



Australian Government
Australian Accounting Standards Board



Australian Government
Auditing and Assurance Standards Board

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ANNUAL REPORTS

2021 - 2022

**Australian Accounting
Standards Board**

and

**Auditing and Assurance
Standards Board**

2021-2022 Annual Reports

Commonwealth of Australia 2022

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AASB

Level 20, 500 Collins Street
MELBOURNE 3000
Email: enquiries@aab.gov.au

AUASB

Level 20, 500 Collins Street
MELBOURNE 3000
Email: enquiries@auasb.gov.au

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LETTER OF TRANSMITTAL

26 September 2022

The Hon Stephen Jones MP
Minister for Financial Services and Assistant Treasurer
Parliament House
CANBERRA ACT 2600

Dear Minister,

We have pleasure in presenting the annual reports for the year ended 30 June 2022 of the:

- Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board, and
- Auditing and Assurance Standards Board (AUASB) and the Office of the Auditing and Assurance Standards Board.

The reports have been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and have been combined into one publication.

Section 46 of the PGPA Act requires the Chair of the AASB and the Chair of the AUASB to respectively prepare a report of the operations of the AASB and its Office, and the AUASB and its Office, during the year. The respective reports must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely



Dr Keith Kendall
Chair
Australian Accounting Standards Board



William Edge
Chair
Auditing and Assurance Standards Board

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ABBREVIATIONS

The following abbreviations are used by the AASB and AUASB in this report:

AASB	Australian Accounting Standards Board
ACNC	Australian Charities and Not-for-profits Commission
ANAO	Australian National Audit Office
AOSSG	Asian-Oceanian Standard-Setters Group
APRA	Australian Prudential Regulation Authority
ASA	Australian Auditing Standard
ASAE	Australian Standard on Assurance Engagements
ASAF	Accounting Standards Advisory Forum
ASIC	Australian Securities and Investments Commission
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASRE	Australian Standard on Review Engagements
AUASB	Auditing and Assurance Standards Board
BRLF	Business Reporting Leaders Forum
CA ANZ	Chartered Accountants Australia and New Zealand
CER	Clean Energy Regulator
CPA	CPA Australia
EER	Extended External Reporting
FRC	Financial Reporting Council
GPFS	General Purpose Financial Statements
GST	Goods and Services Tax
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFASS	International Forum of Accounting Standard Setters (formerly NSS)
IFRS	International Financial Reporting Standards
IFRS-IC	International Financial Reporting Standards Interpretation Committee
IIA	Institute of Internal Auditors
IIRC	International Integrated Reporting Council
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISSB	International Sustainability Standards Board
NFP	Not-for-Profit
NSS	National Standards Setters
NZASB	New Zealand Accounting Standards Board
NZAuASB	New Zealand Auditing and Assurance Standards Board
NZ XRB	New Zealand External Reporting Board
OHSC	Occupational Health and Safety Committee
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSA	<i>Public Service Act 1999</i>
RDR	Reduced disclosure requirements
SME	Small and Medium Enterprises

SMSF	Self-Managed Superannuation Fund
SSAF	Sustainability Standards Advisory Forum
WSS	World Standard Setters

CONTACT DETAILS

AUSTRALIAN ACCOUNTING STANDARDS BOARD

The Chair

Street Address

Level 20, 500 Collins Street
MELBOURNE VIC 3000

Postal Address:

PO Box 204
Collins Street West Victoria 8007

Tel 03 9617 7600**Email** standard@asb.gov.au**Web** asb.gov.au**LinkedIn** www.linkedin.com/company/asb**Twitter** [@AASBAustralia](https://twitter.com/AASBAustralia)**Annual report location** www.asb.gov.au/about-the-asb/annual-reports

AUDITING AND ASSURANCE STANDARDS BOARD

The Chair

Street Address

Level 20, 500 Collins Street
MELBOURNE VIC 3000

Postal Address

PO Box 204
Collins Street West Victoria 8007

Tel 03 8080 7400**Email** enquiries@auasb.gov.au**Web** auasb.gov.au**LinkedIn** www.linkedin.com/company/auasb**Twitter** [@AUASBAus](https://twitter.com/AUASBAus)**Annual report location** www.auasb.gov.au/about-auasb/annual-reports

AASB AND AUASB PURPOSE, VISION AND MISSION

AASB Purpose & Vision	AUASB Purpose & Vision
Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in external reporting.	Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in auditing and assurance.
AASB Mission	AUASB Mission
Develop, issue and maintain principles-based Australian accounting and external reporting standards that meet user needs and enhance external reporting consistency and quality. Contribute to the development of a single set of accounting and external reporting standards for world-wide use.	Develop, issue and maintain in the public interest, best practice Australian auditing and assurance standards and guidance that meet user needs and enhance audit and assurance consistency and quality. Contribute to the development of a single set of auditing and assurance standards for world-wide use.

STRATEGY

AASB	AUASB
Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For publicly accountable' entities maintain IFRS compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.	Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC).
With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with the regulators to develop objective criteria on: who prepares external reports (including financial reports), and the nature and extent of assurance required on these external reports.	Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
Actively influence IASB, IPSASB standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.	Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.

AASB and AUASB Purpose, Vision and Mission

AASB	AUASB
<p>Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.</p>	<p>In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.</p>
<p>Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.</p>	<p>Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.</p>
<p>Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies.</p>	<p>Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.</p>
<p>Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.</p>	<p>Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.</p>

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AASB	AUASB
<p>Accounting standards should facilitate the provision of financial information that:</p> <ul style="list-style-type: none"> allows users to make and evaluate decisions about allocating scarce resources assists directors to discharge their obligations in relation to financial reporting is relevant to assessing performance, financial position, financing and investment is relevant and reliable facilitates comparability and is readily understandable 	<p>Auditing and assurance standards should facilitate the provision of information that:</p> <ul style="list-style-type: none"> provides Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the <i>Corporations Act 2001</i> (Corporations Act) requires the preparation of auditors' reports that are reliable and readily understandable by the users of the financial reports to which they relate
<p>The Australian financial reporting system should:</p> <ol style="list-style-type: none"> i. facilitate the Australian economy by reducing the cost of capital and enabling Australian entities to compete effectively domestically and internationally ii. facilitate the Australian economy by developing accounting and auditing and assurance standards that are clearly stated and easy to understand to maintain investor confidence in the Australian economy, including its capital markets 	

AASB CHAIR'S REVIEW



OUR PERFORMANCE IN 2021-22

The Australian Accounting Standards Board (AASB) continued to deliver on its strategic vision while adapting to hybrid working conditions from the ongoing impacts of the COVID-19 pandemic altering the way we live, work and interact with one another. We continued to provide our stakeholders with support and guidance in response to the economic impact of COVID-19, while also continuing our work on timely and faithful representation of economic reality to support effective functioning of the markets and broader economy with the help of engaging with key industry stakeholders.

KEY MILESTONES

During the 2021-22 financial year, amongst a large variety of achievements mentioned throughout this annual report, the AASB issued six Amending Standards, compiled 99 Standards / Interpretations and issued 10 Exposure Drafts.

We also undertook the AASB Agenda Consultation process to obtain feedback on the workplan for 2022 – 2026.

STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

The AASB continued to make use of technology in order to continue to maintain and grow its engagement with stakeholders across the country and globally via virtual meetings, webinars, roundtables and speaking engagements during 2021-22.

We published three Staff Papers, updated Staff Frequently Asked Questions, issued 10 Exposure Drafts, held 16 roundtable sessions, hosted four webinars and the Annual Research Forum. Our stakeholder outreach activities have made use of available communication channels to maximise the reach of our messages and audience. Our newsletter continues to be published on a weekly basis and our LinkedIn page has more than 22,500 followers (and rising).

AASB staff held two educational webinars relating to issues identified on the Accounting Standards relating to Income of Not-for-Profits. These sessions were presented to over 620 attendees.

The User Advisory Committee which is comprised of 16 analysts, ratings agencies, fund managers and investor relations professionals from the for-profit sector met four times during the year and continues to provide input, recommendations and feedback to the AASB staff.

Our positive rapport with industry stakeholders has also allowed us to broaden our brand reach through timely and topical news placements in CA ANZ and CPA Australia's newsletter databases, as well as their social media channels and members-only platforms.

The AASB also maintained and enhanced its international engagement this year through various presentations and participating in international events. This included co-hosting a webinar and roundtable on Management Commentary with the IASB as well as AASB/AFAANZ Academic Roundtable on EFRAG's Discussion Paper on Intangible Assets.

NOT-FOR-PROFIT SECTOR

The AASB continued to work on a number of projects affecting the not-for-profit (NFP) private and public sectors during the year.

From the NFP private sector perspective, significant progress has been made on the Tier 3 standard which is intended for application by certain NFP private sector entities that are currently preparing special purpose financial statements (SPFS) on the basis that the entity is not a reporting entity as defined in Statement of Accounting Concept (SAC) 1 *Definition of a Reporting Entity*. It is designed to be a proportionate response to the cessation of such entities being able to prepare SPFS. A Discussion Paper is expected to be issued by November 2022 to obtain the views of the public.

The AASB continued its projects to address public-sector-specific issues regarding the application of AASB 13 *Fair Value Measurement* and AASB 17 *Insurance Contracts*. In March 2022, the AASB issued two Exposure Drafts to propose modifications to those Standards. ED 320 *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* proposed adding authoritative implementation guidance to AASB 13 in respect of fair value measurement of non-financial assets not held primarily for their ability to generate net cash inflows. ED 319 *Insurance Contracts in the Public Sector* proposed indicators for identifying public sector arrangements within the scope of AASB 17 and a number of public-sector-specific exemptions to AASB 17 requirements. The AASB is in the process of considering the submission letters received on those Exposure Drafts.

The AASB has commenced the post-implementation review of AASB 1059 *Service Concession Arrangements: Grantors* and plans to issue an Invitation to Comment for public consultation in September 2022.

The AASB has continued to monitor the IPSASB's work closely. The AASB is in the process of developing a joint comment letter with the FRC and the AUASB in response to the IPSASB Consultation Paper *Advancing Public Sector Sustainability Reporting*.

Additionally, the AASB continues to engage actively with both the NFP private and public sectors on a number of other developments. These include providing guidance on emerging issues by updating numerous staff FAQs, holding educational webinars with stakeholders on income accounting and proceeding with the NFP Conceptual Framework project, which looks to enable application of the *Conceptual Framework for Financial Reporting* for NFP entities.

FOR-PROFIT SECTOR

In the previous year, the AASB completed its Agenda Consultation and received feedback from more than 120 stakeholders on the potential domestic projects that should be included in its work program in the period 2022 – 26. As a result, the AASB added service performance

reporting and imputation franking credit disclosure projects to its standard-setting work program and intangible assets and going concern disclosures projects to its research work program. The AASB will also monitor and influence the development of digital financial reporting as appropriate.

We continued to uphold our Evidence-Informed Standard-Setting approach by obtaining evidence for key projects that are currently underway. We published a Staff Paper *Intangible Assets: Reducing the Financial Statements Information Gap through Improved Disclosures*. The paper considers a spectrum of possible disclosures about internally generated intangible assets, that could be made in the financial statements.

SUSTAINABILITY

Reflecting the increased global and domestic focus on globalising and standardising sustainability-related financial reporting, the AASB has been proactive in taking preparatory steps to support future implementation of Australian sustainability-related financial reporting. The following strategic initiatives have been completed during the year or are currently underway.

The AASB and the AUASB established the Sustainability Reporting Project Advisory Panel consisting of practitioners, professional bodies and academics who specialise in sustainability-related financial reporting and assurance. Additionally, the AASB Chair and staff, together with the AUASB Chair and staff, are participating in on-going discussions with representatives from the accounting professional bodies, ASIC and the APESB, on the broader implications for the accounting and auditing profession.

In November 2021, the FRC, AASB and AUASB published the *Position Statement on Extended External Reporting and Assurance* outlining that, at this time, the AASB intends to be the body responsible for developing sustainability-related financial reporting requirements simultaneously with the relevant assurance requirements developed by the AUASB.

In March 2022, the AASB published the *Position Statement on Extended External Reporting Framework* in which the AASB expressed its support for the voluntary application of the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD Recommendations).

In April 2022, the AASB published Exposure Draft 321 (ED 321) *Request for Comment on ISSB [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and [Draft] IFRS S2 *Climate-related Disclosures*. In addition to asking for feedback on the ISSB's Exposure Drafts, ED 321 also provided an overview of the AASB's proposed approach to developing sustainability-related financial reporting requirements and asked about specific aspects of that proposed approach and the ISSB's Exposure Drafts within the Australian context.

To support the international standardising of sustainability-related reporting, the AASB strongly encouraged the Asian-Oceanian Standard-Setters Group (AOSSG) to engage in sustainability-related financial reporting and establish a Working Group to support the work of the ISSB. In April 2022, Australia took the lead of the Sub-Working Group established to collect AOSSG members' feedback and prepare AOSSG's response to ISSB [Draft] IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*. As part of this role,

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The AASB also circulated its views and comments on the draft ED to the AOSSG members. The AASB will continue supporting the sustainability-related discussion at the international level.

In June 2022, the AASB published a staff paper *Project Insights: Developing sustainability-related financial reporting standards in Australia*. This paper provides a snapshot of the AASB's proposed approach to developing sustainability-related financial reporting standards and highlights some of the key elements of that proposed approach.

RESEARCH

The 2021 AASB Research Forum, held in conjunction with the University of New South Wales, virtually brought together over 174 academics and financial reporting stakeholders from the public sector, for-profit and not-for-profit sectors to discuss three research projects: *An evaluation of the impacts of the adoption of AASB 15 Revenue from Contracts with Customers*, *Presentation Prominence: Does it matter to non-professional investors?* and *The case of 'Other Comprehensive Income' and Decision Usefulness: A re-examination of the information needs of non-profit GPFRR users*.

During the year, the AASB launched the working paper series, hosted on the Social Sciences Research Network, which is designed to bring cutting edge research in the field of accounting standards in a timely manner to a wide audience. Three papers have been released being *Earnings Management in Australian not-for-profit disability services*, *Presentation prominence: Does it matter to non-professional investments?* and *The case of 'Other Comprehensive Income' and How important are semi-annual earnings announcements? An information event perspective*.

The AASB also commenced a new initiative, *AASB Dialogue Series*, that provides stakeholders opportunities to learn more about the latest accounting and reporting developments through presentations from leading experts in the field as well as panel discussions. The dialogue series is held virtually. During the year, two sessions (TCFD Implementation and Intangible Assets) were held, with more than 80 domestic and international stakeholders attending each session.

The AASB presented an update of AASB work at the 2021 Accounting and Finance Association of Australia and New Zealand (AFAANZ) virtual annual conference to inform academics and researchers on research topics most relevant to the Australian economy.

PEOPLE

We are pleased to announce that during 2021-22 we continued to operate effectively and efficiently through the challenging environment that the pandemic provided, both remote working and from the office when possible.

During this year, we have successfully recruited new team members including one staff member from the IASB who relocated back to Australia. A key aspect of this year was the move to new offices with better staff amenities. The staff are at the core of our business, their continued efforts have again ensured that we have been able to deliver to our stakeholders domestically and internationally. I would like to thank the staff for their commitment to standard setting.

LOOKING TOWARD 2022-23

We will continue to further enhance our already prominent stakeholder engagement activities, both domestically and internationally.

The release of the discussion paper for Tier 3 NFP reporting will result in a significant amount of stakeholder engagement through both virtual and face-to-face roundtables, webinars and surveys to ensure that a wide range of interested parties provide their feedback.

The AASB has commenced the post-implementation review (PIR) of several domestic Australian Accounting Standards and will progress its PIR work in tranches over the 2022-25 period. A PIR is not intended to be a reconsideration of an entire underlying pronouncement. Instead, it acknowledges that consultation and due process during the development of a pronouncement are not a substitute for the practical application of new requirements, and is intended to conclude on the overall effectiveness and efficiency of a pronouncement in meeting its original objectives, including whether a pronouncement remains appropriate.

The PIRs will cover topics affecting the not-for-profit private sector and the public sector and include income of not-for-profit entities, control and consolidation in the not-for-profit sector, and service concession arrangements for grantors.

We will continue our involvement internationally through our strong relationship with the International Accounting Standards Board, the International Public Sector Accounting Standards Board (IPSASB) and other national standard setters and representative bodies. This will ensure that Australia's position continues to be incorporated into international standards. The AASB will work on establishing strong relationships with the newly established International Sustainability Standards Board.

The AASB will continue to work closely with the Auditing and Assurance Standards Board (AUASB) for issues common to the two organisations, particularly when considering whether any auditing or assurance challenges may arise from Australian Accounting Standards.

In particular, during 2022-2023 we will continue to work closely with the AUASB and engage with all members of the financial reporting eco-system as we consider the reporting, assurance and regulatory implications of sustainability information in the Australian market.

FINANCIAL RESULTS

The AASB has recognised a Total Comprehensive loss of \$108,930 (2021: Surplus of \$257,211) as a result of increased employee costs and reduced management fee revenue. Travel costs have also been incurred due to the recommencement of travel in 2022.

Management fees received from the AUASB were \$571,443 (2021: \$633,735) as set out in our Memorandum of Understanding (MoU) (refer to Note 2A and 2B to the Financial Statements). The revenue is low due to reduced corporate services expenses, partly contributed to working remotely for a portion of the year.

Note 8 to the Financial Statements provides further details of variances from the reported budget numbers.

ACKNOWLEDGEMENTS

I would like to thank the staff for their continued support and commitment during these unique times, the team have embraced the flexible working arrangements and have held a number of face-to-face and virtual stakeholder sessions during the year resulting in a significant quantity of high-level output.

Sincerely

A handwritten signature in black ink, appearing to read 'Kendall', written in a cursive style.

Dr Keith Kendall
Chair and CEO
26 September 2022

AASB ANNUAL PERFORMANCE STATEMENT 2021-22

I, Keith Kendall, as the accountable authority of the Australian Accounting Standards Board, present the 2021-22 annual performance statement of the Australian Accounting Standards Board, as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act Entity Purpose.



ENTITY PURPOSE

As set out in the Treasury Portfolio Budget Statements for 2021-22, the AASB's single outcome is to formulate and make accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions. The AASB's vision is to contribute to stakeholder confidence in the Australian economy, (including its capital markets) and in external reporting integral to financial reporting. Its mission and single program are:

- developing, issuing and maintaining accounting standards and guidance that meet user needs and enhance external reporting consistency and quality.
- contributing to the development of a single set of accounting and external reporting standards for world-wide use.

Our purpose is to:

- make accounting standards under the Corporations Act 2001 for the purposes of the corporations legislation and for other purposes.
- participate in and contribute to the development of a single set of accounting standards for world-wide use.
- in a financial reporting context, enabling Australian entities to compete effectively.
- maintain investor confidence in the Australian economy, including its capital markets.
- having regard to the interests of Australian corporations raising capital in major international financial centres.

The Chair's report sets out the contextual basis for progress made on achieving our strategies and purpose.

