![UKEB UK Endorsement Board logo]

[Draft] Due Process Handbook—Processes for thought leadership, research programme, and post-implementation reviews

Executive Summary

Project Type	UKEB Set-up
Project Scope	N/A

Purpose of the paper
This paper provides the Board with an initial draft of selected sections of the Due Process Handbook, covering the processes for: • Thought leadership and research programme; and • Post-implementation reviews. This paper also sets out the anticipated timeline for the development of the remaining section of the Due Process Handbook and the subsequent public consultation.

Summary of the Issue
The UKEB's Due Process Handbook (Handbook) will set out the due process requirements the Board will apply to its activities to uphold its guiding principles of accountability, independence, transparency and thought leadership when fulfilling its statutory functions. A clearly set out due process ensures: that the UKEB's views are based on the evidence gathered over the course of its activities, that they contribute to high-quality financial reporting, and maintain accountability and transparency to stakeholders throughout. The Board is developing its Handbook in sections, with a view to publication for stakeholder consultation later in the year.

Decisions for the Board
No decisions are required at this meeting. Board member comments are invited on the sections of the Handbook included in this paper. We particularly draw attention of the Board to the following matters in this paper: 1. No report setting out compliance with DPH procedures is necessary for research work as this work is not directly covered by the UKEB's statutory functions and reporting responsibilities (see Appendix 1, paragraph 7.16 (h)) 2. The voting procedures on the following: publication of discussion papers arising from the UKEB's own research programme (see Appendix 1, paragraphs 7.28-7.29); the UKEB's research papers (see Appendix 1, paragraph 7.30); and requests for information on post-implementation review work (see Appendix 2, paragraph 8.24).

Recommendation: N/A

Appendices
Appendix 1   [Draft] Thought leadership and research programme Appendix 2   [Draft] Post-implementation reviews Appendix 3   Relevant extracts from the [Draft] Due Process Handbook *(these extracts are for information only and were discussed by the Board at its meeting on 18 May 2020)*

[Draft] Due Process Handbook—Overview

Purpose

1. This paper provides the Board with an initial draft of selected sections of the Due Process Handbook (DPH), covering the processes for:

    a) Thought leadership and research programme (Appendix 1: DPH Section 7); and

    b) Post-implementation reviews (Appendix 2: DPH Section 8).

2. Any remaining sections of the Handbook will be considered at subsequent meetings.

3. This paper also sets out a timeline for the development and public consultation on the Due Process Handbook.

Background

4. The table below outlines the sections of the draft Due Process Handbook reviewed by Board members at previous meetings.

Topic	Description	Board meeting
Prior discussions		
Due Process Activities	Due process activities that may apply to influencing and endorsement projects: • Proportionality of due process activities • Approval of project plans and Work Plan • UKEB decisions procedure • Approval procedure when there is no Board meeting	22 April 2021 – private meeting
Reporting Responsibilities	UKEB's reporting responsibilities to BEIS and the FRC.	22 April 2021 – private meeting
Introduction to the Due Process Handbook		
Introduction	Introductory section of the Due Process Handbook.	18 May 2021 – public meeting
Influencing the development of international accounting standards		
Influencing processes section	Influencing processes section of the Due Process Handbook.	18 May 2021 – public meeting
Endorsement and adoption of international accounting standards		
Endorsement processes section	Endorsement processes section of the Due Process Handbook.	9 July 2021 – public meeting

Next steps and timeline

5. Our current plan for the future development of the DPH is set out in the table below.

Board meeting	Topics

20 July 2021	• Discussion at **public Board meeting** to solicit views and comments on the processes for **(this paper)**:
	   o Thought leadership and research programme; and
	   o Post-implementation reviews;

17 September 2021	• Discussion at **public Board meeting** to solicit views and comments on the processes on remaining sections of the Due Process Handbook:
	   o Advisory groups
	   o IFRS Interpretations Committee activities and implications for UKEB statutory functions; and
	   o Impact assessments

