



Corporations Legislation Amendment (Audit Enhancement) Act 2012

No. 72, 2012

***An Act to amend the *Corporations Act 2001* and the
*Australian Securities and Investments Commission
Act 2001*, and for related purposes***

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)

Contents

1	Short title	1
2	Commencement	2
3	Schedule(s)	2
Schedule 1—Amendment of the Corporations Act 2001		3
Part 1—Auditor rotation requirements		3
Part 2—Annual transparency reports		8
Part 3—Transitional provisions		14
Schedule 2—Amendment of the Australian Securities and Investments Commission Act 2001		15
Part 1—Auditor independence functions		15
Part 2—Audit deficiency reports		18
Part 3—Communications with corporations, registered schemes and disclosing entities		22
Part 4—Transitional provisions		24



Corporations Legislation Amendment (Audit Enhancement) Act 2012

No. 72, 2012

**An Act to amend the *Corporations Act 2001* and the
*Australian Securities and Investments Commission
Act 2001*, and for related purposes**

[Assented to 27 June 2012]

The Parliament of Australia enacts:

1 Short title

This Act may be cited as the *Corporations Legislation Amendment
(Audit Enhancement) Act 2012*.

2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provision(s)	Commencement	Date/Details
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	27 June 2012
2. Schedule 1	The 28th day after this Act receives the Royal Assent.	25 July 2012
3. Schedule 2	The day this Act receives the Royal Assent.	27 June 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

Schedule 1—Amendment of the Corporations Act 2001

Part 1—Auditor rotation requirements

1 Subsection 300(1) (second sentence)

After “(11),”, insert “(11AA),”.

2 Subsection 300(11) (heading)

Repeal the heading, substitute:

Special rules for listed companies and schemes

3 After subsection 300(11)

Insert:

(11AA) If an individual plays a significant role in the audit of a listed company or listed registered scheme for the financial year in reliance on an approval granted under section 324DAA, the report for the company or scheme must also include details of, and reasons for, the approval.

4 Subsection 311(5)

Omit “2M.3”, substitute “2M.3, or section 324DAA, 324DAB or 324DAC,”.

5 Paragraph 324DA(3)(a)

Repeal the paragraph, substitute:

(a) either:

- (i) the directors of the company or scheme grant an approval under section 324DAA in relation to the individual; or
- (ii) ASIC makes a declaration under paragraph 342A(1)(a) in relation to the individual; and

6 Paragraph 324DA(3)(b)

Omit “the declaration”, substitute “the approval or the declaration”.

7 After section 324DA

Insert:

324DAA Directors may extend eligibility term

- (1) Subject to section 324DAB, the directors of a listed company, or of a listed registered scheme, may, by resolution, grant an approval for an individual to play a significant role in the audit of the company or scheme for not more than 2 successive financial years in addition to the 5 successive financial years mentioned in subsection 324DA(1).
- (2) The approval must be granted before the end of those 5 successive financial years.
- (3) If the directors grant the approval, subsection 324DA(1) applies to the individual, in relation to the audit of the company or scheme, as if the references in that subsection to 5 successive financial years were references to:
 - (a) if the approval is for one additional successive financial year—6 successive financial years; or
 - (b) if the approval is for an additional 2 successive financial years—7 successive financial years.
- (4) If the directors grant the approval for one successive financial year, the directors may, by resolution before the end of that year, grant an approval for an additional successive year.
- (5) If the directors grant the approval for the additional successive year, subsection 324DA(1) applies to the individual, in relation to the audit of the company or scheme, as if the references in that subsection to 5 successive financial years were references to 7 successive financial years.

324DAB Requirements for directors to approve extension of eligibility term

Requirements if company or scheme has audit committee

- (1) If a listed company, or the responsible entity of a listed registered scheme, has an audit committee:

- (a) an approval under section 324DAA must not be granted unless it is in accordance with a recommendation provided by the audit committee; and
- (b) the resolution granting the approval must set out the reasons why the audit committee is satisfied as mentioned in paragraph (2)(d) of this section.

Note: Directors are not required to grant an approval merely because the audit committee has recommended that an approval be granted.

