



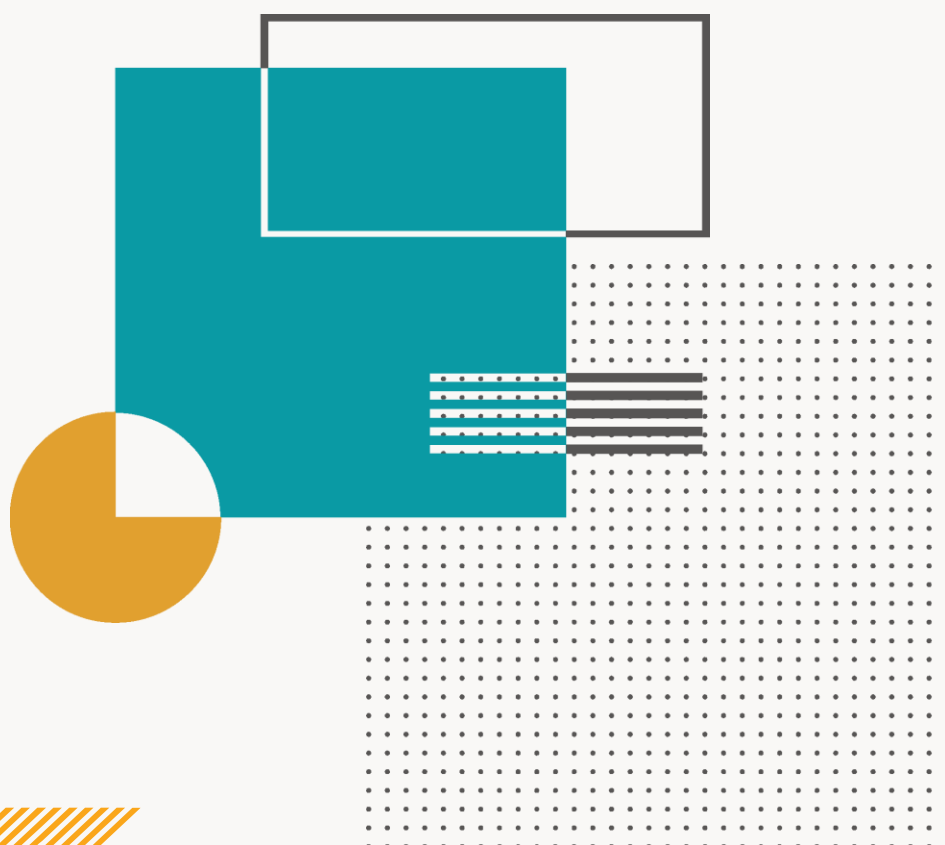
Australian Government

Auditing and Assurance Standards Board

Australian Accounting Standards Board

2025/26

# Corporate Plan





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## Preface

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

From years commencing 1 January 2025, the largest entities are required to publish Sustainability Reports that are subject to assurance. The Offices of AASB and AUASB have recruited and built capability for sustainability reporting and assurance.

In 2024-25, the AASB finalised the two Australian Sustainability Reporting Standards – the voluntary Standard AASB S1 General Requirements for Disclosure of Sustainability-related Financial Information and the mandatory Standard AASB S2 Climate-related Disclosures. The standards are tightly aligned to ISSB S1 and S2, respectively, and follow the most extensive outreach and deliberation process undertaken by the AASB. The AASB Board Meeting No. 209, which voted these standards in, had more than 100 external observers, making this the most attended AASB Board meeting.

Stakeholder roundtables have been a mix of face-to-face and hybrid meetings. The AASB conducted consultation to simplify and streamline the Not-for-Profit Financial Reporting Framework through Exposure Drafts ED 334 Limiting the Ability of Not-for-Profit Entities to Prepare Special Purpose Financial Statements and ED 335 General Purpose Financial Statements – Not-for-Profit Private Sector Tier 3 Entities. Besides the request for formal submissions, stakeholders were able to provide feedback on the exposure draft via an online survey. In addition, three virtual and two in-person outreach sessions were conducted to gain feedback and support ED 334 jointly with ED 335.

During 2024-25, AASB attended a number of high-profile meetings, including the Asian-Oceania Standard-Setters Group (AOSSG) Annual Meeting. In 2024-25, the AASB and Canada's Accounting Standards Board (AcSB) were appointed Co-Chair for the International Forum of Accounting Standard Setters (IFASS). In 2023-24, the AASB also became the Vice-Chair of the AOSSG, a role that will lead to the AASB becoming the Chair in November 2025 for a two-year period.

The AUASB issued important sustainability assurance standards, including ASSA 5000 *General Requirements for Sustainability Assurance Engagements* and ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001*. The AUASB was the first standard setter globally to adopt ISSA 5000 and this was an important step



towards global adoption. ASSA 5010 specifies the phasing in of limited and reasonable assurance for mandatory sustainability reporting under the Corporations Act 2001.

The Office of the AUASB is developing guidance and education materials to assist practitioners in implementing the sustainability assurance standards under the local reporting framework.

The AUASB also approved major revised standards on Going Concern and Fraud based on international standards.

To influence the development of the international standards on which AUASB standards are based, the AUASB Chair participated in important international meetings of the International Auditing and Assurance Standards Board (IAASB) and International Ethics Standards Board for Accountants (IESBA) Stakeholder Advisory Council meetings and the IAASB Jurisdictional Standard Setters.

This year saw changes in legislation to give the AASB and AUASB the remit to make sustainability standards. These changes in legislation have enabled the AASB to formulate and make the sustainability reporting standards and AUASB sustainability assurance standards to be mandatory under the Act. A key focus for 2025-26 will be the implementation of Australian Climate-related Financial Disclosure Standards and Assurance Standards for Sustainability Information.

The AASB and AUASB will work together towards guidance and education to assist with the implementation of the sustainability reporting and assurance standards and guidance. We will continue to focus our work on standards that support the domestic and global economy.

Use by external stakeholders of the standards portals that the AUASB and AASB have developed continues to increase.

The AASB and AUASB have continued to engage with the Department of Treasury, the Department of Finance, the Australian Security and Investments Commission (ASIC), the Australian Prudential Regulation Authority (APRA), the Commonwealth Science and Industrial Research Organisation (CSIRO) and other Government Agencies throughout 2024-25 in preparation for Australia's approach to implementing climate first, and the development of sustainability reporting and assurance standards.

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



reporting, audit and assurance.

The Offices continue to operate with flexible working arrangements. Members of the public are invited to observe both in-person and virtual Board meetings remotely. The following Corporate Plan outlines our strategy for continuing our work in the dynamic environment in which we operate.



## Introduction

As agreed with the Department of Finance, the 2025-26 Corporate Plans for the Australian Accounting Standards Board (AASB) and Auditing and Assurance Standards Board (AUASB) have been prepared as a single document, with the specific purpose and significant activities of each Board separately presented where required by Subsection 35(1) of the *Public Governance, Performance and Accountability Act 2013*.

## Accountable authority approval

### Australian Accounting Standards Board

I, Dr Keith Kendall, as the accountable authority of the Australian Accounting Standards Board, present the 2025-26 AASB Corporate Plan, which is prepared for the 2025-26 period and covers the periods 2025-26 to 2028, as required under paragraph 35(1) (b) of the *Public Governance, Performance and Accountability Act 2013*.

29 August 2025

### Auditing and Assurance Standards Board

I, Douglas Niven, as the accountable authority of the Office of the Auditing and Assurance Standards Board, present the 2025-26 AUASB Corporate Plan, which is prepared for the 2025-26 period and covers the periods 2025-26 to 2028, as required under section 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.

29 August 2025



# The AASB and AUASB Corporate Plan

## About Australian Accounting Standards Board

### AASB

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

The AASB also formulates accounting standards and or guidance for other purposes and participates in and contributes to the development of a single set of international accounting standards for worldwide use. The AASB's vision and strategies are set out on page 9.

### 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.

As at the time of writing, the AASB's 34 strong workforce is based across Australia and New Zealand with the majority based in the Melbourne office.

