



**EXTERNAL REPORTING BOARD**

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*Te Kāwai Ārahi Pūrongo Mōwaho*

*“Giving Life to the User-  
Needs Framework”*

## **Strategic Plan**

**For the five year period  
1 July 2014 to 30 June 2019**

April 2014

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# 1. Overview of the XRB

The External Reporting Board (XRB) is an Independent Crown Entity established under the Financial Reporting Act 1993 with continued existence under the Financial Reporting Act 2013, and subject to the Crown Entities Act 2004.

The functions of the XRB are prescribed by section 12 of the Financial Reporting Act 2013 and comprise:

- developing and implementing an overall strategy for financial reporting standards and auditing and assurance standards (including developing and implementing tiers of financial reporting);
- preparing and issuing accounting standards, and preparing and issuing authoritative notices that form part of generally accepted accounting practice;
- preparing and issuing auditing and assurance standards; and
- liaising with national and international organisations that exercise functions that correspond with, or are similar to, those conferred on the XRB.

The Board itself comprises nine members appointed by the Governor General on the recommendation of the responsible Minister. Information about the current members of the XRB can be found at [www.xrb.govt.nz](http://www.xrb.govt.nz).

The Board has established two standard setting boards<sup>1</sup>, one that has responsibility for accounting standard setting (the New Zealand Accounting Standards Board - NZASB) and the other with responsibility for auditing and assurance standard setting (the New Zealand Auditing and Assurance Standards Board - NZAuASB). This structure is designed to not only ensure that the technical resources are available and that standard setting is undertaken in accordance with best practice, but also to enhance functional equivalence with Australia. These part-time, remunerated standards boards are appointed by the XRB Board, and comprise up to ten suitably qualified and experienced persons with a diversity of perspective. Information about the current members of the standard setting boards can be found at [www.xrb.govt.nz](http://www.xrb.govt.nz).

The XRB Board itself is responsible for general governance of the organisation, overall financial reporting strategy, standards strategy, and oversight of the standard setting boards.

A staff team based in Wellington and Auckland provides technical and logistical support to the three Boards.

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<sup>1</sup> In terms of the Crown Entities Act 2004, these are Committees of the Board.

## 2. XRB's Outcome Goals

The Government has established the following as its priorities:

- *Building a more productive and competitive economy;*
- *Responsibly managing the Government's finances;*
- *Delivering better public services within tight financial constraints; and*
- *Rebuilding Christchurch.*

The activities of the XRB are mostly related to the Government's objective to *build a more productive and competitive economy*. This is the XRB's overarching outcome goal. The XRB does, however, seek to contribute to the Government's other priorities in ways appropriate for the XRB. This includes ensuring that its financial reporting standards encourage the reporting of the Government's finances in a transparent and meaningful way; and ensuring that the XRB operates in an efficient and fiscally prudent manner.

A precondition for a productive and competitive economy is effective public accountability and good corporate governance. This applies in all sectors (for-profit, public sector and not-for-profit) and in this sense public accountability and good corporate governance needs to be viewed in a wide multi-sectoral context rather than in just a commercial context.

Good corporate governance requires, among other things, systems and processes that encourage the management of entities to behave in ways that are fully consistent with the interests of shareholders and other stakeholders. To that end, the purpose of financial reports is to promote the accountability of the management of an entity to those who own it, either directly (e.g. shareholders in the case of companies or members in the case of not-for-profit entities) or indirectly (e.g. taxpayers in the case of government entities). There is often accountability to a wider range of stakeholders as well, for example debt security holders in the case of issuers of debt securities, service recipients in the case of public sector entities, and donors in the case of charities.

High quality financial reporting (incorporating both financial and, where relevant, non-financial elements) that informs the decision-making of the users of financial reports is therefore important to achieving effective public accountability and good corporate governance, and then in turn building a more productive and competitive economy. To achieve this, financial reporting needs to be focused on the information needs of the users of general purpose financial reports, of a quality that engenders user confidence in the information received; assists entities to compete (particularly internationally, for example by reducing the cost of funds through the use of generally recognised accounting approaches); and enhances accountability (through the transparency provided).

