

EXPLANATORY STATEMENT  
Statutory Rules 1988 No. 30

(CIRCULATED BY THE AUTHORITY OF THE MINISTER FOR FINANCE)

SUBJECT:           AUDIT ACT 1901  
                  AUDIT REGULATIONS (AMENDMENT)

Subsection 71(1) of the Audit Act 1901 (the Act) provides that the Governor-General may make Regulations for the carrying out of the provisions of the Act. The Statutory Rules amend the Audit Regulations which were made for the purposes of section 63C of the Act.

Subsection 63C(2) of the Act provides that a body incorporated for a public purpose by an Ordinance of the Australian Capital Territory may be declared, by regulations made under subsection 71(1) of the Act, to be a public authority to which either Division 2 or 3 of Part XI of the Act applies, subject to any modifications made by the regulations to the relevant Division in its application to that authority.

Part XI sets out standard financial provisions on accounts, audit and annual reports that may be applied to incorporated bodies established by legislation. Division 2 contains provisions for those bodies which are required to keep their accounts in accordance with commercial practice. Division 3 contains those provisions which are appropriate to bodies which are not required to keep their accounts in accordance with commercial practice.

The Canberra Institute of the Arts Ordinance 1988 established the Canberra Institute of the Arts, with effect from 8 February 1988, as a body corporate, with perpetual succession, capable of acquiring, holding and disposing of real and personal property and of suing and of being sued in its corporate name.

The Audit Regulations have been amended to declare the Canberra Institute of the Arts as a body to which Division 3 of Part XI of the Act applies. Given that the functions of the Institute are not commercial it is appropriate that it should not be required to keep accounts in accordance with commercial practice.

In addition the following amendments have been made to Division 3:-

sections 63K and 63L have, in their application to the Institute, been modified to make it clear that these sections are to apply not only to the money and property of the Institute, but also to money and property held by the Institute as trustee.

subsection 63M(1) has been modified to provide for the annual reports of the Institute to be prepared in respect of the academic, as opposed to the financial year.

A further amendment included in the Statutory Rules omits clause 2 of Part IX of Schedule 1 to the Audit Regulations.

Previously clause 2 modified subsection 63H(3) in its application to the Milk Authority of the Australian Capital Territory to require that the Authority table its annual report in the ACT House of Assembly as well as in Parliament.

Since the ACT House of Assembly is now defunct, this requirement has been omitted.