27-28 October 2021	• At the **public Board** meeting: o Review of full draft of the Due Process Handbook
18 November 2021	• Decisions at the **public Board meeting** on: o Approval to publish draft DPH for consultation

Appendix 1: [Draft] Due Process Handbook—sections

7 Thought leadership and research programme

Objectives of thought leadership

7.1 As part of the guiding principle of thought leadership, paragraph 4.5 of the UKEB's ToR states that the UKEB is committed to:

a) lead the UK debate on international accounting standards and reporting;

b) participate pro-actively in the development of new global standards;

c) represent UK views in international fora with the aim of influencing debate; and

d) engage with accounting, reporting, endorsement and adoption bodies in other jurisdictions, in order to improve influence and understand best practice.

Leading the UK debate

7.2 The UKEB leads the UK debate on international accounting standards and reporting by making sure that the views from UK stakeholders are heard and their needs understood during the development of new or amended international accounting standards.

7.3 The UKEB achieves this by:

a) identifying key stakeholder groups, preparing outreach plans, and taking suitable approaches to each stakeholder group;

b) assisting UK stakeholders in communicating with the IASB, for example by giving them a platform to provide the IASB with direct input on areas of concern through roundtables, forums, workshops, panel discussions or education sessions organised by the UKEB;

c) creating specific panels or committees of UK stakeholders to advise on topics requiring specialist input;

d) soliciting UK stakeholders' comment on public consultation documents and/or UKEB's draft comment letters; and

e) arranging, where appropriate, for IASB Board members and/or for IASB staff to participate in UKEB's outreach events to enable first-hand understanding of any concerns or views expressed by UK stakeholders.

Participating pro-actively in the development of global standards

7.4 The UKEB proactively participates in the development of new global accounting standards by:

a) engaging with UK stakeholders and collecting evidence on relevant technical issues (but that are not being addressed by the IASB or other national standard-setters);

b) developing potential ways to improve or remedy deficiencies in financial reporting, or solving complex financial reporting problems; and

c) working closely with other parties on long-term proactive work to stimulate debate on financial reporting matters on the IASB agenda at an early stage in the standard-setting process.

Representing UK views in international fora with the aim of influencing debate

7.5 The UKEB directly influences the IASB Board and maintains a global presence on the international financial stage by:

a) identifying and promoting the appointment of UK representatives to key international accounting bodies. For example, to the IASB's Accounting Standards Advisory Forum (ASAF) to ensure that UK input on major technical issues related to the IASB's standard-setting activities is discussed and considered in this forum;

b) maintaining effective relationships, communication and presence with other significant national standard-setters. For example, by:

   (i) participating in the World Standard-Setters conference organised by the IASB to share international accounting standards implementation and application experiences with other standard-setters around the world;

   (ii) participating in other international accounting forums organised by other parties independently (e.g. International Forum of Accounting Standard-Setters (IFASS);

   (iii) regularly attending (in person or remotely) key meetings and conferences of international financial reporting bodies to ensure adequate analysis and input, including expressing UK views; and

   (iv) developing joint thought leadership documents and building coalitions to further represent and promote UK views.

c) developing and presenting thought leadership material at relevant international forums; and

d)   communicating outcomes from international engagements to UK stakeholders, to assist in identifying concerns with international proposals.

Engaging with other bodies in other jurisdictions

7.6   The UKEB actively engages with accounting, reporting, endorsement and adoption bodies in other jurisdictions and develops effective working relationships with other key national standard-setters, including:

a)   developing close co-operation, support and communications with other national standard-setters;

b)   forming coalitions to develop support for key UK views and promote best practice; and

c)   developing joint thought leadership and research documents.

7.7   Regular contact between the UKEB and other national standard-setters in other jurisdictions can help increase understanding and awareness of jurisdictional differences or differences in thinking and provides all participants with the opportunity to contribute to debates and the development of international accounting standards.

