

Annex A

Attestation Statement

Due process for the first Edition of the International Non-Profit Accounting Standard (INPAS)

This is my report on the due process followed for the development of the Standard. I assert that due process has been followed in the development of INPAS for each of the key steps outlined below.

Annex C provides the status of each INPAS section and a supporting Evidence Pack is in Annex D. Annex E has an organisation chart that shows the groups involved in the development of INPAS and the relationship between them.

	Step	Activity	Stakeholder involvement
1	Issue a Consultation Paper to get confirmation of the issues and test the approaches to addressing the issues.	A Consultation Paper was published in January 2021. This paper set out the challenges in financial reporting for Non-Profit Organisations (NPOs) and a proposed approach for creating international financial reporting guidance over a 5-year period. It included a proposed set of NPO-specific topics to be prioritised for the guidance. This paper was prepared with input from an international research project carried out by the CCAB in 2013/2014, input from national standard setters and from the wider NPO community. The Consultation Paper included specific matters for comment on the approach to developing the guidance and on each of the topics.	TAG PAG Country champions and local networks Research
2	Develop proposals based on the analysis of responses from the project Consultation Paper, where these exist	The responses to each of the specific matters for comment were reviewed and analysed. A way forward was proposed for each that was then consulted on with advisory groups. The Consultation Paper proposed that the <i>IFRS for SMEs</i> Accounting Standard was used for the development of the materials. Although there were some concerns this was supported by a significant majority of respondents. Following further outreach and discussions with Advisory Groups, the <i>IFRS for SMEs</i> Accounting Standard was used	Staff led proposals to test the issues Open invitation to webinars to explore feedback Country champions and local networks Research

		as the base point for proposals. This has wide support. Following the feedback from the Consultation Paper it was also agreed that the draft guidance would be issued through three Exposure Drafts rather than in one volume, to enable wider engagement and ease of access and also to maintain momentum and engagement. In response to the consultation feedback on donor reporting that arose from proposals for the presentation of financial statements a separate working group comprising members to the TAG, PAG and DRG was set up. Its role was to examine the possibility of developing standardised templates for supplementary statements in order to report on specific sets of activities including grants. This work led to the development of the separate INPAS Practice Guide. There was a range of views between the groups about whether the supplementary statements could be included in INPAG. Consensus for a separate practice guide was achieved. As this information would not be relevant for all NPOs there was a focus on not imposing additional burdens on all NPOs.	
3	Discuss the proposals with the project advisory groups that include the: - Technical Advisory Group (TAG) – comprised of national standard setters to provide technical input; - the Practitioner Advisory Group (PAG) – comprised of sector representatives of	Every section of the <i>IFRS for SMEs</i> Accounting Standard was discussed with the Technical Advisory Group (TAG). TAG members have expertise in the technical aspects of accounting standards and in the standard setting process. Many of the topics were deliberated more than once before proposals were included in Exposure Drafts. A number of topics including the nature of NPOs (including the role of equity), the users of general purpose financial reporting, narrative reporting, grant accounting, fund accounting, classification of expenses and fundraising costs were also with Practitioner Advisory Group (PAG).	PAG –to obtain feedback on the practical issues experienced by NPOs TAG – feedback on the proposals and their iteration DRG – to share the approaches to address issues and obtain input on the specific needs of donors.

