

Australian Accounting Standards Board
Auditing and Assurance Standards Board

Corporate Plan

2024-2025



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Preface

The following Corporate Plan for the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) outlines our strategy for continuing our work in the dynamic environment we find ourselves in; one that is fast-moving, susceptible to outside forces and requires an agile approach.

The offices of AASB and AUASB continue to operate with flexible working arrangements with employees attending the office for some of their work hours and completing the remainder remotely. Board meetings have become hybrid meetings with the members of the public being invited to join remotely, which has been reflected in increased observation of Board meetings. Face-to-face attendance at relevant international meetings has returned.

Stakeholder roundtables have been a mix of face-to-face and hybrid meetings, including the AASB Research Forum as a multi-site and hybrid format, allowing us to cater to larger audiences from around Australia. During 2023/24, AASB held a number of high-profile meetings, including hosting the Asian-Oceania Standard-Setters Group (AOSSG) Annual Meeting, a Sustainability Symposium and undertaking extensive consultation following the publication of ED SR1 (AASB's Exposure Draft *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information*). During the year, the AASB also became the Vice-Chair of the AOSSG, a role that will lead to the AASB becoming the Chair in 2025 for a two-year period.

The AUASB similarly has hosted and led key stakeholder events, including the Australian Roundtables for the International Auditing and Assurance Standards Board's (IAASB) outreach on ISSA 5000 *General Requirements for Sustainability Assurance Engagements* as well as roundtables on the Consultation Document for *Assurance over Climate and Other Sustainability Information*. During the year, the AUASB Chair became a member of the IAASB and International Code of Ethics for Professional Accountants (IESBA) Stakeholder Advisory Council.

Together, we (the AASB and AUASB) have continued to work together to communicate standards and guidance. Our plan for 2024/25 is to continue this activity while also continuing to focus our work on the economic drivers that impact the domestic and global economy. The standards portals that both entities have developed continue to evolve and the use of these by external stakeholders is increasing.

The AASB and AUASB have continued to engage with the Department of Treasury, the Department of Finance and other Government Agencies throughout 2023/24 in preparation for Australia's approach to implementing climate first, and the development of sustainability reporting and assurance standards. As part of MYEFO, the AASB and AUASB were successful in gaining funding to develop the capacity and capability required for the development, issuing and education required for the introduction of mandatory climate-related financial disclosures and their assurance. Additional but significant steps were changes in legislation to give the AASB and AUASB the remit to make sustainability standards. These changes and legislation, currently before Parliament, will enable the AASB to formulate and make sustainability standards and the AUASB to make assurance standards. Consequently, a key focus for 2024/25 will be the finalisation and issue of Australian Climate-related Financial Disclosure Standards and Assurance Standards for Sustainability Information based on international standards with a view to their applicability and enforceability under the *Corporations Act 2001*.

Our ability to produce excellent outcomes in response to external forces allows us to influence key global stakeholders such as the International Accounting Standards Board, the International Sustainability Standards Board, and the International Auditing and Assurance Standards Board, whose mission is to create one set of globally-applicable standards that stakeholders worldwide can use with confidence, pursuant to the chief goals of transparency, accountability, reliability, comparability and high quality independent assurance in financial and sustainability reporting, audit and assurance.

The following Corporate Plan outlines our strategy for continuing our work in the dynamic environment in which we operate.



Introduction

As agreed with the Department of Finance, the 2024-25 Corporate Plans for the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) have been prepared as a single document, with the specific purpose and significant activities of each Board separately presented where required by Subsection 35(1) of the *Public Governance, Performance and Accountability Act 2013*.

Accountable authority approval Australian Accounting Standards Board

I, Dr Keith Kendall, as the accountable authority of the Australian Accounting Standards Board, present the 2024-25 AASB Corporate Plan, which is prepared for the 2024-25 period and covers the periods 2024-25 to 2027, as required under paragraph 35(1) (b) of the Public Governance, Performance and Accountability Act 2013.

28 August 2024

Auditing and Assurance Standards Board

I, Douglas Niven, as the accountable authority of the Auditing and Assurance Standards Board, present the 2024-25 AUASB Corporate Plan, which is prepared for the 2024-25 period and covers the periods 2024-25 to 2027, as required under section 35(1)(b) of the Public Governance, Performance and Accountability.

28 August 2024



The AASB and AUASB Corporate Plan

About Australian Accounting Standards Board

AASB

The Australian Accounting Standards Board (AASB) is an Australian non-corporate Government Entity responsible for developing, issuing and maintaining accounting standards under section 334 of the *Corporations Act 2001* for the purposes of that Act.

The AASB also formulates accounting standards and or guidance for other purposes and participates in and contributes to the development of a single set of international accounting standards for worldwide use. The AASB's vision and strategies are set out on page 8.

Office of the AASB

The Office of the AASB provides technical and administrative services, information and advice to the AASB. The Chair of the AASB is also the Chief Executive Officer of the Office of the AASB, however the CEO responsibilities have been delegated (to the maximum extent permitted) to the Managing Director.

The AASB's 24 strong workforce is based across Australia with the majority based in the Melbourne office.

The Minister

The Minister appoints the Chair of the AASB. The Chair of the AASB is accountable to the Minister regarding the operations of the AASB and the Office of the AASB.

Financial Reporting Council

Responsible to the Minister, the Financial Reporting Council (FRC) provides broad strategic direction and advice to the AASB and has oversight of the process for setting accounting standards in Australia. The FRC appoints Board members (other than the Chair) to the AASB.

Membership

Chair

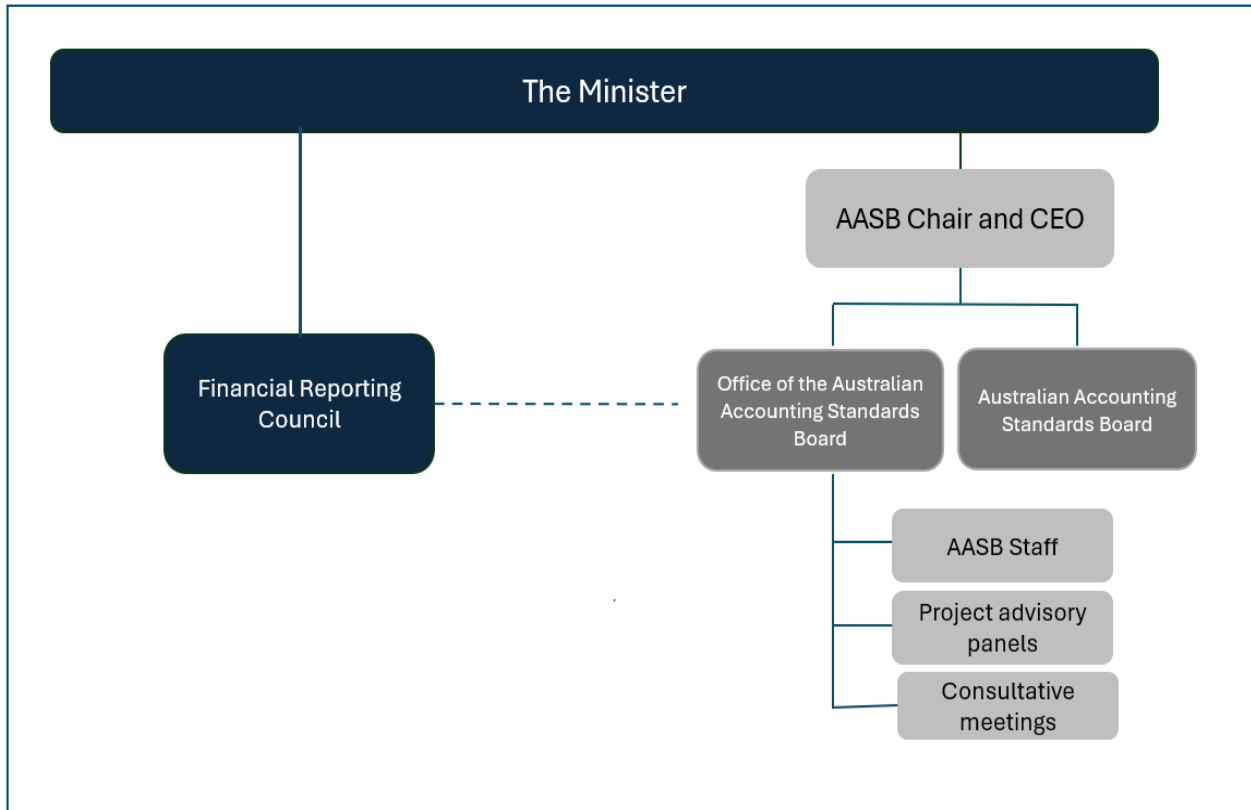
Keith Kendall was appointed as Chair of the AASB and CEO of the Office of the AASB for a five-year term from 3 May 2020 to 2 May 2025. The duties of the Chair and CEO of the AASB are outlined in sections 235D to 235J of the *Australian Securities and Investments Commission Act 2001*.

As Chair of the AASB, the Chair is also a member of the FRC and a member of the New Zealand Accounting Standards Board.



Board Members

To be eligible for appointment as a member of the AASB, a person must have knowledge of, or experience in, business, accounting, law or government. The initial appointment is for a maximum of 3 years with possible extensions for a further two terms.





The corporate plans of the AASB and AUASB set out why we exist, what we need to do to achieve our purpose, the factors that influence how we achieve our purpose, the activities we intend to undertake and the ways in which we measure whether we have achieved our purpose, as set out in the diagrams below.

