



Australian Government
Australian Accounting Standards Board



Australian Government
Auditing and Assurance Standards Board

Australian Accounting Standards Board

Auditing and Assurance Standards Board

ANNUAL REPORTS

2023 - 2024

**Australian Accounting
Standards Board**

and

**Auditing and Assurance
Standards Board**

2023-2024 Annual Reports

Commonwealth of Australia 2024

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LETTER OF TRANSMITTAL

20 September 2024

The Hon Stephen Jones MP
Minister for Financial Services and Assistant Treasurer
Parliament House
CANBERRA ACT 2600

Dear Minister,

We have pleasure in presenting the annual reports for the year ended 30 June 2024 of the:

- Australian Accounting Standards Board (AASB) and the Office of the Australian Accounting Standards Board, and
- Auditing and Assurance Standards Board (AUASB) and the Office of the Auditing and Assurance Standards Board.

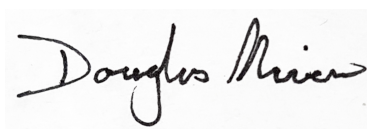
The reports have been prepared in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and have been combined into one publication.

Section 46 of the PGPA Act requires the Chair of the AASB and the Chair of the AUASB to respectively prepare a report of the operations of the AASB and its Office, and the AUASB and its Office, during the year. The respective reports must be tabled in each House of the Parliament as soon as practicable.

Yours sincerely



Dr Keith Kendall
Chair
Australian Accounting Standards Board



Douglas Niven
Chair
Auditing and Assurance Standards Board

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ABBREVIATIONS

The following abbreviations are used by the AASB and AUASB in this report:

AASB	Australian Accounting Standards Board
ACNC	Australian Charities and Not-for-profits Commission
ANAO	Australian National Audit Office
AOSSG	Asian-Oceanian Standard-Setters Group
ASA	Australian Auditing Standard
ASAE	Australian Standard on Assurance Engagements
ASAF	Accounting Standards Advisory Forum
ASIC Act	<i>Australian Securities and Investments Commission Act 2001</i>
ASRE	Australian Standard on Review Engagements
AUASB	Auditing and Assurance Standards Board
CA ANZ	Chartered Accountants Australia and New Zealand
CPA	CPA Australia
EER	Extended External Reporting
FRC	Financial Reporting Council
GPFS	General Purpose Financial Statements
GST	Goods and Services Tax
IAASB	International Auditing and Assurance Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFASS	International Forum of Accounting Standard Setters (formerly NSS)
IFRS	International Financial Reporting Standards
IFRS-IC	International Financial Reporting Standards Interpretation Committee
IIA	Institute of Internal Auditors
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standard on Auditing
ISSB	International Sustainability Standards Board
NFP	Not-for-Profit
NSS	National Standards Setters
NZASB	New Zealand Accounting Standards Board
NZAuASB	New Zealand Auditing and Assurance Standards Board
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PSA	<i>Public Service Act 1999</i>
RDR	Reduced disclosure requirements
SME	Small and Medium Enterprises

CONTACT DETAILS

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AASB AND AUASB PURPOSE, VISION AND MISSION

AASB Purpose & Vision	AUASB Purpose & Vision
Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in external reporting.	Contribute to stakeholder confidence in the Australian economy, including its capital markets, and trust in auditing and assurance.
AASB Mission	AUASB Mission
Develop, issue and maintain principles-based Australian accounting and external reporting standards that meet user needs and enhance external reporting consistency and quality.	Develop, issue and maintain in the public interest, best practice Australian auditing and assurance standards and guidance that meet user needs and enhance audit and assurance consistency and quality.
Contribute to the development of a single set of accounting and external reporting standards for world-wide use.	Contribute to the development of a single set of auditing and assurance standards for world-wide use.

STRATEGY

AASB	AUASB
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' entities maintain IFRS ² compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.	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 FRC.
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: <ul style="list-style-type: none"> who prepares external reports (including financial reports) the nature and extent of assurance required on these external reports. 	2. Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
3. Actively influence IASB ⁴ ISSB ⁵ , IPSASB ⁶ standards and other international accounting and external reporting standards and guidance, by demonstrating thought leadership and enhancing key international relationships.	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.
4. Attain significant levels of key stakeholder engagement, through collaboration, partnerships and outreach.	4. Identify and implement initiatives designed to enhance audit quality in Australia.
5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	5. Demonstrate thought leadership including through robust evidence-based research to

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2023-24

AASB	AUASB
	inform strategic projects that address emerging areas of auditing and assurance.
6. Monitor and respond to, or lead on, emerging issues impacting the development of accounting and external reporting standards, including changing technologies.	6. Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.
7. Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.	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.

- 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*)
- International Financial Reporting Standards
- International Auditing and Assurance Standards Board
- International Accounting Standards Board
- International Sustainability Standards Board
- International Public Sector Accounting Standards Board

AASB CHAIR'S REVIEW

OUR PERFORMANCE IN 2023-24

The AASB continued strengthening stakeholder confidence in the Australian economy by fulfilling its strategic objectives. We maintained strong relationships and significantly enhanced our international connections. This progress is crucial for Australia to remain a leader in shaping global financial reporting standards.

Our focus this year has been supporting the Government's initiative to mandate climate-related financial disclosures. This transformative project will extend over several years and has been central to our work program. We have continued to champion other projects this year, notably the Conceptual Framework: Not-for-Profit (NFP) Amendments and the NFP Financial Reporting Framework projects.

KEY MILESTONES

During the 2023-24 financial year, amongst a large variety of achievements mentioned throughout this annual report, the AASB issued a new Standard, three Amending Standards, compiled five Standards, reissued a standard, and issued seven Exposure Drafts.

We also undertook preparatory steps to support the future implementation of IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and S2 *Climate-related Disclosures* in Australia.

STAKEHOLDER ENGAGEMENT AND COMMUNICATIONS

The AASB continued to make use of technology in order to continue to maintain and grow its engagement with stakeholders across the country and globally via virtual meetings, webinars, roundtables and speaking engagements during 2023-24.

We published four Research Reports, issued seven Exposure Drafts, two Invitations to Comment, held 24 roundtable sessions and five Dialogue Series sessions. Our stakeholder outreach activities have made use of available communication channels to maximise the reach of our messages and audience. Our newsletter continues to be published on a weekly basis and our LinkedIn page has more than 30,100 followers (and rising).

The AASB hosted, in collaboration with the University of Queensland and Swinburne University of Technology, the annual AASB Research Forum in November 2023. This year we offered the opportunity to attend in person in Brisbane, at Dexus Place in Melbourne (streamed from Brisbane) or virtually (from any other location worldwide). Over 300 attendees attended the event through one of these means.

The User Advisory Committee, which is comprised of 18 analysts, ratings agencies, fund managers and investor relations professionals from the for-profit sector, met three times during the year and continues to provide input, recommendations and feedback to the AASB staff.

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2023-24

Our strong rapport with industry stakeholders has also allowed us to broaden our brand reach through timely and topical news placements in Chartered Accountants Australia and New Zealand's (CA ANZ) and CPA Australia's newsletters, as well as their social media channels and members-only platforms.

The AASB maintained and enhanced its international engagement this year through various presentations and participating in international events. This included hosting the 15th Asian-Oceanian Standard-Setters Group (AOSSG) Annual Meeting, publishing a joint research report with the Malaysian Accounting Standards Board (MASB) on making materiality judgements, making a joint submission with the Canadian Accounting Standard Board (AcSB) to the International Accounting Standards Board (IASB) on power purchase agreements, making a joint submission with the Sustainability Standards Board of Japan (SSBJ) to the International Sustainability Standards Board (ISSB) on enhancing Sustainability Accounting Standards Board (SASB) Standards, as well as presenting at the International Forum of Accounting Standard Setters (IFASS), the Accounting Standards Advisory Forum (ASAF), the IFR4NPO Technical Advisory Group meetings and the IASB SME Implementation Group meetings, voicing the views of the AASB and Australian stakeholders.

NOT-FOR-PROFIT SECTOR

The AASB continued to work on several projects affecting the NFP private and public sectors during the year. Notably, we are working on a project to extend the application of the Conceptual Framework for Financial Reporting to NFP entities. An exposure draft is anticipated in Q4 2024.

From the NFP private sector perspective, we have made significant progress in developing a standalone accounting standard for smaller NFP entities under the Tier 3 General Purpose Financial Statements Project. An exposure draft is expected to be issued in Q4 2024.

From the NFP public sector perspective, we have continued working on the Post-Implementation Review (PIR) of specific accounting pronouncements for NFP public and private sector entities, including control, structured entities, related party disclosures and basis of preparation of special purpose financial statements, income of NFP entities, and AASB 1059 Service Concession Arrangements: Grantors.

FOR-PROFIT SECTOR

During the year, the AASB continued to revise Australian Accounting Standards to ensure consistency with International Financial Reporting Standards, while reflecting any Australian-specific issues.

We also continued to uphold our Evidence-Informed Standard-Setting approach by obtaining evidence for important active projects. To illustrate this, in responding to stakeholder concerns regarding the development of crypto assets, the AASB Research Centre, jointly with CPA Australia and Associate Professor Andrew Jackson from the University of New South Wales, published a research report that provides an overview of perspectives shared by Australian stakeholders about crypto assets accounting and reporting. This Report shows that although some stakeholders noted that it might be premature to develop accounting standards addressing

crypto assets, they urge standard-setters to develop guidance or educational material to assist preparers and auditors in navigating the accounting treatments. Additionally, stakeholders emphasise the significance of enhancing disclosure requirements to meet users' information needs. The AASB will continue to monitor the crypto market and conduct further research to stay informed of developments.

SUSTAINABILITY

To align with the demand for standardised sustainability reporting, the AASB has taken proactive steps to support the future implementation of Australian sustainability-related financial reporting.

AASB Staff perform continuous monitoring of all international sustainability reporting developments, including monitoring of jurisdictional progress towards sustainability reporting as well as monitoring the activities of international standard-setters such as the ISSB, Global Reporting Initiative (GRI) and International Public Sector Accounting Standards Board (IPSASB). Additionally, the AASB Chair and Staff frequently present on sustainability reporting topics at various conferences and meetings around the globe. The AASB will continue supporting the goal of establishing a global baseline for the disclosure of sustainability-related financial information.

In July 2023, the AASB developed and submitted a comment letter to the ISSB on the ISSB's Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates. As part of this submission, the AASB raised several key issues for the ISSB to consider as it moves forward with the redeliberation of the proposals.

In August 2023, the AASB and the Sustainability Standards Board of Japan (SSBJ) developed and submitted a joint comment letter to the ISSB on the ISSB's Methodology for Enhancing the International Applicability of the SASB Standards and SASB Standards Taxonomy Updates. This joint submission raised several common issues identified by the AASB and SSBJ for the ISSB to consider as it moves forward with the redeliberation of the proposals.

In October 2023, the AASB published Exposure Draft ED SR1 *Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information to propose climate-related financial disclosure requirements*. AASB staff prepared an educational webcast to provide an overview of the key proposals in ED SR1 in January 2024. In January and February 2024, AASB staff presented at multiple events and delivered in-person and hybrid outreach sessions around Australia to build the evidence base on proposals contained within the ED. The AASB will hold three additional board meetings in July and August 2024 to deliver the Sustainability Standards suite to Australian stakeholders.

RESEARCH

The AASB values the contribution of academic research to our standard-setting process. High-quality research underpins our evidence-based approach to developing accounting standards in Australia.

In May 2024, the AASB launched a tender process to bring multiple opportunities to the market's attention to support the AASB Work Plan. We received over 90 submissions through the tender process. After a thorough and extensive review of all submissions we announced the successful

applicants that received funding of AASB Tender Program in August 2024. We look forward to working with all the successful research teams.

The AASB co-hosted the 2023 Research Forum with the University of Queensland and the Swinburne University of Technology on 24 November. This year, we offered the opportunity to attend in Brisbane, virtually, or at Dexus Place in Melbourne (streamed from Brisbane). Academics and stakeholders from the for-profit, the NFP private and the public sector discussed three research projects: *The use of forward-looking statements in management commentaries*, *Australian listed companies' readiness for baseline and extended sustainability disclosures*, *Climate in accounting standards*, and *Consequences of climate-related disclosures by Australian firms in the extractives sector*.

The AASB SSRN Working Papers Series disseminates current research or monographs relevant to the AASB's work on accounting and external reporting matters. During the year, the AASB accepted three working papers and published them at the AASB SSRN. The three papers have been published being *Report on Australian listed companies' readiness for IFRS S2 climate-related disclosures*, *The cost of auditing service performance information*, and *Using turnover size to determine charities' reporting requirements: Should turnover size metrics drive reporting regimes?*

The AASB Dialogue Series provides an excellent opportunity for stakeholders to learn more about the latest accounting and reporting developments. The series features presentations from leading experts in the field, as well as panel discussions on key accounting and reporting issues. During the year, five sessions were held (Navigating the Accounting Standards, Making Materiality Judgements in Financial Reporting, Connectivity and Boundaries of Reporting, Climate-related Commitments, and Valuation in Financial Reporting), with around 150 domestic and international stakeholders attending each session.

The AASB presented an update of AASB work at the 2023 Accounting and Finance Association of Australia and New Zealand (AFAANZ) annual conference to inform academics and researchers on research opportunities and research topics most relevant to the Australian economy.

PEOPLE

We are pleased to announce that during 2023-24, we continued to operate effectively and efficiently, both remotely working and from the office. During this year, we have successfully recruited new team. We are working with Commonwealth Treasury and the Department of Finance to secure funding to enable work towards standard setting in the area of critical national and international importance. Staff are the core of our business; their continued efforts have again ensured that we have been able to deliver to our stakeholders domestically and internationally. I would like to thank the staff for their commitment to standard setting.

LOOKING TOWARD 2024-25

The AASB will continue to further enhance our already prominent stakeholder engagement activities, both domestically and internationally.

We will continue conducting PIRs of several Australian Accounting Standards over the 2024-25 period. PIRs assess the effectiveness and efficiency of standards in achieving their objectives, without re-examining the entire standard. This process helps us determine if standards remain relevant and appropriate. The PIRs cover topics affecting the NFP private sector and the public sector and include control and consolidation in the NFP sector, and service concession arrangements for grantors.

We will maintain our active role in international standard-setting through strong collaboration with the IASB, the International Sustainability Standards Board (ISSB), the IPSASB, and other global bodies. This ensures Australia's continued influence on global accounting and sustainability standards.

The AASB will maintain close collaboration with the AUASB to address shared challenges, particularly those arising from the potential impact of Australian Accounting Standards on auditing and assurance practices.

We have prioritised sustainability reporting in our work program. In 2024-2025, we will collaborate closely with the AUASB and engage with the entire financial reporting community to understand the implications of sustainability reporting on reporting, assurance, and regulation in Australia.

FINANCIAL RESULTS

The AASB has recognised a Total Comprehensive deficit of \$733,007 (2023: deficit of \$758,071) as a result of costs to deliver on the development of Sustainability Standards as well as to influence the development of a single set of global Reporting Standards.

Management fees received from the AUASB were \$629,101 (2023: \$616,919) as provided for in our Memorandum of Understanding (MoU) (refer to Note 2A and 2B to the Financial Statements).

Note 8 to the Financial Statements provides further details of variances from the reported budget numbers.

ACKNOWLEDGEMENTS

I would like to thank the staff for their continued support and commitment during these unique times, the team have embraced the flexible working arrangements and have held a number of face-to-face and virtual stakeholder sessions during the year resulting in a significant quantity of high-level output.

Sincerely

A handwritten signature in black ink, appearing to read 'Kendall', with a stylized, cursive script.

Dr Keith Kendall
Chair and CEO
20 September 2024

AASB ANNUAL PERFORMANCE STATEMENT 2023-24

I, Keith Kendall, as the accountable authority of the Australian Accounting Standards Board, present the 2023-24 annual performance statement of the Australian Accounting Standards Board, as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act Entity Purpose.



ENTITY PURPOSE

As set out in the Treasury Portfolio Budget Statements for 2023-24, the AASB's single outcome is to formulate and make accounting standards that are used by Australian entities to prepare financial reports and enable users of these reports to make informed decisions. The AASB's vision is to contribute to stakeholder confidence in the Australian economy, (including its capital markets) and in external reporting integral to financial reporting. Its mission and single program are:

- developing, issuing and maintaining accounting standards and guidance that meet user needs and enhance external reporting consistency and quality.
- contributing to the development of a single set of accounting and external reporting standards for world-wide use.

Our purpose is to:

- make accounting standards under the *Corporations Act 2001* for the purposes of the corporations legislation and for other purposes.
- participate in and contribute to the development of a single set of accounting standards for world-wide use.
- in a financial reporting context, enabling Australian entities to compete effectively.
- maintain investor confidence in the Australian economy, including its capital markets.
- having regard to the interests of Australian corporations raising capital in major international financial centres.

The Chair's report sets out the contextual basis for progress made on achieving our strategies and purpose.

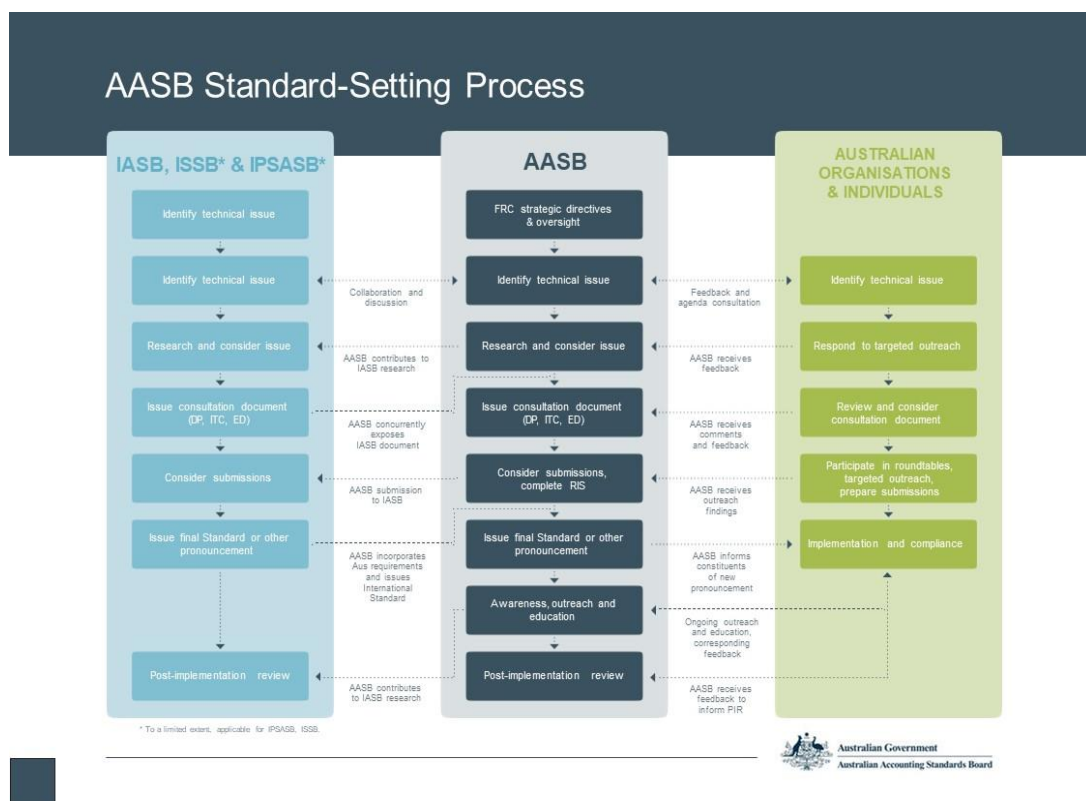
THE AASB'S STANDARD SETTING PROCESS

Developing issuing and maintaining principles-based accounting standards

The AASB, in accordance with the FRC direction issued in 2002, has adopted IFRS accounting and external reporting standards as part of our strategy to facilitate confidence in the Australian economy.

Maintaining IFRS compliance for publicly accountable for-profit entities and using IFRS as a baseline for other entities, means that overseas investors understand our financial reporting and consistency helps reduce the costs incurred by our companies seeking to raise funds. In addition, using IFRS as a basis for other entities promotes professional mobility across the three sectors and also meets our objectives for improving comparability and user confidence in financial reporting.

The following diagram identifies the high-level interaction undertaken by the AASB in developing, issuing and maintaining Australian Accounting Standards.