### The Minister

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

### Financial Reporting Council

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

### Membership

#### Chair

Keith Kendall was appointed as Chair of the AASB and CEO of the Office of the AASB for a five-year term from 3 May 2020 to 2 May 2025. His term was renewed in May 2025 for a

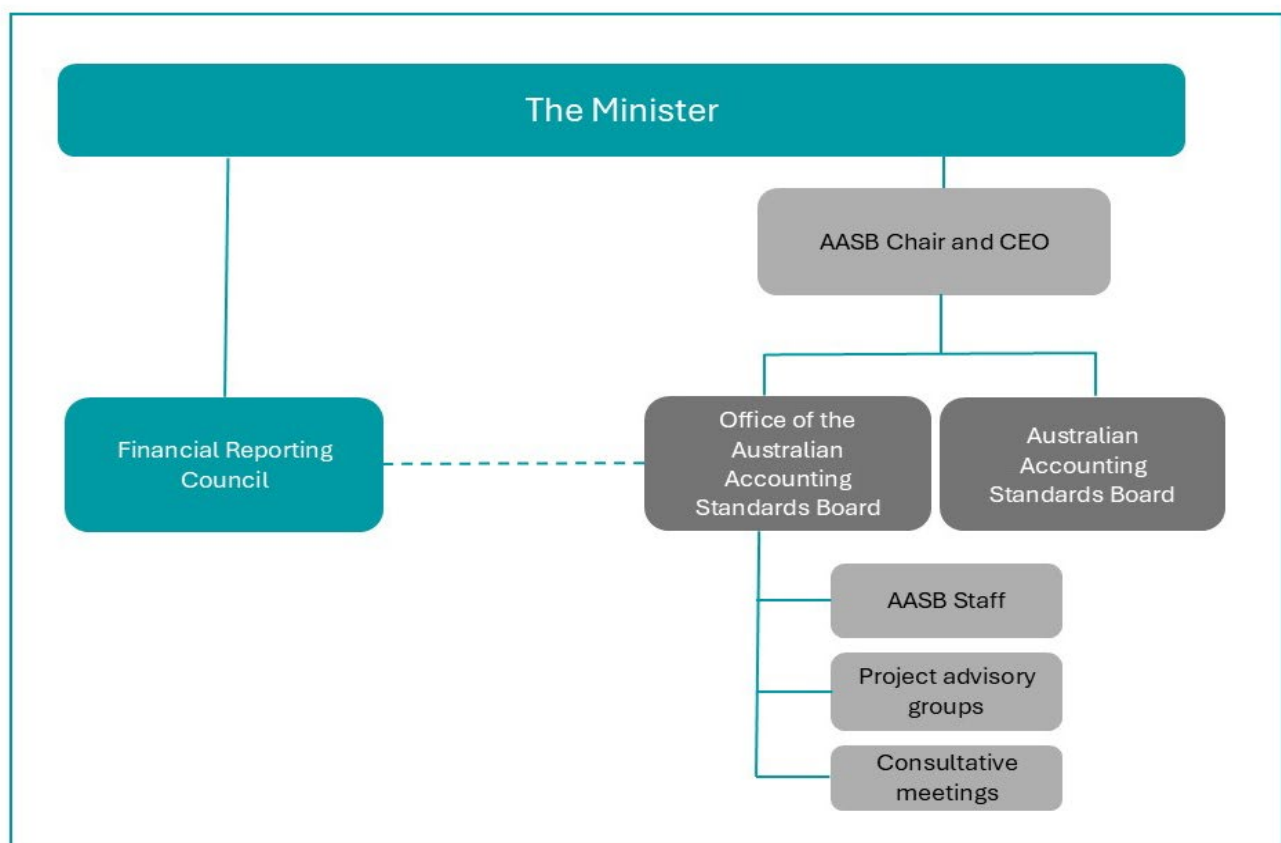


further 3-month term, and then again in August 2025 through to 30 June 2026. The duties of the Chair and CEO of the AASB are outlined in sections 235D to 235J of the Australian Securities and Investments Commission Act 2001.

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

## Board Members

To be eligible for appointment as a member of the AASB, a person must have knowledge of, or experience in, business, accounting, law or government. The Appointment process for all AASB board members (other than the Chair of the AASB) is run and administered by the Financial Reporting Council (FRC) and the FRC Nominations Committee. The FRC Nominations Committee operates under a terms of reference, and this covers all aspects of appointments from nominations through to term limits.







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

The elements of the AASB's operations are:





# About the Auditing and Assurance Standards Board

## AUASB

The AUASB is an Australian non-corporate Government Entity responsible for making auditing standards under section 336 of the *Corporations Act 2001* for the purposes of the corporation's legislation. The AUASB also formulates auditing and assurance standards for other purposes and participates in and contributes to the development of a single set of international auditing standards for worldwide use. The AUASB's vision and strategies are set out on page 12.

## Office of the AUASB

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

As at the time of writing, the Office of the AUASB has nine technical staff, all based in Australia, with the majority of its workforce located in Melbourne.

## The Minister

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

## Financial Reporting Council

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

## Membership

### Chair

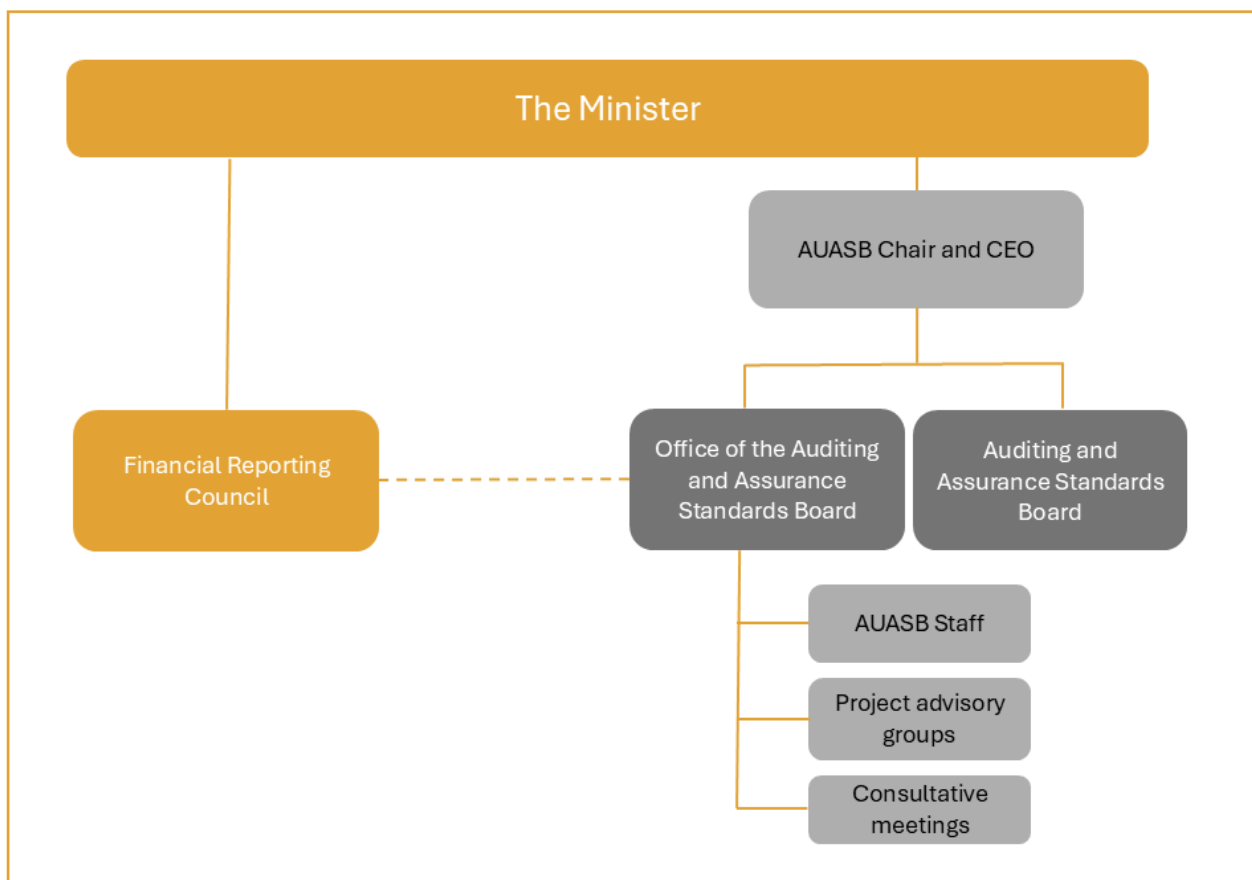
Mr Doug Niven was appointed as Chair of the AUASB and CEO of the Office of the AUASB for a five-year term from 5 September 2023 to 4 September 2028, having been Acting Chair from 31 July 2023. The duties of the Chair and CEO of the AUASB are outlined in sections 235D to 235J of the Australian Securities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

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



## Board Members

To be eligible for appointment as a member of the AUASB, a person must have knowledge of, or experience in, auditing, business, accounting, law or government. The appointment of all AUASB board members (other than the Chair of the AUASB) is undertaken by the Financial Reporting Council (FRC) and the FRC Nominations Committee, of which the AUASB Chair is a member. The FRC Nominations Committee operates under a terms of reference, and this covers all aspects of appointments from nominations through to term limits.