The elements of the AASB's operations are:





About Auditing and Assurance Standards Board

AUASB

The AUASB is an Australian non-corporate Government Entity responsible for making auditing standards under section 336 of the Corporations Act 2001 for the purposes of the corporation's legislation. The AUASB also formulates auditing and assurance standards for other purposes and participates in and contributes to the development of a single set of international auditing standards for worldwide use. The AUASB's vision and strategies are set out on page 11.

Office of the AUASB

The Office of the AUASB provides technical and administrative services, information and advice to the AUASB. The Chair of the AUASB is also the Chief Executive Officer of the Office of the AUASB. The corporate services function responsibilities for the Office of the AUASB have been delegated (to the maximum extent permitted) to the Managing Director.

AUASB has seven technical staff, all based in Australia, with the majority of its workforce located in the Melbourne office.

The Minister

The Minister appoints the Chair of the AUASB. The Chair of the AUASB is accountable to the Minister regarding the operations of the AUASB and the Office of the AUASB.

Financial Reporting Council

Responsible to the Minister, the FRC provides broad strategic direction and advice to the AUASB and has broad oversight of the process for setting auditing and assurance standards in Australia. The FRC appoints Board members to the AUASB other than the Chair.

Membership

Chair

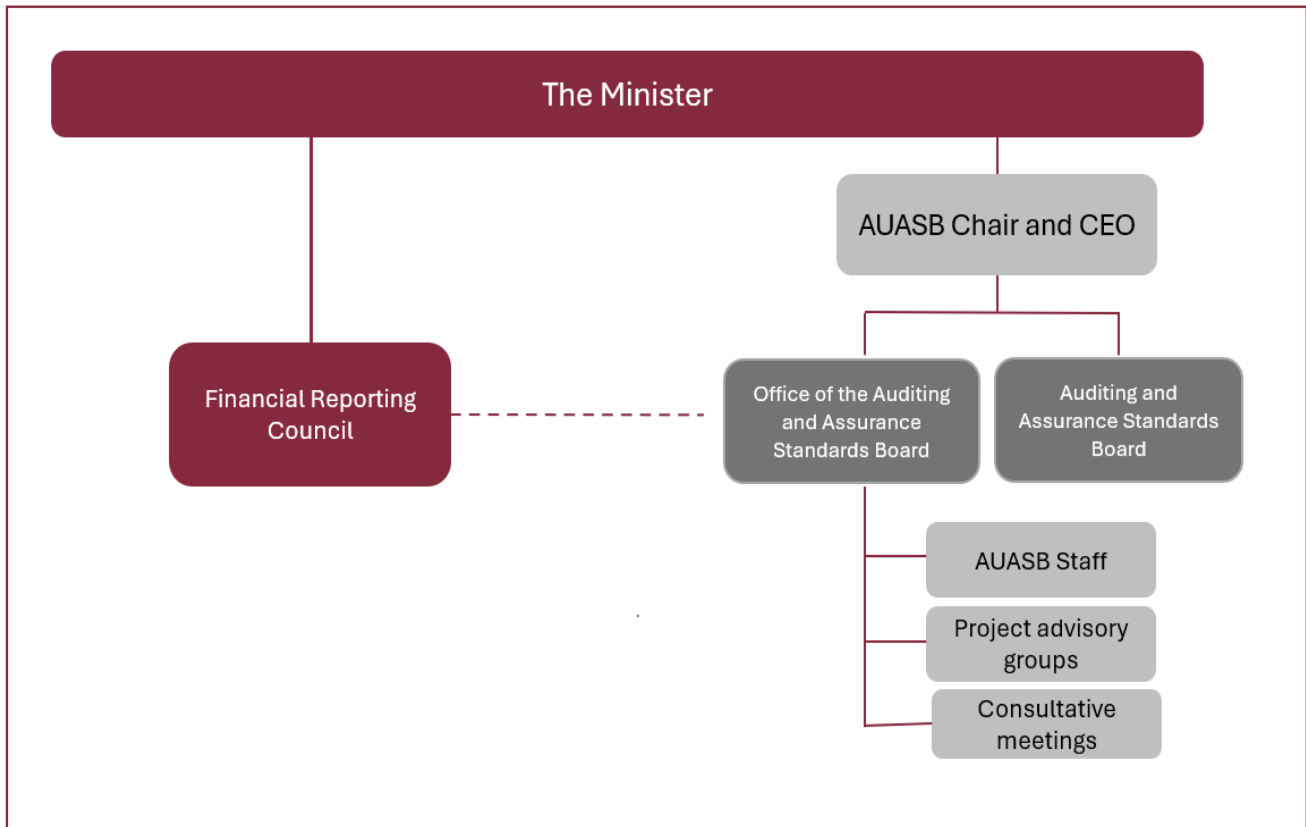
Mr Doug Niven was appointed as Chair of the AUASB and CEO of the Office of the AUASB for a five-year term from 5 September 2023 to 4 September 2028, having been Acting Chair from 31 July 2023. The duties of the Chair and CEO of the AUASB are outlined in sections 235D to 235J of the Australian Securities and Investments Commission Act 2001.

The Chair of the AUASB is also a member of the FRC and the New Zealand Auditing and Assurance Standards Board (NZAuSB).



Board Members

To be eligible for appointment as a member of the AUASB, a person must have knowledge of, or experience in, auditing, business, accounting, law or government. The initial appointment is for a maximum of 3 years with possible extensions for a further two terms.





The elements of the AUASB's operations are:





The Purpose of the AASB and AUASB

The AASB and AUASB's (the Boards) purpose, vision and mission are.

Contribute to stakeholder confidence in:

- the Australian economy, including its capital markets,
- external reporting
- enhanced credibility of external reporting through independent auditing and assurance by:

AASB

Developing, issuing and maintaining principles-based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality.

AUASB

Developing, issuing and maintaining in the public interest, Australian auditing and assurance standards and guidance that aid in reducing the cost of capital and enable Australian entities to compete effectively, both domestically and internationally, by enhancing audit and assurance consistency and quality.

AASB

Contributing to the development of a single set of accounting and external reporting standards for world-wide use.

AUASB

Contributing to the development of a single set of auditing and assurance standards and guidance for world-wide use



Strategic Objectives (Key Activities)

The strategic objectives of the Boards to achieve their purpose under the *Australian Securities and Investment Commission Act* and the Financial Reporting Council (FRC) directives are set out below:

AASB	AUASB
<p>1. Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For ‘publicly accountable’¹ entities maintain IFRS² compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.</p>	<p>1. Develop and issue enforceable Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our strategic from the FRC.</p>
<p>2. With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with the regulators to develop objective criteria on:</p> <ul style="list-style-type: none"> • who prepares external reports (including financial reports) • the nature and extent of assurance required on these external reports. 	<p>2. Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.</p>
<p>3. Actively influence IASB⁴, ISSB⁵, IPSASB⁶ standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.</p>	<p>3. Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.</p>
<p>4. Attain significant levels of key stakeholder engagement, through collaboration, partnerships and outreach.</p>	<p>4. Identify and implement initiatives designed to enhance audit quality in Australia.</p>
<p>5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.</p>	<p>5. Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.</p>
<p>6. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies.</p>	<p>6. Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.</p>
<p>7. Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.</p>	<p>7. Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB’s Standards.</p>

1. Publicly accountable entities include those: a) with debt or equity instruments traded in a public market b) holding assets in a fiduciary capacity. (AASB 1053 *Application of Tiers of Australian Accounting Standards*)

2. International Financial Reporting Standards

3. International Auditing and Assurance Standards Board

4. International Accounting Standards Board

5. International Sustainability Standards Board

6. International Public Sector Accounting Standards Board

Environment

Accounting standards set out how entities must report externally on key transactions and events, and on their performance and financial health, in a way that is consistent and comparable with other entities in Australia and internationally. This enables people outside the entity to make informed decisions about their dealings with that entity and making decisions such as whether to:

- invest in a listed company's shares
- trade with/extend credit to an entity
- donate to a particular charity
- hold the government accountable for the use of taxpayer funds.

The AASB has a Conceptual Framework that sets out the purpose of preparing financial statements, the key elements of financial statements (assets, liabilities, revenue, expenses and equity) and provides guidance on how to set standards. Accounting standards generally set recognition, measurement, classification, presentation and disclosure requirements for the elements of financial statements.

The transparency, comparability and accountability required by accounting standards underpin public and investor confidence in the Australian economy. Accounting standards reduce information gaps and enable more efficient resource/capital allocations. To be effective, they must be capable of being audited and enforceable by other regulators

Auditing and Assurance standards include requirements and application guidance that set out how auditors and assurance practitioners conduct an audit or assurance engagement. The AUASB is an independent standard-setting body that serves the public interest by setting high quality auditing and assurance standards which are based on International Standards issued by the International Auditing and Assurance Standards Board (IAASB) that are generally accepted worldwide. The use of a single set of robust auditing and assurance standards contributes to enhanced engagement quality and consistency of practice throughout the world and strengthens public confidence in the global auditing and assurance profession.

The AUASB has a well-established Assurance Framework that includes different types of assurance standards depending on the nature and extent of assurance required. They are sector and framework neutral and principles-based to encourage the auditor or assurance practitioner to apply their professional judgement and exercise professional skepticism at all times.

The AASB and AUASB are responsible for setting standards in three sectors, being for-profit companies, not-for-profit private sector entities (e.g., charities and incorporated associations) and the public sector. The complexities of setting standards appropriate for all three sectors increases the challenges of achieving appropriate stakeholder understanding of the AASB's and AUASB's roles and engagement with their standard-setting activities.



