

**Definition of “Those Charged With Governance”—Due Process****Objective of Agenda Item**

1. To advise the Board of the status of due process regarding the proposed changes to the Code relating to the definition of “those charged with governance.”

**Background**

2. The Technical Director is responsible for advising the Board as to whether due process has been followed effectively and with proper regard for the public interest before final changes to the Code are approved for issuance.
3. The following outlines the Technical Director’s conclusion and basis thereof with respect to actions up to the June 2013 IESBA meeting for the aforementioned changes to the Code. Before final approval of the changes, the Technical Director will advise on whether due process has been followed during the course of the June 2013 meeting.

**Due Process Up to the Date of the June 2013 IESBA Meeting**

4. The Technical Director confirms to the Board that, up to the June 2013 IESBA meeting, the changes to the Code noted in Agenda Item 2-A have been developed in accordance with the Board’s due process.
5. In summary, for the proposed changes, the Board:
  - Approved the relevant project proposal for commencement of work on the proposed changes to the Code.
  - Considered but did not see need to consult with the IESBA CAG on the project proposal and the proposed changes to the Code, given the narrow scope of the project and the project’s objective of aligning the definition of “those charged with governance” with that in the ISAs.
  - Approved and issued an exposure draft of the proposed changes to the Code for public comment, together with an explanatory memorandum highlighting, amongst other matters, the Board’s significant proposals.
  - Considered an analysis of the significant issues raised by respondents on the exposure draft, including outlines of their proposed disposition and, as appropriate, the reasons significant changes recommended by respondents have, or have not, been accepted.
  - Having familiarized themselves with the issues raised in comment letters, the Board members:
    - Deliberated significant matters raised in the comment letters received, including consideration of whether there were any issues raised by respondents, in addition to those summarized by the Task Force, that they considered should be discussed; and
    - Amended the proposed changes to the Code accordingly.

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- Consulted with the IESBA CAG on significant issues raised in comment letters on the exposure draft and the Board’s related responses. Significant comments received through the consultation with the IESBA CAG have been brought to the Board’s attention.