



AGENDA – 109TH FRC MEETING

Date: 19 March 2024

Time: 9:30am – 3:30pm

Location: Level 29 201 Kent Street, Sydney Treasury Office

Members of the public are advised that members of the Financial Reporting Council (FRC) will attend the meeting in person or via a Microsoft Teams videoconference. Members of the public may attend the meeting via Microsoft Teams although public attendance is via registration only. Members of the public should register their interest in attending the public sessions no later than 24 hours in advance of the meeting by emailing secretariat@frc.gov.au detailing:

- Name
- Affiliation
- Contact details

Registered attendees will be emailed Microsoft Teams meeting details by no later than 18 March 2024.

Item	Report by	Time
PUBLIC SESSION		
1. Introduction		9:30am
A. Acknowledgement of country	Chair	
B. Attendees and apologies	Chair	
C. Declarations of interest		
2. Matters for noting / action		9:35am
A. Minutes of previous meeting – 28 November	Chair	
B. Matters arising	Chair/Secretariat	
3. Environmental Scan		9:45am
A. Member Reflections		
B. Stakeholder Reports		
4. Oversight of Australian Standards (Accounting and Auditing) per ASIC Act s225(1) to (2A)		10:15am
A. Australian Accounting Standards Board	Keith Kendall	
1. Sustainability Reporting Update		
B. Auditing and Assurance Standards Board		
1. Sustainability Assurance Update	Doug Niven	
Morning Tea		11:00am
5. Monitoring and influencing international developments per ASIC Act s225(2)(e) to (2)(f) and s225(2A)(f) to (2A)(g)		11:15am

Item	Report by	Time
A. XRB Update – <i>verbal</i>	Michele Embling	
B. International developments (including recent media releases)	FRC	
6. Public Sector Advisory Group per ASIC Act s225(2)(g), (2)(h)(i) and s225(2A)(g) and (2A)(h)(i)	Tracey Carroll	11:45am
7. Funding International Bodies	Chair Lachlan Alvey	12:00pm
Lunch		12:45pm
8. Other business		1:15pm
A. Nominations Committee [per s225(2)(a) and s225(2A)(a)]	FRC Nominations Committee Chair	
B. Correspondence received and sent	Chair	
C. Key Action Items Summary	FRC Secretariat	
9. Next meeting	Chair	1:30pm
25 June 2024 – Melbourne		
NON-PUBLIC SESSION		
10. Matters for non-public session*		1:40pm
Meeting Close		4:00pm

* Agenda item 10 will be held in private. The order of agenda items may be changed during a meeting.



ATTENDEES AND APOLOGIES

DESCRIPTION

Attached are the attendees and apologies for this meeting.

ACTION

- For noting.

Participant – FRC Members	Organisation
Andrew Mills	Chair
Keith Kendall	AASB Chair
Doug Niven	AUASB Chair
Michele Embling	XRB
Tracey Carroll	Department of Finance
Rachel Grimes	Digital Finance CRC
Pru Bennett	Brunswick Group

Observers	Organisation
Lachlan Alvey	Treasury
Zoe Irwin	Treasury
Jesse Chen	Treasury
Abed Ayyash	Treasury
Cooper Tym	Treasury
Kim Demarte	Treasury

Guests	Organisation
Luci Tucker	ASIC
Shane Barbetti	ASIC
Anne Waters	Office of the AUASB
Thea Eszenyi	ASIC
Nikole Gyles	AASB
Justin Williams	AASB
Matthew Zappulla	AUASB
April Mackenzie	XRB

Apologies	Organisation
Emma Herd	EY



DECLARATIONS OF INTEREST

DESCRIPTION

Attached are members' Declarations of Interest.

ACTION

It is recommended that the FRC:

- declare any interest that may be relevant (having regard to the meeting agenda and functions of the FRC)
- confirm the accuracy of the attached Declarations of Interest.

FINANCIAL REPORTING COUNCIL – REGISTER OF INTERESTS

as at 12 March 2024

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Mr Andrew Mills	Member, Tax and Transfer Policy Institute Advisory Board Graduate member, Australian Institute of Company Directors Chartered Tax Advisor, The Tax Institute Member, CPA Australia Fellow, Australian Institute of Governance Executive Committee Member, International Fiscal Association Australia Branch	Chair, Cemeteries and Crematoria NSW Principal Fellow/Associate Professor, University of Melbourne Law School Commissioner of the Independent Planning Commission of NSW Chair, Risk & Compliance Committee, Independent Planning Commission of NSW Chair, Public Rulings Advisory Panel, Queensland Revenue Office Member, External Reporting Board (NZ)	Director and Secretary, Ajay Investments Pty Ltd Member of Ajay Superannuation Fund (SMSF) that holds interests in listed securities and PE partnerships Son is Director, KPMG Tax & Legal Services QANTAS Chairmans Lounge and Virgin Beyond Lounge Membership
Dr Keith Kendall	Member, New Zealand Accounting Standards Board Fellow, CPA Australia Graduate, Australian Institute of Company Directors Member, The Tax Institute Member, Chartered Accountants Australia and New Zealand Member, Law Institute of Victoria	Chair and CEO, Australian Accounting Standards Board Treasurer, Samuel Griffith Society Member, Investment Committee, Royal Historical Society of Victoria President, Abbotsford Anglers Cricket Club	Director / shareholder / beneficiary: Cuffe Walk Pty Ltd Kendall Control Pty Ltd The Kendall Control Trust The Keith Kendall Family Trust
Mr Doug Niven	Fellow, Chartered Accountants Australia and New Zealand	Chair and CEO, Auditing and Assurance Standards Board	

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
	Member, New Zealand Auditing and Assurance Standards Board	Member, New Zealand Auditing and Assurance Standards Board Member, IAASB and IESBA Stakeholder Advisory Council	
Ms Tracey Carroll	Fellow, Chartered Accountants Australia and New Zealand	First Assistant Secretary, Shared Services, Department of Finance	
Ms Michele Embling	Chair, New Zealand External Reporting Board (XRB) Fellow, Chartered Accountants Australia and New Zealand (CAANZ)	Board Member, Toitū Tahua: Centre for Sustainable Finance Independent Director, Transpower New Zealand Limited Independent Director and Chair of Risk Reinsurance Limited Director of IAG New Zealand Limited Director of IAG (NZ) Holdings Limited Independent Director, AIA New Zealand Limited	
Ms Emma Herd	Member, Queensland Land Restoration Fund Investment Panel Member, Green Building Council of Australia (GBCA) Green Star Advisory Committee Co-Chair, Australian Sustainable Finance Institute Taxonomy Technical Expert Group (ASFI TTEG)	Director, EMLH Pty Ltd Partner, Climate Change and Sustainability Services, Ernst and Young Oceania	Former CEO of Investor Group on Climate Change Former Environment Commissioner with the Greater Cities Commission Former Head of Sustainability and Executive Director at Westpac Institutional Bank Former Board Member, Carbon Market Institute

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Ms Pru Bennett	<p>Fellow Institute of Chartered Accountants</p> <p>Graduate Member Australian Institute of Company Directors</p> <p>Chair National Foundation for Australia China Relations</p> <p>Director UN Global Compact Network Australia</p> <p>Council Member Asian Corporate Governance Association</p> <p>Member Singapore Institute of Company Directors</p> <p>Member of the Monetary Authority of Singapore's Corporate Governance Advisory Council</p> <p>Member of Deakin University Integrated Reporting Centre Advisory Board</p> <p>Board member Asian Investor Group on Climate Change</p>	<p>Partner Brunswick Group</p> <p>Member of the Advisory Council for Oasis Capital Hong Kong</p> <p>Member of the Sustainability Advisory Council for Link REIT</p>	<p>Director of Bened Pty Limited</p> <p>Director of Milliam Pty Limited</p> <p>Director of Brunswick Advisory Pty Limited</p>

FRC Member	Stakeholder / Professional / Organisational Affiliations	Employment / Other Positions Held	Other Interests
Ms Rachel Grimes AM	Graduate, Australian Institute of Company Directors Fellow, Chartered Accountants Australia and New Zealand (CAANZ), Fellow, Certified Practising Accountant Australia (CPAA) Fellow, Institute of Practising Accountant (IPA)	Director, Hub24 Limited Director, Australian Payments Plus Limited Director of the Accounting Professional Standards and Ethics Board (APESB) Director and Deputy Chair of Digital Finance Co-operative Research Centre (DFCRC) Director, Loreto Ministries Limited Chair of Surfing Australia Finance and Risk Committee Director, Angus Knight Pty Ltd	Director of 1972 Investments Limited (Holds one property and some Australian ASX listed shares by family) Trustee of P Grimes Employee Provident Fund (Family SMSF owns Aust and International managed funds and listed shares)



MINUTES OF PREVIOUS MEETING

DESCRIPTION

Attached are the minutes from the FRC meeting held on Wednesday 6 September, which were approved out of session and have been published on the FRC website.