How we operate

The Boards and their Offices

Each entity has two arms:

- the Board itself
- the technical staff of each entity who are employed by the relevant Office of the AASB or Office of the AUASB¹ (the non-corporate commonwealth entity). The office of the AASB employs the administrative staff who support both the AASB and the AUASB.

The Boards of the AASB and AUASB are technical boards contributing to the strategic direction of the entities. The Boards do not have supervisory powers in respect of the functions and administration of the Offices of the AASB and the AUASB, which are the responsibility of the respective Chairs.

Our Board members have a diverse range of skills, experiences, professional affiliations, geographies and industry and sector experience to enhance the quality of our standards. Board members serve on Project Advisory Panels and Groups and participate in a range of public forums. In addition:

- the Australian-based representatives (if any) on the International Public Sector Accounting Standards Board (IPSASB) and the International Accounting Standards Board's (IASB) IFRS Interpretations Committee, are observers at the AASB meetings.
- the Australian-based member of the IAASB is an observer for all AUASB agenda items where at the AUASB discusses possible feedback on matters in IAASB Board papers.
- the AASB Chair and the AUASB Chair are both members of the respective New Zealand Boards.
- the AUASB Chair is a member of the IAASB and IESBA Standards Advisory Council.

Each year, the FRC advertises for new members across both Boards.

1 The relevant Office of the AASB and the AUASB includes the Chair and the Board.



Financial Reporting Council and Minister Oversight

The FRC provides broad strategic direction and advice to the Boards and has oversight of the process for setting accounting and assurance standards in Australia. The FRC appoints Board members (other than the Chairs).

The FRC directed the **AASB** to:

- Adopt accounting standards that are the same as those issued by the IASB (Direction approved by the FRC on 5 September 2002).
- Pursue the harmonisation of Government Financial Statistics (GFS) and Generally Accepted Accounting Principles (GAAP) reporting for the public sector (Direction approved by the FRC on 12 December 2002).

The FRC directed the **AUASB** on 6 April 2005 to:

- Develop Australian Auditing Standards that have a clear public interest focus and are of the highest quality;
- Use, as appropriate, International Standards on Auditing (ISAs) of the International Auditing and Assurance Standards Board (IAASB) as a base from which to develop Australian Auditing Standards;
- Make such amendments to ISAs as necessary to accommodate and ensure that Australian Auditing Standards both exhibit and conform to the Australian regulatory environment and statutory requirements, including amendments as necessary for Australian Auditing Standards to be legally enforceable under the requirements of the Corporations Act 2001;
- Monitor and review auditing and assurance standards issued by other standard-setting bodies in other national jurisdictions, consider other matters relevant to its objectives, and incorporate additional requirements in auditing standards where appropriate, in the public interest and necessary to producing standards of the highest quality; and
- Continue to develop auditing and assurance standards for other than historical financial information as well as develop and issue other guidance on auditing and assurance matters, and participate in audit research that is conducive to, and which significantly benefits, the standard-setting activities of the AUASB.

The relevant Minister appoints the Chairs of the AASB and AUASB. The Chairs are accountable to the Minister regarding the operations of the Board and the supporting Offices.

Although our funding is provided by government, we are independent as the ASIC Act expressly limits the FRC's and Minister's ability to direct the AASB or AUASB in relation to the development, or making, of a particular standard. The FRC and Minister do not have the power to veto a standard made, formulated or recommended by the AASB or the AUASB in that neither the FRC nor the Minister can direct a particular technical outcome.





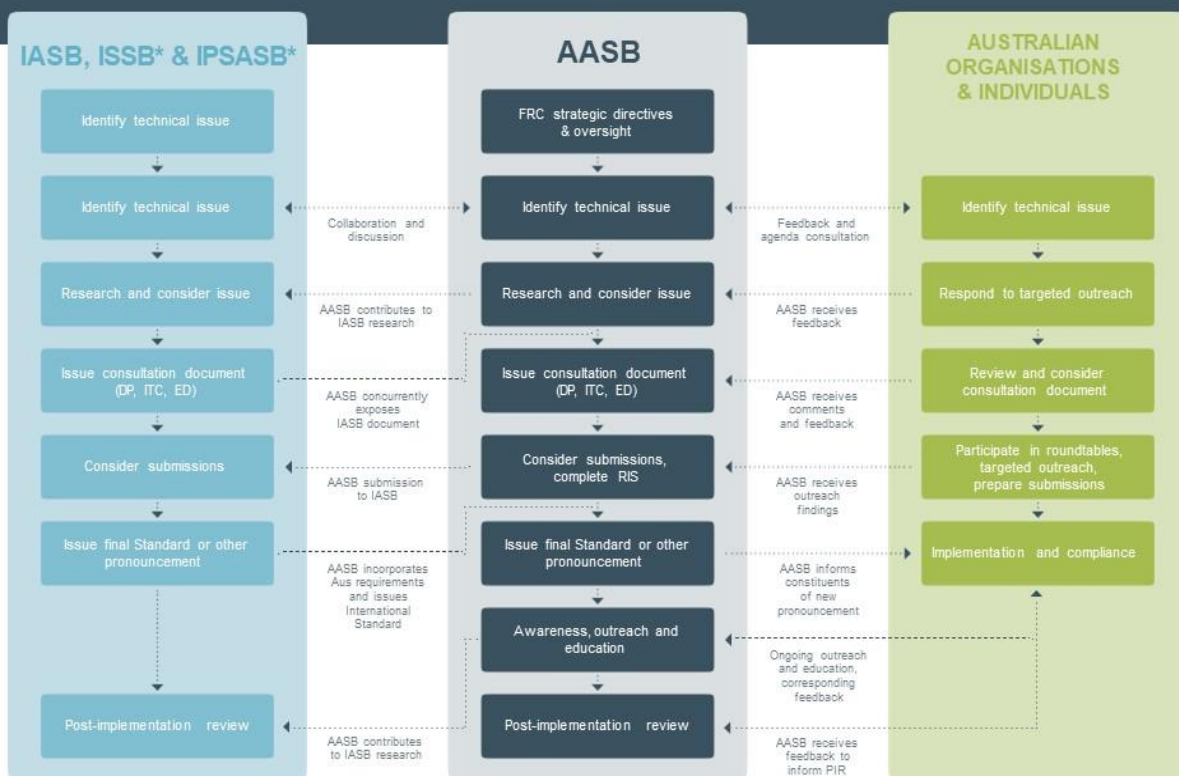
The Standards as Legislative Instruments

The standards issued by the AASB and the AUASB are legislative instruments and in accordance with regulatory best practice, are principles-based rather than rules-based. Accordingly, professional judgement is a critical element when implementing accounting and auditing standards.

The Boards comply with The Australian Government Guide to Regulation when assessing the regulatory effects of significant changes.

The AASB uses its Due Process Framework and Evidence Informed Frameworks to ensure the quality of its standards and that the benefits of its standards outweigh the costs to its constituents. This includes use of empirical research from Australian and international academics to support the identification of issues, analysis of possible solutions and evidence of effectiveness once a standard has been finalised, as well as a means of influencing internationally. The AASB's Due Process Framework is set out below:

AASB Standard-Setting Process





Evidence-informed

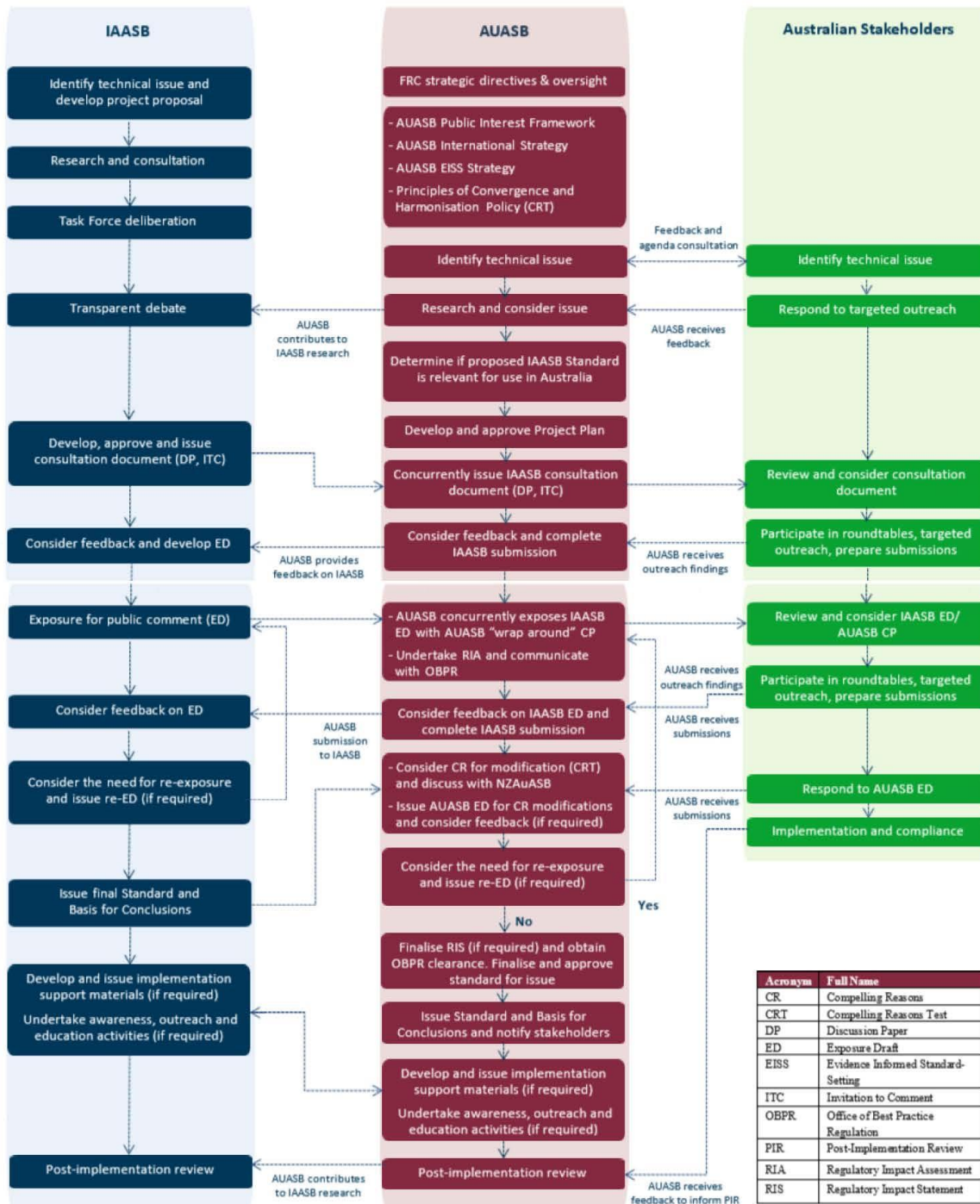
The AASB and AUASB use their respective Due Process and Evidence-Informed Standards-Setting Strategy to ensure the quality of their standards and that the benefits of their standards outweigh the costs. This includes use of empirical research from Australian and international academics to support the identification of issues, analysis of possible solutions and evidence of effectiveness once a standard has been finalised, as well as a means of influencing internationally. The AASB and AUASB process for issuing Exposure Drafts (EDs) in Australia, is that the EDs are issued shortly after their release internationally.



