



MINUTES

DATE: Monday 6 June 2016

TIME: 10:00am – 4:00pm

LOCATION: AASB/AUASB Offices
TEQSA Board Room
Level 14, 530 Collins Street
Melbourne

ITEM	AGENDA ITEM																		
1	INTRODUCTION																		
	<p>The meeting was declared open at 10:00am.</p> <p>The Chair welcomed new members Jackie Callaway and Judith Downes, and reappointed members Stein Helgeby and Noelle Kelleher. The Chair also noted that it was Merran Kelsall’s last FRC meeting.</p> <p>The AASB Chair spoke to the AASB/AUASB restructure paper presented to members prior to the meeting. The paper identified the need for a National Director who will operate across both AASB and AUASB to manage corporate operations, such as recruitment, performance, team building and implementation of business strategies. Several FRC members made further enquiries and discussed the merits of the proposal.</p> <p>The AASB Chair introduced the Interim National Director, Chris Gillman, who will assist in the restructure process until a permanent National Director is appointed.</p> <p>Action:</p> <p><i>The AASB Chair to give an update on the AASB/AUASB restructure at the September FRC meeting.</i></p>																		
1.A	ATTENDEES AND APOLOGIES																		
	<table border="1"> <thead> <tr> <th>Participants</th> <th>Organisation</th> </tr> </thead> <tbody> <tr> <td>Bill Edge (Chair)</td> <td></td> </tr> <tr> <td>Kris Peach</td> <td>AASB</td> </tr> <tr> <td>Merran Kelsall</td> <td>AUASB</td> </tr> <tr> <td>Jackie Callaway</td> <td>Brambles</td> </tr> <tr> <td>Judith Downes</td> <td>Bank Australia</td> </tr> <tr> <td>Stein Helgeby</td> <td>Department of Finance</td> </tr> <tr> <td>Noelle Kelleher</td> <td>Vision Super</td> </tr> <tr> <td>Carmela Pavlic Searle Claire Osborne</td> <td>Secretariat</td> </tr> </tbody> </table>	Participants	Organisation	Bill Edge (Chair)		Kris Peach	AASB	Merran Kelsall	AUASB	Jackie Callaway	Brambles	Judith Downes	Bank Australia	Stein Helgeby	Department of Finance	Noelle Kelleher	Vision Super	Carmela Pavlic Searle Claire Osborne	Secretariat
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	Alyce Reid	
	Observers	
	Lynn Wood	IFRS Foundation Trustees
	Chris Gillmore	AASB
	Daniel McAuliffe	Treasury
	Apologies	
	Kevin Lewis	ASX
	Graeme Mitchell	XRB
	David Nicol	ACT Treasury
	John Price (Observer)	ASIC
	It was clarified that members are appointed by the Minister as individuals but it is expected that they also act as a key contact for the stakeholders of which they are members.	
1.B	<p>DECLARATIONS OF INTEREST</p> <p>Ms Judith Downes provided the following corrections to the relevant matters listed on the Declarations of Interest:</p> <p>Chairman, Grimwade Centre for Cultural Materials Conservation, University of Melbourne Member, Reporting Committee, AICD</p> <p>Action:</p> <p><i>Members to ensure that all declarations of interest have been recorded correctly before future meetings.</i></p>	
2	MATTERS FOR APPROVAL	
2.A	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The minutes of the March meeting were endorsed by FRC members.</p> <p>It was agreed that future minutes will be outcome and action focused.</p>	
2.B	<p>MATTERS ARISING</p> <p>All matters listed were either on the current agenda or completed.</p> <p>The Chair advised that future meeting agendas would be changed to correspond more directly to the FRC's functions as outlined in the legislation.</p> <p>Action:</p> <p><i>The Secretariat to work with the Chair on an updated agenda template for the November meeting.</i></p>	
3	OVERSIGHT OF THE AASB AND ACCOUNTING STANDARDS	