High quality financial reporting can only be achieved if the rules on which it is based (accounting standards) are reliable and based on clear and sound economic principles, are mutually consistent, can be readily applied by preparers and can be understood by users; and the assurance provided on that information is similarly based on standards that require robust and independent examination by assurance providers. In other words, a necessary condition for high quality financial reporting is high quality

accounting and assurance standards. It is through the issuing of such standards that the XRB contributes to the Government's outcome goals.

Accordingly, the XRB Board has established the following as the XRB Organisation's outcome goal:

*The establishment of accounting and assurance standards that:*

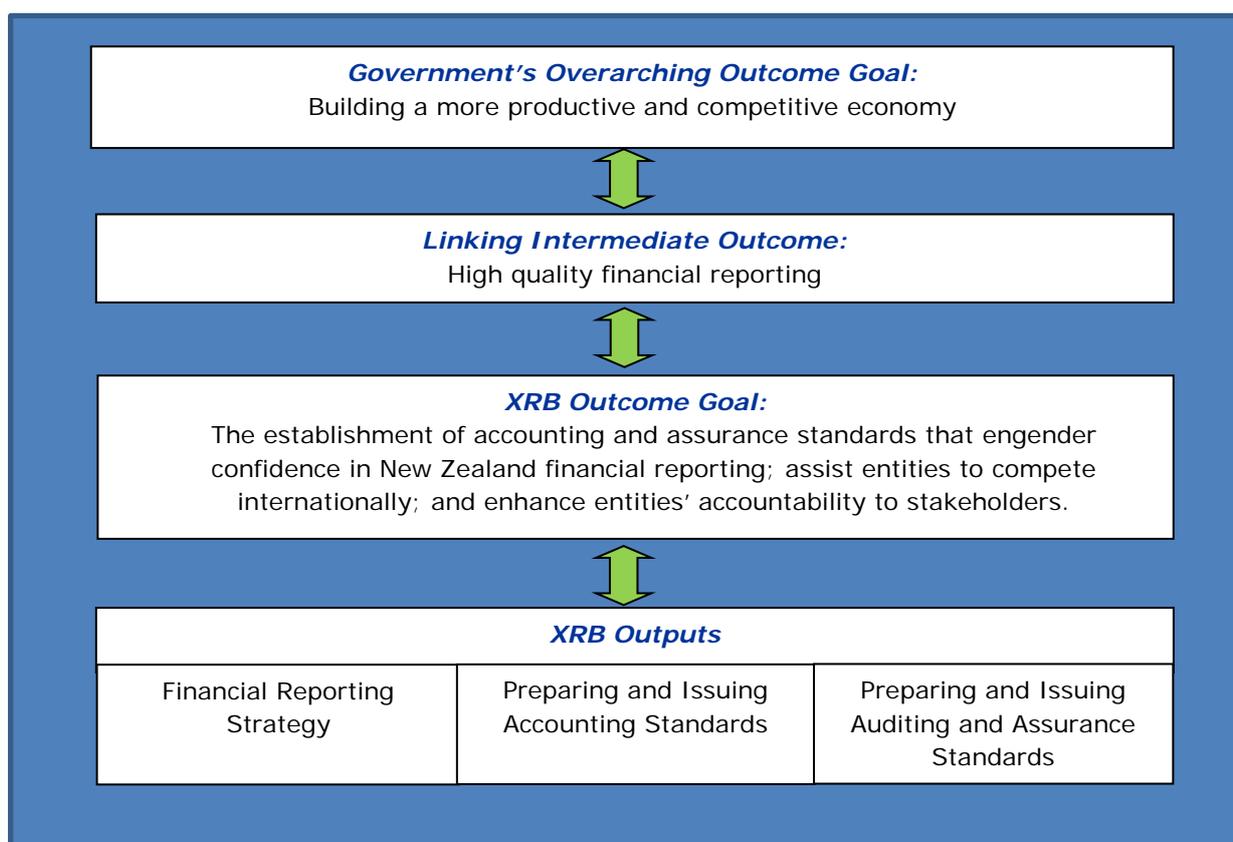
- *engender confidence in New Zealand financial reporting;*
- *assist entities to compete internationally; and*
- *enhance entities' accountability to stakeholders.*

The XRB seeks to influence the achievement of this outcome goal through the delivery of three outputs:

- financial reporting strategy;
- preparing and issuing accounting standards; and
- preparing and issuing auditing and assurance standards.

This outcome/output framework is illustrated in Figure 1.

