



Australian Government
Australian Accounting Standards Board



Australian Government
Auditing and Assurance Standards Board

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CORPORATE PLAN

2019 - 2020



Contents

Introduction	3
Accountable authority approval	3
The purpose of the AASB and AUASB	4
Objectives for accounting and auditing and assurance standard setting in Australia	4
Functions	4
Environment	6
The Australian Reporting Framework	6
Setting standards in the global economy	6
Regulatory	7
Performance: achieving our strategy	8
Vision, mission and strategy	8
Activities mapped to strategy and KPIs for measuring success	10
Capability: Strategic enablers	29
Technology	29
People	29
Operational efficiency – support services	26
Our Boards	29
Our staff	29
Our peers	31
Risk oversight and management	31



Introduction

As agreed with the Department of Finance, the 2019-20 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, Kris Peach, as the accountable authority of the Australian Accounting Standards Board, present the 2019-20 AASB Corporate Plan, which is prepared for the 2019-20 period and covers the periods 2019-20 to 2022-23, as required under paragraph 35(1) (b) of the *Public Governance, Performance and Accountability Act 2013*.

30 August 2019

Auditing and Assurance Standards Board

I, Roger Simnett AO, as the accountable authority of the Auditing and Assurance Standards Board, present the 2019-20 AUASB Corporate Plan, which is prepared for the 2019-20 period and covers the periods 2019-20 to 2022-2023, as required under section 35(1)(b) of *the Public Governance, Performance and Accountability*.

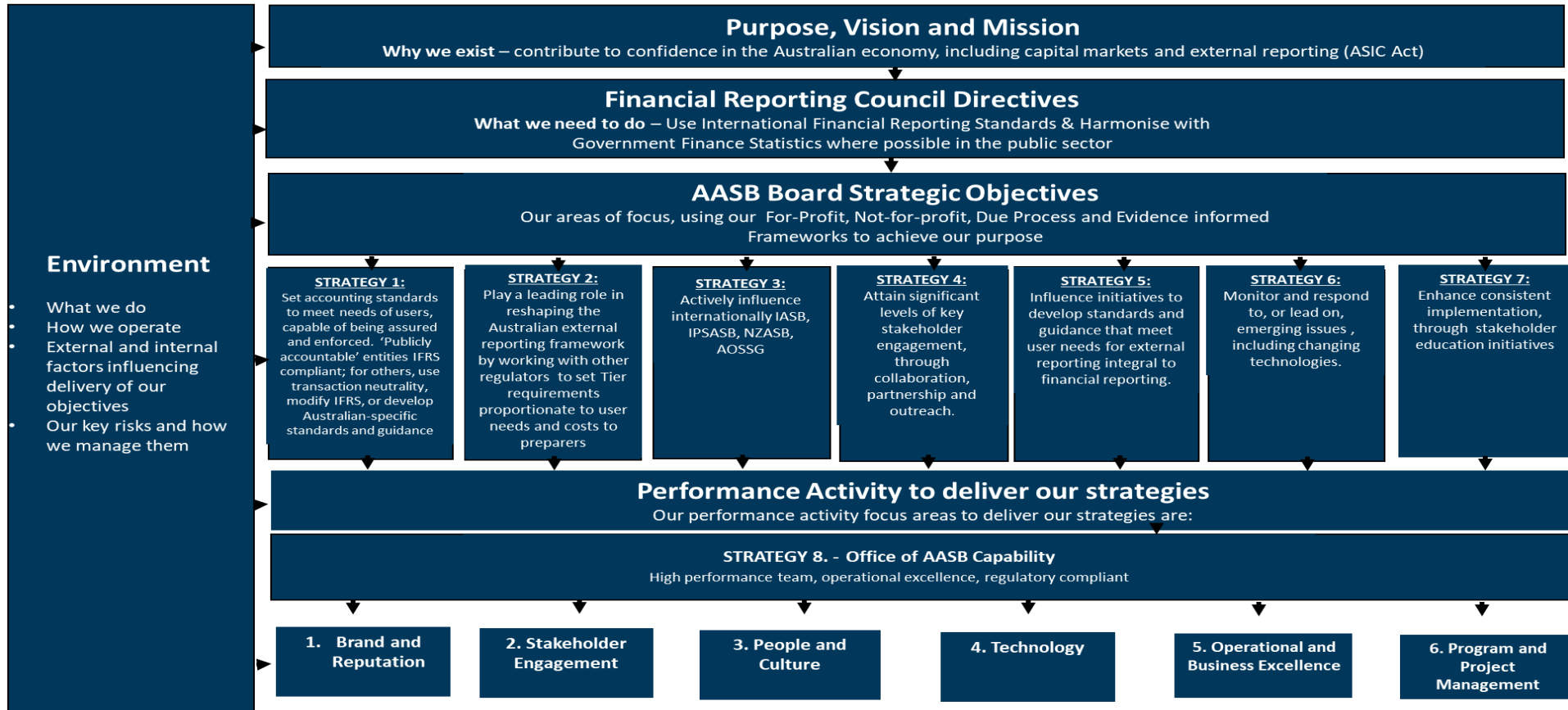
30 August 2019



The AASB and AUASB Corporate Plan

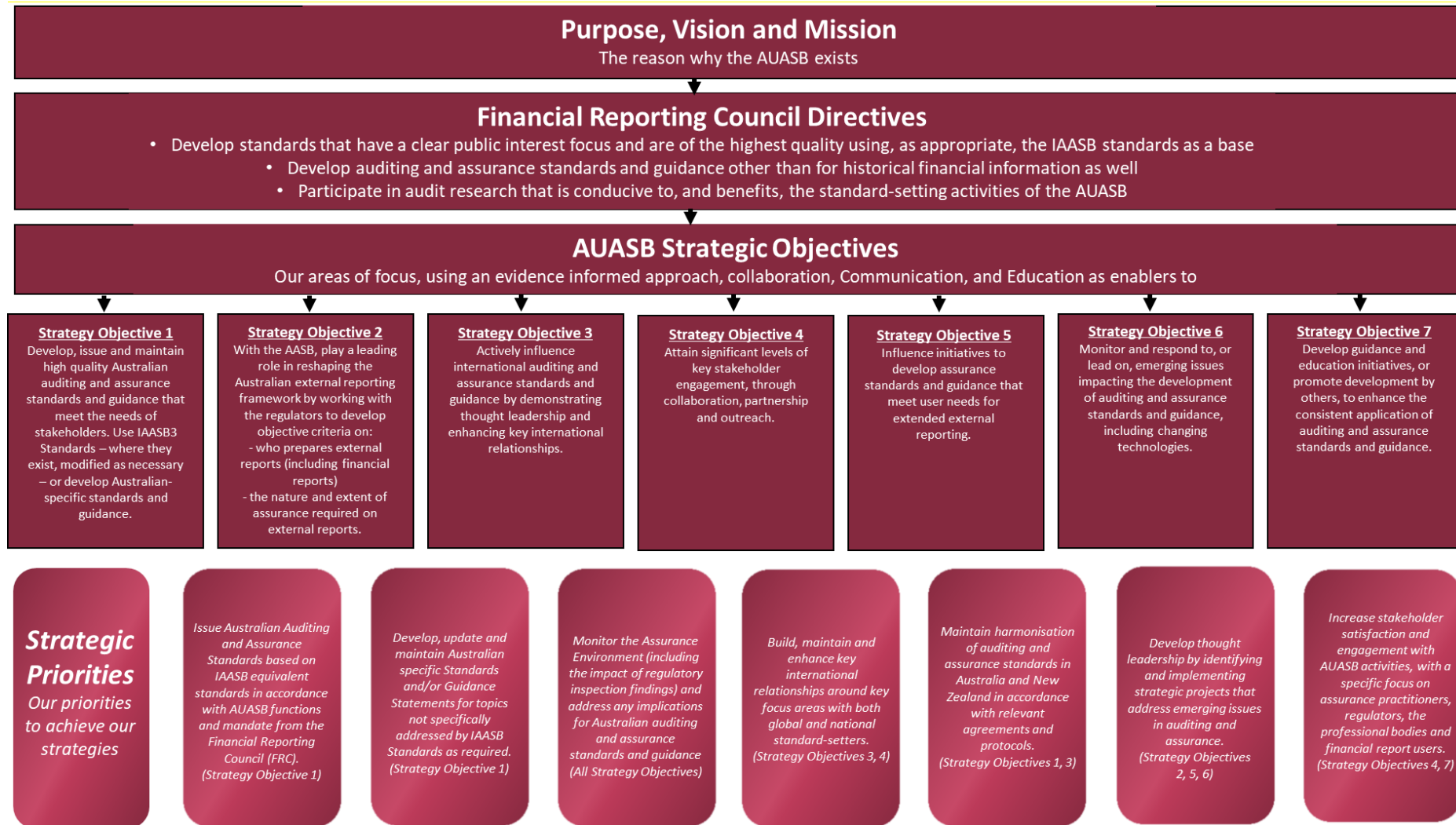
The corporate plan of the AASB and AUASB sets out why we exist, what we need to do to achieve our purpose, the factors that influence how we achieve our purpose, the activities we intend to undertake and the ways in which we measure whether we have achieved our purpose, as set out in the diagrams below.