Action items are summarised in item 8C.

ACTION

- For noting.

MINUTES

DATE: Tuesday 28 November 2023
TIME: 9:30am – 1:50pm
LOCATION: Treasury’s Sydney Office and Microsoft Teams

ITEM	AGENDA ITEM																														
	PUBLIC SESSION																														
1./1.A	Introduction																														
	The Chair began with an acknowledgement of country and welcomed all attendees to the meeting.																														
1.B	ATTENDEES AND APOLOGIES																														
	<table border="1"> <thead> <tr> <th>Members in attendance:</th> <th>Guests:</th> </tr> </thead> <tbody> <tr> <td>Andrew Mills (Chair)</td> <td>Anne Waters (AUASB)</td> </tr> <tr> <td>Dr Keith Kendall (AASB Chair)</td> <td>Justin Williams (AASB/AUASB)</td> </tr> <tr> <td>Suzanne Bell</td> <td>April Mackenzie (XRB)</td> </tr> <tr> <td>Rachel Grimes</td> <td>Greg Yanco (ASIC)</td> </tr> <tr> <td>Emma Herd - Virtual</td> <td>Clare LaBouchardiere (ASIC)</td> </tr> <tr> <td>Tracey Carroll</td> <td>Thea Eszenyi (ASIC)</td> </tr> <tr> <td>Pru Bennett</td> <td>John Ngiam (CAANZ)</td> </tr> <tr> <td>Doug Niven (AUASB Chair)</td> <td>Tiffany Tan (CPA)</td> </tr> <tr> <td></td> <td>Matthew Zappulla (AUASB)</td> </tr> <tr> <th>Apologies:</th> <th>Observers:</th> </tr> <tr> <td>Michele Embling (XRB Chair)</td> <td>Zoe Irwin (Treasury)</td> </tr> <tr> <td></td> <td>Jodic Chan (Treasury)</td> </tr> <tr> <td></td> <td>Athanasios Kallos (Treasury)</td> </tr> <tr> <td></td> <td>Cooper Tym (Treasury)</td> </tr> </tbody> </table>	Members in attendance:	Guests:	Andrew Mills (Chair)	Anne Waters (AUASB)	Dr Keith Kendall (AASB Chair)	Justin Williams (AASB/AUASB)	Suzanne Bell	April Mackenzie (XRB)	Rachel Grimes	Greg Yanco (ASIC)	Emma Herd - Virtual	Clare LaBouchardiere (ASIC)	Tracey Carroll	Thea Eszenyi (ASIC)	Pru Bennett	John Ngiam (CAANZ)	Doug Niven (AUASB Chair)	Tiffany Tan (CPA)		Matthew Zappulla (AUASB)	Apologies:	Observers:	Michele Embling (XRB Chair)	Zoe Irwin (Treasury)		Jodic Chan (Treasury)		Athanasios Kallos (Treasury)		Cooper Tym (Treasury)
Members in attendance:	Guests:																														
Andrew Mills (Chair)	Anne Waters (AUASB)																														
Dr Keith Kendall (AASB Chair)	Justin Williams (AASB/AUASB)																														
Suzanne Bell	April Mackenzie (XRB)																														
Rachel Grimes	Greg Yanco (ASIC)																														
Emma Herd - Virtual	Clare LaBouchardiere (ASIC)																														
Tracey Carroll	Thea Eszenyi (ASIC)																														
Pru Bennett	John Ngiam (CAANZ)																														
Doug Niven (AUASB Chair)	Tiffany Tan (CPA)																														
	Matthew Zappulla (AUASB)																														
Apologies:	Observers:																														
Michele Embling (XRB Chair)	Zoe Irwin (Treasury)																														
	Jodic Chan (Treasury)																														
	Athanasios Kallos (Treasury)																														
	Cooper Tym (Treasury)																														
1.C	Declarations of Interest																														
	Members had no further updates.																														
2.	MATTERS FOR NOTING / ACTION																														
2.A	Minutes of previous meeting – 6 September 2023																														

	Members noted the minutes from the FRC meeting on 6 September 2023 which had been approved out-of-session.
2.B	Matters Arising
	<p>Members reviewed the Matters Arising list and confirmed items that had been actioned and those in progress.</p> <p>Action item</p> <ul style="list-style-type: none"> • FRC Secretariat to update the Matters Arising document. • Pru to write an introductory email to introduce the CEO of ACSI, Louise Davidson to Andrew Mills. • FRC Secretariat to add the three sustainability stakeholders sent through by Emma to the FRC stakeholder list. • AASB/AUASB to inform FRC Secretariat of their Board meeting dates for 2024. • FRC to review the corporate strategy and AASB/AUASB annual reports at the March 2024 quarterly. • FRC Secretariat to send updates to members as soon as the FRC is in the media.
3.	ENVIRONMENTAL SCAN
3.A	Members Reflections
	<p>Members discussed the current financial reporting climate and the impacts of recent events.</p> <p>The FRC discussed and commented on:</p> <ul style="list-style-type: none"> • The media attention and mixed public reactions following the FRC’s Audit Quality Review release on 6 November 2023. <ul style="list-style-type: none"> – ASIC communicated at the meeting that contrary to the reduced audit file reviews, the impact of their investigations within the financial sector has made more of a change than has been publicised. ASIC also said that their enforcement action and review of firm culture has the attention of the audit firms. The chair acknowledged the ASIC view but noted that other views existed on the need for a broader file review program. – The FRC Chair stated that he had met with an important government stakeholder to discuss the AQR and its implications. • The recent announcement by the Treasurer to merge the FRC, AASB and AUASB.

	<ul style="list-style-type: none"> The impact of artificial intelligence on accounting and auditing. While there is hesitancy about utilising AI within the profession, the thoroughness of AI could result in more effective assurance. <p>The PSAG Chair also noted at the recent CA ANZ’s Leadership in Government awards, Peter Gibson, a member of PSAG, won an award for outstanding contribution to the public sector and accounting sector.</p>
3.B	Stakeholder Reports
	<p>The FRC members noted the stakeholder reports and commented on the information provided.</p> <ul style="list-style-type: none"> The FRC noted the importance of having more active investor and user representation in the stakeholder list to provide a more holistic understanding of the financial sector. There are some inconsistencies in information provided by stakeholders in their reports including a lack of commentary on the recent events relating to the major firms in Australia. Members agreed the stakeholder report template should request more direct information on key activities, current priorities, and ongoing matters. <ul style="list-style-type: none"> The FRC would be interested in obtaining further information from the larger audit firms on governance matters. Members discussed their concern with the overall governance of audit in Australia. There is a structural issue where ASIC supervises the auditors rather than the firms. The FRC discussed the ISSB’s sustainability standards particularly S1, S2 and the future projections for S3. <p>Action item</p> <ul style="list-style-type: none"> FRC Secretariat to write to the Big 6 audit firms for additional information about stakeholder reports regarding governance. FRC Secretariat to make changes to the Stakeholder report questions to make it clearer about the information the FRC is requesting.
4.	OVERSIGHT OF AUSTRALIAN STANDARDS (ACCOUNTING AND AUDITING)
4.A	AASB Report
	<p>The AASB Chair provided a verbal update of the AASB’s main activities this quarter including sustainability, the Asian-Oceanian Standard-Setters Group (AOSSG) Conference and the recent exposure draft sustainability standard.</p> <p>Sustainability</p> <ul style="list-style-type: none"> The exposure draft sustainability standard has been the primary focus since the last FRC quarterly meeting. NZ were advised by IFRS/ISSB that they will make an announcement around COP28 regarding adoption: either jurisdictions are adopting or on a journey to adoption.

	<ul style="list-style-type: none"> • Members discussed the importance of data and modelling for investors. The AASB Chair detailed how much the AASB will reach out to not-for-profit companies beyond Tier 3. • Climate reporting has partially begun in NSW public sector. NSW Treasury has released guidance about public sector sustainability reporting. <p>AOSSG Conference Highlights</p> <ul style="list-style-type: none"> • The AASB was successful in being elected to the AOSSG’s Vice Chair role which will be represented by the AASB Chair. • The event ran from 20 – 24 November 2023 and included a sustainability reporting symposium. Hundreds of international representatives attended the event both from the Asian Oceania region as well as Europe. There was positive feedback from representatives about the inclusion of the sustainability reporting symposium in the event. <ul style="list-style-type: none"> – The Chair of the IASB, Dr Andreas Barckow, also attended in person and spoke at the conference.
4.B	AUASB Report
	<p>The AUASB Chair provided a verbal update of the AUASB’s main activities this quarter.</p> <ul style="list-style-type: none"> • The baseline for the AUASB’s sustainability assurance work will be the international standard ISSA 5000 which is being developed. The AUASB have completed roundtables with the IAASB and finalised a submission on the IAASB exposure draft. • The AUASB is focusing on several aspects of sustainability and the auditing and assurance standards, for example, legislation i.e. who provides what and when? Demand for voluntary assurance creates additional challenges. • As a starting point, the AUASB is aiming to have an Exposure Draft on ISA 240 <i>The Auditor’s Responsibilities Relating to Fraud in an Audit of a Financial Report</i> out in early 2024 following the expected release of an IAASB exposure draft.
5.	MONITORING AND INFLUENCING INTERNATIONAL DEVELOPMENTS
5.A	XRB Update
	<p>April Mackenzie provided a verbal update of the XRB’s current priorities, goals, and achievements.</p> <ul style="list-style-type: none"> • In November, the XRB representatives travelled to Europe to attend 16 meetings over 5 days with a range of standard setters and regulators to reaffirm and build new stakeholder relationships. <ul style="list-style-type: none"> – Some jurisdictions focused more on financial materiality for investors. – Spain, A4S and Coalition of Capitals had a sense that focusing on financial materiality would not shift the dial enough for sustainability.