**Figure 1: XRB Outcome/Output Performance Framework**



The outputs reflect three of the XRB's statutory responsibilities (see section 1). The fourth responsibility (liaising with kindred national and international organisations) is undertaken as a core part of delivering these outputs.

## 3. Strategic Context

### 3.1 The Priorities over the First Strategic Period

The XRB came into existence on 1 July 2011. Strategically, the first three years (the XRB's first strategic period) have been dominated by four broad factors, all of which have been designed to influence the XRB's outcome goal:

- Establishing the XRB Organisation;
- Putting in place the new Accounting Standards Framework and the new Auditing and Assurance Standards Framework agreed by the XRB Board on its establishment;
- Responding to legislative changes; and
- Developing and implementing strategies for active and meaningful engagement with the constituency.

#### *XRB Establishment*

Establishing the new organisation and ensuring it was fulfilling its statutory functions effectively and efficiently was a key strategic objective in the initial part of the first strategic period. This involved ensuring that the technical and logistical transition from the Accounting Standards Review Board (ASRB) to the XRB occurred as seamlessly as possible. This was achieved within two months of the XRB's coming into existence.

#### *Standards Frameworks*

The new Accounting Standards Framework<sup>2</sup> consists of a two-sector, four-tier structure with different accounting standards applying to each tier. In developing this Framework the XRB Board's philosophy was that international standards should be adopted unless there are very strong reasons not to; and that the for-profit standards should remain harmonised with Australia unless there are very strong reasons not to. Accordingly, the accounting standards for the for-profit sector continue to be based on International Financial Reporting Standards (IFRS). The accounting standards for the public benefit entity sector (which are called PBE Accounting Standards) are based on International Public Sector Accounting Standards (IPSAS) modified as appropriate for public sector and not-for-profit entities in New Zealand. Simple Format Reporting Standards have been developed for application by smaller public benefit entities to reflect the relative costs and benefits of reporting by entities of this size. Establishing the specific accounting standards necessary to give effect to the new Accounting Standards Framework began in the 2011/12 financial year, continued in the 2012/13 and 2013/14 financial years and will be completed in the 2014/15 financial year.

The XRB assumed responsibility for setting auditing and assurance standards from 1 July 2011 and an initial set of standards, based on those existing prior to that date, was put in place at that time. A new Auditing and Assurance Standards Framework was also

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<sup>2</sup> The new Accounting Standards Framework is contained in a document entitled "*Proposals for the New Zealand Accounting Standards Framework*". In accordance with the requirements of the Financial Reporting Act 1993, this document was submitted to, and approved by, the Minister of Commerce in April 2012. The approved document is available at [www.xrb.govt.nz](http://www.xrb.govt.nz).

adopted at that time. That Framework involved developing the inherited suite of standards so that they are converged with international standards, and harmonised with Australian auditing and assurance standards. Work on implementing this Framework began in the 2011/12 financial year and was substantively completed in the 2013/14 financial year.

### *Legislative Changes*

A significant change to legislative financial reporting requirements has occurred over the initial period of the XRB's existence. This has been given effect through the Financial Reporting Act 2013 and the Financial Reporting (Amendments to Other Enactments) Act 2013. Among other things these Acts remove the requirement for most small and medium sized for-profit entities (SMEs) to prepare general purpose financial reports (GFPR) in accordance with XRB Standards, add a requirement for registered charities to prepare their financial statements in accordance with XRB Standards, and expands the ambit of XRB's auditing and assurance standards to cover all statutory audits and assurance. Contributing to the policy work associated with this legislation, and preparing to give effect to relevant new provisions (including by way of the new Accounting and Auditing & Assurance Standards Frameworks) has been a significant focus over the XRB's first strategic period.

### *Engagement Strategies*

The XRB has a statutory obligation to consult with the constituency before issuing accounting or auditing and assurance standards and the organisation has established appropriate due process mechanisms as part of its standard setting processes. This includes undertaking the majority of the non-governance part of Board meetings in open session.

However, the XRB Board considers that the XRB's engagement with its constituency (affected groups such as preparers and users of financial statements as well as the New Zealand accounting profession) needs to be meaningful and proactive. A strategic focus for the XRB Organisation over the first strategic period has therefore been to establish mechanisms for regular dialogue with key constituent groups on both specific and general standard setting matters. A variety of proactive and innovative mechanisms have been trialled over the period. The External Reporting Advisory Panel (XRAP) has also been established as a constituency wide group that can actively contribute ideas and perspectives to XRB deliberations<sup>3</sup>.