- (2) An approval is taken to be made in accordance with a recommendation provided by the audit committee only if:
 - (a) the approval is consistent with the audit committee's recommendation; and
 - (b) the recommendation is endorsed by a resolution passed by the members of the audit committee; and
 - (c) the recommendation is in writing signed by a member of the audit committee on behalf of the audit committee and given to the directors of the company or scheme; and
 - (d) the recommendation states that the audit committee is satisfied that the approval:
 - (i) is consistent with maintaining the quality of the audit provided to the company or scheme; and
 - (ii) would not give rise to a conflict of interest situation (as defined in section 324CD);and sets out the reasons why the committee is so satisfied.

Requirements if company or scheme does not have audit committee

- (3) If a listed company, or the responsible entity of a listed registered scheme, does not have an audit committee:
 - (a) an approval under section 324DAA must not be granted unless the directors of the company or scheme are satisfied that the approval:
 - (i) is consistent with maintaining the quality of the audit provided to the company or scheme; and
 - (ii) would not give rise to a conflict of interest situation (as defined in section 324CD); and
 - (b) the resolution granting the approval must set out the reasons why the directors are so satisfied.

Auditor must have agreed to extension

- (4) The directors of a listed company, or of a listed registered scheme, must not grant an approval under section 324DAA unless:
- (a) if the individual to whom the approval relates does not act on behalf of an audit firm or company—the individual agrees, in writing, to the approval being granted; or
 - (b) if the individual to whom the approval relates acts on behalf of an audit firm or company—the audit firm or company on whose behalf the individual acts agrees, in writing, to the approval being granted.

324DAC Notifications about approval to extend eligibility term

If the directors of a listed company, or of a listed registered scheme, grant an approval under section 324DAA, the directors must, within 14 days of granting the approval:

- (a) lodge a copy of the resolution granting the approval with ASIC; and
- (b) give a copy of the resolution to:
 - (i) if the individual to whom the approval relates does not act on behalf of an audit firm or company—the individual; and
 - (ii) if the individual to whom the approval relates acts on behalf of an audit firm or company—the audit firm or company on whose behalf the individual acts.

Note: Details of the approval, and the reasons for the approval, must be included in the directors' report under section 300.

324DAD Approval ineffective unless it complies with requirements

A purported grant of approval under section 324DAA is ineffective unless the requirements of sections 324DAA, 324DAB and 324DAC are complied with in relation to the approval.

8 Paragraph 324DC(2)(c)

Repeal the paragraph, substitute:

- (c) the individual is not eligible to play a significant role in the audit of the company or scheme for that financial year:
 - (i) because of section 324DAD; or
 - (ii) for any other reason; and

9 Subsection 324DC(3)

Omit “(2)(a), (b) and (c)”, substitute “(2)(a) and (b) and subparagraph (2)(c)(ii)”.

10 Paragraph 324DD(3)(c)

Repeal the paragraph, substitute:

- (c) the individual is not eligible to play a significant role in the audit of the company or scheme for that financial year:
 - (i) because of section 324DAD; or
 - (ii) for any other reason; and

11 Subsection 324DD(4)

Omit “(3)(a), (b) and (c)”, substitute “(3)(a) and (b) and subparagraph (3)(c)(ii)”.

12 Section 344 (heading)

Repeal the heading, substitute:

344 Contravention of Part 2M.2 or 2M.3, or of certain provisions of Part 2M.4

13 Subsection 344(1)

Omit “2M.3”, substitute “2M.3, or section 324DAA, 324DAB or 324DAC”.

14 Subsection 601HG(11)

Omit “2M.3”, substitute “2M.3, or section 324DAA, 324DAB or 324DAC,”.

Part 2—Annual transparency reports

15 Section 9

Insert:

annual transparency report has the meaning given by subsection 332A(2).

16 Section 9

Insert:

transparency reporting auditor has the meaning given by subsection 332(1).

17 Section 9

Insert:

transparency reporting year has the meaning given by subsection 332(2).

18 After Part 2M.4

Insert:

Part 2M.4A—Annual transparency reports for auditors

332 Meaning of *transparency reporting auditor* and *transparency reporting year*

- (1) A *transparency reporting auditor* is:
 - (a) an individual auditor; or
 - (b) an audit firm; or
 - (c) an authorised audit company.
- (2) A *transparency reporting year* is a period of 12 months starting on 1 July.

