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Dear Ms Ho,

**Invitation to comment on  
IFRS Foundation Consultation Document of Due Process Handbook**

Thank you for your letter of 4 June 2012 inviting the Audit Commission to comment on the captioned subject.

We agree that there is a need for the IFRS Foundation to review and document the due process requirements to be followed by the International Accounting Standards Board (IASB) in developing or revising IFRSs. The compliance with the due process requirements will ensure the quality of IFRSs and help focus the efforts of the IASB in addressing the concerns of stakeholders in a transparent manner.

Specifically, we have the following comments:

- (a) we support the inclusion of the introductory section as it sets the scene by defining clearly the role and responsibilities of the Due Process Oversight Committee within the IFRS Foundation;
- (b) we agree that the Due Process Protocol table (i.e. Appendix 4) should be maintained on the public website for each project as it helps promote transparency and fair consultation;

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- (c) we agree with the proposed distinction between narrow-scope projects, which come under the heading of maintenance of IFRSs and comprehensive projects, which come under the heading of development of IFRSs. The adoption of such a classification will help the IASB set priorities and determine the allocation of its scarce resources in dealing with requests from stakeholders and changing circumstances more effectively; and
- (d) we agree with the proposed changes in the comment periods for rejection notices (in respect of proposals to add items to the work programme of the IASB) and re-exposure drafts for accounting standards. We consider that such changes are reasonable and will facilitate the consultation process.

Yours sincerely,



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for Director of Audit