	<ul style="list-style-type: none"> Following the AOSSG event, Dr Andreas Barckow travelled to New Zealand for 5 days to discuss several matters with the XRB including climate-related matters and intangible assets. Mark Babington, Executive Director at the UK FRC and member of the IESBA's work on sustainability, also visited New Zealand to discuss contemporary matters relevant to the XRB's work. The XRB noted that the attractiveness of the audit partner route is shrinking. The XRB confirmed that the Greenhouse gas emission assurance standard will be enforced from 2024.
5.B	International Developments
	Members noted the information attached in the meeting pack.
6.	Public Sector Advisory Group
	<p>The PSAG Chair, Tracey Carroll, provided a verbal update of information collected from the public sector including sustainability reporting.</p> <ul style="list-style-type: none"> The Heads of Treasury Accounting and Reporting Advisory Committee (HoTARAC) chair is likely to be confirmed soon. HoTARAC and the Australasian Council of Auditors General (ACAG) both expressed interest in being included in the FRC stakeholder reports. The feedback on talent management regarding preparers and assurers is that there are still issues on attracting and retaining staff. Themes in financial reporting and audit quality in the public sector may be distilled for the next FRC quarterly, when jurisdictions reporting processes are complete.
7.	Parliamentary Inquiries
	<ul style="list-style-type: none"> FRC members discussed the Parliamentary Joint Committee on Corporations and Financial Services (PJC): <i>Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry</i>. <ul style="list-style-type: none"> The FRC, AASB and AUASB's hearing date has been deferred to 2024. The FRC noted that the FRC Chair and FRC member, Rachel Grimes (attending in her capacity as APESB Director), would shortly be on a panel with Senator Deborah O'Neil at the IPA National Congress to discuss the topic <i>Post-PWC: Where do we go from here?</i> The FRC discussed governance, ethics, disclosure, whistleblowing and transparency concerns regarding the larger firms and the professional bodies. <ul style="list-style-type: none"> Members noted that practitioners have expressed concern about the management of ethics by professional bodies and whether ethic reviews occur frequently enough. It was

	<p>noted that there needs to be more transparency for reporting starting with government policy changes.</p> <ul style="list-style-type: none"> – The XRB sets the professional and ethical standards for assurance practitioners who are required to follow XRB standards (via law or contract). The XRB does not set the ethical code for professional accountants who are not assurance practitioners. • The FRC members also gave their thoughts on the Switkowski report and noted that the FRC, AASB and AUASB’s attendance at the PJC hearing in 2024 may include matters raised in that report and its recommendations.
8.	Other Business
8.A	Nominations Committee
	<p>Suzanne Bell, Chair of the Nominations Committee, provided a verbal update on appointments and the outcome of the recent interview process for the AASB member position.</p> <ul style="list-style-type: none"> • Interviews for 5 candidates occurred on 27 November with one standout candidate. Other candidates were found suitable, and contact will continue with the unsuccessful candidates for future positions. • FRC members agreed to the recommended reappointment of AASB and AUASB members specified in the meeting papers. The terms of reappointment will end in mid-2026 to coincide with timing of institutional reforms.
8.B	Correspondence received and sent
	Members noted the correspondence sent to the Treasurer.
8.C	Key Action Items Summary
	<p>At the close of the meeting, the Nominations Committee Chair, Suzanne Bell, announced her resignation from the FRC. The FRC Chair thanked Suzanne for her enormous contributions to the FRC over her years of service.</p> <p>Action Items</p> <ul style="list-style-type: none"> • FRC Secretariat to update the Matters Arising document. • Pru to write an introductory email to establish Louise Davidson as the ACSI contact. • FRC Secretariat to add the three sustainability stakeholders sent through by Emma to the FRC stakeholder list. • AASB/AUASB to inform FRC Secretariat of their Board meeting dates for 2024. • FRC to review the corporate strategy and AASB/AUASB annual reports at the March 2024 quarterly.

	<ul style="list-style-type: none"> • FRC Secretariat to send updates to members as soon as the FRC is in the media. • FRC Secretariat to write to the Big 6 audit firms for additional information about stakeholder reports regarding governance. • FRC Secretariat to make changes to the Stakeholder report questions to make it clearer about the information the FRC is requesting.
10.	Next Meeting
	The FRC Secretariat will notify members with proposed dates for meetings in 2024.
	Public Session closed at 1:50pm



ITEM 2B
19 MARCH 2024

MATTERS ARISING

DESCRIPTION

Attached are the matters arising from the FRC meeting held on Tuesday 28 November 2023.

Actions items have been separated between ongoing action items and action items with deadlines.

ACTION

For noting.

MATTERS ARISING – MASTER

28 NOVEMBER 2023 ACTION ITEMS

Number	ISSUE	Action required	Owners	Status
1.	OVERSIGHT OF AASB AND AUASB	The AASB and AUASB to draft initial/preliminary thought leadership documents about the scope of reporting and assurance requirements, including emerging issues and investor expectations.	AASB and AUASB	In progress – an update to be provided at the June 2024 quarterly meeting.
2.	SUSTAINABILITY	FRC Secretariat to add the three sustainability stakeholders sent through by Emma to the FRC stakeholder list.	FRC Secretariat	Complete
3.	NOMINATIONS COMMITTEE	FRC to appoint a new Nominations Committee Chair in March 2024.	FRC Secretariat	Complete – Rachel Grimes is the new Nominations Committee Chair
4.				
5.	INTERNATIONAL	Approach Gary Pflugrath regarding applying for role on IFRS Advisory Council	Keith Kendall	Complete – Gary applied and was not successful
6.		Make application for IAASB/IESBA Stakeholder Advisory Council role subject to government clearance processes for taking on additional roles	Doug Niven	Complete – Doug was successful
7.				
8.	STAKEHOLDER ENGAGEMENT	Add Australian Sustainable Finance Institute (ASFI) and the Financial Services Council (FSC) to the FRC’s stakeholder list.	FRC Secretariat	Complete
9.		Pru Bennett to contact (Australian Council of Superannuation Investors) ACSI about responding to the FRC’s stakeholder report requests.	Pru Bennett	Complete

MATTERS ARISING – MASTER

Number	ISSUE	Action required	Owners	Status
10.		Pru Bennett to set up an introductory email to establish Louise Davidson as the ACSI contact.	Pru Bennett	Complete
11.	TALENT ATTRACTION AND RETENTION	Draft and circulate a brief out-of-session to seek funding for an academic to gather evidence on FRC members' anecdotal experiences, and to research strategies regarding talent management in other jurisdictions.	FRC Secretariat	In progress
12.	PJC RECOMMENDATIONS	Draft and circulate a letter to the Minister recommending legislative change regarding disclosure of auditor tenure and audit fees in the directors' report, addressing going concern in directors' declarations if the auditor is required to make disclosure in all audit reports, and making the quality management standard for audit firms enforceable under the <i>Corporations Act</i>	FRC Secretariat	Complete – Letter sent on 12 March 2024
13.	STAKEHOLDER REPORTS	The FRC Secretariat to write to the Big 6 for additional information about stakeholder reports regarding governance.	FRC Secretariat	Complete
14.		Make changes to the Stakeholder report questions to make it clearer about the information the FRC is requesting.	FRC Secretariat	Complete – FRC Members had no changes
15.	NEXT MEETINGS	Liaise with the Office of the AASB and AUASB to ensure 2024 FRC quarterly meetings take place after AASB and AUASB meetings.	FRC Secretariat	Complete
16.		FRC to review the corporate strategy and AASB/AUASB annual reports at the March quarterly.	FRC Secretariat	Complete – In the March papers

ONGOING MATTERS

MATTERS ARISING – MASTER

Number	Issue	Action required	Owners	Status
1.	STAKEHOLDER ENGAGEMENT	FRC members to use stakeholder engagement to identify people with skills to be a AUASB and AASB candidate.	FRC	Ongoing
		The FRC to continue seeking targeted feedback on strategic issues through its Stakeholder Reports and one-on-one high level stakeholder engagement to monitor the matters referred to in the ASIC Act (such as professional ethics) on a periodic basis	FRC	<p>Ongoing – FRC to continue sending out Stakeholder Report requests and the FRC Chair to continue meeting with stakeholders.</p> <p>Note that the next set of Stakeholder Reports will be prepared for the March 2024 quarterly.</p>
5.	INTERNATIONAL NOMINATIONS	Explore whether identified candidates for international roles should be put forward for nomination.	FRC Secretariat	In progress

MATTERS ARISING – MASTER

Number	Issue	Action required	Owners	Status
7.	OTHER	FRC Secretariat to circulate relevant media clippings about financial reporting and audit to all FRC members.	FRC Secretariat	Ongoing



ITEM 3A
19 MARCH 2024

MEMBER REFLECTIONS

DESCRIPTION

Members to update the FRC with contemporary and relevant matters from their fields of expertise including domestic and international events that may impact the Australian financial space.

