



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 19 March 2024 and the key matters considered and decided are outlined below:

Environmental Scan	<ul style="list-style-type: none">• The FRC discussed:<ul style="list-style-type: none">– The recent Senate Inquiries being a prevalent issue in the sector.– The FRC’s role in governance.– The newly appointed state Auditors-General.– PwC’s recent governance changes.• Members noted the stakeholder reports and discussed the key themes including sustainability reporting and talent attraction and retention.
AASB and AUASB	<ul style="list-style-type: none">• AASB report highlights:<ul style="list-style-type: none">– Currently reviewing 120 written submissions and over 200 survey responses to the sustainability consultations with an aim for 1 July 2024 adoption date. [Since the meeting, the Government has announced a new proposed start date of 1 January 2025]– The AASB has received comments about the departure from the international standards and has been addressing the feedback.– The AASB’s renewed funding will permit diversification of resources and prioritisation on different avenues such as the public sector.• AUASB report highlights:<ul style="list-style-type: none">– The Less Complex Entities international standard will not be adopted in Australia based on strong feedback from stakeholders.– Fraud exposure draft was released in February.– Sustainability assurance timeline is on target with a consultation paper to be issued shortly.
XRB	<ul style="list-style-type: none">• XRB report highlights:<ul style="list-style-type: none">– The New Zealand XRB intends to adopt the LCE international standards after receiving positive feedback from stakeholders.– The XRB is finalising the recruitment process for the Chair of the Sustainability Reporting Board.– A multi-year evaluation of the climate standards is underway which will be a three-year project.
Public Sector Reporting	<ul style="list-style-type: none">• The PSAG Chair provided a verbal update of information collected from the public sector in Australia during this quarter including the stakeholder report submissions to the FRC by Australasian Council of Auditors-General (ACAG) and Heads of Treasury Accounting and Reporting Advisory Committee (HoTARAC) stakeholder reports.
Funding International Bodies	<ul style="list-style-type: none">• The FRC discussed the current funding arrangements, the changes and impact of sustainability, and considered the approach to future funding to international bodies.• The FRC agreed to recommend funding IFRS \$1 million for the coming year.• The FRC agreed to write to IFRS and the Australian Government regarding future funding.
Nominations Committee	<ul style="list-style-type: none">• The FRC announced Rachel Grimes AM as the new Nominations Committee Chair
Tracey Carroll	<ul style="list-style-type: none">• The FRC acknowledged Tracey Carroll’s final meeting with the FRC and thanked Tracey for her significant contributions to the FRC as the Deputy Chair, PSAG Chair and representative of the public sector.

The next FRC meeting is scheduled to be held in Melbourne on 25 June 2024