AASB's STRATEGIES FOR ACHIEVING ITS PURPOSE

Strategy 1: Standard setting	Strategy 2: Australian external reporting framework	Strategy 3: International thought leadership	Strategy 4: Stakeholder engagement	Strategy 5: Influencing beyond financial reporting	Strategy 6: Emerging Issues	Strategy 7: Enhancing Consistency
Develop, issue and maintain accounting and reporting standards to meet needs of users, capable of being assured and enforced. 'Publicly accountable' entities IFRS compliant; for others, use transaction neutrality, modify IFRS, or develop Australian-specific standards and guidance.	Play a leading role in reshaping the Australian external reporting framework by working with other regulators to set Tier requirements proportionate to user needs and costs to prepares.	Actively influence internationally IASB,ISSB, IPSASB, NZASB and AOSSG.	Attain significant levels of key stakeholder engagement through collaboration, partnership and outreach.	Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	Monitor and respond to, or lead on, emerging issues, including changing technologies.	Enhance consistent implementation, through stakeholder education initiatives.

2023-24 AASB ACTIVITIES AND RELATED KEY PERFORMANCE INDICATORS

The tables below identify the activities the AASB identified in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to the seven strategies above, for the 2023-24 reporting period. These tables also indicate whether or not the activities were achieved and, if not, why not.

1 - PERFORMANCE ACTIVITY FOCUS: BRAND/REPUTATION

Current Priorities	Status	Key Activities / Highlights
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	In progress / Partially completed	<p>For-profit –</p> <ul style="list-style-type: none"> Commencing PIR on AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> and AASB 2020-2 <i>Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i> <p>NFP private sector –</p> <ul style="list-style-type: none"> Developing the tier 3 exposure draft and the amendments to the conceptual framework exposure draft for public consultation in 2024 Lodged AASB submission to the Philanthropy Inquiry Productivity Commission on 'Future foundations for giving' draft report in January 2023 <p>Public sector – participating in FRC public sector advisory group</p>
Agree and deliver on 3-year program of work	Ongoing	IFRS compliance maintained during this reporting period
Maintain IFRS and New Zealand compliance for for-profit Private sector “publicly accountable” entities		<p>IASB-equivalent Standards issued within two months of release by the IASB:</p> <ul style="list-style-type: none"> AASB 2023-5 <i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>

Current Priorities	Status	Key Activities / Highlights
Tailor IFRS appropriately for other sectors, including developing Australian-specific guidance		<ul style="list-style-type: none"> AASB 18 <i>Presentation and Disclosure in Financial Statements</i>
Develop guidance on external reporting integral to financial reporting		
Develop guidance on emerging issues related to financial reporting		
Enhance profile domestically and internationally		AASB Chair and staff presented on various topics at the AFAANZ Conference in Gold Coast in July 2023:
Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB and International Financial Reporting for NPOs		<ul style="list-style-type: none"> Financial Reporting Special Interest Group (AASB update/Developing sustainability-related financial reporting standards in Australia) Public Sector and NFP Special Interest Group (AASB update/ Research needs: Next generation of researchers in the public and NFP sectors) Engagement between standard-setters, practitioners, regulators and educators (AASB update/ Engagement between researchers, practitioners and regulators)
		AASB staff participated in the Industry Panel Discussion on the RMIT - AISSC Research Day in Melbourne in July 2023
		AASB staff presented to the Governance Institute of Australia National Company Secretaries Discussion Group virtually in July 2023 on key focus areas of disclosure which governance professionals should be aware for their 2023 annual reports
		AASB staff presented to the Investor Group on climate change virtually in July 2023 on <i>AASB Sustainability Reporting</i>

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff participated in the IASB SME Implementation Group July 2023 meeting virtually, providing comments on the feedback received on the IFRS for SMEs Exposure draft</p> <p>AASB staff presented at the Accounting Standards Advisory Forum on AOSSG members' feedback on draft amendments of IAS 37 Provisions and IASB ED/2023/2 Amendments to the Classification and Measurement of Financial Instruments Proposed amendments to IFRS 9 and IFRS 7 virtually in July 2023</p> <p>AASB staff provided an update on sustainability reporting at the CAANZ-ABA joint Sustainability & Climate event in Melbourne in July 2023</p> <p>AASB Chair presented on <i>Embracing the Power of Digital Corporate Reporting</i> at an event held by Deloitte in Sydney in July 2023</p> <p>AASB Chair and staff attended the American Accounting Association Annual Conference held in Denver, Colorado, in August 2023</p> <p>AASB staff participated in a panel discussion at ACNC Regulators Day and provided an update on AASB NFP projects virtually in August 2023</p> <p>AASB Chair presented at the International Sustainability Reporting Seminar hosted by the Korean Accounting Institute and Korean Sustainability Standards Board in Seoul, South Korea, in August 2023</p> <p>AASB Chair presented to the SAFA IFRS and ISAs forum hosted by the Institute of Chartered Accountants on Challenges and Opportunities with Implementing Sustainability Reporting Standards in Sri Lanka in August 2023</p> <p>AASB Chair and staff presented at the AOSSG interim meeting in London in September 2023 on:</p> <ul style="list-style-type: none"> • strategic direction on ISSB work in the AO region, and • AOSSG feedback on RFI IFRS 9 Impairment PIR

Current Priorities	Status	Key Activities / Highlights
		<p>AASB Chair and staff presented at the IFASS September 2023 meeting in London on various topics:</p> <ul style="list-style-type: none"> • PIR of IFRS 15, • ISSB consultations on RFI, • Implementation issues, including practical challenges of IFRS sustainability standards, and • Climate-related risks in financial statements <p>AASB staff presented at the Accounting Standards Advisory Forum on behalf of AOSSG on <i>Power Purchase Agreements</i> in London in September 2023</p> <p>AASB staff participated in the IASB SME Implementation Group outreach survey in October 2023 and a virtual meeting in December 2023</p> <p>AASB staff participated in the IFR4NPO Technical Advisory Group meetings virtually in September, November and December 2023</p> <p>AASB staff attended the IASB Research Forum in Paris in November 2023</p> <p>AASB Chair presented at the CPA Australia event: Peter Edwards Memorial Lecture on ED SR1 in Adelaide in November 2023</p> <p>AASB staff provided an update on AASB's public sector projects and ED SR1 virtually in November 2023 at:</p> <ul style="list-style-type: none"> • HoTARAC meeting; and • FRAC meeting <p>AASB hosted the 15th AOSSG Annual Meeting in Brisbane on 20 – 22 November 2023. The AASB Chair was appointed as the Vice Chair</p>

Current Priorities	Status	Key Activities / Highlights
		<p>for AOSSG. AASB Chair and staff presented at the AOSSG annual meeting on:</p> <ul style="list-style-type: none"> • service performance reporting - project overview; • post-implementation Review of IFRS 15 <i>Revenue from Contracts with Customers</i>; • applying materiality judgments - research findings from New Zealand and Malaysia; • adapting governance to respond to new reporting challenges; • uncertainties in financial statements; and • crypto assets <p>AASB staff provided an AASB NFP update to the CAANZ NFP Discussion Group virtually in December 2023</p> <p>AASB Chair presented at a webinar hosted by CPA Australia and ESG on Enhancing ESG through Best Practices in Accounting in December 2023</p> <p>AASB Staff presented on <i>ED SR1 and Sustainability Reporting</i> to the Malaysian Accounting Forum co-run by CPA Australia virtually in December 2023 (2924 Attendees)</p> <p>AASB Chair provided an update on sustainability at the CSSPD Meeting virtually in December 2023</p> <p>AASB staff presented to the AFAANZ ESG and the FR SIG on ED SR1 in January 2024</p> <p>AASB staff presented the introduction to ED SR1 at a G100 virtual event in January 2024</p>

Current Priorities	Status	Key Activities / Highlights
		AASB staff presented at the Accounting Standards Advisory Forum on behalf of AOSSG on <i>Power Purchase Agreements</i> virtually in January 2024
		AASB staff presented on AASB Climate Reporting Standards Exposure Draft Webinar to AFAANZ Joint ESG and Financial Reporting Special Interest Groups virtually in January 2024
		AASB Staff presented to Non-Exec Directors meeting on ED-SR1 virtually in February 2024 (44 Non-exec Directors)
		AASB staff attended the AAA conference in the US in February 2024.
		AASB staff participated in the IFR4NPO Technical Advisory Group meetings virtually in February 2024
		AASB staff participated in a panel discussion at the CA ANZ (WA) / Moore Australia ESG session: Future of the Resources Sector virtually in February 2024
		AASB staff provided an update on AASB NFP projects at the HLB Mann Judd NFP Event in Sydney in February 2024
		AASB staff provided the CFO Special Interest Group with an update on Sustainability Reporting and AASB 1056 virtually in February 2024.
		AASB staff presented at the CA ANZ (WA) / BDO 2024 Sustainability networking forum on Global Trends in Sustainability Reporting in Perth in February 2024
		AASB staff delivered a virtual local government education and outreach session on ED SR1 in February 2024
		AASB Chair and staff presented at the ASX's virtual event: Mandatory Climate-related Financial Disclosure on the overview of ED SR1 and key themes of feedback in March 2024

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff provided a verbal update on NFP projects virtually at the ACNC Adviser and Sector Forums in March 2024</p> <p>AASB Chair presented at Bloomberg's event: Sustainability Reporting Summit 2024 <i>on</i> Understanding the evolving regulatory landscape in Sydney in March 2024</p> <p>AASB staff provided a regulatory update in Perth in March 2024 at:</p> <ul style="list-style-type: none"> • AMEC WA Breaking Ground Forum, and • Super Smart Energy Lunch and Learn Session <p>AASB staff participated in the FINSIA WA Emerging Leaders Forum as a WA-based mentor in Perth in March 2024</p> <p>AASB Chair presented at the CA ANZ 2024 NT Forum on Sustainability Reporting in Australia: The Proposed Framework and Exposure Drafts in Darwin in March 2024</p> <p>AASB staff presented at ASAF virtually on behalf of AOSSG on <i>Financial Instruments with Characteristics of Equity and IFRS 9</i> Classification and Measurement in March 2024</p> <p>AASB staff provided an update on AASB's projects in March 2024 at:</p> <ul style="list-style-type: none"> • HoTARAC meeting; and • FRAC meeting <p>AASB staff provided an update on AASB's public sector projects at the FRC Public Sector Advisory Group Meeting in March 2024</p> <p>AASB Chair and staff presented at the working lunch with Deloitte and the Indonesian Ministry of Finance and PT TASPEN on public sector insurance in Sydney in March 2024</p>

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff presented on Climate change and sustainability disclosure practice and reporting guidelines at Green Lab Research Showcase and Planning Day 2024 in Melbourne in March 2024</p> <p>AASB staff presented on AASB Post-implementation Reviews to AFAANZ Financial Reporting Special Interest Group virtually in March 2024</p> <p>AASB staff presented at a webinar hosted by the External Reporting Board (XRB) on Mandatory climate reporting in Australia - Implications for NZ entities in April 2024</p> <p>AASB Chair presented at an event organised by the University of Tasmania on Sustainability Reporting in Hobart in April 2024</p> <p>AASB Chair presented an update on sustainability reporting and the future of reporting into the Public Sector, including how the Public Sector fits into the AASB's strategic plan at an event organised by CPA Australia in Hobart in April 2024</p> <p>AASB staff presented on <i>Climate-related Financial Disclosures and Research</i> at a Research Seminar organised by RMIT University in Melbourne, in April 2024</p> <p>The AASB Chair and Staff provided perspectives on various accounting and reporting issues at the IFASS meeting being held in Seoul, Korea, in April 2024, including:</p> <ul style="list-style-type: none"> • Connectivity and boundaries within the annual report; • Jurisdictional update on the sustainability reporting standards development; • Understandability of accounting standards; and • Financial Instruments with Characteristics of Equity

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff presented AASB insights on emerging sustainability reporting requirements at the 2024 Sustainability Forum, organised by GS1 Australia, in Melbourne, in April 2024</p> <p>AASB staff presented at an internal community of practice (sustainability) hosted by Seek on Climate-related Disclosure Reporting in Australia virtually in May 2024</p> <p>AASB staff presented at the CAANZ Accounting Conference virtually in May 2024 on:</p> <ul style="list-style-type: none"> • <i>Climate-related disclosure reporting in Australia - what you need to know</i>; and • the update on new and expected international standards and exposure drafts <p>AASB Chair provided an update on current AASB projects at the meeting of the Australasian Council of Auditors General virtually in May 2024</p> <p>AASB staff provided views on <i>Narrative Reporting</i> at the INPAG Technical Advisory Group meeting, which was organised by the IFR4NPO virtually in May 2024</p> <p>AASB staff provided an update on current AASB projects at CPA External Reporting CoE, in Melbourne, in May 2024</p> <p>AASB Staff presented as part of a panel session at the Responsible Investors Association Australasia Conference on <i>Mandatory Climate Reporting</i> in Sydney in May 2024</p> <p>AASB Staff presented as part of a panel to the CA ANZ Annual Accounting Conference on <i>Climate-related Disclosures</i> virtually in May 2024 (684 Attendees)</p>

Current Priorities	Status	Key Activities / Highlights
		<p>AASB staff provided an update on the AASB NFP Tier 3 project at a virtual Incorporated Associations Regulators Forum organised by the Attorney-General's Department, South Australia, in May 2024</p> <p>AASB Chair presented an update on sustainability reporting at a CAANZ event hosted by Worrells in the Gold Coast in May 2024.</p> <p>AASB staff provided an update on current AASB projects at the CPA External Reporting Centre of Excellence in May 2024 in Melbourne.</p>
<p>Due process followed to ensure the quality of standard-setting</p> <p>Evidence-informed approach to standard setting activities supports need for regulation and proposed solution</p> <p>Appropriate consultation in accordance with the due process framework</p> <p>Preparation of regulatory impact statement assessing costs and benefits</p>	Completed / On track	<p>No negative feedback in response to due process from FRC.</p> <p>On-going: staff completing compilation of standards.</p> <p>Events to educate and consult stakeholders:</p> <ul style="list-style-type: none"> • Dialogue Series – five sessions held in 2023-2024, being <i>Navigating the Accounting Standards</i> (105 attendees), <i>Making Materiality Judgements in Financial Reporting</i> (81 Attendees), <i>Connectivity and Boundaries of Reporting</i> (141 Attendees), <i>Climate-related Commitments</i> (269 Attendees), and <i>Valuation in Financial Reporting</i> (133 Attendees) • AASB Special Webinar: <i>Insights and Application of Normative and Empirical Research in Standard Setting and Accounting Practice</i> in July 2023 (35 Attendees) • 19 in-person and four virtual outreach sessions around Australia in January and February 2024 to obtain views on the proposals in ED SR1 <i>Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information</i> • Virtual roundtable with for-profit sector entities on Post-implementation Review of AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i> and AASB 2020-2 <i>Removal</i>

Current Priorities	Status	Key Activities / Highlights
		<p><i>of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i> (36 attendees)</p> <ul style="list-style-type: none"> • Virtual roundtable with NFP sector entities on Post-implementation Review of AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 entities</i> (36 attendees) • Recorded educational webcast: <i>Exposure Draft for Disclosure of Climate-related Financial Information</i> • AASB Research Reports issued: <ul style="list-style-type: none"> ○ Research Report 20: <i>Crypto assets – Australian stakeholders' perspectives</i> ○ Research Report 21: <i>Auditors' Perspectives: The Impacts of IFRS Practice Statement 2 Making Materiality Judgements</i> ○ Research Report 22: <i>Making Materiality Judgements – Malaysian Preparers and Auditors' Perspectives</i> ○ AASB-AUASB Joint Research Report: <i>Trends in climate-related disclosures and assurance in the Annual Reports of ASX-listed entities</i>
PIR conducted for all significant projects to assess quality of standard-setting.	Completed / On track	<p>No indication of non-contribution to confidence in the economy</p> <p>Continued working on post-implementation reviews (PIR) of specific accounting pronouncements for NFP public and private sector entities, including: control, structured entities, related party disclosures and basis of preparation of special purpose financial statements, income of NFP entities, and AASB 1059 <i>Service Concession Arrangements: Grantors</i></p>

Current Priorities	Status	Key Activities / Highlights
		<p>Commenced PIR on AASB 1060 <i>General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities</i> and AASB 2020-2 <i>Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities</i></p> <p>Completed PIR on AASB 1056 <i>Superannuation Entities</i> and Interpretation 1019 <i>The Superannuation Contributions Surcharge</i></p> <p>Completed PIR on IASB request for IFRS 9 <i>Financial Instruments– Impairment</i> and IFRS 15 <i>Revenue from Contract with Customers</i></p>
<p>Improve consistency of implementation:</p> <p>Educate stakeholders on the AASB standards, support materials available, including why standards introduced</p> <p>Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institution</p>	Completed / On track	<p>Research Report 20: <i>Crypto assets – Australian stakeholders’ perspectives</i> was issued in September 2023, which provides an overview of perspectives shared by some Australian stakeholders about crypto assets accounting and reporting</p> <p>Research Report 21: <i>Auditors’ Perspectives: The Impacts of IFRS Practice Statement 2 Making Materiality Judgements</i> was issued in October 2023, which indicates that IFRS Practice Statement 2 <i>Making Materiality Judgements</i> improved the materiality judgements of auditor</p> <p>Research Report 22: <i>Making Materiality Judgements – Malaysian Preparers and Auditors’ Perspectives</i> was issued in October 2023, which is about making materiality judgements</p> <p>AASB-AUASB Joint Research Report: <i>Trends in climate-related disclosures and assurance in the Annual Reports of ASX-listed entities</i> was updated in November 2023, which identifies climate-related disclosures and associated assurance practices in the Annual Reports of ASX-listed entities</p> <p>Recorded educational webcast: <i>Exposure Draft for Disclosure of Climate-related Financial Information</i>, which provides an overview of the key proposals in ED SR1.</p>

2 - PERFORMANCE ACTIVITY FOCUS: STAKEHOLDER ENGAGEMENT

Current Priorities	Status	Key Activities / Highlights
Enhance stakeholder engagement	Completed / On track	<p>LinkedIn main page followers increased by 8.31% over the twelve months to June 2024</p> <p>The AASB co-hosted the 2023 Research Forum with the University of Queensland and the Swinburne University of Technology. This year the AASB offered the opportunity to attend in Brisbane, at Dexus Place in Melbourne (streamed from Brisbane), or virtually (106 In-Person Attendees; 199 Virtual Attendees).</p>
Conduct Agenda consultations to determine projects and priorities	Completed / On track	2022-2026 Agenda Consultation Feedback Statement was issued in August 2022. The next Agenda consultation process is expected to be undertaken in 2026

3 - PERFORMANCE ACTIVITY FOCUS: PEOPLE & CULTURE

Current Priorities	Status	Key Activities / Highlights
Develop and implement People and Culture strategy	Completed / On track	<p>Ongoing process</p> <p>High morale of the team supported by virtual team meetings and events, such as virtual drinks and team lunches</p> <p>Staff are encouraged to register for work-related training of their choice as part of employee growth</p> <p>A flexible working policy has been implemented that allows employees to divide their work hours between the office and remote locations. However, a minimum of 50% of the work hours must be spent on-site.</p>
New starter processes improved to support flexible subject matter expert involvement	Completed / On track	<p>Onboarding manual is continuously being updated. The onboarding manual is a working document which has insights and information regarding processes that take place at the AASB</p>
Understand current capability (talent mapping)	Completed / On track	<p>Ongoing process – promotions during the year based on performance</p> <p>External experts used for specific projects</p>
Resource planning to develop skills and allocate them appropriately	Completed / On track	<p>Additional resources engaged as contractors to assist with workplan delivery</p> <p>Utilisation of employees regularly monitored</p> <p>Regular resource planning meetings in place to identify the need for project prioritisation or for external resources.</p>

4 - PERFORMANCE ACTIVITY FOCUS: TECHNOLOGY

Current Priorities	Status	Key Activities / Highlights
Develop and implement an IT strategy that enables flexible, seamless working via cloud	Completed / On track	All AASB staff are capable of working remotely - no significant issues. External webinars hosted via ZOOM and TEAMS
Website refreshed to improve stakeholder experience and engagement	Completed / On track	Corporate website content continually updated AASB pronouncements Web Portal: Accounting Standard versions are now linked to the portal versions of relevant Interpretations and AASB Agenda Decisions, rather than PDF versions, making their content directly more accessible.