The elements of the AASB’s operations are set out below:





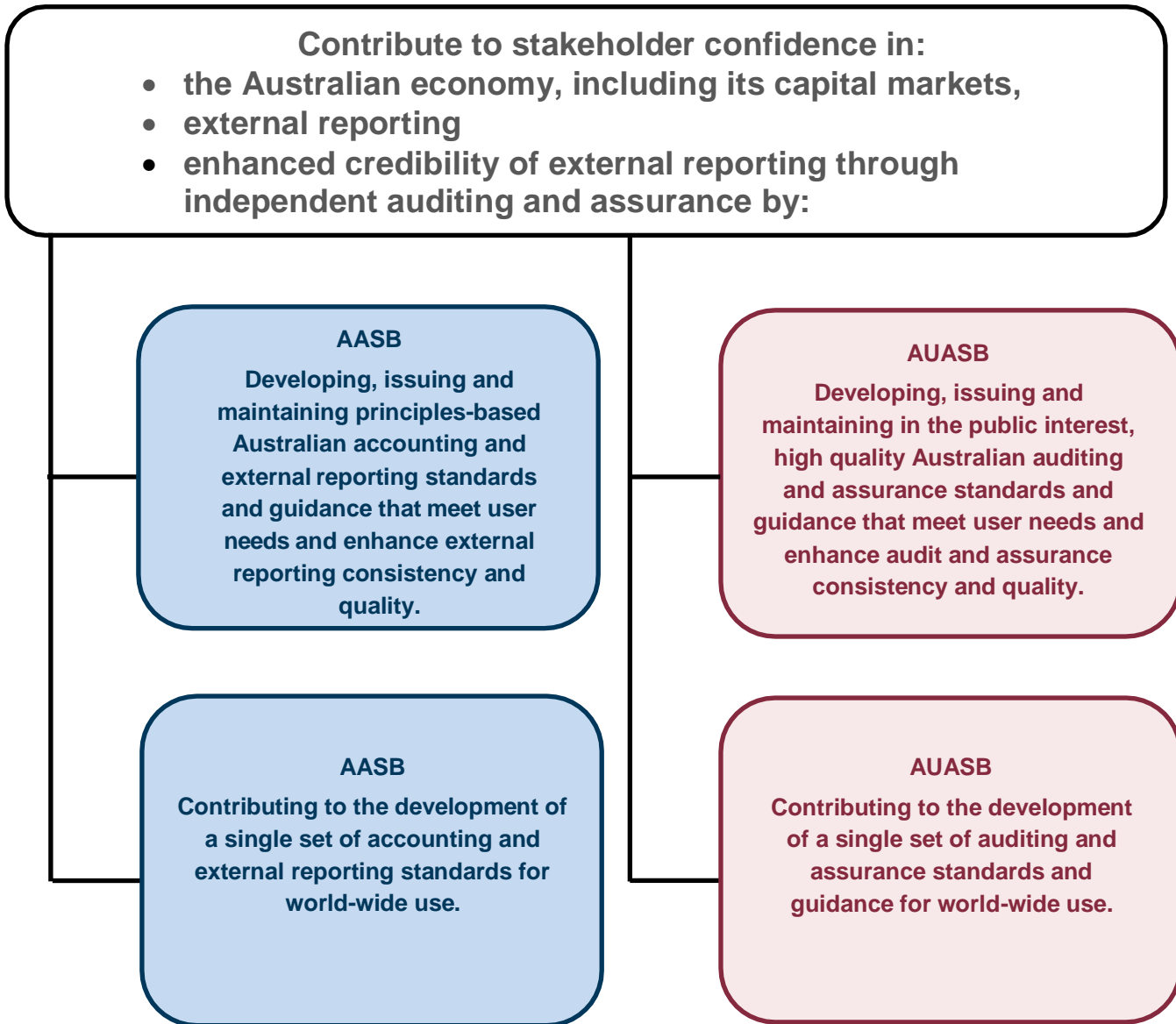
The elements of the AUASB's operations are set out below:





The Purpose of the AASB and AUASB

The AASB and AUASB's (the entities') purpose, vision and mission are set out below.





The strategic objectives of the Boards to achieve their purpose under the Australian Securities and Investment Commission (ASIC) 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, issue and maintain high quality Australian auditing and assurance standards and guidance that meet the needs of stakeholders. Use IAASB Standards - where they exist, 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 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. With the AASB, 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 external reports.
<p>3. Actively influence IASB⁴, IPSASB⁵ standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.</p>	<p>3 Actively influence international auditing and assurance standards and guidance by demonstrating thought leadership and enhancing key international relationships.</p>
<p>4. Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.</p>	<p>4 Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.</p>
<p>5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.</p>	<p>5 Influence initiatives to develop assurance standards and guidance that meet user needs for extended external reporting.</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 Monitor and respond to, or lead on, emerging issues impacting the development of auditing and assurance standards and guidance, including changing technologies.</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 Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of auditing and assurance standards and guidance.</p>
<p>8. Build a high performing team that operates efficiently, effectively and within budget, complying with all relevant legislation and Commonwealth Government requirements</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 Public Sector Accounting Standards Board



Environment

What we do

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 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 strengthened 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.

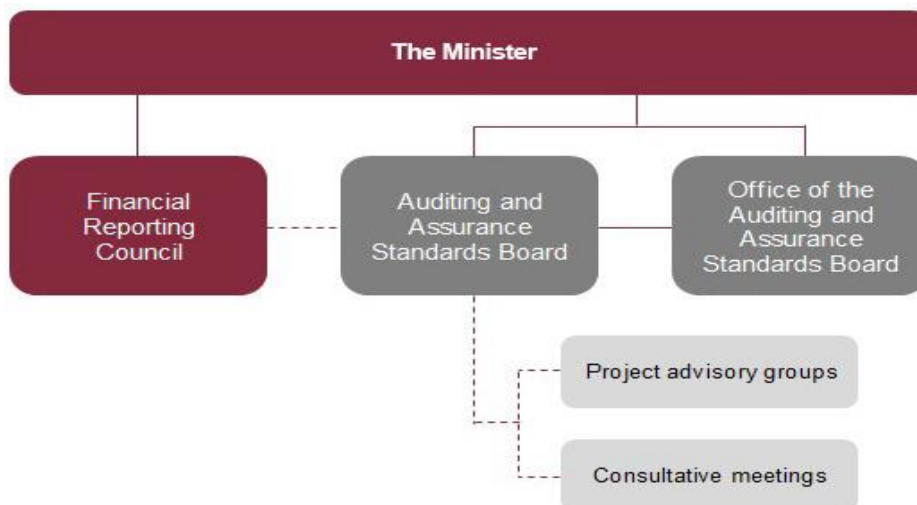
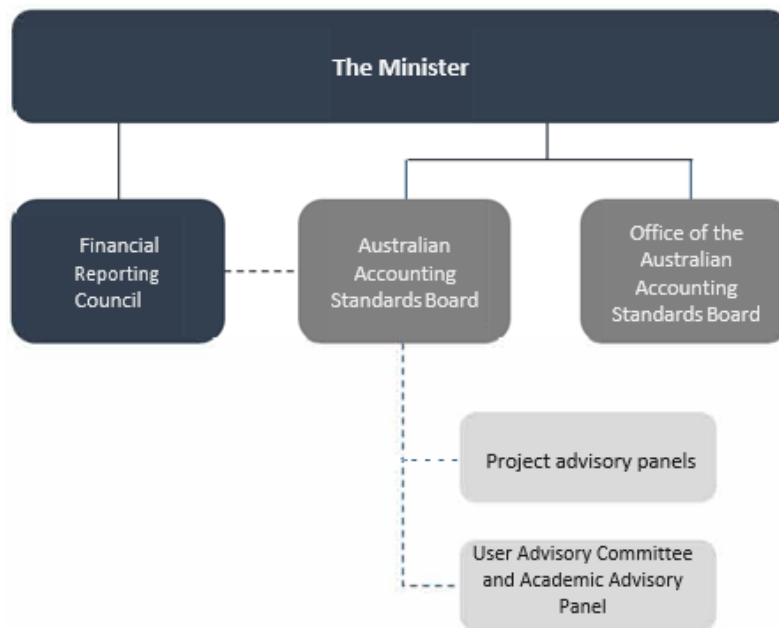
The AASB and AUASB are responsible for setting standards in three sectors, being for-profit companies, not-for-profit private sector entities (e.g. charities and incorporated associations), and the public sector. The