332A Transparency reporting auditors must publish annual transparency reports

- (1) This section applies if, during a transparency reporting year, a transparency reporting auditor conducts audits, under Division 3 of Part 2M.3, of 10 or more bodies of any of the following kinds:
- (a) listed companies;
 - (b) listed registered schemes;
 - (c) ADIs (authorised deposit-taking institutions) within the meaning of the *Banking Act 1959*;
 - (d) bodies mentioned in paragraph (c) or (e) of the definition of ***body regulated by APRA*** in subsection 3(2) of the *Australian Prudential Regulation Authority Act 1998*;
 - (e) bodies prescribed by the regulations for the purposes of this paragraph.

Note: The 10 or more bodies do not all have to be of the same kind. This section applies (for example) if, during the year, the transparency reporting auditor conducts audits of 6 listed companies and 4 listed registered schemes.

- (2) The auditor must publish an ***annual transparency report*** for the transparency reporting year, containing the information required by section 332B, on the auditor's website within the period of 4 months after the end of the year (or that period as extended under section 332C).

Note: Failure to comply with this subsection is an offence (see subsection 1311(1)).

- (3) The auditor must lodge a copy of the report with ASIC on or before the day it is first published on the auditor's website.

Note: Failure to comply with this subsection is an offence (see subsection 1311(1)).

- (4) An offence based on subsection (2) or (3) is an offence of strict liability.

Note: For strict liability, see section 6.1 of the *Criminal Code*.

332B Content of annual transparency report

- (1) Subject to subsection (2), an annual transparency report must contain the information prescribed by the regulations.

- (2) The report may omit information that would otherwise be included under subsection (1) if the inclusion of the information is likely to result in unreasonable prejudice to the transparency reporting auditor. If material is omitted, the report must say so.

332C Extension of period for publication of annual transparency report

- (1) On an application made by a transparency reporting auditor in accordance with subsection (3), ASIC may make an order extending the period within which the auditor must publish an annual transparency report.
- (2) The order may be expressed to be subject to conditions.
- (3) The application must be:
 - (a) in writing; and
 - (b) lodged with ASIC before the end of the period within which the auditor would otherwise be required to publish the report; and
 - (c) if the auditor is an individual auditor—signed by the auditor; and
 - (d) if the auditor is an audit firm—signed by a member of the firm who is a registered company auditor both:
 - (i) in the firm name; and
 - (ii) in the member's own name; and
 - (e) if the auditor is an audit company:
 - (i) authorised by a resolution of the directors; and
 - (ii) signed by a director.
- (4) ASIC must give the auditor written notice of the making of the order.

332D Exemption orders—applications by transparency reporting auditors

- (1) On an application made by a transparency reporting auditor in accordance with subsection (3), ASIC may make an order in writing relieving the auditor from compliance with all or specified requirements of sections 332A and 332B.

Note: For the criteria for making orders under this section, see section 332F.

- (2) The order may:
 - (a) be expressed to be subject to conditions; and
 - (b) be indefinite or limited to a specified period.
- (3) The application must be:
 - (a) in writing; and
 - (b) lodged with ASIC; and
 - (c) if the auditor is an individual auditor—signed by the auditor; and
 - (d) if the auditor is an audit firm—signed by a member of the firm who is a registered company auditor both:
 - (i) in the firm name; and
 - (ii) in the member's own name; and
 - (e) if the auditor is an audit company:
 - (i) authorised by a resolution of the directors; and
 - (ii) signed by a director.
- (4) ASIC must give the auditor written notice of the making or revocation of the order.

332E Exemption orders—class orders for transparency reporting auditors

- (1) ASIC may, by legislative instrument, make an order in respect of a specified class of transparency reporting auditors relieving the auditors from all or specified requirements of sections 332A and 332B.

Note: For the criteria for making orders under this section, see section 332F.

- (2) The order may:
 - (a) be expressed to be subject to conditions; and
 - (b) be indefinite or limited to a specified period.

332F Exemption orders—criteria for orders

- (1) To make an order under section 332D or 332E exempting a transparency reporting auditor, or class of transparency reporting auditors, from one or more requirements of sections 332A and 332B, ASIC must be satisfied that complying with the requirements would:

- (a) be inappropriate in the circumstances; or
 - (b) impose unreasonable burdens.
- (2) In deciding for the purposes of subsection (1) whether complying with the requirements would impose an unreasonable burden on the auditor or class of auditors, ASIC is to have regard to:
 - (a) the expected costs of complying with the requirements; and
 - (b) the expected benefits of having the auditor or class of auditors comply with the requirements; and
 - (c) any practical difficulties that the auditor or class of auditors faces in complying effectively with the requirements; and
 - (d) any unusual aspects of the operations of the auditor or class of auditors; and
 - (e) any other matters that ASIC considers relevant.