3.A	<p>Members reviewed the current AASB strategy and noted that the AASB would continue to operate in accordance with this strategy until a new strategy is agreed.</p> <p>Members discussed the possibility of incorporating some or all of the following key issues in a future strategy subject to determining their relative importance:</p> <ul style="list-style-type: none"> • Industry KPIs • Consistency of disclosures/application of accounting standards • Remuneration reporting disclosures. <p>Action:</p> <p><i>FRC Chair to discuss strategic priorities of the FRC with the Minister after the election.</i></p> <p><i>AASB to conduct their Strategy day in September with FRC member involvement. AASB and FRC to consider legislative remit of the AASB and FRC and assess to what extent they cover external reporting more broadly than financial reporting.</i></p>
3.B	<p>AASB reported that they are still receiving submissions on ITC 34 “AASB Agenda Consultation 2017-2019” and members were asked to encourage their stakeholders to provide a submission.</p> <p>Action:</p> <p><i>Members to speak with their stakeholders and encourage submissions (verbal, email or formal).</i></p>
4.	<p>OVERSIGHT OF AUASB AND AUDITING STANDARDS</p>
4.A	<p>Members discussed the current AUASB strategy and are in general agreement. Strategic discussion will be deferred until the new Chair is appointed.</p> <p>AUASB noted their attempts to influence international developments in Australia’s interests.</p> <p>Action:</p> <p><i>The Secretariat will circulate the AASB/AUASB Corporate Plans.</i></p>
5.	<p>COMMITTEE UPDATE</p>
5.A	<p>PEER REVIEW</p> <p>Members noted the agreed peer review report, endorsed the 2016 peer review questions and noted the timeline of the AASB and AUASB peer reviews.</p> <p>Members agreed that due to significant changes in the FRC membership the peer review of the FRC be postponed until mid-2017.</p> <p>Action:</p> <p><i>The Secretariat to send out the AASB and AUASB peer review and prepare the reports for the Nominations Committee.</i></p> <p>AASB/AUASB RECRUITMENT</p> <p>Members noted the status of the AASB and AUASB membership.</p> <p>Members noted the skills matrix and timeline for recruitment for the AASB and AUASB.</p> <p>Members reconfirmed that Ms Meade would resign at the end of 2016 and noted that she would</p>

	<p>be welcome to apply for the public sector representative vacancy expected in 2018.</p> <p>Action:</p> <p><i>Nominations Committee to undertake final assessment of vacancies and necessary recruitment to the Boards at the conclusion of the peer review.</i></p>
5B	<p>RECONSTITUTION OF COMMITTEES</p> <p>Members agreed that appointments should not be made to the Audit Quality or Strategic Planning committees at this time, relevant matters being attended to by the full FRC.</p> <p>The Chair proposed the following appointments to the Nominations Committee:</p> <ul style="list-style-type: none"> - Stein Helgeby (Chair) - Bill Edge (ex officio member) - AASB and AUASB Chairs (members) - Judith Downes (member) - Jackie Callaway (member) <p>Members agreed to proceed with the Chair’s proposal and will discuss any additional resources and expertise they may require at their first meeting. The Nominations Committee may consider appointing an audit expert to the AUASB selection panel for example.</p> <p>Action:</p> <p><i>Nominations Committee will meet in August after the peer review reports are available to discuss vacancies and advertisements.</i></p>
6.	MONITORING INTERNATIONAL DEVELOPMENTS
6.A	<p>INTERNATIONAL APPOINTMENTS TABLE</p> <p>The International Appointments table was noted and members identified that IASB, IAASB and IFRS Advisory Council appointments needed attention to ensure Australia stays an influential member of international standards.</p> <p>Action:</p> <p><i>Chair to meet with stakeholders to determine whether funding is available to support international appointments.</i></p> <p><i>Chair to obtain specific information regarding the nominations process for all critical appointments.</i></p> <p><i>Chair to speak with Ms Peach regarding IASB and Ms Kelsall regarding IAASB.</i></p> <p><i>Ms Callaway to speak to G100 regarding the IFRS Advisory Council.</i></p> <p><i>Secretariat to colour code the appointments table to highlight the appointments that are due to expire.</i></p>
6.B	<p>IFRS TRUSTEES</p> <p>Lynn Wood provided an update on the IFRS Foundation Trustees with particular focus on the recent meeting in Jakarta three weeks ago.</p> <p>Members discussed IFRS funding issues.</p>