5 - PERFORMANCE ACTIVITY FOCUS: OPERATIONAL & BUSINESS EXCELLENCE

Current Priorities	Status	Key Activities / Highlights
Develop strategy supporting operational excellence and regulatory compliance	Completed / On track	Continuous Compliance tasks completed by appropriate deadline date No breaches of regulatory obligations identified
Key processes and standards documented	Completed / On track	FP and NFP standard setting frameworks, Due process document, Annual Report and Corporate Plan published on AASB website (and Transparency Portal as appropriate) All Finance procedures and policies are documented and updated according to the update schedule
Knowledge and information sharing support flexible subject matter expert involvement	Completed / On track	Staff participate in monthly lunch and learn sessions to share knowledge from subject matter expert

Current Priorities	Status	Key Activities / Highlights
Continuous improvement of operational processes to achieve planned outcomes	Completed / On track	Working from home has focused AASB on ensuring critical operational tasks and processes can be sustained remotely. Core operational tasks being monitored and continuously improved to minimise slippage in internal and external service delivery

6 - PERFORMANCE ACTIVITY FOCUS: PROGRAM & PROJECT MANAGEMENT

Current Priorities	Status	Key Activities / Highlights
Develop a strategy to improve program and project management	Completed / On track	Utilisation of employees regularly monitored Regular resource planning meetings in place to identify the need for project prioritisation for external resources
Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	Completed / On track	Timesheet process being used to refine new project plans (work effort required) as well as ensuring work-life balance is maintained Continuous review process implemented to assess completion of projects (on target, off-target) as well as reviewing effort required to complete.
Allocate resources efficiently and effectively	Completed / On track	Given the funding position and the available resources, the AASB has restructured its work program. Projects have been prioritised based on their importance. Sustainability reporting has been the primary focus for the last 12 months. The AASB has concentrated on the top 12 highest-priority projects. To initiate any new project or advance a project outside the top 12, either a current top-12 project must be completed or the existing priorities must be reassessed.

OUTPUTS

The AASB's standards, exposure drafts and other research reports are listed in the tables below.

Standards	
AASB 2023-4	<i>Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures</i>
AASB 2023-5	<i>Amendments to Australian Accounting Standards – Lack of Exchangeability</i>
AASB 2024-1	<i>Amendments to Australian Accounting Standards – Supplier Finance Arrangements: Tier 2 Disclosures</i>
Exposure Drafts	
ED 325	<i>International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures</i>
ED 326	<i>Annual Improvements—Volume 11</i>
ED 327	<i>Financial Instruments with Characteristics of Equity</i>
ED 328	<i>Supplier Finance Arrangements: Tier 2 Disclosures</i>
ED 329	<i>Business Combinations—Disclosures, Goodwill and Impairment</i>
ED 330	<i>Contracts for Renewal Electricity</i>
Invitations to Comment	
ITC 53	<i>Request for Comment on IASB Request for Information on Post-implementation Review of IFRS 15 Revenue from Contracts with Customers</i>
ITC 54	<i>Post-implementation Review of AASB 1056 Superannuation Entities and Interpretation 1019 The Superannuation Contributions Surcharge.</i>
Research Papers	
No. 20	<i>Crypto assets – Australian stakeholders' perspectives</i>
No. 21	<i>Auditors' perspectives: The impacts of IFRS Practice Statement 2 Making Materiality Judgements</i>
No.22	<i>MASB Research Report 2 Making Materiality Judgements – Malaysian Preparers and Auditors' Perspectives</i>

AASB Authoritative Pronouncements can be accessed via
www.aasb.gov.au/Pronouncements.aspx.

The Standard-setting and Research Centre Work Programs can be accessed via
www.aasb.gov.au/current-projects/work-program

AUASB CHAIR'S REVIEW

OUR PERFORMANCE IN 2023-24

In addition to key projects on financial report audit, the AUASB has been developing standards and guidance for assurance over mandatory climate-related financial disclosures in Australia.

On 12 January 2024 the Australian Government released its Policy Position Statement on mandatory 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* (the Act). Consistent with this policy, the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024*, which was enacted on 17 September 2024, requires the AUASB to specify the extent to which the mandatory climate-related financial disclosures must be audited and/or reviewed for years commencing before 1 July 2030, and to provide standards for reasonable and limited assurance. The policy also stated that the AUASB may provide standards or guidance under the local sustainability reporting framework.

PRIORITIES

In addition to developing sustainability assurance standards, AUASB projects included:

- Consulting on proposed new international auditing standards on fraud and going concern, and making submissions to the International Auditing and Assurance Standards Board;
- Responding to the Parliamentary Joint Committee on Corporations and Financial Services Inquiry on *Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry* (PJC Inquiry);
- Deciding not to issue an auditing standard for less complex entities at this time;
- Consulting on narrow scope amendments to standards for revised definitions of 'listed entity' and 'public interest entity' in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics;
- Revising a domestic standard on performance engagements;
- Audit implications of the Consolidated Entity Disclosure Statement (CEDS); and
- Supporting the Financial Reporting Council's (FRC's) audit quality report.

Further details on these and other matters appear below.

SUSTAINABILITY

The AUASB issued a Consultation Paper in August 2023 on the IAASB's Exposure Draft on International Standard on Auditing (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*. ISSA 5000 will be framework neutral and the AUASB consultation

paper sought views on the need for a supplementary local pronouncement specific to the Australian reporting framework.

The AUASB conducted extensive outreach during September and October 2023 to gather feedback from a wide range of stakeholders including government bodies, users, regulators, standard-setters, practitioners (both accounting and non-accounting), professional bodies and academics.

In October 2023 the AUASB hosted two invitation only IAASB roundtables on the ISSA 5000 exposure draft in Sydney. The AUASB also held public roundtables in Sydney, Melbourne and virtual.

Stakeholder feedback informed the AUASB's submission to the IAASB, as well as the development of a local pronouncement specific to the AASB's climate reporting framework.

In April 2024 the AUASB issued a further Consultation Paper *Assurance over Climate and Other Sustainability Information* to gather feedback on:

- The demand for assurance, the ability of auditors and their experts to meet that demand, and the preparedness of companies to assist in developing a proposed model for phasing in assurance over information in sustainability reports;
- A proposal to adopt the final ISSA 5000 in Australia for both mandatory and voluntary assurance over information in the Sustainability Report prepared in accordance with the Act, and the voluntary reporting of other climate and sustainability information; and
- The possible development of an Australian assurance pronouncement to supplement ISSA 5000 on matters specific to the Australian reporting framework.

To facilitate feedback on the Consultation Paper the Office of the AUASB held roundtables in Sydney, Melbourne and Perth, and on-line. The AUASB also received 29 written submissions from a wide range of stakeholders.

To inform the proposed model for phasing in assurance, the AUASB has:

- Analysed data from external sources on the population of entities that will report under the mandatory climate reporting framework;
- Gathered informal feedback on the ability of the largest audit firms to develop and acquire resources and expertise (including their own internal or external experts); and
- Sought to understand academic research on the current level of assurance over climate-related financial disclosures (see also AUASB Research Report 10 *Deakin-AUASB Sustainability Assurance Research Workshop*).
- The AUASB has also continued to influence the development of ISSA 5000 through engagement with the IAASB.
- With the AASB, we published a joint Research Report on *Climate-related Disclosures and Assurance in the Annual Reports of ASX-listed Companies*.

QUALITY MANAGEMENT AND ETHICS

The AUASB is working with Treasury on the ability of the Board to make firm quality management standards and relevant ethical requirements that are enforceable under the Corporations Act.

GOING CONCERN

Following extensive consultation with Australian stakeholders, the AUASB made a submission on the IAASB Exposure Draft of ISA 570 (Revised), *Going Concern*. In its submission, the AUASB supported the IAASB's efforts to strengthen the auditor's evaluation of management's assessment of going concern and improved transparency in the auditor's report. The AUASB highlighted the need for enhanced IASB financial reporting requirements and made suggestions to address potential unintended consequences of enhanced transparency in the auditor's report.

FRAUD

The AUASB exposed the IAASB's Proposed ISA 240 (Revised), *Fraud and Proposed Conforming and Consequential Amendments to Other ISAs*. An educative video was released to raise awareness and several roundtables were held to seek stakeholder feedback on the proposals. The AUASB made a submission to the IAASB in June 2024 which included suggestions to address the extent of audit work for clearly trivial matters and potential unintended consequences of transparency in the auditor's report.

LESS COMPLEX ENTITIES

In December 2023, the IAASB issued *Auditing of Financial Statements of Less Complex Entities* (LCEs). The AUASB's extensive consultation and outreach showed a low level of support for a standard in Australia due to concerns that the proposed standard would be perceived to result in a less robust audit, reduced audit effort and reduced audit fees.

In December 2023, the AUASB decided not to adopt the LCE standard in Australia and issued a Feedback Statement accordingly.

PUBLIC SECTOR

The AUASB has continued to prioritise guidance in areas identified as presenting challenges in applying AUASB Standards in the public sector.

The AUASB works with a Public Sector Project Advisory Group consisting of assurance practitioners from all State, Territory and Commonwealth Auditor-Generals' Offices. In May 2024, the AUASB issued an exposure draft of narrow scope revisions of Standard on Assurance Engagements (ASAE) 3500 *Performance Engagements* to address findings from the Post Implementation Review of the standard undertaken in 2023.

NOT-FOR-PROFIT ENTITIES

The AUASB issued a Bulletin *What not-for-profit entities need to know about the differences between an audit and review* to assist auditors and preparers of Not-for-profit entity financial reports.

PUBLIC INTEREST ENTITIES

The AUASB issued an exposure draft of the IAASB's *Proposed Narrow Scope Amendments to: International Standards on Quality Management; International Standards on Auditing; and International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code*. The AUASB make a submission to the IAASB in April 2024.

INTERNATIONAL INFLUENCE

The AUASB's legislative mandate includes participating in and contributing to the development of a single set of auditing standards for worldwide use. Standards issued by the International Auditing and Assurance Standards Board (IAASB) are a base from which local standards are developed.

We continue to influence the direction of international standards through submissions and direct engagement with the IAASB in the public interest and to make sure their standards serve as the most effective foundation for our Australian standards.

The AUASB monitored, contributed to and influenced the work of the IAASB through:

- My appointment to the IAASB and IESBA Stakeholder Advisory Council, which provides feedback on strategic matters relating to standards and held its inaugural meeting in April 2024;
- Participating in the National Standard Setters (NSSs) meetings with the IAASB in May 2024 which discussed ways in which the IAASB and NSSs can work better together;
- Outreach to stakeholders and submissions on IAASB exposure drafts;
- Hosting a visit to Australia by the IAASB Chair, Tom Seidenstein, for outreach activities with Australian stakeholders in late February/early March 2024, including roundtables in on the IAASB's work plan and IAASB projects on sustainability assurance, fraud, going concern and technology;
- Hosting roundtables in Sydney in October 2023 with the IAASB Vice Chair on the proposed ISSA 5000;
- Meetings with the Chair and staff of the IAASB on developments and key issues; and
- Supporting Mr Bill Edge who is a member of the IAASB by reviewing IAASB papers and providing suggestions on key issues to be raised at IAASB meetings. Ms Rene Herman (AUASB Director - Technical) acts as an IAASB Technical Advisor.

Australia and New Zealand continue to work closely together to coordinate our respective responses to Trans-Tasman auditing standards.

PARLIAMENTARY INQUIRY

The AUASB made a submission to the PJC Inquiry on 5 October 2023. The AUASB Chair appeared at a hearing on 22 February 2024 and provided written responses to questions on notice.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The Act was amended on 8 April 2024 to require all public companies (listed and unlisted) to include a Consolidated Entity Disclosure Statement (CEDS) in their annual financial reports from 30 June 2024 year ends. There was strong demand for the AUASB to issue guidance on the audit implications of the CEDS. The AUASB developed a Bulletin which was issued in July 2024.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION

In the last year, the AUASB engaged with stakeholders across the country at speaking engagements and at national, regional and international meetings. The AUASB continued to use virtual meetings and webinars, while also re-engaging face-to-face with stakeholders.

The AUASB held educational webinars on IAASB proposals on sustainability and fraud to assist stakeholders in understanding proposed changes and their consequences.

LOOKING TOWARD 2024-25

During 2024-25 we will continue to work closely with the AASB and engage with stakeholders through the financial reporting eco-system as we further develop the requirements and guidance for sustainability assurance. We will continue to monitor developments on sustainability reporting and assurance through stakeholder engagement and other activities.

Our work plan will continue to prioritise important projects in the context of financial report assurance and other types of assurance.

We will continue to actively contribute to international assurance standard-setting in areas such as sustainability, going concern and fraud. We will continue to contribute through the IAASB/IESBA SAC and the National Standard Setters group.

FINANCIAL RESULTS

The AUASB has recognised a total Comprehensive surplus of \$364,150 (2023: deficit of \$33,316). Travel costs were down in 2023 with International and Domestic travel not occurring as budgeted. Employee costs were also down on the prior year with head count lower than budget and employees taking an increased amount of annual leave.

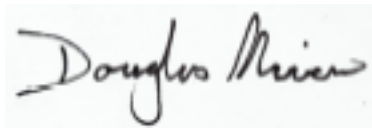
The management fee paid to the AASB was \$629,101 (2023: \$616,919) (refer to Notes 2A and 2B to the Financial Statements). The AASB pays for shared costs such as rent and, electricity and recharges the AUASB for its proportion through the management fee.

ACKNOWLEDGEMENTS

I thank the members of the AUASB for their considerable contributions over the past year. I also express my appreciation to the AUASB staff for their dedication and their effective and efficient support of the AUASB.

I thank the AASB Chair, Dr Keith Kendall, and AASB staff for the continued close co-operation between the AASB and AUASB. I look forward to continuing to work with the Chair of the FRC, Mr Andrew Mills, and other FRC members on a range of matters impacting the Australian reporting and assurance landscape.

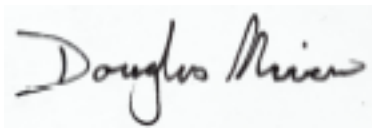
Sincerely

A handwritten signature in black ink, reading "Douglas Niven". The signature is written in a cursive, flowing style.

Douglas Niven
Chair and CEO
20 September 2024

AUASB ANNUAL PERFORMANCE STATEMENT 2023-24

I, Douglas Niven, as the accountable authority of the Auditing and Assurance Standards Board, present the 2023-24 annual performance statement of the Auditing and Assurance Standards Board, (AUASB) as required under paragraph 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.



ENTITY PURPOSE

The functions of the AUASB are to:

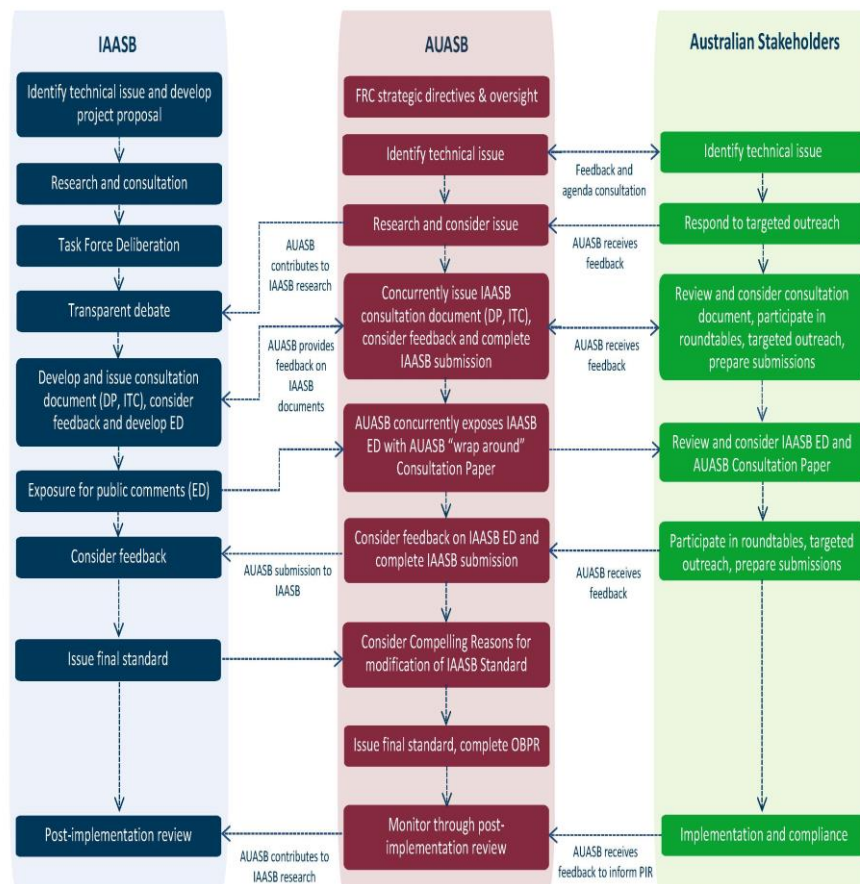
- make auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the Corporations' Legislation
- formulate auditing and assurance standards for other purposes
- formulate guidance on auditing and assurance matters
- participate in and contribute to the development of a single set of auditing standards for world-wide use
- advance and promote the main objectives of part 12 of the *Australian Securities and Investments Commission Act 2001*.

THE AUASB STANDARD SETTING PROCESS

The AUASB issues IAASB Exposure Drafts (EDs) in Australia concurrently with their release internationally. The ED may be accompanied by a 'wrap around' with Australian specific questions.

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

AUASB Standard-Setting Process



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

AUASB's STRATEGIES FOR ACHIEVING ITS PURPOSE

Strategy 1 and 2: Standards and Guidance		Strategy 3: International Influence	Strategy 4: Audit Quality	Strategy 5: Thought Leadership	Strategy 6: Frameworks	Strategy 7: Stakeholder Engagement
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 direction from the FRC.	Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.	Influence international standards and guidance to achieve public interest outcomes and serve as the most effective base possible for Australian auditing and assurance standards.	Identify and implement initiatives designed to enhance Audit Quality in Australia.	Demonstrate thought leadership through robust evidence-based research to inform strategic projects that address emerging areas of auditing and assurance.	Partner with the AASB and others to reform the Australian external reporting and assurance frameworks.	Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.

2023-24 AUASB ACTIVITIES AND RELATED KEY PERFORMANCE INDICATORS

The tables below identify the activities the AUASB outlined in its Corporate Plan and Parliamentary Budget Statement (PBS) as contributing to its strategies above, for the 2023-24 reporting period. The tables also indicate, for each priority, whether or not the activities were achieved and if not, why not.

Priority 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 the strategic direction from the Financial Reporting Council (FRC).*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Issue all IAASB-based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	<ul style="list-style-type: none"> No new or revised international standards were issued in the 2023-24 year. All international exposure drafts issued in the 2023-24 year have been tailored and exposed in Australia by the AUASB with any additional Australian-specific questions. This includes: <ul style="list-style-type: none"> Proposed ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements</i>; and <i>Proposed Conforming and Consequential Amendments to Other IAASB Standards</i> Proposed Narrow Scope Amendments to: <ul style="list-style-type: none"> <i>International Standards on Quality Management</i>; <i>International Standards on Auditing</i>; and <i>International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements</i> as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code. Proposed ISA 240 (Revised), <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>; and <i>Proposed Conforming and Consequential Amendments to Other ISAs</i>

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews	Achieved	<ul style="list-style-type: none"> • The AUASB conducted numerous outreach sessions with key stakeholder groups seeking feedback on the application of all new and revised standards. • The AUASB has hosted engagement activities to capture local stakeholder feedback on all IAASB exposure drafts and other proposals issued. In particular: <ul style="list-style-type: none"> ○ The AUASB hosted the Chair of the International Auditing and Assurance Standards Board (IAASB), Mr Tom Seidenstein, at two roundtable events in Sydney and Melbourne and separate meetings with key stakeholders, where he presented the IAASB's current priorities, focusing on sustainability assurance and technology. ○ The AUASB undertook outreach and provided feedback to the IAASB on: <ul style="list-style-type: none"> ○ Proposed ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements; and Proposed Conforming and Consequential Amendments to Other IAASB Standards</i>. ○ Proposed Narrow Scope Amendments to: <ul style="list-style-type: none"> ▪ <i>International Standards on Quality Management;</i> ▪ <i>International Standards on Auditing; and</i> ▪ <i>International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements</i>

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		<p>as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code.</p> <ul style="list-style-type: none"> ○ Proposed ISA 240 (Revised), <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs.</i> ○ Proposed ISA 570 (Revised), <i>Going Concern.</i>

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

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Issue Australian-specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	Achieved	<ul style="list-style-type: none"> The AUASB issued a Consultation Paper on <i>Assurance over Climate and Other Sustainability Information</i> in March 2024, seeking feedback on: <ul style="list-style-type: none"> The demand for assurance, the ability of auditors and their experts to meet that demand, and the preparedness of companies to assist in setting a pathway for phasing in assurance requirements over time; A proposal to adopt the standard on assurance over sustainability information being developed by the IAASB (ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements</i>); and The possible development of an Australian assurance pronouncement to supplement ISSA 5000 on matters specific to the Australian reporting framework. The AUASB issued a Bulletin on what NFP entities need to know about the differences between an audit and review. The AUASB developed a Bulletin on <i>Audit Implications of the Consolidated Entity Disclosure Statement</i>, which was issued in July 2024.
Seek feedback on relevance, effectiveness and public interest of Australian-specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews	Achieved	<ul style="list-style-type: none"> The AUASB released an Exposure Draft of a Proposed Revised Standard on Assurance Engagements (ASAE) 3500 <i>Performance Engagements</i> (ED 01/24) to address the key

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these	Achieved	<p>findings from the AUASB's Post Implementation Review of the Standard undertaken in 2023.</p> <ul style="list-style-type: none"> • The AUASB issued a new Bulletin on what not-for-profit entities need to know about the differences between an audit and review. • The AUASB developed a Bulletin on <i>Audit Implications of the Consolidated Entity Disclosure Statement</i>, which was issued in July 2024.

