



3 April 2017 – 1/2017

Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) held a meeting on 28 March 2017 and below outlines the key matters considered:

FRC Functions

Members discussed a paper articulating the FRC statutory functions regarding the Australian Accounting Standards Board (AASB) and the Auditing and Assurance Standards Board (AUASB) and how the respective obligations of the FRC, AASB and AUASB are fulfilled.

Review of IFRS Adoption in Australia

The FRC noted the release on 28 March 2017 of [‘AASB Research Report No 4: Review of Adoption of International Financial Reporting Standards in Australia’](#) which had previously been considered by the FRC. A paper outlining AASB actions arising out of the review was noted.

Audit Quality

A paper summarising the Financial Statement Audit Quality Review Programs carried out by ASIC and the accounting bodies was discussed to better understand the similarities and differences of each program as the FRC continues to monitor the quality of audits carried out by Australian auditors. The [‘IFIAR 2016 Annual Inspection Findings Survey’](#) was noted.

Stakeholder Reports

Members discussed 13 stakeholder reports that had been prepared and follow up with specific stakeholders will be undertaken. Key items discussed included:

- Reporting of non-financial information
- Alternative profit measures
- Financial reporting by superannuation entities
- Remuneration reporting – noted was the publication [‘Streamlining Remuneration Reporting’](#) issued by PwC and Group of 100

Public Sector Issues

Members considered a paper outlining the issues confronting the public sector in relation to frameworks and standards (both accounting and auditing) associated with public sector financial statements.

International Developments

The FRC continually monitors international developments and at this meeting received verbal insights from:

- Lynn Wood – IFRS Foundation Trustee
- Jan McCahey – Chair, Global Public Policy Committee

The [FRC’s submission](#) to the ‘Public Interest Oversight Board 2017-19 Strategy’ public consultation was noted.



AUASB Chair

Incoming AUASB Chair, Roger Simnett attended the meeting and tribute was paid to the extraordinary and noteworthy contribution to standard setting made by outgoing AUASB Chair, Merran Kelsall.

FRC Members

It was noted the Kevin Lewis and David Nicol have been reappointed as members of the FRC for a further 3 years.

Next Meeting

The next meeting of the FRC will be held on Tuesday, 6 June 2017.