



DRAFT

INPRF Due Process

Approved by the INPRF Board of Trustees: XXX

Table of Contents

A. Introduction.....	3
B. Roles.....	3
C. Scope.....	3
D. Principles	4
E. Requirements for technical activities	5
E1. Overview	5
E2. Consultation on technical work plan.....	5
E3. Execution of technical work plan.....	7
E3.1 Changes to the technical work plan – adding or removing projects.....	7
E3.2 Changes to core materials	8
E3.3 Development of supporting technical materials.....	18
F. Translation.....	21
G. Procedure for alleged breaches of due process	22
H. Review of the INPRF Due Process	22
Appendix A: Summary of information required to be available on the INPRF website	A-1

A. Introduction

- A1. The International Non-Profit Reporting Foundation (INPRF) is a non-profit, public interest organisation established to develop high-quality, credible and globally accepted financial reporting standards (that is, the International Non-Profit Accounting Standard (INPAS)), Practice Guides and supporting technical material for non-profit organisations (NPOs).
- A2. The INPRF publishes INPAS, Practice Guides and supporting technical material after undertaking rigorous due process. Due process is essential to building trust in INPRF's technical activities.
- A3. The *INPRF Due Process* describes the due process requirements relating to INPRF's technical activities. The INPRF may perform steps over and above these requirements.

B. Roles

- B1. The Technical Advisory Group (TAG) is the primary technical body of the INPRF, with the INPRF Board of Trustees (Trustees) responsible for the oversight of due process and approval of INPRF publication of technical materials, based on TAG recommendations.
- B2. The INPRF may have other formal groups that provide advice to the TAG (INPRF advisory groups).

C. Scope

- C1. The *INPRF Due Process* covers technical activities contributing to the following technical materials:

Material	Form	Purpose	Status
Core materials			
INPAS	Written	Standard for preparation of NPO general purpose financial reports, comprised of general purpose financial statements and narrative reports.	Authoritative
Implementation Guidance	Written	Guidance that accompanies INPAS. Can include illustrative examples and illustrative financial statements.	Non-authoritative

Material	Form	Purpose	Status
Basis for Conclusions	Written	Rationale for decisions about the accounting treatments in INPAS.	Non-authoritative
Practice Guide	Written	Stand-alone material that supplements INPAS. It can be applied with or without application of INPAS.	Voluntary
Supporting technical materials			
Supporting technical materials	Written or oral	Material published on the INPRF website to assist with the implementation and consistent application of core materials.	Non-authoritative

- C2. Form can be written or oral. Written form includes standards, examples, articles and slide decks. Oral form includes podcasts, webcasts and presentations that may be accompanied by written materials; they can be live or recorded and they can be interactive or one-way.
- C3. Status can be authoritative, non-authoritative or voluntary.
- (a) **Authoritative status** means that the material is mandatory for an NPO to assert compliance with INPAS. Authoritative material may permit, rather than require, application of some aspects.
 - (b) **Non-authoritative status** means that the material is not mandatory to assert compliance with INPAS. However, non-authoritative material is underpinned by authoritative material and does not add or change authoritative material.
 - (c) **Voluntary** material is stand-alone material that supplements INPAS. It can be applied with or without application of INPAS and, therefore, is not mandatory for an NPO to assert compliance with INPAS. However, if an NPO elects to apply voluntary material, then all requirements within that voluntary material are mandatory.

D. Principles

- D1. The due process requirements are based on the principles of:
- (a) **transparency**—technical activities are conducted in a transparent manner. The technical work plan, technical materials, consultation papers, consultation feedback, and papers and summaries for public meetings

are publicly available. Technical decisions and dissents are explained and publicly documented.

