



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) held a meeting on 5 November 2020 and the key matters considered are outlined below:

FRC Annual Report 2019-20

The FRC Annual Report has now been completed, reviewed by the Minister and tabled in Parliament. Hard copies have been distributed to key stakeholders and an electronic copy can be found on the [FRC website](#).

The AASB/AUASB Annual Report 2019-20 can also be found on the [AASB website](#) and [AUASB website](#).

Financial Reporting

The AASB Chair's update included:

- The AASB has prepared a draft AASB For-Profit Entity Standard-Setting Framework and a draft AASB Not-for-Profit Entity Standard Setting Framework.
- Australia and New Zealand presented a thought leadership piece to the International Forum of Accounting Standard-Setters (IFASS) recommending the IASB undertake a project on matters relating to going concern. The IFASS generally supported the recommendation. The AASB will continue its influence via the IASB's 2021 Agenda Consultation.
- The AASB's website is being updated.

Auditing and Assurance

The AUASB Chair's update included:

- The IAASB is seeking feedback on a discussion paper '[Fraud and Going Concern in an Audit of Financial Statements](#)' with responses due in early January 2021.
In order to inform the AUASB in its response to the IAASB, the AUASB is performing evidence gathering activities which include holding roundtables with key stakeholders and academics in early November 2020. These activities will also inform the AUASB's response to any final recommendations arising from the PJC Inquiry.
- The AUASB is in the process of developing a new digital portal to make their standards and other pronouncements more easily accessible online. It is expected that the portal will be available for AUASB stakeholders by December 2020.
- The AUASB website is also being updated.
- The IAASB has issued a Staff Audit Practice Alert on '[The Consideration of Climate-Related Risks in an Audit of Financial Statements](#)' which builds on the Joint AASB-AUASB publication on Climate Change disclosures issued in 2018.

Parliamentary Inquiry: Regulation of Auditing

On 12 February 2020, the Senate agreed to extend the time of presentation of the report to the Parliamentary Joint Committee (PJC) on Corporations and Financial Services on its inquiry into the Regulation of Auditing to 1 September 2020, and subsequently extended it further to 2 December 2020.

On 27 February 2020, the PJC issued an [interim report](#) including recommendations.

On 11 November 2020, the PJC issued the [final report](#).

The FRC will meet in mid-December 2020 to discuss the FRC's position on the final recommendations of the PJC Inquiry.

FRC meetings – Opening to the Public

The FRC approved opening FRC meetings to the public from 1 January 2021. The first FRC meeting opened to the public on 31 March 2021 will be online only.

The [FRC Rules of Procedure](#) and [Process for Public Attendance at FRC meetings](#) is available on the FRC website.

Appointment to the AASB

The FRC approved the appointment of Professor Carolyn Cordery to the AASB commencing 1 February 2021. A [media release](#) is available on the FRC website.

Audit Committee Chairs (ACCs) Survey	A survey has been sent to Audit Committee Chairs (ACCs) to gather their views on audit quality. Responses are due by 30 November 2020. ASIC is arranging an ACCs Forum which is likely to be held in the first week of December 2020.
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Extended External Reporting	The FRC discussed the IFRS Foundation's 'Consultation Paper on Sustainability Reporting' issued in September 2020. Comments are due by 31 December 2020. The AASB, AUASB and FRC will provide a joint submission.
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Next Meeting

An additional FRC meeting will be scheduled in mid-December 2020 to discuss the FRC's position on the final recommendations to the PJC Inquiry into the Regulation of Auditing in Australia.

The meeting dates for 2021 are:

- 31 March 2021;
 - 3 June 2021;
 - 22 September 2021; and
 - 3 November 2021.
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