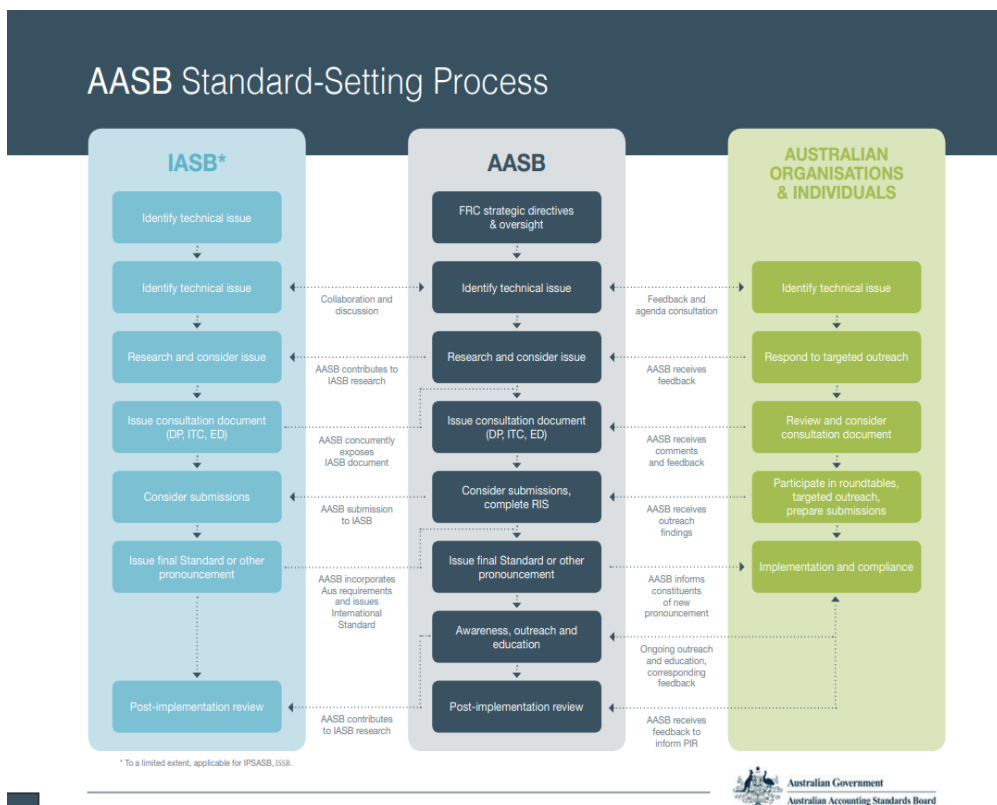
THE AASB'S STANDARD SETTING PROCESS

Developing issuing and maintaining principles-based accounting standards

The AASB, in accordance with the FRC direction in 2002, has adopted IFRS accounting and external reporting standards as part of our strategy to facilitate confidence in the Australian economy.

Maintaining IFRS compliance for publicly accountable for-profit entities and using IFRS as a baseline for other entities, means that overseas investors understand our financial reporting and consistency helps reduce the costs incurred by our companies seeking to raise funds. In addition, using IFRS as a basis for other entities promotes professional mobility across the three sectors and also meets our objectives for improving comparability and user confidence in financial reporting.

The following diagram identifies the high-level interaction undertaken by the AASB in developing, issuing and maintaining Australian Accounting Standards.



AASB's STRATEGIES FOR ACHIEVING ITS PURPOSE

Strategy 1: Standard setting	Strategy 2: Australian external reporting framework	Strategy 3: International thought leadership	Strategy 4: Stakeholder engagement	Strategy 5: Influencing beyond financial reporting	Strategy 6: Emerging Issues	Strategy 7: Enhancing Consistency
Set accounting standards to meet needs of users, capable of being assured and enforced. 'Publicly accountable' entities IFRS compliant; for others, use transaction neutrality, modify IFRS, or develop Australian-specific standards and guidance.	Play a leading role in reshaping the Australian external reporting framework by working with other regulators to set Tier requirements proportionate to user needs and costs to prepares.	Actively influence internationally IASB, IPSASB, NZASB and AOSSG.	Attain significant levels of key stakeholder engagement through collaboration, partnership and outreach.	Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	Monitor and respond to, or lead on, emerging issues, including changing technologies.	Enhance consistent implementation, through stakeholder education initiatives.

2021-22 AASB ACTIVITIES AND RELATED KEY PERFORMANCE INDICATORS

The tables below identify the activities the AASB identified in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to the seven strategies above, for the 2021-22 reporting period. These tables also indicate whether or not the activities were achieved and, if not, why not.

1 - PERFORMANCE ACTIVITY FOCUS: BRAND/REPUTATION

Current Priorities	Status	Key Activities / Highlights
Define appropriate reporting frameworks for each of the three sectors - for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g. charities) and public sector	In progress / Partially completed	<p>For-profit –</p> <ul style="list-style-type: none"> AASB <i>For-Profit Entity Standard Setting Framework</i> updated July 2021 AASB 2022-4 <i>Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities</i> issued in June 2022 <p>NFP private sector –</p> <ul style="list-style-type: none"> AASB <i>Not-For-Profit Entity Standard Setting Framework</i> updated July 2021 Developing a discussion paper for public consultation in 2022. <p>Public sector – participating in FRC working group</p>
Agree and deliver on 3-year program of work	Ongoing	IFRS compliance maintained during this reporting period
Maintain IFRS and New Zealand compliance for for-profit Private sector “publicly accountable” entities		<p>IASB-equivalent Standards issued within two months of release by the IASB:</p> <ul style="list-style-type: none"> AASB 2022-1 <i>Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information</i>

Current Priorities	Status	Key Activities / Highlights
<p>Tailor IFRS appropriately for other sectors, including developing Australian-specific guidance</p> <p>Develop guidance on external reporting integral to financial reporting</p> <p>Develop guidance on emerging issues related to financial reporting</p> <p>Enhance profile domestically and internationally</p> <p>Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB and International Financial Reporting for NPOs</p>		<p>Co-hosted with the IASB:</p> <ul style="list-style-type: none"> Webinar and roundtable on the Management Commentary ED (July and September 2021) <p>Co-hosted with the ISSB:</p> <ul style="list-style-type: none"> Virtual seminar providing a technical overview of the ISSB's General Requirements and Climate Exposure Drafts. <p>Staff actively participated in IFR4NPO TAG meetings and other outreach activities</p> <p>AASB Chair and staff presented at the AFAANZ Financial Reporting Forum</p> <p>AASB & NZASB presented at two IFASS conferences recommending the IASB undertake a project on going concern.</p> <p>AASB Deputy Technical Director presented at ACNC Adviser and Sector Forums on NFP Financial Reporting Framework in November 2021 and March 2022</p> <p>IASB participated in AASB 2021 Virtual Research Forum</p> <p>AASB staff presented at AOSSG interim meeting on the going concern project.</p>

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff participated on a panel at the World Standard Setters conference to discuss Australia's experience on AASB 1060 for the IASB's reduced disclosures for subsidiaries project.</p> <p>AASB staff presented at Conference on Adopting IFRS 17 organised by Insurance Institute of Taiwan.</p> <p>AASB staff presented at the IFASS conference on:</p> <ul style="list-style-type: none"> • The preliminary findings from staff paper on intangible assets • Sustainability-related reporting and • The AASB comments on the PIR of IFRS 9. <p>AASB staff presented at SAFA Accounting Standards Forum the findings from Going Concern staff paper.</p> <p>AASB in its role of Financial Instruments and Liabilities Working Group finalised AOSSG submission on the IASB's IFRS 9 Classification and Measurement Post-implementation Review.</p> <p>AASB staff presented at the December 2021 Accounting Standard Advisory Forum (ASAF) meeting on the AASB Agenda Consultation 2022-2026.</p> <p>AASB staff provided an update on the NFP FRF project at the ACNC Regulatory Day and ACNC Adviser and Sector Forums</p>
<p>Due process followed to ensure the quality of standard-setting</p> <p>Evidence-informed approach to standard setting activities supports need for regulation and proposed solution</p>	<p>Completed / On track</p>	<p>No negative feedback in response to due process from FRC.</p> <p>On-going: staff completing compilation of standards.</p> <p>Events to educate and consult stakeholders:</p> <ul style="list-style-type: none"> • Dialogue Series – two sessions held in 2021-2022, being Intangible Assets and TFCD Implementation

Current Priorities	Status	Key Activities / Highlights
<p>Appropriate consultation in accordance with the due process framework</p> <p>Preparation of regulatory impact statement assessing costs and benefits</p>		<ul style="list-style-type: none"> • Virtual roundtable on ITC 45: the IPSASB’s proposed ‘current operational value’ measurement basis (25 attendees) • Webinar with the IASB on Management Commentary (ED 311) for Asia-Oceania region (60 attendees) • Virtual roundtable with the IASB on ED 311 <i>Management Commentary</i> (39 attendees) • Virtual Roundtable on Agenda Consultation 2022-2026 (38 attendees) • Webinars on Income of not-for-profit Entities: AASB 15 and AASB 1058 – AASB staff education session (628 attendees) • AASB/AFAANZ Academic Roundtable: EFRAG’s Discussion Paper on Intangible Assets (29 attendees) • Webcast on ED 320 <i>Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> • AASB-NZASB Virtual Roundtable on ED 319 <i>Insurance Contracts in the Public Sector</i> (35 attendees) • Delivered a series of AASB Virtual Roundtables on ED 320 <i>Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> (139 Attendees) • Delivered roundtables on ED 321 <i>Request for Comment on [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS S2 Climate-related Disclosures</i> <ul style="list-style-type: none"> ○ six in-person roundtables in Melbourne, Sydney and Perth (73 attendees) and ○ six virtual roundtables (114 attendees).

Current Priorities	Status	Key Activities / Highlights
		<ul style="list-style-type: none"> AASB Staff Papers issued: <ul style="list-style-type: none"> Review of Executive Remuneration Disclosure Requirements Going Concern Disclosures: A Case for International Standard-Setting Intangible Assets: Reducing the Financial Statements Information Gap through Improved Disclosures
<p>Post-implementation reviews conducted (PIR) for all significant projects to assess quality of standard-setting.</p>	<p>Completed / On track</p>	<p>No indication of non-contribution to confidence in the economy.</p> <p>Independent PIR of AASB 1049 (initiated by the FRC) was completed in December 2021 with acceptance by FRC of the final PIR report.</p> <p>ITC 47 <i>Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 9 Financial Instruments – Classification and Measurement</i> issued in October 2021. Submission made to the IASB.</p> <p>In accordance with the Board’s detailed PIR workplan, PIRs of multiple domestic Australian Accounting Standards have commenced.</p>
<p>Improve consistency of implementation: Educate stakeholders on the AASB standards, support materials available, including why standards introduced</p> <p>Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institution</p>	<p>Completed / On track</p>	<p>Project to provide narrow-scope amendments to AASB 1058 <i>Income of Not-for-Profit Entities</i> and related AASB 15 NFP Australian implementation guidance to improve consistency was completed and resulted in educational material and some standard-setting.</p> <p>Staff paper <i>Review of Executive Remuneration Disclosure Requirements</i> issued in September 2021 to provide a basis to support relevant regulators, working collaboratively with other standard setters, users and stakeholders, in their efforts to keep Australian executive remuneration reporting aligned with global best practices.</p> <p>Staff paper <i>Going Concern Disclosures: A Case for International Standard-Setting</i> issued in October 2021, which identifies potential</p>

Current Priorities	Status	Key Activities / Highlights
		<p>areas for improvement relating to the existing going concern disclosure requirements in the IFRS Standards.</p> <p>Joint Staff Article <i>Globally consistent reporting for sustainability-related information: Australian perspectives</i> issued in December 2021, which provides an overview of the Australian perspective on recent global sustainability-related developments and the considerations for what approach the AASB and AUASB may take in response to those developments.</p> <p>Staff Paper <i>Intangible Assets: Reducing the Financial Statements Information Gap Through Improved Disclosures</i> issued in March 2022. The Paper aims to facilitate discussion of possible solutions to a perceived financial statements information gap relating to intangible assets, focusing on disclosures about unrecognised internally generated intangible assets that could be made in financial statements, having regard to costs and benefits.</p> <p>Staff Article <i>Project insights: Developing sustainability-related financial reporting standards in Australia</i> issued in June 2022. This staff article provides an overview of the AASB's proposed approach to developing sustainability-related financial reporting standards in Australia.</p>

2 - PERFORMANCE ACTIVITY FOCUS: STAKEHOLDER ENGAGEMENT

Current Priorities	Status	Key Activities / Highlights
Enhance stakeholder engagement	Completed / On track	<p>LinkedIn main page followers increased by 7.24% over the twelve months to June 2022</p> <p>Twitter followers increased by 3.96% over the twelve months to June 2022.</p> <p>Over 620 attendees at the Income for Not-for-Profit Income educational webinars.</p>
Conduct Agenda consultations to determine projects and priorities	Completed / On track	Domestic agenda consultation completed with two projects added to both the standard-setting and research agendas.

3 - PERFORMANCE ACTIVITY FOCUS: PEOPLE & CULTURE

Current Priorities	Status	Key Activities / Highlights
Develop and implement People and Culture strategy	Completed / On track	<p>Ongoing process</p> <p>High morale of the team supported by virtual team meetings and events, such as virtual drinks and team lunches</p> <p>Staff encouraged to register for online work-related training of their choice as part of employee growth</p> <p>New flexible working environment implemented 1 March 2022 which targeted return to office while also retaining high degree of workplace flexibility.</p>
New starter processes improved to support flexible subject matter expert involvement	Completed / On track	<p>Onboarding manual is continuously being updated. The onboarding manual is a working document which has insights and information regarding processes that take place at the AASB</p>
Understand current capability (talent mapping)	Completed / On track	<p>Ongoing process – promotions during the year based on performance</p> <p>External experts used for specific projects</p>
Resource planning to develop skills and allocate them appropriately	Completed / On track	<p>Additional resources engaged as contractors to assist with workplan delivery</p> <p>Utilisation of employees regularly monitored</p> <p>Regular resource planning meetings in place to identify the need for project prioritisation or for external resources.</p>

4 - PERFORMANCE ACTIVITY FOCUS: TECHNOLOGY

Current Priorities	Status	Key Activities / Highlights
Develop and implement an IT strategy that enables flexible, seamless working via cloud	Completed / On track	All AASB staff capable of working remotely - no significant issues. External webinars hosted via ZOOM AASB moved offices and video conferencing suites installed within new offices.
Website refreshed to improve stakeholder experience and engagement	Completed / On track	Corporate website content continually updated Commenced work on the AASB Standards Portal.

5 - PERFORMANCE ACTIVITY FOCUS: OPERATIONAL & BUSINESS EXCELLENCE

Current Priorities	Status	Key Activities / Highlights
Develop strategy supporting operational excellence and regulatory compliance	Completed / On track	Continuous Compliance tasks completed by appropriate deadline date No breaches of regulatory obligations identified
Key processes and standards documented	Completed / On track	FP and NFP standard setting frameworks, Due process document, Annual Report and Corporate Plan published on AASB website (and Transparency Portal as appropriate) All Finance procedures and policies are documented and updated at least annually FP and NFP standard-setting frameworks updated in July 2021.
Knowledge and information sharing support flexible subject matter expert involvement	Completed / On track	Staff participate in monthly lunch and learn sessions to share knowledge from subject matter expert

Current Priorities	Status	Key Activities / Highlights
Continuous improvement of operational processes to achieve planned outcomes	Completed / On track	<p>Working from home has focused AASB on ensuring critical operational tasks and processes can be sustained remotely.</p> <p>Core operational tasks being monitored and continuously improved to minimise slippage in internal and external service delivery</p>

6 - PERFORMANCE ACTIVITY FOCUS: PROGRAM & PROJECT MANAGEMENT

Current Priorities	Status	Key Activities / Highlights
Develop a strategy to improve program and project management	Completed / On track	Utilisation of employees regularly monitored Regular resource planning meetings in place to identify the need for project prioritisation for external resources
Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	Completed / On track	Continuous review process implemented to assess completion of projects (on target, off-target) as well as reviewing effort required to complete. Timesheet process being used to refine new project plans (work effort required) as well as ensuring work-life balance is maintained
Allocate resources efficiently and effectively	Completed / On track	

OUTPUTS

The AASB's standards, exposure drafts and other research reports are listed in the tables below.

Standards	
AASB 2021-6	<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i> (December 2021)
AASB 2021-7	<i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i> (December 2021)
AASB 2022-1	<i>Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information</i> (March 2022)
AASB 2022-2	<i>Amendments to Australian Accounting Standards – Extending Transition Relief under AASB 1</i> (May 2022)
AASB 2022-3	<i>Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15</i> (May 2022)
AASB 2022-4	<i>Amendments to Australian Accounting Standards – Disclosures in Special Purpose Financial Statements of Certain For-Profit Private Sector Entities</i> (June 2022)
Exposure Drafts	
ED 312	<i>Disclosure of Accounting Policies – Proposed Amendments to Tier 2 and Other Australian Accounting Standards</i> (August 2021)
ED 313	<i>Initial Application of AASB 17 and AASB 9 – Comparative Information</i> (August 2021)
ED 314	<i>Subsidiaries without Public Accountability: Disclosures</i> (September 2021)
ED 315	<i>Extending Transition Relief under AASB 1</i> (November 2021)
ED 316	<i>Non-current Liabilities with Covenants</i> (December 2021)
ED 317	<i>Supplier Finance Arrangements (Proposed amendments to AASB 107 and AASB 7)</i> (December 2021)
ED 318	<i>Illustrative Examples for Income of Not-for-Profit Entities and Right-of-Use Assets arising under Concessionary Leases</i> (January 2022)
ED 319	<i>Insurance Contracts in the Public Sector</i> (March 2022)
ED 320	<i>Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> (March 2022)
ED 321	<i>Request for Comment on ISSB [Draft] IFRS 1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS 2 Climate-related Disclosures</i> (April 2022)

Invitations to Comment

ITC 46	<i>AASB Agenda Consultation 2022-2026 (October 2021)</i>
ITC 47	<i>Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 9 Financial Instruments – Classification and Measurement (October 2021)</i>
ITC 48	<i>Extended External Reporting (November 2021)</i>

AASB Authoritative Pronouncements can be accessed via www.aasb.gov.au/Pronouncements.aspx.

The Standard-setting and Research Centre Work Programs can be accessed via www.aasb.gov.au/current-projects/work-program

AUASB CHAIR'S REVIEW



OUR PERFORMANCE IN 2021-22

Having completed my first full year as Chair and CEO of the Auditing and Assurance Standards Board (AUASB), I reflect with pride on the past year and the AUASB's many accomplishments and outputs. The earlier part of the year continued to be one of extreme turbulence in the business environment, and the Board and Technical staff took all their learnings from the prior year and continued to stay focussed to deliver on our strategic projects. Maintaining effective communication and engagement with stakeholders is an ongoing goal of the AUASB. Importantly, with the return to a normalised working environment, we have had the ability to re-engage face-to-face with our key stakeholders to consult on the AUASB's priorities and outputs.

KEY MILESTONES

Over the course of the last financial year, the AUASB achieved several key milestones in both standard-setting activities and thought leadership.

During the year we focused on the following key strategic priority areas:

- Driving initiatives which support Audit Quality, including working with the Financial Reporting Council on their Audit Quality Action Plan and developing materials to support the implementation of the new Quality Management Standards;
- Assisting the Australian Accounting Standards Board (AASB) and Assurance Practitioners dealing with the rapid development of Sustainability Reporting and Assurance;
- Seeking consultation on challenges in auditing less complex entities;
- Developing guidance to support the public sector;
- Developing guidance to support auditors in considering the use of technology; and
- Influencing the development of International Auditing Standards and guidance.

Further detail on the key milestones we have achieved on these priority areas as well as other priority projects is provided below.

AUDIT QUALITY

The AUASB has a strategic objective to work with the Financial Reporting Council (FRC) to identify and implement initiatives designed to enhance Audit Quality in Australia. The following are specific actions (not covered elsewhere in this report) undertaken in implementing this objective:

Supporting the profession during times of changing and uncertain economic conditions

Preparers and auditors of financial reports are faced a challenging 30 June 2022 reporting period arising from the impact of topical and emerging risks, and changing and uncertain economic conditions. Additionally, ASIC's *Areas of Focus for 30 June 2022* highlights key focus areas for companies to consider in preparation of their upcoming financial report and annual reporting including the Operating and Financial Review (OFR). The AUASB issued a Bulletin on *Auditor's considerations in times of changing and uncertain economic conditions* which highlights how relevant Auditing Standards and existing guidance supports auditors to perform a high-quality audit in the current economic and external environment.