ACTION

For discussion.



STAKEHOLDER REPORTS

DESCRIPTION

On 14 February 2024, the FRC Secretariat sent specific questions targeted at governance (available at **Attachment A**) to some stakeholders and sent the standard stakeholder report template to others.

Stakeholder responses can be found at **Attachment B**.

Stakeholder Meetings

As part of the FRC's engagement with the financial reporting sector, the Financial Reporting Council Chair, has annual meetings with stakeholders to discuss current objectives, challenges, and possible improvements.

The most prevalent theme to emerge from those discussions relates to sustainability and climate reporting including some issues involved. There have also been some key themes around limited assurance with Scope 1, 2 and 3, vague timetables for phasing in mandatory assurance, litigation risks, and concerns with the Australian standard setters straying from the adoption of international sustainability standards. Many companies are not reporting until it is mandatory and may not be ready for when it is.

Stakeholder meetings and additional key themes can be found at **Attachment C**.

ACTION

- The FRC to discuss the reports provided by stakeholders.
- FRC Chair to provide a verbal update of meetings with stakeholders.

STAKEHOLDER REPORT:

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- [Insert]

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- .
- .
- .

SPECIFIC QUESTIONS FOR STAKEHOLDER

The FRC considers the responses to the following specific questions to your organisation are relevant to its objectives and current work agenda. Please respond as substantively as possible.

- What have been the reactions/changes in governance processes within your organisation following the events that transpired in 2023?

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- .
- .
- .

STAKEHOLDER REPORT: The Australasian Council of Auditors General

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- Development of climate reporting frameworks in each jurisdiction as well as reporting and assurance standards developments. ACAG submitted a response to the AASB Exposure Draft on Climate Reporting. These developments will have a significant impact on ACAG member organisations.
- Concern raised that the transition seems rushed for preparers and auditors. There is a risk of expectation gaps being created with users of the reports and also risks to the development of quality reports.
- Resourcing challenges are still impacting on the audit profession and the need to create new skills (eg for assurance of climate reporting) may create a risk to quality which needs to be managed. There is a view that more needs to be done to attract people to the profession.
- ACAG would like to get an understanding of the views of the FRC on the anticipated risks and benefits from merging the FRC, AASB and AUASB and the role of the FRC in delivering the merger.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- Submission to AASB on Exposure Draft for Climate reporting
- Audit offices working with Departments of Treasury / Finance on climate reporting and assurance in their jurisdictions.
- Implementation of ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, including assessment of quality management systems

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

-
-
-

STAKEHOLDER REPORT: ACNC

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- We continue to work with all states and territories to reduce red tape. In February 2024, the NSW Parliament passed the [Customer Service Legislation Amendment Bill 2023](#). This legislation will introduce the deemed recognition model in NSW for ACNC charities, reducing red tape for charities that fundraise in NSW.
- We are currently preparing a submission to [Exposure Draft 2 of the International Non-Profit Accounting Guidance \(INPAG\)](#). This presents a unique opportunity for the AASB to consider insights from the INPAG development process for our domestic Tier 3 development within the Australian jurisdiction.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- The [ACNC Charity Register](#) now publishes information about related party transactions. This includes the relevant disclosure in annual financial reports for medium and large charities. These disclosures are in accordance with the AASB 124 or AASB 1060 from the 2023 AIS reporting period.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- We are in the process of updating our audit and review report templates to align with the [AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates](#), which made amendments to AASB 101 *Presentation of Financial Statements* to require entities to disclose their material accounting policy information rather than their significant accounting policies.

STAKEHOLDER REPORT: ACSI

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- Mandatory climate reporting and other sustainability reporting standards – ensuring the standards are fit for purpose for the wide range of preparers.


KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- Considering the draft climate and sustainability reporting standards from both a user and preparer perspective
- Discussing the need for guidance to support robust climate reporting
- Discussing the need for guidance (or standards) to be developed on how to consistently incorporate climate risk (and other relevant climate considerations) into valuation models. The general market approach is not reflective of the acceptance of climate risk as financially material.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- 
- 
- 

STAKEHOLDER REPORT: AICD

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- preparation for mandatory climate reporting commencing potentially as early as 1 July 2024;
- cyber security governance, including the Australian Cyber Security Strategy and the recommendations of the Privacy Act review;
- other non-financial reporting obligations, including modern slavery reporting, workplace sexual harassment and gender pay gap reporting;
- continuous disclosure obligations, including the outcome of the current independent review into the 2021 reforms which reintroduced a fault element into the continuous disclosure laws including its application to climate change and cyber incidents;
- industrial relations reform, including *Closing the Loopholes No 1* and *No 2*;
- audit quality issues, including those identified in the 6 November 2023 FRC Report;
- artificial intelligence (AI) governance; and
- cumulative regulatory impact on directors.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- On 4 March 2024, the AICD, through the Climate Governance Initiative (CGI) Australia and in partnership with Pollination, issued its second Climate Governance Study, [*Climate Governance Study 2024: Moving from vision to action*](#). The study, which looked at perspectives and actions on climate governance across Australia's director community and how this has changed since the first study in 2021, was based on a survey of just over 1,000 AICD members, along with interviews and group consultations with 24 senior non-executive directors and chairs.
- On 28 February 2024, the AICD, in partnership with the Cyber Security Cooperative Research Centre (CSCRC) and Ashurst, issued a [*Governing through a Cyber Crisis*](#) resource to assist directors governing through a critical cyber incident. This resource builds on the [*Cyber Security Governance Principles*](#) released in October 2022 which have had over 20,000 downloads.
- In late November 2023, the AICD released a self-paced [*climate governance e-learning course*](#) which provides an introduction to climate governance. To date, there have been over 2,000 registrations. This e-learning course was followed by the launch of a four week [*climate short-course*](#) commencing at the end of March 2024, with the first few sessions already sold out.
- The AICD has made [*submissions*](#) to various consultations, including relevantly: climate-related financial disclosures (Treasury and the AASB), Sustainable Finance Strategy, Draft International Standard on Sustainability Assurance, Continuous Disclosure Review and the *Modern Slavery Amendment (Anti-slavery Commissioner) Bill 2023*.

STAKEHOLDER REPORT: AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY – MARCH 2024

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- APRA continues to monitor and respond to the array of risks present in the system, which are causing economic uncertainty. Macroeconomic conditions are being impacted by inflationary pressures and uncertainty on the future direction of interest rates, as well as escalating geopolitical tensions. These are live issues and they pose a potential risk to financial stability.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

APRA's activities over the period have been focused on:

- Monitoring the implementation of AASB 17 as it has become part of business as usual.
- Engaging with the AASB on financial instruments with characteristics of equity.
- Engaging with AASB and AUASB on climate-related-risk disclosures.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- N/A

STAKEHOLDER REPORT: AUSTRALIAN BUSINESS REPORTING LEADERS FORUM (BRLF)

KEY ISSUES/DEVELOPMENTS

Key issues and external developments impacting Deakin Integrated Reporting Centre (DIRC) / BRLF:

- Integrated reporting adoption has stalled in Australia and directors and executives are confused about ‘should we continue?’ or ‘should we start? (with integrated reporting)’. This has occurred at a time when integrated reporting is most needed to manage the volume, complexity and accessibility of reporting while improving its usefulness for investors and other stakeholders. Companies are or will be looking for the ideal location of disclosures to be made under Australian equivalents of IFRS Sustainability Disclosure Standards S1 and S2 in 2024 and beyond.

At the same time, Treasury is proposing legislation to create another new report – an audited ‘sustainability report’ with only one component, a ‘climate statement’ and associated disclosures – for inclusion in annual reports.

An integrated report is that ideal location for such disclosures as it puts metrics in the context of the description of the business in the integrated report. Such a report also provides suitable criteria for assurance under international and Australian assurance standards. Integrated reporting is a process founded on integrated thinking, or better business practice. Successful integrated reporters around the world almost invariably report that adopting integrated reporting improves their businesses. The integrated report is an outcome that reflects the business improvement achieved.