332G Offences by members of audit firm

- (1) This Part applies to an audit firm as if it were a person, but with the changes set out in this section.
- (2) An obligation that would otherwise be imposed on the firm by a provision of this Part is imposed on each member of the firm instead, but may be discharged by any of the members.
- (3) An offence based on a provision of this Part that would otherwise be committed by the audit firm is taken to have been committed by each member of the firm.
- (4) A member of the firm does not commit an offence because of subsection (3) if the member:
 - (a) does not know of the circumstances that constitute the contravention of the provision concerned; or
 - (b) knows of those circumstances but takes all reasonable steps to correct the contravention as soon as possible after the member becomes aware of those circumstances.

Note: A defendant bears an evidential burden in relation to the matters in subsection (4)—see subsection 13.3(3) of the *Criminal Code*.

19 Schedule 3 (after table item 116NB)

Insert:

116NC Subsection 332A(2) 10 penalty units.

116ND Subsection 332A(3) 10 penalty units.

Part 3—Transitional provisions

20 At the end of Chapter 10

Add:

Part 10.20—Transitional provisions relating to the Corporations Legislation Amendment (Audit Enhancement) Act 2012

1536 Definitions

In this Part:

amending Act means the *Corporations Legislation Amendment (Audit Enhancement) Act 2012*.

commencement means the commencement of Schedule 1 to the amending Act.

1537 Application of amendments relating to annual transparency reports

The amendments made by Part 2 of Schedule 1 to the amending Act apply in relation to annual transparency reports for:

- (a) the first transparency reporting year that ends after commencement (even if part of that year occurs before commencement); and
- (b) all later transparency reporting years.

Schedule 2—Amendment of the Australian Securities and Investments Commission Act 2001

Part 1—Auditor independence functions

1 Subsection 5(1) (definition of *auditor independence requirements*)

Repeal the definition.

2 Paragraph 225(1)(c)

Repeal the paragraph.

3 Paragraph 225(1)(d)

Omit “(a), (b) and (c)”, substitute “(a) and (b)”.

4 Paragraph 225(1)(e)

Omit “(specific auditor independence functions)”, substitute “(specific auditor quality functions)”.

5 Subsection 225(2B)

Repeal the subsection, substitute:

Specific auditor quality functions

- (2B) The FRC functions include giving strategic policy advice and reports, to the Minister and professional accounting bodies, in relation to the quality of audits conducted by Australian auditors.
- (2C) Without limiting subsection (2B), the FRC functions also include giving strategic policy advice and reports, to the Minister and professional accounting bodies, in relation to any of the following:
- (a) the systems and processes used by Australian auditors to comply with:
 - (i) the provisions of the Corporations Act dealing with the conduct of audits; and
 - (ii) the auditing standards; and
 - (iii) applicable codes of professional conduct;

- (b) the systems and processes used by professional accounting bodies for planning and performing quality assurance reviews of audit work undertaken by Australian auditors;
- (c) the action that Australian auditors who have been subject to such quality assurance reviews have taken in response to the reports prepared as a result of those reviews;
- (d) the action taken by professional accounting bodies to ensure that Australian auditors who have been subject to such quality assurance reviews respond appropriately to the reports prepared as a result of those reviews;
- (e) the investigation and disciplinary procedures of professional accounting bodies as those procedures apply to Australian auditors;
- (f) the adequacy of:
 - (i) the provisions of the Corporations Act dealing with the conduct of audits; and
 - (ii) the auditing standards; and
 - (iii) applicable codes of professional conduct;in light of international developments in relation to audit quality;
- (g) the teaching of professional and business ethics by, or on behalf of, professional accounting bodies to the extent to which the teaching of those subjects relates to audit quality.

(2D) A report under subsection (2B) or (2C) is not a legislative instrument.

6 Subsections 225A(5) and (6)

Repeal the subsections.

7 Subsection 225A(7)

Omit “or (5)”.

8 Paragraph 225A(7)(a)

Omit “or Australian auditor”.

9 Paragraph 225A(7)(b)

Omit “or auditor”.

10 Subsection 225A(8)

Omit “or Australian auditor”.

11 Subsection 225A(8)

Omit “or auditor”.

12 Paragraph 225A(9)(a)

Omit “or (5)”.

13 Subsections 225A(11), (12) and (13)

Repeal the subsections.