7.8   The UKEB and other national standard-setters can interact in a range of ways including regular and ad hoc emails, conferences, regional forums, telephone exchanges and face-to-face meetings.

7.9   When working with other international accounting, reporting, endorsement and adoption bodies, the UKEB is committed to working:

a)   in close co-operation, while respecting their independence;

b)   transparently and openly, including the sharing of information and, where necessary, of resources;

c)   with mutual trust and respect; and

d)   with a sense of duty, responsibility and accountability for achieving the shared goal in the public interest.

Research programme

Objective

7.10   Research is generally directed to identify specific issues associated with projects that are on the UKEB's technical agenda. As such, research may be expected to have a problem-solving orientation by collecting evidence on the nature and extent of the perceived shortcoming and assessing potential ways to improve or to remedy a deficiency in financial reporting.

7.11   This type of research helps the UKEB assist the IASB in the:

a) development of a proposal to amend or replace an international accounting standard; or

b) identification of a new technical project that could potentially be included in the IASB's work plan (for example, in response to the IASB's five-yearly consultation request).

7.12 Other more theoretical and conceptual research may also be performed by the UKEB to include the consideration of broader financial reporting matters, such as how financial reporting is evolving, and to encourage international debate on financial reporting matters. This type of research may be formally added to the UKEB's technical agenda.

7.13 Research may be undertaken by the UKEB on its own or collectively with other parties (i.e. national standard-setters, regulators, academics and other interested parties) on topics of mutual interest.

Main outputs

7.14 The primary outputs derived from the UKEB's research programme are:

a) A **discussion paper** or **research paper**. They are both issued by the Board and designed to elicit comments from interested parties. They typically include a comprehensive overview of technical issues, possible approaches to addressing these issues and preliminary views from the UKEB and an invitation to comment. Their main differences are discussed below:

   (i) Discussion paper—is the most formal output from the research process. It is balloted by the Board and therefore reflects the UKEB's analysis and collective view on a particular topic, although the discussion will reflect and convey any significant differences in Board members' views. The matters included in a discussion paper will have been discussed in public meetings of the Board.

   (ii) Research paper—is prepared by the UKEB on its own or in collaboration with other national standard-setters or bodies. A research paper published by the UKEB includes a clear statement of the extent of the Board's involvement in the development of the research paper. In some cases, the Board will not have discussed the paper in a public meeting and will not, therefore, have developed any views on the matters set out in the paper.

b) A **request for information** is issued by the Board but it is not balloted by the Board. A request for information is a formal request for information or feedback on a matter related to technical projects or broader consultations. This includes seeking comment on the technical work plan, post-implementation reviews (conducted by the UKEB)[1], or seeking help in assessing the practical implications of a potential financial reporting requirement.

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[1] Section 8 of this Handbook 'Post-Implementation Reviews' provides an overview of the process that the UKEB follows for responding to IASB's Requests for Information on IASB's Post-implementation Reviews and for conducting its own post-implementation reviews.

7.15 Other outputs are **informal papers or reports** issued by the UKEB Secretariat or in collaboration with other parties. Their main objective is to stimulate debate on a particular matter or technical issue. The Board does not express any opinion or tentative views on the matters presented in such papers or reports. These may include:

a) A short discussion paper— addresses topical and problematic technical issues in financial reporting to stimulate debate on those matters;

b) A bulletin, essay or article—discusses particular technical issue(s) related to a particular IASB project as this project is being developed to assist with stakeholders' understanding.

Milestones

7.16 The expected milestones for most research projects are:

a) Identification of issues for research

b) Project initiation plan

c) Desk-based research

d) Outreach

e) Publication of request for information

f) Project closure: issue of a Feedback statement

Identification of research projects

7.17 The UKEB's secretariat may identify and submit research proposals to the UKEB's Chair for consideration. Proposals may arise from the UKEB's secretariat own research, derived from consulting with the UKEB's advisory groups or from comments and information gained from public hearings, fieldwork (refer to paragraphs 5.17-5.18 of this Handbook[2]) as well as stakeholder comment letters.