DIRC’s submission on Treasury’s proposed legislation makes the case for not creating another report and instead using integrated reporting to incorporate governance and business model information, the required content of the sustainability report, and disclosures under the Australian equivalents of S1 and S2, in an existing report within the annual report.

We believe that the FRC should take a lead role in addressing the hiatus of integrated reporting in Australia as a contribution to Australia progressing towards the core objects set out in section 224 of the ASIC Act, as progressing integrated reporting is not at least at this stage a matter for standard-setters. We believe that pursuing such a strategy would be an ideal exercise of the FRC’s powers under section 225(1)(g) of the ASIC Act.

The FRC could analyse the drivers of success with integrated reporting in countries which have achieved widespread and growing momentum for integrated reporting adoption including Japan, France, Brazil, Turkey and South Africa, and build on these models in Australia. The Deakin Integrated Reporting Centre would be pleased to assist the FRC with this.

- In January 2024 the ISSB Board discussed a paper summarising stakeholder feedback on its 2024-25 agenda consultation on a potential *Integration in Reporting* (involving integrated reporting) project:
 - No decisions on this were made at this board meeting – decisions expected in Q2.
 - The other three potential projects (biodiversity and ecosystem services; human rights; human capital) had been discussed at an earlier ISSB Board meeting.
 - The public statement from the chairs of the IASB and ISSB, which advocates for the continued adoption of the Integrated Reporting Framework, remains in place. The joint

IASB-ISSB Board meeting on 25 January heard how the Boards continue to support market adoption of the Framework. A mapping tool has been created to show the fit between the content elements in the Framework and the disclosure requirements of IFRS S1 and S2. A key priority in 2024 and 2025 will be to seek adoption of S1 and S2 by companies that use the Integrated Reporting Framework. Other pieces of evidence confirm the IFRS Foundation, IASB and ISSB's commitment to the future of the Integrated Reporting Framework and integrated reporting:

- The Framework was a key building block of S1 and is / will be in other IFRS Sustainability Disclosure Standards, as were the TCFD Recommendations. The Framework was a key building block of the TCFD Recommendations.
 - The special podcast issued by the Vice-Chairs of the ISSB and IASB, Sue Lloyd and Linda Mezon-Hutter, immediately after the joint Board meeting on 25 January could not be clearer about both Boards' commitment to Integrated Reporting and their recognition of the Integrated Reporting Community that has created the Framework, Integrated Thinking Principles and the stakeholders who underpin it: [IFRS - IFRS Foundation publishes special IASB-ISSB podcast episode](#)
 - The Integrated Reporting and Connectivity Council (IRCC) remains an advisory body – on integrated reporting matters – to the IFRS Foundation, IASB and ISSB. It most recently met on 30 January and points raised at that meeting have been reported to the Trustees and will be reported to the IASB and ISSB.
 - The Vice-Chairs of the IASB and ISSB reported to the 30 January IRCC meeting on the recent inaugural joint meeting of the IASB and ISSB Boards. Among other things, they noted that there is widespread support for the International Integrated Reporting Framework and Integrated Thinking principles as valued resources of the IFRS Foundation.
 - The IFRS Foundation's Integrated Reporting Communities Program remains active. There are 30 such communities around the world, including the BRLF here in Australia/ The most recent Communities event was on 6 February. Events in 2023 and 2024 have / will focus on the recommended continued use of the International Integrated Reporting Framework in the manner described under the summary of DIRC submissions to recent consultations.
 - John Stanhope as Chair of the BRLF and DIRC Advisory Board observes the international developments firsthand a member of the Integrated Reporting and Connectivity Council, an advisory body to the IFRS Foundation Trustees, IASB and ISSB. Michael Bray is a member of the IFRS Foundation's Connectivity and Integrated Reporting team and leads the Integrated Reporting Communities Program.
- Consultation on a proposed 5th Edition of the ASX Corporate Governance Principles and Recommendations is now open. Given the inclusion of Recommendations 4.3 (disclosure by directors about measures to ensure the integrity of corporate reporting, with references to the Integrated Reporting Framework) and 7.4 (on social and environmental risk disclosures before the ISSB had been created) in the 4th Edition, we recommend that the FRC take an active interest in the consultation process around the proposed 5th Edition.

These recommendations¹ have been strengthened in the Consultation Draft. In addition, Recommendation 4.1, which previously only referred to the board of directors' accountability for the integrity of financial statements, now refers to all corporate reports.

- IFAC released The State of Play: Sustainability Disclosure and Assurance 2019-2022 Trends & Analysis in February 2024. Internationally:
 - “While trends in 2022 were positive—more reporting, more assurance, and broader scope reporting / assurance—the need for transition toward mandatory disclosure requirements remains clear. 87% of companies continued to use a mix of standards and frameworks for reporting on ESG and it is unclear whether most provided their information “in accordance with” the requirements of well-established standard setters.”
 - “As adoption of International Sustainability Standards Board (ISSB) standards is taking hold and as mandatory reporting and assurance begins in the European Union, the role of corporate governance inside of reporting entities must become a priority.”
 - Sustainability information is increasingly included with financial information.
 - 40% of companies included sustainability information in their annual report, up from 24% in 2021.
 - 27% of companies included sustainability information in their integrated report, up from 21% in 2021.
 - Use of stand-alone sustainability reports has declined by 27 percentage points since 2019.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Key activities relevant to FRC's objectives undertaken by DIRC / BRLF since last reporting period:

- **Key uncertainties noted for Australian companies in the current Australian environment:**
 - International reporting:
 - No decisions yet on the ISSB agenda for 2024-25, including a potential Integration in Reporting project – decisions likely Q2 2024
 - No further IFRS Foundation public announcements have been made on integrated reporting since the May 2022 announcement by the Chairs of the IASB and ISSB recommending the continued adoption of the Integrated Reporting Framework.
 - Importantly, Richard Sexton was appointed a Trustee of IFRS Foundation in late-2023. Richard is the former Chairman of the Board of the International Integrated Reporting Council, and was until its consolidation with the IFRS Foundation, Co-Chair of the Value Reporting Foundation.
 - International assurance:
 - Submissions on the Exposure Draft of ISSA 5000, general requirements for sustainability reporting assurance, are being considered by the IAASB.
 - DIRC has provided examples to the IAASB on evaluating the description of the business in forms of reporting requiring a description of the business for inclusion in reports, including integrated reports where the description of the business is foundational.
 - Australian reporting and assurance viewed in an international context.

¹ Recommendation 4.3 is now Recommendation 4.2 in the draft 5th Edition

- Legislation enabling the AASB to set sustainability standards was passed by Parliament in November 2023.
 - However:
 - Treasury has proposed creating **another** mandatory report (the Sustainability Report), which will add to the volume and complexity of reporting and add to director concern / confusion.
 - AASB has proposed 'climate only', not 'climate first', Australian equivalents to IFRS Sustainability Disclosure Standards S1 and S2 (recognised as the global baseline).
 - The consequence is that Australia will not be aligned with the global baseline as well as having added volume and complexity, which will not be conducive to international investment nor achieving the core objects of section 224 of the ASIC Act.
 - Directors are confused and concerned as integrated reporting adoption has stalled when it is in our view a key to reducing the volume and complexity of reporting while improving its usefulness for investors and other stakeholders.
- **DIRC has made submissions to a number of recent relevant consultations**, as set out below. Common themes in recent Deakin submissions to Treasury, the AASB and AUASB which build on the above concerns and propose solutions:
 1. An integrated report is the ideal location for disclosures under S1 and S2, as well as material metrics from IFRS Accounting Standards and other business-critical metrics (eg quality of governance and management, customer satisfaction, employee strategic alignment, innovation / intangibles):
 - Metrics provided in the context of the description of the business
 - Integrated report - suitable criteria for assurance under Australian version of ISSA 5000
 - Independently assured integrated report useful for investors and other stakeholders

Such a report should be mandated or required on an 'if not, why not?' basis in Australia, by consolidation with the existing review of operations / operating and financial review and proposed sustainability report in annual reports. The report could alternatively be named an 'integrated report' or a 'sustainability, operating and financial' review / report.
 2. We need climate-first, not climate-only Australian legislation, standards and corporate governance rules. Integrated reporting will only become more useful and important as further sustainability-related financial disclosure standards beyond climate are added.
 3. Maximum international alignment with the global baseline should be sought such that Australia is recognised as aligned by the IFRS Foundation – important to international investors and Australia achieving the core objects set out in section 224 of the ASIC Act.
 - **Deakin submissions reflecting (or which will reflect) these themes:**
 - Treasury consultations on climate-related financial disclosure regime in Australia.
 - AASB consultation on Australian equivalents to S1 and S2
 - Consultation Draft of 5th Edition of ASX CG Principles & Recommendations released on 27 February 2024. Submissions due by 6 May 2024.
 - AUASB consultation on an Australian equivalent to IAASB's proposed general requirements sustainability reporting assurance standard, ISSA 5000. The nuance in the DIRC submission is that the standard needs to include examples to support assurance practitioners in evaluating

the description of the business and selection of metrics in integrated reports and integrated reporting-like reports. DIRC has provided drafts of such examples to the IAASB.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Other activities not covered above which are relevant to the FRC's objectives undertaken by DIRC / BRLF since the last reporting period:

- DIRC has been reviewing its planned research and teaching activities for 2024 and beyond in the light of the above developments and submissions.
- DIRC with the Deakin Law School will host a relevant event, 'Embracing Integrated Thinking: Enhancing Organisational Governance through Integrating Sustainability, including Climate and Other Environmental Disclosures', on 22 April 2024. This event will connect the key integrated reporting themes of integrated thinking, governance, sustainability and integrated reports.