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<sup>3</sup> The XRAP consists of around 18 senior level persons who are individuals with strong networks that enrich their advice to XRB, or representatives of organisations, interested in the development of high quality accounting standards and auditing and assurance standards. Members are drawn from across the for-profit, public and not-for-profit sectors and between them reflect a variety of perspectives including user groups, preparers (both management and directors), financial analysts, investors, audit committees and auditors.

The objective of the XRAP is to provide a forum for the XRB Board, the NZASB and the NZAuASB to consult individuals and representatives of organisations affected by its work. The XRAP is responsible for providing advice to the three Boards on strategic and tactical issues including, but not limited to:

- issues relating to the external reporting environment in New Zealand;
- the New Zealand standard setting framework;
- projects on the Boards' agendas; and
- practical application and implementation issues.

## 3.2 The Foundation for the Second Strategic Period

The XRB Board considers that a great deal has been achieved during the XRB's first strategic period. Key amongst this has been putting in place the new suites of accounting standards necessary to give effect to the new Accounting Standards Framework, and enhancing auditing and assurance standards so that they are consistent with the new Auditing & Assurance Standards Framework. This has included some significant initiatives including the development of reduced disclosure accounting standards, PBE Standards, and Simple Format Reporting Standards. The establishment of new Professional and Ethical Standards for assurance providers as well as new Review standards have been significant development in the assurance standards area.

However, the XRB Board recognises that the information needs of users of financial reports evolve over time. In the same way as current user-needs are different from those of 10 or 15 years ago, so too are the user-needs of the future likely to be (at least partially) different from the user-needs of today. This is particularly so in the global financial market of which New Zealand is part, and is one of the reasons why the XRB Board's strategy is to adopt international standards where appropriate. However, some needs may emerge locally affecting only entities reporting in New Zealand. This all means that there is a continuing need to consider the extent to which accounting and assurance standards are meeting user-needs.

The XRB Board recognises that there is an inherent tension in the adoption of international standards (which reflect user-needs internationally) and seeking to respond to local user-needs (which do not always reflect the same detailed information needs or balance of costs and benefits as international standards). This is a tension that is unavoidable and which needs to be regularly considered as part of the New Zealand standard setting process. The XRB Board is aware that there are some issues with existing standards that it will be desirable to address to help mitigate this tension.

The development of the new Accounting Standards Framework and the new Auditing & Assurance Standards Framework (which has been achieved during the first strategic period) is not an end in itself. Rather, the XRB Board has always been of the view that putting in place the new Accounting and Auditing & Assurance Standards Frameworks was a necessary first step towards achieving the continuous objective of a financial reporting framework and standards (both accounting and assurance) that have a meaningful user-needs focus and that appropriately manage the tensions between conflicting user-needs. It is only through ensuring that financial reporting (including the reporting of relevant non-financial information) is providing information of importance and relevance to users of financial reports, in an appropriately balanced way, that the XRB's outcome goal can be achieved.

The XRB Board has coined the phrase "Giving Life to the User-Needs Framework" as a way of encapsulating this idea, and has determined that it is to be the focus for the strategic period 2014-2019.

## 4. Strategic Priorities for the 2014-2019 Period

### 4.1 Overview of Strategic Priorities

In broad terms the strategic priorities for the XRB for the 2014/15-2018/19 period (the second strategic period) can be summarised as follows:

#### Broad Strategic Approach:

- Maintain the existing financial reporting strategy including the multi-standards, multi-tier accounting standards framework;
- Continue the convergence and harmonisation approach (where relevant) for both accounting and auditing & assurance standards;

#### Broad Output Priorities:

- Create a period of relative stability in standards for the next few years to allow the constituency to implement and adapt to the standard reforms of the first three years;
- Maintain the existing suites of standards so that they are of a high quality and remain consistent with international standards and Australian standards (where relevant);
- Identify and address any deficiencies or gaps in existing standards that are critical to user-needs and the quality of financial reporting;
- Undertake deliberate, organised research into the financial and non-financial information needs of the various users of our standards:
  - as a basis for considering enhancements to the financial reporting framework or specific standards in the future (most probably the third strategic period); and
  - to help inform efforts to influence the work of the international standard setting boards;

#### Broad Delivery Mechanisms:

- Seek to influence the work of the international boards during the early stages of standards development through the establishment of “influencing strategies” specific to each international board;
- Continue to develop standards with, rather than to, the constituency; and to this end establish approaches to further enhance the level and quality of constituency engagement;
- Increase the organisation’s involvement in education activities to help the constituency better understand the role, purpose and requirements of our standards;
- Actively facilitate other relevant organisations to provide appropriate training and professional development activities relating to financial reporting; and

- Actively work with other agencies to ensure the linkages between the work of relevant agencies in the financial reporting area is identified and gaps addressed.