The AUASB's Standard-Setting process is set out below.



AUASB Due Process Framework for Setting Standards





Sustainability Reporting

The AASB and the AUASB gained multi-year New Policy Proposals (NPP) funding under 2023/24 MYEFO. This 4.5-year funding was effective from 1 January 2024. The funding has been and will continue to be used to develop Sustainability Reporting and Assurance standards and a separate Sustainability standards setting capacity and capability. In January 2024, the Australian Government released its [Policy Position Statement](#) for the introduction of requirements for the reporting and assurance over climate-related financial information in the annual reports of certain Australian entities that prepare and lodge financial reports under Chapter 2M of the *Corporations Act 2001* (Corporations Act). The Treasury's draft legislation to give effect to the Government's policy was introduced into Parliament in March 2024 (Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024). This bill contains proposed amendments to the Corporations Act and the *Australian Securities and Investment Commission Act 2001* (ASIC Act). The amendments would require climate reporting in a sustainability report accompanying the financial report in accordance with sustainability standards made by the AASB. The amendments would also require assurance by the auditor of the financial report on the information in sustainability reports in accordance with auditing standards made by the AUASB. Reporting requirements will start from years commencing 1 January 2025.

AASB

Reporting Standards

Consistent with funding allocated to the AASB and Board agreed timelines, the AASB is currently in the process of developing Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information (ASRS) 1 *General Requirements for Disclosure of Climate-related Financial Information*, and [draft] ASRS 2 *Climate-related Financial Disclosure* using the work of the the International Sustainability Standards Board (ISSB) as a foundation, with modifications for Australian matters and requirements where necessary to meet the needs of Australian stakeholders. The [draft] standards were also developed based on consideration of [Treasury's Climate-related Financial Disclosure: Consultation Paper \(June 2023\)](#) and informal feedback from stakeholders, including staff members of Treasury, the Australian Government Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the CSIRO.

In October 2023, the AASB issued the Exposure Draft *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information* (ED SR1). Consistent with the Climate-related Financial Disclosure project plan, the AASB scheduled virtual and in-person outreach events in January and February 2024 to allow stakeholders to provide feedback on ED SR1. These outreach events formed part of the AASB's overall approach to obtaining stakeholder feedback on ED SR1 and sought to complement other avenues for stakeholder feedback (e.g. survey and comment letter submissions). In-person outreach events were scheduled in 17 of the largest Australian cities by population, including



every Australian capital city. In 2024-25, the AASB will finalise and issue its Australian Sustainability Reporting Standards on climate-related financial disclosures.

Guidance and Education

The AASB aims to develop guidance to support the implementation of ASRS by providing further information to help entities design and plan their journey towards climate reporting.

The AASB also intends to make education a priority in 2024-25. To this end, the AASB will develop educational and supporting materials, such as Frequently Asked Questions (FAQ), webinars, and webcasts, to build its knowledge base and further develop a common understanding of Climate-related Financial Disclosures by summarising, explaining, or illustrating disclosure requirements and how they might be applied.

Guidance and education materials will be developed following the analysis of feedback received during the exposure draft process. Such activities are likely to commence via raising awareness across the stakeholder population that will potentially or aspirationally comply with the future sustainability reporting standards.

AUASB

Assurance Standard

In 2024-2025, the AUASB will continue to prioritise the development and issue of standards for assurance over sustainability information. To that end, the AUASB released a Consultation Paper on Assurance over Climate and Other Sustainability Information in March 2024, which sought feedback to assist the AUASB in developing:

- (a) the demand for assurance, the ability of auditors and their experts to meet that demand, and the preparedness of companies. This would assist in developing a proposed model for phasing in assurance over mandatory climate information;
- (b) a proposal to adopt the standard on assurance over sustainability information being developed by the IAASB (ISSA 5000 *General Requirements for Sustainability Assurance Engagements*); and
- (c) developing a local pronouncement to supplement the final ISSA 5000 under the Australian reporting framework.

The AUASB held virtual and in-person outreach events to ensure broad stakeholder input in three Australian capital cities. The AUASB has the intention to issue the assurance pronouncement, phasing in requirements and relevant guidance by the end of 2024.²

Guidance and Education

The AUASB aims to develop guidance to support the implementation of the Assurance Standard by providing further information to help auditors design and plan their journey towards assurance over climate-related financial disclosures in Australia.

The AUASB intends to make education a priority in 2024-25. To this end, the AUASB will develop educational and supporting materials, such as FAQs, webinars, and webcasts, to support a common understanding of assurance over

² The issue of the Standard on Assurance over Climate and Other Sustainability Information is contingent on the Treasury setting appropriate legislation and giving AUASB formal mandatory standard-setting power. The formal making of Standards as legislative instruments by the AUASB will depend on the *Australian Securities and Investments Commission Act 2001* being amended by Parliament to empower the AUASB to issue relevant Standards.

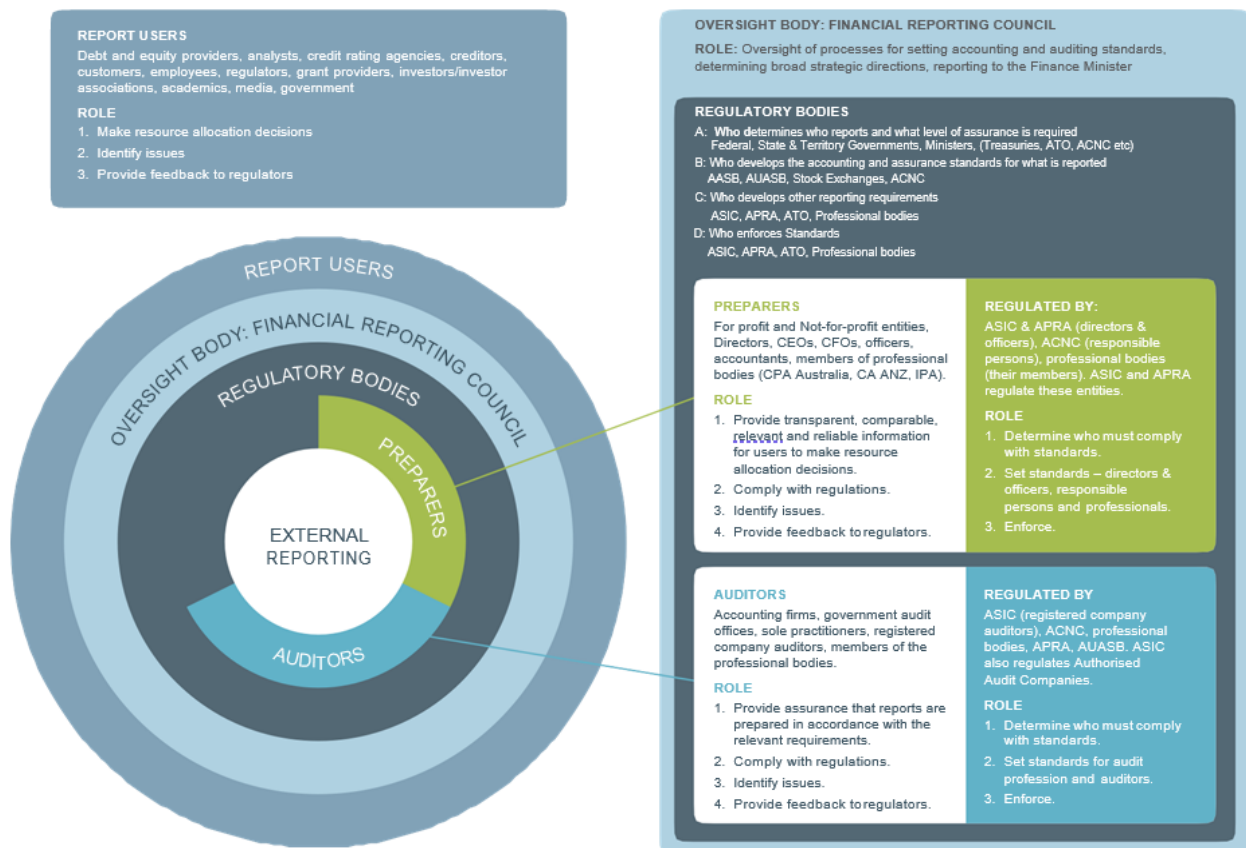


sustainability information by explaining or illustrating requirements and how they might be applied.