STAKEHOLDER REPORT: CHARTERED ACCOUNTANTS AUSTRALIA AND NEW ZEALAND

KEY ISSUES/DEVELOPMENTS

- We have launched [Going Further – A roadmap to enhanced trust and accountability](#). It articulates 14 actions to maintain and enhance public trust in the profession and beyond. It includes actions for CA ANZ, members, government, and large firms. The roadmap has been developed through engagement with members, our board and council, and careful analysis of the issues and public debate over the past year.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

- In partnership with the University of Melbourne and the University of Queensland we have released our third [research report](#) into how climate-related risks are impacting financial statements of listed entities in Australia, New Zealand and the rest of the world. The research examines both the financial statement areas and the industry sectors of the entities whose financial statements refer to climate-related risks.
- We have released the December 2023 editions of our Australian and New Zealand [Reporting Essential Guides](#) and [Assurance Essential Guides](#). These publications highlight the impact of the key reporting and assurance developments for this reporting season, as well as regulatory focus areas.
- We have been engaging with the Queensland state government and the Queensland Building and Construction Commission (QBCC) and [advocating](#) for the amendment of the Minimum Financial Reporting (MFR) Regulations to permit smaller licensees to prepare Special Purpose Financial Statements (SPFS). The Queensland Government has now amended the [MFR Regulations](#) to enable licensees in financial categories SC1, SC2 and categories 1 to 3 to no longer prepare General Purpose Financial Statements (GPFS) from 16 February 2024.
- We have continued work on our ongoing research and thought leadership activities including projects focused on attracting and retaining talent in the audit profession, audit technology and the use and risks of AI, and investor confidence and needs when it comes to reporting and audit in Australia.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

- We facilitated input from members and completed several [submissions](#) including: Treasury Climate-related financial disclosure: exposure draft legislation, IAASB ED ISSA 5000 Sustainability Assurance Engagements, IFRS IC TAD Climate-related Commitments.
- Our online [Sharing Knowledge: Reporting and Audit Update](#) for December 2023 attracted over 1,500 members for a session focused on audit and reporting quality, and the latest resources for directors, auditors and preparers.
- Our online Professional Standards Roadshow in February 2024 attracted almost 2,000 members for a session focused on member obligations, quality review outcomes, changes to our professional standards framework and the code of ethics.
- In February the CA ANZ Board approved revisions to CA ANZ regulation CR 7 Continuing Professional Development. The amendment increased the ethics learning requirement from 2 hours to 6 each triennium.

- In December 2023 we published the [Professional Standards Annual Report – Australia](#). This report provides information about the work of the Professional Standards team to educate, monitor and discipline CA ANZ members.
- In February 2024 we received [approval of an extension to our professional standards scheme](#) to July 2025.
- We continue to appear and engage with the two parliamentary inquiries relevant to the profession.
 - [Management and assurance of integrity by consulting services](#)
 - [Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry](#)

STAKEHOLDER REPORT: CPA

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- CPA Australia continues to be involved in providing input to the two Parliamentary inquiries (Senate Finance and Public Administration References Committee inquiry into management and assurance of integrity by consulting services, and the Parliamentary Joint Committee on Corporations and Financial Services (PJC) inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- Audit and assurance:
 - CPA Australia submission made to the International Auditing and Assurance Standards Board (IAASB) on its Proposed International Standard on Sustainability Assurance Engagements (ISSA 5000).
 - CPA Australia and CA ANZ provided our feedback on the joint submission to the Australian Prudential Regulation Authority (APRA) on its consultation on superannuation prudential framework – consequential audit updates.
- Financial reporting:
 - Joint submissions (with CA ANZ) made:
 - : [International Public Sector Accounting Standards Board Strategy and Work Program 2024-2028](#)
 - : [IASB - Tentative Agenda Decision: Climate-related Commitments \(IAS 37\)](#)
 - : [XRB Consultation - Public Benefit Entity Tier Sizes](#)
 - : [Productivity Commissions Future foundations for giving draft report](#)
 - : [Not-For-Profit Sector Development Blueprint issues paper](#)
- Sustainability Reporting
 - Joint submissions (with CA ANZ) made:
 - : [Climate-related financial disclosure: exposure draft legislation](#)
 - : [Australian Sustainability Reporting Standards - Disclosure of Climate-related Financial Information](#)

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

Nothing in addition to what has been provided above.

STAKEHOLDER REPORT: DELOITTE TOUCHE TOHMATSU

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

-

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

-
-
-

SPECIFIC QUESTIONS FOR STAKEHOLDER

The FRC considers the responses to the following specific questions to your organisation are relevant to its objectives and current work agenda. Please respond as substantively as possible.

- What have been the reactions/changes in governance processes within your organisation following the events that transpired in 2023?

We acknowledge the important work of the various public inquiries in elevating the dialogue about the role, impact and expectations of our profession.

We believe it is important that there is an overarching vision and governance framework for the system in which professional services organisations, irrespective of their legal structures, operate in Australia. The development of such a framework should address any gaps in regulatory oversight, reduce duplication, ensure greater alignment and consistency between regulatory and professional associations, and consider matters of structure, governance, accountability and transparency to uniformly strengthen the system.

The Deloitte Australia Board and Executive team set a very clear tone from the top regarding integrity and the importance of complying with our ethical frameworks. We have made significant investments in designing and implementing systems, policies and processes to ensure we appropriately manage conflicts of interest, ensure auditor independence and embed ethical behaviour – recognising the firm's public interest responsibility and the standard of behaviour expected of us as professionals.

In light of public reporting on matters associated with consulting firms over the last year, in addition to assessing our policies and practices for working with government and public sector clients, we have also conducted reviews of the Independent Review of Governance, Culture and Accountability at PwC Australia by Dr Ziggy Switkowski and the Independent Review of Workplace Culture at EY by Elizabeth Broderick & Co.

STAKEHOLDER REPORT: GOVERNANCE INSTITUTE OF AUSTRALIA – MARCH 2024

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- One issue our members would like to raise is the introduction of mandatory climate related financial disclosure. Particularly the timeframe for finalisation of SR1 and the legislation imposing the reporting requirement. We have recently raised this issue in our [submissions](#) to both the AASB and Treasury. The proposed date for commencement of the amendments to the Corporations Act of 1 July 2024 is unrealistic given that SR 1 is still in development. Our members have also raised concerns about the impact on the proposals on smaller entities and consider there should be a simplified reporting regime for these entities.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- N/A

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- N/A

STAKEHOLDER REPORT: INSTITUTE OF PUBLIC ACCOUNTANTS

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- The PwC matter continues to impact IPA and our members in terms of Parliamentary inquiries and the impact on the reputation of the accounting profession.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- NA

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

- IPA appeared before the Senate Finance and Public Administration References Committee – Inquiry into the management and assurance of integrity by consulting services on 23 February 2024.
- At the beginning of February, the IPA issued the annual Professional Standards Declaration to all Professional Practice Certificate holders. The results will inform the Annual Professional Standards Report which will be lodged with the Professional Standards Councils/ Authority by 31 March 2024.

STAKEHOLDER REPORT: ASA

KEY ISSUES/DEVELOPMENTS

In this section, please insert the key issues and external developments currently impacting your organisation.

- ASA stands up for retail shareholders at AGMs, how a company handles remuneration is a focus. During 2023, we attended 200 meetings where there were 20 remuneration reports strikes which compares to 11 in the previous corresponding period. The increase was despite limited use of discretion to give higher bonuses than the existing framework would deliver and fewer retention bonuses with no hurdles. Shareholders seemed to be more critical of companies, which we have seen in the past when share prices are down or the outlook is uncertain. The loss of trust engendered by governance failures at the likes of PwC and Qantas also contributed to dissatisfaction expressed in shareholder votes. ASA representatives attended 200 company meetings during 2023. We represented 29,195 shareholders for a proxy value of \$2.8bn (\$3.6bn pcp).
- ASA policy priorities for FY23/24 are:
 - Balancing risk and opportunity in accessible exchange-traded investments:** an appropriately regulated market that protects investors while not limiting their access to appropriate investment options in line with risk tolerance and financial literacy.
 - Improving governance of companies:** promoting practices within company boardrooms that lead to better decision-making and more informed shareholders.
 - Sustainable retirement incomes and superannuation:** well-considered, consistent policy frameworks that support investment for retirement.
- We made the following [pre-budget submission 2024–25](#) in January 2024.