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 AASB and AUASB operate within a framework set out in Part 12 of the *Australian Securities and Investments Commission Act 2001* (ASIC Act) and are part of the Commonwealth Treasury portfolio. See Appendix 1. Our funding is provided by the Commonwealth and the States and Territories. Our accountability responsibilities are set out below.





The Boards and their Offices

Each entity has two arms:

1. the Board itself
2. the technical staff of each entity who are employed by the relevant Office of the AASB or Office of the AUASB (the non-corporate government 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 IPSASB and the IASB's IFRS Interpretations Committee, are observers at the AASB meetings
- the Australian-based member of the IAASB is an observer at the AUASB meetings
- the AASB Chair and the AUASB Chair are both members of the respective New Zealand Boards.

Each year the FRC advertises for new Board members across both entities.

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 has directed the AASB to:

- adopt accounting standards that are the same as those issued by the International Accounting Standards Board (IASB) (Direction approved 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 on 12 December 2002).

The FRC has 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; 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 or the Minister can direct a particular technical outcome.

The Standards as Legislative Instruments

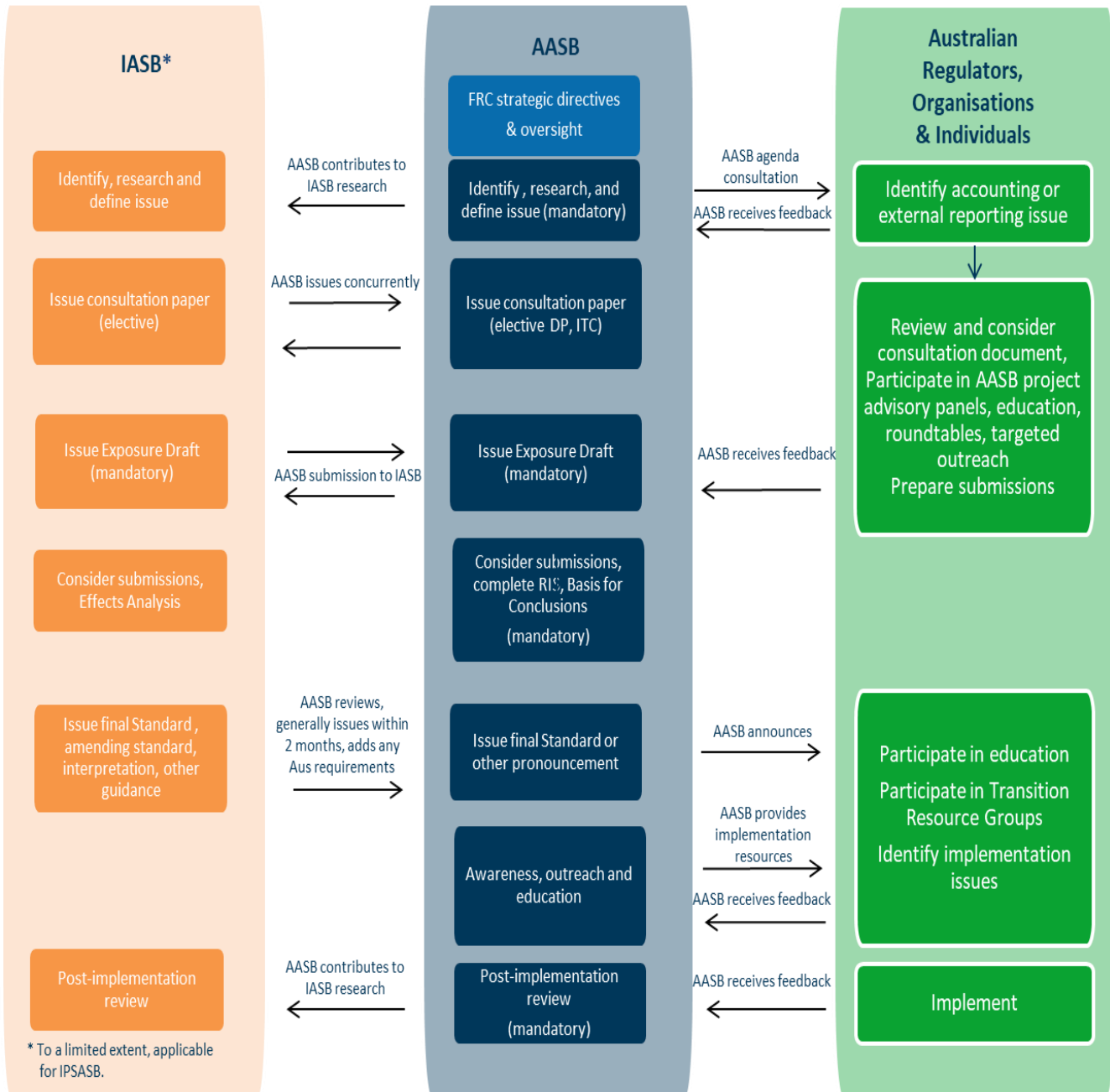
The standards issued by the AASB and the AUASB are legislative instruments and in accordance with regulatory best practice, are principle-based rather than rules-based. Accordingly, professional judgement is a critical element when implementing accounting and auditing standards.

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

The AASB uses its Due process 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 impact once a standard is finalised, as well as a means of influencing internationally. The AASB's Due process is set out below:

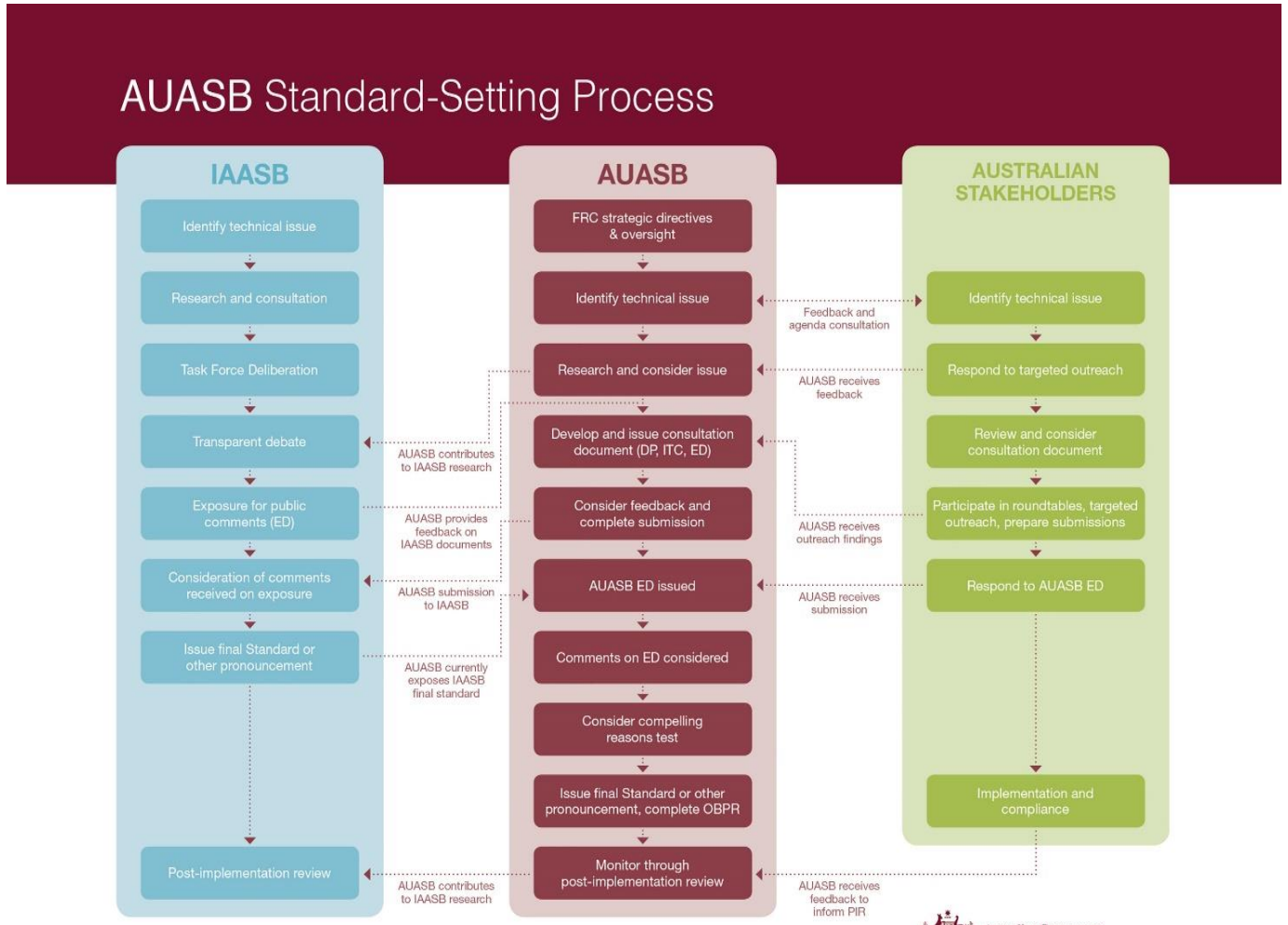


AASB Due Process Framework for Setting Standards





The AUASB uses its Due Process and Evidence-Informed Standards-Setting Strategy to ensure the quality of its standards and that the benefits of its 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 impact once a standard is finalised, as well as a means of influencing internationally. The AUASB’s Standard-Setting process is set out below:



DP Discussion Paper | ITC Invitation to Comment | ED Exposure Draft | OBPR Office of Best Practice Regulation | PIR Post-Implementation Reviews



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:



REPORT USERS
Debt and equity providers, analysts, credit rating agencies, creditors, customers, employees, regulators, grant providers, investors/investor associations, academics, media, government

ROLE

1. Make resource allocation decisions
2. Identify issues
3. Provide feedback to regulators

OVERSIGHT BODY: FINANCIAL REPORTING COUNCIL
ROLE: Oversight of processes for setting accounting and auditing standards, determining broad strategic directions, reporting to the Finance Minister

REGULATORY BODIES

A: Who determines who reports and what level of assurance is required
Federal, State & Territory Governments, Ministers, (Treasuries, ATO, ACNC etc)

B: Who develops the accounting and assurance standards for what is reported
AASB, AUASB, Stock Exchanges, ACNC

C: Who develops other reporting requirements
ASIC, APRA, ATO, Professional bodies

D: Who enforces Standards
ASIC, APRA, ATO, Professional bodies

<p>PREPARERS For profit and Not-for-profit entities, Directors, CEOs, CFOs, officers, accountants, members of professional bodies (CPA Australia, CA ANZ, IPA).</p> <p>ROLE</p> <ol style="list-style-type: none"> 1. Provide transparent, comparable, relevant and reliable information for users to make resource allocation decisions. 2. Comply with regulations. 3. Identify issues. 4. Provide feedback to regulators. 	<p>REGULATED BY: ASIC & APRA (directors & officers), ACNC (responsible persons), professional bodies (their members).</p> <p>ROLE</p> <ol style="list-style-type: none"> 1. Determine who must comply with standards. 2. Set standards – directors & officers, responsible persons and professionals. 3. Enforce.
<p>AUDITORS Accounting firms, government audit offices, sole practitioners, registered company auditors, members of the professional bodies.</p> <p>ROLE</p> <ol style="list-style-type: none"> 1. Provide assurance that reports are prepared in accordance with the relevant requirements. 2. Comply with regulations. 3. Identify issues. 4. Provide feedback to regulators. 	<p>REGULATED BY ASIC (registered company auditors), ACNC, professional bodies, APRA, AUASB.</p> <p>ROLE</p> <ol style="list-style-type: none"> 1. Determine who must comply with standards. 2. Set standards for audit profession and auditors. 3. Enforce.



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 influencing delivery of our objectives

People

AASB

Over the past 12 months the focus has been 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, 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 public interest.

In the 2019-2020 financial year, the AASB conducted an engagement and performance review with the



help of external HR consultants to assess how best to further develop a high-performance culture. The objective is to define what “great” looks like for all the key roles with appropriate accountabilities and measurable behaviours required for future success. We will continue our staff professional development program, which includes coaching and mentoring, secondment opportunities, graduate cadetship and intern program, as well as opportunities for staff to engage with the Boards, Regulators, other international standard setters, professional accounting firms and corporates. A key focus for 2019-2020 will be to successfully integrate new recruits to develop a strong core group of standard-setters, supported by secondments for specialist skills needed for particular projects where we lack expertise in-house.

AUASB

The AUASB has managed to maintain the level and expertise of its Technical staff over the last 12 months and in 2019-20, following the receipt of additional funds from the Federal Government in the 2019-20 Budget, has been able to employ an additional staff member. This additional funding acknowledges the work the AUASB has done and will continue to do supporting the FRC in oversight of Audit Quality in Australia.

Collectively, the AUASB staff possess technical and practical auditing experience, which they bring to standard-setting, together with a paramount understanding of standard-setting in the public interest.

And our technical staff are supported, from time to time, by AUASB Academic Scholars. The AUASB Academic Scholar Role provides an opportunity for highly respected auditing and assurance academics to work with the Chair and the Technical Group on research topics that are mutually agreed and relevant to the outcomes of the AUASB. The first 2 AUASB Academic Scholars will be collaborating with the AUASB in the first half of 2019-20.

Technology

The AASB and the AUASB are increasingly using online platforms (i.e. websites, social media, event management tools, broadcasting, webinars) to engage with and educate their constituents. This will continue to evolve as technology and user preferences change.

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 be focused on implementing an ICT strategy involving a transition to the



cloud, and full deployment of Office 365 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.

Other Regulators

Although responsible only for setting accounting and auditing and assurance standards, the entities 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. The current Australian Reporting Framework is complex, with numerous duplicated requirements, which results in financial reporting that is often not objective, transparent and comparable. A more robust framework that balances 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, is a key objective that involves obtaining the commitment of numerous relevant regulators and overcoming a history of reluctance to change.

Other key regulators who enforce the AASB and the AUASB standards include the ASIC, 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 impacted 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 centers and/or who operate internationally.

The International Accounting Standards Board (IASB), International Public Sector Accounting Standards Board (IPSASB) 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 FRC¹ directive, the AASB uses IFRS Standards as the basis for Australian Accounting Standards, implemented as follows

- for-profit private sector "publicly accountable" entities (e.g., listed entities or those with significant

¹ www.aasb.gov.au/admin/file/content102/c3/FRC_Broad_Strategic_Direction.pdf



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 directive from the FRC², to use the International Standards on Auditing of the International Auditing and Assurance Standards Board, as appropriate, as a base from which to develop Australian Auditing Standards (ASAs) and then make such amendments to the ISAs³ that are necessary to accommodate and ensure that the ASAs both exhibit and conform to the Australian regulatory environment and statutory requirements. Both the ASA's and the ISA's are principles based, rely on the application of professional judgment and professional skepticism and are sector and framework neutral.