	the NPO community including preparers, auditors, donors and academics; and c. the Donor Reference Group (DRG) – comprised of government aid agencies, private foundations and regional and global funders	A donor reference group was created to discuss topics related to the overall importance of general purpose financial statements and to consider topics where donors had greater interest e.g. grant accounting, presentation of information (especially expenses) and supplementary information. All papers to the TAG and PAG are on the IFR4NPO website and a recording of each meeting is publicly available.	
4	Discuss key aspects of the proposal with Focus Groups where the issues are contentious or where broader input is required.	Focus groups were set up for discussion of the proposals for a number of topics including narrative reporting, grant accounting, nature of NPOs, users of NPO general purpose financial reports, fund accounting, classification of expenses and fundraising costs. These were the key topics of significant concern to stakeholders where the proposals had the potential for significant impact. Focus groups participants were invited from a pool of individuals who had significant comments on the proposals in the Consultation Paper, Exposure Drafts or who had previously expressed an interest in being part of a focus group on the specific topics. Individuals were also able to express an interest in taking part in a focus group through information on the project website and the project newsletter. Focus Group materials are shared on the IFR4NPO website as appropriate.	Focus Groups provided input on the issues identified, whether proposals would address the issues and whether there would be unintended consequences
5	Grow the NPO community through outreach to grow awareness of the proposals	Engaging with NPOs and the community that work with and support NPOs is critical. We depend on volunteers and supports to advocate for the project and to get involved with the development of INPAS so that we end up with a product that is fit for purpose. Engagement has involved: the development of a network of Country Champions to engage	Country champions Wider stakeholder groups through country awareness sessions Subscribers to newsletters Blogs and magazine articles

		influential stakeholders in their jurisdictions so that they contribute to the development process, and gain confidence to adopt or align to it. Country Champions create a strong link between the project and individual jurisdictions. The number of Country Champions has grown through the project with 46 Country Champions in 38 countries as at the end of February 2025. • webinars to explain the proposals, initially to encourage involvement in the project and then to explain the detailed proposals set out in each Exposure Draft. Attendees were given space to ask questions and take part in polls. Feedback received was fed into the development process. • round table events, both virtual and physical took place after each Exposure Draft was issued. Some round tables were regional. All round tables were to deepen the engagement with the content in each Exposure Draft and to allow discussion among attendees to share key points of feedback to feed into the development process. • regular newsletters to subscribers. Individuals are able to sign up through the website to receive newsletters. Additionally newsletters are sent to everyone in the project network. • blogs and articles to expose and deliberate on key NPO-specific accounting and accountability issues. • social media – regular posting about the work of the project to	Open invitation to webinars Invitation events to physical and virtual regional round tables Open invitation to virtual round tables Social media – grown from zero to nearly 7,000 LinkedIn connections. Connections made through Twitter and Youtube.
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		raise awareness and encourage engagement.	
6	Refine the proposals to take account of the feedback provided from all sources	Many of the topics were deliberated more than once before proposals were included in Exposure Drafts. There were 4 TAG meetings explicitly involving consideration of the proposals in ED1, 6 for ED2 and 4 for ED3, each of which included at least 1 2-day meeting. In addition there was feedback from the PAG, DRG, Focus Groups, surveys and other sources that were considered in developing the final proposals. There were a number of iterations to all of these proposals to reflect feedback. The key focus was to drive simplicity and not to impose additional burdens on NPOs by requiring significant additional disclosures.	PAG –to obtain feedback on the practical issues experienced by NPOs TAG – feedback on the proposals and their iteration, DRG – to share the approaches to address issues and obtain input on the specific needs of donors.
7	Clear the proposals through the TAG to finalise each exposure draft	The were significant discussions on a number of topics including describing NPOs, the role of equity for NPOs, accounting for grants, the definition and presentation of a restricted fund, narrative reporting (including risks from sensitive information), the classification and disclosure of expenses (including fundraising costs) and the proposal to remove share based payments. As not all topics were fully reviewed, the unanimous view was that the guidance should only be amended for consequential amendments that arise from INPAS sections that have been updated. The TAG were of the view that additional guidance on service potential should not be provided as measurement has not been prioritised for review as part of the first edition of INPAG. In all cases the majority of TAG members supported the content of the Exposure Drafts.	TAG – scrutiny of the final proposals for inclusion in each exposure draft.
8	Prepare a Basis for Conclusions that explains the rational for the proposals in each exposure draft. This includes key areas of advice from advisory group members and	In Exposure Drafts 1, 2 and 3, the Basis for Conclusions documented the rationale for the proposed accounting recognition, measurement, disclosure and presentation proposals. It also documented differences of view provided by TAG members where this is material to the approach adopted in the Standard.	TAG – scrutiny of the final rationale for proposals for inclusion in each exposure draft.