Priority 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.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters, particularly New Zealand and Canada.	Achieved	<ul style="list-style-type: none"> The AUASB Chair has been appointed as a member of the new IAASB and International Ethics Standards Board for Accountants (IESBA) Stakeholder Advisory Council (SAC), which held its inaugural meeting in April 2024 on a range of strategic matters affected standard setting. Under reciprocal arrangements, the AUASB Chair is a member of the New Zealand Auditing and Assurance Standards Board (NZAuASB) and the Chair of the NZAuASB is a member of the AUASB. The AUASB Chair and Director participated in the IAASB's National Standards Setters (NSSs) group annual meeting in May 2024 to discuss how the IAASB and NSSs can work better together. The AUASB has a regular dialogue with NSSs from Canada and New Zealand on projects of common interest.

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy	Achieved	<ul style="list-style-type: none"> The Australian IAASB member has been supported by feedback from the AUASB on IAASB Board papers and an AUASB Director - Technical is an IAASB Technical Advisor. These activities promote AUASB feedback being considered at IAASB meetings. The AUASB made submissions to the IAASB on the following IAASB Exposure Drafts: <ul style="list-style-type: none"> Proposed ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements; and Proposed Conforming and Consequential Amendments to Other IAASB Standards.</i> Proposed Narrow Scope Amendments to: <ul style="list-style-type: none"> <i>International Standards on Quality Management;</i> <i>International Standards on Auditing; and</i> <i>International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements</i> as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code. Proposed ISA 240 (Revised), <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs.</i>
Provide input to the international standard setting process through responding to international	Achieved	<ul style="list-style-type: none"> The AUASB has provided formal submissions on all IAASB exposure drafts issued in the 2023-24 year. The AUASB

Current Priorities & KPIs	Achieved/Not Achieved	Comments
pronouncements using input from Australian stakeholders		hosted engagement activities to capture local stakeholder feedback on all IAASB exposure drafts issued.
Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols	Achieved	<ul style="list-style-type: none"> • The AUASB Chair is a member of the NZAuASB and provides direct input into in New Zealand standard setting developments. • The standard setting activities of both the AUASB and NZAuASB are coordinated to promote harmonisation of standards.

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

Current Priorities & KPIs	Achieved/Not Achieved	Comments
With the FRC, devise and complete activities to implement the FRC’s Audit Quality Action Plan and contribute to improved audit quality outcomes in the Australian auditing environment	Achieved	<ul style="list-style-type: none"> The AUASB Chair is a member of the FRC and contributes to all meetings. The AUASB assisted the FRC in producing the Audit Quality Review Report, released in November 2023.
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	Achieved	<ul style="list-style-type: none"> The AUASB continues to engage with key stakeholders to identify areas for guidance and education. For example, the AUASB developed two Bulletins, as noted earlier.

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

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Develop thought leadership and implement strategic projects to improve auditing and assurance practice in priority areas such as Sustainability Assurance, Audits of Less Complex Entities (LCEs) and the use of Technology in the Audit	Achieved	<ul style="list-style-type: none"> The AUASB reflected on prior consultations and public interest considerations and determined not to adopt the <i>International Standard on Auditing of Financial Statements of Less Complex Entities (LCEs)</i> in Australia. The AUASB issued a Feedback Statement which summarises the AUASB's position on the adoption of this standard in Australia. The AUASB formed a group of advisors comprising industry experts to assist in its development of local material on assurance over sustainability information. Contributed to the IAASB technology proposals through the SAC, NSS and other international activities.
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	Achieved	<ul style="list-style-type: none"> The AUASB and Deakin University jointly held a Sustainability Assurance Research Workshop (25 October 2023) to explore research relevant to the IAASB exposure draft on assurance over sustainability information. The AUASB issued a Research Report 10 in December 2023 summarising the research presented. The AUASB has continued to engage with academics, the professional accounting bodies and other stakeholders to obtain evidence that supports its standard setting activities. The AASB and the AUASB published an updated joint Research Report (authored by Jean You and Professor Roger Simnett)

Current Priorities & KPIs	Achieved/Not Achieved	Comments
		<p>identifying climate-related disclosures and associated assurance practices in the Annual Reports of ASX-listed entities.</p> <ul style="list-style-type: none">• The AUASB Chair and/or staff participated in assurance academic conferences held by AFAANZ and ANCAAR.

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

Current Priorities & KPIs	Achieved/Not Achieved	Comments
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	Achieved	<ul style="list-style-type: none"> The AUASB worked with other standard setters and regulators to ensure AUASB Standards remain fit for purpose and are updated for legislative or regulatory changes. The AUASB made a submission to, and the AUASB Chair appeared at a public hearing of, the Parliamentary Joint Committee on Corporations and Financial Services Inquiry into <i>Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry</i>. The AUASB Chair also responded to questions received on notice. The AUASB has supported the AASB's outreach on sustainability reporting and considered assurance related considerations arising from the proposed AASB/ISSB standards. See comments below specific to assurance over sustainability information.
Support initiatives that promote consistency and understanding of the nature and extent of assurance required for external reporting requirements in Australia	Achieved	<ul style="list-style-type: none"> The AUASB contributed to the development of ISSA 5000 as noted above and undertook research and consultation to support a proposed model for the phasing in of assurance over mandatory climate reporting in annual reports. The AUASB also provided input on proposed legislation and consulted on a local pronouncement to supplement ISSA 500 under the Australian reporting regime. The AUASB hosted IAASB roundtables in Sydney on the proposed ISSA 5000.

Priority 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.*

Current Priorities & KPIs	Achieved/Not Achieved	Comments
Increase engagement with stakeholders through new and existing AUASB communications activities and events	Achieved	<ul style="list-style-type: none"> The Office of the AUASB publishes regular News Alerts on its website and produces a regular Newsletter at least quarterly on AUASB activities and publications. The Office of the AUASB regularly presents and engages in a range of industry forums, including webinars and conferences of the accounting professional bodies, academic groups and forums for auditors. In 2023-24 the Office of the AUASB presented at a range of external events including an update at the RMIT Financial Accounting and Auditing Cluster in May 2024, and numerous AASB’s Dialogue Series.

OUTPUTS

The pronouncements, exposure drafts, consultation papers and other publications issued by the AUASB in 2023-24 are listed in the table below.

Exposure Drafts and Consultation Papers	
Consultation Paper	Exposure of the IAASB's <i>Proposed ISSA 5000 General Requirements for Sustainability Assurance Engagements; and Proposed Conforming and Consequential Amendments to Other IAASB Standards</i> (August 2023)
Consultation Paper	<p>Exposure of the IAASB's <i>Proposed Narrow Scope Amendments to:</i></p> <ul style="list-style-type: none"> • <i>International Standards on Quality Management;</i> • <i>International Standards on Auditing; and</i> • <i>International Standard on Review Engagements 2400 (Revised), Engagements to Review Historical Financial Statements</i> <p><i>as a Result of the Revisions to the Definitions of Listed Entity and Public Interest Entity in the IESBA Code</i> (February 2024)</p>
Consultation Paper	Exposure of the IAASB's <i>Proposed ISA 240 (Revised), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements; and Proposed Conforming and Consequential Amendments to Other ISAs</i> (February 2024)
Consultation Paper	Assurance over Climate and Other Sustainability Information (April 2024)
Exposure Draft ED 01/24	Proposed Revised Standard on Assurance Engagements ASAE 3500 <i>Performance Engagements</i> (May 2024)

Other AUASB Publications	
AUASB Bulletin on <i>What not-for-profit entities need to know about the differences between an audit and review</i> (July 2023)	
AASB-AUASB Research Report: <i>Trends in climate-related disclosures and assurance in the Annual Reports of ASX-listed entities</i> (November 2023)	
AUASB Feedback <i>Statement on Decision Not to Adopt the ISA for LCE Standard in Australia</i> (December 2023)	
AUASB Research Report 10: <i>Deakin-AUASB Sustainability Assurance Research Workshop</i> (December 2023)	

Submissions

AUASB Submissions to the IAASB on:

- the IAASB's Exposure Draft of ISSA 5000 *General Requirements on Sustainability Assurance*
- the IAASB's Exposure Draft of ISA 570 (Revised), *Going Concern*
- the IAASB's Proposed ISA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements and Proposed Conforming and Consequential Amendments to Other ISAs

Submission to the Parliamentary Joint Committee on Corporations and Financial Services (PJC) Inquiry into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry

AUASB Authoritative Pronouncements can be accessed via

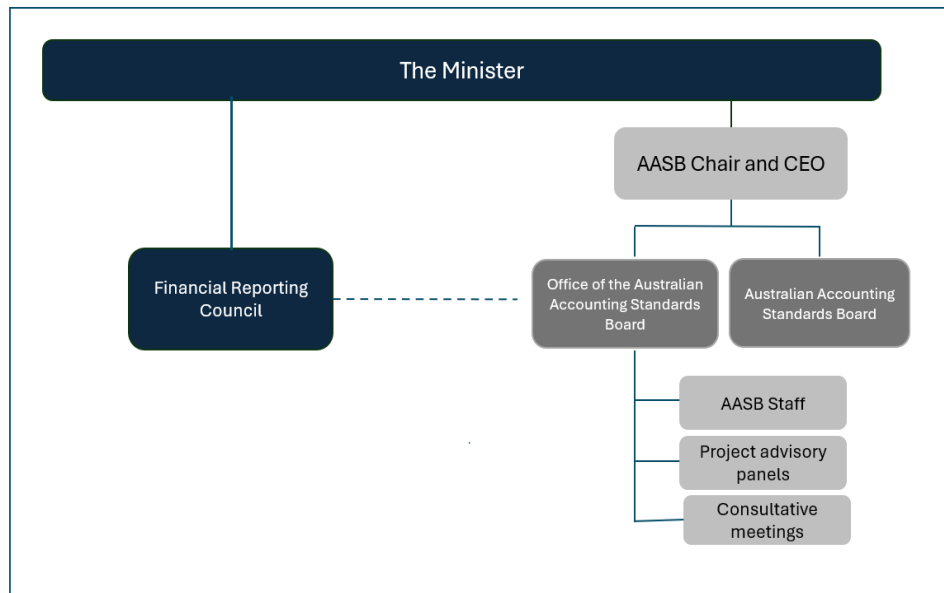
www.auasb.gov.au/standards-guidance/auasb-standards/australian-auditing-standards

The AUASB's Work Programs can be accessed via

www.auasb.gov.au/about-auasb/corporate-plan-strategy

MANAGEMENT AND ACCOUNTABILITY

How the AASB works



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 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 to the AASB.

AASB

The 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 the corporations legislation. 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 pages 7 and 8. Further detail on the AASB's functions is set out in Appendix A.

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. Initial appointment is for a maximum of three years with possible extensions for a further two terms.

The members of the AASB during 2023-24 are listed below. The AASB met five times via video conference and four times as a hybrid meeting during 2023-24 for a total of 13 meeting days. Attendance of members at these meetings is set out in Appendix B.

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.

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, Keith Kendall is also a member of the FRC and a member of the NZASB.

The AASB comprised an independent Chair (appointed by the Minister) and 13 part-time members (appointed by the FRC).

Other members

The other members of the AASB holding office during the year ended 30 June 2024 were:

Other Board Members	Main Other Role	Appointment end date
Carolyn Cordery	NZASB Chair	Reciprocal member from February 2021
James Grant	Westpac	December 2024 (2 nd term)
Dean Hanlon	Monash University	June 2026 (2 nd term)
David Holland	Sapphire Professional Services	December 2025 (2 nd term)
Adrian King	KPMG	December 2025
Toby Langley	Xero	June 2026 (2 nd term)
Liza Maimone	PwC	December 2025
Mathew Nelson	EY	December 2025
Sean Osborn	NSW Treasury	December 2024
Moana Overton	Deloitte	June 2026
Paul Rogers	KPMG	December 2024 (2 nd term)

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2023-24

Other Board Members	Main Other Role	Appointment end date
Caroline Spencer	Auditor General of Western Australian Office of Auditor General	June 2026 (2 nd term)
Stephen Taylor	University of Technology Sydney	December 2025 (3 rd term)

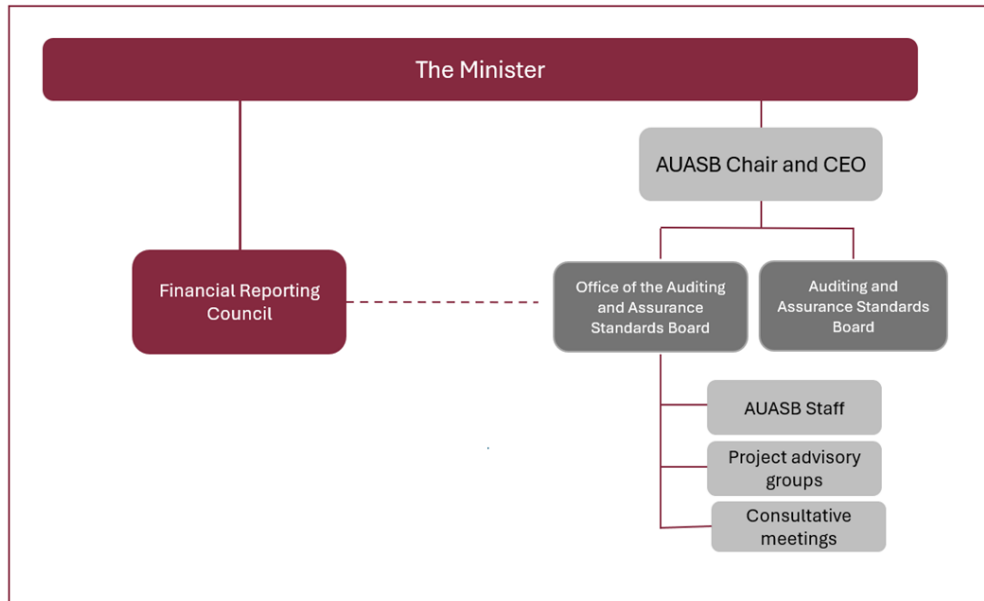
Retired Members

Board Member	Main Other Role	Appointment end date
Alison White	Deloitte	December 2023 (2 nd term)

Observers

There was no one with official observer status during the year.

How the AUASB works



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 oversight of the process for setting auditing and assurance standards in Australia. The FRC appoints Board members to the AUASB for various terms.

AUASB

The AUASB an Australian non-corporate Government Entity responsible for making auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporations 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 7 and 7. Further detail on the AUASB's functions is set out in Appendix A.

Board appointments may be made for a period of up to three years and retiring members are eligible for reappointment for a maximum of three terms.

The AUASB held thirteen (nine video conferences and face-to-face) meetings during 2023-24. Attendance of members at these meetings is set out in Appendix B.

Office of the AUASB

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

Membership

Chair

Mr Douglas (Doug) Niven was appointed as Acting Chair of the AUASB and CEO of the Office of the AUASB on 31 July 2023, and his appointment as full-time Chair of the AUASB and CEO of the Office of the AUASB, for a five-year period, was announced on 20 September 2023.

The duties of the Chair and CEO of the AUASB are outlined in sections 236DB to 236DF of the *Australian Securities and Investments Commission Act 2001*.

As the AUASB Chair, Mr Niven has also been appointed as a member of the FRC and is a member of the New Zealand Auditing and Assurance Standards Board.

The AUASB comprises an independent Chair (appointed by the Minister) and 11 part-time members (appointed by the FRC).

Other members

The other members of the AUASB holding office during the year ended 30 June 2024 were:

Other Board Members	Main other role	Appointment end date
Julie Crisp (Deputy Chair)	Northern Territory Auditor-General's Office	June 2026 (3 rd term)
Tracey Barker	KPMG Partner	December 2024
Klynton Hankin	PwC Partner	December 2024 (2 nd term)
Noel Harding	UNSW Sydney	June 2026 (3 rd term)
Terence Jeyaretnam	EY Partner	December 2025
Joanne Lonergan	EY Partner	December 2024
Andrew Porter	CFO - Australian Foundation Investment Company	December 2025
Marje Russ	NZAuASB Chair	Reciprocal member from July 2022
Michelle Shafizadeh	Moore Australia Partner	June 2026 (2 nd term)
Jason Thorne	Deloitte Partner	June 2025
Chi Mun Woo	Deloitte Partner	December 2025

Observers

There was no one with official observer status during the year.

AASB AND AUASB'S CORPORATE GOVERNANCE

The corporate governance practices of the AASB, AUASB and the Offices of the AASB and the AUASB comply with statutory and other external requirements and aim to achieve sound administrative and financial management practice. They are designed to ensure the efficient, effective and ethical use of resources.

As part of its ongoing focus on effective governance arrangements, the Offices of the AASB and AUASB periodically consider a range of issues, including:

- Clear accountability mechanisms;
- Leadership, culture and communication;
- Appropriate governance and committee structures;
- Effectiveness of work with stakeholders;
- Comprehensive risk management, compliance and assurance systems; and
- Strategic planning, performance monitoring and evaluation.

AUDIT AND RISK COMMITTEE

The AASB and AUASB Audit and Risk Committee's (ARC) role is to provide independent assurance and assistance to the Chairs on their financial and performance reporting responsibilities, risk oversight and management, and system of internal control. The Committee is not responsible for the executive management of these functions. The Committee engages with management in discharging its advisory responsibilities and formulating its advice to the Chairs.

The Audit and Risk Committee follows the recommended practice guidelines issued by the Department of Finance for non-corporate Commonwealth entities. The Audit and Risk Committee comprises an independent external Chair, and four external members. The Australian National Audit Office (ANAO) also attends Audit and Risk Committee meetings as an observer, as do other AASB and AUASB management representatives.

Audit and Risk Committee members are:

Member	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration
Mark Stretton	BCom (Acc&Fin), BEc, Grad Dip App Fin & Inv, FFin, CA. Partner and Melbourne Audit & Assurance Leader with Deloitte Touche Tohmatsu. Over 30 years of experience in providing audit and accounting services in Australia and Internationally.	4/4	Waived

Member	Qualifications, knowledge, skills or experience	Number of meetings attended/total number of meetings	Total annual remuneration
Kylie Maher	BBus (Accounting), CPA, GAICD. Kylie has over 30 years of experience in providing risk, compliance and governance services as Partner / Director at Moore / KPMG and senior financial accounting and operational roles. She now holds multiple board, risk and audit governance roles as chair and independent member across government, education and health entities.	4/4	\$8,925
Ric De Santi	BBus (Accounting), FCPA, GAICD. Ric is a non-executive director with extensive board and audit committee experience. Before retiring from full time work, Ric was Deputy Auditor-General in Tasmania with over 35 years' experience in public sector audit.	4/4	\$8,730
Dale Pinto	John Curtin Distinguished Professor Dale Pinto PhD (Law) (Melb) MTax (Hons) (Syd) PGradDipBus (Dist) (Curtin) BBus (Dist) (Curtin) FCPA FTMA FCMA FAAL CA CTA-Life AFAIM MAICD. Dale is a John Curtin Distinguished Professor at Curtin University Law School and has over 30 years of Board experience including his current role as President and Chair of the Board of CPA Australia.	4/4	\$8,730
Greg Rimmer-Hollyman	CPA (Australia), Chartered Public Finance Accountant (CPFA), Graduate of the Australian Institute of Company Directors (GAICD), Chartered Internal Auditor (CFIIA), Qualification in Internal Audit Leadership (QIAL), Certified Internal Auditor and Certified Information Systems Auditor (CISA).	4/4	\$8,730

The Audit and Risk Committee charter can be sourced at: www.aasb.gov.au/about-the-aasb/government-reports/audit-and-risk-committee/.

RISK MANAGEMENT

The Office of the AASB and AUASB risk management framework aligns with the Commonwealth Risk Management Policy and enables risk to be managed in line with our low-risk appetite. We monitor and report on risks via a series of risk registers. The Executive and the Audit and Risk Committee regularly review the risk-management framework, including the strategic risk register and other risk registers as appropriate.

