



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) held a meeting on 6 June 2017 and below outlines the key matters considered:

FRC Strategic Plan 2017-20

The FRC approved its FRC Strategic Plan 2017-20, which is now available on the FRC website (<https://cdn.tspace.gov.au/uploads/sites/46/2017/06/FRC-Strategic-Plan-2017-20.pdf>). It outlines six Strategic Priorities:

1. To promote initiatives to improve the financial reporting system for both the public and private sectors (including the not-for-profit sector as well as the for-profit sector) and to make financial reports more useful, simple and relevant.
2. To continue to monitor the quality of audits carried out by Australian auditors.
3. To continue to influence international accounting and auditing developments, particularly by promoting suitably qualified Australians and New Zealanders for appointment to relevant international boards.
4. To consider external reporting initiatives including their alignment with, and impact on, financial reporting requirements.
5. To continue and enhance interaction with stakeholders, including users, preparers and auditors of financial reports.
6. To encourage appropriate use of technology in the preparation and auditing of financial reports.

Audit Quality Review Programs

A subcommittee of the FRC has and will continue to meet with each of the accounting bodies to discuss their Financial Statement Audit Quality Review Programs with a view to clarifying the findings and their implications, as well as similarities/differences between the programs.

It was noted that ASIC is expected to release its public audit inspection report, covering inspections in the 18 months to 31 December 2016, by the end of June 2017.

AASB and AUASB Strategy Day

The FRC discussed the outcomes of the joint AASB and AUASB Board Strategy Day held on 29 May 2017, a key outcome of which was the alignment of the two Boards' strategies to the extent appropriate.

It was also confirmed that the FRC supports the key project that involves both Boards which has the overall objective of clarifying and simplifying the Australian financial reporting and auditing framework, in relation to financial reporting, assurance and auditor competency requirements.

NZ External Reporting Board

The FRC continues to work closely with, and have strategies aligned with, the NZ External Reporting Board as does the respective Accounting Standards and Auditing Standards Boards.



Stakeholder Reports

As at each meeting, the FRC reviewed reports from 14 different stakeholders to ensure key issues and initiatives receive due consideration by the FRC. Issues of note included:

- remuneration reporting
- proposed changes to rotation requirements for audit partners
- the accounting standards on insurance, superannuation and financial instruments

International Developments

Lynn Wood, an Australian Trustee of the IFRS Foundation, personally reported on recent international developments, including the recently released IFRS Foundation 2016 Annual Report.

The FRC also discussed the current review of IFAC related standard setting.

IFRS Advisory Council

The IFRS Advisory Council is seeking to fill vacancies from 1 January 2018 with applications closing 31 July 2017.

(<http://www.ifrs.org/About-us/IASB/Careers/Pages/advisory-council-members.aspx>)

Next Meeting

The next meeting of the FRC will be held on Friday, 8 September 2017.