



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) held a meeting on 6 September 2018 and below outlines the key matters considered:

FRC Annual Report 2017-18	<p>The FRC Annual Report 2017-18 was approved. It will be provided to the Minister and tabled in Parliament in late October. Key items of note during the year include:</p> <ul style="list-style-type: none">• The 'FRC Audit Quality Action Plan'.• The Australian Financial Reporting Framework Project which is being undertaken by the AASB and AUASB.• A submission to the Monitoring Group Consultation Paper.• An FRC Position Statement on External Reporting.
Audit Committee Chair Survey Results	<p>The FRC discussed the FRC and AUASB survey of Audit Committee Chairs (ACCs) of the ASX top 300 companies. The survey collected their views on audit quality and suggestions for improvement. There were 91 responses and overall, the results indicated that ACCs are very satisfied with the quality of their auditors. The responses included recommendations for improved practices by both auditors and audit committees.</p> <p>The full report is available on the FRC website.</p>
FRC Audit Quality Action Plan	<p>The FRC discussed the status of the FRC Audit Quality Action Plan including:</p> <ul style="list-style-type: none">• Results from the Audit Committee Chair Survey on audit quality.• Preparations for a survey of the investor community to obtain their views on audit quality.• Interaction of AUASB with ASIC, with accounting bodies and with the Big 6 on the application of auditing standards.• Comparison of international regulator review programs and comparison of review programs of professional bodies.
Financial Reporting	<p>The FRC discussed the AASB ITC 39 'Applying the IASB's Revised Conceptual Framework and Solving the Reporting Entity and Special Purpose Financial Statement Problems'. Roundtables are being held in Sydney, Melbourne, Brisbane, Adelaide and Perth in September 2018 and the AASB are completing individual outreach sessions.</p>
Stakeholder Reports	<p>The FRC reviewed reports from 11 stakeholders and many matters raised related to items above. Other specific matters included:</p> <ul style="list-style-type: none">• Support for the Australian Financial Reporting Framework Project.• The Royal Commission's investigation of superannuation funds.• An independent review of the Public Governance Performance and Accountability Act.• Streamlining remuneration reporting in both the private and public sectors.• ASIC review of the Australian National Audit Office files.• Department of Finance limited trial for digital Annual Reports.
Nominations Committee	<p>The Chair of the Nominations Committee, Stein Helgeby, reported that there were 7 vacancies across the AASB/AUASB (for 4 members of the AASB and 3 members of the AUASB) in 2019 and that advertisements closed on 9 September 2018.</p>

Next Meeting

The next FRC meeting will be held on Friday 16 November 2018.