



Australian Government
Auditing and Assurance Standards Board

Level 7, 600 Bourke Street
Melbourne VIC 3000 Australia
PO Box 204, Collins Street West
Melbourne VIC 8007

15 November 2013

Mr Alan Cameron AO
Chairman
ASX Corporate Governance Council
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Email: mavis.tan@asx.com.au

Dear Mr Cameron,

Review of the Corporate Governance Principles and Recommendations

The Australian Auditing and Assurance Standards Board (AUASB) appreciates the opportunity to comment on the current review of the *ASX Corporate Governance Principles and Recommendations 3rd Edition* (Principles and Recommendations), which is being undertaken by the ASX Corporate Governance Council.

As a general comment, the AUASB is quite supportive of the Council's review of the Principles and Recommendations, in particular, Principle 1: *Lay solid foundations for management and oversight*; Principle 2: *Structure the board to add value*; Principle 3: *Promote ethical and responsible decision-making*; Principle 4: *Safeguard integrity in financial reporting*; and Principle 7: *Recognise and manage risk*.

With regard to Principle 4, we suggest that the Council should consider expanding the scope of this principle and its related recommendations, to other areas of external corporate reporting, which could encompass sustainability reporting and social responsibility reporting. We believe that recognition should be given to these areas by the Council, particularly where they are included in an annual report or other published report and when they are accompanied by independent assurance reports.

Furthermore, it is our belief that by expanding Principle 4 beyond financial reporting to the broader concept of "corporate reporting", this will allow the Principles and Recommendations to eventually accommodate aspects of integrated reporting, which may be addressed by an internationally accepted integrated reporting framework that may be adopted by listed companies subject to the Principles and Recommendations.

I would be pleased to further discuss the views expressed above. Please do not hesitate to contact me by email: mkelsall@auasb.gov.au or on 03 8080 7445.

Yours sincerely,

Merran Kelsall
Chairman

cc: Ms Lynn Wood, Chairman, Financial Reporting Council