

Technical Advisory Group

Issue Paper

AGENDA ITEM: TAGFG08-02

3 June 2025 – Virtual

Proposal to approve INPAS for publication

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| Summary | This paper sets out the due process steps taken in developing INPAS and the steps to approve INPAS. |
| Purpose/Objective of the paper | This paper provides the background to enable TAG members to vote on whether INPAS is ready to be published. |
| Other supporting items | n/a |
| Prepared by | Karen Sanderson |
| Actions for this meeting | <p>Vote on the publication of INPAS by responding to the following 4 questions:</p> <ul style="list-style-type: none"> • Are TAG members content that respondent and TAG member feedback has been considered and that necessary updates to the text or a summary of the discussion has been included in the Basis for Conclusions? • Are TAG members content that due process has been followed? • Are TAG members content that there has not been a substantial change following the Exposure Drafts that would require re-exposure of any element? • Are TAG members content that INPAS is ready to be published? |

Technical Advisory Group

Proposal to approve INPAS for publication

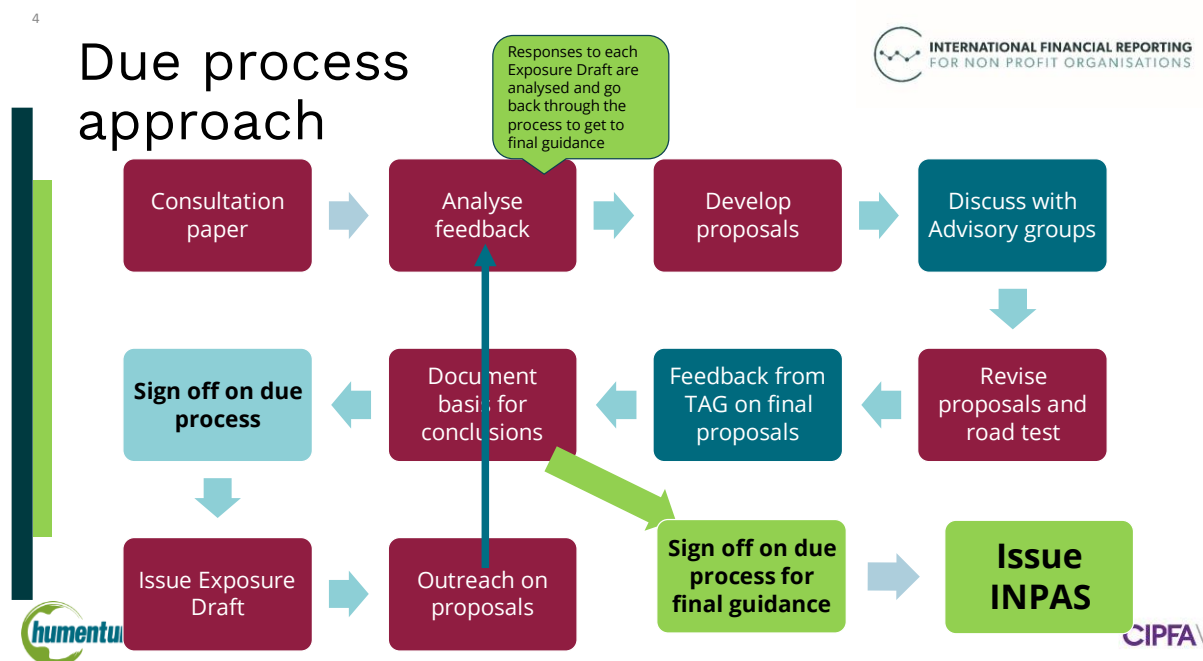
1. Introduction

- 1.1 To recap - the International Financial Reporting for Non-Profit Organisations (IFR4NPO) project is an initiative to develop the world's first Internationally applicable financial reporting guidance for non-profit organisations (NPOs) that can be adopted by national standard setters internationally. While there are financial reporting standards in a small number of jurisdictions internationally, a standard specifically for NPOs is not widely available internationally.
- 1.2 The aim is to contribute to a step-change in the clarity and consistency globally of financial reports for NPOs, resulting in greater credibility and trust in the non-profit sector globally. The project has worked to three objectives:
- a) to improve the quality, transparency, and credibility of NPO financial reports.
 - b) to support the provision of NPO financial information that is useful for decision making and accountability, balancing the needs of preparers and users.
 - c) to address specific NPO issues, which will promote the comparability of NPO financial reports.
- 1.3 The work of the project is intended to command support from the accounting community and NPOs, funders and regulators. With the agreement of the IFRS Foundation and with support from stakeholders, the project's output will be issued as a new international accounting Standard (INPAS).