Stakeholders (Cooperation)

The AASB and AUASB is actively developing new strategic partners while strengthening its existing strong, open and collaborative relationships with key customers and stakeholders.

Both Boards consult extensively with Australian entities and other key stakeholders, so that they can properly reflect the interests of the Australian community at both domestic and international levels. The AASB's and AUASB's key stakeholders and their roles and responsibilities are set out below:



The AASB and the AUASB have a wide network of contacts among Australian stakeholders who volunteer their time and expertise to help us fulfil our strategies by providing technical input, thoughts and ideas on our work. The AASB and AUASB also have a strong network of contacts throughout the international standard setting community, which is a valuable source of collaboration and alliances.



External and internal factors

People

The AASB and the AUASB are committed to the development of a high-performing team culture. This commitment leverages off work that the AASB conducted in the past. Both organisations are utilising internal and external expertise including training needs analysis, coaching and mentoring, and team sessions to enhance individual and team culture and performance.

AASB

Over the past 12 months, the focus has continued to be on the staffing of the AASB technical group to ensure the AASB has staff from a broad range of professional backgrounds, including accounting and auditing practice, industry, the public sector and academia. Collectively, the AASB technical group possess technical and practical accounting experience, which they bring to standard setting, together with a paramount understanding of standard setting in the public interest.

The AASB continues to invest in our staff professional development program, which includes coaching and mentoring, secondment opportunities, as well as opportunities for staff to engage with the Boards, Regulators, other international standard setters, professional accounting firms and corporates.

The priority for 2024-2025 will be to manage workflow across the technical team to ensure the development of sustainability standards while also continuing to deliver financial reporting standards, developing in-house expertise in this domain while also utilising external specialists for their skills to augment our in-house expertise.

The AASB will continue to recruit the workforce required to support the development and issue of climate-related financial disclosures and other sustainability standards.

AUASB

The AUASB Chair and staff bring technical and practical auditing experience to standard-setting, together with a focus on standard-setting in the public interest.

The key focus for 2024-2025 will be to recruit the workforce required to support the implementation of standards for assurance over sustainability information.



Technology

The AASB and the AUASB continue to use online platforms (i.e., websites, social media, event management tools, broadcasting, webinars) to engage with and educate their constituents. The introduction of hybrid meetings has facilitated stakeholder engagement.

Technology is also critical to improving knowledge management and reducing compliance risk. The entities have assessed the business needs with a view to achieving the following technology objectives:

- Mobility and flexibility of working arrangements;
- Collaboration on standards delivery internally and externally;
- Productivity efficiency of standards delivery;
- Effective internal and external communications; and
- Connectivity and engagement with external stakeholders.

This financial year, the entities will remain focused on evolving our Information and Communications Technology (ICT) approach to pronouncement digitalisation (via the AASB and AUASB Standards Portals), enhanced document access via cloud storage, implementing our business classification system and backup to allow the teams to operate anywhere, any time and on any device. This will ensure that the entities' core operations can be completed efficiently and securely in a flexible and adaptable work environment. The ICT strategy is designed to address compliance risks such as access, security, document control and record retention.

The AASB and AUASB Standards Portals continue to be enhanced and have been positively received by stakeholders.

Other Regulators

Although responsible only for setting accounting and auditing and assurance standards, the AASB and AUASB play a key role in assisting regulators at both the State and the Commonwealth levels to clarify criteria and thresholds for different types of Australian entities, in order to determine who should report and the appropriate associated level of assurance. Outside of Accounting and Assurance Standards the current Australian Reporting Framework landscape is complex. Working with Regulators to ensure that the Reporting Framework continues to evolve, balancing the needs of users with the costs to preparers of reporting and independent assurance and results in 'fit for purpose' public information for different types of entities. This is a key objective that involves obtaining the commitment of Federal, State and Territory legislators as well as regulators.

Key regulators who enforce the AASB and the AUASB standards include the Australian Securities and Investment Commission (ASIC) and the Australian Prudential Regulatory Authority (APRA) and other Australian regulatory agencies such as the Australian Charities and Not for Profit Commissions (ACNC), Australian Taxation Office (ATO) and the Clean Energy Regulator (CER). The perception of the AASB and the AUASB's performance is affected not only by the AASB and AUASB's actions, but also how well its standards and guidance are implemented and enforced.

Global Standards

In accordance with the ASIC Act, when setting standards, the entities are required to consider the interests of Australian corporations aiming to raise capital in major international financial centres and/or who operate internationally.

The IASB, IPSASB, ISSB and the International Auditing and Assurance Standards Board (IAASB) are major international accounting, auditing and assurance standard setters, with International Financial Reporting Standards (IFRS Standards) and International Standards on Auditing (ISAs) being applied in more than 100 countries.

In accordance with its FRC directive, the AASB uses IFRS Standards as the basis for Australian Accounting Standards, implemented as follows:

- For-profit private sector “publicly accountable” entities (eg. listed entities or those with significant fiduciary responsibilities like banks and insurance companies) benefit most from global comparability. The AASB ensures they can claim IFRS and New Zealand compliance in their financial statements.
- Other for-profit private and public sector entities. The AASB applies its For-Profit Standard Setting Framework to tailor IFRS standards appropriately, and provide a second tier of reporting that has the same recognition and measurement requirements, but simplified disclosures.
- Other not-for-profit private and public sector entities. The AASB applies its Not-for-profit Standard Setting Framework to use transaction neutrality (like transactions should be accounted for in the same way) and modifies IFRS as needed to cater for the unique characteristics of the sector. This includes developing appropriate Australian standards and guidance and providing a second tier of reporting that has the same recognition and measurement requirements, but with simplified disclosures.

The AUASB is required, under its strategic directive from the FRC,³ to use the International Standards on Auditing of the International Auditing and Assurance Standards Board, as appropriate, as a base from which to develop enforceable Australian Auditing Standards (ASAs). This involves making such amendments to the ISAs⁴ as are necessary to accommodate and ensure that the ASAs are consistent with the Australian regulatory environment and statutory requirements. Both the ASAs and the ISAs are principles based, rely on the application of professional judgment and professional scepticism and are sector and framework neutral.

The use of IFRS Standards and ISAs enables Australian entities to raise capital and operate efficiently internationally. This has beneficial flow-on effects in the domestic capital market for entities and individuals.

However, where IFRS Standards and ISAs do not cover a topic of importance or are not appropriate for the Australian community, the AASB and the AUASB set local standards or add to the international standards to fill that gap. The AASB uses its approach to International Public Sector Accounting Standards to regularly assess whether IFRS remains the appropriate base for public sector accounting.

3 [Link to the Broad Strategic Direction provided by the FRC to the AASB](http://www.aasb.gov.au/admin/file/content102/c3/FRC_Broad_Strategic_Direction.pdf)
www.aasb.gov.au/admin/file/content102/c3/FRC_Broad_Strategic_Direction.pdf Link to the Broad Strategic Direction provided by the FRC to the AUASB www.auasb.gov.au/admin/file/content2/c7/AUASB_Strategic_Direction_1242266219416.pdf.

4 As well as International Standards on Review Engagements (ISREs) and International Standards on Assurance Engagements (ISAEs).



International Environment

To help ensure international standards remain appropriate for use in Australia, the AASB aims to ensure Australia remains at the forefront of international accounting practices. The key international and domestic bodies the AASB seek to engage are set out below:

	Standard Setters	Advisory/Consultative Groups	Standard Setter Forums	Interpretation Committees	Oversight
International	IASB	ASAF	IFASS	IFRS-IC	IFRS Trustees
	ISSB	SSAF	WSS		
	IPSASB		AOSSG		
Australia	AASB				FRC