FRAUD PREVENTION AND CONTROLS

Fraud control is regarded by the AASB and AUASB as a continuous process, and AASB and AUASB officers and employees maintain an awareness of fraud risk generally, and their responsibility to take any reasonable action to reduce the possibility and impact of losses through fraud.

The AASB and AUASB has in place a fraud risk assessment and fraud control plan. It has adequate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs.

I, Keith Kendall as the AASB accountable authority, certify that the AASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.

I, Douglas Niven, as the AUASB accountable authority, certify that the AUASB meets the obligations arising from section 10 of the *Public Governance, Performance and Accountability Rule 2014*. This legislation requires appropriate fraud risk, fraud assessment, fraud detection and subsequent reporting mechanisms to be in place.

ETHICS

The employees of the Offices of the AASB and AUASB are required to adhere to the Australian Public Service values and code of conduct under the *Public Service Act 1999*.

Australian Public Service values include performing functions impartially and professionally, the highest ethical standards, open accountability, providing frank, honest, comprehensive, accurate and timely advice to government and promoting communication, consultation, cooperation and input from employees.

The requirements of the code of conduct include honesty, care and diligence, courtesy, compliance with the law, avoiding conflicts of interest and proper use of Commonwealth resources and information.

PUBLIC INTEREST DISCLOSURE

The *Public Interest Disclosure Act 2013* (PID Act) promotes integrity and accountability in the Commonwealth public sector by encouraging the disclosure of information about suspected wrongdoing. It also protects people who make disclosures and requires agencies to investigate or take other appropriate actions.

In accordance with the PID Act, the Offices of the AASB and AUASB have a PID policy/procedure which is made available on their websites. During the reporting period, one public interest disclosures was received and resolved by the Office of the AUASB.

INFORMATION PUBLICATION SCHEME STATEMENT

In accordance with the Freedom of Information (FOI) Act and the Information Publication Scheme (IPS), AASB and AUASB publish a range of information on its websites, such as its organisational structure, appointments, annual reports, gift register, Audit and Risk Committee & Board Charters, Code of Conduct, legal expenditure, and details of the freedom of information officer. The Statements of Expectations and Intent are also available on the websites.

RESTRUCTURE OF FRC, AASB AND AUASB

On 21 November 2023, the Treasurer and Assistant Treasurer issued a joint media release announcing that the FRC, AASB and AUASB will be combined into a single entity on or after 1 July 2026, subject to the passage of legislation.

AASB PERSONNEL MANAGEMENT

Table 1a: AASB Ongoing employees at 30 June 2024

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	1	0	1	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	1	0	1	0	0	0	1
Tas	0	0	0	0	0	0	0	0	0	0
VIC	6	0	6	9	4	13	0	0	0	19
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	1	0	1	0	0	0	1
Total	6	0	6	12	4	16	0	0	0	22

Table 1b: AASB Ongoing employees at 30 June 2023

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	2	0	2	0	0	0	2
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	1	0	1	0	0	0	1
VIC	7	0	7	7	3	10	0	0	0	17
WA	0	0	0	1	0	1	0	0	0	1
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	7	0	7	11	3	14	0	0	0	21

Table 1c: AASB Non-ongoing employees at 30 June 2024

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	1	0	1	0	0	0	1
VIC	1	0	1	1	0	1	0	0	0	2
WA	0	0	0	1	0	1	0	0	0	1
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	3	0	3	0	0	0	4

Table 1d: AASB Non-ongoing employees at 30 June 2023

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	2	0	2	2	0	2	0	0	0	4
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	2	0	2	2	0	2	0	0	0	4

As at 30 June 2024 no employees identified as Indigenous (2023: zero).

Table 2: AASB Other highly paid staff as at 30 June 2024

Total remuneration bands	Number of other highly paid staff	Short term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefit and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,000	4	\$177,311	0	\$895	\$18,776	\$4,817	0	0	\$201,799

Table 3: AASB Salary ranges as at 30 June 2024

Salary Bands	Senior executive full time	Senior executive part time	Technical & non-technical full time	Technical & non-technical part time
\$ 15,000 to \$104,999	0	0	4	2
\$105,000 to \$194,999	1	0	7	1
\$195,000 to \$284,999	2	1	2	0
\$285,000 to \$374,999	1	0	0	0
\$375,000 to \$464,999	1	0	0	0

AUASB PERSONNEL MANAGEMENT

Table 4a: AUASB Ongoing employees at 30 June 2024

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	1	0	1	0	0	0	0	0	0	1
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	0	1	1	3	3	6	0	0	0	7
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	1	2	3	3	6	0	0	0	8

Table 4b: AUASB Ongoing employees at 30 June 2023

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	1	0	1	3	3	6	0	0	0	7
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	0	3	3	3	6	0	0	0	7

Table 4c: AUASB Non-ongoing employees at 30 June 2024

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	1	0	1	0	0	0	0	0	0	1
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	1	0	1	0	0	0	0	0	0	1

Table 4d: AUASB Non-ongoing employees at 30 June 2023

	Male			Female			Indeterminate			Total
	F/T	P/T	Total Male	F/T	P/T	Total Female	F/T	P/T	Total Indeterminate	
NSW	0	0	0	0	0	0	0	0	0	0
QLD	0	0	0	0	0	0	0	0	0	0
SA	0	0	0	0	0	0	0	0	0	0
Tas	0	0	0	0	0	0	0	0	0	0
VIC	2	0	2	0	0	0	0	0	0	2
WA	0	0	0	0	0	0	0	0	0	0
ACT	0	0	0	0	0	0	0	0	0	0
NT	0	0	0	0	0	0	0	0	0	0
External Territories	0	0	0	0	0	0	0	0	0	0
Overseas	0	0	0	0	0	0	0	0	0	0
Total	2	0	2	0	0	0	0	0	0	2

As at 30 June 2024 no employees identified as Indigenous (2023: zero).

Table 5: AUASB Other highly paid staff as at 30 June 2024

Total remuneration bands	Number of other highly paid staff	Short term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefit and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,000	2	\$165,868	0	\$895	\$17,910	\$6,506	0	0	\$191,179

Table 6: AUASB Salary ranges as at 30 June 2024 (salaries for part time staff are full time equivalents)

Salary Bands	Senior executive full time	Senior executive part time	Technical & non-technical full time	Technical & non-technical part time
\$ 15,000 to \$104,999	0	0	1	0
\$105,000 to \$194,999	0	0	3	1
\$195,000 to \$284,999	0	2	0	0
\$285,000 to \$374,999	0	0	0	0
\$375,000 to \$464,999	0	1	0	0

NON-SALARY BENEFITS

The AASB and AUASB offers employees a number of non-salary benefits which include:

- Annual influenza immunisation;
- Vaccination incentive;
- Mentoring and coaching programs;
- In-house capability development programs;
- Confidential employee assistance program for employees and their immediate families;
- Study assistance to eligible employees;
- Access to flexible working arrangements;
- Access to equipment to work from home; and
- Contributions to relevant professional memberships.

The AASB and AUASB provides the Senior Executive Service (SES) employees (other than the AUASB Chair) and where there is a business need some employees with a mobile phone, tablet, laptop and/or airline lounge membership. Employees can also make use of a range of salary sacrifice benefits, including additional superannuation and leased motor vehicles.

BRINGING IT ALL TOGETHER

The AASB and AUASB are each supported by an Office providing technical and administrative services to the Boards. Each Office is a non-corporate Australian Government entity under the ASIC Act. The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards. The Chairs are Chief Executive Officers and the Accountable Authority under the PGPA Act and are responsible for the preparation of the financial reports for each entity, however, have delegated to the maximum extent permitted the responsibilities to the Managing Director.

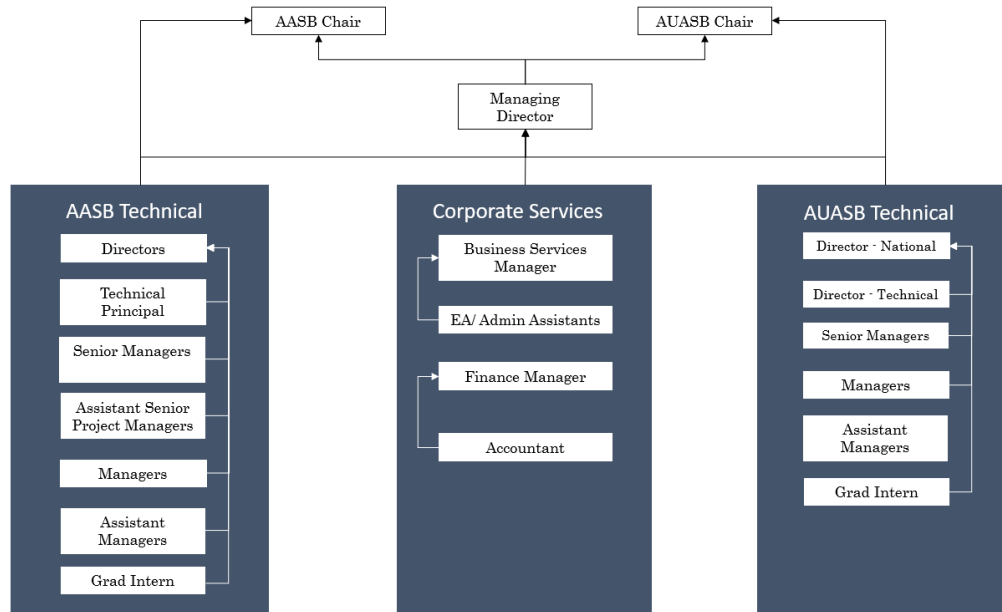
The Managing Director is responsible for the operation of the Office of AASB. The Offices of the AASB and AUASB have implemented a shared service model, in that the Office of the AASB provides all administrative services for the Office of the AUASB and their respective Boards.

(The diagram on the following page outlines the operational structure of the AASB, AUASB and the Offices of both AASB and AUASB.)

In order to ensure appropriate governance and accountability, the operating model is governed by an MOU which is signed by the Chairs.

To transparently reflect this operating model and organisation structure, the AASB and AUASB have provided additional disclosures (refer to Note 2A and Note 2B) that aims to provide some further understanding of the financial arrangements in relation to the costs of the services delivered in accordance with the MOU.

ORGANISATION CHART



OUR PEOPLE

Both Chairs are appointed by the Minister. Salary and other entitlements of the Chairs are determined by the Commonwealth Remuneration Tribunal.

Members of the respective Boards are appointed for three-year terms. The FRC, via its Nominations Committee, is responsible for the selection of AASB and AUASB Board members. Recommendations are tabled with the FRC for confirmation of appointment. Entitlements are determined by the Commonwealth Remuneration Tribunal.

The AASB and AUASB have the capacity to employ under the ASIC Act, as well as the *Public Service Act 1999* (PSA). As at 30 June 2024, all employees were employed under the *ASIC Act*.

Salaries and other entitlements of the technical and non-technical employees are linked to comparable industry and market levels of remuneration.

The performance management process is based on informal frequent performance discussions that build to formal meetings for review and forward planning of goals and objectives for the year.

Our employees undertake a range of training and professional development experiences which include attendance at seminars, conferences and training programs as appropriate on topics related to technical and personal development, policy and the administrative work of the AASB and AUASB.

It is a policy of the AASB and AUASB that employees do not receive performance bonuses. The AASB and the AUASB comply with the Workplace Bargaining Policy 2020 of the Australian

Public Service Commission, as it applies to non-government entities, including the approach to annual wage adjustments which are linked to the private sector Wage Price Index annual percentage change for the immediately preceding June quarter.

Recruitment and retention of employees will always prove to be challenging – particularly in the specialist fields associated with standards setting. These challenges are being overcome by working to establish a core group of experienced technical people and complementing their skills through secondments from other government departments, the accounting and auditing firms, our graduate intern program and short-term appointments from academia and corporates for specialist skills.

Using these strategies, the Chairs are confident that they have well-qualified employees and are continuously developing appropriate policies and procedures to enable them to achieve the AASB's and AUASB's strategies.

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INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Office of the Australian Accounting Standards Board (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Chair;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to and forming part of the financial reports, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to

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going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Clea Lewis

Executive Director

Delegate of the Auditor-General

Canberra

20 September 2024



INDEPENDENT AUDITOR'S REPORT

To the Assistant Treasurer and Minister for Financial Services

Opinion

In my opinion, the financial statements of the Office of the Auditing and Assurance Standards Board (the Entity) for the year ended 30 June 2024:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by the Chair;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes to and forming part of the financial reports, comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and their delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Chair is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Chair is also responsible for such internal control as the Chair determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chair is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Chair is also responsible for disclosing, as applicable, matters related to

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going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Clea Lewis

Executive Director

Delegate of the Auditor-General

Canberra

20 September 2024

STATEMENTS BY THE CHAIRS

AASB

In my opinion, the attached Financial Statements for the Office of the Australian Accounting Standards Board for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Australian Accounting Standards Board will be able to pay its debts as and when they fall due.



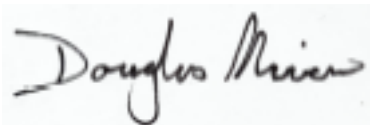
Dr Keith Kendall
Chair, CEO and CFO – AASB

20 September 2024

AUASB

In my opinion, the attached Financial Statements for the Office of the Auditing and Assurance Standards Board for the year ended 30 June 2024 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Office of the Auditing and Assurance Standards Board will be able to pay its debts as and when they fall due.



Douglas Niven
Chair, CEO and CFO – AUASB

20 September 2024

Statements of Comprehensive Income
for the period ended 30 June 2024

		AASB		AUASB	
	Notes	2024	2023	2024	2023
		\$	\$	\$	\$
EXPENSES					
Employee and contractor costs	3A	4,570,622	4,285,237	1,525,209	1,551,044
Supplier expenses	3B	1,971,716	1,699,564	397,908	432,736
Occupancy expenses	2B	88,706	82,428	0	0
Depreciation and amortisation	3C	413,171	395,279	67,587	67,180
Finance costs		8,393	4,440	0	0
Management fee paid to AASB	2	0	0	629,101	616,919
Total expenses		7,052,608	6,466,948	2,619,805	2,667,879
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services		0	15,692	0	0
Management fee received from AUASB	2	629,101	616,919	0	0
Resources received free of charge		158,350	73,856	58,955	48,563
Audit fees received free of charge		46,150	46,140	33,000	33,000
Contributions from states and territories		500,000	500,000	0	0
Total own-source revenue		1,333,601	1,252,877	91,955	81,563
Net cost of services		(5,719,007)	(5,214,071)	(2,527,850)	(2,586,316)
Revenue from Government	4	4,986,000	4,456,000	2,892,000	2,553,000
Surplus/(Deficit) attributable to the Australian Government		(733,007)	(758,071)	364,150	(33,316)
Total comprehensive surplus/(deficit) attributable to the Australian Government		(733,007)	(758,071)	364,150	(33,316)

The above statements should be read in conjunction with the accompanying notes.

Statements of Financial Position

as at 30 June 2024

		AASB		AUASB	
	Notes	2024	2023	2024	2023
		\$	\$	\$	\$
ASSETS					
Financial Assets					
Cash and cash equivalents		388,716	148,153	236,907	69,222
Trade and other receivables		156,187	266,007	10,066	0
Appropriation receivable	4	1,300,000	1,693,000	1,091,000	939,000
Total financial assets		1,844,903	2,107,160	1,337,973	1,008,222
Non-Financial Assets					
Buildings right of use - at cost	6B	701,699	982,379	0	0
Plant & equipment - fair value	6B	134,992	117,560	0	0
Computer software – at cost	6B	113,859	176,946	22,127	89,714
Prepaid expenses		144,854	268,733	62,770	111,121
Total non-financial assets		1,095,404	1,545,618	84,897	200,835
Total assets		2,940,307	3,652,778	1,422,870	1,209,057
LIABILITIES					
Payables					
Suppliers		341,077	172,660	13,149	7,763
Management fee payable to AASB	5B	0	0	59,349	233,040
Other payables		114,555	151,513	34,747	13,248
Total payables		455,632	324,173	107,245	254,051
Interest-bearing liabilities					
Leases	7A	754,711	1,031,035	0	0
Total Interest-bearing liabilities		754,711	1,031,035	0	0
Provisions					
Employee provisions		716,000	603,599	292,640	321,171
Total provisions		716,000	603,599	292,640	321,171
Total liabilities		1,926,343	1,958,807	399,885	575,222
Net assets		1,013,964	1,693,971	1,022,985	633,835
EQUITY					
Contributed equity		857,000	804,000	374,300	349,300
Retained earnings		156,964	889,971	648,685	284,535
Total equity		1,013,964	1,693,971	1,022,985	633,835

The above statements should be read in conjunction with the accompanying notes.

Statements of Changes in Equity

for the period ended 30 June 2024

Australian Accounting Standards Board

	Retained earnings		Contributed equity/capital		Total equity	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Opening balance as at 1 July	889,971	1,648,042	804,000	753,000	1,693,971	2,401,042
Balance carried forward from previous period						
Comprehensive income						
Surplus/(Deficit) for the period	(733,007)	(758,071)	0	0	(733,007)	(758,071)
Comprehensive income attributable to the Australian Government	(733,007)	(758,071)	0	0	(733,007)	(758,071)
Transactions with owners						
Departmental capital budget	0	0	53,000	51,000	53,000	51,000
Closing balance as at 30 June	156,964	889,971	857,000	804,000	1,013,964	1,693,971

The above statements should be read in conjunction with the accompanying notes.

Auditing and Assurance Standards Board

	Retained earnings		Contributed equity/capital		Total equity	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Opening balance as at 1 July	284,535	317,851	349,300	325,300	633,835	643,151
Balance carried forward from previous period						
Comprehensive income						
Surplus/(Deficit) for the period	364,150	(33,316)	0	0	364,150	(33,316)
Comprehensive income attributable to the Australian Government	364,150	(33,316)	0	0	364,150	(33,316)
Transactions with owners						
Departmental capital budget	0	0	25,000	24,000	25,000	24,000
Closing balance as at 30 June	648,685	284,535	374,300	349,300	1,022,985	633,835

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statements

for the period ended 30 June 2024

Notes	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Cash received				
Appropriations	5,379,000	5,076,000	2,740,000	2,682,000
Goods and services	796,026	732,683	0	0
Net GST received	69,157	202,053	0	0
Contributions received	503,767	494,998	0	0
Total cash received	6,747,950	6,505,734	2,740,000	2,682,000
Cash used				
Employees and contractors	4,336,829	4,010,167	1,494,785	1,454,320
Suppliers	1,852,005	2,006,853	1,102,530	1,189,130
Interest payments on lease liabilities	8,393	4,440	0	0
Total cash used	6,197,227	6,021,460	2,597,315	2,643,450
Net cash from / (used by) operating activities	550,723	484,274	142,685	38,550
INVESTING ACTIVITIES				
Cash received from / (used by)				
Purchase of property, plant and equipment	(86,836)	(188,848)	0	(42,881)
Net cash used by investing activities	(86,836)	(188,848)	0	(42,881)
FINANCING ACTIVITIES				
Cash received from / (used by)				
Contributed equity	53,000	51,000	25,000	24,000
Principal payments of lease liabilities	(276,324)	(265,849)	0	0
Net cash from / (used by) financing activities	(223,324)	(214,849)	25,000	24,000
Net increase / (decrease) in cash held	240,563	80,577	167,685	19,669
Cash and cash equivalents at the beginning of the reporting period	148,153	67,576	69,222	49,553
Cash and cash equivalents at the end of the reporting period	388,716	148,153	236,907	69,222

NOTES TO AND FORMING PART OF THE FINANCIAL REPORTS

Objectives of AASB and AUASB

The AASB and the AUASB are each supported by an Office providing technical and administrative services to the Boards. Each Office is formed under the *Australian Securities and Investments Commission Act 2001* (ASIC Act). The Offices are the financial entities governed by the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are non-corporate Commonwealth Government Entities.

The Office of the AASB is structured to meet one outcome: the formulation and making of external reporting standards that are used by Australian entities to prepare financial reports and enable users of the reports to make informed decisions.

The Office of the AUASB is structured to meet one outcome: the formulation and making of auditing and assurance standards and guidance that are used by auditors of Australian entity financial reports or for other auditing and assurance engagements.

Financial Reporting and Organisation Structure

The AASB and AUASB are effectively operating to the extent permitted by legislation, as a single Office supporting both Boards. The Chairs are Chief Executive Officers and the Accountable Authorities under the PGPA and are responsible for the preparation of the financial reports for each entity. The Chairs have delegated to the maximum extent possible the responsibilities to the Managing Director. The Managing Director supports the Chairs and manages the AASB technical and administrative staff of the AASB and supports the AUASB staff. The AASB and AUASB have implemented a shared service model, in that the AASB provides specified administrative services for the AUASB. The AUASB does not employ any administrative support staff.