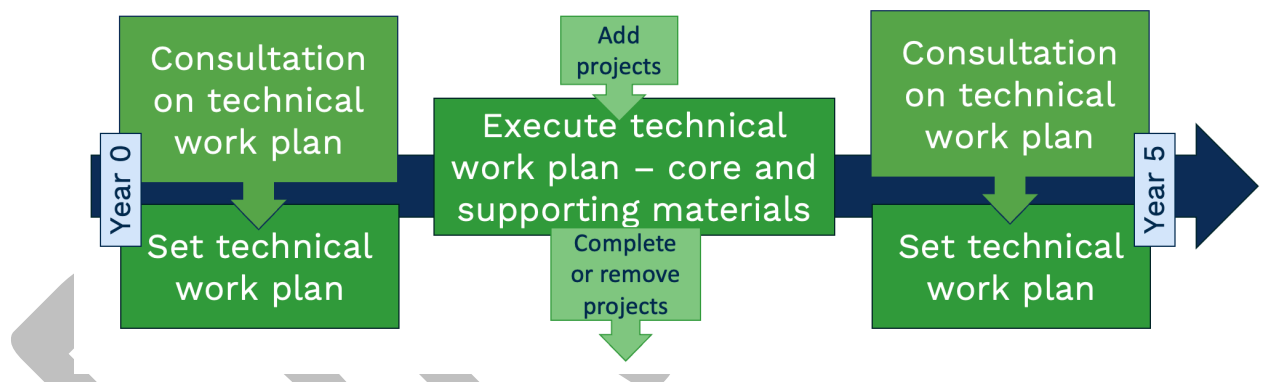
- (b) ***inclusiveness***—diverse stakeholder input is actively sought and used.
- (c) ***accountability***—each stage of development is reviewed and approved.
- (d) ***proportionality and agility***—the extent of due process varies based on the nature of the materials and the extent of the expected effect on stakeholders.

E. Requirements for technical activities

E1. Overview

E1.1 Figure 1 provides an overview of INPRF's cycle for technical activities.

Figure 1



E2. Consultation on technical work plan

- E2.1 The technical work plan is set out on INPRF's website.
- E2.2 The technical work plan summarises active and planned projects to develop technical materials for the cycle. It is developed through public consultation, within the context of INPRF's strategic objectives.
- E2.3 After the first consultation, subsequent consultation processes start three to four years after publication of the previous technical work plan.
- E2.4 The consultation process involves:

- (a) **development of a consultation paper** based on decisions by a simple majority (see paragraph E3.2.8(d)) of the TAG. The TAG may consult with INPRF advisory groups and other stakeholders as needed (see paragraph E3.2.12(e)). After conclusion of technical decisions, TAG members decide by simple majority vote, either in person or by email outside of public meetings, whether to recommend to the Trustees that INPRF publish the consultation paper. The Trustees vote to approve INPRF publication of the consultation paper based on evidence of compliance with the due process requirements set out in section E2.

If the Trustees decide a breach of due process has occurred, it may determine that (i) no additional steps are necessary to remedy it because no harm has been done as a result of the breach or (ii) the TAG and/or INPRF Secretariat must take additional steps to remedy before publication. Steps taken to remedy the breach may result in an amendment to or rescission of the materials.

The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

- (b) a **comment period** of 120 days. During this time, the INPRF Secretariat engages with its advisory groups and other stakeholders (see paragraph E3.2.12(e)) to raise awareness and seek feedback.
- (c) **development of INPRF's technical work plan** based on decisions by a simple majority (see paragraph E3.2.8(d)) of the TAG. These decisions are based on the TAG's deliberation of the comment letters and stakeholder feedback and the prioritisation considerations in paragraph E2.5. After conclusion of technical decisions, TAG members decide by a simple majority vote, either in person or by email outside of public meetings, whether to recommend to the Trustees that INPRF publish the technical work plan. The Trustees vote to approve INPRF publication of the technical work plan based on evidence of compliance with the due process requirements set out in section E2.

If the Trustees decide a breach of due process has occurred, it may determine that (i) no additional steps are necessary to remedy it because no harm has been done as a result of the breach or (ii) the TAG and/or INPRF Secretariat must take additional steps to remedy before publication. Steps taken to remedy the breach may result in an amendment to or rescission of the materials.

The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

E2.5 The development of the new technical work plan may result in adding or removing projects from the existing technical work plan, based on prioritisation considerations including:

- (a) **prevalence** – the extent of NPOs that are or expected to be affected by the financial reporting deficiency and the extent to which they are or expected to be affected.
- (b) **effects** – the likely costs of implementing new requirements and the likely ongoing costs and benefits associated with the new materials. Benefits may include a decrease in costs for primary users (as defined in paragraph A2.7 of INPAS) of financial reports due to, for example, improved transparency or comparability, and for preparers of financial reports due to, for example, improved data for management decision-making.
- (c) **feasibility** – the extent to which the financial reporting deficiency can be alleviated through additional technical materials. For example, financial reporting deficiencies arising from non-compliance may, in some circumstances, be better addressed by auditors and regulators.