Glossary

Standard setters

AASB – Australian Accounting Standards Board

IASB – International Accounting Standards Board

ISSB – International Sustainability Standards Board

IPSASB – International Public Sector Accounting Standards Board

Advisory /Consultative Groups

ASAF – Accounting Standards Advisory Forum

SSAF – Sustainability Standards Advisory Forum

Standard setter Forums

IFASS – International Forum of Accounting Standard Setters

WWS – World Standard Setters

AOSSG – Asian-Oceanian Standard-Setters Group

Interpretive Committees

IFRS – IC – IFRS Interpretations Committee

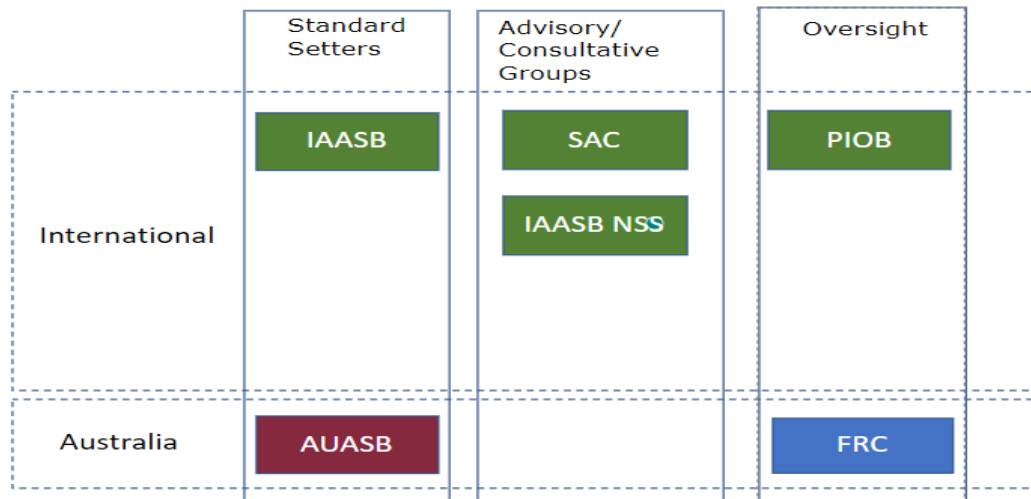
Oversight

IFRS Trustees – IFRS Foundation Trustees

FRC – Financial Reporting Council



To help ensure international auditing and assurance standards remain appropriate for use in Australia, the AUASB aims to ensure Australia remains at the forefront of international auditing practice. The key international bodies are:



Glossary

Standard setters

AUASB – Auditing and Assurance Standards Board
IAASB – International Auditing and Assurance Standards Board

Advisory /Consultative Groups

SAC – the IAASB/IESBA Advisory Council
IAASB NSS – IAASB National Standard Setters Group

Oversight

PIOB – Public Interest Oversight Board

FRC – Financial Reporting Council

In 2024-25, the AUASB will continue to support initiatives to drive increased sharing and collaboration across the IAASB’s National Standards Setters (NSS) network, including participating in IAASB NSS meetings and other activities.

The Australian and Global Economy

Although it is expected that some will cease to operate as a natural part of their life cycle, in difficult economic conditions, accounting and auditing standards often come under extra scrutiny. As well as economic uncertainty, there are also documented changing expectations and declining trust in the services accountants and auditors provide, partially due to high profile corporate failures in some overseas jurisdictions.

Stakeholders’ expectations are also changing about what the standards should require. This has resulted in there being numerous parliamentary or regulatory inquiries undertaken in Australia and around the globe in recent years, triggered by corporate collapses or poor audit inspection outcomes.

In Australia, the Parliamentary Joint Committee on Corporations and Financial Services (the PJC report) is inquiring into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and intends to report to the Parliament by December 2024 (see [Ethics and Professional Accountability: Structural](#)

[Challenges in the Audit, Assurance and Consultancy Industry – Parliament of Australia](#)). Treasury has also consulted on the Regulation of accounting, auditing and consulting firms in Australia, which includes matters relevant to the AUASB (see [Consultation paper - Regulation of accounting, auditing and consulting firms in Australia](#)). In November 2023, the Treasury announced the merger of the FRC, AASB and AUASB in mid-2026 (see [Streamlining financial reporting architecture](#)). The AUASB will undertake all actions as necessary to implement relevant changes and recommendations.

Risk Management

The AASB and AUASB are committed to risk management as fundamental to achieving its strategic objectives and is demonstrated through the company's comprehensive Risk Management Framework and risk governance structure.



The Executive encourage a strong risk culture and promotes a hands-on approach to managing. The Audit and Risk Committee and the Executive oversee the implementation of the Risk Management Framework and are responsible for monitoring risk performance to ensure threats and opportunities are appropriately identified, assessed, communicated and managed.

The framework includes an overarching policy direction for risk management across the organisations and outlines the Australian Standards Council's (ASC's) Risk Appetite Statement. It's design and operation aligns with AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines (ISO 31000) and describe the AASB and AUASB's approaches to the risk management process including risk identification, evaluation, treatment, monitoring, reporting and continuous improvement.



The approach to risk management is reflected by the 2001 Comcover Risk Management Benchmark Report which reported our entities' overall risk maturity as Embedded.



The AASB's and AUASB's key strategic risks and how they are managed are set out in the table on the following page.

The following table outlines the strategic risks and the approaches we use to manage them.

Strategic risks	Impact	How we will manage these risks
<p>Quality of international standards on which AASB and AUASB rely is not adequate. International standard-setting bodies unduly influenced by national or regional stakeholders.</p>	<ul style="list-style-type: none"> • Australian user needs are not met • Inability to influence internationally • Brand and reputation issues • Loss of funding 	<ul style="list-style-type: none"> • Influence IASB, IPSASB, IAASB, ISSB board members and staff by nominating/providing board/advisory committee/Task Force members, participating in working groups, by providing input into all significant exposure drafts and other consultation documents, being seen as thought leaders and problem solvers • Apply established standard-setting frameworks that outline when quality is not acceptable to be adopted in Australia • Establish close working relationships and alliances with other national standard setters, particularly New Zealand
<p>Quality of Australian standards not seen as appropriate or contributing to confidence in the Australian economy. Value of financial reporting and auditing perceived as diminishing.</p>	<ul style="list-style-type: none"> • Standards not capable of being consistently implemented • Australian user needs are not met, loss of confidence in capital markets • Costs of standards outweigh benefits • Brand and reputation issues • Loss of funding • Not-for-profit sector no longer supports IFRS as a base, tailoring not seen as sufficient • Perceived or actual loss of independence of the Board and ability to act in the public interest 	<ul style="list-style-type: none"> • For-profit, Not-for-profit Standard-Setting, Due process and Evidence-informed frameworks followed, including obtaining appropriate evidence, consulting extensively, assessing costs and benefits of change • Public and transparent process, basis for conclusions in all standards • Post-implementation reviews of standards • Diverse board membership, use of technical advisory panels and Project Advisory Groups to enhance quality of standards • Submissions and presentations to public enquiries when requested.
<p>Multiple other regulators requiring and/or enforcing accounting and auditing standards.</p>	<ul style="list-style-type: none"> • Responsibility to ensure standards are relevant, useful, promote consistent and quality reporting and assurance, and are enforceable. • Stakeholders not understanding AASB and AUASB responsibilities • Brand and reputation issues if standards not seen as fit for purpose 	<ul style="list-style-type: none"> • Regular liaison with other key regulators • Collaboration with other regulators when developing standards • Working with regulators and practitioners to develop guidance in response to findings

Strategic risks	Impact	How we will manage these risks
Economic conditions contribute to entities' financial collapse.	<ul style="list-style-type: none"> Difficult economic conditions result in more corporate collapses and more pressure on whether standards are fit for purpose Expectations of standard setters to respond quickly 	As above
Not regarded as a competitive employer in the marketplace.	<ul style="list-style-type: none"> Difficult to recruit and retain quality staff 	<ul style="list-style-type: none"> Promoting importance and interesting work with external stakeholders Use of HR consultants to identify People and Culture gaps Appropriate systems of reward and recognition established Monitoring of employee engagement Performance development process implemented to provide timely constructive feedback, career paths, development opportunities
Increasing complexity of businesses, technological advances, the rise in the importance of non-financial reporting and assurance, stakeholder demands for clearer, better communication and more frequent information, new business practices.	<ul style="list-style-type: none"> Not responding on a timely basis No response to key changing issues Lack of credibility or subject matter experts for external reporting and assurance integral to financial statements Exceeding mandated scope of accounting and auditing standards Brand and reputation issues 	<ul style="list-style-type: none"> Regular monitoring of domestic and international environments Use of advisory panels and secondees to ensure adequate skills and credibility Engagement with stakeholders on major accounting and auditing issues impacting our standards Adapting standards for different sectors so fit for purpose
Financial risk of inadequate funding to perform mandate.	<ul style="list-style-type: none"> Limited finances, headcount flexibility and IT spend impact on the quality of standards 	<ul style="list-style-type: none"> Maximise use of existing resources, collaborate with other government agencies MOU for shared services between AASB and AUASB regularly reviewed Regular benchmarking of Australian standard-setting process against international counterparts Identify joint projects and opportunities to leverage resources with other like-minded standard setters



Strategic risks	Impact	How we will manage these risks
Operational legislative requirements and government policies are numerous, complex and subject to frequent change. Inadequate technology to deliver on objectives.	<ul style="list-style-type: none"> • Non-compliance • Critical business systems failure (data security, business continuity) • Brand and reputation issues • Financial impact 	<ul style="list-style-type: none"> • Oversight by the Audit and Risk Committee with independent members, compliance with Commonwealth Risk Management Policy • Software to assist in meeting compliance requirements • Risk Register and Fraud Control Plan reviewed quarterly by the Chairs and the ARC • Regular training of AASB and AUASB staff on PGPA and APS Code of Conduct requirements • Regular review of IT strategy and capability
Cyber Security Risk	<ul style="list-style-type: none"> • Risk that the entity faces denial of service attack, loses access to key organisational files (finance/HR/standards), has personal information breached by an external party 	<p>Appropriate safeguards over critical business systems including:</p> <ul style="list-style-type: none"> • System access controls • System documentation • Business continuity/disaster recovery plans • Legal contracts • Outsourced IT team • Agreed DRP/BCP solution involves Productivity Commission support • Incident management process • Management and compliance with Government Information Security requirements
Individual Person Risk	<ul style="list-style-type: none"> • Individual key person risk (legal, either private or professional) resulting in perceived issues relating to delivery of business requirements, reputation of business and/or confidence in organisation 	<ul style="list-style-type: none"> • Oversight of risk by Audit and Risk Committee • Separation and segregation of duties • Disclosure by staff of any legal issues that may have brand/reputation issues within a centrally maintained register

Performance: Delivering Our Strategy

Activities mapped to strategy and KPIs for measuring success

The following tables set out the planned activities and Key Performance Indicators (KPIs) that are intended to achieve our purpose, vision and mission for each entity for the next four years. We report quarterly against these plans to the Boards and the FRC and annually to the Minister in our Annual Performance Statements in our Annual Reports.