Parliamentary Joint Committee on Corporations and Financial Services (PJC) Inquiry into Regulation of Auditing in Australia

Whilst the Australian government is yet to respond to the final report of the PJC Inquiry into Regulation of Auditing in Australia, the FRC's PJC Inquiry Working Group continues to meet to prepare for implementation of the recommendations arising from the inquiry. To this end, the AASB, Accounting Professional and Ethics Standards Board (APESB) and AUASB are working together on progressing recommendations within its mandate concerning fee disclosures and prohibitions on non-audit services (recommendation 3), auditor tenure disclosure (recommendation 6) and the adequacy of fraud prevention and going concern reporting requirements (recommendation 8). In relation to recommendation 8, the IAASB is progressing with projects on fraud and going concern and, through my membership of the IAASB, I will be directly involved in any global developments.

Quality Management Standards implementation support

The AUASB recently issued significant revisions to the Quality Management Standards (QMS) that require audit firms to enhance their systems of quality management across all audits and assurance engagements carried out by the firm.

The current year's priority was to provide implementation support particularly for smaller firms so that all practitioners could implement the revised standards to achieve the intended objectives of the standards.

Earlier in the year, the AUASB released a series of "five-minute video guides" to the new Standards to raise awareness of the key elements audit practitioners need to know, as well as launching a dedicated Quality Management web page with available guidance including the IAASB's implementation support materials. Throughout the year, the AUASB staff worked closely with the accounting professional bodies to support them in the development of further practical guidance to assist practitioners and worked with the APESB on their revisions to APES 320 *Quality Control for Firms*. Additionally, AUASB staff presented on the new standards at the professional bodies' annual conferences. Towards the end of the year, the AUASB released a Bulletin *Quality Management Standards – Enhancing Audit Quality* aimed at smaller audit firms to communicate the benefits of the QMS and key enhancements in the standards designed to enhance audit quality.

Other activities to enhance audit quality

Supporting stakeholders in complying with the AUASB standards is important to support audit quality. To assist with the recently revised ASA 315 *Identifying and Assessing the Risks of Material Misstatements* with a focus on audits of less complex entities, the AUASB released a Staff Paper *ASA 315: Scalability Considerations for Audits of Less Complex Entities*. ASA 315 is long and complex, so this Staff Paper is designed to assist auditors of less complex entities by highlighting how scalability has been considered in ASA 315. Additionally, a dedicated web page has been established on the AUASB website with various ASA 315 implementation support materials.

The AUASB have been working with ASIC on further understanding ASIC audit inspection findings and whether there are any amendments to standards or guidance needed to support practitioners. The AUASB will continue to work with ASIC and auditors on identification of further initiatives. The AUASB issued a Bulletin *Supporting Auditors in Enhancing Audit Quality* to communicate actions taken by the AUASB with respect to specific auditing standards that assists auditors to enhance audit quality, including those in response to matters identified during recent ASIC audit inspections.

SUSTAINABILITY

Reflecting the growing global and local attention and urgency around sustainability reporting and the assurance thereof, to support preparers and assurers of non-financial information, the AUASB has been proactive in taking preparatory steps to support future implementation of Australian sustainability-related and climate-risk disclosure and assurance standards. The following strategic initiatives have been completed during the year or are currently underway:

- An AUASB Bulletin *Extended External Reporting Assurance Guidance in Australia* has been issued to contextualise the IAASB's *EER Non-Authoritative Guidance* for the Australian jurisdiction.
- The AASB and the AUASB have established an AASB/AUASB Sustainability Reporting Project Advisory Panel consisting of practitioners, professional bodies and academics who specialise in sustainability reporting and assurance. Additionally, the AUASB Chair and staff, together with the AASB Chair and staff, are having on-going discussions with representatives from the accounting professional bodies, ASIC and the APESB, on the broader implications for the accounting and auditing profession.
- The FRC, AASB and AUASB released in March 2022 a *Position Statement on Extended External Reporting and Assurance* outlining that, at this time, the AASB intends to develop reporting requirements for sustainability-related information simultaneously with the relevant assurance standards developed by the AUASB, rather than via a separately established board.
- The AASB/AUASB issued a staff paper *Globally consistent reporting for sustainability-related information: Australian perspectives*. This paper provides an overview of the Australian perspective on the recent global sustainability-related developments and the

considerations for what approach the AASB and AUASB may take in response to those developments.

- In line with the AUASB's International Influencing Strategy and in my capacity as an IAASB member, I will continue to influence the direction and timely attention by the IAASB on the development of Sustainability assurance standards.
- The AUASB has issued AUASB Research Report 7: *A Literature Review on the Reporting and Assurance of Climate-related and Other Non-financial Information*. This literature review aims to inform practice and standard-setting by summarising and discussing key publications in the area of (i) climate-related disclosures (ii) Assurance on climate-related disclosures (iii) EER and (iv) Assurance on EER.

LESS COMPLEX ENTITIES

In recognition of the increasing complexity of the International Auditing Standards (ISAs) and challenges auditors are facing in applying these for audits of Less Complex Entities (LCEs), the IAASB issued a new proposed standard for audits of LCEs for public comment. While the Australian Auditing Standards (ASAs) are derived from the ISAs and apply to audits of entities of all complexities, the AUASB is aware of the challenges some stakeholders have in applying the ASAs to less complex audit engagements. Furthermore, the AUASB recognises that there are a range of factors driving challenges that impact the audit environment for LCEs which are not associated specifically with the auditing standards, such as:

- The myriad of legal and regulatory requirements for an audit (driven by a significant number of differing Commonwealth and State based legislative requirements).
- A lack of understanding of the requirements in auditing standards, different levels of assurance or inadequate training impacting the way the standards are applied.
- The expectation gap between practitioners and users with user needs not being fully understood.

To further explore the proposed IAASB standard and other factors driving the challenges in the environment, in September 2021, the AUASB issued a Consultation Paper *Exposure of the IAASB's Audits of Financial Statements of Less Complex Entities (ISA for LCE); and Consideration of Possible alternative options for Australian LCE audits* seeking stakeholder feedback.

After extensive consultation with stakeholders, the AUASB responded to the IAASB's Exposure Draft. The AUASB's submission to the IAASB concluded that, while the AUASB supports the concept of a standalone standard for LCE audits, the proposed standard in its current form was not appropriate to meet the needs of Australian stakeholders. Based on a significant number of global responses, the IAASB is progressing with revisions to this proposed standard and through my membership of the IAASB I will be indirectly involved in these revisions. The AUASB will continue to monitor how this revised standard may meet the needs of Australian stakeholders.

In relation to other possible Australian initiatives which may assist LCE stakeholders, feedback from consultation has prompted the AUASB to continue to pursue the legal and regulatory environment in terms of the appropriateness of the assurance product and the terminology used in legislation to meet the intended needs of Assurance Prescribers and users.

PUBLIC SECTOR

In recognising the specific assurance needs of the Public Sector and that there are differences between engagements undertaken in the public and private sectors, public sector auditors may face challenges in applying the AUASB Standards. In response, the AUASB has established a Public Sector Project Advisory Group consisting of representatives from all the Australian Auditors General to assist in addressing public sector audit issues. This resulted in the issuing of Guidance Statement GS 023 *Special Considerations – Public Sector Engagements* which provides supplementary application and other explanatory material in relation to issues that, at times, present challenges applying certain AUASB Standards on public sector audit and assurance engagements. Topic-specific guidance issued so far include Terms of Engagement and Going Concern. Additional topic-specific guidance material will be developed and incrementally added to the Guidance Statement in response to emerging issues.

TECHNOLOGY

The AUASB have continued to prioritise the importance of providing guidance to auditors on how to apply new and emerging technologies on audit and assurance engagements, as well as identifying how to utilise different technologies to improve the way our standards are accessed by the profession.

Technology Project Advisory Group

The AUASB's Technology Project Advisory Group, consisting of representatives from the largest accounting firms, the public sector and the professional accounting bodies, issued a Bulletin *Integrity of Data Obtained for the Purpose of an Audit of a Financial Report*. This Bulletin focusses on data integrity, addressing matters related to the collection and transformation of data by the auditor. In addition, the AUASB issued a Bulletin on the *Auditor's Responsibilities for General IT Controls* based on the revised ASA 315 *Identifying and Assessing the Risks of Material Misstatement*. This Bulletin is designed to assist auditors in understanding the role of General Information Technology Controls (GITCs) in the audit of a financial report and the auditor's responsibilities related to GITCs. Lastly, in relation to technology, the AUASB revised Guidance Statement GS 016 *Bank Confirmation Requests*, to reflect the use of electronic confirmation services.

Digital Standards Portal

In the pursuit of our strategic projects on technology and less complex entities, last year saw the launch of our transformational Digital Standards Portal. In the current period, we have continued to update the Portal with additional features and functions to support effective and efficient use by our stakeholders. We have seen overwhelming usage of our Portal with a significant 'click rate' averaging around 6,500-page impressions per month.

AUSTRALIAN SPECIFIC STANDARDS AND GUIDANCE

Throughout this Chair's Review I have referred to the many Pronouncements, Guidance and Other Publications issued by the AUASB during the year. In addition to those already mentioned, the AUASB has issued the following Australian-specific standards and guidance to meet the needs of Australian stakeholders:

- *GS 010 Responding to Questions at an Annual General Meeting*: This guidance has been significantly enhanced to provide additional guidance on how to respond to questions auditors may receive at an Annual General Meeting (AGM);
- *ASA 600 Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)*: ASA 600 is expected to enhance audit quality by reinforcing the accountability and ultimate responsibility of the Group Engagement Partner, adopting a risk-based approach to planning and performing a group audit engagement, and emphasising the need for robust communication and interactions between the group and component auditors; and
- *Feedback Statement Post Implementation Review – ASAE 3100 Compliance Engagements*: in accordance with the AUASB due process framework to gather information about the application of ASAE 3100 *Compliance Engagements* (ASAE 3100) issued by the AUASB in February 2017, the AUASB conducted a Post Implementation Review. Based on the evidence gathered through this process, the AUASB will not be implementing any change to ASAE 3100.

Furthermore, the AUASB revised ASA 101 *Preamble to AUASB Standards* and issued several Amending Standards and Exposure Drafts of amending standards largely to reflect conforming and consequential changes to other standards resulting from the issuance of a revisions to an underlying standard.

In addition, the AUASB approved changes to its *Due Process Framework* designed to streamline standard-setting activities and associated consultation processes that need to be applied when undertaking narrow scope projects.

INTERNATIONAL INFLUENCE

The AUASB's legislative mandate includes participating and contributing to the development of a single set of auditing standards for worldwide use, and we are required to use auditing standards issued by the IAASB as a base from which to develop local Auditing and Assurance standards. Therefore, it is important that we influence the direction of international standards to achieve local public interest outcomes and make sure they serve as the most effective foundation for our Australian standards. Effective 1 January 2022, for a period of 3 years, I was appointed to the International Auditing and Assurance Standards Board reflecting the strong role our region plays contributing to the global auditing standard process. In this role I have been assisted by AUASB Deputy Technical Director, Ms Rene Herman, who acts as my IAASB Technical Advisor, and other AUASB staff.

Additionally, Australia actively engages with and monitors the activities of other National Auditing and Assurance Standard Setters (NSS). We continue to build our international influence by working with other NSS, especially our colleagues in New Zealand and Canada, to work cooperatively and collaboratively on issues addressing our respective constituencies. In particular, Australia and New Zealand continue to work closely together to facilitate harmonisation of Trans-Tasman standard setting and I thank the outgoing Chair of the New Zealand Auditing Standards Board (NZAuASB), Mr Robert Buchanan, for his support both as a member of the AUASB and also as Chair of the NZAuASB and I welcome and look forward to working with the newly appointed NZAuASB Chair, Ms Marje Russ.

The AUASB provides ongoing feedback to me and Ms Herman on ongoing projects of the IAASB in key areas such as going concern, fraud, less complex audits, sustainability and audit evidence.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

To deliver on our strategic objectives, we recognise the importance of stakeholder outreach. In the last year, the AUASB has engaged with stakeholders across the country at speaking engagements and at national, regional and international meetings. During the COVID-19 pandemic, we have championed the use of technology to maintain this engagement using virtual meetings and webinars, and our reach across the AUASB network has continued to grow.

The AUASB's Consultation Paper of the *IAASB's Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE); and Consideration of Possible alternative options for Australian LCE audits* proposes a significant change to our current framework and practice. It was important the AUASB obtain stakeholder feedback on whether the proposed standard will meet the needs of Australian stakeholders and serves in the Australian public interest. To this end, the AUASB conducted extensive virtual roundtables across Australia to obtain feedback on the AUASB's Consultation Paper.

With a return to normalised activities, the AUASB took the opportunity to re-engage face-to-face with our stakeholders and commenced formal agenda consultation roundtables. The purpose of the agenda consultation is to seek views from Australian stakeholders on which projects the AUASB should be addressing, with an emphasis on projects and priorities that are primarily domestic in nature. To further assist with the gathering of stakeholder feedback, the AUASB Issued Consultation Paper: *AUASB Agenda Consultation 2022–23*. Feedback from stakeholders will be used to inform the AUASB workplan going forward.

LOOKING TOWARD 2022-23

During 2022-2023 we will continue to work closely with the AASB and engage with all members of the financial reporting eco-system as we consider the reporting, assurance and regulatory implications of sustainability information in the Australian market.

We will remain focused on a number of our newer strategic priority areas including additional guidance for the public sector, a greater focus on not-for-profit entities, and the consideration of

assurance requirements which are clear and effective to meet the intended needs of Assurance Prescribers and users.

We will continue to actively contribute to the International Standard-Setting process in the critical areas of sustainability, going concern, fraud, less complex audits and audit evidence, and we will further develop our collaborations with other NSS and our research initiatives.

We will also continue to work on audit quality initiatives across our portfolio, including continuing working with ASIC and auditors to identify areas where we may assist with interpretation and compliance with our Auditing Standards.

As always, other emerging issues will be monitored and responded to in a timely manner.

FINANCIAL RESULTS

The AUASB has recognised a total Comprehensive loss of \$114,702 (2021: Surplus of \$85,745). The loss can be attributed to the additional costs of operating the standards portal and also increased employee costs. Travel costs have also been incurred due to the recommencement of travel in 2022.

The management fee paid to the AASB was \$571,443 (2021: \$633,735) (refer to Notes 2A and 2B to the Financial Statements). The Management fee relates to common costs incurred by AASB which have been apportioned between the two entities as agreed in the MOU. The costs are low due to reduced corporate services expenses, partly attributed to working remotely for a portion of the year.

Note 8 to the Financial Statements provides further details of variances from the reported budget numbers.

ACKNOWLEDGEMENTS

I would like to recognise all the members of the AUASB, including our members who retired in 2022-23, for their considerable contributions over the past year. I would also like to express my appreciation to the staff of the AUASB, for their continuing effective and efficient support of the AUASB through these challenging times.

Additionally, I thank the Chair at the AASB, Dr Keith Kendall, as we continue to build a close collaborative and co-operative relationship between the AASB and the AUASB. I look forward to working with the new Chair of the Financial Reporting Council, Mr Andrew Mills, on a range of matters impacting the Australian reporting and assurance landscape in the future.

Sincerely,



William Edge
Chair and CEO
26 September 2022

AUASB ANNUAL PERFORMANCE STATEMENT 2021-22

I, William Edge, as the accountable authority of the Auditing and Assurance Standards Board, present the 2021-22 annual performance statement of the Auditing and Assurance Standards Board, (AUASB) as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



ENTITY PURPOSE

The functions of the AUASB are to:

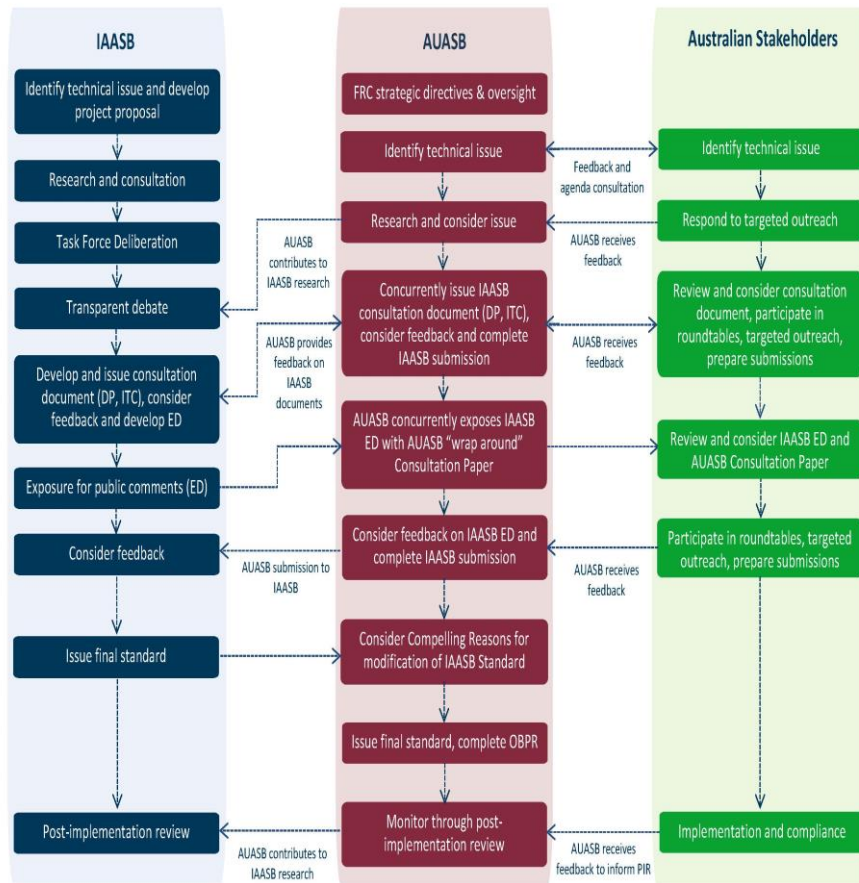
- make auditing standards under section 336 of the Corporations Act 2001 for the purposes of the Corporations' Legislation
- formulate auditing and assurance standards for other purposes
- formulate guidance on auditing and assurance matters
- participate in and contribute to the development of a single set of auditing standards for world-wide use
- advance and promote the main objectives of part 12 of the Australian Securities and Investments Commission Act 2001.

THE AUASB STANDARD SETTING PROCESS

In order to increase our influence during the formative stages of standards development, in 2020-21 the AUASB implemented a revised process for issuing IAASB Exposure Drafts (EDs) in Australia, where the EDs are issued concurrently with their release internationally. This approach is consistent with the way the AASB and many other standards setters seek to inform and influence international standards setting. Having now adopted this approach for all IAASB standards, the AUASB also in 2020-21 fully reviewed and updated its standard-setting and due process documentation and updated its policies relating to the conformity and harmonisation of AUASB standards with their global and NZAuASB equivalents.

The AUASB's Standard-Setting process is set out below.