E2.6 The technical work plan need not set out the order in which planned projects will start during the cycle. The INPRF Technical Director determines, with advice from the TAG, when to start a planned project, based on the urgency of the need for technical materials, resources (both INPRF and stakeholder resources) and synergies with other activities.

E3. Execution of technical work plan

E3.1 Changes to the technical work plan – adding or removing projects

E3.1.1 During the cycle, the TAG may decide by simple majority (see paragraph E3.2.8(d)) in a public meeting to add projects to or remove projects from the technical work plan based on:

- (a) new information (see paragraph E3.1.2) that becomes available after publication of the technical work plan;
- (b) prioritisation considerations in paragraph E2.5; and

- (c) the INPRF Technical Director's assessment of the consequence of adding a new project on resources and other technical activities.

E3.1.2 New information could arise from:

- (a) TAG discussions;
- (b) stakeholder feedback, including from INPRF advisory groups, conferences, meetings and technical queries;
- (c) feedback on consultation papers;
- (d) emerging matters in global, regional, jurisdictional or sector landscape;
- (e) developments with other financial reporting standards, such as IFRS for SMEs Accounting Standard, IFRS Accounting Standards, IPSAS and jurisdictional-level standards; and
- (f) the INPRF Secretariat.

E3.1.3 Changes to the technical work plan are communicated to the Trustees, for informational purposes, at their next meeting. The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

E3.2 Changes to core materials

Overview

E3.2.1 Changes – adding, amending or withdrawing – to core materials are subject to formal standard-setting processes. Such changes can be narrow-scope or major. The extent of due process varies based on the nature of the changes. Once the TAG has decided to add a project to its technical work plan (see sections E2 and E3.1), the process it follows is summarised below:

Due process document	Consultation paper					Exposure draft					Final				
Steps	Technical decisions	Permission to begin balloting process	Balloting	Trustee approval of due process	Consultation	Technical decisions	Permission to begin balloting process	Balloting	Trustee approval of due process	Consultation	Technical decisions	Permission to begin balloting process	Balloting	Trustee approval of due process	Publish
Nature of change															
Narrow-scope amendment						X	X	X	X	X	X	X	X	X	X
Major standard-setting	O	O	O	O	O	X	X	X	X	X	X	X	X	X	X

X = required

O = optional

E3.2.2 The INPRF also makes **editorial corrections** to fix spelling errors, grammatical mistakes, missing words, incorrect references or incorrectly marked consequential amendments. Such corrections do not alter the technical meaning of the text. The process, therefore, is limited to:

- the TAG discussing technical papers (see paragraph E3.2.8(a)) in public meetings and deciding by simple majority (see paragraph E3.2.8(d)) to confirm that the nature of the matter is editorial and the proposed correction.
- INPRF publication, no more frequently than annually, of the editorial corrections on the INPRF website. The INPRF website also announces publication and location of the editorial corrections.
- reporting, for informational purposes, the action to the Trustees at their next meeting. The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

Nature of change

E3.2.3 A **narrow-scope amendment** is a limited change to core materials to address a specific issue, correct an unintended consequence, resolve diversity in practice or clarify guidance without rewriting an entire topic. The change cannot introduce a new accounting principle or fundamentally change an existing principle.

E3.2.4 **Major standard-setting** involves pervasive or difficult conceptual or practical issues, typically resulting in the development of an entirely new INPAS topic or Practice Guide or major amendments to them.

Due process documents

E3.2.5 A **consultation paper** is designed to help the INPRF understand a financial reporting problem and the potential solutions, including the likely effects of developing new financial reporting requirements. It is useful for establishing a foundation for future proposals because it can explore interrelated issues, a range of possible approaches and the limitations of each approach relative to the others. Consultation papers typically include an overview of the issues, possible approaches to addressing the issues, the preliminary views and an invitation to comment that sets out the matters on which feedback is being sought.