	also identifies (where relevant to the rationale) any concerns or differing views		
9	Prepare specific matters for comment (SMCs) that address the significant issues. These are particularly focused on contentious issues and areas where further information is sought. The SMCs also address any differing views expressed by TAG members	Each Exposure Draft raised a number of Specific Matters for Comment (SMCs). There were 37 SMCs in Exposure Draft 1, 37 in Exposure Draft 2 and 38 in Exposure Draft 3. There was also an opportunity for respondents to provide general feedback that didn't relate to any specific question. Alongside each Exposure Draft there was an Invitation to Comment. This summarised the proposals and included all of the specific matters for comment. This document was available in Spanish and French in addition to English. Most respondents provided feedback on all questions. The comment period for each Exposure Draft was set based on the complexity of the content. The minimum period was 100 days. Exposure Draft 1 had a comment period of 129 days, Exposure Draft 2 (which had more technical content) 175 days and Exposure Draft 3 (which was mainly presentational) 111 days. I am satisfied that the comment period for each Exposure Draft was sufficient to enable proper engagement with the material and time to respond. This is evidenced by the quantum and quality of the responses.	PAG, focus groups and DRG – identification of issues on which feedback would be useful. TAG – scrutiny of the final rationale for proposals for inclusion in each exposure draft.
10	Conduct outreach on the proposals including regional round tables, webinars, explainer materials and bilateral outreach	Explainer materials were developed for the main topics in each Exposure Draft. These were created as videos that could be independently accessed. They were also translated into Spanish and French. Webinars were also set up to explain the detailed proposals in each Exposure Draft. Attendees were given space to ask questions and take part in polls. Feedback received was fed into the development process.	Open invitation to webinars Invitation events to physical and virtual regional round tables to target key stakeholders across each region. Open invitation to virtual round tables

		Round table events, both virtual and physical took place after each Exposure Draft was issued. There was a physical event in Latin America after ED1, in Africa after ED2 and Asia after ED3. All round tables were to deepen the engagement with the content in each Exposure Draft and to allow discussion among attendees to share key points of feedback to feed into the development process. In addition we encouraged additional feedback that resulted in bilateral outreach with invitations to additional events to discuss the proposals. I am satisfied that sufficient outreach activity was carried out and that there were suitable opportunities for the community to engage.	Social media to amplify proposals and raise awareness.
11	Analyse the responses to the Exposure Draft to identify the main issues, if any, with the proposals	There were 69 written responses to ED1, 47 to ED2 and 67 to ED3. With just under 40 questions for each Exposure Draft there was a substantial amount of material to analyse. A piece of software called Nvivo was purchased to support the analysis of the responses. The analysis of the responses provided a quantitative analysis showing the level of support for each question (agreed, disagreed, neither agreed nor disagreed, no response). This was also broken down by geographic region. A qualitative analysis grouped by theme then provided detailed feedback on the issues, the nature of the concern and any proposals for how this might be addressed. In addition there was a survey associated with each Exposure Draft that provided further feedback. I am satisfied that the analysis was comprehensive and complete and identified the key issues.	Staff led analysis with follow up on any feedback. as required
12	Develop proposals based on the analysis of responses from each of	Further development of each section has taken account of the feedback received, with a recommendation to consider a	PAG –to obtain feedback on the practical issues