14 Section 235BA

Repeal the section.

Part 2—Audit deficiency reports

15 Subsection 5(1)

Insert:

audit deficiency report has the meaning given by subsection 50C(1).

16 After Division 5 of Part 3

Insert:

Division 5A—Audit deficiency notifications and reports

50A Application

- (1) This Division applies to an audit deficiency (the *identified audit deficiency*) that:
 - (a) is identified by ASIC in circumstances described in subsection (2) in relation to an audit conducted by an Australian auditor; and
 - (b) consists of any of the following:
 - (i) a failure by the auditor to comply with the auditing standards;
 - (ii) a failure by the auditor to comply with the auditor independence requirements in the Corporations Act;
 - (iii) a failure by the auditor to comply with any applicable code of professional conduct;
 - (iv) a failure by the auditor to comply with the provisions of the Corporations Act dealing with the conduct of audits; and
 - (c) ASIC reasonably believes:
 - (i) indicates a significant weakness in the Australian auditor's quality control system; or
 - (ii) indicates a significant weakness in the conduct of the audit and may be detrimental to the overall quality of the audit.

-
- (2) For the purposes of paragraph (1)(a), the circumstances are that the identified audit deficiency is identified by ASIC while exercising its powers or functions:
- (a) in relation to audit-related matters (*Corporations Act audit requirements*) under Chapter 2M, Chapter 5C, Part 7.8, Part 9.2 or Part 9.2A of the Corporations Act or under other provisions of that Act that relate to that Chapter or that Part; or
 - (b) for the purposes of ascertaining compliance with Corporations Act audit requirements; or
 - (c) in relation to:
 - (i) an alleged or suspected contravention of Corporations Act audit requirements; or
 - (ii) an alleged or suspected contravention of a law of the Commonwealth, or of a State or Territory in this jurisdiction, being a contravention that relates to an audit matter and that either concerns the management or affairs of a body corporate or involves fraud or dishonesty and relates to a body corporate; or
 - (d) for the purposes of an investigation under Division 1 of this Part relating to a contravention referred to in paragraph (c).

50B Notice of audit deficiency

- (1) ASIC may, in writing, notify the Australian auditor of the identified audit deficiency.
- (2) The notice must:
 - (a) set out:
 - (i) the identified audit deficiency; and
 - (ii) any remedial action that ASIC thinks necessary to remedy the deficiency; and
 - (iii) such other matters in relation to the deficiency as ASIC thinks fit; and
 - (b) invite the auditor to make written submissions to ASIC, within 6 months, about the deficiency and any remedial action taken, or proposed to be taken, to remedy the deficiency.

50C Audit deficiency report

- (1) At any time after the end of the 6 month period, ASIC may prepare an ***audit deficiency report*** if ASIC is satisfied that the Australian auditor has not taken appropriate remedial action to remedy the identified audit deficiency.
- (2) The report must set out:
 - (a) the identified audit deficiency; and
 - (b) the remedial action that ASIC thinks necessary to remedy the deficiency; and
 - (c) if the auditor has taken remedial action to remedy the deficiency—details of the remedial action; and
 - (d) if the auditor has not taken any remedial action—that fact; and
 - (e) such other matters in relation to the deficiency as ASIC thinks fit.
- (3) Before preparing the report, ASIC must take into account:
 - (a) any submissions received from the auditor in response to an invitation under paragraph 50B(2)(b); and
 - (b) whether or not the auditor has taken any remedial action to remedy the deficiency.
- (4) The report is not a legislative instrument.

50D Publication of report

- (1) Subject to subsection (2) and section 50E, ASIC may, if it considers it appropriate to do so, publish the report on its website.
 - (2) If ASIC publishes the report on its website, the report:
 - (a) if the audit to which the report relates was conducted by an audit firm or audit company:
 - (i) may disclose identifying particulars of the audit firm or audit company; but
 - (ii) must not disclose identifying particulars of any professional member of the audit team involved in the audit; and
 - (b) if the audit to which the report relates was conducted by an individual auditor who did not act on behalf of an audit firm or audit company:
-

-
- (i) may disclose identifying particulars of the auditor; but
 - (ii) must not disclose identifying particulars of any other professional member of the audit team involved in the audit; and
 - (c) must not disclose identifying particulars of the audited body.
- (3) In this section:

identifying particulars:

- (a) in relation to an audit firm, an audit company, an individual auditor referred to in paragraph (2)(b) or an audited body, means:
 - (i) the name, or a business name, of the firm, company, auditor or body; or
 - (ii) any other particulars that would enable the firm, company, auditor or body to be identified; or
- (b) in relation to a professional member of an audit team (other than an individual auditor referred to in paragraph (2)(b)), means:
 - (i) the name of the member; or
 - (ii) any other particulars that would enable the member to be identified.

