



MINUTES

DATE: Tuesday 8 November 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 introduced Dr Richard Grant, newly recruited Manager of the Secretariat and Ms Jane Holmes, Team Leader, Secretariat.</p> <p>The Chair also welcomed Mr Justin Lachal, National Director, AASB and AUASB. Mr Lachal provided a summary of his background and current priorities, including the recruitment of key positions for the AASB and AUASB.</p> <p>The chair noted Judith Downes' apology.</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 (from 11:40am)</td><td>AUASB</td></tr><tr><td>Kevin Lewis</td><td>ASX</td></tr><tr><td>Jackie Callaway</td><td>Brambles</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>Graeme Mitchell</td><td>XRB</td></tr><tr><td>David Nicol</td><td>ACT Treasury</td></tr><tr><td>Observers</td><td></td></tr><tr><td>John Price</td><td>ASIC</td></tr><tr><td>Warren Allen</td><td>XRB</td></tr><tr><td>Lynn Wood (2-2:15pm teleconference)</td><td>IFRS Foundation Trustees</td></tr></tbody></table>	Participants	Organisation	Bill Edge (Chair)		Kris Peach	AASB	Merran Kelsall (from 11:40am)	AUASB	Kevin Lewis	ASX	Jackie Callaway	Brambles	Stein Helgeby	Department of Finance	Noelle Kelleher	Vision Super	Graeme Mitchell	XRB	David Nicol	ACT Treasury	Observers		John Price	ASIC	Warren Allen	XRB	Lynn Wood (2-2:15pm teleconference)	IFRS Foundation Trustees
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	Diane Brown	Treasury
	Daniel McAuliffe	Treasury
	Secretariat	
	Richard Grant	Treasury
	Jane Holmes	Treasury
	Claire Osborne (teleconference)	Treasury
	Alyce Reid (teleconference)	Treasury
	Apologies	
	Judith Downes	Bank Australia
1.B	<p>DECLARATIONS OF INTEREST</p> <p>Mr Mitchell provided the following corrections to the matters listed on his Declarations of Interest:</p> <p>Remove: Director, Cigna Life Insurance New Zealand Limited; and Member, Trans-Tasman Accounting and Auditing Standards Advisory Group.</p> <p>Update: Position on the National Provident Fund from Board Member to Deputy Chair; and position on Barnardos New Zealand from Director to Deputy Chair.</p>	
1.C	<p>AGENDA TEMPLATE</p> <p>Members noted the new agenda template.</p>	
2	MATTERS FOR APPROVAL	
2.A	<p>MINUTES OF THE PREVIOUS MEETING</p> <p>The minutes of the September meeting were endorsed by members with minor edits, making them more outcome and action focused.</p> <p>It was agreed that future minutes will have a focus on outcomes and actions.</p>	
2.B	<p>MATTERS ARISING</p> <p>Members noted the Chair’s report on matters arising.</p> <p>Members noted the AASB and AUASB Strategy Day will be held in May 2017.</p> <p>The Chair asked the Secretariat to remove ‘Secretariat to review current content on the FRC website’ from item 12 as this will continually be reviewed and updated.</p> <p>Members requested the current FRC website usage statistics.</p>	
3	OVERSIGHT OF THE AUSTRALIAN STANDARDS (ACCOUNTING & AUDITING)	
3.A	<p>GENERAL – FRC STATUTORY RESPONSIBILITIES</p> <p>Members discussed the FRC functions regarding the AASB and AUASB and agreed to amend the AASB and AUASB Standard Setting Process diagrams to highlight the areas where the FRC’s roles are particularly relevant.</p> <p>GENERAL – REPORT ON AASB/AUASB BACK OFFICE</p>	

	<p>Members noted the summary provided by Mr Lachal at the start of the meeting. Ms Peach added that the back office is still a work in progress but the signs are positive, HR policies and processes are being developed and new staff will add to the change in culture, focusing on being dynamic, flexible, forward looking and responsive.</p> <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>
3.B	<p>ACCOUNTING STANDARDS</p> <p>Ms Peach outlined the key priorities for the AASB including the finalisation of the Standard on <i>Income of Not-for-Profit Entities</i> by Q4 2016.</p> <p>Eric Lee (AASB) presented to members on the AASB's report on IFRS adoption in Australia. The report will be published in Q4 2016 and is positioned to be part of ongoing consultation regarding the application of transaction neutrality. The FRC will be provided with a draft of the report before it is finalised, to be circulated out of session. The FRC agreed that some elements of the report should be discussed in more depth, particularly:</p> <ul style="list-style-type: none"> - who are users of public sector financial statements, and more broadly how are users engaged in the standard setting process - what are the conditions that would be necessary before it would be appropriate to consider adopting International Public Sector Accounting Standards (IPSASBs) for the public sector.
3.C	<p>AUDITING STANDARDS</p> <p>Members noted the AUASB Chairman's report.</p> <p>Ms Kelsall noted that this is a time of renewal, and she is working closely with Ms Peach and Mr Lachal. The Board is reluctant to make any changes before the new Chairman is appointed.</p>
3.D	<p>NOMINATIONS COMMITTEE</p> <p>Members noted the verbal report from Dr Helgeby, Chair Nominations Committee. The Secretariat will circulate the recruitment report to FRC members out of session for endorsement of appointments.</p>
4	<p>OVERSIGHT OF AUDIT QUALITY</p>
4.A	<p>REVIEW PROGRAMS</p> <p>The Chair tabled and discussed the Audit Quality Review Program table and members suggested new questions for completion by the accounting bodies and ASIC.</p>
4.B	<p>IFIAR OBJECTIVE</p> <p>Members noted the media release 'International Audit Regulators Say Pace of Audit Quality Improvement too slow; Call for Measureable Improvement by 2019'.</p>
5	<p>MONITORING AND INFLUENCING AUSTRALIAN DEVELOPMENTS</p>
5.A	<p>STAKEHOLDER REPORTS</p> <p>Members noted the stakeholder reports.</p>

5.B	STAKEHOLDER ENGAGEMENT Members noted the Chairs report on stakeholder engagement.
6	MONITORING AND INFLUENCING INTERNATIONAL DEVELOPMENTS
6.A	INTERNATIONAL REPORTS IFRS TRUSTEE REPORT Members noted the IFRS Trustees Report as provided by Ms Wood.
6.B	INTERNATIONAL APPOINTMENTS Members discussed representation from Australia and New Zealand on international boards. Ms Peach asked members to identify a pool of people with a range of different skill sets for nominations to the IASB, IAASB and the IFRS Advisory Council. Members noted Ms Lyn Provost from New Zealand will commence with the IAASB on 1 January 2017. The Chair asked members to bring appropriate suggestions to the next meeting, including for the position of Chair, IFRS Trustees.
6.C	REPORT BY NEW ZEALAND XRB The NZ XRB provided their report at item 5A - Stakeholder Reports.
6.D	PWC REGULATORY BRIEFING Members noted the briefing provided by the Chair.
6.E	PIOB SUBMISSION Members agreed that the FRC should make a submission.
7	OTHER BUSINESS
7.A	ANNUAL REPORT 2016 Members noted the published Annual Report.
7.B	FRC WEBSITE The Chair noted the FRC website was discussed at item 2B.
8	NEXT MEETING AND CLOSE
8.A	MEETING DATES FOR 2017 The dates suggested to members were unsuitable to some. The Secretariat will finalise 2017 meeting dates before the end of 2016.

Signed as a correct record

Bill Edge
Chair
17 January 2016