Project Initiation Plan

7.18 For a research project to be incorporated into the UKEB's work plan, a "Project Initiation Plan" (PIP) is prepared for approval by the Board.

7.19 The objective of the PIP is to assess the potential impact and scale of the research project and, consequently, the level of analysis and outreach that should be undertaken.

7.20 The PIP outlines the approach to the project, including the amount of desk-based research, outreach, key milestones, proposed timeline, objectives, project scope and expected output (i.e. research paper, discussion paper or request for information). The activities described in the PIP should be proportionate to the issue being addressed.

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[2]   [Refer to Appendix 3 in this paper].

This approach should help ensure an appropriate level of resource is allocated to each project.

7.21 If the research is carried out collectively with other parties (i.e. national standard-setters, regulators or academics) then agreement on the following will be achieved before commencement of work:

a) the responsibilities and expectations of each party involved, including expectations about use of the project output;

b) whether the project will present only an analysis of the facts or whether it will contain views or recommendations; and

c) the expected output (i.e. research paper, discussion paper or request for information), copyright and publication rights over the output.

7.22 The UKEB normally allows at least 120 days for comment on a discussion paper, a research paper, and requests for information on the work plan or a post-implementation review. For other requests for information, the UKEB normally allows a minimum of 60 days for comment. If the information request is narrow in scope and urgent the UKEB may set a shorter period and need not consult the oversight body before doing so.

Desk-based research

7.23 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the issue. This will usually include a review of the IASB's previous work on this issue. It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders such as accounting firms, government, etc).

Outreach

7.24 Outreach is conducted with stakeholders that represent different communities, (i.e. financial statement users, preparers, accounting practitioners and academia) to gather their input, views, opinions or feedback on specific projects or technical matters.

7.25 The UKEB undertakes outreach in the following ways:

a) the use of standing advisory groups;

b) convening and obtaining input from ad-hoc advisory groups such as Technical Advisory Groups (TAGs);

c) meetings and/or interviews with stakeholders, including users, preparers, auditors or regulators or representative bodies;

d) undertaking fieldwork (refer to paragraphs 5.17-5.18 of this Handbook[3]);

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3   [Refer to Appendix 3 in this paper].

e) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and

f) liaison with IASB and other national standard-setters.

Publication

Discussion papers

7.26 Board members make a decision at a public meeting about the publication of a discussion paper.

7.27 Decisions made at UKEB public meetings follow the requirements of the UKEB's Terms of Reference (Section 5, paragraphs 5.1–5.2):

a) Quorum attendance—a minimum of sixty percent of the appointed members[4] are required to attend a meeting of the UKEB (ToR, paragraph 5.1).

b) Decision-making—an affirmative vote of at least two-thirds of the members of the UKEB (ToR, paragraph 5.2), is required for the decision to be passed. Each member of the UKEB has one vote. A situation where the two-thirds majority cannot be obtained, may restart the endorsement and adoption process.

7.28 A vote on the publication of a discussion paper is made at an UKEB public meeting and is indicative only. The vote is formalised by circulation outside the meeting by a written vote (in paper or electronic form), and the vote constitutes proper evidence of the decision of members of the UKEB.

7.29 A written vote is accompanied by a copy of the discussion paper.

Research papers and requests for information

7.30 Research papers and requests for information are not balloted by the Board and only require the support of a simple majority of the Board members, with approval given in a public meeting.

Project closure

Feedback statement

7.31 Input and feedback received on the request for information is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues.

7.32 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in a specific outreach events or submitted comment

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4   The term 'members' includes the Chair.

letters on a specific project. For the objectives and content of a Feedback Statement refer to paragraphs 5.19-5.24 in this Handbook[5].

