



Terms of Reference for AASB User Advisory Committee

Objectives and Scope of Activities

1. The Australian Accounting Standards Board (AASB) has a consultative approach to setting standards and engages with the stakeholders in fulfilling its objective to develop, issue and maintain principles-based Australian accounting and external reporting standards and guidance that meet user needs and enhance external reporting consistency and quality. The User Advisory Committee (UAC) is a body that aims to provide the AASB with regular input from the community of Australian users of for-profit entity financial statements, as the objective of all standards set by the AASB is to meet the needs of users, whilst balancing the costs to preparers.
2. The objectives of the UAC are to provide a conduit for the AASB to:
 - obtain the perspective of users of for-profit financial statements such as investors, rating agencies, analysts and investment funds, particularly regarding current reporting practices that are of concern to the investors;
 - build strong relationships with the investment and user community;
 - inform the investment community of key financial reporting changes that are being proposed or have been finalised;
 - provide input into the IASB's Capital Markets Advisory Committee (CMAC) through IASB Board members and staff attending the meeting or being provided with a summary of the meeting.
3. The UAC is an informal consultative group for the AASB and not a formal decision-making group.

Role of User Advisory Committee Members

4. The role of UAC members is to act in an advisory capacity to the AASB staff, providing their views and concerns, as well as their perspective(s) on the issues relating to the users and analysts of financial statements. In fulfilling their role, members of UAC:
 - provide input into financial reporting proposals for for-profit entities that the AASB or IASB is developing, particularly focusing on the practical implications of the AASB's and IASB's proposals for users of financial statements;
 - assist the AASB in contacting other users of financial statements and other key stakeholder groups/individuals to facilitate additional outreach;
 - alert the AASB to current financial reporting practices of concern.

Members will have the opportunity to contribute to issues papers or other AASB documents and may be asked to review draft versions of pronouncements to provide feedback to AASB staff, particularly focused on practical implementation issues.

5. To help inform members regarding the content of the issue(s) being considered, the AASB will provide brief education sessions to highlight the key points of any proposals at each meeting, and will provide agenda papers focused on the economic and practical

implications of the AASB's proposals, rather than detailed technical papers.

Composition and Membership

6. The UAC consists of members who have extensive experience in analysing financial information and who are established commentators on accounting matters in their own right or through the representative bodies with which they are involved. For broader views and perspectives, members of the UAC are drawn from a variety of industries and geographical locations in Australia.
7. The UAC consists of up to 20 members with relevant expertise.
8. Membership of the UAC is by invitation only, although the AASB may publicly request expressions of interest. Members are appointed in their individual capacity. However, where members are affiliated with a representative body and consider that other members of that body have relevant skills and experience for a particular issue, after notifying the AASB's Technical Director, those other members may also attend the relevant meeting.
9. Potential members of the UAC are identified by existing members of the UAC, the AASB staff and AASB Board. Final selection of UAC members is approved by the Chair of the AASB, and the Chair has the discretion to make changes to the membership at any time. This is a transparent process, and UAC membership is published on the AASB website.
10. The Chair of the UAC will be the Chair of the AASB or AASB Technical Director.
11. The AASB's investor Board member will be a member of the UAC.

Operating Procedures

12. Members of the UAC will meet periodically at the request of the Chair and will be aligned with the IASB's CMAC meetings.
13. Meetings will generally be held via videoconference or teleconference at the offices of the AASB in Melbourne. Regular communications may also occur via email or telephone at other times. There will generally be at least three meetings per annum.
14. The time commitment for members is expected to be between 20 and 25 hours per annum.
15. Acceptance of an invitation will presuppose the members' availability to participate in most, if not all, the activities of the UAC.
16. Members of the UAC will not receive remuneration but will be compensated for travel expenses, where appropriate and specifically requested to travel by the AASB.

Winding-up

17. A recommendation for the winding-up is made by the AASB Technical Director and approved by the Board via a simple majority.

Meeting Agenda, Papers and Minutes

18. AASB staff will organise and facilitate meetings by preparing agendas, minutes and other papers as required.
19. Minutes of Meetings will be provided to UAC members and the AASB Board, including as part of project updates, generally within ten working days after a UAC meeting. Where relevant Minutes may also be provided to the IASB.

Confidentiality

20. Agenda items and other information associated with meetings will not be made public

unless the Chair decides otherwise. Members are encouraged to consult with other experts that may assist in forming their views. Members are permitted to share relevant meeting materials on the condition that the materials are not further distributed.

Conflicts of Interest

21. If a member of the UAC believes they may have a conflict of interest regarding a matter they are consulted on, the member should inform the Chair, who will determine the future participation of the member about that matter.

Communication

22. UAC members will be identified on the AASB website and are permitted to identify themselves as members.
23. UAC members are not permitted to hold themselves out as representing the views of the AASB or the UAC. All media or other enquiries should be referred to the AASB Communications Manager via standard@asb.gov.au.