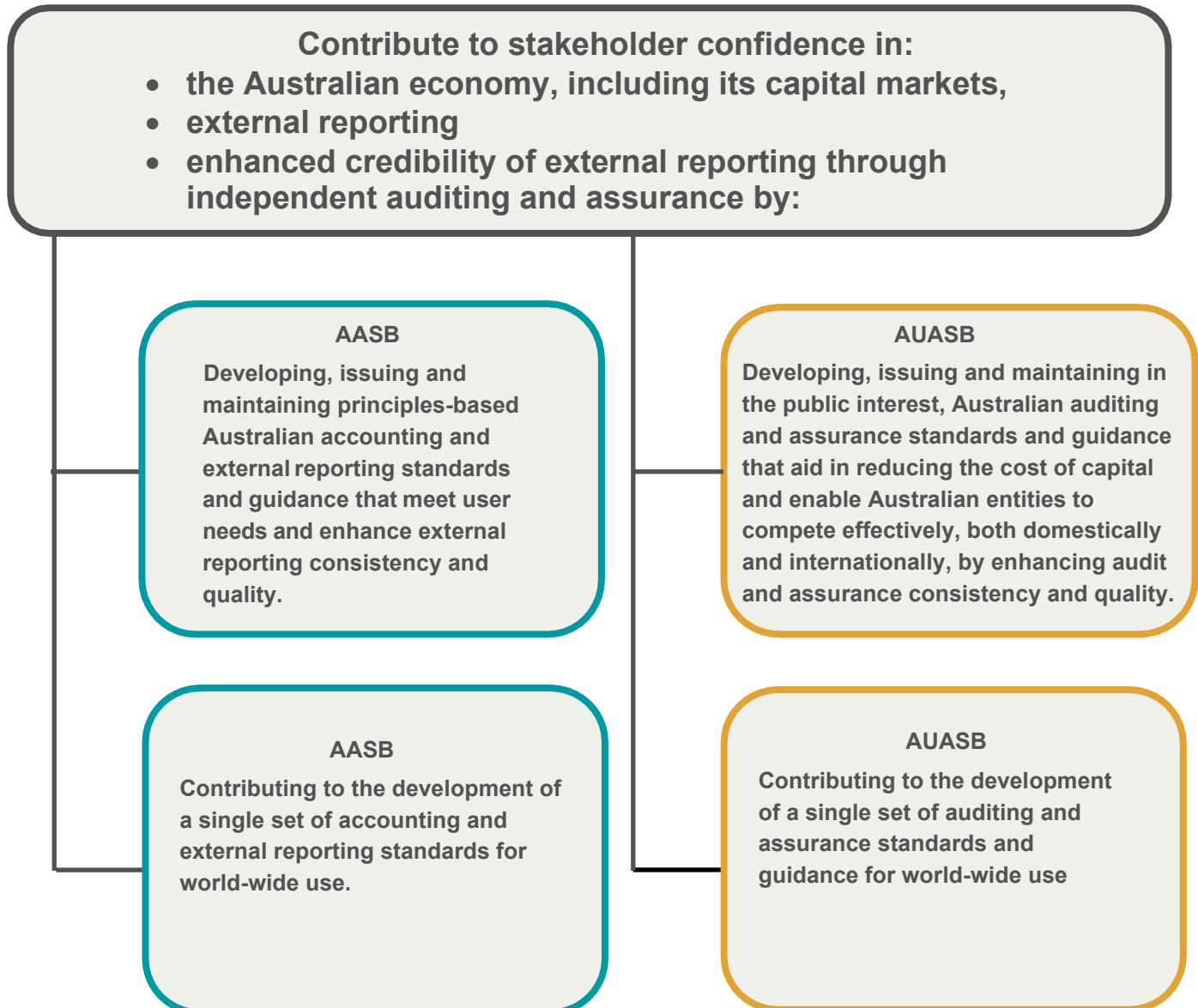
The elements of the AUASB's operations are:





# The Purpose of the AASB and AUASB

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





## Strategic Objectives (Key Activities)

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

AASB	AUASB
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' <sup>1</sup> entities maintain IFRS <sup>2</sup> 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. Play a leading role in the reshaping of the Australian external reporting environment by working with standard setters and regulators to set requirements proportionate to user needs and costs to preparers.	2. Develop and maintain Australian-specific Standards and/or Guidance for topics not specifically addressed by IAASB Standards where required.
3. Actively influence IASB <sup>4</sup> , ISSB <sup>5</sup> , IPSASB <sup>6</sup> 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. Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance and education under the Australian climate reporting framework and a standard for the phasing in of assurance over sustainability reports.
5. Influence initiatives to develop standards and guidance that meet user needs for external reporting integral to financial reporting.	5. Evidence-based research to inform standard setting and 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. Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's Standards.
7. Develop guidance and education initiatives, or promote development by others, to enhance the consistent application of accounting and external reporting standards and guidance.	-

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

2. International Financial Reporting Standards

3. International Auditing and Assurance Standards Board

4. International Accounting Standards Board

5. International Sustainability Standards Board

6. International Public Sector Accounting Standards Board





# Environment

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

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

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

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

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

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

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



and the public sector. The complexities of setting standards appropriate for all three sectors increases the challenges of achieving appropriate stakeholder understanding of the AASB's and AUASB's roles and engagement with their standard-setting activities.







# How we operate

## The Boards and their Offices

The Chairs of the AASB and AUASB are each chairs of three entities, being:

- the standard-setting Board itself
- a statutory authority of which employs the technical staff referred to as the Office of the AASB or Office of the AUASB<sup>1</sup> (non-corporate Commonwealth entities). By agreement, the Office of the AASB employs the administrative staff who support both the Office of the AASB and the Office of the AUASB.
- an office that comprises the Chairs, Board members and staff for PGPA purposes.

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

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

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

Each year, the FRC advertises for new members across both AASB and AUASB Boards through the FRC Nominations Committee.

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



## Financial Reporting Council and Minister Oversight

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

The FRC directed the AASB to:

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

The FRC directed the AUASB on 6 April 2005 to:

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

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

Although our funding is provided by government, we are independent as the Australian Securities and Investments Commission Act 2001 (ASIC Act) expressly limits the FRC's and



Minister's ability to direct the AASB or AUASB in relation to the development, or making, of a particular standard. The FRC and Minister do not have the power to veto a standard made, formulated or developed by the AASB or the AUASB and neither the FRC nor the Minister can direct a particular technical outcome.