AUASB Standard-Setting Process



AUASB's STRATEGIES FOR ACHIEVING ITS PURPOSE

Strategy 1: Standard setting	Strategy 2: Australian external reporting framework	Strategy 3: International thought leadership	Strategy 4: Stakeholder engagement	Strategy 5: Influencing beyond financial reporting	Strategy 6: Emerging Issues	Strategy 7: Enhancing Consistency
Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC).	Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required on external reports.	Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.	In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.	Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.	Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.	Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

2021-22 AUASB ACTIVITIES AND RELATED KEY PERFORMANCE INDICATORS

The tables below identify the activities the AUASB outlined in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to its strategies above, for the 2021-22 reporting period. The tables also indicate, for each priority, whether or not the activities were achieved and if not, why not.

Priority One: *Issue Australian Auditing and Assurance Standards based on IAASB equivalent standards in accordance with AUASB functions and mandate from the Financial Reporting Council (FRC).*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Issue all IAASB-based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	<ul style="list-style-type: none"> • All International standards issued in the 2021-22 year have been adopted and tailored where necessary for local implementation by the AUASB. This includes ASA 600 on Group Audits and various conforming and consequential amendments to other AUASB standards reflecting changes made to ASA 600 and the new Quality Management Standards which were issued in the prior period. • The AUASB has developed and/or rolled out a range of implementation support materials and other publications on its website to assist auditors to apply all new or recently released Auditing Standards, including: <ul style="list-style-type: none"> ○ A staff paper to assist auditors of LCEs by highlighting how scalability has been considered in ASA 315; ○ Five online videos describing the different elements of the new Quality Management Standards; and ○ Various IAASB Implementation Guides and FAQs. <p>The AUSAB Technical Staff have also conducted numerous outreach and awareness sessions with key stakeholder groups to promote the education and application of all new or revised standards.</p>
Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews	Achieved	<ul style="list-style-type: none"> • As part of our mandate to support the adoption of a single set of global standards the AUASB has hosted engagement activities to capture local stakeholder feedback into all IAASB

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		<p>exposure drafts and other proposals issued. In particular the AUASB:</p> <ul style="list-style-type: none">o conducted extensive outreach and provided feedback to the IAASB on the Proposed Standard on the Audit of Less Complex Entities; ando interviewed various stakeholders to provide input into IAASB proposals on Going Concern and Fraud, as well provide feedback on the IAASB Auditor Reporting Post Implementation Review.

Priority Two: *Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Issue Australian-specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	<ul style="list-style-type: none"> • The AUASB issued a range of new and updated pronouncements this year targeted specifically at the Australian auditing and assurance environment. These covered a broad range of topics, including: <ul style="list-style-type: none"> ○ A new Guidance Statement GS 023 which contains specific guidance on engagement letters and going concern matters targeted at public sector auditors. ○ A revised version of GS 016 to address the increased use of electronic Bank Confirmations. ○ An updated version of GS 010 which provides guidance to auditors on how to respond to questions at AGMs. ○ An updated <i>Foreword to AUASB Pronouncements</i> and a new <i>AUASB Preamble</i> to align these with updates made to the AUASB's Due Process Framework. ○ Minor updates to ASA 560 <i>Subsequent events</i> and ASA 800 <i>Special Considerations-Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i>. • A priority of the AUASB has been to provide implementation materials and raise awareness to support the adoption of the AUASB's suite of Quality Management Standards which were issued in the first half of 2021. The AUASB staff have worked closely with the APESB to ensure alignment with the ethical standards that apply to assurance and non assurance firms. We

Current Priorities & KPIs	Achieved/Not Achieved	Comments
<p>Seek feedback on relevance, effectiveness and public interest of Australian-specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews</p>	<p>Achieved</p>	<p>have also supported the CA ANZ who produced an updated Audit Quality Management Toolkit and CPA Australia on their System of Quality Management for Public Accounting Services tool. These practice aids are particularly aimed at smaller firms, so that all practitioners can achieve the intended objectives of the standards.</p> <ul style="list-style-type: none"> • The AUASB has improved its Due Process Framework for Developing, Issuing and Maintaining AUASB Pronouncements and Other Publications to incorporate a streamlined process to carry out narrow scope amendments. • The accessibility and functionality of all AUASB standards has been enhanced with the continued update and development of our AUASB Digital Standards Portal, which provides online access to all Australian Auditing and Assurance Standards from any PC or smart device. • All AUASB local pronouncements developed and issued across the year were subject to a transparent and rigorous due process, supported by extensive engagement with key stakeholders in accordance with our revised due process framework. • A post implementation review of ASAE 3100 was completed in May 2022, with no changes to this standard deemed necessary. • The AUASB carried out a survey and had direct engagement with practitioners to evaluate local implementation challenges associated with the revised auditor reporting requirements first introduced in 2016. The outputs of these information gathering activities will result in further initiatives in this area being undertaken in 2022-23.

Current Priorities & KPIs

Achieved/Not Achieved

Comments

Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these

Achieved

- The AUASB has produced a significant number of publications this year that provide assurance practitioners with guidance on topical and challenging auditing and assurance issues. Whilst a full list of the AUASB Bulletins and Staff Papers released in 2021-22 is contained in the Output Structure, below the performance measure tables, this lists highlights publications on:
 - Integrity of data obtained for the purpose of an audit of a financial report;
 - Audit Quality considerations, including an analysis of audit inspection findings and the new Quality Management Standards;
 - ASA 315 and the Auditor's Responsibilities for General IT Controls; and
 - The Auditor's considerations in times of changing and uncertain economic conditions.

Priority Three: *Monitor the Assurance Environment (including the impact of regulatory inspection findings) and address any implications for Australian auditing and assurance standards and guidance.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada.	Achieved	<ul style="list-style-type: none"> The AUASB Chair and Technical Director are active members of the IAASB's National Standards Setters group, which meets twice annually and participates in other IAASB forums to review IAASB activities and share knowledge between standard setters in each major global territory. The AUASB works closely with other like-minded National Auditing and Assurance Standards Setters (NSS) on projects with common interests. There is a regular dialogue maintained with NSS representatives in Canada and New Zealand, and over 2021-22 we have shared and collaborated with colleagues in these territories on a range of local and global auditing issues, such as the use of technology on audits, local implementation of new IAASB standards and sustainability reporting and assurance challenges.
Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy	Achieved	<ul style="list-style-type: none"> The AUASB Chair, Mr Bill Edge, has been a member of the IAASB from January 2022, having succeeded the former AUASB Chair Prof. Roger Simnett whose IAASB term concluded in December 2021. Bill and Roger have both been supported in this role by an AUASB Deputy Technical Director and other AUASB staff, and that ensures AUASB feedback is captured and considered for each IAASB meeting, as well as addressing AUASB considerations as part of the IAASB working group and task forces. At each AUASB meeting, the Board reviews and provides input on the current IAASB work plan. Over the course of 2021-22,

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders	Achieved	<p>there has been comprehensive feedback provided to our local IAASB representative on the IAASB's activities relating to Audit Evidence, Audits of Less Complex Entities, Fraud, Going Concern and Sustainability Assurance standards.</p> <ul style="list-style-type: none"> The AUASB provided detailed feedback to the IAASB on its proposed 2022-23 Work Plan via a response to the IAASB 2022-23 Workplan Survey in August 2021. To support the development of the IAASB's global standards the AUASB has developed formal responses to capture local stakeholder feedback into all IAASB exposure drafts and other proposals issued in the 2021-22 year. In particular the AUASB performed extensive outreach and provided feedback to the IAASB on the Proposed Standard on the Audit of Less Complex Entities in the second half of 2021 and has worked closely with the APESB on proposed changes to the Code of Ethics for Professional Accountants which have an audit impact.
Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols	Achieved	<ul style="list-style-type: none"> The AUASB Chair is also a member of the New Zealand Auditing and Assurance Standards Board (NZAuASB) and provides direct input into New Zealand standard setting developments to ensure collaboration between the AUASB and NZAuASB. The standard setting activities of both the AUASB and NZAuASB are coordinated through regular technical staff meetings that ensure harmonisation of standards in accordance with relevant policies and protocols. Two significant areas where there has been close collaboration is on the NZAuASB's proposed assurance standard on Fundraisings and New Zealand's planned framework for assurance over climate change disclosures.

Priority Four: *In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
<p>With the FRC, devise and complete activities to implement the FRC's Audit Quality Action Plan and contribute to improved audit quality outcomes in the Australian auditing environment</p>	<p>Achieved</p>	<ul style="list-style-type: none"> • The AUASB Chair and a dedicated AUASB Deputy Technical Director continue to provide resources to develop and drive initiatives identified in the FRC's Audit Quality Action Plan, including: <ul style="list-style-type: none"> ○ Issuing several AUASB publications aimed at enhancing audit quality, including: <ul style="list-style-type: none"> ▪ <i>Supporting Auditors in Enhancing Audit Quality</i> which communicates the actions taken by the AUASB to assist auditors to enhance audit quality, including those in response to matters identified during recent ASIC audit inspections. ▪ <i>Quality Management Standards - Enhancing Audit Quality</i> which highlights how the new Quality Management Standards will assist in improving audit quality at the firm and engagement level. ▪ <i>Auditor's considerations in times of changing and uncertain economic conditions</i> which complements ASIC's Areas of Focus for 30 June 2022 and highlights how relevant Auditing Standards and existing guidance supports auditors to perform a high-quality audit in the current economic and external environment.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
<p>Work with ASIC, the AASB, practitioners and other stakeholders to identify and address significant inspection findings associated with accounting and auditing standards</p>	<p>Achieved</p>	<ul style="list-style-type: none"> ○ Monitoring the adequacy of auditor disciplinary processes; and ○ Planning for the next cycle of surveying Audit Committee Chairs on their perspectives on Audit Quality, which will be carried out through a series of qualitative interviews in late 2022. • In conjunction with the FRC and other relevant standard setting bodies and regulators (such as the AASB, APESB and ASIC) the AUASB Chair and staff have continued to develop proposed responses to the recommendations from the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Regulation of Auditing in Australia covering areas such as auditors' responsibilities relating to Fraud, Going Concern and Audit Engagement Disclosures. • The AUASB continues to work closely with representatives from ASIC, the accounting professional bodies and a range of auditing practitioners to both address findings from the ASIC Audit Inspection process and assist with the improvement of this process. In December 2021, the AUASB produced a Bulletin "Supporting Auditors in Enhancing Audit Quality" which communicates the actions taken by the AUASB to assist auditors to enhance audit quality, including those in response to matters identified during recent ASIC audit inspections.

Priority Five: *Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Extended External Reporting (EER), Audits of Less Complex Entities (LCEs) and the use of Technology in the Audit	Achieved	<ul style="list-style-type: none"> • The AUASB has established Project Advisory Groups (PAGs) comprising industry experts to develop specific guidance that assist auditors on Audit Technology and Public Sector Audit Issues. <ul style="list-style-type: none"> ○ The Technology PAG has contributed to the development of two AUASB Bulletins over the course of the reporting period, as well as overseen other guidance materials relating to IT associated with the implementation of ASA 315. ○ The Public Sector PAG has directly contributed to the release of two iterations of GS 023, a new AUASB Guidance Statement that addresses how the Auditing Standards can be effectively applied on public sector audit engagements. GS 023 includes specific guidance for public sector auditors relating to engagement letters and going concern. • An AUASB Staff Paper on 'ASA 315: Scalability Considerations for Audits of Less Complex Entities' was released in November 2021 to assist auditors of Less Complex Entities apply the new ASA 315 efficiently and effectively. • To support extensive guidance issued by the IAASB in 2021 the AUASB issued its own Bulletin on Extended External Reporting (EER) Assurance Guidance in Australia in August 2021. • In October 2021, the AASB and the AUASB have established an AASB/AUASB Sustainability Reporting Project Advisory Panel

Current Priorities & KPIs	Achieved/Not Achieved	Comments
<p>Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy</p>	<p>Achieved</p>	<p>consisting of practitioners, professional bodies and academics who specialise in sustainability reporting and assurance. The AUASB has also jointly issued with the AASB two staff papers on sustainability reporting and assurance in the current reporting period:</p> <ul style="list-style-type: none"> ○ <i>A Position Statement on Extended External Reporting and Assurance</i>; and ○ <i>A Joint Staff Article on Globally consistent reporting of sustainability-related information: Australian perspectives.</i> <ul style="list-style-type: none"> • The AUASB has continued to engage with academics, the accounting professional bodies and other stakeholders over the course of the year to obtain evidence that supports its standard setting activities, through regular forums with AFAANZ and the AUASB's other outreach activities. • The AUASB this year has appointed Dr. Shan Zhou, Senior Lecturer at The University of Sydney, as an AUASB Research Scholar. Dr. Zhou's expertise covers integrated reporting, sustainability reporting and non-financial reporting about environmental, social and governance matters. In May 2022, the AUASB released 'AUASB Research Report 7: A Literature Review on the Reporting and Assurance of Climate-related and Other Non-financial Information', which was authored by Dr. Zhou and focuses on the current practice of climate-related and other non-financial information disclosures, and whether this information is subject to assurance.

Priority Six: *Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Seek feedback on proposed changes to assurance requirements to ensure they are fit for the intended purpose and support changes to the external reporting framework	Achieved	<ul style="list-style-type: none"> The AUASB have worked closely with other standard setters and regulators responsible for the Australian external reporting framework to ensure AUASB Standards and auditing requirements remain fit for purpose and align to other legislative or regulatory changes. The AUASB continues to investigate how the potential impact of recommendations arising from the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Regulation of Auditing in Australia should be managed, specifically in relation to going concern, fraud and audit engagement disclosures. The AUASB Chair and Staff have actively supported the AASB's actions relating to international and local sustainability reporting developments, especially the AASB's response to the ISSB's proposed standards in this area. The AUASB has, both directly and through the joint AASB-AUASB Sustainability Reporting Project Advisory Panel, supported the AASB's outreach on this topic and fed into any related audit or assurance considerations arising from the proposed ISSB standards. AUASB staff have continued to collaborate with AASB colleagues on recent changes designed to streamline the Australian Financial Reporting Framework, to ensure any audit or assurance related matters are appropriately addressed.

Current Priorities & KPIs

Achieved/Not Achieved

Comments

Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia

Achieved

- Following our consultation on the Audits of Less Complex Entities and the release of the AUASB’s guide for Prescribing Assurance and Related Services in 2021 (which is intended to assist legislators, grantors, regulators and other organisations or individuals that mandate assurance engagements as part of their regulatory frameworks to draft assurance requirements which are clear and effective). The AUASB has commenced a project working with the Office of Parliamentary Counsel to improve the quality and accuracy of prescribed assurance reports required by government agencies. This is a long-term project which will be undertaken over several years and potentially be extended to also include reporting requirements and apply to state and territory jurisdictions also.
- The development and release of the AUASB Digital Standards Portal now makes the auditing standards more accessible and easier to navigate. The Portal’s design incorporates feedback from a range of different users of AUASB standards and will continue to be enhanced.

Priority Seven: *Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Increase engagement with stakeholders through new and existing AUASB communications activities and events	Achieved	<ul style="list-style-type: none"> • The AUASB Digital Standards Portal released in June 2021 continues to be updated and maintained to ensure stakeholders and assurance practitioners have access to all Australian Auditing and Assurance Standards, both online and from any smart device. • The AUASB Website was redeveloped and redesigned recently to ensure easier and more logical access to AUASB content online. • Along with regular News Alerts being published on the AUASB Website, the AUASB continues to produce a regular Newsletter (produced multiple times per year, at least Quarterly) which summarises all AUASB activity and provides details of recent AUASB pronouncements and publications. • AUASB regularly present and engage in a range of industry forums, including different webinars, conferences, and other presentations in conjunction with the accounting professional bodies and academic groups. In 2021-22 AUASB staff presented at a range of external events hosted by the CA ANZ, CPA Australia and the APESB. • The AUASB staff continue to improve its capability and capacity to hold online based outreach sessions, with various online forums and workshops held over the course of the year.

OUTPUTS

The AUASB's pronouncements, exposure drafts, consultation papers and other publications issued in 2021-22 are listed in the table below.

Standards and Guidance Statements	
GS 010	<i>Responding to Questions at an Annual General Meeting</i> (September 2021)
ASA 101	<i>Preamble to AUASB Standards</i> (September 2021) <i>Foreword to AUASB Pronouncements</i> (September 2021)
ASA 2021-2	<i>Amendments to Australian Auditing Standard ASA 560 Subsequent Events</i> (September 2021)
ASA 2021-3	<i>Amendments to Australian Auditing Standards</i> (September 2021) [NB: Conforming Amendments to reflect the revised ASA 101 <i>Preamble to AUASB Standards</i>]
ASA 2021-4	<i>Amendments to Australian Auditing Standard ASA 800 Special Considerations – Audits of Financial Reports Prepared in Accordance with Special Purpose Frameworks</i> (September 2021)
ASA 2021-5	<i>Amendments to Australian Auditing Standards</i> (November 2021) [NB: Amendments represent editorial corrections]
GS 023	<i>Special Considerations – Public Sector Engagements</i> (December 2021)
ASA 2022-1	<i>Amendments to Australian Auditing Standards</i> (April 2022) [NB: Conforming Amendments to reflect ISA 600 (Revised) <i>Special Considerations—Audits of Group Financial Report (Including the Work of Component Auditors)</i>]
ASA 600	<i>Special Considerations—Audits of a Group Financial Report (Including the Work of Component Auditors)</i> (May 2022)
GS 016	<i>Bank Confirmation Requests</i> (June 2022)
GS 023	<i>Special Considerations – Public Sector Engagements</i> (June 2022)
Exposure Drafts and Consultation Papers	
Consultation Paper	Exposure of the IAASB's <i>Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE)</i> ; and Consideration of Possible alternative options for Australian LCE audits (September 2021)
ED 01/22	<i>Proposed Conforming and Consequential Amendments to the Australian-Specific AUASB Standards as a result of the New and Revised Quality Management Standards</i> (May 2022)
ED 02/22	<i>Proposed Conforming and Consequential Amendments to the other AUASB Standards to align to the IAASB Other Standards</i> (June 2022)

AUASB Publications

AUASB Bulletin on Extended External Reporting (EER) Assurance Guidance in Australia (August 2021)

AUASB Bulletin on Integrity of data obtained for the purpose of an audit of a financial report (August 2021)

FRC/AASB/AUASB Position Statement on Extended External Reporting and Assurance (November 2021)

AUASB Staff Paper on ASA 315: *Scalability Considerations for Audits of Less Complex Entities* (November 2021)

AUASB Bulletin on Supporting Auditors in Enhancing Audit Quality (December 2021)

AASB and AUASB Joint Staff Article on Globally consistent reporting for sustainability-related information: Australian perspectives (December 2021)

AUASB Bulletin on Quality Management Standards – Enhancing Audit Quality (May 2022)

AUASB Research Report 7: A Literature Review on the Reporting and Assurance of Climate-related and Other Non-financial Information (May 2022)

Consultation Paper: AUASB Agenda Consultation 2022–23 (May 2022)

AUASB Bulletin on ASA 315 and the Auditor's Responsibilities for General IT Controls (June 2022)

AUASB Bulletin on Auditor's considerations in times of changing and uncertain economic conditions (June 2022)

AUASB Feedback Statement for post-implementation review (PIR) on ASAE 3100 *Compliance Engagements* (June 2022)

AUASB Authoritative Pronouncements can be accessed via

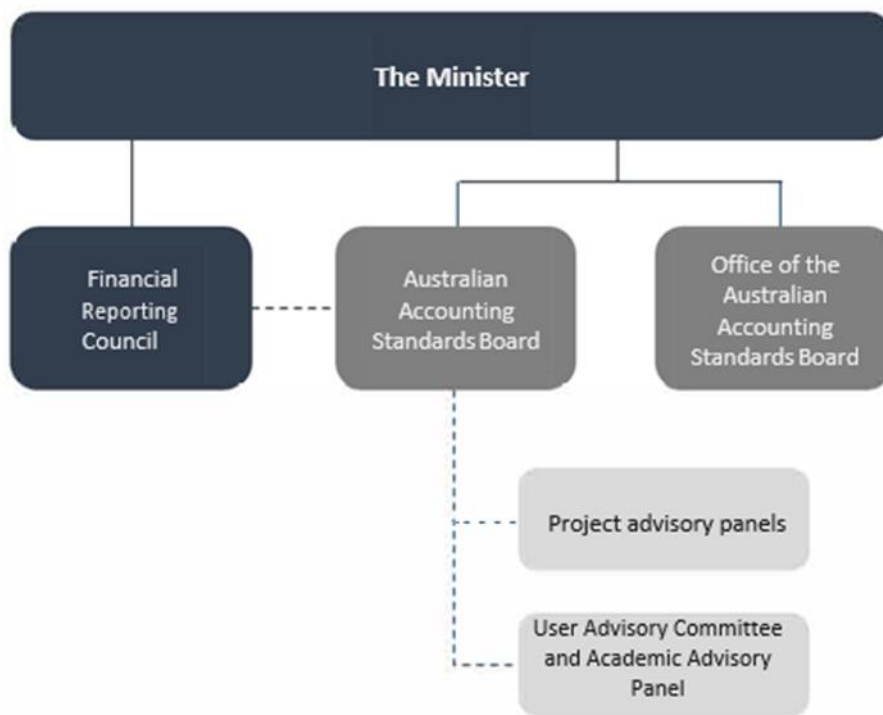
www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards

The AUASB's Technical Work Programs can be accessed via

www.auasb.gov.au/about-auasb/corporate-plan-strategy

MANAGEMENT AND ACCOUNTABILITY

How the AASB works



The Minister

The Minister appoints the Chair of the AASB. The Chair of the AASB is accountable to the Minister regarding the operations of the AASB and the Office of the AASB.