These strategic priorities are discussed in more detail below.

## 4.2 Broad Strategic Approach

The XRB Board remains comfortable with the current financial reporting strategy which comprises two main elements:

- the multi-standards, multi-tier approach; and
- where applicable, standards that are converged with international standards and harmonised with Australian standards.

The XRB Board plans to continue with this broad approach over the 2014-2019 period. It means that New Zealand will continue to be predominantly a “standard-taker”.

The XRB Board remains committed to the convergence and harmonisation strategy: convergence with international standards and harmonisation with Australian standards (where relevant).

The adoption of international standards as the basis for New Zealand standards reflects the XRB Board’s view that this is in New Zealand’s best interests given the globalised financial reporting environment that now exists. International events and pressures are reflected in the work of the international standard setting boards and, where appropriate, in the standards issued by those boards. In this way New Zealand standards are reflective of the international environment.

This convergence approach is important in all sectors, but particularly in relation to for-profit entities where the accounting standards are based on IFRS. The adoption of IFRS by New Zealand for-profit reporting entities results in considerable benefits from improved comparability of financial statements, and removal of the need for interested parties and providers of capital to have to translate the New Zealand financial information into the more universally understood accounting practices adopted by New Zealand’s major trading partners. Benefits also accrue in relation to the New Zealand subsidiaries of multinational organisations based in Australia and the European Union, as the IFRS based financial information prepared here can be incorporated directly into their IFRS based group reporting, without translation and amendment.

Similarly, there are significant advantages for New Zealand auditors to be able to assert compliance with International Standards on Auditing (ISAs). These include adding to the credibility of reporting by New Zealand auditors.

The XRB Board considers harmonisation with Australian standards to be a particularly important strategic imperative in establishing accounting standards and auditing and assurance standards for for-profit entities, given both Government policy<sup>4</sup> and the number of for-profit entities with trans-Tasman reporting obligations. The XRB will

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<sup>4</sup> The Single Economic Market Outcomes Framework agreed by the New Zealand and Australian Governments in August 2009 includes a specific section on financial reporting.

therefore continue to work closely with its Australian counterparts as appropriate over the second strategic period.

### 4.3 Broad Output Priorities

#### *Relative Stability*

The XRB Board is conscious that the first three years of the XRB's existence has, in the New Zealand context, resulted in an unprecedented level of standards output from the XRB – in relation to both accounting standards and auditing & assurance standards. This has not only provided significant challenges for the XRB, it has also required a lot of effort from the constituency to comment on this volume of material.

The next few years will also require considerable effort from the constituency as it implements the new standards. The XRB Board therefore considers that a period of relative stability in accounting and assurance standards (compared to the first three years) is desirable over the second strategic period to allow things to “settle down”. Accordingly, unless unexpected events require otherwise, the XRB Board does not intend to make any fundamental change to the structure or substantive content of financial reporting requirements over the 2014-2019 period.

#### *Maintaining Existing Standards*

Notwithstanding the desire for relative stability, the XRB Board considers it essential that the suites of existing standards are maintained on an on-going basis so that they are fully converged with international standards and harmonised with Australian standards (as relevant) at all times. This means that maintaining the existing suites of standards will continue to be a key priority for the XRB during the 2014-19 period.

The maintenance of standards is an on-going process. It involves incorporating in New Zealand standards (following appropriate due process), standards that are issued by the international standard setting bodies, most notably the International Accounting Standards Board (IASB), the International Public Sector Accounting Standards Board (IPSASB), the International Auditing and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA). The standards issued by the XRB are therefore heavily influenced by the output of the international boards.