KEY ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of key activities relevant to the FRC's objectives undertaken by your organisation since the last reporting period.

- We responded to Parliamentary Joint Committee on Corporations and Financial Services' (PJC) public hearing for its inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry on 6 October: [Response to Questions on Notice](#)
- We are supporting the peak bodies contributions to consultations on sustainability reporting in Australia. We believe a phasing of requirements is sensible. Commencing with the largest companies having to mandatorily report so they can compete for capital internationally and Australian shareholders can make

comparisons to aid their investment decisions. With the reporting requirement trickling to smaller companies at a time when they will be able to benefit from watching larger companies implement the requirements and development of processes and applications to manage reporting in an efficient manner. As previously mentioned, we will call on companies to make the information accessible to retail shareholders and will educate retail shareholders on best practice as it emerges. We see the need to develop the skills base in this area to enable the communication.

OTHER ACTIVITIES / MATTERS RELEVANT TO THE FRC OBJECTIVES

Insert 2 - 3 bullet points of any other activities not covered above which are relevant to the FRC's objectives and were undertaken by your organisation since the last reporting period.

We are observing and noting:

- IFRS consultation on enhancing transparency in the Auditor's Report for going concern in an audit of financial statement. We agree it will be beneficial to provide explicit statements about the auditor's conclusions for going concern for the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty has been identified. We are also finding in engaging with complainants that there seems to be a misunderstanding about the implications of a material uncertainty around an entity continuing as a going concern. There is a lack of awareness of the vast difference between orderly disposal and fire sale asset prices, and difficulty in assessing distribution curve of the risks – if the company persists the warning is considered overblown, if it fails it is seen as understated. It is an area where additional education with use of anecdotes should accompany the update.
- ASIC report 774 – Annual financial reporting and audit surveillance report 2022–23 - we are monitoring the new format which we expect to be an improvement on the past reporting as it is targeting the entire financial reporting chain. We value the list of financial reporting surveillance media releases which allows comparisons of reporting before and after the ASIC's intervention, such as Australian Agricultural Company Limited (AAC) improved disclosure of material business risks between in its 2023 annual report.

Stakeholder Meetings

The topics covered at these meetings include:

Current Objectives/Developments

- A. Key activities undertaken.
 1. Cyber Security, privacy, AI
 2. What activities are being undertaken in relation to the recent developments of sustainability reporting and assurance?
 3. What activities are being undertaken in relation to conflicts of interest?

Current challenges

- A. Governance changes in reaction to recent events with the Big 4.
- B. Possible improvements for financial reporting and auditing
- C. Resourcing/staffing

Additional Key Themes

- Support for standardised corporate reporting based off the Corporations Act.
 - Open to publishing transparent financials as long as it is under a standard framework for all Australian companies.
- Separation of audit and other services:
 - The events of 2023 with PwC have had minimal impact on internal governance.
 - multidisciplinary audit firms are necessary to have all the expertise to complete an audit.
 - A market concentration problem: Could be addressed if there were more than 4-6 large firms.
 - Most companies have policies in place that manage conflicts.
 - It would be good to see a separation in fees to distinctly show what auditors are being used for.
- Talent attraction and retention
 - Sustainability work is in very high demand.
 - Stakeholders have noticed a structural deficit.
 - Professional skills and resource challenges, both in securing skilled professionals for climate reporting and the resources required for upskilling current staff.
 - VISA challenges.
 - Several issues with PABs courses.
 - : Many students are unable to commence the courses because they don't have the pre-requisites (with some universities not offering those pre-requisites).
 - : Pathways are difficult and do not accredit external modules.
 - : Lack of quality modules

- Technology
 - AI is on everyone’s radar. There are internal guidelines, but the technology isn’t prevalent with many companies.
 - Similarly to above, cyber security has strict internal policies and securities to keep private information secure but is not a strong focus for clients.
 - Standards are falling behind the progression of technology which is preventing technological efficiencies.

Other notes

- ASX Corporate Governance Council recently released the consultation draft for the fifth edition of its [Corporate Governance Principles and Recommendations](#).
 - The Consultation Draft contains 33 general recommendations, and seven additional recommendations that only apply in limited cases.
 - The events in 2023 and the questions around corporate culture has not resulted in any changes or inclusions in the Consultation Draft.
 - The consultation recommends (4.3) that a listed entity should disclose the tenure of the audit firm and audit engagement partner as at the end of the reporting period.

Stakeholder	Date	Attendees
ASIC	31 January 2024	Andrew Mills (FRC Chair) Greg Yanco (Executive Director - Regulation and Supervision, ASIC) Kate O’Rourke (Commissioner, ASIC) Jesse Chen (FRC Secretariat)
ASX	27 February 2024	Andrew Mills (FRC Chair) Daniel Moran (Chief Compliance Officer) Cooper Tym (FRC Secretariat)
Australian Institute of Company Directors (AICD)	28 February 2024	Andrew Mills (FRC Chair) Mark Rigotti (CEO and Managing Director) Christian Gergis (Head of Policy) Jesse Chen (FRC Secretariat)

Super Members Council of Australia (SMC)	6 March 2024	Andrew Mills (FRC Chair) Melissa Birks (Executive General Manager, Policy) Cooper Tym (FRC Secretariat)
EY	6 March 2024	Andrew Mills (FRC Chair) Glenn Carmody (Oceania Assurance Managing Partner) Joanne Lonergan (Oceania PPD) Cooper Tym (FRC Secretariat)
Pitcher Partners	6 March 2024	Andrew Mills (FRC Chair) Brendan Britten (Managing Partner) Nick Bull (Partner in Charge – Business Advisory & Assurance) Kylee Byrne (Technical Partner and Partner – Business Advisory & Assurance) Cooper Tym (FRC Secretariat)



Item 4A
19 March 2024

AASB CHAIR REPORT

DESCRIPTION

The AASB Chair's Report covering the key activities undertaken during December - February 2024.

ACTION

For noting.



Item 4B 19 March 2024

AUASB CHAIR REPORT

DESCRIPTION

The AUASB Chair's Report covering the key activities undertaken during December – February 2024.

ACTION

- Chair to report.



ITEM 5A
19 MARCH 2024

XRB UPDATE

DESCRIPTION

Report provided by Chair of the XRB, Michele Embling.

Attachment A provided by the XRB (for internal viewing only).

ACTION

- To note



INTERNATIONAL DEVELOPMENTS

DESCRIPTION

Attachment A provides a summary of key recent media releases by international financial reporting bodies and other stakeholders.

Attachment B provided by the XRB, is a detailed update on recent developments in the financial and climate reporting landscape (for internal viewing only).

Attachment C is the Global Regulatory Report for September and October 2023 that summarises globally significant public policy and regulatory developments impacting the accounting and auditing profession (for internal viewing only).

ACTION

- For noting.

ATTACHMENT A

RECENT MEDIA RELEASES

- [CA ANZ's wrongful acceptance of PwC partners' resignation](#) exposed 'flaws' in the TPB and professional bodies co-regulatory system.
 - More information on PwC Partner Peter Collins avoiding investigation can be found [here](#).
- [Erkki Liikanen appointed for a third term](#) as the chair of the International Financial Reporting Standards (IFRS) Foundation's trustees until September 30, 2027.

Sustainability

- [IAASB clarifies expectations in fraud-related procedures](#), and IESBA and the IAF partner to promote trust and consistency in sustainability reporting.
- The U.S. Securities and Exchange Commission [to make Climate Related Disclosure Standards Optional](#)
- [Professional bodies raise 'significant concerns' with draft sustainability reporting standards](#)

Artificial Intelligence

- DataSnipper NV, a startup using artificial intelligence to make accounting professionals more productive, has [closed a \\$100 million funding round for its AI-powered accounting automation platform](#)

The Big 4

- [Top accounting firms admit breaking conflict of interest rules](#)
- [KPMG fined £1.5m by the UK FRC](#) marking the 16th fine since 2018.



ITEM 6

19 MARCH 2024

PUBLIC SECTOR ADVISORY GROUP

DESCRIPTION

Chair of the PSAG, Tracey Carroll, to provide a verbal update about the PSAG meeting on 12 March 2024.

ACTION

- FRC to note the PSAG information.



FUNDING INTERNATIONAL BODIES

IFRS FOUNDATION FUNDING RECOMMENDATION

BACKGROUND

The Australian Government makes an annual contribution to the IFRS Foundation of \$1 million on behalf of the Australian Government, informed by a recommendation from the FRC. The grant is provided as part of the Support for Markets and Business Program.

Australia's contribution to the IFRS Foundation has been delivered through a grant agreement dated 11 December 2020 for a total grant amount of \$2 million (GST exclusive). The grant agreement was initially due to terminate on 31 July 2021 but included options to extend for three future financial years. Grant contributions to IFRS have been renewed based on the recommendation of the FRC each year and a decision by the relevant Treasury delegate.

