

House of Representatives

Supplementary Order Paper

Wednesday, 22 October 2014

Accounting Infrastructure Reform Bill

Proposed amendments

Hon Paul Goldsmith, in Committee, to move the following amendments:

Clause 24

In *clause 24, new section 42D(1)(a)*, after “total operating expenditure of the entity” (page 16, line 11), insert “and all entities it controls (if any)”.

In *clause 24, new section 42D(1)(b)(ii)*, after “total operating expenditure of the entity” (page 16, lines 17 and 18), insert “and all entities it controls (if any)”.

In *clause 24, new section 42D(2)*, after “operating expenditure” (page 16, lines 25 and 26), insert “or control”.

Clause 30

After *clause 30(5)* (page 20, after line 12), insert:

- (5A) In section 36(4), after “auditor of a specified entity”, insert “(or of its financial statements)”.

Clause 31

In *clause 31*, replace *new section 36K(1)* (page 30, lines 19 to 26) with:

- (1) A person may appeal to a District Court against any decision of the Institute, an accredited body, an approved association, or the Registrar—
 - (a) to decline to recognise the person for the purposes of section 36(1); or
 - (b) to decline to approve the person for the purposes of section 36(1)(d); or
 - (c) to cancel or suspend that recognition or approval.
- (1A) An association may appeal to a District Court against any decision of the Registrar—
 - (a) to decline to approve the association for the purposes of section 36(1)(c)(i); or

- (b) to cancel or suspend that approval.
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Explanatory note

This Supplementary Order Paper amends the Accounting Infrastructure Reform Bill.

The amendments to *clause 24* relate to the test of whether a charitable entity is large or of medium size for the purposes of *new section 42C* of the Charities Act 2005 (which requires the financial statements of large or medium-sized charities to be audited or reviewed). The amendments ensure that the test takes into account the operating expenditure of entities controlled by the charitable entity (as well as of the entity itself).

The amendment to *clause 30* makes a minor drafting change to section 36(4) of the Financial Reporting Act 2013 (qualifications of auditors) to ensure that it is consistent with section 36(1) of that Act.

The amendment to *clause 31* makes a minor drafting change to *new section 36K* of the Financial Reporting Act 2013 (appeals) to ensure that the intent of that provision is clear in relation to appeals by associations of accountants.

Departmental disclosure statement

The Ministry of Business, Innovation, and Employment considers that a departmental disclosure statement is not required to be prepared for this Supplementary Order Paper.