The strategies, deliverables and performance criteria are aligned to the AASB's and the AUASB's Portfolio Budget Statements ('PBS') for 2024-2025.



Many of the Boards' priorities and performance measures are affected by events not wholly within their control. For example, much of the AASB's work is based on the work of the IASB, ISSB and IPSASB and the work of the AUASB is based on the work of the IAASB, so delays can affect the AASB and the AUASB in achieving key priorities.

Unlike projects influenced by international standards setters and their project timetables, domestic projects are generally within the AASB and the AUASB's control. However, key factors that can influence the success of projects are legislative processes, and the actions or published policy documents of other regulatory agencies (for example, ACNC, ASIC, APRA and the ATO) and feedback from stakeholders.

AASB activities mapped to strategies and KPIs for measuring success

Strategic Priority 1 - Performance Activity Focus: Brand/Reputation

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		24	25	26	27	
Strategy 2 <i>PBS Outcome 1⁵</i> <i>Program 1</i> <i>Deliverables 3</i>	Develop appropriate reporting frameworks for each of the three sectors - for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g., charities) and public sector	X	X	X	X	<ul style="list-style-type: none"> Develop appropriate frameworks for not-for-profit private and public sector
Strategy 1,5,6 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2,4,7,8</i> <i>KPIs 1, 2,</i>	Agree on 3-year program of work and deliver <ul style="list-style-type: none"> Maintain IFRS and New Zealand compliance for for-profit Private sector “publicly accountable” entities Tailor IFRS appropriately for other sectors, including developing Australian specific guidance Develop guidance on external reporting integral to financial reporting Develop guidance on emerging issues related to financial reporting 	X	X	X	X	<ul style="list-style-type: none"> Annual program of standards issued, delivered to plan agreed with the Board IASB equivalent Standards issued within two months of the release of the IFRS for for-profit entities IFRS and NZ compliance maintained for the for-profit private sector “publicly accountable” entities Feedback from NFP sector positive regarding the appropriateness of the IFRS tailoring
Strategy 3 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 5,6</i> <i>KPIs</i>	<ul style="list-style-type: none"> Enhance profile domestically and internationally Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB, International Financial Reporting for NPOs 	X	X	X	X	<ul style="list-style-type: none"> Be viewed as experts as measured by stakeholder, IASB, ISSB and IPSASB feedback Two thought leadership pieces completed per annum and presented internationally
Strategy 4 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2</i> <i>KPIs 5,6,7,13,14</i>	<ul style="list-style-type: none"> Due process followed to ensure the quality of standard-setting: Evidence-informed approach to standard setting activities supports need for regulation and proposed solution 	X	X	X	X	<ul style="list-style-type: none"> Due process followed for all significant projects Positive feedback from the FRC and the stakeholders



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		24	25	26	27	
	<ul style="list-style-type: none"> appropriate consultation in accordance with the due process framework preparation of regulatory impact statement assessing costs and benefits 					
Strategy 1,3,4 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2</i>	Post-implementation reviews conducted (PIR) for all significant projects to assess quality of standard-setting	X	X	X	X	<ul style="list-style-type: none"> No significant changes needed PIR feedback is acted upon No evidence not contributing to the confidence in the economy. Feedback from ASIC, APRA, ACNC surveillance reviews does not indicate loss of confidence due to accounting standard issues No significant decline in relevance of financial statements in the capital market
Strategy 7 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 10,11</i>	Improve consistency of implementation: <ul style="list-style-type: none"> Educate stakeholders on the AASB standards, support materials available, including why standards introduced Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institutions 	X	X	X	X	<ul style="list-style-type: none"> Education initiatives, such as webinars, providing appropriate educational materials to key stakeholders for all significant projects FAQs, illustrative examples, staff publications developed on significant interpretive issues Feedback from ASIC, APRA, ACNC surveillance reviews indicates no significant interpretive issues impacting the consistency of implementation Positive stakeholder feedback on education initiatives

Strategic Priority 2 - Performance Activity Focus: Stakeholder Engagement

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		24	25	26	27	
Strategy 4 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 12,13</i> <i>KPIs 3,5</i>	Enhance stakeholder engagement	X	X	X	X	<ul style="list-style-type: none"> Maintain relationships with key stakeholders and planned program of engagement executed as planned Positive stakeholder feedback on the consultation process Increase in engagement results (newsletter, website, LinkedIn, Twitter, webinar, outreach numbers)
Strategy 4 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 15</i> <i>KPIs 5,</i>	Conduct Agenda consultations to determine projects and priorities				X	<ul style="list-style-type: none"> Agenda consultation conducted at least every 5 years

Strategic Priority 3 - Performance Activity Focus: People & Culture

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		24	25	26	27	
Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Develop and implement People and Culture strategy	X	X	X	X	<ul style="list-style-type: none"> Employee survey, employee engagement Building towards high-performance team as measured by Board and stakeholder feedback on delivery of program and all other measures of success
	New starter processes improved to support flexible subject matter expert involvement	X	X	X	X	<ul style="list-style-type: none"> New team members embedded successfully within six months of starting as measured by internal and external stakeholders' feedback (as appropriate)
	Understand current capability (talent mapping)	X	X	X	X	<ul style="list-style-type: none"> Continuous review of external talent pool to timely identify when/where to buy or borrow capability
	Resource planning to develop skills and allocate them appropriately	X	X	X	X	<ul style="list-style-type: none"> KPIs for all employees Leveraging diversity of skills and people as measured by employee and Board feedback and delivering an agreed program of work Retain core group of technical experts and leaders Fair allocation of workload measured by employee and Board feedback

Strategic Priority 4 - Performance Activity Focus: Technology

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		24	25	26	27	
Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Develop and implement an IT strategy that enables flexible, seamless working via cloud	X	X	X	X	<ul style="list-style-type: none"> IT supports flexible work including remote locations
Strategy 4 <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 12,</i> <i>KPIs 5,</i>	Continuous digital communications improvements to enhance stakeholder experience and engagement	X	X	X	X	<ul style="list-style-type: none"> Plan to be monitored for additional improvement over the coming financial years. Development of new standards portal to improve user access by 30 June 2023

Strategic Priority 5 - Performance Activity Focus: Operational & Business Excellence

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Refresh strategy supporting operational excellence and regulatory compliance	X	X	X	X	<ul style="list-style-type: none"> Regularly revisit current strategy to determine impact of implementation. Comply with regulatory obligations
	Knowledge and information sharing support flexible subject matter expert involvement	X	X	X	X	<ul style="list-style-type: none"> Key knowledge imparted across teams within six months of joining
	Continuous improvement of operational processes to achieve planned outcomes	X	X	X	X	<ul style="list-style-type: none"> Review of operational processes on an ongoing basis

Strategic Priority 6 - Performance Activity Focus: Program & Project Management

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Develop, implement and improve program and project management	X	X	X	X	<ul style="list-style-type: none"> Continuous review and improvement of program and project management approach
	Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	X	X	X	X	<ul style="list-style-type: none"> Review processes and frameworks so team members are clear and deliver on expectations Further enhancements implemented based on regular program and project management meetings
	Allocate resources efficiently and effectively	X	X	X	X	<ul style="list-style-type: none"> Deliver agreed program of work as planned

AUASB activities mapped to strategy and KPIs for measuring success.

Strategic Priority Area One: Standards and Guidance

Strategic Objective One - Develop and issue Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our direction from the Financial Reporting Council (FRC).

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 1 PBS Performance Criteria 1, 3, 4, 6 & 7	Issue all IAASB-based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> Issue all Australian IAASB equivalent Standards and Exposure Drafts within 3 months of PIOB clearance or 1 month of AUASB approval Release Exposure Drafts/Discussion Papers via the AUASB Website within two weeks of approval by AUASB AUASB implementation support materials and activities for all new IAASB/AUASB standards in place before effective date
	Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews	X	X	X	X	<ul style="list-style-type: none"> Communications plan developed and implemented for each new IAASB pronouncement Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date Obtain evidence appropriately evaluating implementation of IAASB equivalent issued AUASB Standards in Australia

Strategic Objective Two: Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 1 PBS Performance Criteria 2, 3, 5 & 6	Issue Australian-specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> Issue all Australian-specific Pronouncements and Exposure Drafts within one month of AUASB approval Complete and publish conforming amendments and compilation standards arising from changes to AUASB standards in accordance with legislative timeframes and in advance of effective dates
	Seek feedback on relevance, effectiveness and public interest of Australian-specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews	X	X	X	X	<ul style="list-style-type: none"> Communications plan developed and implemented for each new AUASB pronouncement Conduct post-implementation reviews of Australian specific AUASB Standards, within 2-3 years of their operative date.



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
	Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these	X	X	X	X	<ul style="list-style-type: none"> Review and update other AUASB Framework Pronouncements, as required.