Given the common objectives of the AASB and AUASB and the interlinked financial relationships, their individual financial reports are presented jointly with a column for each entity, supplemented with a detailed note outlining the appropriations received, and the direct costs incurred by each of the AASB and AUASB, together with the common expenses.

The accounting policies applied by each Office are the same.

Events After the Statement of Financial Position Date

There are no major events post 30 June 2024 to report for the AASB or AUASB.

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements of the Offices of the AASB and the AUASB are required by Section 42 of the PGPA Act.

The financial reports have been prepared in accordance with:

- *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015.*

- *Australian Accounting Standards and Interpretations - including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the AASB.*

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars.

1.2 Significant Accounting Judgements and Estimates

There are no accounting assumptions or estimates at reporting date that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.3 Changes in Australian Accounting Standards

(a) Revised Standards effective for years commencing after 30 June 2024

New standards, amendments to standards and interpretations that are applicable to future periods have been issued by the AASB. None of these are expected to have a material impact on future reporting periods, either because the AASB and AUASB do not conduct the types of transactions addressed by the pronouncements or because of the extent to which they may impact the AASB and AUASB is not expected to be material.

1.4 Taxation

The Offices of the AASB and AUASB are exempt from all forms of taxation, except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.5 Financial Instruments

AASB and AUASB have the following financial assets: cash and cash equivalents, management fee receivable and trade receivables. Management fee receivable and trade receivables are measured at amortised cost. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment.

The net fair values of cash and cash equivalents, management fee receivable and trade receivables of the AASB and AUASB approximate their carrying amounts.

Financial assets are assessed for impairment at the end of each reporting period based on the simplified Expected Credit Losses (ECLs) approach. The ECLs are calculated using the provision matrix that is based on historical credit loss experience adjusted for forward looking factors specific to the debtors and the economic environment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Offices of the AASB and AUASB are exposed to minimal credit risk due to the nature of the trade receivables, as they represent funding from State and Territories or Commonwealth Government. As there is no history of credit losses in the past and no forward-looking factors indicated differently, no allowance for ECL has been recognised.

The majority of trade receivables relates to a funding agreement between the Office of the AASB and the States and Territories. The current agreement runs from 1 July 2022 to 30 June 2025. Income is received in equal quarterly instalments and is recognised when controlled. All receivables are due in the next 12 months.

Financial instrument liabilities

The net fair value of trade creditors and management fee payable of the AASB and AUASB approximate their carrying amount.

Note 2: Analysis of Shared Operational Activities

Note 2A: Operational activities for AASB and AUASB

To transparently reflect the shared support model and organisation structure, the AASB and AUASB provide additional disclosure on a combined basis for their operational activities.

The AASB and AUASB shared support model effectively enables, to the extent permitted by legislation, the Offices of the AASB and AUASB to operate as a single Office supporting both Boards. Under the MoU between the AASB and the AUASB, the AASB incurs all costs of the AUASB.

The AASB recoups AUASB direct costs with no mark-up and accordingly does not recognise the reimbursement of these direct costs paid for by the AASB. The AASB recognises a receivable from the AUASB at the time the AASB pays for these expenses on behalf of the AUASB. AUASB direct costs are recognised as expenses of the AUASB. The AUASB recognises a payable to the AASB when charged by the AASB.

In addition, the AASB charges the AUASB a management fee to recover an appropriate portion of the total professional services expenses ('common expenses'). As the AASB solely bears legal obligations arising from the contracts for common employees, leases and other expenses, the AASB recognises the full amount of common expenses as incurred and recognises the management fee charged to the AUASB as revenue. The AUASB recognises the management fee as an expense. The common expense management fee for 2024 amounted to \$629,101 (2023: \$616,919).

	AASB 2024 \$	AUASB 2024 \$	Shared 2024 \$	Total 2024 \$	Total 2023 \$
Note 2B: Operational activities					
Appropriations	4,986,000	2,892,000	0	7,878,000	7,009,000
Other income	704,500	91,955	0	796,455	717,521
Total income before common expense recharge	5,690,500	2,983,955	0	8,674,455	7,726,521
Common expense recharge ¹	629,101	0	0	629,101	616,919
Total income	6,319,601	2,983,955	0	9,303,556	8,343,440
Employee and contractor costs	3,972,133	1,525,209	570,094	6,067,436	5,836,281
Separation and redundancy costs	28,395	0	0	28,395	0
Direct supplier expenses (refer to Note 3B)	1,453,061	397,908	0	1,850,969	1,554,143
Common occupancy expenses	0	0	88,706	88,706	82,428
Common depreciation and amortisation expense	77,775	67,587	335,396	480,758	462,459
Common finance costs	0	0	8,393	8,393	4,440
Common supplier expenses (refer to Note 3B)	0	0	518,655	518,655	578,157
	5,531,364	1,990,704	1,521,244	9,043,312	8,517,908
Common expense recharge ¹	0	629,101	0	629,101	616,919
	5,531,364	2,619,805	1,521,244	9,672,413	9,134,827
				(368,857)	(791,387)
				(733,007)	(758,071)
				364,150	(33,316)

¹ The common expense recharge includes recharges for common employee costs (refer to Note 3A), operating lease expenses, depreciation and amortisation expenses (refer to Note 3C), finance costs and common supplier expenses (refer to Note 3B).

Note 3: Expenses

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Note 3A: Employee and contractor costs				
Employee wages and salaries	3,991,649	3,612,909	1,414,557	1,376,987
Defined contribution superannuation plans	385,373	355,468	139,182	125,895
Leave and other entitlements	109,338	140,458	(28,530)	48,162
Separation and redundancies	28,395	0	0	0
Total employee benefits	4,514,755	4,108,835	1,525,209	1,551,044
Contractor costs	55,867	176,402	0	0
Total employee and contractor costs	4,570,622	4,285,237	1,525,209	1,551,044

Note 3B: Supplier expenses

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Direct expenses				
Board members' services	76,202	67,924	44,932	48,675
Travel	452,010	496,452	113,272	154,740
Publications/subscriptions	102,875	143,265	41,455	42,614
Conference & professional development	448,784	191,787	6,348	33,010
Audit fees (received free of charge)	46,150	46,140	33,000	33,000
Compensation and related FBT expenses	21	20,047	1,380	10,890
Legal expenses	2,736	21,814	15,278	0
HR – Employee recruitment, training and support	948	3,396	176	1,618
Consultants	292,472	100,596	128,983	95,426
Other	30,863	29,986	13,084	12,763
Total direct expenses	1,453,061	1,121,407	397,908	432,736
Common expenses				
Consultant costs – Other	9,185	3,009	0	0
Consultant costs – IT	0	27,209	0	0
Consultant costs – HR	26,400	45,596	0	0
HR – Employee recruitment, training and support	0	14,082	0	0
Administration costs	432,432	441,102	0	0
Legal expenses	0	0	0	0
Other	50,638	47,159	0	0
Total common expenses	518,655	578,157	0	0
Total supplier expenses	1,971,716	1,699,564	397,908	432,736

Refer to Note 2 for further details on Direct and Common expenses.

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Note 3C: Depreciation and amortisation				
Buildings right of use asset	280,680	280,680	0	0
Plant & equipment	54,716	66,258	0	0
Computer software	77,775	48,341	67,587	67,180
Total Depreciation	413,171	395,279	67,587	67,180

Refer to Note 2 for further details on Direct and Common expenses.

Note 3D: Volunteer Services (Resources received free of charge)

Volunteer services received by the AASB and AUASB of board member sitting fees, secondee arrangements and audit fees can all be reliably measured at fair value and would have been obtained under a commercial arrangement therefore have been recognised as revenue and an expense in the statements. The use of free of charge meeting rooms has been determined as not meeting the recognition requirements but their use is recorded on AASB and AUASB Gift Registers.

Note 4: Appropriations

(i) Revenue from Government

Amounts appropriated for departmental output for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Offices of the AASB and AUASB gain control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivables are recognised at their nominal amounts.

(ii) Equity Injections and distributions to Government

Equity Injections and distributions to Government Appropriation amounts that are designated as 'equity injections,' including Departmental Capital Budget amounts, are recognised directly in contributed equity/capital for the year. Amounts transferred to the Australian Government as redemptions of the Government's ownership interest in the Office of the AASB or the AUASB are recognised as distributions to owners that reduce the contributed equity/capital. Contributions and distributions are also made in accordance with *Public Governance, Performance Accountability (Financial Reporting) Rule 2015 (FRR)*, clauses 40 - Formal additions and reductions and 43 - Annual Appropriations.

Note 4: Appropriations continued

Table A: Annual Appropriations ('Recoverable GST exclusive')

	AASB		AUASB	
	2024 \$	2023 \$	2024 \$	2023 \$
Ordinary annual services				
Annual appropriation - Revenue from Government				
Departmental Appropriations ¹	4,986,000	4,512,000	2,892,000	2,553,000
Total Appropriation Act	4,986,000	4,512,000	2,892,000	2,553,000
Departmental capital budget ²	53,000	51,000	25,000	24,000
Total appropriations	5,039,000	4,563,000	2,917,000	2,577,000
PGPA Act – Section 74				
Own source income - not transferred to the Official Public Account	1,299,793	1,227,681	0	0
Total appropriation	6,338,793	5,790,681	2,917,000	2,577,000
Total appropriation applied (current and prior years)	6,491,230	6,274,104	2,597,315	2,686,331
Variance	(152,437)	(483,423)	319,685	(109,331)

1 Unspent funds of \$56,000 for Sustainability Standards development withheld under section 51 of the PGPA Act

2 Departmental Capital Budgets are appropriated through Appropriation Acts (No.1, 3, 5). They form part of ordinary annual services and are not separately identified in the Appropriation Acts.

Table B: Unspent Annual Appropriations ('Recoverable GST exclusive')

Authority	AASB		AUASB	
	2024 \$	2023 \$	2024 \$	2023 \$
Supply Act (No. 3) – 2022/23 ¹	0	1,749,000	0	939,000
Supply Act (No. 1) – 2023/24	0	0	606,000	0
Supply Act (No. 3) – 2023/24	1,300,000	0	485,000	0
Cash	388,716	148,153	236,907	69,222
Total	1,688,716	1,897,153	1,327,907	1,008,222

Note 5: Related parties

The AASB and AUASB are Australian Government controlled non-corporate entities. Related parties are:

- Key Management Personnel of the AASB and AUASB, their close family members, and entities controlled or jointed controlled by either (Note 5A)
- all other Australian government entities (Note 5B).

Key management personnel are determined as persons having authority and responsibility for planning, directing and controlling the activities of the entity. Based on a review of employee titles, analysis of the roles and job descriptions, the PGPA Act requirements for accountable authorities, the delegations made under the PGPA Act, the composition of the leadership meetings and communications to employees regarding the leadership team, the following positions have been included within key management personnel: the Chair and CEOs of each Board, the Managing Director and the Technical Director / Director-National of the AUASB.

Note 5A: Transactions with key management personnel

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Short-term employee benefits:				
Salary	728,004	852,677	445,809	579,794
Post-employment benefits:				
Superannuation	54,798	73,657	47,795	48,040
Other short-term benefits:				
Termination benefits - Separation and redundancies	0	0	0	0
Other long-term benefits:				
Long Service Leave ¹	12,517	15,773	11,287	9,186
Total other long-term benefits	12,517	15,773	11,287	9,186
Total	795,319	942,107	504,891	637,020

During the reporting period ended 30 June 2024, AASB had two executives (2023: three) who meet the definition of key management personnel.

Name	Position	Term as KMP
Keith Kendall	Chair	Full year
Justin Williams	Managing Director	Full year

¹ Long Service Leave calculation amended in 2022/23 to include the employee's probability of entitlement

During the reporting period ended 30 June 2024, AUASB had three (2023: two) executives who met the definition of key management personnel.

Name	Position	Term as KMP
Douglas Niven	Chair	Part year (full time 0.6 equivalent from 31 July 2023)
Matthew Zappulla	Technical Director	Part year (to 31 May 2024)
Anne Waters	Director – National	Part year (full time 0.9 equivalent from 1 June 2024)

Governance Arrangements

The remuneration of the AASB and AUASB Chair is set by the Commonwealth Remuneration Tribunal Determination (Remuneration and Allowances for Holders of Full-time Public Office) Determination (No. 2) 2023. The remuneration of other KMP is set by the Chair's benchmarking against relevant published external remuneration portions. The individual's performance during the year in assisting to achieve the AASB or AUASB strategy is taken into account in determining the level of increase in base salary each year. The AASB and AUASB do not have bonus or financial incentive schemes in place.

Other non-salary benefits provided to KMP (other than the AUASB Chair) include annual influenza immunisation, vaccination incentive, mentoring and coaching programs, confidential employee assistance program, mobile phone allowance, provision of tablet and/or laptop, airline lounge membership and internet allowance to facilitate remote working.

AASB		Short-term benefits \$	Post-employment benefits \$	Other long-term benefits \$	Termination Benefits \$	Total remuneration \$
Name	Position	Base Salary	Superannuation contributions	Long service leave		
Keith Kendall	Chair	421,620	27,399	7,190	0	456,209
Justin Williams	Managing Director	306,384	27,399	5,327	0	339,110
Total		728,004	54,798	12,517	0	795,319

AUASB		Short-term benefits \$	Post-employment benefits \$	Other long-term benefits \$	Termination Benefits \$	Total remuneration \$
Name	Position	Base Salary	Superannuation contributions	Long service leave		
Douglas Niven	Chair (from 31 July 2023; full-time 0.6 equivalent)	221,343	22,619	5,602	0	249,564
Matthew Zappulla	Technical Director (to 31 May 2024)	206,977	23,392	5,316	0	235,685
Anne Waters	Director – National (from 1 June 2024)	17,489	1,784	369	0	19,642
Total		445,809	47,795	11,287	0	504,891

Note 5B: Other Related Parties

For both AASB and AUASB all outstanding balances with related parties other than the AASB and AUASB are priced on an arm's length basis. None of the balances are secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties. For details of the arrangements between the AASB and AUASB refer Note 2.

The parent entity of both the AASB and the AUASB is the Department of Treasury and ultimate parent is the Australian Government.

The AASB and AUASB pay for the following services from other Commonwealth controlled entities: Employee Assistance Program from Treasury, Core Desktop Licenses from Department of Finance, insurance premiums from Comcover and Comcare, legal advice from Australian Government Solicitors (AGS), and registration fees from Treasury for the Federal Register of Legislative instruments cost recovery.

None of these services are individually or collectively significant to the AASB or AUASB, therefore only the nature of these transactions are disclosed.

The AASB and AUASB procured IT support from the Productivity Commission to the value of \$151,175 for 2024 (2023: \$158,470). The nature of MOU between AASB and AUASB means that a related party transaction for the services rendered is sale of goods and services for AASB of \$629,101 (2023: \$616,919) and an expense to AUASB for the same value.

At the end of the financial year a receivable balance for AASB of \$59,349 (2023: \$233,040) existed and a goods payable balance for the AUASB for the same value.

Note 6: Property, Plant and Equipment

Note 6A: Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluation

Following initial recognition at cost, property, plant and equipment are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets does not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the entity using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2024	2023
Right of use assets:	Lease Term	Lease Term
Computers and software assets:	3 years	3 years
Office equipment:	5 years	5 years

Impairment

All assets were assessed for impairment at 30 June 2024.

Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment, made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Lease Right of Use (ROU) Assets (Buildings)

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. ROU assets are carried at cost.

Note 6B: Reconciliation of the opening and closing balance of material Property, Plant and Equipment for 2023-24

	Buildings \$	AASB Plant & equipment \$	Computer software \$	AUASB Computer software \$
As at 1 July 2023				
Gross book value	1,413,866	328,586	229,948	212,335
Accumulated depreciation, amortisation and impairment	(431,487)	(211,027)	(53,002)	(122,621)
Total as at 1 July 2023	982,379	117,560	176,946	89,714
Additions: Purchase	0	72,148	14,688	0
Depreciation and amortisation	0	(54,716)	(77,775)	(67,587)
Depreciation on right-of-use assets	(280,680)	0	0	0
Total as at 30 June 2024	701,699	134,992	113,859	22,127
Total as at 30 June 2024 represented by				
Gross book value	1,413,866	400,734	244,636	212,335
Accumulated depreciation, amortisation and impairment	(712,167)	(265,743)	(130,777)	(190,208)
Total as at 30 June 2024	701,699	134,992	113,859	22,127

Note 7: Other Information

Note 7A: Interest Bearing Liabilities

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Lease				
Lease liability	754,711	1,031,035	0	0
Total lease liability	754,711	1,031,035	0	0
Maturity analysis - contractual undiscounted cash flows				
Within 1 year	289,223	279,443	0	0
Between 1-5 years	468,869	758,093	0	0
Total lease	758,092	1,037,536	0	0

The AASB in its capacity as a lessee, entered a lease contract for a period of 5 years (with one option of 5 years) commencing from 19th December 2021 in relation to Melbourne office premises. The rent is increased on each anniversary of the commencement date including any options by 3.5%, except that on the commencement of each option term the rent will be reviewed to market.

Accounting Policy

For all new contracts entered into, the AASB and AUASB considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the entities' incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 7B: Aggregate Assets and Liabilities

	AASB		AUASB	
	2024	2023	2024	2023
	\$	\$	\$	\$
Assets expected to be recovered in:				
No more than 12 months				
Cash and cash equivalents	388,716	148,153	236,907	69,222
Trade and other receivables	1,456,187	1,959,007	1,101,066	939,000
Prepayments	144,854	268,733	62,770	111,121
Total no more than 12 months	1,989,757	2,375,893	1,400,743	1,119,343
More than 12 months				
Buildings right of use	701,699	982,379	0	0
Plant and equipment	134,992	117,560	0	0
Computer software	113,859	176,946	22,127	89,714
Total more than 12 months	950,550	1,276,885	22,127	89,714
Total assets	2,940,307	3,652,778	1,422,870	1,209,057
Liabilities expected to be recovered in:				
No more than 12 months				
Suppliers	341,077	172,660	13,149	7,763
Other payables	114,555	151,513	94,096	246,288
Leases	287,082	276,296	0	0
Employee provisions	392,964	342,494	137,901	148,670
Total no more than 12 months	1,135,678	942,963	245,146	402,721
More than 12 months				
Leases	467,629	754,739	0	0
Employee provisions	323,036	261,105	154,739	172,501
Total more than 12 months	790,665	1,015,844	154,739	172,501
Total liabilities	1,926,343	1,958,807	399,885	575,222

Note 8: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2023-24 Portfolio Budget Statements (PBS) to the 2023-2024 final outcome as presented in accordance with Australian Accounting Standards. The Budget is not audited and where applicable, the original budget numbers have been reclassified to align with the financial statement.

Explanations are provided for major variances between actual results and the original budget. Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10%; and
- an item below this threshold but is considered important for the readers' understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of AASB.