## The Standards as Legislative Instruments

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

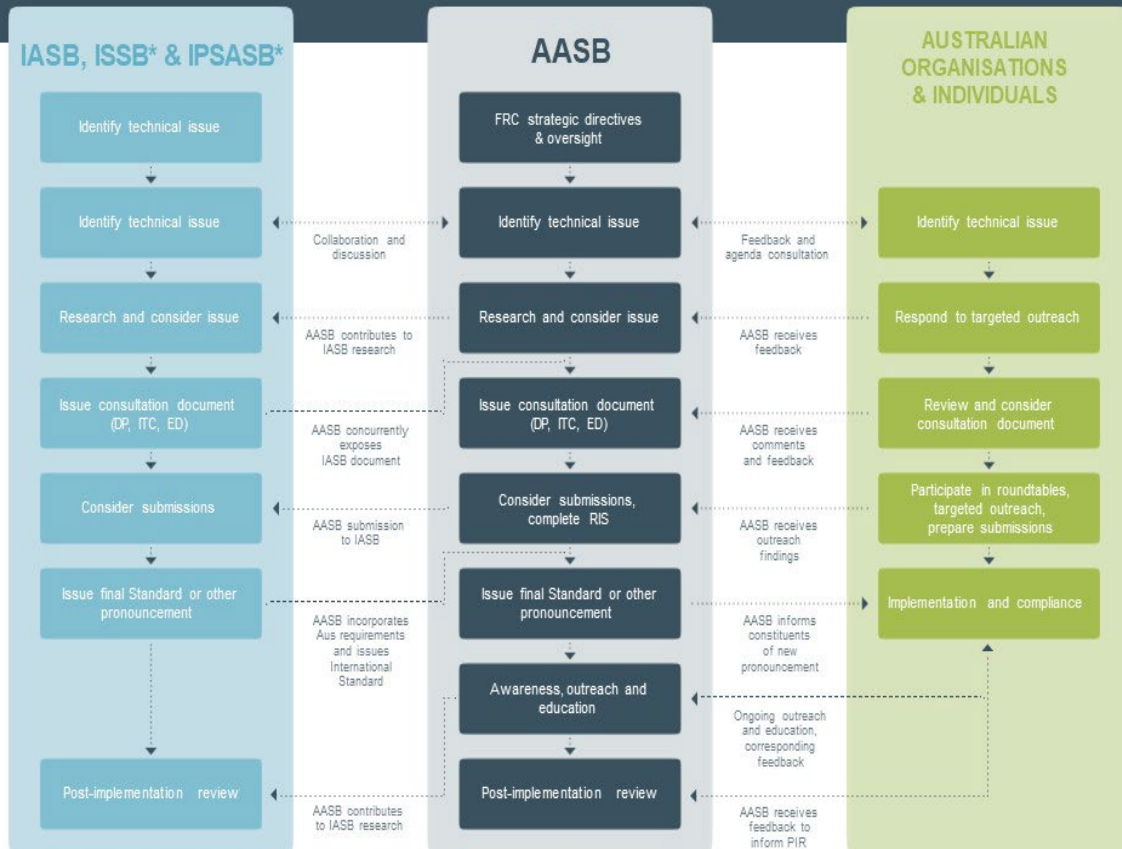
The Boards comply with The Australian Government Guide to Regulation when assessing the regulatory effects of significant changes.

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

The AASB's Due Process Framework is set out below:



## AASB Standard-Setting Process



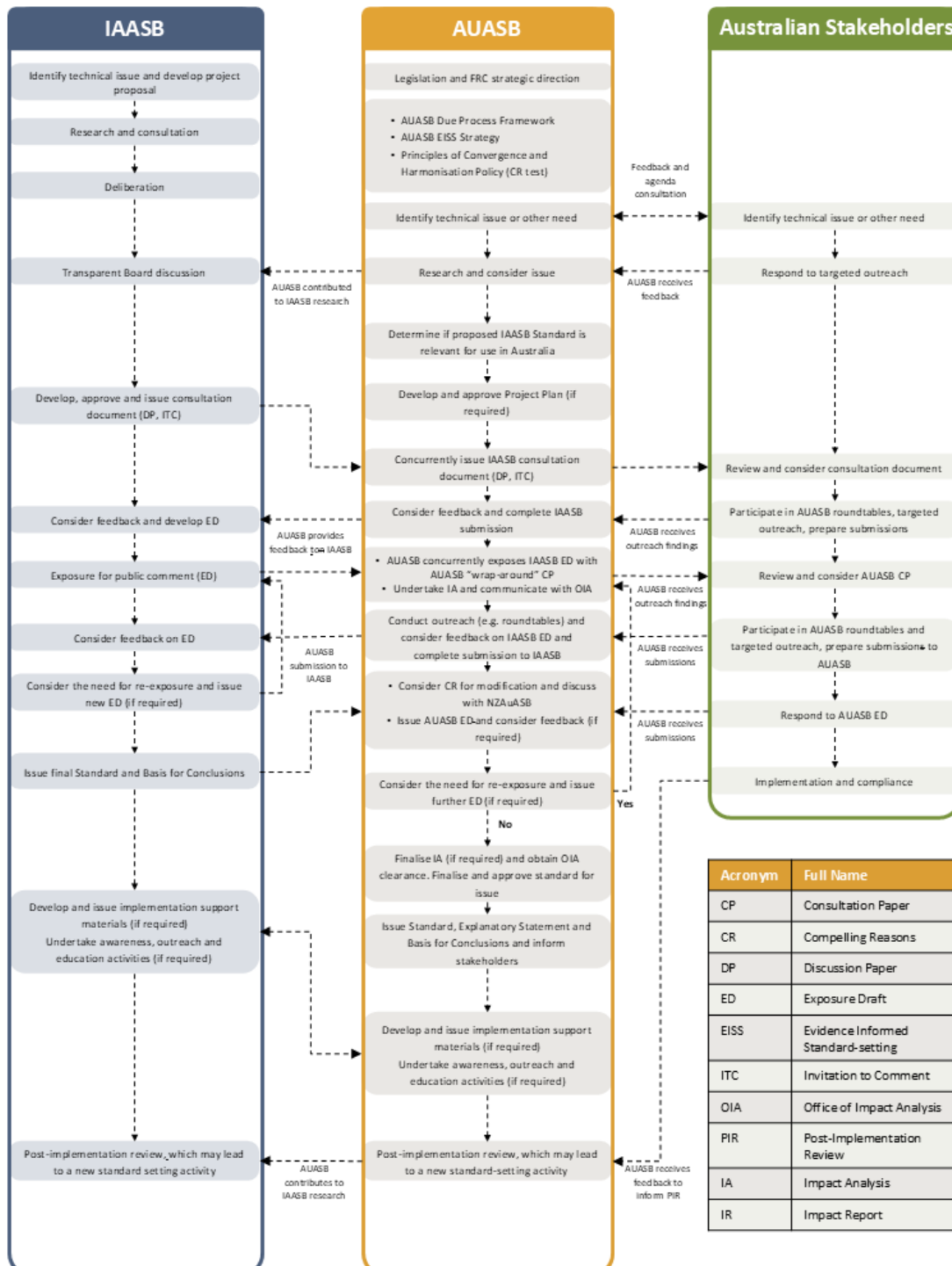
\* To a limited extent, applicable for IPSASB, ISSB.





The AUASB's Due Process Framework is set out below

## AUASB Due Process Framework for Setting Standards







## Evidence-informed Standard Setting

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





## Sustainability Reporting and Assurance

The AASB and the AUASB gained multi-year New Policy Proposals (NPP) funding under 2023-24 MYEFO. This 4.5-year funding was effective from 1 January 2024. The funding has been and will continue to be used to develop Sustainability Reporting and Assurance standards and a separate Sustainability standards setting capacity and capability. In January 2024, the Australian Government released its [Policy Position Statement](#) for the introduction of requirements for the reporting and assurance over climate-related financial information in the annual reports of certain Australian entities that prepare and lodge financial reports under Chapter 2M of the Corporations Act 2001 (Corporations Act).

In September 2024, the Treasury passed the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024, introducing mandatory climate-related financial disclosures for certain corporations and other entities through amendments to the Corporations Act 2001 and the Australian Securities and Investment Commission Act 2001 (ASIC Act). The amendments require climate reporting in a sustainability report accompanying the financial report in accordance with sustainability standards made by the AASB. The amendments also require assurance by the auditor on the information in sustainability reports in accordance with auditing standards made by the AUASB. Mandatory reporting for the largest entities started from years commencing 1 January 2025.

## AASB

### Reporting Standards

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

Consistent with funding allocated to the AASB, Australian Sustainability (Climate) Reporting Standards through AASB S1 1 General Requirements for Disclosure of Climate-related Financial Information, and AASB S2 Climate-related Financial Disclosure were approved by the Board in September 2024. The Standards were drafted using the work of the





International Sustainability Standards Board (ISSB) as a foundation, with modifications for Australian matters and requirements where necessary to meet the needs of Australian stakeholders. The AASB Board voted to pronounce AASB S1 as a Voluntary Standard and to pronounce AASB S2 as a Mandatory Standard.