Publication of a consultation paper is not required if the TAG is satisfied that it has sufficient information about the problem and potential solutions, for example through other technical activities or the work of other bodies. The TAG sets out the reasons for not recommending publication of a consultation paper and reports them to the Trustees as part of the confirmation of due process for an exposure draft (see paragraph E3.2.11(b)).

E3.2.6 An **exposure draft** is the primary means to seek public feedback on proposed changes. An exposure draft sets out proposed changes to INPAS or Practice Guides and is therefore generally set out in the same way as, and has all of the components of, a final document. An exposure draft mainly differs from a final document in that the exposure draft:

- (a) includes an invitation to comment.
- (b) consequential amendments to other INPAS topics or Practice Guides might not be set out in as much detail as they would be in a final document if the consequential amendments are changes to cross-references or terminology and other editorial matters.

E3.2.7 The **final document** refers to either:

- (a) final amendments to INPAS, application guidance and/or Annexes that are required to be applied to assert compliance with INPAS. It may also include amendments to the basis for conclusions and implementation guidance that accompanies INPAS. The final document includes:

- (i) principles, related application guidance, defined terms and consequential amendments to other INPAS topics, to the extent applicable, depending on the nature of the amendments;
 - (ii) effective date and transition paragraphs;
 - (iii) accompanying basis for conclusions (see paragraph E3.2.10(a)); and
 - (iv) accompanying implementation guidance, to the extent applicable, depending on the nature of the amendments.
- (b) a new Practice Guide or amendments to a Practice Guide.

Steps

E3.2.8 **Technical decisions** – the TAG makes technical decisions as follows:

- (a) **Technical papers** - The INPRF Secretariat prepares papers that describe the issue, research and analysis and that normally provide a recommended approach for TAG discussion. The INPRF Secretariat may supplement papers orally at the meeting to facilitate discussion.
- (b) **Transparency** - Papers for the meetings are normally circulated and posted on the INPRF website at least one week ahead of each meeting. Technical discussions are held in public sessions. A recording of the session is posted on the INPRF website. A summary of the discussion and technical decisions is published on the INPRF website after clearance by TAG members.
- (c) **INPRF advisory groups and other stakeholders** - In developing its papers, the INPRF Secretariat may seek feedback, as needed, from the INPRF's advisory groups, as well as other stakeholders. See paragraph E3.2.12(e).
- (d) **Voting** – The TAG makes technical decisions based on a **simple majority** of all members present at the meeting. Proxy voting and voting by alternates is not permitted. Abstaining is the equivalent of voting against a recommendation.

E3.2.9 **Permission to begin balloting process** – after the TAG has decided on the technical matters in the project, the INPRF Secretariat presents a paper to the TAG in a public meeting to:

- (a) establish by simple majority (see paragraph E3.2.8(d)) the **effective date** (for final documents only) and **transition** (required for final documents and exposure drafts and optional for consultation papers).
- (b) establish by simple majority (see paragraph E3.2.8(d)) the **comment period** (consultation papers and exposure drafts only) – a minimum period of 120 days is normally allowed for comment. If the matter is narrow in scope and urgent, a comment period of less than 120 days, but no less than 30 days, is permitted with approval from the Trustees.
- (c) determine by simple majority (see paragraph E3.2.8(d)) whether to **re-expose** the proposals (final documents only) – a final document inevitably includes changes to the proposals in the exposure draft. However, changes to the proposals do not necessarily require exposure of revised proposals. The TAG assesses whether the changes it has made to the proposals in the exposure draft include any fundamental changes on which respondents have not had the opportunity to comment because they were not contemplated or discussed in the exposure draft or the basis for conclusions on the exposure draft. The TAG also considers whether it would learn anything new by exposing revised proposals. If the TAG is satisfied that the changes that it has made respond to the feedback and that it is unlikely that re-exposure would reveal any new concerns, it proceeds to finalise the proposed requirements.

The more extensive and fundamental the changes from the exposure draft—especially if the changes from the exposure draft would require a significant change from current practice—the more likely the need for re-exposure. However, the TAG weighs the cost of delaying improvements to financial reporting against the relative urgency of introducing the changes and any additional steps it has taken to consult stakeholders since the exposure draft was published. INPRF advisory groups or targeted stakeholder engagement can give the TAG information to inform a decision against re-exposure.

