

## Due Process Handbook—Endorsement processes

### Appendix 2: Relevant extracts from sections 2–3 and 5 of the DRAFT Due Process Handbook (*these extracts are for information only and were discussed by the Board at its meeting on 18 May 2020*)

#### 2 Statutory functions of the UKEB

##### 2.1 Regulation 5 of SI 2019/685 sets out the UKEB’s statutory functions, as follows:

- a) the adoption of international accounting standards for use within the United Kingdom, with a view to harmonising the financial information presented by the companies required by section 403(1) of the Companies Act 2006 to prepare their accounts in accordance with UK-adopted international accounting standards, in order to ensure—
  - (i) a high degree of transparency and international comparability of financial statements; and
  - (ii) the efficient allocation of capital, including the smooth functioning of capital markets in the United Kingdom; and
- b) participating in and contributing to the development of a single set of international accounting standards.”

#### Guiding Principles

##### 3.3 Section 4 of the ToR require the UKEB to act at all times in accordance with the guiding principles of:

- a) **Accountability**—to be accountable to its stakeholders, its oversight body (the FRC) and the Secretary of State for BEIS in undertaking its statutory functions. This includes consulting with UK stakeholders that are affected by financial reporting, undertaking activities and due process procedures in a timely manner and providing a rationale for the decisions it makes.
- b) **Independence**—to ensure that it acts in the UK’s long term public good by being independent from other organisations or stakeholder groups, including the FRC and BEIS.
- c) **Transparency**—to undertake its activities in a transparent manner so that stakeholders are aware of current projects and understand how decisions have been made.

- d) Thought leadership—to lead and represent the UK on international accounting standards and reporting.

## 5 Influencing processes

### Fieldwork

5.17 Fieldwork can be undertaken in a variety of ways and could include, but is not limited to:

- a) **Surveys**—organised to gather data, information, and facts on a specific subject;
- b) **Field tests**—include testing the application of technical proposals as if they were already in effect, in order to assess the understandability of the requirements and/or the resulting implementation issues. Field tests can be based on, for example:
  - (i) the completion of case studies;
  - (ii) asking participants to assess how a technical proposal would apply to actual transactions;
  - (iii) asking users how they process information; or
  - (iv) assessing how accounting systems may be affected;
- c) **Workshops or interviews**—bring interested parties together and allow for in-depth analysis (for example to assess how technical proposals might be interpreted or applied) or to ensure the correct understanding of the results of a survey or field test.
- d) **Public events**—meetings with a larger number of interested stakeholders and organisations to listen to, and exchange views on, specific topics. These could take the form of roundtables, discussion forums, webinars and webcasts. These public events provides stakeholders the opportunity to better understand and present their views on developing proposals.

5.18 Field work can focus on one or more specific groups of stakeholders (such as preparers, auditors or users).