## Guidance and Education

The AASB continues to develop guidance to support the implementation of AASB S2 by providing further information to help entities design and plan their journey towards climate reporting.

To this end, the AASB has created a [AASB S2 Knowledge Hub](#) page on the AASB website. The page features resources that provide background on the development of AASB S1 and AASB S2, insights on how to navigate the Standards and highlights key disclosure requirements. The page also includes a list of FAQs that provide useful information for entities at the start of their journey into climate-related financial disclosures.

The AASB has also formed a AASB S2 Implementation Advisory Panel, a dedicated forum designed to support the consistent, principles-based application of AASB S2 across Australia. The panel will play a critical role in identifying practical challenges and sharing insights to support effective implementation.

In 2025-26, the AASB will continue to add new resources such as webinars and webcasts to build its knowledge base and further develop a common understanding of Climate-related Financial Disclosures by summarising, explaining, or illustrating disclosure requirements and how they might be applied.

## AUASB

### Assurance Standard

In January 2025, the AUASB issued [ASSA 5000 General Requirements for Sustainability Assurance Engagements](#) (ASSA 5000). ASSA 5000 is based on the IAASB's ISSA 5000 General Requirements for Sustainability Assurance Engagements and applies for both mandatory assurance under the Act and voluntary assurance. It is a reporting framework and practitioner neutral. The AUASB was the first standard setter globally to adopt the IAASB's ISSA 5000, which is an important step to promoting globally consistent standards.

ASSA 5000 applies for mandatory assurance under the Act from 1 January 2025, subject to the phasing in of mandatory limited and reasonable assurance. Together with ASSA 5000, the AUASB issued [ASSA 5010 Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001](#) (ASSA 5010). Assurance over sustainability reports



under the Act using ASSA 5000 is subject to the phasing in of limited and reasonable assurance under ASSA 5010. ASSA 5010 was developed following public consultation, including an exposure draft and well attended roundtables with a range of stakeholders in Melbourne, Sydney, Perth and on-line. The exposure draft and final standard have been covered in a number of stakeholder liaison meetings and external forums.

### Guidance and education

The Office of the AUASB continued to develop guidance and education materials to support the implementation of ASSA 5000 under the local reporting framework. These materials include FAQs on emerging issues, and education webpages and videos on ASSA 5000 and assurance under the local framework. We were part of an IAASB working group developing supplementary illustrative assurance reports, and we are developing illustrative assurance reports under the Act. This work continues to be a priority for 2025-26.

## Stakeholders (Cooperation)

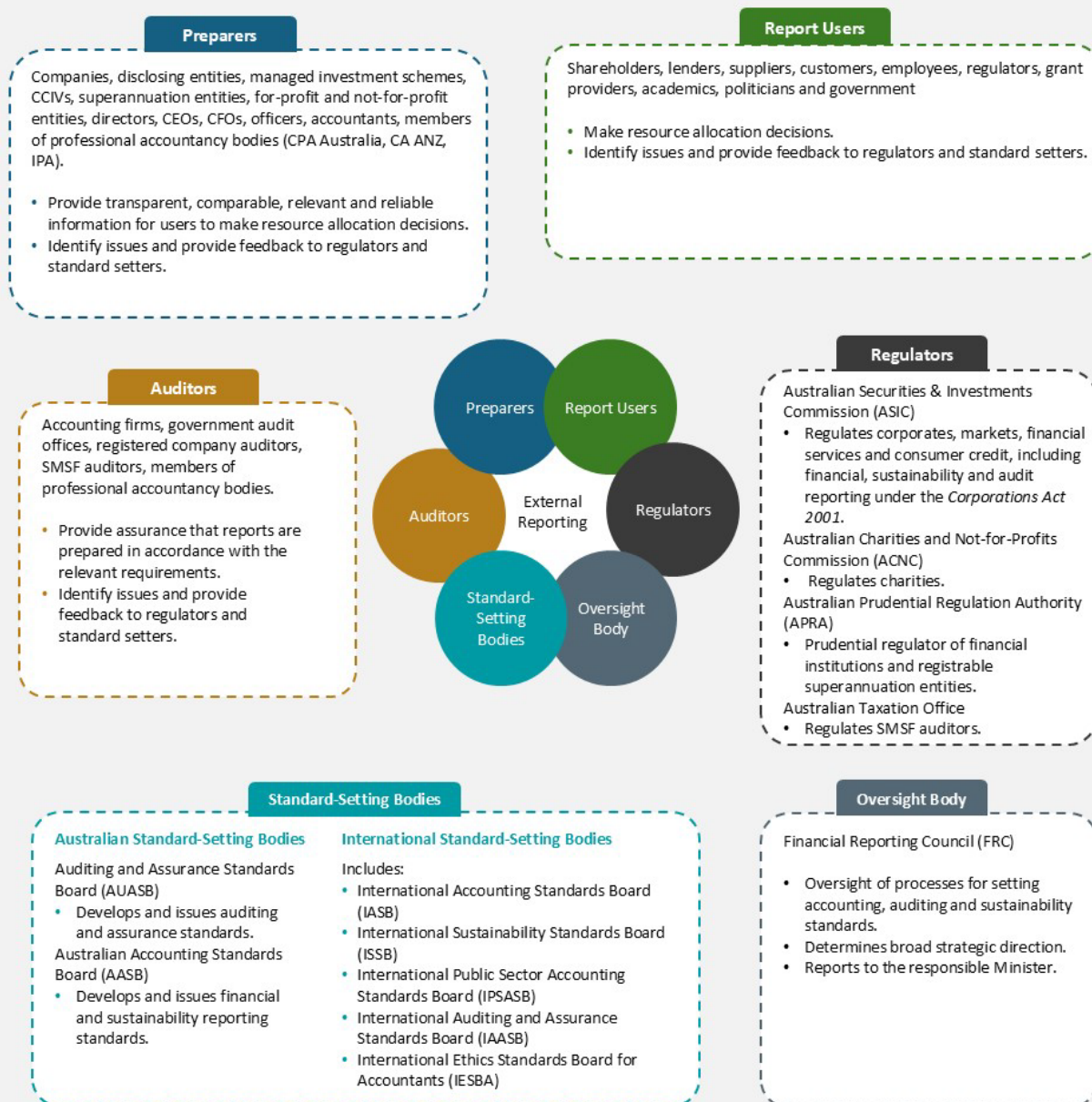
The AASB and AUASB is actively developing new strategic partners while strengthening its existing strong, open and collaborative relationships with stakeholders.

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



## The External Reporting Ecosystem – At a Glance

### Key players and their roles





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



## External and internal factors

### People

The AASB and the AUASB are committed to the development of a high-performing team culture. Both organisations are utilising internal and external expertise including training needs analysis, coaching and mentoring, and team sessions to enhance individual and team culture and performance.

### AASB

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

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

The priority for 2025-2026 will be to manage workflow across the technical team to ensure the implementation of sustainability standards while also delivering financial reporting standards, developing in-house expertise in this domain while also utilising external specialists for their skills to augment our in-house expertise.

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

### AUASB

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

The key focus for 2025-2026 will continue to be on building the capacity and capability required to support the implementation of standards for assurance over sustainability information. The Office of the AUASB is also improving its planning, project management and communications capabilities.



## Technology

The AASB and the AUASB continue to use online platforms (i.e., websites, social media, event management tools, broadcasting, webinars) to engage with and educate their stakeholders. Allowing public observers to join Board meetings virtually has facilitated stakeholder engagement.

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

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

During 2025-26, the entities will remain focused on evolving our Information and Communications Technology (ICT) approach to pronouncement digitalisation (via the AASB and AUASB Standards Portals), enhanced document access via cloud storage, implementing our business classification system and backup to allow the teams to operate anywhere, any time and on any device. This will ensure that the entities' core operations can be completed efficiently and securely in a flexible and adaptable work environment. The ICT strategy is designed to address compliance risks such as access, security, document control and record retention.

