



# Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 22 September 2021 and the key matters considered are outlined below:

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<b>Financial Reporting</b>	<p>The AASB Chair's update included:</p> <ul style="list-style-type: none"><li>• The AASB Chair has approved a submission to the <a href="#">International Accounting Standards Board (IASB) consultation agenda</a>, the primary basis on which the IASB will set its work program for the next five years.</li><li>• The AASB is reviewing amendments which might be required to <a href="#">AASB 1054 Australian Additional Disclosures</a>. The AASB is engaging with other interested parties, including the Accounting Professional &amp; Ethical Standards Board and the American Institute of Certified Public Accountants on relevant disclosures.</li><li>• The AASB has issued an <a href="#">exposure draft</a> for comment on the <a href="#">IASB's Practice Statement 1 Management Commentary</a>.</li></ul>
<b>Auditing and Assurance</b>	<p>The AUASB Chair's update included:</p> <ul style="list-style-type: none"><li>• The AUASB has established a Technology Project Advisory Group to advise on the impact of technology on audits.</li><li>• The AUASB has issued a bulletin to address practical issues when using technology in the performance of an audit, entitled <a href="#">Integrity of data obtained for the purpose of an audit of a financial report (August 2021)</a>.</li><li>• The International Auditing and Assurance Standards Board is consulting on a <a href="#">draft standard for less complex entities (LCEs)</a>. The AUASB has issued a <a href="#">consultation paper</a> to seek feedback from Australian stakeholders on the proposed standard.</li></ul>
<b>AASB and AUASB Corporate Plan</b>	<p>The AASB and AUASB <a href="#">Corporate Plan 2021-22</a> has been published online.</p>
<b>Audit Quality Plan</b>	<p>Progress towards the outcomes in the FRC Audit Quality Action Plan was limited in 2019 as the Parliamentary Joint Committee on Corporations and Financial Services undertook its <a href="#">inquiry into the regulation of auditing in Australia</a>.</p> <p>The AUASB has now redrafted the FRC Audit Quality Action Plan to reflect the action FRC and the standard setting boards have and will take to address audit quality.</p>
<b>Extended External Reporting (EER)</b>	<p>The FRC noted the following developments since the FRC meeting in June 2021:</p> <ul style="list-style-type: none"><li>• The FRC Chair met with the Minister and Treasury on EER.</li><li>• The AASB and AUASB have established an AASB / AUASB EER Project Advisory Panel comprising practitioners, academics, professional accounting body representatives and other stakeholders.</li></ul>
<b>FRC Nominations Committee</b>	<p>The Chair of the FRC Nominations Committee, Lawrie Tremaine, provided an update on recruitment of new members to the AASB and AUASB. After shortlisting and interviewing candidates, the FRC Nominations Committee proposed the appointment of one candidate to the AASB and two candidates to the AUASB. The proposed candidates were approved by the FRC.</p> <p>The Chair of the FRC Nominations Committee also noted the <a href="#">FRC Nominations Committee Charter</a> has been updated.</p>
<b>FRC Public Sector Working Group</b>	<p>The Chair of the FRC Public Sector Working Group (PSWG), Stewart Walters, provided an update on the PSWG, including:</p> <ul style="list-style-type: none"><li>• The PSWG is completing a peer review of a comprehensive Tier 3 reporting framework for public sector entities.</li><li>• The PSWG is continuing to consider concerns about ensuring recruitment of appropriately skilled people to public sector reporting to address a current and anticipated future skills gap.</li></ul>

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**Post  
Implementation  
Review of  
AASB 1049**

The independent reviewer appointed to conduct a post implementation review of [AASB 1049 Whole of Government and General Government Financial Reporting](#) received 14 responses to the consultation, largely from Treasury entities and the Heads of Treasuries Accounting and Reporting Advisory Committee.

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## **Next Meeting**

The FRC meeting scheduled for 3 November 2021 has been postponed. The Chair will identify a new date for the next meeting and notify stakeholders accordingly.