In addition the XRB Board, NZASB and NZAuASB provide comment on relevant exposure drafts and other documents issued for comment by the international boards. This reflects the XRB's statutory obligation to work with international standard setting bodies. It is also consistent with the XRB Board's strategy of seeking to influence international standards during their development phase (see below).

An important part of the “standards maintenance” activity during the next strategic period will also involve actively monitoring any issues emerging from the implementation of the new standards, and responding to those issues through changes to standards where appropriate.

### *Addressing Critical Issues*

A related continuing priority is addressing any deficiencies or gaps in existing standards that are critical to user-needs and the quality of financial reporting during the next five years.

The XRB Board's view is that overall the suites of accounting and auditing & assurance standards are good, relatively comprehensive and robust. However, the desire for a period of relative stability should not prevent the XRB from seeking to influence the addressing of any critical issues in the existing standards over the next strategic period.

### *User-needs Research*

As indicated in section 3.2, the XRB Board is concerned to ensure that user-needs are firmly at the forefront of standard setting in New Zealand in the future.

There are a range of areas where information might be able to be improved to better meet user-needs including:

- financial information;
- non-financial information;
- audit information; and
- the integration between them.<sup>5</sup>

Having considered a variety of such opportunities (including developments such as integrated reporting) the XRB Board has concluded that the XRB does not have sufficient information about the users of information and assurance provided under its standards (both accounting and auditing), their information needs, and which of those information needs should be met through GPFR (and the statutory assurance thereon). This is a reflection of the normative way in which standard setting has historically been done in New Zealand (and elsewhere around the world) and the XRB Board would like to move to a more empirical, evidence-based approach.

The XRB Board has therefore concluded that a priority for the next strategic period should be to undertake research into user needs, in both the accounting and auditing & assurance context. Such an approach sits well with the period of relative stability. It allows the XRB to work behind the scenes during this period gathering empirical evidence to inform future decisions about how to enhance XRB standards, what areas the XRB should be encouraging the international board to address, and as a basis for empirical-based discussions with the international boards.

The XRB Board acknowledges the international difficulties experienced in conducting research into user-needs. However, the Board consider that New Zealand's relatively small size and the nature of the New Zealand market-place are likely to make at least some user-needs research possible in our context. The XRB Board's intention is that the research will focus on both what users need and do not need, including any information currently being reported that is not needed.

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<sup>5</sup> The XRB Board is particularly supportive of the integration of financial and non-financial information. It considers that the XRB should actively monitor non-financial information developments such as integrated reporting, and that assurance issues should be considered contemporaneously. Furthermore, the XRB Board accepts that the XRB is the best placed to consider and participate in such developments in New Zealand. However, these (and other) issues need to be explored through a user-needs lens.

## 4.4 Broad Delivery Mechanisms

### *Influencing International Boards*

The XRB Board's convergence strategy means that the current strategy of seeking to influence the international boards "at the front end" (i.e. during the early stages of standard development) will continue to be important. Although quite some effort has been applied to this strategy over the first three years, the XRB Board considers that this should be an area of even greater emphasis over the second strategic period.

The XRB's efforts to influence the international boards should be deliberate, coherent, constructive, and focused on topics of greatest importance to New Zealand. Accordingly the XRB Board intends to enhance its influencing strategies based on two broad (and interconnected) approaches: relationships and participation:

- *Relationships*: The XRB intends to work further to build relationships with the international boards (and related organisations) at both board member and staff levels.
- *Participation*: The XRB will put more effort into supporting the work of the international boards (and related organisations) over the next strategic period and ensuring that it is adding value to the work of the international boards. This will include involvement in activities promoted by the international boards, contributing to technical or regional groupings to contribute to the work of the boards, participating in the work of the boards (through, for example, assistance with projects).

Where appropriate the XRB will also seek to directly influence the international boards. Maintaining good relationships with other standard setters and relevant groups will be important in achieving this and will therefore also be an important priority during the next strategic period. Initiatives to give effect to this (such as hosting conferences, and taking modest leadership roles) will be explored.

### *Constituency Engagement*

The XRB Board remains committed to its strategy of developing standards with, rather than to/for, the constituency.

The XRB Board considers that a great deal of innovative constituency engagement has occurred over the first three years of the XRB's existence. The Board considers that constituency engagement should continue to be a priority for the next strategic period and that the XRB should look to build on the engagement successes from the first three years to take constituency engagement "to the next level". The XRB plans to develop explicit strategies and mechanisms to achieve this over the 2014-19 period.