## Other Regulators

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

Key regulators who enforce the AASB and the AUASB standards include ASIC, APRA, the



Australian Charities and Not for Profit Commissions (ACNC), Australian Taxation Office (ATO) and the Clean Energy Regulator (CER). The perception of the AASB and the AUASB's performance is affected not only by the AASB and AUASB's actions, but also how well its standards and guidance are implemented and enforced.

## Global Standards

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

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

In accordance with its FRC directive<sup>2</sup> the AASB uses IFRS Standards as the basis for Australian Accounting Standards, implemented as follows:

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

The AUASB is required, under its strategic directive from the FRC<sup>3</sup> to use the International Standards on Auditing of the IAASB, as appropriate, as a base from which to develop enforceable Australian Auditing Standards (ASAs). This involves making such amendments

<sup>2</sup> See [www.aasb.gov.au/admin/file/content102/c3/FRC\\_Broad\\_Strategic\\_Direction.pdf](http://www.aasb.gov.au/admin/file/content102/c3/FRC_Broad_Strategic_Direction.pdf)

<sup>3</sup> See [www.auasb.gov.au/admin/file/content2/c7/AUASB\\_Strategic\\_Direction\\_1242266219416.pdf](http://www.auasb.gov.au/admin/file/content2/c7/AUASB_Strategic_Direction_1242266219416.pdf).



to the ISAs <sup>4</sup> as are necessary to accommodate and ensure that the ASAs are consistent with the Australian regulatory environment and statutory requirements. Both the ASAs and the ISAs are principles-based, rely on the application of professional judgment and professional scepticism, and are sector and framework neutral.

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

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

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





## International Environment

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

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

### Glossary

#### Standard setters

AASB – Australian Accounting Standards Board

IASB – International Accounting Standards Board

ISSB – International Sustainability Standards Board

IPSASB – International Public Sector Accounting Standards Board

#### Advisory /Consultative Groups

ASAF – Accounting Standards Advisory Forum

SSAF – Sustainability Standards Advisory Forum

#### Standard setter Forums

IFASS – International Forum of Accounting Standard Setters

WWS – World Standard Setters

AOSSG – Asian-Oceanian Standard-Setters Group

#### Interpretive Committees

IFRS – IC – IFRS Interpretations Committee

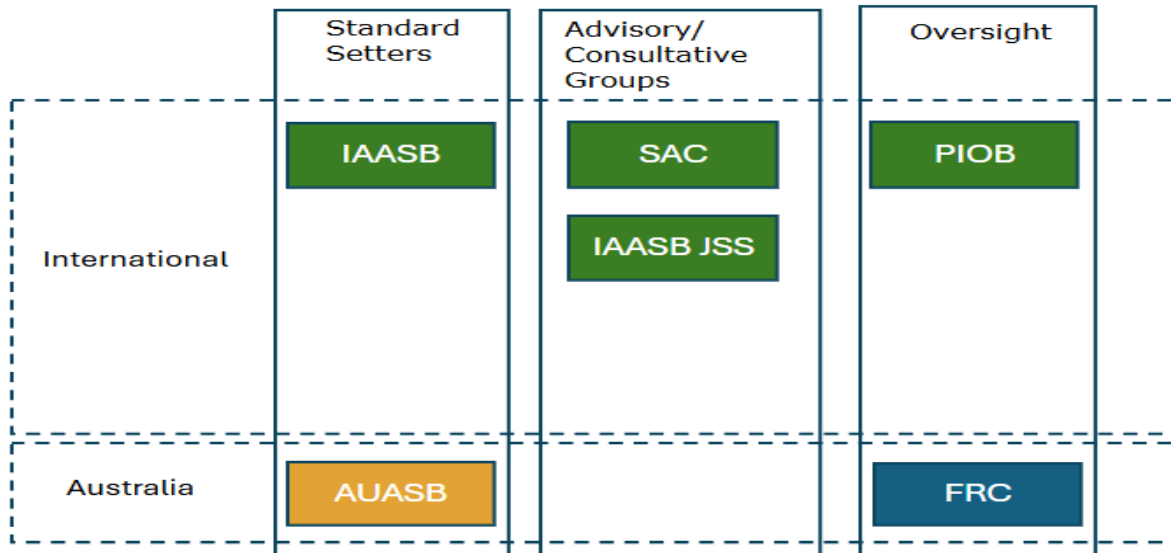
#### Oversight

IFRS Trustees – IFRS Foundation Trustees

FRC – Financial Reporting Council



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



## Glossary

### *Standard setters*

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

### *Oversight*

PIOB – Public Interest Oversight Board  
FRC – Financial Reporting Council

### *Advisory /Consultative Groups*

SAC – the IAASB/IESBA Stakeholder Advisory Council  
IAASB JSS – IAASB Jurisdictional Standard Setters Group

In 2025-26, the AUASB will continue to support initiatives to drive increased sharing and collaboration across the IAASB’s Jurisdictional Standards Setters (JSS) Group, including participating in IAASB JSS meetings and other activities.



## The Australian and Global Economy

Although it is expected that some entities will cease to operate as a natural part of their life cycle, in difficult economic conditions, accounting and auditing standards often come under extra scrutiny. As well as economic uncertainty, there are also documented changing expectations and declining trust in the services accountants and auditors provide, partially due to high profile corporate failures in some overseas jurisdictions. Stakeholders' expectations are also changing about what the standards should require. This has resulted in there being numerous parliamentary or regulatory inquiries undertaken in Australia and around the globe in recent years, triggered by corporate collapses or poor audit inspection outcomes.

In Australia, the Parliamentary Joint Committee on Corporations and Financial Services (the PJC report) has inquired into Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and reported to the Parliament in December 2024 (see [Ethics and Professional Accountability: Structural Challenges in the Audit, Assurance and Consultancy Industry](#)). Treasury has also consulted on the Regulation of accounting, auditing and consulting firms in Australia, which includes matters relevant to the AUASB (see [Consultation paper - Regulation of accounting, auditing and consulting firms in Australia](#)). In November 2023, the Treasury announced the merger of the FRC, AASB and AUASB in mid-2026 (see [Streamlining financial reporting architecture](#)). The AUASB will undertake all actions necessary to implement relevant changes and recommendations.

## Risk Management

The AASB and AUASB are committed to risk management as fundamental to achieving their strategic objectives and this is demonstrated through their comprehensive Risk Management Framework and risk governance structure.





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

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

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



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



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

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



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



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

## Performance: Delivering Our Strategy

Activities mapped to strategy and KPIs for measuring success

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

The strategies, deliverables and performance criteria are aligned to the AASB's and the AUASB's Portfolio Budget Statements ('PBS') for 2025-2026.



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

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





AASB activities mapped to strategies and KPIs for measuring success

## Strategic Priority 1 - Performance Activity Focus: Brand/Reputation

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		25	26	27	28	
<b>Strategy 2</b> <i>PBS Outcome 1<sup>5</sup></i> <i>Program 1</i> <i>Deliverables 3</i>	Develop appropriate reporting frameworks for each of the three sectors - for-profit (e.g., listed and large proprietary companies), not-for-profit (e.g., charities) and public sector	X	X	X	X	<ul style="list-style-type: none"> <li>Develop appropriate frameworks for not-for-profit private and public sector</li> </ul>
<b>Strategy 1,5,6</b> <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2,4,7,8</i> <i>KPIs 1, 2,</i>	Agree on 3-year program of work and deliver <ul style="list-style-type: none"> <li>Maintain IFRS and New Zealand compliance for for-profit Private sector “publicly accountable” entities</li> <li>Tailor IFRS appropriately for other sectors, including developing Australian specific guidance</li> <li>Develop guidance on external reporting integral to financial reporting</li> <li>Develop guidance on emerging issues related to financial reporting</li> </ul>	X	X	X	X	<ul style="list-style-type: none"> <li>Annual program of standards issued, delivered to plan agreed with the Board</li> <li>IASB equivalent Standards issued within two months of the release of the IFRS for for-profit entities</li> <li>IFRS and NZ compliance maintained for the for-profit private sector “publicly accountable” entities</li> <li>Feedback from NFP sector positive regarding the appropriateness of the IFRS tailoring</li> </ul>
<b>Strategy 3</b> <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 5,6</i> <i>KPIs</i>	<ul style="list-style-type: none"> <li>Enhance profile domestically and internationally</li> <li>Maintain and enhance key international relationships with IASB, IPSASB, NZASB, AOSSG, ISSB, International Financial Reporting for NPOs</li> </ul>	X	X	X	X	<ul style="list-style-type: none"> <li>Be viewed as experts as measured by stakeholder, IASB, ISSB and IPSASB feedback</li> <li>Two thought leadership pieces completed per annum and presented internationally</li> </ul>
<b>Strategy 4</b> <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2</i>	<ul style="list-style-type: none"> <li>Due process followed to ensure the quality of standard-setting:</li> <li>Evidence-informed approach to standard setting activities supports</li> </ul>	X	X	X	X	<ul style="list-style-type: none"> <li>Due process followed for all significant projects</li> <li>Positive feedback from the FRC and the stakeholders</li> </ul>