If the TAG decides that re-exposure is necessary, the due process followed is the same as for the first exposure draft. However, after the first exposure draft, a shortened comment period might be appropriate, particularly if comments on only aspects of the revised proposals are being sought.

- (d) determine whether any TAG members intend to **dissent** (exposure drafts and final documents only) – TAG members may dissent from publication

of an exposure draft or final document if they do not think that the new proposals or requirements will improve financial reporting, taking into account the likely effects of those requirements. The hurdle to dissenting is deliberately high.

If TAG members dissent, they are voting against the exposure draft or the Standard as a whole. A TAG member cannot dissent from one part of a document but still vote to publish that document.

Throughout the development of the exposure draft or final document, individual TAG members might disagree with some decisions. However, disagreeing on a matter does not mean the TAG member will dissent from the whole document.

In the balloting process, a supermajority (see paragraph E3.2.10(c)) of TAG members must vote to recommend to the Trustees to publish an exposure draft or final document. This question of the TAG members provides early indication of whether balloting should start or whether further technical deliberations are necessary.

This step does not apply to consultation papers because they present the analysis and collective views of the TAG on a particular topic, with the discussion reflecting and conveying any significant differences in TAG members' views.

- (e) confirm by simple majority (see paragraph E3.2.8(d)) that the TAG is satisfied that it has complied with the applicable **due process**.
- (f) determine by simple majority (see paragraph E3.2.8(d)) to **begin the balloting process**.

E3.2.10 The **balloting process** occurs outside of public meetings (except for sweep issues, as discussed in paragraph E3.2.10(b)) and involves the following:

- (a) The INPRF Secretariat drafts a **pre-ballot draft** of the due process document (see paragraphs E3.2.5 to E3.2.7). The pre-ballot draft provides an opportunity for TAG members to review one or more drafts of a document before voting on whether to recommend publication of the document to the Trustees. TAG members evaluate whether the drafting is consistent with their technical decisions, as well as reviewing the clarity, completeness and consistency both internally and with other sections of INPAS. The balloting process is not an opportunity to reconsider technical decisions.

The INPRF Secretariat may also seek such input on the draft from parties outside the TAG, such as members of an INPRF advisory group or parties that have provided feedback on the project. It might also be made available on the INPRF's website while it is with these parties. This external review is not a substitute for public exposure and consultation and not an opportunity for external parties to share views on the technical decisions. Because reviewers are conveying their personal views instead of those of their organisation, their comments are not usually made public.

The pre-ballot draft contains a ***basis for conclusions*** that includes:

- (i) the ***rationale*** behind the technical decisions. For final documents, the basis for conclusions also includes responses to comments about the exposed proposals.
 - (ii) an ***effects analysis***. When assessing the likely effects, the TAG focuses on assessing how financial reporting is likely to change because of the amendments, whether those changes will improve the quality of financial reports and whether those changes are justifiable in light of those effects. The TAG gains insight into the likely effects of the amendments through its formal exposure of proposals and through its fieldwork, analysis and consultations with stakeholders. The extent and format of the analysis is tailored to and reflects the nature of the change to financial reporting and the stage of development of the amendments.
 - (iii) any ***dissenting opinions*** - TAG members who dissent from publishing an exposure draft or final document are required to explain why they have a dissenting opinion. The dissenting opinion only covers those matters that caused the TAG member to vote against the document as a whole. TAG members should avoid using the dissenting opinion to express dissatisfaction with parts of the document that, taken on their own, would not have caused the board member to vote against publishing or issuing the document.
- (b) Feedback on the pre-ballot draft may identify uncertainty about a technical matter, for example because the decision reached is not as clear as it first appeared. In other cases, the balloting process might highlight inconsistencies between sections or other matters that were not discussed at a TAG meeting. Such technical matters are referred to as '***sweep issues***' and decided by the TAG in a public meeting (see paragraph E3.2.8).

- (c) Once the INPRF Secretariat has determined that a document is ready for voting, it circulates a **ballot draft**. TAG members decide by a **supermajority** (two-thirds of all members) vote on whether to recommend to the Trustees that INPRF publish the document. Voting occurs by email outside public meetings. Proxy voting and voting by alternates is not permitted. In rare circumstances, a member may abstain from voting on a ballot, after agreement from the TAG Chair and INPRF Technical Director. Such discussions should occur as early as possible in the course of the technical project, and well before the balloting process begins.
- (d) After balloting, the INPRF Secretariat can make drafting changes to improve the clarity of the document. Such changes are permitted provided they do not change the technical decisions. The INPRF Secretariat circulates to the TAG a **post-ballot draft** showing the final changes.