Financial Reporting Council

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AASB and has oversight of the process for setting accounting standards in Australia. The FRC appoints Board members to the AASB.

AASB

The AASB is an Australian non-corporate Government Entity responsible for developing, issuing and maintaining accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the corporations legislation. The AASB also formulates accounting standards and or guidance for other purposes and participates in, and contributes to, the development of a single

set of international accounting standards for worldwide use. The AASB's vision and strategies are set out on page 8. Further detail on the AASB's functions are set out in Appendix A.

To be eligible for appointment as a member of the AASB, a person must have knowledge of, or experience in, business, accounting, law or government. Initial appointment is for a maximum of three years with possible extensions for a further two terms.

The members of the AASB during 2021-22 are listed below. The AASB met four times via video conference and three times as a hybrid meeting during 2021-22 for a total of 11 meeting days. Attendance of members at these meetings is set out in Appendix B.

Office of the AASB

The Office of the AASB provides technical and administrative services, information and advice to the AASB. The Chair of the AASB is also the Chief Executive Officer of the Office of the AASB, however the CEO responsibilities have been delegated (to the maximum extent permitted) to the Managing Director.

Membership

Chair

Keith Kendall was appointed as Chair of the AASB and CEO of the Office of the AASB for a five-year term from 3 May 2020 to 2 May 2025. The duties of the Chair and CEO of the AASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

As Chair of the AASB, Keith Kendall is also a member of the FRC and a member of the NZASB.

The members of the AASB holding office during the year ended 30 June 2022 were:

Board Member	Qualification	Appointment end date
Carolyn Cordery	NZASB Chair	Reciprocal member from February 2021
James Grant	Westpac	December 2024 (2 nd term)
Dean Hanlon	Monash University	December 2023
David Holland	Sapphire Professional Services	December 2022
Toby Langley	Xero	December 2023
Sean Osbourne	NSW Treasury	December 2024
Paul Rogers	KPMG	December 2024 (2 nd term)
Caroline Spencer	Auditor General of Western Australian Office of Auditor General	December 2023
Stephen Taylor	University of Technology Sydney	December 2022 (2 nd term)
Alison White	Deloitte	December 2023 (2 nd term)

Board Member	Qualification	Appointment end date
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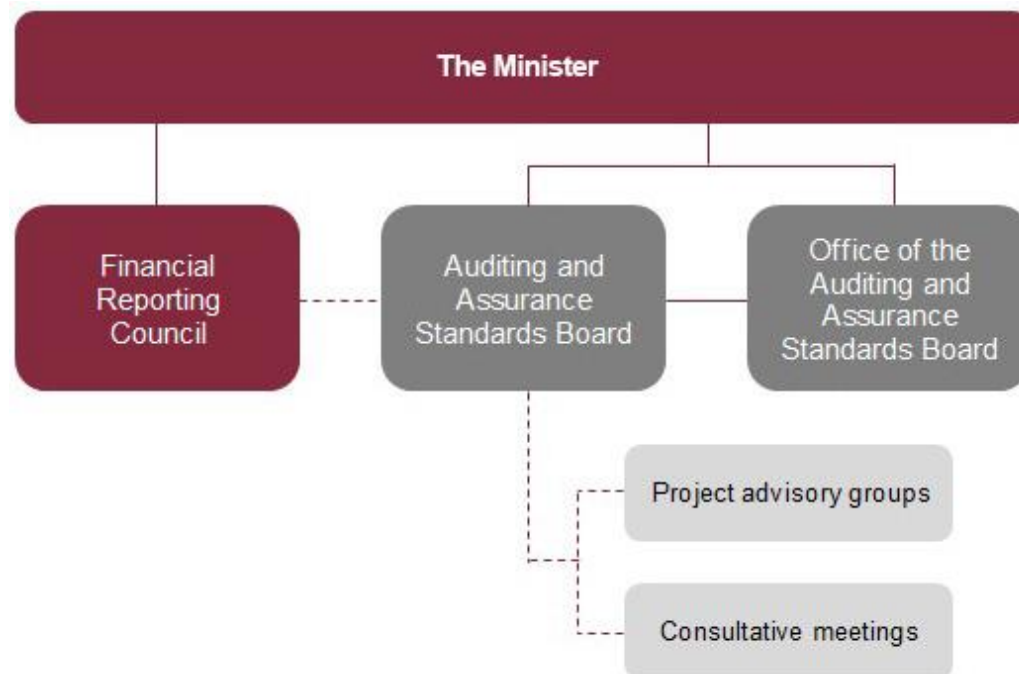
Retirements

Peter Gibson	Commonwealth Finance	Department of December 2021
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Observers

There was no one with observer status during the year.

How the AUASB works



The Minister

The Minister appoints the Chair of the AUASB. The Chair of the AUASB is accountable to the Minister regarding the operations of the AUASB and the Office of the AUASB.

Financial Reporting Council

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AUASB and has oversight of the process for setting auditing and assurance standards in Australia. The FRC appoints Board members to the AUASB for various terms.

AUASB

The AUASB an Australian non-corporate Government Entity responsible for making auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations legislation. The AUASB also formulates auditing and assurance standards for other purposes and participates in and contributes to the development of a single set of international auditing standards for worldwide use. The AUASB's vision and strategies are set out on page 8. Further detail on the AUASB's functions are set out in Appendix A.

Board appointments may be made for a period of up to three years and retiring members are eligible for reappointment for a maximum of three terms.

The AUASB held five (two video conferences and three hybrid) meetings during 2021-22 for a total of eight meeting days. Attendance of members at these meetings is set out in Appendix B.

Office of the AUASB.

The Office of the AUASB provides technical support and information and advice to the AUASB. The Chair of the AUASB is also the Chief Executive Officer of the Office of the AUASB, however the CEO responsibilities have been delegated (to the maximum extent permitted) to the Managing Director.

Membership

Chair

William Edge (Bill) was appointed as Chair of the AUASB and CEO of the Office of the AUASB for a 12-month term from 1 July 2021 following on from a short-term appointment. Effective from 1 July 2022, Bill has been appointed as the Chair of the AUASB for a further 12-month term.

The duties of the Chair and CEO of the AUASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

As Chair of the AUASB, he is also a member of the FRC and a member of NZAuASB.

The AUASB comprised an independent Chair (appointed by the Minister) and 10 part-time members (appointed by the FRC).

The members during 2021-2022 were:

Board Member	Qualification	Appointment end date
Julie Crisp (Deputy Chair)	Northern Territory Auditor-General's Office	December 2023 (2 nd term)
Tracey Barker	KPMG	December 2024
Klynton Hankin	PwC	December 2024 (2 nd term)
Noel Harding	UNSW Sydney	December 2023 (2 nd term)
Joanne Lonergan	EY	December 2024
Andrew Porter	CFO - Australian Foundation Investment Company	December 2022
Michelle Shafizadeh	Moore Australia	December 2023

Board Member	Qualification	Appointment end date
Retirements		
Jo Cain	Non-Executive Director	3 rd term completed December 2021
Rodney Piltz	EY	1 st term completed December 2021
Carolyn Ralph	KPMG	2 nd term completed December 2021
Gareth Bird	Deloitte	Retired 1 April 2022 (2 nd term)
Robert Buchanan	Chair, NZAuASB	Reciprocal member until 30 June 2022

Observers

There was no one with observer status during the year.



Photo of AUASB Chair and some of the Board Members as at 30 June 2022.

AASB AND AUASB'S CORPORATE GOVERNANCE

The corporate governance practices of the AASB, AUASB and the Offices of the AASB and the AUASB comply with statutory and other external requirements and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the Offices of the AASB and AUASB periodically consider a range of issues, including:

- Clear accountability mechanisms;
- Leadership, culture and communication;
- Appropriate governance and committee structures;
- Effectiveness of work with stakeholders;
- Comprehensive risk management, compliance and assurance systems and
- Strategic planning, performance monitoring and evaluation.

AUDIT COMMITTEE

The AASB and AUASB Audit and Risk Committee's (ARC) role is to provide independent assurance and assistance to the Chairs on their financial and performance reporting responsibilities, risk oversight and management, and system of internal control. The Committee is not responsible for the executive management of these functions. The Committee engages with management in discharging its advisory responsibilities and formulating its advice to the Chairs.

The Audit and Risk Committee follows the recommended practice guidelines issued by the Department of Finance for non-corporate Commonwealth entities. The Audit and Risk Committee comprises an independent external Chair, and three external members. The Australian National Audit Office (ANAO) also attends Audit and Risk Committee meetings as an observer, as do other AASB and AUASB management representatives.

Audit and Risk Committee members are:

Member	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration
Stuart Alford	BEcon (Hons), FCA, MAICD. is the Independent Chair of our Audit and Risk Committee. Stuart is a Non-Executive Director with considerable board and audit committee experience. He is a retired EY partner and a former member and Chair of the Auditing and Assurance Standards Board.	4/4	\$12,000

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2021-22

Member	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration
Michael Alexander	Honours Economics, Research Doctorate, Labor and Industrial Relations, Deputy Director, Corporate Services at Australian Institute of Family Studies	3/4	n/a
Kylie Maher	Graduate, Australian Institute of Company Directors, Certified Practising Accountant (CPA), Bachelor of Business (Accounting) and Member, Institute of Internal Auditors. Kylie has 26 years experience in providing Finance, Risk and Governance advisory services as a Partner/Director at Moore Australia and KPMG.	4/4	\$8,000
Mark Stretton	BCom (Acc & Fin), BEc, Grad Dip App F in & Inv, FFIIn, CA, CPA. Partner with Deloitte Touche Tohmatsu where he has 28 years experience providing audit and assurance services in Australia and internationally.	4/4	n/a
Retirements			
Andrew Mills	Bus, LL.M, Grad Dip Tax Law, CTA (Life), GAICD. Over 40 years experience in senior commercial, practice, government and academic roles and experience as a member of other audit and risk committees	3/4	\$4,000

The Audit and Risk Committee charter can be sourced at: www.aasb.gov.au/about-the-aasb/government-reports/audit-and-risk-committee/

RISK MANAGEMENT

The Office of the AASB and AUASB risk management framework aligns with the Commonwealth Risk Management Policy and enables risk to be managed in line with our low-risk appetite. We monitor and report on risks via a series of risk registers. The Executive and the Audit and Risk Committee regularly review the risk-management framework, including the strategic risk register and other risk registers as appropriate

FRAUD PREVENTION AND CONTROLS

Fraud control is regarded by the AASB and AUASB as a continuous process, and AASB and AUASB officers and employees maintain an awareness of fraud risk generally, and their responsibility to take any reasonable action to reduce the possibility and impact of losses through fraud.

The AASB and AUASB has in place a fraud risk assessment and fraud control plan. It has adequate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs.

I, Keith Kendall as the AASB accountable authority, certify that the AASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.

I, William Edge, as the AUASB accountable authority, certify that the AUASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.

ETHICS

The Offices of the AASB and AUASB employees are required to adhere to the Australian Public Service values and code of conduct under the *Public Service Act 1999*.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, cooperation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 2013* (PID Act) promotes integrity and accountability in the Commonwealth public sector by encouraging the disclosure of information about suspected wrongdoing. It also protects people who make disclosures and requires agencies to investigate or take other appropriate actions.

In accordance with the PID Act, the Office of the AASB and AUASB has a PID policy/procedure which is made available on their websites. During the reporting period, no public interest disclosures were received.

INFORMATION PUBLICATION SCHEME STATEMENT

In accordance with the Freedom of Information (FOI) Act and the Information Publication Scheme (IPS), AASB and AUASB publish a range of information on its websites, such as its organisational structure, appointments, annual reports, gift register, Audit and Risk Committee & Board Charters, Code of Conduct, legal expenditure, and details of the freedom of information officer. The Statements of Expectations and Intent are also available on the websites

AASB PERSONNEL MANAGEMENT

Table 1a: AASB Ongoing employees at 30 June 2022

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	1	0	1	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	5	1	6	5	4	9	0	0	0	15
WA	0	0	0	1	0	1	0	0	0	1
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	5	1	6	7	4	11	0	0	0	17

Table 1b: AASB Ongoing employees at 30 June 2021

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	1	0	1	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	1	1	0	0	0	1
VIC	6	1	7	3	4	7	0	0	0	14
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	6	1	7	4	5	9	0	0	0	16

Table 1c: AASB Non-ongoing employees at 30 June 2022

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	1	1	0	0	0	0	0	0	1
QLD	0	0	0	0	1	1	0	0	0	1
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	0	4	4	0	1	1	0	0	0	5
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	0	5	5	0	2	2	0	0	0	7

Table 1d: AASB Non-ongoing employees at 30 June 2021

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	1	1	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	0	3	3	1	2	3	0	0	0	6
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	1	1	0	0	0	1
Total	0	3	3	1	4	5	0	0	0	8

As at 30 June 2021 no employees identified as Indigenous

Table 2: AASB Other highly paid staff as at 30 June 2022

Total remuneration bands	Short term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration	
	Number of other highly paid staff	Average base salary	Average bonuses	Average other benefit and allowances	Average superannuation contributions	Average long service leave term benefits	Average total remuneration	
\$0 - \$220,000	2	\$184,909	0	\$895	\$18,491	\$4,623	0	\$208,918

Table 3: AASB Salary ranges as at 30 June 2022

Salary Bands	Senior executive full time	Senior executive part time	Technical & non-technical full time	Technical & non-technical part time
\$ 15,000 to \$104,999	0	0	3	1
\$105,000 to \$194,999	0	0	6	1
\$195,000 to \$284,999	2	1	1	0
\$285,000 to \$374,999	0	1	0	0
\$375,000 to \$464,999	1	0	0	0

AUASB PERSONNEL MANAGEMENT



Photo of AUASB Chair and Staff as at 30 June 2022.

Table 4a: AUASB Ongoing employees at 30 June 2022

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	1	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	3	0	3	2	3	5	0	0	0	8
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	3	0	3	2	3	5	0	0	0	8

Table 4b: AUASB Ongoing employees at 30 June 2021

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	2	1	3	2	3	5	0	0	0	8
WA	0	0	0	0	0	0	0	0	0	0
ACT	1	0	1	0	0	0	0	0	0	1
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	3	1	4	2	3	5	0	0	0	9

Table 4c: AUASB Non-ongoing employees at 30 June 2022

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	1	0	1	0	0	0	0	0	0	1
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	0	0	0	0	0	0	1

Table 4d: AUASB Non-ongoing employees at 30 June 2021

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	0	1	1	0	2	2	0	0	0	3
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	0	1	1	0	2	2	0	0	0	3

As at 30 June 2022 no employees identified as Indigenous.

Table 5: AUASB Other highly paid staff as at 30 June 2022

Total remuneration bands	Number of other highly paid staff	Short term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefit and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,000	2	\$184,909	0	\$895	\$18,491	\$4,623	0	0	\$208,918

Table 6: AUASB Salary ranges as at 30 June 2022

Salary Bands	Senior executive full time	Senior executive part time	Technical & non-technical full time	Technical & non-technical part time
\$ 15,000 to \$104,999	0	0	1	0
\$105,000 to \$194,999	0	0	2	1
\$195,000 to \$284,999	1	2	0	0
\$285,000 to \$374,999	0	0	0	0
\$375,000 to \$464,999	1	0	0	0

NON-SALARY BENEFITS

The AASB and AUASB offers employees a number of non-salary benefits which include:

- Annual influenza immunisation;
- COVID19 vaccination incentive;
- Mentoring and coaching programs;
- In-house capability development programs;
- Confidential employee assistance program for employees and their immediate families;
- Study assistance to eligible employees;
- Access to flexible working arrangements;
- Access to equipment to work from home during COVID-19 lockdown restrictions;
- Various well-being packages to support staff during lockdown restrictions; and
- Contributions to relevant professional memberships.

The AASB and AUASB provides the Senior Executive Service (SES) employees and where there is a business need some employees with a mobile phone, tablet, laptop and/or airline lounge membership. Employees can also make use of a range of salary sacrifice benefits, including additional superannuation and leased motor vehicles.

BRINGING IT ALL TOGETHER

The AASB and AUASB are each supported by an Office providing technical and administrative services to the Boards. Each Office is a non-corporate Australian Government entity under the ASIC Act. The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards. The Chairs are Chief Executive Officers and the Accountable Authority under the PGPA Act and are responsible for the preparation of the financial reports for each entity, however, have delegated to the maximum extent permitted the CEO responsibilities to the Managing Director.

The Managing Director is responsible for the operation of the Office of AASB. The Offices of the AASB and AUASB have implemented a shared service model, in that the AASB provides all administrative services for the AUASB and their respective Boards.

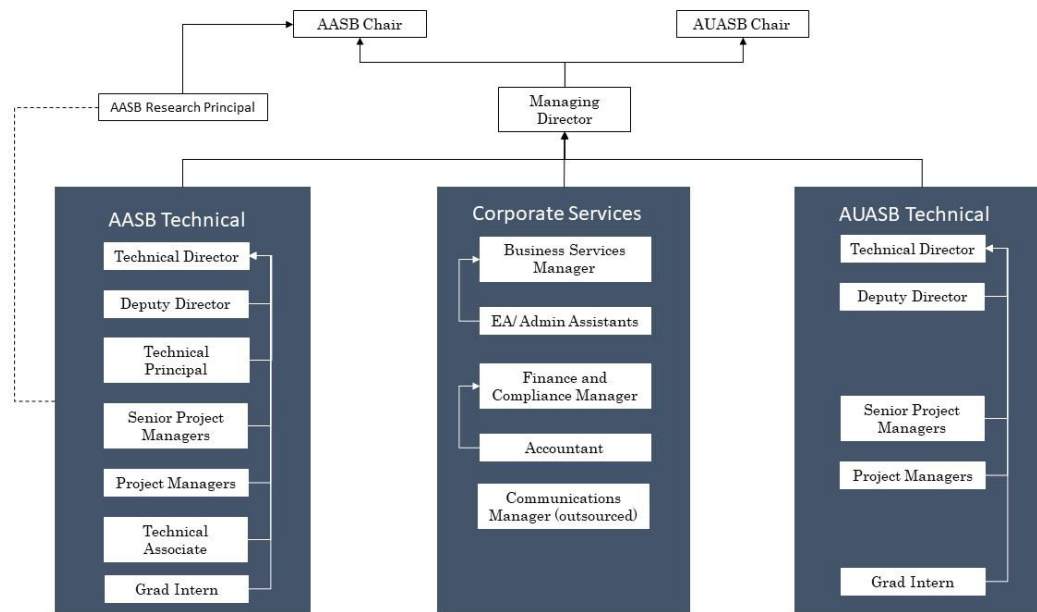
(The diagram on the following page outlines the operational structure of the AASB, AUASB and the Office of both AASB and AUASB.)

