



Project:	COVID-19	Meeting:	M176
Topic:	Cover memo: Response to financial reporting issues of COVID-19	Agenda Item:	3.0
Contact(s):	James Barden jbarden@asb.gov.au Helena Simkova hsimkova@asb.gov.au	Date:	
		Project Priority:	High
		Decision-Making:	High
		Project Status:	Update on COVID-related work

OBJECTIVE OF THIS PAPER

- The objective of this agenda paper is:
 - to **update** the Board on the staff's response to COVID-19 related issues; and
 - for the Board to **decide** whether there is any additional work related to COVID-19 that staff should undertake.

ATTACHMENTS

- This cover memo is intended to provide an update only. There are a number of other papers attached to this agenda item which require Board consideration and decisions on specific issues, including:
 - Agenda Paper 3.1 (Going concern) – Board only (to be discussed in private session during agenda item 1)
 - Agenda Paper 3.2 (Leases – NFP public sector and Tier 2 considerations)
 - Agenda Paper 3.3 (Government Grants FAQ) – Board only
 - Agenda Paper 3.4 (Comment letter from HoTARAC – ED 300) – Supplementary folder
 - Agenda Paper 3.5 (Going concern – supporting paper) – Board only, supplementary folder
- Staff are currently working on an Impairment/Fair Value Measurement FAQ as directed by the Board at the April Board meeting. This FAQ is not included in mailout on 27 May 2020 but may follow via email if drafting is finalised prior to the meeting. If so, it may also be discussed as part of the COVID-19 agenda item (ie Agenda Paper 3.5). If not, staff will distribute for Board comment via email out-of-session.
- Note that the FAQs are staff publications, and as such due process does not require them to be discussed in a public meeting (and therefore the draft of the FAQ is not part of the public board papers). This also means that the Board is not required to formally approve the publication. However, the FAQ has been provided to the Board for review and feedback, in line with the requirements of

paragraphs 9.3.1-9.3.5 of the [AASB Due Process Framework for Setting Standards](#). Staff invite Board members to send through comments to staff via email prior to the Board meeting, or to raise specific issues at the Board meeting.

UPDATE ON WORK RELATED TO COVID-19

- 5 The table below sets out the activities of the AASB/AUASB (where activities are joint) and AASB in relation to responding to COVID-19. The information in the table below has also been provided to the FRC as part of an update at its May 2020 meeting.

AUASB & AASB Common COVID-19 Response Plan	Responsibility	Timing	Current Status
General			
Chair and staff members for each Board is a member of the FRC's COVID-19 Working Group which includes representatives from FRC, ASIC, ASX, APRA, Treasury and the AASB	Chairs	Ongoing	Ongoing
Set up COVID-19 landing page on AUASB & AASB websites to publish COVID-19 related publications and Frequently Asked Questions	Staff	March 2020	Completed See link
AASB-AUASB Planned Collaborations			
AASB-AUASB Joint FAQ (March 2020) <i>The Impact of Coronavirus on Financial Reporting and the Auditor's Considerations</i>	AASB & AUASB	March 2020	Completed See link
AASB-AUASB Joint Publication (May 2020) <i>The Impact of COVID-19 on Going Concern and Related Assessments</i>	AASB & AUASB	May 2020	Completed See link
AUASB & AASB common outreach activities			
Attend Large National Network Discussion Group Conference to identify any practical issues that may be arising Attendees include mid-tier accounting firms primarily based in Melbourne, and other regulators.	Staff	Fortnightly	Ongoing
Attend Accountants and Auditors Discussion Group Conference to identify any practical issues that may be arising Attendees include mid-tier and large accounting firms primarily based in Sydney, and other regulators.	Staff	Fortnightly	Ongoing

AASB Specific Actions	Responsibility	Timing	Current Status
Standard-setting projects			
IASB amendment to IFRS 16 <i>Leases</i> – relief when accounting for covid-19-related rent concessions	Board/staff	May 2020	In progress (likely to be completed by Board meeting)
FAQ Topics			
Impairment and fair value measurement	Staff (Board review)	June 2020	In progress
Accounting for government grants	Staff (Board review)	June 2020	In progress
AASB specific Outreach Activities			
Attended Australasian Council of Auditors General (ACAG) Financial Reporting Advisory Committee (FRAC) meeting	Chair/Staff	May 2020	Completed
Webinar: Financial Services Accountants Associations	Staff	May 2020	Upcoming
Engagement with national standard-setters (NSS) and IASB			
IASB: <ul style="list-style-type: none"> ad-hoc discussions with IASB staff on specific issues monthly meeting with IASB member Ann Tarca to discuss IASB Board papers and other issues 	Staff	Ongoing	Ongoing
Regular liaison with NZASB, considering respective approaches to COVID-19 issues	Staff	Ongoing	Ongoing
Monitoring developments of other NSS via International Forum of Accounting Standard-Setters and Asian Oceanian Standard-Setters Group emails.	Staff	Ongoing	Ongoing

QUESTIONS TO THE BOARD

Question No.	Question
Question 1	Does the Board have any feedback or specific issues to raise in relation to the update above?
Question 2	Is there any specific work that the Board would like staff to undertake in relation to covid-19 that is not already underway?