Agenda Item 3-B as it considers the proposed disposition of the comment received on the ED.

For reference purposes, Agenda Item 3-C shows in mark-up revisions to the wording of the ED.

The IAASB is asked to consider the significant comments summarized in the enclosed agenda material and to advise on the recommended dispositions.