



## MINUTES OF PREVIOUS MEETING

## ITEM 2.A

### RECOMMENDATION

It is recommended that the Council:

- Endorse the minutes from the FRC meeting 1 September 2015 as a true and accurate record of the meeting.

**FINANCIAL REPORTING COUNCIL**  
**Draft Minutes – 1 September 2015**

Outcomes of the meeting held 1 September 2015 via videoconference/teleconference. The meeting commenced at 2:00pm and concluded at 4:00pm.

**ATTENDEES AND APOLOGIES**

<b>FRC Members</b>	<b>Organisation</b>
Michael Coleman (Acting Chair and Deputy Chair) via teleconference	AICD
Merran Kelsall (via teleconference)	AUASB
Kris Peach (via teleconference)	AASB
Kevin Lewis	ASX
Bill Edge	CA ANZ
Mark Coughlin (via teleconference)	CPAA
Stein Helgeby	Finance
Graeme Mitchell (via teleconference)	XRB
<b>Invitees</b>	
Rob Sharma	APRA
Diane Brown	Treasury
Doug Niven	ASIC
<b>FRC Secretariat</b>	
Nicole Cosgrove	Secretariat
Lucy Ohlmus	Secretariat
<b>APOLOGIES</b>	
David Nicol	HoTARAC
John Price	ASIC
Noelle Kelleher	ASFA
Ross Barker	BCA
Roger Burrows	G100
Ian Purchas	IPA

## **1) Introduction**

### **a) Attendees and apologies**

The Deputy Chair opened the meeting, noted apologies, and advised that a number of members would be joining the meeting by teleconference.

FRC members agreed that in the absence of an appointed Chair, Michael Coleman would act as Chair of the meeting.

### **b) Declarations of interest**

The Chair noted the declarations of interest.

## **2) Matters for approval**

### **a) Minutes of previous meeting 5 June 2015**

FRC members endorsed the minutes of the previous meeting.

### **b) Matters arising from previous meeting**

The Secretariat advised that the majority of action items had been completed.

## **3) Annual Report**

Members discussed the draft FRC Annual Report, noting that a number of amendments had been sent to the Secretariat by email. These amendments were noted and members asked to provide any further amendments to the Secretariat by COB Wednesday 2 September. The Secretariat advised that a final copy would be circulated to members at this point and the report would be submitted to the Chair for sign off.

*Action 1: Secretariat to circulate final draft of Annual Report to FRC members.*

## **4) Committee Reports**

### **a) Nominations Committee report**

The Chair noted that Mark Coughlin had agreed to continue as Chair of the Nominations Committee until the end of the year despite the expiration of his FRC appointment. The Chair noted that a precedent existed for a non-FRC member to undertake the role of Nominations Committee Chair.

The Nominations Committee Chair advised that the peer review process had been conducted. A number of minor feedback issues had arisen and the AASB and AUASB Chairs were resolving these with their respective board members.

The Nominations Committee report had noted two AASB members with terms expiring in December 2015. Both members had received endorsement to continue, but term lengths were being reviewed in consideration of the AASB Chair's request to reduce the size of the board.

The AASB Chair requested the support of FRC members for the AASB to commence consultation with firms and the public sector on a plan to reduce the size of the AASB board. FRC members endorsed the AASB Chair commencing consultations and agreed to examine the matter further at the November FRC meeting.

The Nominations Committee Chair also advised that the terms of two AUASB board members would expire in December 2015 and an open recruitment process would take place. A third member's term had also expired on 30/6/2015 and his position was part of the planned AUASB overall board reductions.

*Action 2: AASB Board reduction strategy to be discussed at the November FRC meeting.*

#### **b) FRC Working Group**

The Chair of the committee reported that it had met for the first time on 15 July 2015. Discussion on clarification of the FRC objectives and functions continued.

#### **c) Audit Quality Committee**

The AQC Chair reported that the AQC had met the previous day and had reviewed and endorsed the Audit Quality Chapter of the Annual Report. Merran Kelsall had also given a report on the activities of the IAASB.

### **5) IFRS Foundation Trustees' Review**

The Chair welcomed Lynn Wood as a guest. Lynn noted that it would be useful to have FRC members' opinions on specific questions in the Trustees review, particularly on the IASB response to changing technology, the Foundation's funding model and the extension of the IFRS Foundation remit to include the not-for-profit sector. The XRB and AASB noted that their organisations were preparing submissions for the review.

*Action 3: Secretariat to draft a response to the IFRS Review and circulate to FRC members for comment.*

### **6) International appointments: IFRS Advisory Council**

The Chair advised members that consultation had taken place on potential candidates for the IFRS Advisory Council position. As of the meeting date no organisation had offered to fund a candidate. Lynn Wood noted that one potential candidate was being followed up.

Ms Wood reported that a presentation to the Chinese Ministry of Finance would take place in Beijing in October and that China was moving towards adopting IFRS. The US had not agreed to adopt IFRS but had indicated that a long term goal was to adopt one set of common standards globally.

A paper would be released later in 2015 recommending a review of disclosure standards. Submissions were due on 30 September for the IASB agenda consultation, with items including research projects, standard setting and maintenance and administration projects.

A report was released on evaluation of IFRS in the EU, which had not been done since 2005. The report noted that transparency and comparability across Europe were improving.

## **7) FRC appointments**

The Treasury (Diane Brown) advised that a number of FRC members' terms had recently expired.

Mark Coughlin was endorsed to continue as head of the Nominations Committee until the end of the year noting that his FRC appointment would expire prior to this time. The FRC Chair reiterated that a precedent existed for this action.

Members discussed the possibility for providing advice to the Minister on the functions, role and/or restructuring of the FRC.

The Treasury noted a paper on a restructuring proposal that had been developed by PricewaterhouseCoopers. Members were invited to provide comment on the PwC paper to Treasury.

*Action 4: Members to provide comments on the PwC paper to Diane Brown by COB Wednesday, 2 September.*

## **8) Other Business**

There was no other business raised by members.

## **9) Next meeting and close**

The meeting was closed at 3:00pm.

The next meeting will be held in Melbourne on 30 November 2015 at the AASB offices.