E3.2.11 The Trustees **review the due process** undertaken by the TAG to decide whether to approve INPRF publication of the due process document, considering:

- (a) for consultation papers:
 - (i) evidence of compliance with the due process requirements set out in paragraphs E3.2.1 to E3.2.10, as applicable; and
 - (ii) completion of any steps required prior to publication of the document to remedy a breach of due process (see paragraph F3(c)).
- (b) for exposure drafts:
 - (i) evidence of compliance with the due process requirements set out in paragraphs E3.2.1 to E3.2.13, as applicable;
 - (ii) if applicable, the reasons for not publishing a consultation paper (see paragraph E3.2.5);
 - (iii) reasons for any TAG members voting against recommendation for publication (see paragraphs E3.2.9(d) and E3.2.10(a)); and
 - (iv) completion of any steps required prior to publication of the document to remedy a breach of due process (see paragraph F3(c)).

(c) for final documents:

- (i) evidence of compliance with the due process requirements set out in paragraphs E3.2.1 to E3.2.13, as applicable;
- (ii) reasons for any TAG members voting against recommendation for publication (see paragraphs E3.2.9(d) and E3.2.10(a)); and
- (iii) completion of any steps required prior to publication of the document to remedy a breach of due process (see paragraph F3(c)).

If the Trustees decide a breach of due process has occurred, it may determine that (a) no additional steps are necessary to remedy it because no harm has been done as a result of the breach or (ii) the TAG and/or INPRF Secretariat must take additional steps to remedy before publication. Steps taken to remedy the breach may result in an amendment to or rescission of the materials.

The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

E3.2.12 Consultation – proposals require public exposure for public comment over a minimum comment period (see paragraph E3.2.9(b)).

- (a) Stakeholders submit their comments to a formal consultation by way of a **comment letter**. Comment letters are the primary means to obtain feedback on a formal consultation because the letters provide considered and public responses. 'Comment letter' is a generic term referring to comments by letter or in another format, such as by response to an INPRF survey. A survey might include all the questions in the consultation document or ask questions targeted at a particular stakeholder type, such as primary users of NPO financial reports.
- (b) All comment letters received are made available on the INPRF website. Portions of a comment letter can be withheld if publication would be harmful to the submitting party or the INPRF (for example, if publishing the letter would disclose commercially sensitive information or breach a law or regulation).
- (c) Once the comment period ends, the INPRF Secretariat provides a summary and analysis of the respondents by geography and professional background, feedback in the comment letters and any other feedback

(see paragraph E3.2.12(e)) to the TAG. The summary helps the TAG to identify the main topics for consideration during its follow-up deliberations (see paragraph E3.2.8), or to assess whether to even proceed with the project.

- (d) When considering feedback in comment letters and from other sources, the TAG assesses the matters respondents have raised, the related explanations and evidence they have provided. It is the strength of the analysis and supporting evidence provided in the feedback that is important rather than the number of responses raising a particular issue.
- (e) In addition to requesting comment letters, the INPRF Secretariat may obtain feedback, both during and outside the comment period, through:
 - (i) consultation with **INPRF advisory groups**. Papers for the meetings are normally circulated and posted on the INPRF website at least one week ahead of each meeting. Technical discussions are held in public sessions. A recording of the session is posted on the INPRF website. A summary of the discussion and technical decisions is published on the INPRF website after clearance by the relevant advisory group members.
 - (ii) discussion with **other stakeholders**. Some stakeholders may require their discussions to be held in private. However, a high-level summary of feedback from private discussions is included in technical papers.
 - (iii) **fieldwork** to gain a better understanding of how major standard-setting is likely to affect stakeholders. Fieldwork is normally conducted privately, either one-on-one or in workshops. Fieldwork could include asking participants to assess how proposed new requirements would apply to actual or hypothetical transactions or contracts; assessing how users would use the new information; assessing how the proposed new requirements are likely to affect systems and procedures for financial reporting; or gathering examples to gain a better understanding of industry practices and how these might be affected by proposed new requirements. A high-level summary of feedback from private discussions is included in technical papers.
 - (iv) **public roundtables** to explain proposals, listen to, and exchange views on, specific topics.