	the Exposure Drafts. Use the responses to inform the development of any exposure drafts yet to be issued	drafting change, additional guidance, to consider for a future edition of INPAS or in education materials or no further action. Before Exposure Draft 3, a survey was developed to gain further information about the existence and role of equity in NPOs. This was to expand on the comments received in response to ED1, where there were a range of views about the significance of equity for NPOs and its function. Taking account of the survey responses that both confirmed the existence of equity but with differing characteristics, revised proposals for the definition of equity were proposed. Respond to the feedback received as part of the iteration of proposals. I am satisfied that the final proposals developed have been properly informed by the Exposure Draft feedback.	experienced by NPOs TAG – feedback on the proposals and their iteration DRG – to share the approaches to address issues and obtain input on the specific needs of donors. IAASB – to commence discussion on any potential implications for auditing standards
13	Repeat steps 3 to 6. Maintain outreach throughout	I am satisfied that these steps were repeated.	See above
14	Link the issues arising from each of the Exposure Draft to provide holistic solutions to any issues arising	A cross review of material has been carried out in completing the final sections. A further review has been completed as part of finalising the pre-ballot draft (final draft for review before voting on the final draft). I am satisfied that the final proposals are internally consistent within INPAS.	Staff review of the entire guidance
15	Discuss the proposals with the TAG to finalise the proposal feeding into the Standard	To date there have been 7 TAG meetings to consider the responses to the Exposure Drafts, one of which was a 2-day meeting. In addition the PAG, DRG, and Focus Groups, have considered the feedback in developing the final proposals. In some places there have been a number of iterations to those final proposals. I am satisfied that the final proposals have been properly informed by the Exposure Draft feedback and that the points raised by the TAG, PAG, DRG and Focus Groups have been considered and where	PAG –to obtain feedback on the practical issues experienced by NPOs TAG – feedback on the proposals and their iteration DRG – to obtain input on the specific needs of donors.

		appropriate incorporated into the Standard.	Focus Groups - to obtain input to road test final proposals
16	Prepare a Basis for Conclusions that explains the rationale for the proposals in the Standard. This includes key areas of advice advisory group members and also identifies (where relevant to the rational any concerns or differing views).	The Basis for Conclusions documents the rationale for accounting recognition, measurement, disclosure and presentation proposals in the final Standard. It also documents any remaining differences of view provided by TAG members where this is material to the approach adopted in the Standard. It documents the response to key aspects of the feedback and the action taken. I am satisfied that the Basis for Conclusions provides appropriate explanation of the final guidance.	Staff explanation with input from TAG members as required
17	A draft of the final standard is circulated to TAG members for comment	The TAG received a pre-ballot draft of the entire Standard, Basis for Conclusions and Implementation Guidance on 18 April 2025. Feedback will be sought from TAG members ahead of a ballot draft that will be tabled at a TAG meeting on 3 June 2025. Two thirds of TAG members need to approve the ballot draft to secure TAG approval. While the TAG is an advisor body, we do not propose to publish the Standard without the approval of the TAG. TAG members were allocated specific sections to review but were invited to review the entire document. The allocations were to ensure complete coverage of the document. A higher number of TAG members were allocated to review new material, with few allocated to review materials that was largely as per the <i>IFRS for SMEs</i> Accounting Standard. A final (pre-ballot) draft of the entire document was circulated to TAG members on 18 April 2025.	TAG members to scrutinise the final draft Standard
18	Comments are reviewed by the Secretariat and discussed bilaterally as	All INPAS sections were scrutinised by at least one TAG member. At least 4 different TAG members scrutinised the content of the	Staff to respond to feedback from TAG members

	appropriate with relevant TAG members	new sections. Reviewers for these sections came from at least 3 different continents to provide global assurance over the content. Each comment was logged and reviewed by the Secretariat to determine what if any action was necessary. Bilateral conversations or follow up emails were carried out to clarify the feedback provided, where this was necessary. The updated document was then reviewed by the Chair of the TAG to confirm that the changes made were appropriate and for any final review comments. I am satisfied that the feedback provided by TAG members has been reviewed and addressed in the ballot draft.	
19	A ballot draft is circulated to TAG members with approval required by two thirds of TAG members to be able to confirm TAG member support	The ballot draft was circulated to TAG members on 22 May 2025. TAG members will be asked to vote on this draft at the TAG meeting being held on 3 June 2025. Some TAG members have already confirmed their intention to support publication in response to the final draft of the standard. To be completed post the meeting on 3 June 2025.	TAG members to confirm their support for the final standard
20	Confirmation of adherence to due process before issue	To be completed once all other actions have been completed.	Public Finance Management Board (CIPFA)

