



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 10 March 2023 and the key matters considered and decided are outlined below:

AASB and AUASB	<ul style="list-style-type: none">• The FRC noted the AASB’s work on sustainability reporting including the monitoring of the international sustainability reporting standards.• The FRC also noted that the AUASB chair has been appointed a member of the IAASB’s Sustainability Working Group and is therefore heavily involved in influencing the direction of the IAASB’s sustainability assurance standard.
International Developments	<ul style="list-style-type: none">• The FRC noted the XRB Chair’s verbal report on progress made on New Zealand’s climate-related reporting and related assurance. Specifically:<ul style="list-style-type: none">– The New Zealand Climate-related Disclosure standards were issued in December 2022.– An exposure draft of a proposed temporary assurance standard which will apply to the mandatory assurance requirements over parts of climate statements has been issued for public comment. This proposed standard will bridge the gap until the international standard is available.– New Zealand are also considering how an assurance licensing regime may be set up to enable auditors / assurance providers to provide assurance on GHG emissions.• The FRC noted the presentation by Joanna Perry, former Trustee of the IFRS Foundation, on the topic of Australia and New Zealand’s role in international reporting.• The FRC noted the verbal report by Robert Buchanan and Kris Peach, of the PIOB, on the PIOB’s oversight of the global system of standard-setting for auditing, assurance, and ethical standards.• The FRC agreed to further consider and discuss future activities of international standards-setting bodies and the funding models of those bodies.• The FRC noted the verbal report by Michael Bray on integrated reporting and how integrated reporting could be implemented in the Australian financial reporting system.
Audit Quality	<ul style="list-style-type: none">• The FRC considered updates to the Audit Quality Action Plan and agreed it was now appropriate to broaden this to incorporate a future action to consider how the quality of assurance on sustainability reporting is being supported and monitored.• The FRC agreed to progress the Audit Quality Management Review, noting that the FRC Chair had written to the Assistant Treasurer on 9 March.
Extended External Reporting	<ul style="list-style-type: none">• The FRC discussed the Australian Sustainability Finance Institute’s (ASFI) consultation paper on sustainable taxonomy.• Treasury informed the FRC of their current work on the broader sustainable finance agenda and agreed to discuss this at a future quarterly meeting.
Public Sector Reporting	<ul style="list-style-type: none">• The FRC noted the minutes of the Public Sector Advisory Group’s (PSAG) most recent meeting. The FRC noted the pragmatic approach adopted by the PSAG, with PSAG communicating any recommendations to the FRC.
Stakeholder Engagement	<ul style="list-style-type: none">• The FRC noted 8 Stakeholder Reports provided ahead of time.
Nominations Committee	<ul style="list-style-type: none">• The FRC noted the Nominations Committee Chair’s verbal report regarding the most recent recommendations of the Committee.• The FRC agreed that members would look out for any future suitable candidates for nominations.

Next Meeting

The next FRC meeting is scheduled to be held on 5 July 2023.