In order to ensure appropriate governance and accountability, the operating model is governed by a memorandum of understanding (MOU) which is signed by the Chairs.

To transparently reflect this operating model and organisation structure, the AASB and AUASB have provided additional disclosures (refer to Note 2A and Note 2B) that aims to provide some

further understanding of the financial arrangements in relation to the costs of the services delivered in accordance with the MOU.

ORGANISATION CHART



OUR PEOPLE

Both Chairs are appointed by the Minister, pursuant to a contract for services with the respective Office of the Board. Salary and other entitlements of the Chairs are determined by the Commonwealth Remuneration Tribunal.

Members of the respective Boards are appointed for three-year terms. The FRC, via the Nominations Committee, is responsible for the selection process of AASB and AUASB Board members. Recommendations are tabled with the FRC for confirmation of appointment. Entitlements are determined by the Commonwealth Remuneration Tribunal.

The AASB and AUASB have the capacity to employ under the ASIC Act, as well as the *Public Service Act 1999* (PSA). As at 30 June 2022, all employees were employed under the *ASIC Act*.

Salaries and other entitlements of the technical and non-technical employees are linked to comparable industry and market levels of remuneration.

The performance management process is based on informal frequent performance discussions that build to formal meetings for review and forward planning of goals and objectives for the year.

Our employees undertake a range of training and professional development experiences which include attendance at seminars, conferences and training programs as appropriate on topics related to technical and personal development, policy and the administrative work of the AASB and AUASB.

It is a policy of the AASB and AUASB that employees do not receive performance bonuses. The AASB and the AUASB comply with the Workplace Bargaining Policy 2020 of the Australian Public Service Commission, as it applies to non-government entities, including the approach to annual wage adjustments which are linked to the private sector Wage Price Index annual percentage change for the immediately preceding June quarter.

Recruitment and retention of employees will always prove to be challenging – particularly in the specialist fields associated with standards setting. These challenges are being overcome by working to establish a core group of experienced technical people and complementing their skills through secondments from other government departments, the accounting and auditing firms, our graduate intern program and short-term appointments from academia and corporates for specialist skills.

Using these strategies, the Chairs are confident that they have well-qualified employees and are continuously developing appropriate policies and procedures to enable them to achieve the AASB's and AUASB's strategies.

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INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Office of the Australian Accounting Standards Board (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statements by the Chairs;
- Statements of Comprehensive Income;
- Statements of Financial Position;
- Statements of Changes in Equity;
- Cash Flow Statements; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

GPO Box 707, Canberra ACT 2601
38 Sydney Avenue, Forrest ACT 2603
Phone (02) 6203 7300

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Executive Director
Delegate of the Auditor-General

Canberra
27 September 2022



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Office of the Auditing and Assurance Standards Board (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statements by the Chairs;
- Statements of Comprehensive Income;
- Statements of Financial Position;
- Statements of Changes in Equity;
- Cash Flow Statements; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Mark Vial
Executive Director
Delegate of the Auditor-General

Canberra
27 September 2022

STATEMENTS BY THE CHAIRS

AASB

In my opinion, the attached Financial Statements for the Office of the Australian Accounting Standards Board for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Australian Accounting Standards Board will be able to pay its debts as and when they fall due.



Dr Keith Kendall
Chair, CEO and CFO – AASB

26 September 2022

AUASB

In my opinion, the attached Financial Statements for the Office of the Auditing and Assurance Standards Board for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Auditing and Assurance Standards Board will be able to pay its debts as and when they fall due.



William Edge
Chair, CEO and CFO – AUASB

26 September 2022

Statements of Comprehensive Income
for the period ended 30 June 2022

	Notes	AASB		AUASB	
		2022 \$	2021 \$	2022 \$	2021 \$
EXPENSES					
Employee and contractor costs	3A	3,497,082	3,234,745	1,640,859	1,524,799
Supplier expenses	3B	978,469	893,348	319,224	234,960
Occupancy expenses	2B	93,583	111,786	0	0
Depreciation and amortisation	3C	307,135	293,234	51,506	3,934
Finance costs		2,631	2,409	0	0
Management fee paid to AASB	2	0	0	571,443	633,735
Write-down and impairment of assets & losses on sale		6,559	12,406	0	0
Total expenses		4,885,459	4,547,928	2,583,032	2,397,428
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services		25,910	558	0	0
Management fee received from AUASB	2	571,443	633,735	0	0
Resources received free of charge		65,026	59,696	47,330	64,173
Audit fees received free of charge		46,150	46,150	33,000	33,000
Contributions from states and territories		500,000	500,000	0	0
Total own-source revenue		1,208,529	1,240,139	80,330	97,173
Net cost of services & cost of outcome delivery		(3,676,930)	(3,307,789)	(2,502,702)	(2,300,255)
Revenue from Government	4	3,568,000	3,565,000	2,388,000	2,386,000
Surplus/(Deficit) attributable to the Australian Government		(108,930)	257,211	(114,702)	85,745
Total comprehensive surplus/(deficit) attributable to the Australian Government		(108,930)	257,211	(114,702)	85,745

The above statements should be read in conjunction with the accompanying notes.

Statements of Financial Position
as at 30 June 2022

		AASB		AUASB	
	Notes	2022	2021	2022	2021
		\$	\$	\$	\$
ASSETS					
Financial Assets					
Cash and cash equivalents		67,576	57,018	49,553	41,203
Trade and other receivables		381,405	404,135	0	0
Appropriation receivable	4	2,313,000	2,405,000	1,068,000	1,092,000
Total financial assets		2,761,981	2,866,153	1,117,553	1,133,203
Non-Financial Assets					
Buildings right of use - at cost		1,263,059	140,062	0	0
Plant & equipment - fair value		161,853	80,521	0	0
Computer software – at cost		58,404	1,884	114,013	141,116
Prepaid expenses		160,669	159,889	43,396	59,248
Total non-financial assets		1,643,985	382,356	157,409	200,364
Total assets		4,405,966	3,248,509	1,274,962	1,333,567
LIABILITIES					
Payables					
Suppliers		154,142	169,833	25,959	7,285
Management fee payable to AASB	5B	0	0	332,842	321,132
Other payables		90,757	98,131	0	0
Total payables		244,899	267,964	358,801	328,417
Interest-bearing liabilities					
Leases	7A	1,296,884	146,850	0	0
Total Interest-bearing liabilities		1,296,884	146,850	0	0
Provisions					
Employee provisions		463,141	374,723	273,010	271,297
Total provisions		463,141	374,723	273,010	271,297
Total liabilities		2,004,924	789,537	631,811	599,714
Net assets		2,401,042	2,458,972	643,151	733,853
EQUITY					
Contributed equity		753,000	702,000	325,300	301,300
Retained earnings		1,648,042	1,756,972	317,851	432,553
Total equity		2,401,042	2,458,972	643,151	733,853

The above statements should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

for the period ended 30 June 2022

Australian Accounting Standards Board

	Retained earnings		Contributed equity/capital		Total equity	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance as at 1 July	1,756,972	1,499,761	702,000	651,000	2,458,972	2,150,761
Balance carried forward from previous period						
Comprehensive income						
Surplus/(Deficit) for the period	(108,930)	257,211	0	0	(108,930)	257,211
Comprehensive income attributable to the Australian Government	(108,930)	257,211	0	0	(108,930)	257,211
Transactions with owners						
Departmental capital budget	0	0	51,000	51,000	51,000	51,000
Closing balance as at 30 June	1,648,042	1,756,972	753,000	702,000	2,401,042	2,458,972

The above statements should be read in conjunction with the accompanying notes.

Auditing and Assurance Standards Board

	Retained earnings		Contributed equity/capital		Total equity	
	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Opening balance as at 1 July	432,553	346,808	301,300	280,300	733,853	627,108
Balance carried forward from previous period						
Comprehensive income						
Surplus/(Deficit) for the period	(114,702)	85,745	0	0	(114,702)	85,745
Comprehensive income attributable to the Australian Government	(114,702)	85,745	0	0	(114,702)	85,745
Transactions with owners						
Departmental capital budget	0	0	24,000	21,000	24,000	21,000
Closing balance as at 30 June	317,851	432,553	325,300	301,300	643,151	733,853

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statements

for the period ended 30 June 2022

Notes	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Cash received				
Appropriations	3,660,000	1,160,000	2,412,000	1,294,000
Goods and services	585,878	492,611	0	0
Net GST received	112,291	93,931	0	0
Contributions received	542,275	500,000	0	0
Total cash received	4,900,444	2,246,542	2,412,000	1,294,000
Cash used				
Employees and contractors	3,351,012	3,155,978	1,591,816	1,664,209
Suppliers	1,162,735	1,028,637	811,431	537,278
Interest payments on lease liabilities	2,631	2,409	0	0
Total cash used	4,516,378	4,187,024	2,403,247	2,201,487
Net cash from / (used by) operating activities	384,066	(1,940,482)	8,753	(907,487)
INVESTING ACTIVITIES				
Cash received / (used)				
Purchase of property, plant and equipment	(195,691)	(25,283)	(24,403)	(145,050)
Cash received from disposal of infrastructure, plant and equipment	0	0	0	0
Net cash used by investing activities	(195,691)	(25,283)	(24,403)	(145,050)
FINANCING ACTIVITIES				
Cash received/used				
Contributed equity	51,000	51,000	24,000	21,000
Principal payments of lease liabilities	(228,817)	(211,334)	0	0
Net cash from/used by financing activities	(177,817)	(160,334)	24,000	21,000
Net increase / (decrease) in cash held	10,558	(2,126,099)	8,350	(1,031,537)
Cash and cash equivalents at the beginning of the reporting period	57,018	2,183,117	41,203	1,072,740
Cash and cash equivalents at the end of the reporting period	67,576	57,018	49,553	41,203

NOTES TO AND FORMING PART OF THE FINANCIAL REPORTS

Objectives of AASB and AUASB

The Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) are each supported by an Office providing technical and administrative services to the Boards. Each Office is formed under the *Australian Securities and Investments Commission Act 2001* (ASIC Act). The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are non-corporate Commonwealth Government Entities.

The Office of the AASB is structured to meet one outcome: the formulation and making of external reporting standards that are used by Australian entities to prepare financial reports and enable users of the reports to make informed decisions.

The Office of the AUASB is structured to meet one outcome: the formulation and making of auditing and assurance standards and guidance that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

Financial Reporting and Organisation Structure

The AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards. The Chairs are Chief Executive Officers and the Accountable Authority under the PGPA and are responsible for the preparation of the financial reports for each entity. The Chairs have delegated to the maximum extent possible the CEO responsibilities to the Managing Director. The Managing Director supports the Chairs and manages the technical and administrative support staff of the AASB and AUASB. The AASB and AUASB have implemented a shared service model, in that the AASB provides specified administrative services for the AUASB. The AUASB does not employ any administrative support staff.

Given the common objectives of the AASB and AUASB and the interlinked financial relationships, their individual financial reports are presented jointly with a column for each entity, supplemented with a detailed note outlining the appropriations received, and the direct costs incurred by each of the AASB and AUASB, together with the common expenses.

The accounting policies applied by each Office are the same.

Events After the Statement of Financial Position Date

There are no major events post 30 June 2022 to report for the AASB or AUASB.

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements of the Offices of the AASB and the AUASB are required by Section 42 of the PGPA Act.

The financial reports have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.*

- *Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the AASB that apply for the reporting period.*

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

1.2 Significant Accounting Judgements and Estimates

There are no accounting assumptions or estimates at reporting date that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.3 Changes in Australian Accounting Standards

(a) Adoption of Revised Australian Accounting Standard Requirements applicable for 30 June 2022

AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has been adopted this financial year. The AASB and AUASB had previously elected to apply Tier 1. This has not resulted in a material change in the disclosures.

(b) Revised Standards effective for years commencing after 30 June 2022

New standards, amendments to standards and interpretations that are applicable to future periods have been issued by the AASB. None of these are expected to have a material impact on future reporting periods, either because the AASB and AUASB do not conduct the types of transactions addressed by the pronouncements or because of the extent to which they may impact the AASB and AUASB is not expected to be material.

1.4 Taxation

The Offices of the AASB and AUASB are exempt from all forms of taxation, except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.5 Financial Instruments

AASB and AUASB have the following financial assets: cash and cash equivalents, management fee receivable and trade receivables. Management fee receivable and trade receivables are measured at amortised cost. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.

The net fair values of cash and cash equivalents, management fee receivable and trade receivables of the AASB and AUASB approximates their carrying amounts.

Financial assets are assessed for impairment at the end of each reporting period based on the simplified Expected Credit Losses (ECL) approach. The ECL are calculated using the provision

matrix that is based on historical credit loss experience adjusted for forward looking factors specific to the debtors and the economic environment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Offices of the AASB and AUASB are exposed to minimal credit risk due to the nature of the trade receivables, as they represent funding from State and Territories or Commonwealth Government. As there is no history of credit losses in the past and no forward-looking factors indicated differently, no allowance for ECL has been recognised.

The majority of trade receivables relates to a funding agreement between the Office of the AASB and the States and Territories. The current agreement runs from 1 July 2020 to 30 June 2023. Income is received in equal quarterly instalments and is recognised when controlled. All receivables are due in the next 12 months.

Financial instrument liabilities

The net fair value of trade creditors and management fee payable of the AASB and AUASB approximate their carrying amount.

Note 2: Analysis of Shared Operational Activities

Note 2A: Operational activities for AASB and AUASB

To transparently reflect the shared support model and organisation structure, the AASB and AUASB provide additional disclosure on a combined basis for their operational activities.

The AASB and AUASB shared support model effectively enables, to the extent permitted by legislation, the Offices of the AASB and AUASB to operate as a single Office supporting both Boards. Under the Memorandum of Understanding (MoU) between the AASB and the AUASB, the AASB incurs all costs of the AUASB.

The AASB recoups AUASB direct costs with no mark-up and accordingly does not recognise the reimbursement of these direct costs paid for by the AASB. The AASB recognises a receivable from the AUASB at the time the AASB pays for these expenses on behalf of the AUASB. AUASB direct costs are recognised as expenses of the AUASB. The AUASB recognises a payable to the AASB when charged by the AASB.

In addition, the AASB charges the AUASB a management fee to recover an appropriate portion of the total professional services expenses ('common expenses'). As the AASB solely bears legal obligations arising from the contracts for common employees, leases and other expenses, the AASB recognises the full amount of common expenses as incurred and recognises the management fee charged to the AUASB as revenue. The AUASB recognises the management fee as an expense. The common expense management fee for 2022 amounted to \$571,443 (2021: \$633,735).

	AASB 2022 \$	AUASB 2022 \$	Shared 2022 \$	Total 2022 \$	Total 2021 \$
Note 2B: Operational activities					
Appropriations	3,568,000	2,388,000	0	5,956,000	5,951,000
Other income	637,086	80,330	0	717,416	703,577
Total income before common expense recharge	4,205,086	2,468,330	0	6,673,416	6,654,577
Common expense recharge ¹	571,443	0	0	571,443	633,735
Total income	4,776,529	2,468,330	0	7,244,859	7,288,312
Employee and contractor costs	3,067,159	1,640,859	429,923	5,137,941	4,759,544
Direct supplier expenses (refer to Note 3B)	435,717	319,224	0	754,941	583,517
Common occupancy expenses	0	0	93,583	93,583	111,786
Common depreciation and amortisation expense	0	51,506	307,135	358,641	297,168
Common finance costs	0	0	9,190	9,190	14,815
Common supplier expenses (refer to Note 3B)	0	0	542,752	542,752	544,791
	3,502,876	2,011,589	1,382,583	6,897,048	6,311,621
Common expense recharge ¹	0	571,443	0	571,443	633,735
	3,502,876	2,583,032	1,382,583	7,468,491	6,945,356
				(223,632)	342,956
				(108,930)	257,211
				(114,702)	85,745

¹ The common expense recharge includes recharges for common employee costs (refer to Note 3A), operating lease expenses, depreciation and amortisation expenses, finance costs and common supplier expenses (refer to Note 3B).

Note 3: Expenses

	AASB		AUASB	
	2022 \$	2021 \$	2022 \$	2021 \$
Note 3A: Employee and contractor costs				
Employee wages and salaries	2,894,130	2,622,356	1,423,009	1,274,859
Defined contribution superannuation plans	275,715	243,434	132,443	120,578
Leave and other entitlements	198,659	202,653	83,661	127,472
Total employee benefits	3,368,504	3,068,443	1,639,103	1,522,909
Contractor costs	128,578	166,302	1,756	1,890
Total employee and contractor costs	3,497,082	3,234,745	1,640,859	1,524,799

Note 3B: Supplier expenses

	AASB		AUASB	
	2022 \$	2021 \$	2022 \$	2021 \$
Direct expenses				
Board members' services	22,024	1,527	27,313	4,456
Travel	64,942	19,586	39,132	140
Publications/subscriptions	114,231	118,435	36,652	39,745
Conference & professional development	64,051	70,065	21,079	47,875
Audit fees (received free of charge)	46,150	46,150	33,000	33,000
Compensation and related FBT expenses	19,283	4,690	10,699	9,398
Legal expenses	24,345	22,955	15,667	13,539
HR – Employee recruitment, training and support	2,912	6,511	3,975	152
Consultants	51,599	29,000	117,319	69,902
Other	25,780	29,638	14,388	16,753
Total direct expenses	435,717	348,557	319,224	234,960
Common expenses				
Consultant costs – Other	45,580	38,207	0	0
Consultant costs – IT	30,924	13,555	0	0
Consultant costs – HR	31,390	60,144	0	0
HR – Employee recruitment, training and support	595	4,847	0	0
Administration costs	365,251	362,546	0	0
Legal expenses	3,553	2,876	0	0
Other	65,459	62,616	0	0
Total common expenses	542,752	544,791	0	0
Total supplier expenses	978,469	893,348	319,224	234,960

Refer to Note 2 for further details on all Direct and Common expenses.

	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Note 3C: Depreciation and amortisation				
Buildings right of use asset	255,854	210,093	0	0
Plant & equipment	49,728	82,750	0	0
Computer software	1,553	391	51,506	3,934
Total Depreciation	307,135	293,234	51,506	3,934

Refer to Note 2 for further details on all Direct and Common expenses.

NOTE 3D: VOLUNTEER SERVICES (RESOURCES RECEIVED FREE OF CHARGE)

Volunteer services received by the AASB and AUASB of board member sitting fees, secondee arrangements and audit fees can all be reliably measured at fair value and would have been obtained under a commercial arrangement therefore have been recognised as revenue and an expense in the statements. The use of free of charge meeting rooms has been determined as not meeting the recognition requirements. Whilst the use of volunteer Panel members have been assessed as extensive. For the year ended 30 June 2022 AASB engaged twenty-two (2021: sixteen) panellists/researchers for one meeting (2021: One) and two (2021: zero) occasions using meeting rooms free of charge, whilst the AUASB also had zero (2021: zero) occasions of using a meeting room free of charge.