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[5] [Refer to Appendix 3 in this paper.]

Appendix 2: [Draft] Due Process Handbook— sections

8   Post-implementation reviews

Introduction

8.1   A post-implementation review (PIR) assesses the effect of a new or amended international accounting standard or of a major amendment to an international accounting standard and determines whether:

    a)   the international accounting standard is useful;

    b)   there are any significant unexpected changes to financial reporting or operating practices resulting from the application of the international accounting standard;

    c)   there are unexpected costs or challenges in applying the international accounting standard;

    d)   there are any areas of the international accounting standard that represent interpretation challenges and, as a result, impair the consistent application of the international accounting standard; and

    e)   the international accounting standard is understandable and it is being applied as intended, and whether preparers are able to report the information reliably.

IASB Post-implementation reviews

8.2   The UKEB's work on influencing the development of international accounting standards includes monitoring and responding to IASB post-implementation reviews of international accounting standards.

8.3   The IASB is required to conduct a post-implementation review of each new IFRS Standard or major amendment after the new requirements have been applied internationally for two years. The IASB commences its PIR with a Request for Information which sets out the initial identification and assessment of the matters to be examined[1].

8.4   The UKEB follows the influencing processes in Section 5 of this Handbook to respond to an IASB's Request for Information.

8.5   In addition, the UKEB promotes awareness of IASB post-implementation reviews in the UK, and consults stakeholders and its advisory committees, asking them for input.

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[1]   Refer to paragraphs 6.48-6.59 in the IASB and IFRS Interpretations Committee Due Process Handbook.

8.6   The UKEB follows the influencing processes in Section 5 of this Handbook to respond to an IASB's Request for Information.

Processes for the UKEB's Post-implementation Review work

Objectives

8.7   Paragraph 3 in Regulation 11 in SI 2019/685[2] contains a requirement to:

a)   "carry out a review of the impact of the adoption of the standard; and

b)   publish a report setting out the conclusions of the review no later than 5 years after the date on which the standard takes effect (being the first day of the first financial year in respect of which it must be used)".

8.8   Paragraph 4 in Regulation 11 in SI 2019/685 contains a requirement to:

a)   carry out subsequent reviews from time to time; and

b)   publish a report setting out the conclusions of any review conducted.

8.9   The obligations in Regulation 11 in SI 2019/685 can be fulfilled for most international accounting standards by influencing and responding to IASB's post-implementation reviews (refer to paragraphs 8.2-8.6 in this Handbook).

8.10   However, the UKEB may consider performing its own post-implementation review of international accounting standards to test their continuing relevance in line with the requirements in Regulation 11 in SI 2019/685. For example, this could be due to the IASB not deciding to undertake a detailed post-implementation review on a standard that has significance in the UK.

8.11   The UKEB can decide that a post-implementation review is needed no later than 5 years after the date on which the international accounting standard takes effect, in accordance with paragraph (3)(b) of Regulation 11 in SI 2019/685.

8.12   Each post-implementation review that the UKEB carries out has two phases as described below.

First phase of a post-implementation review

8.13   In the first phase of a post-implementation review, the UKEB sets out the scope of the review, on the basis of targeted consultation with stakeholders that represent different communities, (such as users, preparers or academia[3]) to gather their input, views, opinions or feedback on specific projects or technical matters. These initial consultations help the UKEB establish the questions to ask in the public request for information.

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2   [https://www.legislation.gov.uk/uksi/2019/685/made].
3   Refer to Section 9 'Advisory Groups' in this Handbook. [The secretariat will bring this section of the Handbook for discussion at a future meeting].

8.14 Based on an initial assessment, the UKEB may determine that it would be premature to undertake a review at that time and decide not to conduct a post-implementation review. In this situation, the UKEB informs its oversight body of its decision not to carry out a review or of its decision to defer a review, explaining why it has reached this conclusion and, in the case of a deferral, indicating when it expects to conduct the review.