Strategic Priority Area Two: International Influence

Strategic Objective Three: Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 3 PBS Performance Criteria 1, 3, 4 & 7	Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters	X	X	X	X	<ul style="list-style-type: none"> Collaborate with the IAASB and likeminded National Auditing Standards Setters (“NSS”) on common global and other projects relevant to the AUASB work program Identify and implement initiatives to collaborate on international auditing and assurance focus areas with other key national standard-setters
	Demonstrate the AUASB’s influence on major international auditing and assurance developments by implementing the AUASB’s International Strategy	X	X	X	X	<ul style="list-style-type: none"> AUASB Chair member of IAASB/IESBA Stakeholder Advisory Council and IAASB National Standard Setters group AUASB Director – Technical is IAASB Technical Advisor. Provide AUASB perspectives to the Australian IAASB member on all relevant IAASB projects IAASB papers reviewed and responded to by AUASB staff ahead of each AUASB and IAASB meeting Summary of main IAASB outcomes shared with the AUASB after each IAASB meeting
	Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date Engagement with Australian Stakeholders on all IAASB Projects
	Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols	X	X	X	X	<ul style="list-style-type: none"> Chair of AUASB is member of NZAuASB and Chair of NZAuASB is member of AUASB. Attend and contribute to NZAuASB meetings Identification and prioritisation of joint AUASB/NZAuASB projects, with AUASB and NZAuASB staff to ensure

						appropriate levels of collaboration in accordance with the AUASB Policy on Harmonisation of Standards. Harmonisation to have regard to any differences in the assurance framework that flow from differences in reporting and legislative requirements.
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Strategic Priority Area Three: Audit Quality

Strategic Objective Four: In conjunction with the Financial Reporting Council, identify and implement initiatives designed to enhance Audit Quality in Australia.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 7 PBS Performance Criteria 3, 5 & 6	Contribute to improved audit quality outcomes in the Australian auditing environment	X	X	X	X	<ul style="list-style-type: none"> AUASB staff to develop relevant auditing and assurance related papers for FRC meetings
	Work with regulators, the AASB, practitioners and other stakeholders to identify and provide appropriate guidance on significant areas identified for clarification or education in connection with the auditing standards	X	X	X	X	<ul style="list-style-type: none"> Undertake consultation with regulators and practitioners to identify improvements needed to auditing standards and develop relevant guidance materials Monitor and respond to recommendations arising from Parliamentary Inquiries, Treasury Consultation or other external reviews that are relevant to the AUASB

Strategic Priority Area Four: Thought Leadership

Strategic Objective Five: Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 5 PBS Performance Criteria 3, 4, 5, 6 & 7	Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Sustainability Assurance.	X	X	X	X	<ul style="list-style-type: none"> Project plans are developed with key outputs identified for each AUASB strategic priority area (including outreach plans with subject matter experts and key stakeholders) AUASB Chair or staff to publish or contribute to articles or publications on selected strategic thought leadership project areas AUASB to identify and produce or promote relevant and reliable research and implementation guidance that supports the effective implementation of Assurance over Sustainability Information in Australia.



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
	Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy	X	X	X	X	<ul style="list-style-type: none"> Promote research opportunities in strategic priority areas through academic networks and conferences in accordance with the EISS strategy. Encourage broader participation from, academic community (e.g. at conferences and technical forums)

Strategic Priority Area Five: Frameworks

Strategic Objective Six: Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Programs 1 PBS Deliverable 2 PBS Performance Criteria 2, 3, 5 & 6	Seek feedback on proposed changes to assurance requirements to ensure they are fit for the intended purpose and support the implementation of sustainability reporting in Australia	X	X	X	X	<ul style="list-style-type: none"> Engage with AASB and relevant stakeholders to determine assurance issues related to changes to the Australian reporting framework Develop appropriate guidance materials on assurance over sustainability information, particularly for Australian reporting regime.
	Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia	X	X	X	X	<ul style="list-style-type: none"> Share and collaborate with the AASB on common areas of focus for Reporting and Assurance Frameworks, including relevant research reports and discussion papers Issue AUASB publications and guidance that support and promote consistency and understanding of the AUASB's Assurance Framework

Strategic Priority Area Six: Stakeholder Engagement

Strategic Objective Seven: Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB’s Standards.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		24	25	26	27	
PBS Outcome 1 PBS Program 1 PBS Deliverable 4 All PBS Performance Criteria	Engagement with stakeholders through new and existing AUASB communications activities and events	X	X	X	X	<ul style="list-style-type: none"> Maintain and update the AUASB Digital Standards Portal Develop various AUASB publications and guidance for stakeholders based on evidence and existing AUASB requirements, including quarterly AUASB Update Newsletters Promote AUASB guidance through various communication channels Develop and maintain technical content for the AUASB website Board papers for AUASB meetings to be available on the AUASB website a week in advance, Highlights to be available two working days after each AUASB meeting, and draft Board Minutes are sent to AUASB members within two weeks of each AUASB meeting.

Appendix 1

AASB's strategies to achieve its ASIC Act S227 statutory functions and relationship to priorities for each of the next four years.

<p>Strategic Objective</p> <p>Function</p>	<p>Develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards</p>	<p>Make accounting standards under section 334 of the Corporations Act for the purposes of the corporations legislation (other than the excluded provisions)</p>	<p>Formulate accounting standards for other purposes</p>	<p>Participate in and contribute to the development of a single set of accounting standards for world-wide use</p>	<p>To advance and promote the main objectives of Part 12 of the ASIC Act: 'facilitate the Australian economy by reducing the cost of capital; enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including capital markets'.</p>
<p>1. Develop, issue and maintain principles-based, Australian accounting and reporting standards and guidance that meet the needs of external report users (including financial reports) and are capable of being assured and enforced. For 'publicly accountable¹' entities maintain IFRS² compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.</p>	√	√	√	√	√
<p>2. With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on:</p> <ul style="list-style-type: none"> a. who prepares external reports (including financial reports) b. the nature and extent of assurance required on these external reports. 		√	√		√



<p>Function</p> <p>Strategic Objective</p>	<p>Develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards</p>	<p>Make accounting standards under section 334 of the Corporations Act for the purposes of the corporations legislation (other than the excluded provisions)</p>	<p>Formulate accounting standards for other purposes</p>	<p>Participate in and contribute to the development of a single set of accounting standards for world-wide use</p>	<p>To advance and promote the main objectives of Part 12 of the ASIC Act: 'facilitate the Australian economy by reducing the cost of capital; enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including capital markets'.</p>
<p>3. Actively influence IASB, IPSASB standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>
<p>4. Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>
<p>5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.</p>			<p>√</p>	<p>√</p>	<p>√</p>
<p>6. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards and guidance, including changing technologies.</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>
<p>7. Develop guidance and education initiatives, or promote development by others, to enhance consistent application of accounting and external reporting standards and guidance.</p>					<p>√</p>



AUASB activities mapped to strategy and KPIs for measuring success.

<p>Strategic Objective</p> <p>Function</p>	<p>Make auditing standards under section 336 of the <i>Corporations Act</i> for the purposes of the corporations legislation.</p>	<p>Formulate auditing and assurance standards for other purposes.</p>	<p>Formulate guidance on auditing and assurance matters.</p>	<p>Participate in and contribute to the development of a single set of auditing standards for world-wide use.</p>	<p>Advance and promote the core objectives of auditing and assurance standard-setting as required by Part 12 of the ASIC Act.</p>
<p>1. Develop and issue enforceable Australian Auditing and Assurance Standards that are in the public interest and meet the needs of stakeholders based on IAASB equivalents in accordance with AUASB functions and our strategic direction from the Financial Reporting Council (FRC).</p>	<p>√</p>	<p>√</p>	<p></p>	<p>√</p>	<p>√</p>
<p>2. Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.</p>	<p></p>	<p>√</p>	<p>√</p>	<p></p>	<p>√</p>
<p>3. Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards</p>	<p>√</p>	<p>√</p>	<p></p>	<p>√</p>	<p>√</p>



Strategic Objective

Function

Make auditing standards under section 336 of the *Corporations Act* for the purposes of the corporations legislation.

Formulate auditing and assurance standards for other purposes.

Formulate guidance on auditing and assurance matters.

Participate in and contribute to the development of a single set of auditing standards for world-wide use.

Advance and promote the core objectives of auditing and assurance standard-setting as required by Part 12 of the ASIC Act.

4. Identify and implement initiatives designed to enhance audit quality in Australia.

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5. Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance

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6. Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.

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7. Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's standards.

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Table 7: S224 of the ASIC Act sets out core objectives for accounting and auditing and assurance standard-setting in Australia:

AASB	AUASB
<p>Accounting standards should require the provision of financial information that:</p> <ul style="list-style-type: none">i. allows users to make and evaluate decisions about allocating scarce resourcesii. assists directors to discharge their obligations in relation to financial reportingiii. is relevant to assessing performance, financial position, financing and investmentiv. is relevant and reliablev. facilitates comparability is readily understandable	<p>Auditing and assurance standards should:</p> <ul style="list-style-type: none">i. provide Australian auditors with relevant and comprehensive guidance in forming an opinion about, and reporting on, whether financial reports comply with the requirements of the Corporations Act 2001 (Corporations Act)ii. require the preparation of auditor's reports that are reliable and readily understandable by the users of the financial reports to which they relate
<p>The Australian financial reporting system should:</p> <ul style="list-style-type: none">i. facilitate the Australian economy by reducing the cost of capital and enabling Australian entities to compete effectively domestically and internationallyii. facilitate the Australian economy by developing accounting and auditing and assurance standards that are clearly stated and easy to understand to maintain investor confidence in the Australian economy, including its capital markets	



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