Note 4: Appropriations

(i) Revenue from Government

Amounts appropriated for departmental output for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Offices of the AASB and AUASB gain control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

(ii) Equity Injections and distributions to Government

Equity Injections and distributions to Government Appropriation amounts that are designated as 'equity injections,' including Departmental Capital Budget amounts, are recognised directly in contributed equity/capital for the year. Amounts transferred to the Australian Government as redemptions of the Government's ownership interest in the Office of the AASB or the AUASB are recognised as distributions to owners that reduce the contributed equity/capital. Contributions and distributions are also made in accordance with Public Governance, Performance Accountability (Financial Reporting) Rule 2015 (FRR), clauses 40 - Formal additions and reductions and 43 - Annual Appropriations.

Note 4: Appropriations continued**Table A: Annual Appropriations ('Recoverable GST exclusive')**

	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Ordinary annual services				
Annual appropriation - Revenue from Government				
Departmental appropriations <i>Appropriation Act (No. 1)</i>	3,568,000	3,565,000	2,388,000	2,386,000
Total Appropriation Act (No. 1)	3,568,000	3,565,000	2,388,000	2,386,000
Departmental capital budget ¹	51,000	51,000	24,000	21,000
Total appropriations	3,619,000	3,616,000	2,412,000	2,407,000
PGPA Act – Section 74				
Own source income - not transferred to the Official Public Account	1,128,153	992,611	0	0
Total appropriation	4,747,153	4,608,611	2,412,000	2,407,000
Total appropriation applied (current and prior years)	4,828,595	4,329,710	2,427,650	2,346,537
Variance	(81,442)	278,901	(15,650)	60,463
Unspent annual appropriations ('Recoverable GST exclusive') - Closing balance (Table B)				
Cash	67,576	57,018	49,553	41,203
Appropriation receivables	2,313,000	2,405,000	1,068,000	1,092,000
	2,380,576	2,462,018	1,117,553	1,133,203

1 Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2021-22

Table B: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Appropriation Act 1 – 2021/22	2,313,000	2,405,000	1,068,000	1,092,000
Cash	67,576	57,018	49,553	41,203
Total	2,380,576	2,462,018	1,117,553	1,133,203

Note 5: Related parties

The AASB and AUASB are Australian Government controlled non-corporate entities. Related parties are:

- Key Management Personnel of the AASB and AUASB, their close family members, and entities controlled or jointed controlled by either: (5A)
- all other Australian government entities (5B).

Key management personnel are determined as persons having authority and responsibility for planning, directing and controlling the activities of the entity. Based on a review of employee titles, analysis of the roles and job descriptions, the PGPA requirements for accountable authorities, the delegations made under the PGPA, the composition of the leadership meetings and communications to employees regarding the leadership team, the following positions have been included within key management personnel: the Chair and CEOs of each Board, the Managing Director and the Technical Directors of each Board.

Note 5A: Transactions with key management personnel

	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Short-term employee benefits:				
Salary	802,138	685,414	602,215	424,694
Post-employment benefits:				
Superannuation	63,811	52,216	44,496	39,664
Other short-term benefits:				
Termination benefits - Separation and redundancies	0	0	0	0
Other long-term benefits:				
Long Service Leave	20,348	8,730	14,297	10,459
Total other long-term benefits	20,348	8,730	14,297	10,459
Total	886,297	746,360	661,008	474,817

During the reporting period ended 30 June 2022, AASB had three executives (2021: five) who meet the definition of key management personnel.

Name	Position	Term as KMP
Keith Kendall	Chair	Full year
Justin Williams	Managing Director	Full year (4 days a week)
Nikole Gyles	Technical Director	Full year (3 days a week to 17th January & 4 days for the rest of the year)

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During the reporting period ended 30 June 2022, AUASB had two (2021: three) executives who met the definition of key management personnel.

Name	Position	Term as KMP
William Edge	Chair	Full year
Matthew Zappulla	Technical Director	Full year

Governance Arrangements

The remuneration of the AASB and AUASB Chair is set by the Commonwealth Remuneration Tribunal Determination (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2021. The remuneration of other KMP is set by the Chair's benchmarking against relevant published external remuneration portions. The individual's performance during the year in assisting to achieve the AASB or AUASB strategy is taken into account in determining the level of increase in base salary each year. The AASB and AUASB do not have bonus or financial incentive schemes in place.

Other non-salary benefits provided to KMP include annual influenza immunisation, COVID-19 vaccination incentive, mentoring and coaching programs, confidential employee assistance program, provision, mobile phone, tablet, laptop and airline lounge membership and internet allowance to facilitate remote working due to COVID-19.

AASB		Short-term benefits \$	Post-employment benefits \$	Other long-term benefits \$	Termination Benefits \$	Total remuneration \$
Name	Position	Base Salary	Superannuation contributions	Long service leave		
Keith Kendall	Chair	380,542	23,568	9,803	0	413,913
Justin Williams (0.8 FTE)	Managing Director	247,024	23,273	5,318	0	276,115
Nikole Gyles (0.8 FTE)	Technical Director	174,572	16,970	4,727	0	196,269
Total		802,138	63,811	20,348	0	886,297

AUASB		Short-term benefits \$	Post-employment benefits \$	Other long-term benefits \$	Termination Benefits \$	Total remuneration \$
Name	Position	Base Salary	Superannuation contributions	Long service leave		
William Edge	Chair	392,241	23,749	9,110	0	425,100
Matthew Zappulla	Technical Director	209,974	20,747	5,187	0	235,908
Total		602,215	44,496	14,297	0	661,008

Note 5B: Other Related Parties

For both AASB and AUASB all outstanding balances with related parties other than the AASB and AUASB are priced on an arm's length basis. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. For details of the arrangements between the AASB and AUASB refer Note 2.

The parent entity of both the AASB and the AUASB is the Department of Treasury and ultimate parent is the Australian Government.

The AASB and AUASB pay for the following services from other Commonwealth controlled entities: Employee Assistance Program from Treasury, Core Desktop Licenses from Department of Finance, insurance premiums from Comcover, legal advice from Australian Government Solicitors (AGS), and registration fees from Treasury for the Federal Register of Legislative instruments cost recovery.

None of these services are individually or collectively significant to the AASB or AUASB, therefore only the nature of these transactions are disclosed.

The AASB and AUASB procure IT support from the Productivity Commission to the value of \$217,519 for 2022 (2021: \$151,880). The nature of MOU between AASB and AUASB means that a related party transaction for the services rendered is sale of goods and services for AASB of \$571,443 (2021: \$633,735) and an expense to AUASB for the same value.

At the end of the financial year a receivable balance for AASB of \$332,842 (2021: \$321,132) existed and a goods payable balance for the AUASB for the same value.

Note 6: Property, Plant and Equipment

Note 6A Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluation

Following initial recognition at cost, property, plant and equipment are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets does not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Right of use assets:	Lease Term	Lease Term
Computers and software assets:	3 years	3 years
Office equipment:	5 years	5 years

Impairment

All assets were assessed for impairment at 30 June 2022.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment, made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Lease Right of Use (ROU) Assets (Buildings)

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. ROU assets are carried at costs.

Note 6B: Reconciliation of the opening and closing balance of material Property, Plant and Equipment for 2021-2022

	Buildings \$	AASB Plant & equipment \$	Computer software \$	AASB Computer software \$
As at 1 July 2021				
Gross book value	560,248	193,970	10,180	148,349
Accumulated depreciation, amortisation and impairment	(420,186)	(113,449)	(8,296)	(7,233)
Total as at 1 July 2021	140,062	80,521	1,884	141,116
Additions:				
Purchase	1,413,866	139,548	58,073	24,403
Depreciation and amortisation	0	(49,728)	(1,553)	(51,506)
Depreciation on right-of-use assets	(255,854)	0	0	0
Disposals:				
Other	(35,015)	(8,488)	0	0
Total as at 30 June 2022	1,263,059	161,853	58,404	114,013
Total as at 30 June 2022 represented by				
Gross book value	1,413,866	306,953	62,733	169,453
Accumulated depreciation, amortisation and impairment	(150,807)	(45,100)	(4,328)	(55,440)
Total as at 30 June 2022	1,263,059	161,853	58,404	114,013

Note 7: Other Information

Note 7A: Interest Bearing Liabilities

	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Leases				
Leases liabilities	1,296,884	146,850	0	0
Total lease liability	1,296,884	146,850	0	0
Maturity analysis - contractual undiscounted cash flows				
Within 1 year	269,994	147,275	0	0
Between 1-5 years	1,037,537	0	0	0
Total leases	1,307,531	147,275	0	0

The AASB in its capacity as a lessee, entered a lease contract for a period of 5 years (with one option of 5 years) commencing from 19th December 2021 in relation to Level 20 500 Collins Street Melbourne office premises. The rent is increase on each anniversary of the commencement date including any options by 3.5%, except that on the commencement of each option term the rent will be reviewed to market.

Accounting Policy

For all new contracts entered into, the AASB and AUASB considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.'

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the entities' incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 7B: Aggregate Assets and Liabilities

	AASB		AUASB	
	2022	2021	2022	2021
	\$	\$	\$	\$
Assets expected to be recovered in:				
No more than 12 months				
Cash and cash equivalents	67,576	57,018	49,553	41,203
Trade and other receivables	2,694,405	2,809,135	1,068,000	1,092,000
Buildings right of use - at cost	0	140,062	0	0
Prepayments	160,669	159,889	43,396	59,248
Total no more than 12 months	2,922,650	3,166,104	1,160,949	1,192,451
More than 12 months				
Buildings right of use	1,263,059	0	0	0
Plant and equipment	161,853	80,521	0	0
Computer software	58,404	1,884	114,013	141,116
Total more than 12 months	1,483,316	82,405	114,013	141,116
Total assets	4,405,966	3,248,509	1,274,962	1,333,567
Liabilities expected to be recovered in:				
No more than 12 months				
Suppliers	154,142	169,833	25,959	7,285
Other payables	90,757	98,131	332,842	321,132
Leases	265,878	146,850	0	0
Employee provisions	265,930	188,209	156,944	145,192
Total no more than 12 months	776,707	603,023	515,745	473,609
More than 12 months				
Leases	1,031,006	0	0	0
Employee provisions	197,211	186,514	116,066	126,105
Total more than 12 months	1,228,217	186,514	116,066	126,105
Total liabilities	2,004,924	789,537	631,811	599,714

Note 8: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2021-22 Portfolio Budget Statements (PBS) to the 2021-2022 final outcome as presented in accordance with Australian Accounting Standards. The Budget is not audited and where applicable, the original budget numbers have been reclassified to align with the financial statement.

Explanations are provided for major variances between actual results and the original budget. Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- an item below this threshold but is considered important for the readers' understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of AASB.

Note 8A: Major Budget Variances for 2021-22

Australian Accounting Standards Board	
Explanations of major variances	Footnote reference and affected statement
The budget anticipated that we might be leasing two properties during the transition from one office to another and that the fit-out costs would be depreciated, instead it was provided as part of the lease incentive. The budget did not include any allowance for the AASB Standards portal that has been developed and capitalised during the financial year	3 Statement of Comprehensive Income - Depreciation and amortisation, Statement of Financial Position, Cash Flow Statement
Finance costs are favourable to budget as the budget was based on a new office lease that would be more expensive and for a longer term so incurring greater interest expense and higher Building ROU. The budget also anticipated leasing two premises for a couple of months during the transition.	4 Statement of Comprehensive Income - Finance Costs, Statement of Financial Position & Cashflow Statement - Buildings ROU & Leases
The revenue is favourable because the AASB received some funding support from the NZ External Reporting Board for the cost of the preparation of the public sector insurance exposure draft that was not included in the budget.	5 Statement of Comprehensive Income - Sale of goods and services
The Management fee recharge is less than budget due to reduced common costs being incurred for the year partly as a result of office costs being low as staff were working from home a good portion of the year due to the Melbourne pandemic lockdown restrictions. Common costs for consulting were lower than anticipated in the budget.	6 Statement of Comprehensive Income - Management fee recharge
The bank balance was low compared to budget as AASB was ensuring that the appropriations are drawn down on a just in time basis to meet expense payments, decreasing the balance held in the bank account.	8 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents

<p>Additional prepaid cost incurred compared to anticipated in budget as a result of the operating costs for the AASB standards portal that are prepaid.</p>	<p>9 Statement of Financial Position - Prepaid expenses</p>
<p>Suppliers payable larger than budgeted due to timing of the receipt of a invoices for the AASB standards portal, that was expected to have been completed prior to the end of the financial year.</p>	<p>10 Statement of Financial Position - Suppliers</p>
<p>Variance to budget is due to the timing of employee payables such as the PAYG.</p>	<p>11 Statement of Financial Position - Other payables</p>
<p>Employee provisions high as staff have been reluctant to take leave due to the pandemic.</p>	<p>12 Statement of Financial Position – Employee provisions</p>

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Auditing and Assurance Standards Board	
Explanations of major variances	Footnote reference and affected statement
Budget was based on Chair being part-time whilst actual costs were full time. Additional use of contractors to complete specialised projects.	1 Statement of Comprehensive Income & Cashflow statement- Employee and contractor costs
Supplier expenses are favourable to budget due to the impact of COVID-19 on travel and other stakeholder engagement. The Management fee recharge is favourable to budget due to reduced common costs being incurred for the year, partly as a result of office costs being low as staff were working from home a good portion of the year due to the Melbourne pandemic lockdown restrictions. Common costs for consulting were lower than anticipated in the budget.	2 Statement of Comprehensive Income & Cashflow Statement - Supplier expense
AUASB Standards portal amortisation costs that have been incurred for the year were not reflected in the budget.	3 Statement of Comprehensive Income - Depreciation and amortisation
The budget anticipated more resources free of charge being received in the form of board member waived fees. There was a reduced number of members waiving fees and fewer meetings compared to what was anticipated in the budget.	7 Statement of Comprehensive Income – resources received free of charge
The bank balance was low compared to budget as AUASB was ensuring that the appropriations are drawn down on a just in time basis to meet expense payments, decreasing the balance held in the bank account.	8 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents
Additional prepaid cost incurred compared to anticipated in budget as a result of the operating costs for the AUASB standards portal that are prepaid.	9 Statement of Financial Position - Prepaid expenses
Suppliers payable larger than budgeted due to timing of the receipt of supplier invoices for the received at the end of the year.	10 Statement of Financial Position - Suppliers

Statements of Comprehensive Income
for the period ended 30 June 2022

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
	2022	Original 2022	Variance 2022	2022	Original 2022	Variance 2022
	\$	\$	\$	\$	\$	\$
EXPENSES						
Employee and contractor costs ¹	3,497,082	3,320,000	177,082,	1,640,859	1,381,000	259,859
Supplier expenses ²	1,072,052	1,084,000	(11,948)	890,667	1,112,000	(221,333)
Depreciation and amortisation ³	307,135	425,000	(117,865)	51,506	24,000	27,506
Finance costs ⁴	2,631	47,000	(44,369)	0	0	0
Write-down and impairment of assets and losses on sale	6,559	0	6,559	0	0	0
Total expenses	4,885,459	4,876,000	9,459	2,583,032	2,517,000	66,032
LESS:						
OWN SOURCE INCOME						
Own-source revenue						
Sale of goods and rendering of services ⁵	25,910	0	25,910	0	0	0
Management fee recharge ⁶	571,443	636,000	(64,557)	0	0	0
Resources received free of charge ⁷	111,176	121,000	(9,284)	80,330	105,000	(24,670)
Contributions from states and territories	500,000	500,000	0	0	0	0
Total own-source revenue	1,208,529	1,257,000	(48,471)	80,330	105,000	(24,670)
Net cost of services & cost of outcome delivery						
Revenue from Government - departmental appropriations	3,568,000	3,568,000	0	2,388,000	2,388,000	0
Surplus/(Deficit) attributable to the Australian Government	(108,930)	(51,000)	(57,930)	(114,702)	(24,000)	(90,702)
OTHER COMPREHENSIVE INCOME						
Total comprehensive income attributable to the Australian Government	(108,930)	(51,000)	(57,930)	(114,702)	(24,000)	(90,702)

Statements of Financial Position
for the period ended 30 June 2022

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
	2022	Original 2022	Variance 2022	2022	Original 2022	Variance 2022
	\$	\$	\$	\$	\$	\$
ASSETS						
Financial assets						
Cash and cash equivalent ⁸	67,576	300,000	(232,424)	49,553	273,000	(223,447)
Trade and other receivables	2,694,405	2,502,000	192,405	1,068,000	1,147,000	(79,000)
Total financial assets	2,761,981	2,802,000	(40,019)	1,117,553	1,420,000	(302,447)
Non-financial assets						
Buildings ROU ⁴	1,263,059	3,262,000	(1,998,941)	0	0	0
Plant and equipment	161,853	153,000	8,853	0	0	0
Computer Software/Intangibles ³	58,404	0	58,404	114,013	0	114,013
Prepaid expenses ⁹	160,669	129,000	31,669	43,396	13,000	30,396
Total non-financial assets	1,643,985	3,544,000	(1,900,015)	157,408	13,000	144,409
Total assets	4,405,966	6,346,000	(1,940,034)	1,274,962	1,433,000	(158,038)
LIABILITIES						
Payables						
Suppliers ¹⁰	154,142	104,000	50,142	358,801	221,000	137,801
Other payables ¹¹	90,757	150,000	(59,242)	0	0	0
Total payables	224,899	254,000	(9,100)	358,801	221,000	137,801
Interest-bearing liabilities						
Leases ⁴	1,296,884	3,281,000	(1,984,116)	0	0	0
Total Interest-bearing liabilities	1,296,884	3,281,000	(1,984,116)	0	0	0
Provisions						
Employee provisions ¹²	463,141	304,000	175,818	273,010	264,000	9,010
Total provisions	463,141	304,000	175,818	273,010	264,000	9,010
Total liabilities	2,004,924	3,839,000	(1,817,398)	631,811	485,000	146,811
Net assets	2,401,042	2,507,000	(122,635)	643,151	948,000	(304,849)
EQUITY						
Parent entity interest						
Contributed equity	753,000	753,000	0	325,300	326,000	(700)
Retained earnings	1,648,042	1,754,000	(122,635)	317,851	622,000	(304,149)
Total parent entity interest	2,401,042	2,507,000	(122,635)	643,151	948,000	(304,149)

Variances in equity are the net result of variances in the statements of comprehensive income and the statements of financial position.