8.15 The expected milestones for the first phase are:

a)   Project initiation plan (PIP)

b)   Desk-based research

c)   Initial consultation

d)   Publication of a request for information

Project Initiation Plan

8.16 The objective of the PIP is to assess the need to undertake a post-implementation review of an international accounting standard and if it is determined that the post-implementation review should go ahead, the PIP includes the level of analysis and outreach that should be undertaken.

8.17 The PIP outlines a proportionate approach for the review (i.e. the matters for which feedback is needed), including the amount of desk-based research, outreach and proposed timeline. It further explains why the UKEB should seek feedback on the matters specified and includes any initial assessment of the international accounting standard. The PIP will also set out the process that the UKEB followed in establishing the scope of the review.

Desk-based research

8.18 Desk-based research is undertaken to assist with the assessment of proportionality and to gather evidence on the need for a PIR. This will usually include review of:

a)   the IASB's previous work on the issue to identify the issues that were important or contentious during the development of the international accounting standard, which should be identifiable from the Basis for Conclusions, project summary, Feedback Statement and Effect Analysis, of the relevant Standard;

b)   any relevant research, including that performed by UKEB staff and academics; and

c)   any issues notified to the UKEB prior to the commencement of the PIR.

8.19 It may also include, for example, a review of literature, academic papers, financial statements or of past papers or reports (by other national standard-setters or by other stakeholders such as accounting firms, government, etc).

Initial consultation

8.20 The UKEB and its secretariat also consult with the wider community to help identify areas where unexpected costs or implementation problems were encountered.

8.21 This initial review should draw on the broad network of UKEB related bodies and interested parties, such as the UKEB's advisory groups, and other outside groups of preparers, auditors and investors. The purpose of these consultations is to inform the UKEB so that it can establish an appropriate scope for the review. The extent of consultation needed for this phase will depend on the Standard being reviewed and pre-existing information about the implementation of that Standard.

Publication of a request for information

8.22 When the UKEB is satisfied that it has sufficient information to establish the scope of the review it issues a request for information on the Post-implementation review of the international accounting standard.

8.23 A request for information sets out the matters for which the UKEB is seeking feedback together with a rationale for the information being sought and any initial assessment by the UKEB of the impact of the international accounting standard.

8.24 Requests for information are not balloted by the Board and only require the support of a simple majority of the Board members, with approval given in a public meeting.

8.25 The UKEB normally allows a minimum of 90 days for comment on such a consultation.

Second phase of a post-implementation review

8.26 In the second phase the UKEB collects information, via the request for information and a review of existing research, to help it assess the international accounting standard being reviewed. During this evidence-gathering phase of the post-implementation review the UKEB also conducts outreach activities to engage with different stakeholders.

Outreach activities

8.27 The UKEB's outreach activities will be focused on seeking implementation issues.

8.28 Outreach is conducted with stakeholders that represent different communities, (such as financial statement users, preparers, accounting practitioners and academia) to gather their input, views, opinions or feedback on specific projects or technical matters.

8.29 The UKEB undertakes outreach in the following ways:

a) the use of standing advisory groups;

b) convening and obtaining input from ad-hoc advisory groups such as Technical Advisory Groups (TAGs);

c) meetings and/or interviews with stakeholders, including users, preparers, auditors or regulators or representative bodies;

d) undertaking fieldwork (refer to paragraphs 5.17-5.18 of this Handbook[4]);

e) the commissioning of external economic studies (i.e. data gathering and analysis conducted by external consultants to assess aspects of the economic impact of a standard on the UK); and

f) liaison with IASB and other national standard-setters.

Project closure

Feedback statement

8.30 Input and feedback received on the request for information is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues.

8.31 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in specific outreach events or submitted comment letters on the UKEB's request for information. For the objectives and content of a Feedback Statement refer to paragraphs 5.19-5.24[4] in this Handbook.