Note 8A: Major Budget Variances for 2023-24

Australian Accounting Standards Board	
Explanations of major variances	Footnote reference and affected statement
Employee costs were unfavourable to budget as the budget does not reflect the additional 2023/2024 Appropriations received in 2023/2024 MYEFO for Sustainability Reporting Standards.	1 Statement of Comprehensive Income & Cashflow statement - Employee and contractor costs
During 2023/2024 AASB conducted a multi-city, multi-mode outreach activity in the development of Sustainability Standards. This was the largest outreach activity ever undertaken by the AASB Roadshow. Additionally, in 2023/2024 the AASB hosted the 15th Annual Asia Oceania Standard Setters Group meeting bringing together standard setters from across Oceania. These events were not forecast at the commencement of the year and were therefore unbudgeted. The activities represent activities that support Government Policy as well as influence the development of a single set of global standards.	2 Statement of Comprehensive Income & Cashflow Statement - Supplier expense
Insufficient allowance was budgeted for depreciation Building ROU and AASB Standards portal during the financial year.	3 Statement of Comprehensive Income - Depreciation and amortisation. Statement of Cashflow Statement – Purchase of property, plant and equipment and intangibles. Statement of Financial Position – Software/Intangibles

Finance costs were initially based on a new office lease that would be more expensive and for a longer term so incurring more significant interest expense and higher Building ROU.	4 Statement of Comprehensive Income - Finance Costs, Cashflow Statement - Interest payments on lease liabilities
Favourable to budget due to Total Shared Services Expenses being greater than budgeted.	5 Statement of Comprehensive Income - Management fee recharge
The budget anticipated less resources free of charge being received in the form of board member waived fees.	6 Statement of Comprehensive Income – resources received free of charge
Favourable to budget as the budget does not reflect the additional 2023/2024 Appropriations received in 2023/24 MYEFO for Sustainability Reporting Standards.	7 Statement of Comprehensive Income – Revenue from Government – departmental appropriations
The bank balance, whilst higher than budget, is kept as low as possible and appropriations are drawn down on a just in time basis to meet expense payments.	8 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents
Unfavourable to budget due to Appropriations total drawdowns being greater than budgeted.	9 Statement of Financial Position – Trade and other receivables & Cashflow Statement – Appropriations
Prepaid costs favourable to budget due to timing of invoices being received and dated post 30 June 2024.	10 Statement of Financial Position – Prepaid expenses
Suppliers unfavourable to budget due to timing of invoices received pre-30 June 2024 but not payable until post-30 June 2024.	11 Statement of Financial Position – Suppliers
Other payables favourable to budget, in part due to reversal of previously recognised Other - Payables that is no longer payable.	12 Statement of Financial Position – Other payables
Employee Provisions were unfavourable to budget as the budget does not reflect the additional 2023/2024 Appropriations received in 2023/24 MYEFO which partly funded extra headcount.	13 Statement of Financial Position – Employee provisions

Australian Accounting Standards Board and Auditing and Assurance Standards Board Annual Reports 2023-24

Auditing and Assurance Standards Board	
Explanations of major variances	Footnote reference and affected statement
Employee costs were favourable to budget as the new AUASB Chair is remunerated as full-time 0.6 equivalent budget rather than full-time 1.0 equivalent.	1. Statement of Comprehensive Income & Cashflow statement – Employee and contractor costs
Supplier costs were unfavourable in part due to the AASB Management Fee exceeding budget due to Total Shared Services Expenses being greater than budgeted.	2 Statement of Comprehensive Income & Cashflow Statement - Supplier expense
Insufficient allowance was budgeted for depreciation of the AUASB Standards portal during the financial year.	3 Statement of Comprehensive Income - Depreciation and amortisation & Statement of Financial Position - Computer software
The budget anticipated more resources free of charge being received in the form of board member waived fees.	6 Statement of Comprehensive Income – resources received free of charge
Favourable to budget as the budget does not reflect the additional 2023/2024 Appropriations received in 2023/24 MYEFO for Sustainability Reporting Standards.	7 Statement of Comprehensive Income – Revenue from Government – departmental appropriations
The bank balance, whilst higher than budget, is kept as low as possible and appropriations are drawn down on a just in time basis to meet expense payments.	8 Statement of Financial Position & Cashflow Statement - Cash and cash equivalents
Prepaid costs favourable to budget due to a reduction in future travel expenses paid by AUASB.	10 Statement of Financial Position – Prepaid expenses
Suppliers favourable to budget due balance payable to AASB being lower at 30 June 2024.	11 Statement of Financial Position - Suppliers

Statements of Comprehensive Income
for the period ended 30 June 2024

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
		Original	Variance		Original	Variance
	2024	2024	2024	2024	2024	2024
	\$	\$	\$	\$	\$	\$
EXPENSES						
Employee and contractor costs ¹	4,570,622	3,547,000	1,023,622	1,525,209	1,682,000	(156,791)
Supplier expenses ²	2,060,422	1,082,000	978,422	1,027,009	840,000	187,009
Depreciation and amortisation ³	413,171	214,000	199,171	67,587	25,000	42,587
Finance costs ⁴	8,393	14,000	(5,607)	0	0	0
Total expenses	7,052,608	4,857,000	2,195,608	2,691,805	2,547,000	72,805
LESS:						
OWN SOURCE INCOME						
Own-source revenue						
Management fee recharge ⁵	629,101	550,000	79,101	0	0	0
Resources received free of charge ⁶	204,500	123,000	81,500	91,955	115,000	(23,045)
Contributions from states and territories	500,000	500,000	0	0	0	0
Total own-source revenue	1,333,601	1,173,000	160,601	91,955	115,000	(23,045)
Net cost of services & cost of outcome delivery	5,719,007	3,684,000	2,035,007	2,527,850	2,432,000	95,850
Revenue from Government - departmental appropriations ⁷	4,986,000	3,631,000	1,355,000	2,892,000	2,407,000	485,000
Surplus/(Deficit) attributable to the Australian Government	(733,007)	(53,000)	(680,007)	364,150	(25,000)	389,150
OTHER COMPREHENSIVE INCOME						
Total comprehensive income attributable to the Australian Government	(733,007)	(53,000)	(680,007)	364,150	(25,000)	389,150

Statements of Financial Position

for the period ended 30 June 2024

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
		Original	Variance		Original	Variance
	2024	2024	2024	2024	2024	2024
	\$	\$	\$	\$	\$	\$
ASSETS						
Financial assets						
Cash and cash equivalent ⁸	388,716	67,000	321,716	236,907	51,000	185,907
Trade and other receivables ⁹	1,456,187	2,677,000	(1,220,813)	1,101,066	1,068,000	33,066
Total financial assets	1,844,903	2,744,000	(899,097)	1,337,973	1,119,000	218,973
Non-financial assets						
Buildings right of use ³	701,699	965,000	(263,301)	0	0	0
Plant and equipment	134,992	146,000	(11,008)	0	0	0
Computer Software/Intangibles ³	113,859	83,000	30,859	22,127	105,000	(82,873)
Prepaid expenses ¹⁰	144,854	68,000	76,854	62,770	43,000	19,770
Total non-financial assets	1,095,404	1,262,000	(166,596)	84,897	148,000	(63,103)
Total assets	2,940,307	4,006,000	(1,065,693)	1,422,870	1,267,000	155,870
LIABILITIES						
Payables						
Suppliers ¹¹	341,077	154,000	187,077	72,498	341,000	(268,502)
Other payables ¹²	114,555	196,000	(81,445)	34,747	0	34,747
Total payables	455,632	350,000	105,632	107,245	341,000	(233,755)
Interest-bearing liabilities						
Leases ⁴	754,711	778,000	(23,289)	0	0	0
Total Interest-bearing liabilities	754,711	778,000	(23,289)	0	0	0
Provisions						
Employee provisions ¹³	716,000	480,000	236,000	292,640	282,000	10,640
Total provisions	716,000	755,000	236,000	292,640	282,000	10,640
Total liabilities	1,926,343	1,608,000	318,343	399,885	623,000	(223,115)
Net assets	1,013,964	2,398,000	(1,384,036)	1,022,985	644,000	378,985
EQUITY						
Parent entity interest						
Contributed equity	857,000	857,000	0	374,300	375,000	(700)
Retained earnings	156,964	1,541,000	(1,384,036)	648,685	269,000	379,685
Total parent entity interest	1,013,964	2,398,000	(1,384,036)	1,022,985	644,000	378,985

Variances in equity are the net result of variances in the statements of comprehensive income and the statements of financial position.

Statements of Changes in Equity
for the period ended 30 June 2024

Australian Accounting Standards Board

	Retained earnings			Contributed equity/capital			Total equity		
	Actual	Budget Estimate		Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance		Original	Variance		Original	Variance
	2024	2024	2024	2024	2024	2024	2024	2024	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance									
Balance carried forward from previous period	889,971	1,594,000	(704,029)	804,000	804,000	0	1,693,971	2,398,000	(704,029)
Comprehensive income									
Surplus/ (Deficit) for the period	(733,007)	(53,000)	(680,007)	0	0	0	(733,007)	(53,000)	(680,007)
Total comprehensive income attributable to the Australian Government	(733,007)	(53,000)	(680,007)	0	0	0	(733,007)	(53,000)	(680,007)
Contribution by owners									
Departmental capital budget	0	0	0	53,000	53,000	0	53,000	53,000	0
Total transactions with owners	0	0	0	53,000	53,000	0	53,000	53,000	0
Closing balance attributable to Australian Government	156,964	1,541,000	(1,384,036)	857,000	857,000	0	1,013,964	2,398,000	(1,384,036)

Statements of Changes in Equity (continued)

for the period ended 30 June 2024

Auditing and Assurance Standards Board

	Retained earnings			Contributed equity/capital			Total equity		
	Actual	Budget Estimate		Actual	Budget Estimate		Actual	Budget Estimate	
		Original	Variance		Original	Variance		Original	Variance
	2024	2024	2024	2024	2024	2024	2024	2024	2024
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance carried forward from previous period	284,535	294,000	535	349,300	350,000	(700)	633,835	644,000	(10,165)
Surplus/ (Deficit) for the period	364,150	(25,000)	389,150	0	0	0	364,150	(25,000)	389,150
Total comprehensive income attributable to the Australian Government	364,150	(25,000)	389,150	0	0	0	364,150	(25,000)	389,150
Contributions by owners									
Departmental capital budget	0	0	0	25,000	25,000	0	25,000	25,000	0
Total transactions with owners	0	0	0	25,000	25,000	0	25,000	25,000	0
Closing balance attributable to Australian Government	648,685	269,000	389,685	374,300	375,000	(700)	1,022,985	644,000	378,985

Cash Flow Statements
for the period ended 30 June 2024

	AASB			AUASB		
	Actual	Budget estimate		Actual	Budget estimate	
		Original	Variance		Original	Variance
		2024	2024		2024	2024
	\$	\$	\$	\$	\$	\$
OPERATING ACTIVITIES						
Cash received						
Appropriations ⁷	5,379,000	3,631,000	1,748,000	2,740,000	2,407,000	333,000
Goods and services	796,026	550,000	246,026	0	0	0
Net GST received	69,157	0	69,157	0	0	0
Contributions received	503,767	500,000	3,767	0	0	0
Total cash received	6,747,950	4,681,000	2,066,950	2,740,000	2,407,000	333,000
Cash used						
Employees and contractors ¹	4,336,829	3,547,000	789,829	1,494,785	1,682,000	(187,215)
Suppliers ²	1,852,005	959,000	893,005	1,102,530	725,000	377,530
Interest payments on lease liabilities ⁴	8,393	14,000	(5,607)	0	0	0
Other	0	(105,000)	105,000	0	0	0
Total cash used	6,197,227	4,415,000	1,782,227	2,597,315	2,407,000	190,315
Net cash from/ (used by) operating activities	550,723	266,000	284,723	142,685	0	142,685
INVESTING ACTIVITIES						
Cash received / (used)						
Purchase of property, plant and equipment and intangibles ³	(86,836)	(53,000)	(33,836)	0	(25,000)	25,000
Total cash used	(86,836)	(53,000)	(33,836)	0	(25,000)	25,000
Net cash from (used by) investing activities	(86,836)	(53,000)	(33,836)	0	(25,000)	25,000
FINANCING ACTIVITIES						
Cash received						
Contributed equity	53,000	53,000	0	25,000	25,000	0
Principal payments of lease liabilities ⁴	(276,324)	(266,000)	(10,324)	0	0	0
Net cash from/ (used by) financing activities	(223,324)	(213,000)	(10,324)	25,000	25,000	0
Net increase (decrease) in cash held	240,563	0	240,563	167,685	0	167,685
Cash and cash equivalents at the beginning of the reporting period	148,153	67,000	81,153	69,222	51,000	18,222
Cash and cash equivalents at the end of the reporting period ⁸	388,716	67,000	321,716	236,907	51,000	185,907

Appendices

APPENDIX A

AASB AND AUASB LEGISLATIVE REQUIREMENTS

AASB

The AASB is required to advance and promote the main objects of Part 12, section 224, of the ASIC Act:

- (a) to facilitate the development of accounting standards that require the provision of financial information that:
 - 1. allows users to make and evaluate decisions about allocating scarce resources
 - 2. assists directors to discharge their obligations in relation to financial reporting
 - 3. is relevant to assessing performance, financial position, financing and investment
 - 4. is relevant and reliable
 - 5. facilitates comparability
 - 6. is readily understandable.
- (b) to facilitate the Australian economy by:
 - 1. reducing the cost of capital
 - 2. enabling Australian entities to compete effectively overseas
 - 3. having accounting standards that are clearly stated and easy to understand.

(c) to maintain investor confidence in the Australian economy (including its capital markets).

Part 12, section 227, of the ASIC Act provides, among other things, that:

- (1) The functions of the AASB are:
 - 1. to develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards
 - 2. to make accounting standards under section 334 of the *Corporations Act 2001* for the purposes of the Corporations legislation (other than the excluded provisions)
 - 3. to formulate accounting standards for other purposes
 - 4. to participate in and contribute to the development of a single set of accounting standards for worldwide use
 - 5. to advance and promote the main objects of this Part.
- (2) In carrying out its functions under paragraphs (1) (a) and (d) the AASB must have regard to the interests of Australian corporations which raise or propose to raise capital in major international financial centres.

AUASB

The AUASB is an Australian Government Agency under the *Australian Securities and Investments Commission Act 2001* (ASIC Act).

Under section 227B (1) of the ASIC Act, the functions of the AUASB are:

- (a) to make auditing standards under section 336 of the *Corporations Act 2001*, for the purposes of the corporations legislation
- (b) to formulate auditing and assurance standards for other purposes
- (c) to formulate guidance on auditing and assurance matters
- (d) to participate in and contribute to the development of a single set of auditing standards for worldwide use
- (e) to advance and promote the main objects of Part 12 of the ASIC Act. Section 224 (aa) of the *ASIC Act* states the objectives of Part 12, which include:

“To facilitate the development of auditing and assurance standards and related guidance materials that:

- 1. 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*; and
- 2. require the preparation of auditors’ reports that are reliable and readily understandable by the users of financial reports to which they relate.”

Other relevant objectives of Part 12 are summarised below:

- to facilitate the Australian economy by having (accounting and) auditing standards that are clearly stated and easy to understand; and
- to maintain investor confidence in the Australian economy (including its capital markets).

APPENDIX B

ATTENDANCE AT AASB AND AUASB MEETINGS

AASB MEMBER ATTENDANCE

The AASB met eight times via video conference during 2023-24 for a total of nine meetings. In addition to preparation for these meetings, which requires consideration of detailed technical papers, members considered and voted on accounting standards and other pronouncements out of session and also attended or made presentations at seminars and other meetings related to their role as a Board member. Consequently, the time committed by members is substantially more than the meeting days attended.

AASB Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
K Kendall (Chair)	13	13	0
S Taylor (Deputy Chair)	13	13	0
C Cordery	13	13	0
J Grant	13	12	1
D Hanlon	13	13	0
D Holland	13	10	3
A King	13	13	0
T Langley	13	11	2
L Maimone	13	12	1
M Nelson	13	12	1
S Osborn	13	11	2
M Overton	7	7	0
P Rogers	13	11	2
C Spencer	13	13	0
A White*	6	6	0

* Board retirements during 2023-24 period

For details of terms of appointments, please refer to the AASB Organisational Structure section of this Report.

AUASB MEMBER ATTENDANCE

The AUASB held five meetings during 2023-24 for a total 13 meetings. Member attendance is shown in the table below:

Members	Number of days eligible to attend	Number of days attended	Apologies (days)
D Niven (Chair)	13	13	0
J Crisp (Deputy Chair)	13	13	0
T Barker	13	7	6
K Hankin	13	13	0
N Harding	13	13	0
A Porter	13	11	2
T Jeyaretnam	13	13	0
J Lonergan	13	11	2
M Russ	13	13	0
M Shafizadeh	13	13	0
J Thorne	13	11	2
C Mun Woo	13	13	0

For details of terms of appointments, please refer to the AUASB Organisational Structure section of this Report.

APPENDIX C

OTHER INFORMATION

EXTERNAL SCRUTINY

The AASB and AUASB's financial statements are audited each year by the ANAO.

AASB and AUASB annual reports are scrutinised by the Senate Economics Legislation Committee and the Parliamentary Joint Committee on Corporations and Financial Services.

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/No1of46thParliament.

PURCHASING

The AASB and AUASB's general policy is that the purchase of any major capital items follows the Commonwealth Procurement Guidelines.

Information on expenditure on contracts and consultancies is also available on the AusTender website, www.tenders.gov.au.

PROCUREMENT INITIATIVES TO SUPPORT SMALL BUSINESS

The AASB and AUASB support small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website (www.finance.gov.au/procurement/statistics-on-commonwealth-purchasing-contracts)

Officials of the AASB and AUASB apply procurement practices that do not unfairly discriminate against SMEs and provide appropriate opportunities for SMEs to compete. Officials consider the benefits of doing business with SMEs when scoping the requirements and evaluating value for money. Procurement practices support SMEs by the use of the Commonwealth Contracting Suite for low-risk procurements valued under \$200,000.

The AASB and AUASB participate in whole-of-government procurement where applicable and follow the Small Business Engagement Principles, such as communicating in clear, simple language and presenting information in an accessible format

E-invoicing has been implemented to support on-time payment to suppliers, including the use of payment cards.

Statics on SMEs' participation in Commonwealth Government procurement are available on the [Statistics on Australian Government Procurement Contracts](#) page.

CONSULTANTS

Reportable consultancy contracts 2023-24	AASB		AUASB	
	Number	Expenditure \$	Number	Expenditure \$
New contracts entered into during the reporting period	0	0	0	0
Ongoing contracts entered into during a previous reporting period	1	510	0	0
Total	1	510	0	0

Organisations receiving a share of reportable consultancy contract expenditure 2023-24	AASB	
	Expenditure \$	Proportion of 2023-24 total spend (%)
Gadens Lawyers	510	100%
Total of the Largest Shares	510	100%

AASB - During 2023-24, no new reportable consultancy contracts were entered into. There were 1 active ongoing reportable consultancy contracts during the period involving a total expenditure of \$510.

AUASB - During 2023-24, no new reportable consultancy contracts were entered. There were no active ongoing reportable consultancy contracts from the previous reporting period.

Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website.

Decisions to engage consultants during 2023-24 were made in accordance with the PGPA Act and related regulations including the Commonwealth Procurement Rules and relevant internal policies.

AASB and AUASB selects consultants through the use of panel arrangements or by making an open approach to market.

AASB and AUASB engages consultants when it requires specialist expertise on policy design, financial viability, and information technology strategic planning. Independent evaluation on AASB's or AUASB outcomes are also required.

NON-CONSULTANCY CONTRACTS

Reportable non-consultancy contract 2023-24	AASB		AUASB	
	Number	Expenditure \$	Number	Expenditure \$
New contracts entered into during the reporting period	14	391,753	3	90,005
Ongoing contracts entered into during a previous reporting period	6	558,239	1	65,081
Total	20	949,992	4	155,086

Organisations receiving a share of reportable non-consultancy contract expenditure 2023-24	AASB	
	Expenditure \$	Proportion of 2023-24 total spend (%)
Kamirice	279,753	29%
MCI	157,538	17%
EY	132,605	14%
The Westin Brisbane	99,738	10%
Data #3 Limited	82,207	9%
Total of the Largest Shares	751,841	79%

Organisations receiving a share of reportable non-consultancy contract expenditure 2023-24	AUASB	
	Expenditure \$	Proportion of 2023-24 total spend (%)
EY	120,631	78%
International Federation of Accountants	18,824	12%
Dexus Place	15,631	10%
Total of the Largest Shares	155,086	100%

Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the reportable non-consultancy contracts' value is available on the AusTender website.

EXEMPT CONTRACTS

The AASB has a contract with the IFRS Foundation. The contract gives the AASB rights to IFRS copyright material.

This contract and value has been exempted by the Chair from being published in AusTender on the basis that it would disclose exempt matters under the *Freedom of Information Act 1982*.

ADVERTISING AND MARKET RESEARCH

The AASB and AUASB did not carry out any advertising. The following market research was carried out:

Payments made to market research organisations, 2023–24

Organisation	Purpose	Amount (\$)
Survey Monkey	AASB Exposure Draft ED SR1 Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information (November 2023)	2,545

GRANTS

The AASB and AUASB does not administer or receive any grant programs.

FREEDOM OF INFORMATION

Information Publication Scheme

The AASB and AUASB are subject to the *Freedom of Information Act 1982* (FOI Act) and publish information to the public as part of the Information Publications Scheme (IPS). The AASB and AUASB display on their websites a plan showing information in accordance with the IPS requirement (<https://www.aasb.gov.au/about-the-aasb/freedom-of-information-foi/> and www.auasb.gov.au/about-auasb/freedom-of-information).

DISABILITY REPORTING

Australia's Disability Strategy 2021-2031 (the Strategy) is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The Strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to delivering more comprehensive and visible reporting under the Strategy. A range of reports on the progress of the Strategy's actions and outcome areas will be published and available at <https://www.disabilitygateway.gov.au/ads>.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at <http://www.apsc.gov.au>.

