



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 8 September 2022 and the key matters considered and decided are outlined below:

AASB and AUASB	<ul style="list-style-type: none">• The FRC noted the AASB and AUASB Chair reports, including work undertaken on sustainability reporting and digital financial reporting.• The Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) are in the process of updating the AASB and AUASB Standards Portal to increase functionality.
AASB 1049 Post Implementation Review	<ul style="list-style-type: none">• The FRC formally handed the recommendations from the PIR of AASB 1049 back to the AASB for actioning as required.
Sustainability Reporting	<ul style="list-style-type: none">• The AASB and the AUASB made a joint submission in response to the International Sustainability Standards Board (ISSB) exposure draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.• The AASB has nominated an Australian representative for membership on the ISSB Sustainability Standards Advisory Forum. The candidate has been endorsed by the FRC.• The AASB and AUASB have decided to change membership of the AASB and AUASB Sustainability Reporting Project Advisory Panel, to increase user involvement and representation.
Digital Financial Reporting	<ul style="list-style-type: none">• The AASB Chair provided an update on initial stakeholder views on digital financial reporting.• The AASB has organised stakeholder dialogue sessions about digital financial reporting and plans to develop further educational materials and undertake further research to develop its policy position on this matter.
Impact of Macroeconomic Conditions	<ul style="list-style-type: none">• The FRC agreed to continue monitoring the global economic environment and respond to any emerging issues which may impact financial reporting or accounting and auditing standards.• The FRC continues to seek input from stakeholders on the impact of the global economic environment on confidence in financial statements, and accounting and auditing standards and practices. Stakeholders are welcome to send formal and informal submissions and observations to FRCsecretariat@treasury.gov.au.
Talent Attraction and Retention	<ul style="list-style-type: none">• The FRC considered the information received from stakeholders about talent attraction and retention challenges in the accounting and auditing profession. It further discussed the possible contributing factors and any possible actions that could be taken to address them.• The FRC will continue to monitor this issue by periodically requesting information from the appropriate stakeholders.
Auditor Disciplinary Processes	<ul style="list-style-type: none">• The FRC will further discuss and agree on its approach to refreshing the 2019 <i>Auditor Disciplinary Processes: Review</i>.
Cyber Security	<ul style="list-style-type: none">• The FRC discussed whether current cyber security reporting is adequate from a financial reporting perspective. The FRC will continue to monitor and discuss this issue through the lens of corporate reporting and assurance.
Australian Casino Royal Commission and Inquiries	<ul style="list-style-type: none">• The FRC considered the recent inquiries and royal commission into Australian casinos and discussed whether they indicated any issues in auditing or accounting and auditing standards. The FRC will continue this discussion at its next meeting.
UK Government Response to reports on financial reporting matters	<ul style="list-style-type: none">• The FRC considered the UK Government's response <i>Restoring trust in audit and corporate governance</i>, published in May 2022, and whether this Government response raises any matters for consideration in Australia.
IFRS Foundation Contribution	<ul style="list-style-type: none">• The FRC is currently considering the funding arrangements of the various international standard-setting bodies, in the context of determining whether to recommend changes to Commonwealth contribution arrangements for such bodies.

Next Meeting

The next FRC meeting will be held on 23 November 2022.