



Project:	Other Business – Public	Meeting:	November 2019 (M173)
Topic:	Cover Memo	Agenda Item:	20.0
Contact(s):	Helena Simkova hsimkova@asb.gov.au 03 9617 7642	Project Priority:	n/a
		Decision-Making:	n/a
		Project Status:	n/a

Objective of this paper

- 1 The objective of this paper is to inform the Board about matters under Other Business – Public. No action is required from the Board on these matters except for item 20.3, 20.5, 20.6 and 20.10 below that requires feedback from Board. Please refer to table below for details.

OTHER BUSINESS – AASB SUBMISSIONS

Paper No.	Title	Staff comment	Board action
20.1	AASB's Submission to IASB ED 2019/4 Amendments to IFRS 17 <i>Insurance Contracts</i>	The final AASB comment letter to IASB ED 2019/4 Amendments to IFRS 17 <i>Insurance Contracts</i> was submitted to IASB in September 2019. The Board decided on the issues to comment on in relation to this ED in the September 2019 AASB meeting.	Included for noting only. No action required.

OTHER BUSINESS – CORRESPONDENCE

Paper No.	Title	Staff comment	Board action
20.10	Letter from ASIC dated 11 November 2019 – Disclosure of Fees to Auditors	<p>Doug Niven, Senior Executive Leader, Financial Reporting and Audit at ASIC has sent a letter to the AASB encouraging the Board to consider amending AASB 1054 <i>Australian Additional Disclosures</i> to provide enhanced audit fee disclosure (see Agenda Paper 20.10). Mr. Niven had briefly mentioned this topic during ASIC’s presentation at the September 2019 AASB Meeting.</p> <p>Additionally, in its submission to the Inquiry into Regulation of Auditing (see Agenda Paper 20.7), the Board has recommended that the Parliamentary Joint Committee consider whether changes to the audit fee disclosures would be desirable and to support the AASB in applying its due process to address any potential amendments.</p>	<p>Staff recommend that the Board does not address the matters raised in the letter until the outcomes of the Inquiry into Regulation of Auditing are known (report expected by 1 March 2020). This is so that the Board is able to consider any findings from that inquiry at the same time as addressing concerns from ASIC.</p> <p>Does the Board with the Staff recommendation?</p>

OTHER BUSINESS – IASB and IFRS IC UPDATES

Paper No.	Title	Staff comment	Board action
20.2	IFRIC Update – September 2019	Staff do not consider there are any matters to raise with the IFRS Interpretations Committee in relation to their decisions in their September meeting. Refer to agenda item 18 for more details	Included for noting only. No action required at this meeting.
20.3	IASB Update September 2019	Staff would like to highlight that in respect of upcoming IASB Agenda Consultation the IASB Staff will conduct an outreach before IASB publishes a request for information (RFI). The outreach will take place in last quarter of 2019 and first quarter 2020. The purpose will be to develop a list of potential projects for inclusion in RFI.	Consider what projects should be reported to IASB during outreach. Does the Board agree that Financial reporting of intangible assets (review of IAS 38 <i>Intangible Assets</i>) should be

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			recommended to IASB during outreach?
20.4	IASB Update October 2019	Staff do not consider there are any matters to raise with the IASB in relation to their decisions in their October meeting.	Included for noting only. No action required at this meeting.

OTHER BUSINESS – ARTICLES AND NEWS

Paper No.	Title	Staff comment	Board action
20.5	The Conversation article: <i>All the signs were there: lessons from collapse of White Ribbon Australia</i>	<p>The article talks about collapse of White Ribbon Australia due to high debt and heavy prior year loss. The article highlighted that the organisation's directors did not have an accounting background and that there was a high turnover of directors in prior year, which included new chief executive and Chairman.</p> <p>According to the article White Ribbon Australia's annual report showed declining revenues and increase in expense, which was not sustainable and did not provide sufficient disclosures.</p> <p>The article raises a question whether the rules for financial disclosures should be more prescriptive and suggests a one page snapshot comparison with other organisations should be provided.</p>	Does the Board agree that key metric disclosures for charities should be discussed with ACNC?
20.6	Financial Review article: Reverse factoring proliferates in CIMIC	The article is about CIMIC and its subsidiaries using a financier to pay the suppliers. The article noted that rating agencies and regulators are concerned when companies use reverse factoring to hide debts.	Does the Board agree that inconsistencies in disclosing factoring and reverse factoring is an issue and it should be raised with IASB during the outreach predeceasing the Agenda Consultation process?

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		<p>It mentions the AASB had noted rising interest in reversed factoring facility disclosures and would be discussing the topics with IASB.</p> <p>Similar issue was raised by the users at the previous UAC meeting, highlighting that there is no consistency in the way companies disclose factoring or reversed factoring, which makes it difficult for the users to analyse the financial statements.</p>	
20.9	Financial Review article: Super funds quizzed on assets transparency	The article says, that following the royal commission a parliamentary committee is asking new questions of super funds about value of returns of their unlisted assets and listed investments. It also asks for details of arrangements for corporate hospitality. The parliamentary committee wants to establish transparency.	Included for noting only. No action required at this meeting.

OTHER BUSINESS

Paper No.	Title	Staff comment	Board action
20.7	Submission into Inquiry into Regulation of Auditing	The AASB's provided submission to the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into Regulation of Auditing. The matters to be raised in the AASB submission was decided by the Board at the September 2019 AASB meeting.	Included for noting only. No action required at this meeting.
20.8	Final Amendments to the ASX Listing Rules	<p>The ASX conducted consultation on changes to the ASX listing rules in 2018, to which the AASB Staff provided a submission. The AASB Staff submission raised concern that the proposals implied that listing fees could be capitalised as an intangible asset. Staff informed the ASX that listing fees would generally not be capitalised as an intangible asset in accordance with the Accounting Standards.</p> <p>Staff have reviewed the final amendments and confirmed that the ASX has addressed the AASB Staff's concern satisfactorily by deleting the footnote in question. Staff have no other concerns to raise.</p>	Included for noting only. No action required at this meeting.