Statements of Changes in Equity
for the period ended 30 June 2022

Australian Accounting Standards Board

	Retained earnings			Contributed equity/capital			Total equity		
	Actual	Budget Estimate		Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance		Original	Variance		Original	Variance
	2022	2022	2022	2022	2022	2022	2022	2022	2022
\$	\$	\$	\$	\$	\$	\$	\$	\$	
Opening balance									
Balance carried forward from previous period	1,756,972	1,805,000	(48,028)	702,000	702,000	0	2,458,972	2,507,000	(48,028)
Comprehensive income									
Surplus/ (Deficit) for the period	(108,930)	(51,000)	(57,930)	0	0	0	(108,930)	(51,000)	(57,930)
Total comprehensive income attributable to the Australian Government	(108,930)	(51,000)	(57,930)	0	0	0	(108,930)	(51,000)	(57,930)
Contribution by owners									
Departmental capital budget	0	0	0	51,000	51,000	0	51,000	51,000	0
Total transactions with owners	0	0	0	51,000	51,000	0	51,000	51,000	0
Closing balance attributable to Australian Government	1,648,042	1,754,000	(105,958)	753,000	753,000	0	2,401,042	2,507,000	(105,958)

Statements of Changes in Equity (continued)

for the period ended 30 June 2022

Auditing and Assurance Standards Board

	Retained earnings			Contributed equity/capital			Total equity		
	Actual	Budget Estimate		Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance		Original	Variance		Original	Variance
	2022	2022	2022	2022	2022	2022	2022	2022	
	\$	\$	\$	\$	\$	\$	\$	\$	
Balance carried forward from previous period	432,553	646,000	(213,447)	301,300	302,000	(700)	733,853	948,000	(214,147)
Surplus/ (Deficit) for the period	(114,702)	(24,000)	(90,702)	0	0	0	(114,702)	(24,000)	(90,702)
Total comprehensive income attributable to the Australian Government	(114,702)	(24,000)	(90,702)	0	0	0	(114,702)	(24,000)	(90,702)
Contributions by owners									
Departmental capital budget	0	0	0	24,000	24,000	0	24,000	24,000	0
Total transactions with owners	0	0	0	24,000	24,000	0	24,000	24,000	0
Closing balance attributable to Australian Government	317,851	622,000	(304,149)	325,300	326,000	(700)	643,151	948,000	(304,849)

Cash Flow Statements

for the period ended 30 June 2022

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
		Original	Variance		Original	Variance
	2022	2022	2022	2022	2022	2022
\$	\$	\$	\$	\$	\$	
OPERATING ACTIVITIES						
Cash received						
Appropriations	3,660,000	3,559,000	101,000	2,412,000	2,388,000	24,000
Goods and services	585,878	636,000	(50,122)	0	0	0
Net GST received	112,291	0	112,291	0	0	0
Contributions received	542,275	500,000	42,275	0	0	0
Total cash received	4,900,444	4,695,000	205,444	2,412,000	2,388,000	24,000
Cash used						
Employees and contractors ¹	3,351,012	3,320,000	31,012	1,591,816	1,381,000	210,816
Suppliers ²	1,162,735	966,000	196,735	811,431	1,007,000	(195,569)
Interest payments on lease liabilities ⁴	2,631	47,000	(44,369)	0	0	0
Total cash used	4,516,378	4,333,000	183,378	2,403,247	2,388,000	15,247
Net cash from/ (used by) operating activities	384,066	362,000	22,066	8,753	0	8,753
INVESTING ACTIVITIES						
Cash received / (used)						
Purchase of property, plant and equipment and intangibles ³	(195,691)	(51,000)	(144,691)	(24,403)	(24,000)	(403)
Cash received from disposal of infrastructure, plant and equipment	0	0	0	0	0	0
Total cash used	(195,691)	(51,000)	(144,691)	(24,403)	(24,000)	(403)
Net cash from (used by) investing activities	(195,691)	(51,000)	(144,691)	(24,403)	(24,000)	(403)
FINANCING ACTIVITIES						
Cash received						
Contributed equity	51,000	51,000	0	24,000	24,000	0
Principal payments of lease liabilities ⁴	(228,817)	(362,000)	133,183	0	0	0
Net cash from/ (used by) financing activities	(177,817)	(311,000)	133,183	24,000	24,000	0
Net increase (decrease) in cash held	(10,558)	0	10,558	8,350	0	8,350
Cash and cash equivalents at the beginning of the reporting period	57,018	300,000	(242,982)	41,203	273,000	(231,797)
Cash and cash equivalents at the end of the reporting period ⁸	67,576	300,000	(232,424)	49,553	273,000	(231,447)

Appendices

APPENDIX A

AASB AND AUASB LEGISLATIVE REQUIREMENTS

AASB

The AASB is required to advance and promote the main objects of Part 12, section 224, of the ASIC Act:

- (a) to facilitate the development of accounting standards that require the provision of financial information that:
1. allows users to make and evaluate decisions about allocating scarce resources
 2. assists directors to discharge their obligations in relation to financial reporting
 3. is relevant to assessing performance, financial position, financing and investment
 4. is relevant and reliable
 5. facilitates comparability
 6. is readily understandable.
- (b) to facilitate the Australian economy by:
1. reducing the cost of capital
 2. enabling Australian entities to compete effectively overseas
 3. having accounting standards that are clearly stated and easy to understand.

(c) to maintain investor confidence in the Australian economy (including its capital markets).

Part 12, section 227, of the ASIC Act provides, among other things, that:

- (1) The functions of the AASB are:
1. to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards
 2. to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the Corporations legislation (other than the excluded provisions)
 3. to formulate accounting standards for other purposes
 4. to participate in and contribute to the development of a single set of accounting standards for worldwide use
 5. to advance and promote the main objects of this Part.
- (2) In carrying out its functions under paragraphs (1) (a) and (d) the AASB must have regard to the interests of Australian corporations which raise or propose to raise capital in major international financial centres.

AUASB

The AUASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

Under section 227B (1) of the ASIC Act, the functions of the AUASB are:

- (a) to make auditing standards under section 336 of the *Corporations Act 2001*, for the purposes of the corporations legislation
- (b) to formulate auditing and assurance standards for other purposes
- (c) to formulate guidance on auditing and assurance matters
- (d) to participate in and contribute to the development of a single set of auditing standards for worldwide use
- (e) to advance and promote the main objects of Part 12 of the ASIC Act. Section 224 (aa) of the *ASIC Act* states the objectives of Part 12, which include:

“To facilitate the development of auditing and assurance standards and related guidance materials that:

1. provide Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the *Corporations Act 2001*; and
2. require the preparation of auditors’ reports that are reliable and readily understandable by the users of financial reports to which they relate.”

Other relevant objectives of Part 12 are summarised below:

- to facilitate the Australian economy by having (accounting and) auditing standards that are clearly stated and easy to understand; and
- to maintain investor confidence in the Australian economy (including its capital markets).

APPENDIX B

ATTENDANCE AT AASB AND AUASB MEETINGS

AASB MEMBER ATTENDANCE

The AASB met six times via video conference during 2021-22 for a total of eleven meeting days. In addition to preparation for these meetings, which requires consideration of detailed technical papers, members considered and voted on accounting standards and other pronouncements out of session and also attended or made presentations at seminars and other meetings related to their role as a Board member. Consequently, the time committed by members is substantially more than the meeting days attended.

AASB Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
K Kendall (Chair)	11	11	0
J Grant	11	11	0
P Rogers	11	10	1
S Taylor	11	11	0
A White	11	8	3
D Holland	11	11	0
T Langley	11	9	2
D Hanlon	11	11	0
C Cordery	11	11	0
C Spencer	11	11	0
S Osbourne	6	6	0

For details of terms of appointments, please refer to the AASB Organisational Structure section of this Report.

AUASB MEMBER ATTENDANCE

The AUASB held seven meetings during 2021-22 for a total of eight meeting days. Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
William Edge (Chair)	8	8	0
R Buchanan	8	8	0
G Bird*	5	5	0
J Cain*	4	4	0
J Crisp	8	8	0
K Hankin	8	8	0
N Harding	8	8	0
R Piltz*	4	4	0
A Porter	8	8	0
C Ralph*	4	4	0
M Shafizadeh	8	8	0
T Barker	4	4	0
J Lonergan	4	4	0

* Board retirements during 2021-22 period

For details of terms of appointments, please refer to the AUASB Organisational Structure section of this Report.

APPENDIX C

OTHER INFORMATION

EXTERNAL SCRUTINY

The AASB and AUASB's financial statements are audited each year by the ANAO.

AASB and AUASB annual reports are scrutinised by the Senate Economics Legislation Committee and the Parliamentary Joint Committee on Corporations and Financial Services.

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/No1of46thParliament.

PURCHASING

The AASB and AUASB's general policy is that the purchase of any major capital items follows the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

The AASB and AUASB support small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts)

Officials of the AASB and AUASB apply procurement practices that do not unfairly discriminate against SMEs and provide appropriate opportunities for SMEs to compete. Officials consider the benefits of doing business with SMEs when scoping the requirements and evaluating value for money. Procurement practices support SMEs by the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000.

The AASB and AUASB participate in whole-of-government procurement where applicable and follow the Small Business Engagement Principles, such as communicating in clear, simple language and presenting information in an accessible format

E-invoicing has been implemented to support on-time payment to suppliers, including the use of payment cards.

Statics on SMEs' participation in Commonwealth Government procurement are available on the [Statistics on Australian Government Procurement Contracts](#) page.

CONSULTANTS

Reportable consultancy contracts 2021-22	AASB		AUASB	
	Number	Expenditure \$	Number	Expenditure \$
New contracts entered into during the reporting period	1	12,629	1	4,879
Ongoing contracts entered into during a previous reporting period	3	72,716	1	12,354
Total	4	85,346	2	17,233

Organisations receiving a share of reportable consultancy contract expenditure 2021-22	AASB	
	Expenditure \$	Proportion of 2021-22 total spend (%)
Gadens Lawyers	40,256	47%
Langfield-Smith Consulting	31,900	37%
Talent Code	13,187	15%
Total of the Largest Shares	85,346	100%

Organisations receiving a share of reportable consultancy contract expenditure 2021-22	AUASB	
	Expenditure \$	Proportion of 2021-22 total spend (%)
Gadens	17,233	100%
Total of the Largest Shares	17,233	100%

AASB - During 2021-22, 1 new reportable consultancy contract was entered into involving a total actual expenditure of \$12,629.35. There were 3 active ongoing reportable consultancy contracts during the period involving a total expenditure of \$72,716.

AUASB - During 2021-22, 1 new reportable consultancy contract was entered into involving a total actual expenditure of \$4,879. There was 1 active ongoing reportable consultancy contract during the period involving a total expenditure of \$12,354.38.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Decisions to engage consultants during 2021-22 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

AASB and AUASB selects consultants through the use of panel arrangements or by making an open approach to market.

AASB and AUASB engages consultants when it requires specialist expertise on policy design, financial viability, and information technology strategic planning. Independent evaluation on AASB's or AUASB outcomes are also required.

NON-CONSULTANCY CONTRACTS

Reportable non-consultancy contract 2021-22	AASB		AUASB	
	Number	Expenditure \$	Number	Expenditure \$
New contracts entered into during the reporting period	10	435,306	5	122,680
Ongoing contracts entered into during a previous reporting period	3	46,260	0	0
Total	13	481,566	5	122,680

Organisations receiving a share of reportable non-consultancy contract expenditure 2021-22	AASB	
	Expenditure \$	Proportion of 2021-22 total spend (%)
Kamirice	182,467	42%
EY	73,425	17%
Pro AV	60,587	14%
Torque Software	26,096	6%
MCI	23,040	5%
Total of the Largest Shares	365,615	84%

	AUASB	
	Expenditure \$	Proportion of 2021-22 total spend (%)
EY	93,473	76%
Dexus Place	12,708	10%
Simnett Consulting	8,250	7%
Gering Holdings	8,250	7%
Total of the Largest Shares	122,681	100%

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the reportable non-consultancy contracts' value is available on the AusTender website.

EXEMPT CONTRACTS

The AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material.

This contract and value has been exempted by the Chair from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

ADVERTISING AND MARKET RESEARCH

The AASB and AUASB completed the following advertising and market research:

Payments made to advertising organisations, 2021–22

Organisation	Purpose	Amount (\$)
Seek Australia	Recruitment for Communications Manager	654
Seek Australia	Recruitment for Assistant Manager	292
Seek Australia	Recruitment for Assistant Manager	259

Payments made to market research organisations, 2021–22

Organisation	Purpose	Amount (\$)
Monkey Survey	Audit Quality Survey for following surveys: <ul style="list-style-type: none">AASB Preparer and Auditor Survey: Is there a gap in the information provided to the users of financial statements in relation to Intangible Assets that can be filled in a cost-effective way? (July 2021)AASB ITC 45: Current value measurement of operational capacity assets (August 2021)AASB Dialogue Series - TCFD Implementation (March 2022)	2,490

- Transition and Practical Expedient choices made by lessees under AASB 16 Leases (April 2022)
- AASB Dialogue Series: Intangible Assets - Insights from Research and Practice (May 2022)
- AASB Sustainability Reporting (ED 321) Survey (May 2022)
- AASB Sustainability Reporting Roundtable Survey (June 2022)
- Consent for AUASB data collection – LCE Roundtable (October 2021)
- AUASB Agenda Consultation 2022- 23 Survey (June 2022)
- AUASB Agenda Consultation Roundtable Survey (June 2022)

Simnett Consulting	Audit Committee Chair Interviews	8,250
Gering Holdings	Audit Committee Chair Interviews	8,250
The University of Adelaide	Understandability of IFRS - An International Perspective	9,900
The University of Melbourne	Execution for project: Enhancing Sustainability Reporting: The crucial role of accounting standard-setters	8,800

GRANTS

The AASB and AUASB does not administer or receive any grant programs.

FREEDOM OF INFORMATION

Information Publication Scheme

The AASB and AUASB are subject to the *Freedom of Information Act 1982* (FOI Act) and publish information to the public as part of the Information Publications Scheme (IPS). The AASB and AUASB display on their websites a plan showing information in accordance with the IPS requirement (www.aasb.gov.au/about-the-aasb/freedom-of-information and www.auasb.gov.au/about-auasb/freedom-of-information).

DISABILITY REPORTING

Australia's Disability Strategy 2021-2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to delivering more comprehensive and visible reporting under the Strategy. A range of reports on the progress of the Strategy's actions and outcome areas will be published and available at <https://www.disabilitygateway.gov.au/ads>.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at <http://www.apsc.gov.au> .

OCCUPATIONAL HEALTH AND SAFETY

Under section 38 of the *Work Health and Safety Act 2011*, the AASB and AUASB is required to notify Comcare of any incidents arising out of the conduct of their operations that result in death, serious injury or serious illness of a person, or involve a dangerous incident.

All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2021-22 financial year.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING

The AASB and AUASB do not have specific responsibilities in relation to the administration of environmental sustainability legislation.

The nature of the AASB and AUASB's activities limits the impact of their operations on the environment, however, they are mindful of their responsibilities to minimise negative impacts. Accordingly, the AASB and AUASB have in place policies and procedures designed to minimise environmental impacts by complying with government policies relating to waste, energy and travel.

The principal environmental impact minimisation activities employed are:

- waste management, through a fully commingled and organic recycling program
- energy efficient practises in lighting, air-conditioning and computer use
- limited water use.

The new office at 500 Collins Street achieved 5-star Green Star Office Design rating from the Green Building Council of Australia. It also achieved a 5-star Australian Business Greenhouse Rating and the first existing building in Australia to achieve a WELL Platinum Certification.

Appendix C: Other information

The building holds a Waste Wise accreditation from EcoRecycle Victoria. Accreditation is supported by a recycling and waste management programme that aims to avoid, reuse or recycle waste generated by the building and its occupants.

Travel restrictions limit meetings to only essential obligations. Teleconferencing and videoconferencing are used whenever possible.

APPENDIX D

LIST OF REQUIREMENTS

Description	Requirement	AASB Page	AUASB Page
Letter of transmittal			
A copy of the letter of transmittal signed and dated by accountable authority on the date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii	iii
Aids to access			
Table of contents	Mandatory	iv	iv
Alphabetical index	Mandatory	135	135
Glossary of abbreviations and acronyms	Mandatory	v	v
List of requirements	Mandatory	128	128
Details of contact officer	Mandatory	vii	vii
Entity's website address	Mandatory	vii	vii
Electronic address of report	Mandatory	vii	vii
Review by accountable authority			
A review by the accountable authority of the entity	Mandatory	11	33
Overview of the entity			
A description of the role and functions of the entity	Mandatory	17	41
A description of the organisational structure of the entity	Mandatory	61	64
A description of the outcomes and Programs administered by the entity	Mandatory	19	44
A description of the purposes of the entity as included in the corporate plan	Mandatory	17	41
Name of the accountable authority or each member of the accountable authority	Mandatory	17	41
Position title of the accountable authority of each member of the accountable authority	Mandatory	17	41

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	62	65
Where outcome and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, Mandatory	108	108
Report on the performance of the entity			
Annual performance statements			
Annual performance statement in accordance with program 39(1)(b) of the Act and section 16F of the Rule	Mandatory	17	41
Report on financial performance			
A discussion and analysis of the entity's financial performance	Mandatory	15	40
A table summarising the total resources and total payments of the entity	Mandatory	n/a	n/a
If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory	15	40
Management and accountability			
Corporate governance			
Information on compliance with section 10 (fraud systems)	Mandatory	68	68
A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	68	68
A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	68	68

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2021-22

Description	Requirement	AASB Page	AUASB Page
A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	68	68
An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	68	68
A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, Mandatory	n/a	n/a
Audit Committee			
A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	68	68
The name of each member of the entity's audit committee	Mandatory	67	67
The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	67	67
Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	67	67
The remuneration of each member of the entity's audit committee	Mandatory	67	67
External scrutiny			
Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	121	121
Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, Mandatory	n/a	n/a
Information on any reports on operations of the entity by the Auditor-General, (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, Mandatory	n/a	n/a
Information on any capability reviews on the entity that were released during the period	If applicable, Mandatory	n/a	n/a
Management of human resources			
An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	70	73

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
<p>Statistics on the entity's employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location 	Mandatory	70	73
<p>Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:</p> <ul style="list-style-type: none"> statistics on staffing classification level statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location statistics on employees who identify as Indigenous. 	Mandatory	70	73
<p>Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i>.</p>	Mandatory	70	73
<p>Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c)</p>	Mandatory	70	73
<p>The salary ranges available for APS employees by classification level</p>	Mandatory	70	73
<p>A description of non-salary benefits provided to employees</p>	Mandatory	78	78
<p>Information on the number of employees at each classification level who received performance pay</p>	If applicable, Mandatory	n/a	n/a
<p>Information on aggregate amounts of performance pay at each classification level</p>	If applicable, Mandatory	n/a	n/a
<p>Information on the average amount of performance payment, and range of such payments, at each classification level</p>	If applicable, Mandatory	n/a	n/a
<p>Information on aggregate amount of performance payments</p>	If applicable, Mandatory	n/a	n/a
Assets management			
<p>An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities</p>	If applicable, mandatory	n/a	n/a

Description	Requirement	AASB Page	AUASB Page
Purchasing			
An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory	121	121
Consultants			
A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory	122	122
A statement that “ <i>During 2021-22, [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> ”	Mandatory	122	122
A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	122	122
A statement that “ <i>Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.</i> ”	Mandatory	122	122
A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	123	123
A statement that “ <i>Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website</i>	Mandatory	123	123

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	123	123
Australian National Audit Office Access Clauses			
If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a	n/a
Exempt contracts			
If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	122	122
Small business			
A statement that <i>"AASB-AUSB supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website"</i>	Mandatory	121	121
An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	121	121
If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that <i>AASB recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."</i>	If applicable, Mandatory	n/a	n/a
Financial statements			
Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	80	80

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2021-22

Description	Requirement	AASB Page	AUASB Page
Executive Remuneration			
Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory	101	102
Other mandatory information			
If the entity conducted advertising campaigns, a statement that <i>“During 2021-22, the AASB conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available on [entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website.”</i>	If applicable, Mandatory	n/a	n/a
If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory	124	124
A statement that <i>“Information on grants awarded to AASB during 2021-22 is available at [entity’s website]</i>	If applicable, Mandatory	n/a	n/a
Outline of mechanisms of disability reporting including reference to website for further information	Mandatory	126	126
Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	125	125
Correction of material errors in previous annual report	If applicable, Mandatory	n/a	n/a
Information required by other legislation	Mandatory	121	121

APPENDIX E

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