



# Memorandum

<b>To:</b>	<b>AASB members</b>	<b>Date:</b>	23 June 2015
<b>From:</b>	<b>Joanna Spencer</b>	<b>Agenda Item:</b>	15.1 (M146)
<b>Subject:</b>	<b>IPSASB Consultation Strategy</b>	<b>Project Priority:</b>	Not a Board Project
<b>Project Status:</b>	n/a	<b>Decision-Making:</b>	High

## Action for this meeting

To determine a strategy for responding to IPSASB consultation documents.

## Background

A question has arisen as to whether the AASB should be more proactive in seeking constituent comments prior to formulating our own submission to IPSASB consultation documents.

## Current Practice

Presently, when the IPSASB issues a consultation document for comment, AASB staff in consultation with the AASB Chair, make an assessment as to whether the consultation document is could be of relevance to Australian constituents or not.

If the issue is considered to be of relevance to Australian constituents a news item is placed on the AASB website with a request for constituents to submit their comments to the AASB prior to the close of the consultation period. This allows incorporation of those comments into the AASB's own submission to the IPSASB.

## Responses to IPSASB documents

Staff undertook a review of which Australian constituents (excluding the AASB) respond to IPSASB consultation documents directly and this revealed the three main respondents were: Australasian Council of Auditors-General (ACAG), Heads of Treasuries Accounting and Reporting Advisory Committee (HoTARAC) and the Joint Accounting Bodies (CAANZ and CPA).

## **Proposed Consultation Strategy**

Section 227 of the *Australian Securities and Investments Commission Act 2001* sets out the AASB's Function and Powers, one of which is "to participate in and contribute to the development of a single set of accounting standards for world-wide use" (Sec 227 (1)(d)). AASB staff consider that this includes contributing to the development of IPSASs.

Staff are of the view that to contribute more effectively to the development of IPSASs, obtaining constituent input prior to making an AASB submission is desirable. Therefore, staff recommend that constituent feedback be sought prior to the AASB making submissions to all IPSASB consultation documents except those that are considered to be minor in nature (e.g. Improvements to IPSASs).

### **Question 1 for the Board**

Does the Board agree that constituent feedback should be sought on all IPSASB consultation documents prior to the AASB making a submission to IPSASB consultation documents (except those that are considered minor in nature)?

If the Board agrees that constituent feedback should be sought to IPSASB consultation documents, staff recommend that this feedback be sought via the method currently being used for those documents considered to be relevant to Australian constituents. That is, to place a news item on the AASB website (and AASB social media) and request comments from constituents prior to the close of the consultation document comment period.

### **Question 2 for the Board**

Does the Board agree with the staff recommendation that constituent feedback to IPSASB consultation documents should be facilitated by placing a news item on the AASB website (and AASB social media) requesting comments prior to the close of the IPSASB consultation period?