50E Consultation before publication

- (1) Before publishing the report on its website, ASIC must:
 - (a) give a copy of the report to the Australian auditor to which the report relates; and
 - (b) invite the Australian auditor to give ASIC comments on the report within 21 days.
- (2) The report as published must include any comments received in response to the invitation in a separate part of the report.

Part 3—Communications with corporations, registered schemes and disclosing entities

17 After subsection 127(2C)

Insert:

(2D) If the Chairperson is satisfied that:

- (a) information is obtained by ASIC in circumstances described in subsection (2E); and
- (b) the information is:
 - (i) about how an audit of a company, registered scheme or disclosing entity was conducted by an Australian auditor; or
 - (ii) about the company's, scheme's or entity's compliance with the requirements in Chapter 2M of the Corporations Act to prepare financial statements and reports, or with the continuous disclosure requirements of sections 674 and 675 of the Corporations Act; and
- (c) the information should be disclosed to the company, to the responsible entity of the registered scheme, or to the disclosing entity, in order to assist the company, scheme or entity to properly manage its affairs;

the disclosure of the information, by a person (the *authorised person*) whom the Chairperson authorises for the purpose, is taken to be authorised use and disclosure of the information if the information is disclosed to the directors, the audit committee, or a senior manager, of the company, responsible entity or disclosing entity.

(2E) For the purposes of paragraph (2D)(a), the circumstances are that the information is obtained by ASIC while exercising its powers or functions:

- (a) in relation to audit-related matters (*Corporations Act audit requirements*) under Chapter 2M, Chapter 5C, Part 7.8, Part 9.2 or Part 9.2A of the Corporations Act or under other provisions of that Act that relate to that Chapter or that Part; or

- (b) for the purposes of ascertaining compliance with Corporations Act audit requirements; or
 - (c) in relation to:
 - (i) an alleged or suspected contravention of Corporations Act audit requirements; or
 - (ii) an alleged or suspected contravention of a law of the Commonwealth, or of a State or Territory in this jurisdiction, being a contravention that relates to an audit matter and that either concerns the management or affairs of a body corporate or involves fraud or dishonesty and relates to a body corporate; or
 - (d) for the purposes of an investigation under Division 1 of Part 3 of this Act relating to a contravention referred to in paragraph (c).
- (2F) The authorised person must not disclose information about how an audit of a company, registered scheme or disclosing entity was conducted by an Australian auditor unless, at least 7 days before disclosing the information, the authorised person notifies the Australian auditor of the proposed disclosure.
- (2G) If the authorised person discloses information only to a senior manager of the company, responsible entity or disclosing entity, the authorised person must, as soon as possible after making the disclosure, provide a copy of the disclosure to the directors and audit committee of the company, responsible entity or disclosing entity.

Part 4—Transitional provisions

18 At the end of the Act

Add:

Part 19—Transitional provisions relating to the Corporations Legislation Amendment (Audit Enhancement) Act 2012

292 Definitions

In this Part:

amending Act means the *Corporations Legislation Amendment (Audit Enhancement) Act 2012*.

commencement means the commencement of Schedule 2 to the amending Act.

293 Amendments made by Part 1 of Schedule 2—final report on auditor independence functions

- (1) Subject to subsection (2), section 235BA, as in force immediately before commencement, continues (despite its repeal) to apply so as to require a report for the period beginning on 1 July 2011 and ending on commencement, as if that period were a year ending on 30 June.
- (2) The report referred to in subsection (1) must be included in the report, for the year ending on that 30 June, given to the Minister under section 235B.

294 Application of amendments made by Parts 2 and 3 of Schedule 2

- (1) The amendments made by Part 2 of Schedule 2 to the amending Act apply in relation to audit deficiencies identified by ASIC after commencement.

-
- (2) The amendment made by Part 3 of Schedule 2 to the amending Act applies in relation to information obtained by ASIC after commencement.

*[Minister's second reading speech made in—
House of Representatives on 29 February 2012
Senate on 14 March 2012]*