E3.2.13 **INPRF publication** – the due process document is published on the INPRF website. The INPRF website also announces publication and location of a due process document.

E3.3 Development of supporting technical materials

Overview

- E3.3.1 Supporting technical materials assist with the implementation and consistent application of core materials by assisting stakeholders with prevalent questions about the core materials. Supporting technical materials cannot add or change requirements in the core materials. If new requirements or changes to requirements are needed, the due process for core materials is followed.
- E3.3.2 Because supporting technical materials do not add or change the core materials, they are not subject to the same level of due process. The due process reflects the material's nature, complexity and expected audience.
- E3.3.3 The INPRF Secretariat may receive questions from stakeholders not suitable for development of supporting technical materials, such as whether and/or where core materials address a particular topic or the application of core materials to a specific, unique fact pattern. The INPRF Secretariat uses its judgment as to whether to respond. If the INPRF Secretariat responds to such questions, the response does not provide technical advice or a conclusion; rather, it only provides considerations, with appropriate disclaimers, to help the submitter form their own judgment. The response is normally provided orally. The INPRF Secretariat publicly informs the TAG of questions it has responded to at the next TAG meeting.

Steps

- E3.3.4 Projects to develop supporting materials may be **identified** after publication of the technical work plan for a specified cycle from sources such as those listed in paragraph E3.1.2.
- E3.3.5 The INPRF Secretariat **categorises** those matters based on the nature of the materials likely to be required to address them.
- (a) **Category 1** materials provide high-level, typically introductory, summaries of core materials.

- (b) **Category 2** materials are detailed explanations of the core materials, including:
 - (i) how the requirements apply to a particular prevalent transaction.
 - (ii) in the absence of specific requirements, how the principles might help account for a particular prevalent transaction.
 - (iii) clarifications of ambiguous text which does not require amendment.
 - (iv) whether and how the requirements align with other international or national standards.

E3.3.6 The TAG decides, by simple majority (see paragraph E3.2.8(d)) in a public meeting, whether to **add** projects to the technical work plan, based on a paper from the INPRF Secretariat that analyses the prioritisation considerations (see paragraph E2.5). In developing its paper, the INPRF Secretariat may seek feedback, as needed, from INPRF advisory groups, as well as other stakeholders (see paragraph E3.2.12(e)).

E3.3.7 **Category 1** materials are:

- (a) **drafted** by the INPRF Secretariat.
- (b) **reviewed** by at least three TAG members to confirm technical accuracy, that they do not add or change requirements in the core materials and they are clearly distinguished from the core materials. These reviews occur outside of public meetings.
- (c) INPRF **publication** on the INPRF website, along with an announcement of the publication and its location.
- (d) **reported**, for informational purposes, to the TAG and the Trustees at their respective next meetings. The respective papers summarising the discussions are made publicly available on the INPRF website.

E3.3.8 For **Category 2** materials:

- (a) the INPRF Secretariat prepares the **draft** supporting materials. In developing the papers to facilitate these discussions, the INPRF Secretariat may seek feedback, as needed, from INPRF advisory groups, as well as other stakeholders (see paragraph E3.2.12(e)).

- (b) the TAG decides by simple majority (see paragraph E3.2.8(d)) in a public meeting:
 - (i) where applicable, whether amendments to the core materials are needed to address the technical matter. If so, the TAG applies the prioritisation considerations in paragraph E2.5 to decide whether to add the matter to the technical work plan and then follows the due process for core materials.
 - (ii) whether they agree that the draft supporting materials are technically accurate, do not add or change requirements in the core materials and are clearly distinguished from the core materials.
 - (iii) whether to recommend to the Trustees that INPRF publish the supporting technical materials.
- (c) the Trustees **review the due process** undertaken by the TAG to decide whether to approve INPRF publication of the supporting technical materials, considering:
 - (i) evidence of compliance with the due process requirements set out in paragraph E3.3.8(b);
 - (ii) reasons for any TAG members voting against recommendation for publication (see paragraphs E3.2.9(d) and E3.2.10(a)); and
 - (iii) completion of any steps required prior to publication of the document to remedy a breach of due process (see paragraph F3(c)).