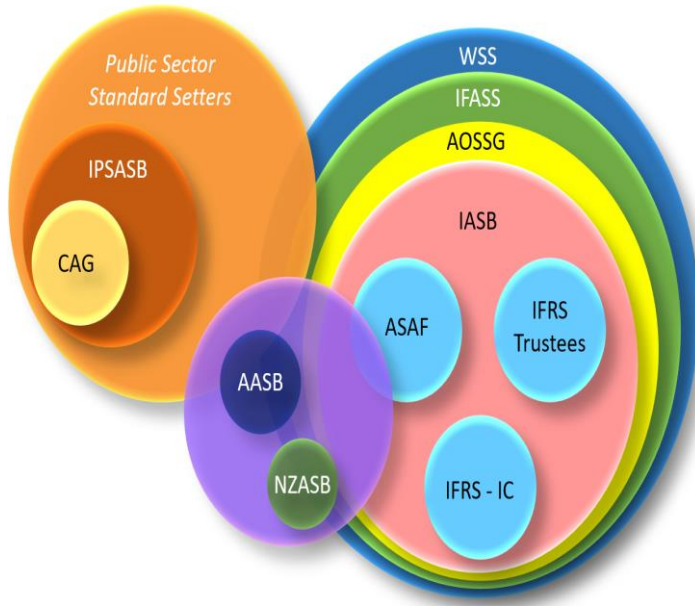
The use of IFRS Standards and ISAs enables Australian entities to raise capital and operate efficiently internationally. This has beneficial flow-on effects in the domestic capital market for entities and individuals.

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.

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 must influence are set out below:

² www.auasb.gov.au/admin/file/content2/c7/AUASB_Strategic_Direction_1242266219416.pdf

³ As well as International Standards on Review Engagements (ISREs) and International Standards on Assurance Engagements (ISAEs)



Glossary

Standard setters

- [AASB](#) – Australian Accounting Standards Board
- [IASB](#) – International Accounting Standards Board
- [IPSASB](#) – International Public Sector Accounting Standards Board
- [NZASB](#) – New Zealand Accounting Standards Board

Interpretive Committees

- [IFRS - IC](#) – IFRS Interpretations Committee

Advisory/Consultative Groups

- [ASAF](#) – Accounting Standards Advisory Forum
- [CAG](#) – Consultative Advisory Group

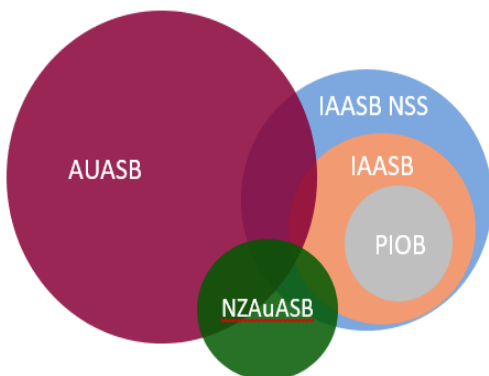
Standard-setter Forums

- [AOSSG](#) – Asian-Oceanian Standard-Setters Group
- [IFASS](#) – International Forum of Accounting Standard Setters
- [WSS](#) – World Standard Setters

Oversight

- [IFRS Trustees](#)

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 the AUASB must influence for this purpose are:



Glossary

Standard setters

- [AUASB](#) – Australian Auditing and Assurance Standards Board
- [IAASB](#) – International Auditing and Assurance Standards Board
- [NZAuASB](#) – New Zealand Auditing and Assurance Standards Board

Standard-setter Forums

- [IAASB NSS](#) – IAASB National Standard Setters Group

Oversight

- [PIOB](#) – Public Interest Oversight Board

In 2019-20 the AUASB will identify and implement initiatives to drive increased sharing and collaboration across the global National Standards Setting (NSS) network, including attending and presenting relevant topics at regional and global IAASB NSS meetings.

The Australian and Global Economy

Although entities are expected to cease operations as a natural part of their life cycle, in difficult economic conditions, accounting and auditing standards come under extra scrutiny. As well as economic uncertainty, there are also changing expectations and declining trust in the services accountants and auditors traditionally provide, arising from continuing high levels of reported poor results of external



inspections and recent 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 under way in Australia and around the globe triggered by corporate collapses or poor audit inspection outcomes.

In Australia the Parliamentary Joint Committee on Corporations and Financial Services has been asked to review the regulation of auditing in Australia with particular reference to, amongst other things, Audit Quality and the adequacy and performance of regulatory, standards, disciplinary and other bodies. This inquiry will impact both the AASB and AUASB and is scheduled to report by the end of March 2020.

Our key risks and how we manage them

The AASB's and AUASB's key risks and how they are managed are set out below.

Risk	Impact	Mitigating Actions
<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 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</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 	<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



Risk	Impact	Mitigating Actions
diminishing	<ul style="list-style-type: none"> • 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"> • 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 (e.g. Joint Parliamentary Inquiry into the Regulation of auditing in Australia.)
Multiple other regulators requiring and/or enforcing accounting and auditing standards	<ul style="list-style-type: none"> • Accounting and auditing standards: <ul style="list-style-type: none"> ○ required inappropriately ○ not enforced appropriately • Stakeholders not understanding AASB and AUASB responsibilities • Brand and reputation issues as 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 inspection review findings
Economic conditions contribute to entities financial collapse	<ul style="list-style-type: none"> • Difficult economic conditions result in more corporate collapse and more pressure on whether standards are fit for purpose • Changing expectations of standard setters to respond quickly 	As above
Not seen as a competitive employer in the marketplace	<ul style="list-style-type: none"> • Culture and environment not supporting productivity and effectiveness • Brand and reputation issues 	<ul style="list-style-type: none"> • Use of HR consultants to identify People and Culture gaps • Appropriate systems of reward and recognition established • Annual monitoring of employee engagement • Performance development process implemented to provide timely constructive feedback, career paths, development opportunities



Risk	Impact	Mitigating Actions
<p>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</p>	<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 integral to financial statements • Exceeding mandated scope of accounting 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 provide adequate skills and credibility • Engagement with stakeholders on major accounting and auditing issues impacting our standards • Influencing reporting and audit thresholds to reduce red tape for small and medium entities • Adapting standards for different sectors so fit for purpose
<p>Financial risk of inadequate funding to perform mandate</p>	<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
<p>Operational legislative requirements and government policies are numerous, complex and subject to frequent change Inadequate technology to deliver on objectives</p>	<ul style="list-style-type: none"> • Non-compliance • Critical business systems failure (data security, business continuity) • Brand and reputation issues • Financial impact • Combined Chair and CEO role not recommended best practice corporate governance 	<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



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, the FRC and the Minister and 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 2019-2020.

Many of the entities' priorities and KPIs are impacted by events not wholly within their control. For example, much of the AASB's work is based on the work of the IASB 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's achievement of its 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 the actions or published policy documents of other regulatory agencies (for example, ACNC, ASIC, APRA and the ATO) and feedback from the constituents.

