



## FAQ's: AASB and AUASB Strategy

**Q1: Why do the AASB and AUASB missions refer to contributing to one set of accounting and external reporting standards for worldwide use when from an accounting perspective there are both the IASB and IPSASB who set international standards and from an assurance perspective there are jurisdictional differences?**

The ASIC Act sets out the requirements for the AASB and AUASB to contribute to a single set of international standards in Sections 227(1)(d) and 227B(1)(d). We note the IPSASB uses the IASB Standards as a starting point and that ultimately it would be beneficial if there was consistency and one standard setting authority for all sectors. From the assurance perspective we utilize the IAASB standards that are reporting framework neutral.

**Q2: Why does Strategic Objective 2 indicate the AASB will look at nature and extent of assurance, and the AUASB will look at who prepares external reports?**

Having exactly the same wording for the AASB and AUASB for Objective 2, and overlapping the other Boards considerations in each Board's strategic objectives highlights the criticality of the Boards working together to ensure that regulators, and the respective Boards, consider the reporting and assurance requirements jointly and not in isolation. Both Boards expect to be involved in discussions with regulators regarding these issues and be able to identify the issues and possible options to address them for both the accounting and assurance aspects. Both Boards understand that ultimately the requirements for who should prepare reports and the level of assurance required are matters for regulators, which is why the Boards see their role as being leaders in starting the conversations and working with regulators to achieve the necessary reform to make the Australian Financial Reporting Framework clear and objective. The who should report and what should be reported are inextricably linked, so the AASB cannot develop appropriate Tiers of appropriate general purpose financial statements without working with the regulators as to who should be reporting. Similarly the close ties between the reporting framework and the audit and assurance requirements (if any) included in regulation are recognized in this strategic objective.

**Q3: Why isn't the Trans-Tasman harmonization project with New Zealand referred to in the strategy?**

The AASB and AUASB both have Key KPIs around maintaining harmonization with New Zealand accounting and assurance requirements and as this is now a 'business as usual' process it is no longer considered necessary to be a specific strategy item. The KPIs are available as part of the Corporate Plans. ([AASB](#) and [AUASB](#) Corporate Plan links)

**Q4: Why isn't Research a specific strategy item?**

The AASB and AUASB have included Research, along with Collaboration, Communication and Education as important enablers of all the Strategic Objectives and are considering developing or have developed specific strategies for each of these. Accordingly no specific Objective has been included. For example, the [AASB's Research Strategy](#) is available on the AASB website. The AUASB will include as part of their work program the development of a AUASB Research Strategy.



**Q5: Isn't the use of "beyond financial reporting" redundant in Objective 5, as it already refers to external reporting?**

The Boards, particularly the AASB are conscious that when considering external reporting that this is more than financial reporting (i.e. includes reporting that may not have a very close nexus to financial reporting, such as some aspects of environmental reporting). Accordingly, the AASB has a different role in the wider external reporting (trying to have a leadership role), than in financial reporting where the AASB has a clear mandate to develop such standards. The AUASB have also developed standards, and adopted IAASB assurance standards, for assurance engagements beyond financial reporting, and see this wording as providing clarity around the forms of external reporting included as they progress this strategic objective.

**Q6: Should the consideration of the costs to preparers when developing standards be reflected in the strategy?**

Both boards consider the costs to preparers and benefits to users when implementing standards that meet the needs of report users. The AASB is explicitly required to carry out a cost calculation of the impact of a proposed new accounting standard before making or formulating the standard and both the IASB and AASB perform a cost benefit analysis. This consideration is reflected in the ASIC ACT, sec 231 and is considered business as usual and not necessary to include in the strategy. In addition the AASB's For Profit and Not-for-profit Standard Setting Framework documents set out when and how the AASB amends IFRS for NFPs and non-publicly accountable entities, including on undue cost grounds.