The FRC recommended the Australian Government make a further annual contribution of \$1 million to the IFRS Foundation on 3 June 2021, 2 June 2022 and 10 March 2023.

The Commonwealth and the IFRS Foundation subsequently agreed to vary the grant agreement, such that the term of the grant was extended for a further 12 months to 31 July 2024. The grant agreement has reached its maximum limit for extension and the current grant agreement will terminate 31 July 2024.

In line with previous practice, the FRC will consider whether to recommend the Australian Government provide a further \$1 million contribution to the IFRS Foundation in 2024-25 under a new grant agreement. This amount is available to support a payment to IFRS following a decision by the Treasury delegate. Any increase to the ongoing amount provided to IFRS would require a decision of Government and would likely need to be considered for subsequent years (see next section).

Future potential International Funding

Once-Off MYEFO funding - International Auditing and Assurance Standards Board and International Sustainability Standards Board

In December 2023, the Australian Government announced as part of the 2023-24 Mid-Year Economic and Fiscal Outlook (MYEFO) that it would provide a one-off payment to the International Auditing and Assurance Standards Board (IAASB) to support Australia's commitment to the development of international audit and assurance standards. This



\$500,000 payment remains subject to amendments to regulations being made to provide legislative authority for the spending and a grant agreement being executed between IFEA and Treasury (on behalf of the Australian Government). While the relevant funds will be directed to the IAASB, IFEA will be the other party to the grant as the IAASB is not a separate legal entity.

The Government also announced that it would provide a one-off payment to the International Sustainability Standards Board (ISSB) to support Australia's commitment to the development of international sustainability reporting standards. This \$500,000 payment will be subject to IFRS and Treasury (on behalf of the Australian Government) entering into a grant agreement. While the relevant funds will be directed to the ISSB, IFRS will be the other party to the grant as the ISSB is not a separate legal entity.

In both instances, Treasury is working towards the respective payments being made by 30 June 2024.

Requests for further or increased ongoing funding

As per the letter circulated to FRC members in 2023, the IAASB formally requested in mid-2023 that Australia contribute approximately \$0.5 million every year (\$US330,000), with the amount calculated under a GDP-based funding model. Treasury has subsequently met with the IAASB Chair in late 2023 and February 2024 where this request that the Australian Government consider ongoing funding to support the IAASB's work was reiterated. IFRS has sent a letter to Treasury regarding their future funding needs beyond the current grant agreement end date of 31 July 2024 (**Attachment A**).

As outlined above, IFRS has written to the FRC regarding a request for increased ongoing funding to reflect the work of the ISSB. As stated above, as ISSB funding can only be provided via IFRS, any consideration of ongoing funding to the ISSB would be considered by way of consideration of an increase to the existing ongoing IFRS contribution.

RECOMMENDATION

- The FRC to make a decision on whether it recommends the Australian Government grant a further \$1 million to the IFRS Foundation in 2024-25.
- Discuss ongoing funding requests from IFRS and IAASB.

12 March 2024

Mr. Andrew Mills
Chair
Financial Reporting Council
The Treasury
Commonwealth of Australia

Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD, UK

Tel +44 (0) 20 7246 6410
Email info@ifrs.org

ifrs.org

Dear Mr. Mills,

On behalf of the Trustees, staff, and stakeholders of the IFRS Foundation, thank you for the Financial Reporting Council's long history of supporting global accounting standards. Your leadership and contributions have had a meaningful impact in increasing transparency, accountability and efficiency in the world's financial markets.

Among its many contributions, the FRC is recognized as a generous and reliable financial contributor to the IFRS Foundation, which is the focus of this letter.

Over the past three years, the FRC has supported the International Accounting Standards Board (IASB) with annual contributions of \$1million AUD. This funding has allowed the IASB to achieve key milestones, including advancing the post-implementation reviews of IFRS 15 and IFRS 9, addressing rate-regulated activities, refining the equity method, and progressing the second comprehensive review of the IFRS for SMEs Accounting Standard.

This fiscal year, the FRC also expanded its financial support to IFRS Foundation with a contribution of \$500,000 AUD to support the new International Sustainability Standards Board (ISSB). This funding has helped allow the ISSB to rapidly advanced global sustainability disclosure standards through strategic consolidations, global expansion, and the development of IFRS S1 and S2 Standards. These standards have been formally endorsed by IOSCO, publicly supported by over 400 global organizations, and now under consideration for regulatory adoption in dozens of jurisdictions.

Acknowledging the pivotal role the FRC has played in advancing disclosures and reporting forward at the global level, the IFRS Foundation now looks ahead to a period of consolidation and growth, underlining the need for sustained support to achieve our shared ambitions in enhancing global financial and sustainability reporting standards.

At this time, the IFRS Foundation respectfully requests renewed funding from the FRC and consideration of the following:

- Renewal of IASB funding, with a 5% increase for inflation
- Increasing ISSB funding to the same level of funding as IASB
- Multi-year commitment including 2024/25, 2025/26, and 2026/27

The sum of this request totals at \$2,100,000 AUD annually for the next three years, to be split equally between support for the IASB and ISSB.

Future funding for the IASB will enable the continuation and expansion of projects critical to the evolution of global accounting standards. This includes further development in key areas such as enhancing the comparability and relevance of financial statements and addressing emerging economic trends. Funding will also support the implementation of new standards and amendments, ensuring they are effectively communicated and understood worldwide.

Such efforts are vital for maintaining the integrity and efficiency of financial markets and significant resources are required.

The FRC plays an important part of funding the IASB alongside Canada, the European Commission, France, Germany, Italy, Japan, People's Republic of China, Republic of Korea, the United Kingdom, and many others.

Future funding for the ISSB will enhance the implementation of its sustainability standards, IFRS S1 and IFRS S2, by supporting educational activities and capacity building. It will also promote the adoption of these standards across jurisdictions through bilateral dialogues and encourage voluntary compliance by companies. Additionally, funding will enable the ISSB to expand its sustainability disclosure framework, incorporating feedback from recent consultations to establish a comprehensive global baseline for sustainability-related disclosures.

As the ISSB shifts from seed funding to its mid-term funding model, the FRC may assume a leadership role alongside other key jurisdictions, listed here with annual fundraising goals:

- France (\$1,000,000)
- Italy (\$800,000)
- Australia (\$700,000)
- India (\$500,000)
- Brazil (\$250,000)
- Saudi Arabia (\$150,000)
- South Africa (\$150,000)

As in the past, the IFRS Foundation has used a GDP-based methodology to calculate requested financial contributions from jurisdictions across the globe. The methodology has been applied to both the IASB and ISSB. This approach is meant to ensure fair and equitable contributions from jurisdictions of different sizes and development.

Jurisdictional funding for the IFRS Foundation has always been—and will continue to be—critical to the success of our mission. It is also part of the Foundation's comprehensive revenue model, which is in the process of expansion. This model includes revenue steadily increasing from licensing, publication, membership, and other fees collected worldwide, including contributions from major accounting firms and philanthropic grants. This diverse funding approach helps uphold the Foundation's independence and credibility as a global standard setter.

We appreciate the significance of our request and the need for detailed discussions to ensure clarity for your decision-making process. The IFRS Foundation values the FRC's continued partnership and looks forward to future meetings to address any questions and collaboratively shape our path forward. Together, we look forward to continuing improve trust, growth and long-term stability in both the Australian and global economy.

Thank you for considering our proposal and for your ongoing support in enhancing global reporting standards.

Sincerely,



Kristi Robinson
Chief Financial Officer



CORRESPONDENCE

DESCRIPTION

On 25 January 2024, the FRC sent a letter to relevant stakeholders to request information pertaining to accountant shortages. The information gathered will be used to write a letter to Jobs and Skills Australia (JSA) to support the accounting and auditing sector's claims of shortages within the profession in efforts to have accountants listed as 'in shortage' on the Skills Priority List.

On 26 February 2024, the FRC Chair wrote to the Chair of the Standard-Settings Board Nominations Committee endorsing Australian representatives for the International Auditing and Assurance Standards Board member positions.

On 12 March 2024, the FRC sent a letter to the Assistant Treasurer, the Hon Stephen Jones MP, recommending legislative action to enable finalisation of three PJC recommendations made to the FRC in 2019.

ACTION

- For noting and discussion.



ITEM 8C

19 MARCH 2024

KEY ACTION ITEMS SUMMARY

DESCRIPTION

FRC Chair and Secretariat to provide a summary of the action items arising from the 19 March 2024 meeting.

The FRC Secretariat will circulate an action items list to FRC members following the finalisation of the meeting minutes.

ACTION

- For the FRC to note.



ITEM 9

19 MARCH 2024

NEXT MEETING

DESCRIPTION

Next meeting will be on 25 June 2024 in Melbourne - Level 16 530 Collins Street, Treasury Offices.

ACTION

- For noting.