AASB activities mapped to strategies and KPIs for measuring success

1 - Performance Activity Focus: Brand/Reputation

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
Strategy 2 <i>PBS Outcome 1⁴</i> <i>Program 1</i> <i>Deliverables 3</i>	Define 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"> ▪ For-profit private sector financial reporting framework defined and completed by 30/6/2020 ▪ Appropriate framework for not-for-profit private and public sector defined and other regulator (eg ACNC) sponsorship obtained by 30/6/2021
Strategy 1,5,6,8 <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, International Financial Reporting for NPOs 	X	X	X	X	<ul style="list-style-type: none"> ▪ Be seen as experts as measured by stakeholder feedback, IASB and IPSASB feedback ▪ Two thought leadership pieces completed per annum and presented internationally
Strategy 4,8 <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

⁴ Link to AASB PBS http://www.treasury.gov.au/sites/default/files/2019-04/pbs_2019-20_13_aasb.pdf



	<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 institution 	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

2 - Performance Activity Focus: Stakeholder Engagement

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
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"> Key stakeholders identified by 30 June 2020 and planned program of engagement executed as planned Improving Net Promoter Score 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			X	<ul style="list-style-type: none"> Agenda consultation conducted every 3-5 years

3 - Performance Activity Focus: People & Culture

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
Strategy 8, supporting Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Develop and implement People and Culture (P&C) strategy to develop high performing team	X	X	X	X	<ul style="list-style-type: none"> Employee survey - improving Net Promoter Score, “the place to be”, employee engagement 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 by 30 June 2020 as measured by internal and external stakeholders' feedback
	Understand current capability (talent mapping)	X	X	X	X	<ul style="list-style-type: none"> Ability to timely identify when/where to buy or borrow capability by 30 June 2020
	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

4- Performance Activity Focus: Technology

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
Strategy 8, supporting Strategies 1-7 PBS Outcome 1 Program 1	Develop and implement an IT strategy that enables flexible, seamless working via cloud	X	X	X	X	<ul style="list-style-type: none"> Independent of Productivity Commission hardware by 30 June 2021 IT supports flexible work including remote locations measured by employee satisfaction
Strategy 4,8 PBS Outcome 1 Program 1	Customer relationship management tool selected and implemented	X				<ul style="list-style-type: none"> Appropriate CRM tool selected and implemented by 30 June 2020
Strategy 4,8 PBS Outcome 1 Program 1 Deliverables 12, KPIs 5,	Website redesigned to improve stakeholder experience and engagement	X	X	X	X	<ul style="list-style-type: none"> Obtain funding to improve website by 30 June 2020 Website experience improved as measured by stakeholder feedback

5 - Performance Activity Focus: Operational & Business Excellence

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
Strategy 8, supporting Strategies 1-7 PBS Outcome 1 Program 1	Develop strategy supporting operational excellence and regulatory compliance	X	X	X	X	<ul style="list-style-type: none"> Strategy created and implemented by 30 June 2020 Complied with regulatory obligations
	Key processes and standards documented	X	X			<ul style="list-style-type: none"> Processes and standards identified, created and communicated by 30 June 2021
	Knowledge and information sharing support flexible subject matter expert involvement	X	X	X	X	<ul style="list-style-type: none"> Knowledge sharing forums created by 30 June 2020 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"> Continuous improvement schedule created and embedded to enable acting upon by 30 June 2020



6 - Performance Activity Focus: Program & Project Management

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		20	21	22	23	
Strategy 8, supporting Strategies 1-7 <i>PBS Outcome 1</i> <i>Program 1</i>	Develop a strategy to improve program and project management	X	X			<ul style="list-style-type: none"> Create and implement the strategy by 30 June 2020
	Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	X	X			<ul style="list-style-type: none"> Project management processes and frameworks identified, created and embedded by 30 June 2021 Communicated processes and frameworks so team members are clear and deliver on expectations Work-life balance in completing projects as measured by employee feedback
	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 One: Issue Australian Auditing and Assurance Standards

Issue Australian Auditing and Assurance Standards based on IAASB equivalent standards in accordance with AUASB functions and mandate from the Financial Reporting Council (FRC).

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objective 1 PBS Outcome 1 PBS Programs 1, 2, 3 PBS Deliverables 1, 2, 3 PBS Performance Criteria 1, 2, 5, 6	Develop and issue Australian Auditing and Assurance Standards following the release of their IAASB equivalent, ensuring all Australian legislative and regulatory requirements are considered, including changes required by the AUASB's "compelling reason" test.	X	X	X	X	<ul style="list-style-type: none"> Issue all Australian IAASB equivalent Standards and Exposure Drafts within 3 months of IOB clearance or 1 month of AUASB approval, as appropriate 	<ul style="list-style-type: none"> ASA 315 ASRS 4400
	Coordinate and develop high quality responses from the AUASB to all IAASB exposure drafts, other IAASB pronouncements and invitations to comment, incorporating relevant feedback from AUASB members and Australian stakeholders.	X	X	X	X	<ul style="list-style-type: none"> Release Exposure Drafts/Discussion Papers via the AUASB Website within two weeks of approval by AUASB Stakeholder engagement plan developed and implemented for each IAASB pronouncements Responses developed with appropriate AUASB input and sent to the IAASB by the closing date 	<ul style="list-style-type: none"> ISA 600 ED Monitor development of IAASB Quality Management Standards (ISQM 1, ISQM 2 & ISA 220) EER Guidance Phase 2 LCE Discussion Paper
	Develop and issue implementation support materials and activities for all new IAASB/AUASB standards.	X	X	X	X	<ul style="list-style-type: none"> AUASB implementation support materials and activities for all new IAASB/AUASB standards in place before effective date 	<ul style="list-style-type: none"> ASA 540 ASA 315
	Conduct post-implementation reviews of IAASB equivalent issued AUASB Standards, feeding into the IAASB's post-implementation review projects as required.	X	X	X	X	<ul style="list-style-type: none"> Obtain evidence appropriately evaluating implementation of IAASB equivalent issued AUASB Standards in Australia Provide feedback to IAASB as requested 	<ul style="list-style-type: none"> Auditor Reporting Post Implementation Review
	Finalise and implement revised AUASB Due Process procedures and documentation for exposing and issuing International Exposure Drafts.	X				<ul style="list-style-type: none"> Revised AUASB Due Process for exposing and issuing International Exposure Drafts in place for all IAASB EDs issued in 2020 and beyond 	<ul style="list-style-type: none"> Board approval of revised process Update AUASB Due Process Documentation

Strategic Priority Two: Develop, Update and Maintain Australian Specific Standards and/or Guidance Statements

Develop, update and maintain Australian specific Standards and/or Guidance Statements for topics not specifically addressed by IAASB Standards as required.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objective 1 PBS Outcome 1 PBS Programs 1, 2 PBS Deliverables 1, 2 PBS Performance Criteria 1, 2, 3, 4	Develop and issue Australian specific AUASB Standards and Exposure Drafts within one month of AUASB approval, in accordance with AUASB legislative drafting and registration requirements.	X	X	X	X	<ul style="list-style-type: none"> Issue all Australian specific AUASB Standards and Exposure Drafts within one month of AUASB approval Finalise conforming amendments and compilation standards as a result of changes to AUASB standards within one month of the AUASB standard being issued 	<ul style="list-style-type: none"> ASRE 2410 ASRS 4400
	Update existing AUASB pronouncements, including identifying and revising all AUASB Guidance Statements which are out of date or need revision based on AUASB member and stakeholder feedback.	X	X	X	X	<ul style="list-style-type: none"> Complete project to review all AUASB Guidance Statements (GS) by December 2019 Develop and implement Project Plans for the update all GS identified as out of date Release updated GS within two weeks of approval by AUASB 	<ul style="list-style-type: none"> GS 005 (Use of Experts) GS 008 (Rem Reporting) GS 009 (SMSFs) GS 012 (APS 310) Other GS's as required
	Determine where other AUASB Framework Pronouncements require updating.	X	X	X	X	<ul style="list-style-type: none"> Review and update other AUASB Framework Pronouncements, as required. 	<ul style="list-style-type: none"> None currently identified for 2019-20
	Conduct post-implementation reviews of Australian specific AUASB Standards, as required.	X	X	X	X	<ul style="list-style-type: none"> Conduct post-implementation reviews of Australian specific AUASB Standards, within 2 years of their operative date. 	<ul style="list-style-type: none"> ASAE 3100 ASAE 3500