If the Trustees decide a breach of due process has occurred, it may determine that (i) no additional steps are necessary to remedy it because no harm has been done as a result of the breach or (ii) the TAG and/or INPRF Secretariat must take additional steps to remedy before publication. Steps taken to remedy the breach may result in an amendment to or rescission of the materials.

The due process paper and a summary of Trustee discussions are made publicly available on the INPRF website.

- (d) INPRF publishes the supporting technical materials on the INPRF website, along with an announcement of the publication and its location.

F. Translation

- F1. English is the official language of the technical materials. In the event of any inconsistency or question of interpretation, the English-language version prevails.
- F2. Nonetheless, translation of technical materials is encouraged. Permission from the INPRF is required before any translation of technical materials can begin. The INPRF permits only one translation per language, so that all users of a particular language use the same translation.
- F3. Translations follow a two-stage translation procedure, consisting of an initial translation followed by a review of the translation by a committee of experts in financial reporting, to produce a high-quality translation that accurately renders the meaning of the original technical material into another language.
- F4. The review committee is comprised of:
- (a) native speakers of the language into which the technical material is translated with demonstrated technical competence and knowledge of financial reporting, typically from major accounting and other professional firms, national accounting, academia, appropriate government bodies and specialist industries;
 - (b) preferably at least one member from each jurisdiction in which the language is widely spoken so that the resulting translation aids the international acceptance of the translation.
 - (c) one person designated as the co-ordinator. In addition to managing the review process, the co-ordinator has the final responsibility for the content of the translation, and has a casting vote if the committee cannot reach consensus.
- F5. Translations are published on the INPRF website, along with an announcement of the publication and its location.
- F6. Published translations are reported, for informational purposes, to the Trustees at their next meeting. The due process paper is made publicly available on the INPRF website.

G. Procedure for alleged breaches of due process

- G1. Any party may submit a complaint about an alleged breach of due process to the Trustees through the INPRF website. Disagreements with technical financial reporting conclusions are not evidence of a breach of due process. The complaint, together with the name and details of the complainant, is posted on the INPRF website.
- G2. The TAG Chair and INPRF Technical Director prepare an analysis of the complaint, which is also posted on the INPRF website.
- G3. At the next feasible meeting, the Trustees review the complaint and response in the context of the requirements set out in this *INPRF Due Process*. The Trustees may decide that:
- (a) no breach of due process has occurred;
 - (b) a breach has occurred but no additional steps are necessary to remedy it because no harm has been done as a result of the breach; or
 - (c) a breach has occurred and the TAG and/or INPRF Secretariat must take additional steps to remedy it.
- G4. Although the TAG and the INPRF Secretariat are required to adhere to the requirements set out in this *INPRF Due Process*, a breach of due process does not invalidate the technical materials. Accordingly, the materials remain valid in all respects until the Trustees have addressed the complaint. Steps taken to remedy the breach may, however, result in an amendment to or rescission of the materials.
- G5. The Trustees provide a response, usually in the form of a letter to the complainant. Any such letter is posted on the INPRF website.

H. Review of the INPRF Due Process

- H1. The Trustees will review the *INPRF Due Process* at least every three years. Considerations for future reviews include requirements for post-implementation reviews.

Appendix A: Summary of information required to be available on the INPRF website

The INPRF's website is the platform that communicates the activities and due process. At a minimum, the website makes public:

Technical work plan

- Projects on core materials and supporting technical materials
- Link to project page with relevant technical papers, due process papers, due process documents and comment letters, as applicable
- Next milestone
- Expected date

TAG meetings

- Schedule of past and upcoming meetings
- Technical papers, including paper seeking permission to begin the balloting process
- Recording
- Summary of discussion and technical decisions

INPRF advisory group meetings

- Schedule of past and upcoming meetings
- Technical papers
- Recording
- Summary of discussion and technical decisions

Consultation paper (if applicable) and exposure draft

- Document
- Comment letters

Final materials

Announcement of publication and location of consultation paper (if applicable), exposure draft, final amendments and supporting technical materials

Trustee monitoring of due process

- Due process papers
- Summary of discussion and decisions
- Letters alleging breaches of due process, analysis, and Trustee response