OCCUPATIONAL HEALTH AND SAFETY

Under section 38 of the *Work Health and Safety Act 2011*, the AASB and AUASB is required to notify Comcare of any incidents arising out of the conduct of their operations that result in death, serious injury or serious illness of a person, or involve a dangerous incident.

All employees, and Board members, when attending meetings, are covered under Comcare and Comcover. No accidents or dangerous occurrences, or relevant investigations, took place during the 2023-24 financial year.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL PERFORMANCE REPORTING

The AASB and AUASB do not have specific responsibilities in relation to the administration of environmental sustainability legislation.

The nature of the AASB and AUASB's activities limits the impact of their operations on the environment, however, they are mindful of their responsibilities to minimise negative impacts. Accordingly, the AASB and AUASB have in place policies and procedures designed to minimise environmental impacts by complying with government policies relating to waste, energy and travel.

The principal environmental impact minimisation activities employed are:

- virtual meetings as a substitute for travel, where appropriate
- waste management, through a fully commingled and organic recycling program
- energy efficient practises in lighting, air-conditioning and computer use
- limited water use.

The Melbourne office achieved 5-star Green Star Office Design rating from the Green Building Council of Australia. It also achieved a 5-star Australian Business Greenhouse Rating and the first existing building in Australia to achieve a WELL Platinum Certification.

The building holds a Waste Wise accreditation from EcoRecycle Victoria. Accreditation is supported by a recycling and waste management programme that aims to avoid, reuse or recycle waste generated by the building and its occupants.

Travel restrictions limit meetings to only essential obligations. Teleconferencing and videoconferencing are used whenever possible.

CLIMATE DISCLOSURE

Commonwealth Climate Disclosure is the Government's policy for Commonwealth entities to publicly disclose their exposure to climate risks and opportunities, as well as their actions to manage them. The AASB and the AUASB have voluntarily opted into the CCD Pilot, which is currently only mandatory for Commonwealth Departments of State. This establishes us as a front-runner on climate disclosure, which aligns with our responsibility for sustainability standards. It also prepares the Boards to meet the more fulsome disclosure requirements as these are brought into effect from the 2024-25 financial year.

Governance

Climate risk governance and accountability

The AASB and the AUASB's governance structures are underpinned by a robust enterprise risk management framework established in accordance with the requirements of the *Commonwealth Risk Management Policy (2023)* and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

We use our existing governance and risk systems, policies and tools to manage risks, including climate-related risks and opportunities. We see climate-related risk as a priority action area, and climate-related risk and opportunity reporting has been included in existing risk reporting arrangements and key corporate documentation (such as corporate plans).

As defined under section 12 of the PGPA Act, the Chairs of AASB and AUASB are the accountable authority for all organisational risks, including climate-related risks.

The Chairs have assigned responsibility for risk management oversight to the Managing Director and the Finance Team. The Managing Director and the Finance Team have worked closely with the Audit and Risk Committee to implement climate risk management practices and strategies aligned with climate risks and opportunities and resources within the organisation, and to ensure steps are being undertaken so that climate-related risks and opportunities are appropriately identified, prioritised and managed across the organisations.

Although the Chairs, Managing Director and the Finance Team are ultimately responsible for leading the oversight of the AASB and the AUASB's risks, including climate-related risk, we embed a culture that risk management is everyone's business. All staff are responsible for climate-related risk and opportunity identification and management with consideration to their role and commensurate to their level. The AASB and AUASB are actively working towards being a sustainable and responsible workplace and have also issued an office sustainability policy.

Moreover, the AASB is currently in the process of formulating and making Australian Sustainability Reporting Standard AASB S1 *General Requirements for Disclosure of*

Sustainability-related Financial Information and AASB S2 Climate-related Disclosures. The AASB and the AUASB Staff are building relevant skills and capabilities through the development of AASB S1 and AASB S2.

The Chairs have also requested that the Finance Team review existing systems to assess their effectiveness in considering the trade-offs between climate-related risks and other Government policy constraints. For example, whether appropriate checks and balances are in place to ensure any new property management activities align with the emissions reduction articulated in AASB's *Emissions Reduction Plan 2024* and AUASB's *Emissions Reduction Plan 2024*.

The role and responsibilities of the accountable authority in managing climate risks and opportunities within the AASB and the AUASB, is summarised in Table 1.

Table 1 Roles and Responsibilities

Role	Risk Responsibilities
AASB and AUASB Chairs	Accountable authority with ultimate responsibility for having systems of risk management in place – this includes determining risk appetite, tolerance and a positive risk culture. Deputises climate risk management oversight to the Managing Director and the Finance Team. This includes the establishment and oversight of climate-related risk assessment processes and performance targets, such as (but not limited to) the development of emissions reduction targets for inclusion in the <i>AASB Emissions Reduction Plan 2024</i> and <i>AUASB Emissions Reduction Plan 2024</i> .
AASB and AUASB Audit and Risk Committees (ARC)	Responsible for providing independent assurance and assistance to the Chairs on their financial and performance reporting responsibilities, risk oversight and management, and system of internal control. The Committee is not responsible for the executive management of these functions. The Committee engages with management in discharging its advisory responsibilities and formulating its advice to the Chairs.
Managing Director	Responsible for overseeing the risk management framework and governance as well as advising the Chairs, including through their reporting role to the ARC. Delivers the AASB and the AUASB's obligations under the Commonwealth Climate Disclosure Reform and Climate Risk and Opportunity Management Program (CROMP), and contributes to the AASB and AUASB's implementation of the <i>Net Zero in Government Operations Strategy</i> . The Managing Director and the Finance Team also currently hold the responsibilities of the Chief Sustainability Officer, the appointment of which is encouraged in the <i>Net Zero in Government Operations Strategy</i> .
Finance Team	Responsible for designing, building and implementing the AASB and AUASB's risk management framework and developing

Role	Risk Responsibilities
	<p>capability internally to manage risk. Climate-related risk is included in AASB and AUASB's enterprise risk management framework as a specialist risk category.</p> <p>Responsible for maintaining divisional risk registers that monitor climate-related risk identification, assessment and management actions.</p>

Risk management

This year was the first time the AASB and the AUASB have embarked upon an organisation-wide risk assessment in accordance with our obligations under the [*Australian Government's Approach to Climate Risk and Opportunity Management in the Public Sector 2024-2026*](#). This reporting year, we focused on the first step of the CROMP organisation-wide climate risk and opportunity assessment. We have worked to implement climate risk management practices and strategies aligned with climate risks opportunities and resources within the organisation, and to ensure steps are being undertaken so that climate-related risks and opportunities are appropriately identified, prioritised and managed across the organisations. We will report our progress in completing the organisation-wide climate risk and opportunity assessment in our next annual report.

OUR PROGRESS

Table 1 CROMP Actions Completed

Step 1: Scoping the assessment

- Defined climate risk governance structures and identified the project team and Executive Sponsor (Managing Director of AASB and AUASB).
- Identified *values at risk* as the five key strategic risks from the Corporate plan (staff wellbeing, business continuity, reputation, procurement, and fit for purpose nature of standards that are pronounced).
- Identified the geographic region of interest as Victoria where the majority of our staff and assets are based.
- Generated a list of stakeholders for ongoing engagement activities.
- Reviewed AASB and AUASB's enterprise risk management framework and our existing risk matrix.
- Increased internal capability with key staff working on the Australian Sustainability Reporting Standards through the development of the mandatory reporting standards for the Australian Economy. This capability is further enhanced with the AUASB working on sustainability assurance standards, guidance, phasing requirements and education.

METRICS AND TARGETS

CLIMATE-RELATED METRICS

2023-24 GREENHOUSE GAS EMISSIONS INVENTORY

Emissions are required to be calculated in line with the APS Net Zero Emissions Reporting Framework provided by Department of Finance, consistent with the whole-of-Australian-Government approach as part of the APS Net Zero by 2030 policy. For the emissions calculation method, please see the [Pilot Metrics and Targets Factsheet](#). The AASB and the AUASB have not deviated from this methodology.

The greenhouse gas emissions inventory presents greenhouse gas emissions over the 2023–24 period. Results are presented as carbon dioxide equivalent (CO₂-e) emissions and are based on the best available data at the time of reporting. Amendments to data may be required in future reports.

Electricity-related greenhouse gas emissions were calculated using the location-based approach in Tables 3 and 5. When applying the market-based method, which accounts for factors such as GreenPower usage, purchased large-scale generation certificates, power purchasing agreements, the renewable power percentage and the jurisdictional renewable power percentage (ACT only), the total emissions for electricity are as shown in Tables 4 and 6. For comparison, the greenhouse gas emissions over the 2022–23 period are presented in Tables 7, 8, 9, and 10.

Table 3: AASB 2023-24 Greenhouse Gas Emissions Inventory – Location-Based Method

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location Based Approach)	N/A	20.684	1.692	22.376
Natural Gas	2,763.178	N/A	214.491	2,977.669
Solid Waste*	N/A	N/A	0.000	0.000
Refrigerants*†	0.000	N/A	N/A	0.000
Fleet and Other Vehicles	0.000	N/A	0.000	0.000
Domestic Commercial Flights	N/A	N/A	45.059	45.059
Domestic Hire Car*	N/A	N/A	0.057	0.057
Domestic Travel Accommodation*	N/A	N/A	26.601	26.601
Other Energy	0.000	N/A	0.000	0.000
Total t CO₂-e	2,763.178	20.684	287.900	3,071.762

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.

*indicates emission sources collected for the first time in 2023-24. The quality of data is expected to improve over time as emissions reporting matures.

†indicates optional emission source for 2023-24 emissions reporting.

Table 4: AASB 2023-24 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Electricity (Location Based Approach)	20.684	1.692	22.376	100.00%
Market-based electricity emissions	17.194	2.123	19.317	81.28%
Total renewable electricity	-	-	-	18.72%
Mandatory renewables ¹	-	-	-	18.72%
Voluntary renewables ²	-	-	-	0.00%

Note: the table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent.

1 Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

2 Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Table 5: AUASB 2023-24 Greenhouse Gas Emissions Inventory– Location-Based Method

Emission Source	Scope 1 t CO ₂ -e	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e
Electricity (Location Based Approach)	N/A	11.971	0.979	12.951
Natural Gas	1,599.275	N/A	124.143	1,723.419
Solid Waste*	N/A	N/A	0.000	0.000
Refrigerants*†	0.000	N/A	N/A	0.000
Fleet and Other Vehicles	0.000	N/A	0.000	0.000
Domestic Commercial Flights	N/A	N/A	13.720	13.720
Domestic Hire Car*	N/A	N/A	0.000	0.000
Domestic Travel Accommodation*	N/A	N/A	0.887	0.887
Other Energy	0.000	N/A	0.000	0.000
Total t CO₂-e	1,599.275	11.971	139.730	1,750.977

Note: the table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent.

*indicates emission sources collected for the first time in 2023-24. The quality of data is expected to improve over time as emissions reporting matures.

†indicates optional emission source for 2023-24 emissions reporting.

Table 6: AUASB 2023-24 Electricity Greenhouse Gas Emissions

Emission Source	Scope 2 t CO ₂ -e	Scope 3 t CO ₂ -e	Total t CO ₂ -e	Percentage of electricity use
Electricity (Location Based Approach)	11.971	0.979	12.951	100.00%
Market-based electricity emissions	9.952	1.229	11.180	81.28%
Total renewable electricity	-	-	-	18.72%
Mandatory renewables ¹	-	-	-	18.72%
Voluntary renewables ²	-	-	-	0.00%

Note: the table above presents emissions related to electricity usage using both the location-based and the market-based accounting methods. CO₂-e = Carbon Dioxide Equivalent.

¹ Mandatory renewables are the portion of electricity consumed from the grid that is generated by renewable sources. This includes the renewable power percentage.

² Voluntary renewables reflect the eligible carbon credit units surrendered by the entity. This may include purchased large-scale generation certificates, power purchasing agreements, GreenPower and the jurisdictional renewable power percentage (ACT only).

Table 7: AASB 2022-23 Greenhouse Gas Emissions Inventory – Location-Based Method

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	N/A	20,834	1,716	22,550
Natural Gas	2,578,024	N/A	200,118	2,778,142
Fleet Vehicles	-	N/A	-	-
Domestic Flights	N/A	N/A	32,396	32,396
Other Energy	-	N/A	-	-
Total kg CO₂-e	2,578,024	20,834	234,230	2,833,088

Table 8: AASB 2022-23 Electricity Greenhouse Gas Emissions

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Market Based Approach)	N/A	16,785	2,222	19,007
Natural Gas	2,578,024	N/A	200,118	2,778,142
Fleet Vehicles	-	N/A	-	-
Domestic Flights	N/A	N/A	32,396	32,396
Other Energy	-	N/A	-	-
Total kg CO₂-e	2,578,024	16,785	234,736	2,829,545

Table 9: AUASB 2022-23 Greenhouse Gas Emissions Inventory – Location-Based Method

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Location Based Approach)	N/A	11,765	969	12,734
Natural Gas	1,455,811	N/A	113,007	1,568,818
Fleet Vehicles	-	N/A	-	-
Domestic Flights	N/A	N/A	17,164	17,164
Other Energy	-	N/A	-	-
Total kg CO₂-e	1,455,811	11,765	131,139	1,598,715

Table 10: AUASB 2022-23 Electricity Greenhouse Gas Emissions

Emission Source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (Market Based Approach)	N/A	9,479	1,255	10,733
Natural Gas	1,455,811	N/A	113,007	1,568,818
Fleet Vehicles	-	N/A	-	-
Domestic Flights	N/A	N/A	17,164	17,164
Other Energy	-	N/A	-	-
Total kg CO₂-e	1,455,811	9,479	131,425	1,596,715

CLIMATE-RELATED TARGETS

The AASB and the AUASB are making strong contributions towards the attainment of the Government's APS Net Zero by 2030 target. The AASB and the AUASB are following the APS Net Zero by 2030 target in full, as per the Net Zero in Government Operations Strategy.

ABOUT THE APS NET ZERO TARGET

Details of the APS Net Zero 2030 target are detailed in the Pilot Metrics and Targets Factsheet.

EMISSIONS REDUCTION PLAN

This year, the AASB and the AUASB published the first Emissions Reduction Plans (ERPs).¹ Our ERP sets out our planned activities to reduce emissions to Net Zero by 2030 and includes both planned and new initiatives to reduce emissions. The initiatives and targets within the ERP are signed off by the Accountable Authority. The AASB and the AUASB are also developing a range of interim goals and metrics for tracking our performance against the ERP and APS Net Zero by 2030 target as part of our broader climate-related strategy.

¹ See *AASB Emissions Reduction Plan 2024* and *AUASB Emissions Reduction Plan 2024*.

SUMMARY OF PROGRESS

We have developed and published our ERPs which outline priorities and targeted actions that have been implemented, or committed to, within this reporting period, as well as those that will be delivered in the future.

We will continue to monitor our progress towards Net Zero and report additional measures as required.

LIST OF REQUIREMENTS

Description	Requirement	AASB Page	AUASB Page
Letter of transmittal			
A copy of the letter of transmittal signed and dated by accountable authority on the date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report	Mandatory	iii	iii
Aids to access			
Table of contents	Mandatory	iv	iv
Alphabetical index	Mandatory	139	139
Glossary of abbreviations and acronyms	Mandatory	v	v
List of requirements	Mandatory	132	132
Details of contact officer	Mandatory	vi	vi
Entity's website address	Mandatory	vi	vi
Electronic address of report	Mandatory	vi	vi
Review by accountable authority			
A review by the accountable authority of the entity	Mandatory	9	35
Overview of the entity			
A description of the role and functions of the entity	Mandatory	15	41
A description of the organisational structure of the entity	Mandatory	60	63
A description of the outcomes and Programs administered by the entity	Mandatory	17	44
A description of the purposes of the entity as included in the corporate plan	Mandatory	15	41
Name of the accountable authority or each member of the accountable authority	Mandatory	15	41
Position title of the accountable authority of each member of the accountable authority	Mandatory	15	41
Period as the accountable authority or member of the accountable authority within the reporting period	Mandatory	61	64

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
An outline of the structure of the portfolio of the entity.	Portfolio departments - mandatory		
Where outcome and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change	If applicable, Mandatory	106	108
Report on the performance of the entity			
Annual performance statements			
Annual performance statement in accordance with program 39(1)(b) of the Act and section 16F of the Rule	Mandatory	15	41
Report on financial performance			
A discussion and analysis of the entity's financial performance	Mandatory	13	39
A table summarising the total resources and total payments of the entity	Mandatory	n/a	n/a
If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results	If applicable, Mandatory	13	39
Management and accountability			
Corporate governance			
Information on compliance with section 10 (fraud systems)	Mandatory	68	68
A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared	Mandatory	68	68
A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place	Mandatory	68	68

Description	Requirement	AASB Page	AUASB Page
A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity	Mandatory	68	68
An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance	Mandatory	68	68
A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with Finance law and action taken to remedy non-compliance	If applicable, Mandatory	n/a	n/a
Audit Committee			
A direct electronic address of the charter determining the functions of the entity's audit committee	Mandatory	67	67
The name of each member of the entity's audit committee	Mandatory	66	66
The qualifications, knowledge, skills or experience of each member of the entity's audit committee	Mandatory	66	66
Information about the attendance of each member of the entity's audit committee at committee meetings	Mandatory	66	66
The remuneration of each member of the entity's audit committee	Mandatory	66	66
External scrutiny			
Information on the most significant developments in external scrutiny and the entity's response to the scrutiny	Mandatory	119	119
Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity	If applicable, Mandatory	n/a	n/a
Information on any reports on operations of the entity by the Auditor-General, (other than report under section 43 of the Act), a Parliamentary Committee or the Commonwealth Ombudsman	If applicable, Mandatory	n/a	n/a
Information on any capability reviews on the entity that were released during the period	If applicable, Mandatory	n/a	n/a
Management of human resources			
An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives	Mandatory	70	73

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
Statistics on the entity's employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location 	Mandatory	70	73
Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> statistics on staffing classification level statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location statistics on employees who identify as Indigenous. 	Mandatory	70	73
Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory	70	73
Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c)	Mandatory	70	73
The salary ranges available for APS employees by classification level	Mandatory	72	75
A description of non-salary benefits provided to employees	Mandatory	76	76
Information on the number of employees at each classification level who received performance pay	If applicable, Mandatory	n/a	n/a
Information on aggregate amounts of performance pay at each classification level	If applicable, Mandatory	n/a	n/a
Information on the average amount of performance payment, and range of such payments, at each classification level	If applicable, Mandatory	n/a	n/a
Information on aggregate amount of performance payments	If applicable, Mandatory	n/a	n/a
Assets management			
An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities	If applicable, mandatory	n/a	n/a

Description	Requirement	AASB Page	AUASB Page
Purchasing			
An assessment of entity performance against the <i>Commonwealth Procurement Rules</i>	Mandatory	119	119
Reporting consultancy contracts			
A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST)	Mandatory	120	120
A statement that “During 2023-24, [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].”	Mandatory	120	120
A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged	Mandatory	120	120
A statement that “Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.”	Mandatory	120	120
Reportable non-consultancy contracts			
A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non-consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST).	Mandatory	121	121

Appendix D: List of Requirements

Description	Requirement	AASB Page	AUASB Page
A statement that <i>“Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non-consultancy contracts is available on the AusTender website</i>	Mandatory	121	121
Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts			
Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non-consultancy contracts.	Mandatory	121	121
Australian National Audit Office Access Clauses			
If an entity entered into a contract with a value of more than \$100,000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory	n/a	n/a
Exempt contracts			
If an entity entered into a contract or there is a standing offer with a value greater than \$10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory	121	121
Small business			
A statement that <i>“AASB-AUSB supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website”</i>	Mandatory	119	119
An outline of the ways in which the procurement practices of the entity support small and medium enterprises	Mandatory	119	119

Description	Requirement	AASB Page	AUASB Page
If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that <i>AASB-AUASB recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website.</i>	If applicable, Mandatory	n/a	n/a
Financial statements			
Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act	Mandatory	79	79
Executive Remuneration			
Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2-3 of the Rule	Mandatory	99	100
Other mandatory information			
If the entity conducted advertising campaigns, a statement that <i>"During 2023-24, the AASB conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available on [entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory	n/a	n/a
If the entity did not conduct advertising campaigns, a statement to that effect	If applicable, Mandatory	122	122
A statement that <i>"Information on grants awarded to AASB during 2023-24 is available at [entity's website]"</i>	If applicable, Mandatory	n/a	n/a
Outline of mechanisms of disability reporting including reference to website for further information	Mandatory	123	123
Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found	Mandatory	122	122
Correction of material errors in previous annual report	If applicable, Mandatory	n/a	n/a
Information required by other legislation	Mandatory	119	119

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