6.C	<p>PWC REGULATORY BRIEFING</p> <p>Members noted the PwC Regulatory Briefing. The Chair encouraged members to consider whether similar updates exist, in their own organisations or otherwise, that could be brought to the attention of the FRC.</p>
7.	<p>MONITORING AUSTRALIAN DEVELOPMENTS</p>
7.A	<p>STAKEHOLDER REPORTS</p> <p>Stakeholder reports were noted.</p> <p>The Chair will ask stakeholders to nominate a dedicated contact for the FRC when he meets with them over the coming months.</p>
7.B	<p>NEW STAKEHOLDER REPORT TEMPLATE</p> <p>Members noted the new stakeholder report template and agreed that reports should be no longer than one page, stakeholders should only answer appropriate fields and should use bullet points as appropriate.</p> <p>Action:</p> <p><i>Secretariat to circulate a list of stakeholders highlighting those who the Chair will be meeting with as part of his forthcoming stakeholder engagement.</i></p> <p><i>Members to consider questions that should be included in the stakeholder report template and to be asked at stakeholder meetings.</i></p> <p><i>Secretariat to include objectives of the FRC in correspondence with stakeholders.</i></p>
7.C	<p>FRC ROUNDTABLE PROPOSAL</p> <p>Members discussed the proposal for the FRC to host roundtables, in the context of the AASB and AUASB hosting a Strategy Day. It was resolved that some FRC members should participate in the AASB and AUASB Strategy Day prior to further considering whether the FRC should host its own round tables.</p> <p>Action:</p> <p><i>The Chair to ensure that the FRC is represented appropriately at the AASB/AUASB Strategy Day (See 7D below).</i></p>
7.D	<p>AASB/AUASB STRATEGY DAY</p> <p>AASB/AUASB Strategy Day will be held on 12 September 2016.</p> <p>It was agreed that two FRC members should attend.</p> <p>FRC were invited to provide input to Strategy Day agenda.</p> <p>Action:</p> <p><i>AASB and AUASB Chairs to circulate their Strategy Day agendas.</i></p> <p><i>Chair to ensure two FRC members attend the AASB/AUASB Strategy Day on 12 September.</i></p> <p><i>AASB and AUASB will make draft strategies publicly available for comment.</i></p>
8.	<p>OTHER BUSINESS</p>

8.A	<p>FRC ANNUAL REPORT PLANNING</p> <p>Members noted the timeline for the Annual Report.</p> <p>Action:</p> <p><i>Chair to circulate draft Annual Report to members for comment.</i></p> <p><i>Members/Secretariat to highlight items as they are discussed to be included in the annual report at future meetings.</i></p>
8.B	<p>INDUCTION PACKS FOR NEW MEMBERS</p> <p>New members noted their appreciation of the induction pack.</p> <p>Action:</p> <p><i>All members to notify Secretariat of anything else to be included in the packs.</i></p>
8.C	<p>FRC WEBSITE UPDATE</p> <p>The Chair noted that the FRC website would be updated in the coming months.</p> <p>Action:</p> <p><i>Members were invited to send suggestions for improvement to the Secretariat.</i></p> <p><i>Secretariat to add biographies and the FRC's submission to the IFRS Foundation to the website, as well as conduct a review of the current content.</i></p>
8.D	<p>SIMPLIFICATION INITIATIVE</p> <p>Members noted the update and were encouraged to keep actioning the items raised in the various reports and continue to monitor progress.</p>
8.E	<p>GENERAL BUSINESS</p> <p>Next FRC meeting will be held via teleconference on 7 September 2016 from 2-4pm.</p> <p>Add revisiting previous AASB and AUASB directives to the Agenda for next meeting.</p> <p>Chair thanked Merran Kelsall for her outstanding contribution to the AUASB and FRC.</p> <p>Action:</p> <p><i>Secretariat to send Doodle poll for November meeting.</i></p>