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		25	26	27	28	
<i>KPIs 5,6,7,13,14</i>	need for regulation and proposed solution <ul style="list-style-type: none"> <li>• appropriate consultation in accordance with the due process framework</li> <li>• preparation of regulatory impact statement assessing costs and benefits</li> </ul>					
<b>Strategy 1,3,4</b> <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 1,2</i>	Post-implementation reviews conducted (PIR) for all significant projects to assess quality of standard-setting	X	X	X	X	<ul style="list-style-type: none"> <li>▪ No significant changes needed</li> <li>▪ PIR feedback is acted upon</li> <li>▪ No evidence not contributing to the confidence in the economy.</li> <li>▪ Feedback from ASIC, APRA, ACNC surveillance reviews does not indicate loss of confidence due to accounting standard issues</li> <li>▪ No significant decline in relevance of financial statements in the capital market</li> </ul>
<b>Strategy 7</b> <i>PBS Outcome 1</i> <i>Program 1</i> <i>Deliverables 10,11</i>	Improve consistency of implementation: <ul style="list-style-type: none"> <li>• Educate stakeholders on the AASB standards, support materials available, including why standards introduced</li> <li>• Support and encourage high quality teaching of the Australian financial reporting framework and standards at Australian educational institutions</li> </ul>	X	X	X	X	<ul style="list-style-type: none"> <li>▪ Education initiatives, such as webinars, providing appropriate educational materials to key stakeholders for all significant projects</li> <li>▪ FAQs, illustrative examples, staff publications developed on significant interpretive issues</li> <li>▪ Feedback from ASIC, APRA, ACNC surveillance reviews indicates no significant interpretive issues impacting the consistency of implementation</li> <li>▪ Positive stakeholder feedback on education initiatives</li> </ul>



## Strategic Priority 2 - Performance Activity Focus: Stakeholder Engagement

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		25	26	27	28	
<b>Strategy 4</b> <i>PBS Outcome 1 Program 1 Deliverables 12,13 KPIs 3,5</i>	Enhance stakeholder engagement	X	X	X	X	<ul style="list-style-type: none"> <li>Maintain relationships with key stakeholders and planned program of engagement executed as planned</li> <li>Positive stakeholder feedback on the consultation process</li> <li>Increase in engagement results (newsletter, website, LinkedIn, Twitter, webinar, outreach numbers)</li> </ul>
<b>Strategy 4</b> <i>PBS Outcome 1 Program 1 Deliverables 15 KPIs 5,</i>	Conduct Agenda consultations to determine projects and priorities				X	<ul style="list-style-type: none"> <li>Agenda consultation conducted at least every 5 years</li> </ul>

## Strategic Priority 3 - Performance Activity Focus: People & Culture

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		25	26	27	28	
<b>Strategies 1-7</b> <i>PBS Outcome 1 Program 1</i>	Develop and implement People and Culture strategy	X	X	X	X	<ul style="list-style-type: none"> <li>Employee survey, employee engagement</li> <li>Building towards high-performance team as measured by Board and stakeholder feedback on delivery of program and all other measures of success</li> </ul>
	New starter processes improved to support flexible subject matter expert involvement	X	X	X	X	<ul style="list-style-type: none"> <li>New team members embedded successfully within six months of starting as measured by internal and external stakeholders' feedback (as appropriate)</li> </ul>
	Understand current capability (talent mapping)	X	X	X	X	<ul style="list-style-type: none"> <li>Continuous review of external talent pool to timely identify when/where to buy or borrow capability</li> </ul>
	Resource planning to develop skills and allocate them appropriately	X	X	X	X	<ul style="list-style-type: none"> <li>KPIs for all employees</li> <li>Leveraging diversity of skills and people as measured by employee and Board feedback and delivering an agreed program of work</li> <li>Retain core group of technical experts and leaders</li> <li>Fair allocation of workload measured by employee and Board feedback</li> </ul>



## Strategic Priority 4 - Performance Activity Focus: Technology

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				(Measures of success outputs & outcomes)
		25	26	27	28	
<b>Strategies 1-7</b> <i>PBS Outcome 1 Program 1</i>	Develop and implement an IT strategy that enables flexible, seamless working via cloud	X	X	X	X	<ul style="list-style-type: none"><li>IT supports flexible work including remote locations</li></ul>
<b>Strategy 4</b> <i>PBS Outcome 1 Program 1 Deliverables 12, KPIs 5,</i>	Continuous digital communications improvements to enhance stakeholder experience and engagement	X	X	X	X	<ul style="list-style-type: none"><li>Plan to be monitored for additional improvement over the coming financial years.</li><li>Development of new standards portal to improve user access by 30 June 2023</li></ul>

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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
<b>Strategies 1-7</b> <i>PBS Outcome 1 Program 1</i>	Refresh strategy supporting operational excellence and regulatory compliance	X	X	X	X	<ul style="list-style-type: none"><li>Regularly revisit current strategy to determine impact of implementation.</li><li>Comply with regulatory obligations</li></ul>
	Knowledge and information sharing support flexible subject matter expert involvement	X	X	X	X	<ul style="list-style-type: none"><li>Key knowledge imparted across teams within six months of joining</li></ul>
	Continuous improvement of operational processes to achieve planned outcomes	X	X	X	X	<ul style="list-style-type: none"><li>Review of operational processes on an ongoing basis</li></ul>



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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
<b>Strategies 1-7</b> <i>PBS Outcome 1</i> <i>Program 1</i>	Develop, implement and improve program and project management	X	X	X	X	<ul style="list-style-type: none"><li>Continuous review and improvement of program and project management approach</li></ul>
	Identify and establish frameworks and processes to allocate resources appropriately, establish and monitor accountabilities	X	X	X	X	<ul style="list-style-type: none"><li>Review processes and frameworks so team members are clear and deliver on expectations</li><li>Further enhancements implemented based on regular program and project management meetings</li></ul>
	Allocate resources efficiently and effectively	X	X	X	X	<ul style="list-style-type: none"><li>Deliver agreed program of work as planned</li></ul>



AUASB activities mapped to strategy and KPIs for measuring success.

