

Policy Statement

PS 3
June 2001

AASB Project Advisory Panels



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PREFACE

Background to Development of the Policy Statement

Policy Statement PS 1 “The Development of Statements of Accounting Concepts and Accounting Standards” (forthcoming) documents the procedures the Australian Accounting Standards Board (AASB) in developing Statements of Accounting Concepts and Accounting Standards. In particular, Policy Statement PS 1 states in relation to Project Advisory Panels:

“At the time a project is added to the AASB’s work program, the AASB may invite people with relevant expertise to join a Project Advisory Panel. The appointment of and background of members of a Project Advisory Panel are notified on the AASB’s web site. Policy Statement PS 3 ‘AASB Project Advisory Panels’ provides more detail on the role of Project Advisory Panels. In addition to reviewing progress at key points in a project’s development, a Project Advisory Panel serves as a resource base available at all stages of the project.” (paragraph 15)

Project Advisory Panels are often established to support the development of Discussion Papers and Accounting Theory Monographs. The authorship of these documents is not a direct responsibility of the AASB. However, these documents form an important part of the basis for the AASB’s work on a subject and thus the process of developing them is strongly supported by the AASB. Project Advisory Panels may also be used to support the development of Invitations to Comment, Exposure Drafts and Accounting Standards.

Policy Statement PS 3 documents the Board’s policy on the operation of Project Advisory Panels. It supersedes Policy Statement 3 “The Operation of Project Advisory Panels”, which was issued by the former AASB and the Public Sector Accounting Standards Board in March 1994.

Overseas Practices

The AASB considered the policies of overseas standard-setting bodies in relation to panels similar to Project Advisory Panels. The operating procedures adopted by the AASB for Project Advisory Panels are substantially the same as those of major overseas standard-setting bodies.

POLICY STATEMENT PS 3

“AASB PROJECT ADVISORY PANELS”

Role of Project Advisory Panels

- 1 A Project Advisory Panel for a project may be established for a project by the Australian Accounting Standards Board (AASB) to assist in the development of:
- (a) Discussion Papers;
 - (b) Accounting Theory Monographs;
 - (c) Invitations to Comment;
 - (d) Exposure Drafts; and
 - (e) Accounting Standards.

Terms of Reference

- 2 Project Advisory Panels operate under the following general terms of reference:
- (a) to provide a pool of knowledge and experience which will assist in identifying problems and evaluating possible solutions in relation to the particular project; and
 - (b) to be available to the AASB for discussion and advice, as necessary, and in particular:
 - (i) to provide background information, including information on existing practices and possible deficiencies therein;
 - (ii) to consider and comment on any specific points raised by the AASB;
 - (iii) to review draft documents prepared by the AASB and comment thereon (comments will generally be focussed on matters of principle but may draw attention to details of drafting where this is in the

interests of eliminating ambiguities or inconsistencies or improving the general flow of a document);

- (iv) to point out practical aspects of the topic, including difficulties which the implementation of proposals may cause in relation to a particular industry or type of activity; and
- (v) to suggest any additional matters which could be considered to come within the scope of the project.

Relationship with the AASB

- 3 AASB staff prepare background papers including Discussion Papers and Accounting Theory Monographs and, under the direction of the AASB, prepare Invitations to Comment, Exposure Drafts, Accounting Standards and other pronouncements. Accordingly, the relationship between Project Advisory Panels and members of the AASB, except for the Chairman, will usually be indirect.
- 4 A document prepared for publication may not necessarily reflect all of the views of all of the members of a Project Advisory Panel. Project Advisory Panel members can submit comments on contentious matters to the AASB so that these can be considered by the AASB prior to it making key decisions regarding a project.
- 5 To facilitate the development of a project the AASB may extend the involvement of a Project Advisory Panel. For example, the AASB may seek comment from members of the Panel on a key decisions questionnaire or on particular issues during the development of an Exposure Draft or an Accounting Standard. Arrangements may be made for members of a Panel to discuss issues with the AASB.

Confidentiality Requirements

- 6 Any recommendations contained in a Discussion Paper or an Accounting Theory Monograph are those of the author or authors. Accordingly, as a means of protecting the interests of the author or authors, members of a Project Advisory Panel are expected to respect confidentiality in relation to any drafts of such documents they receive.

- 7 In addition to drafts of Discussion Papers and Accounting Theory Monographs, a Project Advisory Panel may receive drafts of other documents relevant to the development of a project, such as draft Exposure Drafts. Members of a Project Advisory Panel are expected to respect confidentiality in relation to any drafts of such documents they receive, unless advised otherwise.