2. Approval of due process

- 2.1 INPAS has been developed following a due process that gives credibility and confidence in the robustness of the standard. The due process has been adapted from that used by other international standard setters. The due process used has been shared with and approved through the project's governance arrangements including the INPAS Governance Group.
- 2.2 The due process that has been used is summarised in the chart below.

Due process steps



- 2.3 Ahead of publication in September, confirmation of adherence to the INPAS due process is required. An Attestation Statement from the INPAS Technical Director to support the approval is included as an Annex A. This attestation covers the technical development of the Standard and demonstrates engagement from relevant stakeholders.
- 2.4 The Attestation Statement examines each of the steps in the process, what happened and who was involved. This attestation statement is supported by an Evidence pack in Annex B. This information is intended to assist TAG members in their response to the questions in 4.1.
- 2.5 The attestation is positive as there has been a good response to all Exposure Drafts with strong support to most proposals and majority support for all. This level of response has been received from across global regions and from across different parts of the NPO community. This level of response has been enabled by the significant outreach activities with interest and input from all over the world, demonstrating significant engagement. Also, with the support of the IFRS Foundation and responding to positive feedback from stakeholders, the document will be issued as a Standard rather than guidance.
- 2.6 The final (pre-ballot) draft of the Standard was circulated to TAG members for scrutiny on 18 April 2025. As noted in TAGFG08-01 rich feedback was received from TAG members. TAG members identified a number of opportunities to improve the drafting, mostly to remove ambiguities and to make the content clearer. TAG members also identified a number of more substantive issues, but these are not considered to be fatal flaws. After TAG members' comments were addressed, the

resulting amendments and entire updated document was reviewed by the TAG Chair. This reviewed document is the ballot draft that was distributed to TAG members on 22 May 2025.

- 2.7 TAG members will be asked to review the responses to the points raised by TAG members as part of TAGFG08-01 and will be asked whether they agree with the resulting drafting. Subject to any amendments that arise from the discussion of this paper, and final editorial adjustments this will be the version of INPAS, the Implementation Guidance, Basis for Conclusions and Illustrative Financial Statements that will be published.
- 2.8 The INPAS Secretariat will be responsible for processing any final editorial changes. To finalise the document further detailed checking will be carried out. This will include rechecking paragraph cross references, cross check the bolding of terms to the glossary, address any remaining formatting issues and review for consistency of when acronyms are used, punctuation and capitalisation.

3. Voting arrangements

- 3.1 The TAG terms of reference require that a vote takes place on the documents to be published. Paragraphs 7.4.3 - 7.4.5 of the terms of reference say:

A vote will take place ahead of the publication of any final Guidance and prior to the issue of any documents externally that include a public consultation. Approval by two thirds of members attending the meeting either physically or virtually is required. Proxy voting and voting by alternates are not permitted. The quorum for this vote is two thirds of members. The Chair has an additional casting vote, should the vote be tied.

All voting will be carried out by a show of hands. The result will be recorded and be part of the public record.

As an advisory Group, the result of the vote is non-binding. If a publication proceeds without the support of the TAG members this will be disclosed as part of that publication. Dissenting views by TAG members will be disclosed in the Basis for Conclusions, with an explanation of the difference of view.

- 3.2 To fulfil the voting requirements in the TAG terms of reference, members are asked to vote on the questions set out in 4.1.

4. Publication of INPAS

- 4.1 To move ahead with the publication of INPAS, TAG member will now be asked for a show of hands on each of the following four questions. The TAG Chair will lead the voting process. The outcome of this vote will be publicly available.



- 1) Are TAG members content that respondent and TAG member feedback has been considered and that necessary updates to the text or a summary of the discussion has been included in the Basis for Conclusions?
- 2) Are TAG members content that due process has been followed?
- 3) Are TAG members content that there has not been a substantial change following the Exposure Drafts that would require re-exposure of any element?
- 4) Are TAG members content that INPAS is ready to be published?

May 2025