



To:	AASB members	Date:	17 January 2011
From:	Angus Thomson	Agenda Item:	11.1
Subject:	AASB policies and processes	File:	--

Action

Approve in principle the attached draft Statement *AASB Policies and Processes* for issue.

Background

The Board last considered this topic in September 2010, when it decided:

- (a) the content of the document should be as ‘timeless’ as feasible to avoid the need for frequent changes;
- (b) to the extent feasible, that the document should be re-structured around the AASB’s key strategies (including placing the information about strategy earlier in the document);
- (c) a section should be added dealing with the criteria used for determining whether to re-expose changes to Standards (based on the IASB’s criteria);
- (d) a section should be added dealing with the Board’s process for identifying disclosures for Tier 2 (Reduced Disclosure Requirements);
- (e) the recent changes to the law regarding the FRC’s duties and responsibilities should be reviewed to ensure the document reflects them appropriately;
- (f) rather than making a statement about the two FRC strategic directions in the FRC section, reference to them should be incorporated in the relevant topic sections;
- (g) in the background section on Standards, information should be included about the materials that are integral to the Standards versus materials that accompany the Standards;
- (h) rather than referring to “accepts that an IFRS is of a high quality ...”, refer to the need for Tier 1 for-profit entities to remain IFRS compliant being in the best interests of the Australian economy;
- (i) consideration be given to integrating the information on Focus Groups Panels and Consultative Groups; and
- (j) the wording on publicly expressed views should be simplified.

The Board agreed not to delay finalising the document until the new standard setting structure in New Zealand is settled, because there will always be emerging developments and the document can be amended if necessary.

The Board also agreed that it would not be appropriate in the context of this document to include information regarding the hierarchy of requirements under Standards and Interpretations and other materials.

Mark ups

The attached draft Statement *AASB Policies and Processes* is marked up for wording changes from the draft considered in September 2010.

The movement of text to deal with the Board's decision to re-structure the document around the key strategies (including placing the information about strategy earlier in the document) is not marked up.

The Contents page has not been changed from the September 2010 version, partly because this may help members identify the movement of text, and partly because it may need to change further.

Staff recommendations

Given that the Board withdrew its four Policy Statements covering topics dealt with in the draft Statement *AASB Policies and Processes* more than two years ago, staff consider that the Board needs to fill the vacuum soon. Accordingly, staff recommend that members raise any high-level matters on the draft at the meeting and allow the Chairman to finalise the document out of session.

I would welcome any comments Board members may wish to make in advance of the meeting on the revised draft Policy Statement– athomson@asb.gov.au – 03 9617 7618.

Staff note that the Board previously agreed that, once the document is finalised, as a courtesy, the Chairman would bring it to the FRC's attention prior to publishing it on the AASB website. The next FRC meeting is on 23 March 2011.

Attachments

Draft Statement *AASB Policies and Processes* [Agenda paper 11.2]