Strategic Priority Three: Monitor the Assurance Environment

Monitor the Assurance Environment (including the impact of regulatory inspection findings) and address any implications for Australian auditing and assurance standards and guidance.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
All Strategic Objectives PBS Outcome 1 PBS Programs 1, 2, 3 PBS Deliverables 1, 2, 3 PBS Performance Criteria 4	Review and update the 2019-2023 AUASB Strategy and 2019-20 AUASB Technical Work Program based on feedback from AUASB members and key stakeholders and informed by the final 2020-2023 IAASB Strategy.	X	X	X	X	<ul style="list-style-type: none"> Updated AUASB 2019-23 Strategy based on AUASB feedback by September 2019 Finalise 2019-20 Technical Work Program and align it to AUASB 2019-23 Strategy by September 2019 Complete quarterly updated and reporting of progress against AUASB 2019-20 Technical Work Program for FRC and AUASB for each relevant FRC and AUASB meeting 	<ul style="list-style-type: none"> Update AUASB Strategy Develop 2019-20 Technical Work Program Produce a quarterly status update on auditing and assurance matters and progress against the Work Program for the AUASB and FRC.
	Work with the FRC to develop the FRC Audit Quality Plan and implement those elements that are the responsibility of the AUASB.	X	X	X	X	<ul style="list-style-type: none"> AUASB involvement in FRC Audit Quality Plan approved by FRC AUASB Audit Quality activities delivered as required by the updated FRC Audit Quality Plan 	<ul style="list-style-type: none"> Activities from updated FRC Audit Quality Action Plan Audit Quality Surveys of Audit Committee Chairs and CFO's
	Monitor developments associated with the Joint Parliamentary Inquiry on the regulation of Auditing, working across the profession to promote audit quality and the AUASB's role.	X	X	X	X	<ul style="list-style-type: none"> Develop submission for parliamentary inquiry by September 2019 Coordinate with other key stakeholders across the profession (e.g. FRC, APESB) as required Prepare and assist the AUASB Chair with any presentations to the parliamentary joint committee Monitor and respond to any recommendations relevant to the AUASB 	<ul style="list-style-type: none"> AUASB submission to PJC inquiry Presentations to PJC enquiry by AUASB Chair AUASB responses to PJC findings
	Following on from the AUASB LCE Survey work with small and medium audit practitioners to determine implications for Australian Standard Setting.	X	X	X	X	<ul style="list-style-type: none"> Develop additional guidance and initiatives to support LCE auditors based on LCE survey outcomes Provide input to IAASB on proposed response to LCE Discussion Paper 	<ul style="list-style-type: none"> LCE specific guidance Feedback to IAASB on global issues



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
	Monitor developments in public sector auditing and assurance issues by maintaining regular engagement with Auditors-General through the AUASB Public Sector Audit Issues Project Advisory Group and the ACAG Auditing Standards Subcommittee.	X	X	X	X	<ul style="list-style-type: none"> Develop and have approved specific AUASB guidance (in a form to be determined) for public sector auditors on issues raised by the Public Sector Audit Issues PAG Provide ongoing input to FRC subcommittee on Public Sector Reporting and Assurance matters Positive engagement with Auditors-General and ACAG Auditing Standards Committee 	<ul style="list-style-type: none"> Public Sector specific AUASB GS (TBC) Input to FRC on Public Sector Reporting and Audit issues Regular engagement with A-Gs and ACAG
	Assess and respond to implementation issues and issue AUASB guidance to address key inspection findings.	X	X	X	X	<ul style="list-style-type: none"> Analyse and respond to 2019 ASIC inspection Findings Identify and produce relevant guidance materials addressing common inspection findings in key audit areas Work with AASB to identify and to accounting and auditing issues impacting audit quality 	<ul style="list-style-type: none"> Finish update of GS 005 Plan guidance on auditing of revenue Engage with practitioners and stakeholders to analyse 2019 inspection outcomes
	Monitor international auditing and assurance developments (including global audit inspection developments and trends) and consider the impact for the Australian auditing and assurance environment.	X	X	X	X	<ul style="list-style-type: none"> Engage with IAASB and NSS representatives to monitor international developments Consider issues arising from UK audit inquiries Review IFIAR and other global publications to determine impact on Australian standard setting environment 	<ul style="list-style-type: none"> Response to Monitoring Group proposals (if revived) Monitor and consider findings from UK audit inquiries
	Hold regular formal meetings with the professional accounting bodies, other standard setting bodies and regulators to discuss trends in assurance environment and identify the impact on the AUASB Agenda and Technical Work Program.	X	X	X	X	<ul style="list-style-type: none"> Regular meetings (at least quarterly) to be held with ASIC, APESB, CA ANZ and CPA Australia. Meeting with other key stakeholders (e.g. APRA, AICD) to be held as necessary 	

Strategic Priority Four: Build, Maintain and Enhance Key International Relationships

Build, maintain and enhance key international relationships around key focus areas with both global and national standard-setters.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objectives 3, 4 PBS Outcome 1 PBS Program 3 PBS Deliverable 3 PBS Performance Criteria 5, 6	AUASB to be represented at all IAASB meetings.	X	X	X	X	<ul style="list-style-type: none"> AUASB Chair and Technical Team member to attend all IAASB meetings Summary of each IAASB meeting prepared and presented to the AUASB at next AUASB meeting 	
	Arrange for AUASB review of relevant IAASB projects at each AUASB meeting and share feedback on key matters with regional IAASB members and relevant IAASB Task Force members before each IAASB meeting.	X	X	X	X	<ul style="list-style-type: none"> IAASB papers reviewed and papers prepared by AUASB staff for each AUASB meeting. Feedback on AUASB key issues prepared and sent to Australasian IAASB members and relevant Task Forces prior to each IAASB meeting 	<ul style="list-style-type: none"> AUASB Technical Team analysis of IAASB papers provided for each AUASB meeting
	With the IAASB, Canadian AASB and NZAuASB, identify and implement initiatives to drive increased sharing and collaboration across the National Standards Setting (NSS) network, including attending and presenting relevant topics at regional and global IAASB NSS meetings.	X	X	X	X	<ul style="list-style-type: none"> Develop and share updated NSS vision and roadmap Collaboration and support from IAASB steering committee for NSS initiatives Increased influence of NSS on IAASB Agenda and Outcomes Identify and implement initiatives to collaborate on key international auditing and assurance focus areas with other key national standard setters. 	<ul style="list-style-type: none"> Regularly scheduled NSS meetings with AASB Canada and NZAuASB Planning and developing of materials for 2020 IAASB NSS Meeting
	Review and contribute as appropriate to other global initiatives on emerging forms of assurance, such as IIRC, GRI and WBCSD.	X	X	X	X	<ul style="list-style-type: none"> Attend and contribute to calls and meetings as required. 	
	Engage with the IAASB EER Project Advisory Panel and support associated regional activities and local panel members.	X	X	X	X	<ul style="list-style-type: none"> Monitor and contribute to IAASB EER Project Advisory Panel meetings Link in Australian EER initiatives where appropriate 	<ul style="list-style-type: none"> Develop summaries for IAASB PAP member Present updates at AUASB meetings

Strategic Priority Five: Harmonisation of Auditing and Assurance Standards with New Zealand

Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objectives 1, 3 PBS Outcome 1 PBS Programs 1, 2, 3 PBS Deliverables 1, 2, 3 All PBS Performance Criteria	AUASB Chair to attend all NZAuASB meetings as a NZAuASB Member.	X	X	X	X	<ul style="list-style-type: none"> AUASB Chair input into NZAuASB meetings AUASB staff to review relevant NZAuASB board papers and provide feedback to AUASB Chair and NZAuASB staff where applicable Updates from the NZAuASB Chair to the AUASB at each meeting 	
	Ensure AUASB Standards are issued in accordance with the principles of harmonisation with New Zealand Standards.	X	X	X	X	<ul style="list-style-type: none"> All AUASB Standards are issued in accordance with the common set of principles in relation to the standards that each board issues 	<ul style="list-style-type: none"> ASRE 2410 ASA 315
	Work collaboratively with NZAuASB Technical Staff to ensure co-operation and co-ordination between the AUASB and NZAuASB's activities, including on joint AUASB/NZAuASB projects where appropriate.	X	X	X	X	<ul style="list-style-type: none"> Identification and prioritisation of joint AUASB/NZAuASB projects AUASB and NZAuASB staff to ensure collaboration on the 'high' rated joint projects For other potential joint projects, the AUASB and NZAuASB Technical Director to build joint activities into each board's respective technical work programs 	<ul style="list-style-type: none"> Collaborate on agreed high priority joint projects: <ul style="list-style-type: none"> IAASB Quality Management Standards Auditor Reporting Post Implementation Review LCE Discussion Paper NSS Collaboration Review of Compelling Reasons Test and standard-setting process Assurance for Small NFPs and Charities Update of ASRE/NZRE 2410 Identify other opportunities to share resources, either directly or through the NSS AUASB/NZAuASB joint staff meeting to be held in early 2020.