## Strategic Priority Area One: Standards

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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 1 PBS Performance Criteria 1, 3, 4, 6 & 7	Issue all IAASB-based AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> <li>Issue all Australian IAASB equivalent Standards and Exposure Drafts within 3 months of PIOB clearance or 1 month of AUASB approval</li> <li>Release Exposure Drafts/Discussion Papers via the AUASB Website within two weeks of approval by AUASB</li> <li>AUASB implementation support materials and activities for all new IAASB/AUASB standards in place before effective date</li> </ul>
	Seek feedback on relevance, effectiveness and public interest of these standards through stakeholder feedback, outreach programs and post-implementation reviews	X	X	X	X	<ul style="list-style-type: none"> <li>Communications plan developed and implemented for each new IAASB pronouncement</li> <li>Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date</li> <li>Obtain evidence appropriately evaluating implementation of IAASB equivalent issued AUASB Standards in Australia</li> </ul>

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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 1 PBS Performance Criteria 2, 3, 5 & 6	Issue Australian-specific AUASB standards and guidance in a timely manner with accompanying implementation materials and communications that are tailored for Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> <li>Issue all Australian-specific Pronouncements and Exposure Drafts within one month of AUASB approval</li> <li>Complete and publish conforming amendments and compilation standards arising from changes to AUASB standards in accordance with legislative timeframes and in advance of effective dates</li> </ul>



Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
	Seek feedback on relevance, effectiveness and public interest of Australian-specific standards and guidance through stakeholder feedback, outreach programs and post-implementation reviews	X	X	X	X	<ul style="list-style-type: none"> <li>Communications plan developed and implemented for each new AUASB pronouncement</li> <li>Conduct post-implementation reviews of Australian specific AUASB Standards, within 2-3 years of their operative date.</li> </ul>
	Identify gaps in the AUASB Framework where guidance is required and issue Guidance Statements or Bulletins to address these	X	X	X	X	<ul style="list-style-type: none"> <li>Review and update other AUASB Framework Pronouncements, as required.</li> </ul>

## Strategic Priority Area Two: International Influence

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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 3 PBS Performance Criteria 1, 3, 4 & 7	Build and maintain strong international relationships with the IAASB and like-minded Global and National Auditing Standard Setters	X	X	X	X	<ul style="list-style-type: none"> <li>Collaborate with the IAASB and likeminded National Auditing Standards Setters ("NSS") on common global and other projects relevant to the AUASB work program</li> <li>Identify and implement initiatives to collaborate on international auditing and assurance focus areas with other key national standard-setters</li> </ul>
	Demonstrate the AUASB's influence on major international auditing and assurance developments by implementing the AUASB's International Strategy	X	X	X	X	<ul style="list-style-type: none"> <li>AUASB Chair member of IAASB/IESBA Stakeholder Advisory Council and IAASB National Standard Setters group</li> <li>AUASB Director – Technical is IAASB Technical Advisor. Provide AUASB perspectives to the Australian IAASB member on all relevant IAASB projects</li> <li>IAASB papers reviewed and responded to by AUASB staff ahead of each AUASB and IAASB meeting</li> <li>Summary of main IAASB outcomes shared with the AUASB</li> </ul>





Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
						after each IAASB meeting
	Provide input to the international standard setting process through responding to international pronouncements using input from Australian stakeholders	X	X	X	X	<ul style="list-style-type: none"> <li>Responses to each IAASB Exposure Draft or Discussion Paper developed with appropriate AUASB input and sent to the IAASB by the closing date</li> <li>Engagement with Australian Stakeholders on all IAASB Projects</li> </ul>
	Maintain harmonisation of auditing and assurance standards in Australia and New Zealand in accordance with relevant agreements and protocols	X	X	X	X	<ul style="list-style-type: none"> <li>Chair of AUASB is member of NZAuASB and Chair of NZAuASB is member of AUASB.</li> <li>Attend and contribute to NZAuASB meetings</li> <li>Identification and prioritisation of joint AUASB/NZAuASB projects and ensuring appropriate levels of collaboration in accordance with the AUASB Policy on Harmonisation of Standards. Harmonisation to have regard to any differences in the assurance framework that flow from differences in reporting and legislative requirements.</li> </ul>



## Strategic Priority Area Three: Sustainability assurance

*Strategic Objective Four: Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance and education under the Australian climate reporting framework and a standard for the phasing in of assurance over sustainability reports.*

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 7 PBS Performance Criteria 3, 5 & 6	Adopt international assurance standards, supplemented by local guidance	X	X	X	X	<ul style="list-style-type: none"> <li>Develop and maintain assurance standards responsive to market needs and reporting developments and consistent with international standards</li> <li>Influence international standards and guidance</li> <li>Develop and maintain guidance and education materials to support implementation under the local reporting framework</li> </ul>
	Maintain the requirements for phasing in of limited and reasonable assurance for reporting under the Act.	X	X	X	X	<ul style="list-style-type: none"> <li>Monitor and assess market, legal and regulatory developments</li> <li>Liaise with stakeholders to identify any factors affecting the adoption and implementation of assurance, including guidance, education to support implementation</li> <li>Appropriate research</li> </ul>

## Strategic Priority Area Four: Research

*Strategic Objective Five: Evidence-based research to inform standard setting and address emerging areas of auditing and assurance.*

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 5 PBS Performance Criteria 3, 4, 5, 6 & 7						<ul style="list-style-type: none"> <li></li> </ul>
	Support the development and publishing of relevant and high-quality auditing and assurance evidence-based research in accordance with the AUASB Evidence Informed Standard Setting (EISS) Strategy	X	X	X	X	<ul style="list-style-type: none"> <li>Promote research opportunities in strategic priority areas through academic networks and conferences in accordance with the EISS strategy.</li> <li>Encourage broader participation from, academic community (e.g. at outreach events on consultation documents)</li> </ul>



## Strategic Priority Area Five: Stakeholder Engagement

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

Link to strategy (Impact)	What do we need to do? (Objectives)	Year				Measures of success outputs & outcomes
		25	26	27	28	
PBS Outcome 1 PBS Program 1 PBS Deliverable 4 All PBS Performance Criteria	Engagement with stakeholders through new and existing AUASB communications activities and events	X	X	X	X	<ul style="list-style-type: none"><li>▪ Maintain and update the AUASB Digital Standards Portal</li><li>▪ Develop various AUASB publications and guidance for stakeholders based on evidence and existing AUASB requirements, including quarterly AUASB Update Newsletters</li><li>▪ Promote AUASB guidance through various communication channels</li><li>▪ Develop and maintain technical content for the AUASB website</li><li>▪ Board papers for AUASB meetings to be available on the AUASB website a week in advance, and draft Board Minutes are sent to AUASB members within two weeks of each AUASB meeting.</li></ul>



# Appendix 1

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

Strategic Objective	Function	Develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards	Make accounting standards under section 334 of the Corporations Act for the purposes of the corporations legislation (other than the excluded provisions)	Formulate accounting standards for other purposes	Participate in and contribute to the development of a single set of accounting standards for world-wide use	To advance and promote the main objectives of Part 12 of the ASIC Act: 'facilitate the Australian economy by reducing the cost of capital; enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including capital markets'.
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 <sup>2</sup> compliance; for others, use IFRS Standards (where they exist), and transaction neutrality (modified as necessary), or develop Australian-specific standards and guidance.		✓	✓	✓	✓	✓



<b>Strategic Objective</b> <b>Function</b>	Develop a conceptual framework, not having the force of an accounting standard, for the purpose of evaluating proposed accounting standards and international standards	Make accounting standards under section 334 of the Corporations Act for the purposes of the corporations legislation (other than the excluded provisions)	Formulate accounting standards for other purposes	Participate in and contribute to the development of a single set of accounting standards for world-wide use	To advance and promote the main objectives of Part 12 of the ASIC Act: 'facilitate the Australian economy by reducing the cost of capital; enable Australian entities to compete effectively; and maintain investor confidence in the Australian economy, including capital markets'.
2. With the AUASB, play a leading role in reshaping the Australian external reporting framework by working with regulators to develop objective criteria on: a. who prepares external reports (including financial reports) b. the nature and extent of assurance required on these external reports.		√	√		√



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



*AUASB activities mapped to strategy and KPIs for measuring success.*

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





Strategic Objective	Function	Make auditing standards under section 336 of the <i>Corporations Act</i> for the purposes of the corporations legislation.	Formulate auditing and assurance standards for other purposes.	Formulate guidance on auditing and assurance matters.	Participate in and contribute to the development of a single set of auditing standards for world-wide use.	Advance and promote the core objectives of auditing and assurance standard-setting as required by Part 12 of the ASIC Act.
4. Develop standards and guidance for assurance over sustainability information consistent with international standards, supplemented by guidance on assurance under the Australian climate reporting framework and a standard for phasing in of assurance over sustainability reports.		✓	✓	✓	✓	✓
5. Research to inform standard setting and address emerging areas of auditing and assurance			✓	✓	✓	✓
6. Monitor the Australian Assurance Environment and build strong stakeholder relationships to inform our AUASB priorities and facilitate consistent implementation of the AUASB's standards.		✓	✓	✓	✓	✓



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

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



Australian Government

Auditing and Assurance Standards Board  
Australian Accounting Standards Board



## Australian Accounting Standards Board

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