### *Education and Facilitation*

The XRB put a significant amount of effort into communication during its first three years. By and large this appears to have been successful, although we have not been as successful as we would have liked in communicating with some parts of the constituency (such as SMEs and small accounting practices) because they are particularly difficult groups to access.

The XRB Board considers that given the amount of change, and the complexity of reporting and assurance in the modern economy, the proper understanding, implementation and application of our standards across the constituency is likely to need more than mere communication in the future. A broad priority for the next strategic period will therefore involve a greater education role.

The XRB does not have an explicit legal mandate to undertake education. It is therefore limited to education activities that are related and incidental to its primary responsibilities – issuing standards and related documents.

The XRB Board's view is the XRB should be involved in education to the extent that it is necessary to help the constituency understand XRB standards. However, this should not extend to training on how to apply the standards, professional development training, or education of a general nature (such as financial literacy).

However, the XRB Board recognises that professional development training (e.g. on financial reporting for company directors) is important to achieving at least some of the outcomes of concern to the XRB. The XRB Board therefore considers it appropriate for the organisation to take a more active facilitation role to encourage relevant organisations to undertake such training activities.

The XRB Board also considers that the achievement of the Government's economic outcomes in the financial reporting area will require greater co-ordination of efforts across the sector. Such an approach is explicit in the reforms to the public sector management model given effect through recent amendments to the State Sector Act and the Public Finance Act.

Over the next strategic period the XRB will therefore work actively with the Ministry of Business, Innovation and Employment, the Financial Markets Authority, the Reserve Bank and others to ensure the linkages between the work of relevant agencies (in both the accounting and auditing & assurance areas) are clearly identified and any gaps addressed.

## 5. Ownership Performance Priorities for the 2014-2019 Period

The XRB Board worked hard during its first three years to ensure that the XRB organisation moved to operating in a “steady-state” mode as soon as possible after its establishment.

The XRB Board is very conscious of the Government’s fiscal constraints, the need to operate within our means, and to ensure value for money in all that the XRB does. Accordingly, a cost-control, value for money culture and approach has been established within the organisation.

The strategic ownership priorities for the 2014-2019 period are:

- Operate in a financially prudent manner including within the fiscal parameters established by appropriation;
- Maintain the level of capability needed to deliver the outputs required and the strategic priorities outlined in section 4; and
- Maintain a high performance culture commensurate with achieving the XRB’s outcome goals.

## 6. Summary of XRB Strategies for the 2014-2019 Period

### Overarching Strategy

Maintain the existing financial reporting strategic approach comprising accounting and auditing & assurance standards that are converged with international standards and (where appropriate) harmonised with Australian standards. In the case of accounting standards this is set within the established multi-standards, multi-tier accounting framework.

### Specific Strategy 1: Maintain and Enhance Existing Standards

Establish a period of relative standards stability during which the existing suites of standards are maintained to reflect changes to international standards and, where necessary, enhanced to address any deficiencies or gaps that are critical to user-needs and the quality of financial reporting.

### Specific Strategy 2: Undertake User-Needs Research

Undertake deliberate, organised research into the financial and non-financial information needs of the various users of our standards as a basis for considering enhancements to the financial reporting framework or specific standards in the future, and to help inform efforts to influence the work of the international standard setting boards.

### Specific Strategy 3: Influence the International Boards

Support the international convergence strategy by actively seeking to influence the agenda and standards development work of the international standard setting boards based on two broad (and interconnected) approaches: relationships and participation.

### Specific Strategy 4: Enhance Constituency Engagement and Support

Continue to develop standards in a collaborative manner with the constituency and to this end:

- Establish approaches to further enhance the level and quality of constituency engagement;
- Increase the organisation's involvement in education activities that help the constituency better understand the role, purpose and requirements of our standards;
- Actively facilitate other relevant organisations to provide appropriate training and professional development activities relating to financial reporting; and
- Actively work with other agencies to ensure the linkages between the work of relevant agencies in the financial reporting area is identified and gaps addressed.

### **Specific Strategy 5: Maintain Capability within a Financially Prudent Organisation**

Maintain a high performance culture commensurate with achieving the XRB's outcome goals, while operating in a financially prudent manner and maintaining the level of capability needed to deliver the outputs required.