Strategic Priority Six: Develop Thought Leadership

Develop thought leadership by identifying and implementing strategic projects that address emerging issues in auditing and assurance.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objectives 2, 5, 6 PBS Outcome 1 PBS Programs 1, 2, 3 PBS Deliverables 1, 2, 3 PBS Performance Criteria 3, 4, 6	Undertake strategic thought leadership projects in the following topical or emerging auditing and assurance areas: <ul style="list-style-type: none"> - Audit quality - Assurance over Emerging Forms of External Reporting (EER) and other information in annual reports and other public reports - Assurance of Financial Reporting Frameworks - Audit and assurance of Charities and Not for Profit organisations - The Value of Audit and reducing the Audit Expectation Gap - Use of Technology in the Audit, including Data Analytics 	X	X	X	X	<ul style="list-style-type: none"> ▪ Project plans developed and 2019-20 outputs identified for each strategic thought leadership project area ▪ Develop and implement outreach and engagement plans with subject matter experts and key stakeholders for each strategic thought leadership project area ▪ Regular updates provided to AUASB members at AUASB meetings 	<ul style="list-style-type: none"> ▪ FRC Audit Quality Action Plan ▪ EER Thought Leadership ▪ Input into global EER activities through IAASB EER PAP ▪ Collaboration with AASB on common areas of focus for Reporting and Assurance Frameworks ▪ Development of guidance targeted at NFP Auditors ▪ Engagement with ACNC on Assurance requirements for NFPs ▪ New Assurance Framework Publications ▪ Develop local guidance addressing common technology issues auditors face at a practical level ▪ Provide input to IAASB Technology and Audit Evidence Working Groups
	In accordance with the AUASB Evidence Informed Standard Setting Strategy, support or conduct high quality research in these strategic thought leadership areas.	X	X	X	X	<ul style="list-style-type: none"> ▪ Promote research opportunities in these strategic thought leadership projects through academic networks and conferences in accordance with the EISS strategy 	<ul style="list-style-type: none"> ▪ Collaboration with respected academics to identify and develop research in these strategic thought leadership projects published on AUASB Website ▪ Outputs from current and future AUASB Research Scholars
	Author or contribute to publications on major auditing and assurance developments.	X	X	X	X	<ul style="list-style-type: none"> ▪ AUASB board members or staff to publish articles or publications in selected strategic thought leadership project areas 	

Strategic Priority Seven: Increase Stakeholder Satisfaction and Engagement

Increase stakeholder satisfaction and engagement with AUASB activities, with a specific focus on assurance practitioners, regulators, the professional bodies and financial report users.

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
Strategic Objective 4 & 7 PBS Outcome 1 PBS Programs 1, 2 PBS Deliverables 1, 2 PBS Performance Criteria 3, 4	Develop and issue AUASB Publications (e.g. Bulletins, FAQs) to provide guidance to Stakeholders as required on AUASB Pronouncements and topical/emerging auditing and assurance issues and in conjunction with the release of all major AUASB standards and guidance statements.	X	X	X	X	<ul style="list-style-type: none"> Develop Bulletins based on evidence and existing AUASB requirements Engage with regulators, stakeholders, AUASB members and other stakeholders as required to develop content Promote availability of AUASB guidance through various communication channels 	<ul style="list-style-type: none"> Auditors responsibility for Framework Bulletin ASA 540 Client Briefing
	Implement and promote the AUASB Evidence Informed Standard Setting (EISS) Strategy.	X	X	X	X	<ul style="list-style-type: none"> Communicate benefits of EISS Strategy to academic community at conferences and technical forums Promote engagement with AUASB to attain research in thought leadership areas 	<ul style="list-style-type: none"> Launch EISS Strategy at 2019 AFAANZ Conference Approved plans by AUASB Academic Scholars to co-develop research and education materials with the AUASB Develop AUASB Research Centre on AUASB Website
	AUASB members or staff to attend and present at auditing or assurance related professional and academic events/conferences and regular professional and regulatory forums.	X	X	X	X	<ul style="list-style-type: none"> Identify appropriate local and international professional and academic events/conferences for the AUASB to present at or attend Attendance at local professional and regulatory forums 	<ul style="list-style-type: none"> Keynote at 2019 AFAANZ Conference Present at 2019 AFAANZ SIG AUASB involved at 2019 ANCAAR Conference Regular present at ASIC Audit Committee Chairs Forum
	Obtain positive feedback from FRC members on AUASB activities.	X	X	X	X	<ul style="list-style-type: none"> Valuable engagement with FRC members at FRC meetings AUASB staff to develop auditing and assurance related papers for FRC meetings 	<ul style="list-style-type: none"> Collaborate with FRC on matters related to the Parliamentary Joint Committee Inquiry on the regulation of Auditing FRC Audit Quality Plan outputs Public Sector Reporting Framework and Auditing Issues Auditing Issues for Charities and NFPs



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)	2019-20 Priorities
		20	21	22	23		
	Develop and distribute a quarterly AUASB Update publication.	X	X	X	X	<ul style="list-style-type: none"> AUASB Newsletters developed and sent out in Sept 2019, Dec 2019, March 2020 and June 2020 	
	Conduct a regular AUASB Stakeholder Satisfaction Survey and respond to results.	X	X	X	X	<ul style="list-style-type: none"> Evaluate results from and develop actions in response to inaugural AUASB Stakeholder Satisfaction Survey completed in July 2019 Consider need for additional survey in 2020. 	
	Implement initiatives to support and grow stakeholder engagement, measured via increased media mentions, social media activity and level of participation at AUASB events.	X	X	X	X	<ul style="list-style-type: none"> Develop AUASB Communications Strategy Develop AUASB Message Calendar process Greater use of on-line tools to communicate AUASB projects (e.g. Webinars) Improved processes and communications to drive attendance and promotion of AUASB meetings and events 	<ul style="list-style-type: none"> Increased engagement and interaction with stakeholders over virtual platforms Higher attendance at AUASB events (physical and on-line) All AUASB meeting board papers are available on the AUASB website a week in advance of each AUASB meeting Highlights/Podcast are available within two working days after 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 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>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"> • who prepares external reports (including financial reports) • 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>

8. Build a high performing team that operates efficiently, effectively and within budget, complying with all relevant legislation and Commonwealth Government requirements



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, issue and maintain high quality Australian auditing and assurance standards and guidance that meet the needs of stakeholders. Use IAASB Standards – where they exist, modified as necessary – or develop Australian-specific standards and guidance.</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>	<p>√</p>
<p>2. With the AASB, 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"> • who prepares external reports (including financial reports) • the nature and extent of assurance required on external reports. 			<p>√</p>		<p>√</p>
<p>3. Actively influence international auditing and assurance standards and guidance by demonstrating thought leadership and enhancing key international relationships.</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. Attain significant levels of key stakeholder engagement, through collaboration, partnership and outreach.

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5. Influence initiatives to develop assurance standards and guidance that meet user needs for extended external reporting.

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6. Monitor and respond to, or lead on, emerging issues impacting the development of auditing and assurance standards and guidance, including changing technologies.

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7. Develop guidance and education initiatives, or promote development by others, to enhance consistent application of auditing and assurance standards and guidance.

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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 resources ii. assists directors to discharge their obligations in relation to financial reporting iii. is relevant to assessing performance, financial position, financing and investment iv. is relevant and reliable v. facilitates comparability is readily understandable 	<p>Auditing and assurance standards should require the provision of information that:</p> <ul style="list-style-type: none"> i. provides 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. requires the preparation of auditors' 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 internationally ii. 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 	