Final Report

8.32 When the UKEB has completed its deliberations, it presents its findings in a Feedback Statement that includes:

a) an overview of the UKEB post-implementation review process and its timeline;

b) background information to the international accounting standard under review;

c) a summary of findings and next steps, including the areas for potential improvement and amendment;

d) UKEB's tentative conclusions of the review;

e) recommendations or steps it plans to take, if any, as a result of the review; and

f) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to draft comment letters or via other outreach events.

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4   [Refer to Appendix 3 in this paper.]

Compliance with due process statement

8.33 For each technical project, the UKEB assesses whether it has complied with the UKEB's due process activities as set out in this Handbook.

8.34 The activities undertaken for a project are set out in the Compliance with due process statement. The objective, contents and requirements for a Compliance with due process statement are described in paragraphs 5.25-5.29[5] of this Handbook.

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[5]   [Refer to Appendix 3 in this paper].

Appendix 3: Relevant extracts from sections 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)

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).

Feedback statements

5.19 Input and feedback received is recorded, assessed, the evidence evaluated, and then incorporated into the analysis and discussion of the technical issues.

5.20 The purpose of a Feedback Statement is to inform stakeholders how the UKEB has responded to, or has addressed, the main comments or views received from stakeholders who participated in a specific outreach events or submitted comment letters on a specific project.

5.21 Feedback statements demonstrate the UKEB's adherence to its overarching guiding principles as follows:

a) *Accountability* to stakeholders who submitted comment letters and/or participated in outreach, to the FRC as oversight body, and others, that the UKEB is taking account of stakeholders' views and fulfilling its due process obligations.

b) *Transparency* about how the main comments or views have been addressed.

c) *Independence* in that the UKEB acts in the UK's long term public good and is independent in its assessment of comments or views received from stakeholders and in determining the content of its final comment letter to the IASB.

5.22 Although the objective of all Feedback Statements is the same, the form and content will be proportionate to the objective of the underlying document, e.g. discussion papers have different objectives from Exposure Drafts. In general, a Feedback Statement includes the following content:

a) an objective;

b) a brief description of technical IASB's proposal(s), i.e. summary background;

c) an explanation of the main feedback received through comment letters or other fieldwork or outreach activities;

d) a description of the UKEB's response (i.e. how comments or views received from stakeholders have been addressed); and

e) a summary of the sources of stakeholder comments, e.g. from individual stakeholder meetings, formal responses to draft comment letters or via other outreach events.

5.23 The UKEB discusses and provides comments on draft Feedback Statements. The Chair approves them for publication.

5.24 A Feedback Statement is published on the UKEB's website, normally within a month of submitting a final comment letter to the IASB

Compliance with due process statement

5.25 For each technical project, the UKEB assesses whether it has complied with the UKEB's due process activities as set out in this Handbook.

5.26 The activities undertaken for a project are set out in, the "Compliance with due process statement". This document provides a record of what was done compared with what was agreed in the PIP. It would retrospectively validate that the process undertaken complied with the PIP and thus complies with due process requirements. Or, if what was done was different to the PIP, it includes an explanation as to why and how the activities meet due process requirements.

5.27 The Compliance with due process statement includes the following sections:

a) a description of due process steps undertaken;

b) a summary of any matters raised about due process, the extent of stakeholder engagement and the areas in a proposed international accounting standard that are likely to be controversial;

c) evidence and evaluation of the process that was undertaken (e.g. number of meetings held and summary of those meetings);

d) an explanation of why the UKEB decided not to undertake a due process step for a given project (i.e. why it did not establish a technical advisory group); and

e) a conclusion as to whether, in the UKEB Secretariat's opinion, there was compliance with applicable due process steps.

5.28 The UKEB discusses and approves them for publication.

5.29 The Compliance with due process statement is published on the UKEB's website, usually at the same time as the Feedback statement.