

(November 2020)

Explanatory Statement

AUASB Repeal of Superseded Auditing Standards 2020

Issued by the Auditing and Assurance Standards Board



Australian Government

Auditing and Assurance Standards Board

Obtaining a Copy of this Explanatory Statement

This Explanatory Statement is available on the Federal Register of Legislation:
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Reasons for Issuing

The AUASB issues *AUASB Repeal of Superseded Auditing Standards 2020* pursuant to the requirements of the legislative provisions and the Strategic Direction explained below.

The AUASB is a non corporate Commonwealth entity of the Australian Government established under section 227A of the *Australian Securities and Investments Commission Act 2001*, as amended (ASIC Act). Under section 336 of the *Corporations Act 2001*, the AUASB may make Auditing Standards for the purposes of the corporations legislation. These Auditing Standards are legislative instruments under the *Legislation Act 2003*.

Under the Strategic Direction given to the AUASB by the Financial Reporting Council (FRC), the AUASB is required, inter alia, to develop auditing standards that have a clear public interest focus and are of the highest quality.

Purpose of *AUASB Repeal of Superseded Auditing Standards 2020*

The purpose of this instrument is to repeal superseded auditing standards made by the AUASB that do not automatically sunset.

Power to Make Amendments

Under subsection 33(3) of the Acts Interpretation Act 1901, where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument. Accordingly, the AUASB has the power to repeal the Auditing Standards that are made by the AUASB as legislative instruments under the *Corporations Act 2001*.

Main Features

This instrument repeals superseded auditing standards made by the AUASB from the Federal Register of Legislation. Legislative instruments made by the AUASB are exempt from automatic sunset and are therefore required to be repealed by legislative instrument. This instrument includes a 'saving provision' to ensure that the superseded auditing standards can still be used by auditors (and be enforceable) in relation to financial reports that fall within the periods to which the superseded auditing standards still apply.

Operative Date

AUASB Repeal of Superseded Auditing Standards 2020 commences the day after it is registered.

Consultation Process prior to issuing the Auditing Standard

Before making this instrument, the AUASB consulted with the Australian Government Solicitor. As the repeal of the superseded auditing standards was determined to be mechanical in nature and does not significantly alter existing arrangements, no further consultation was undertaken.

Regulatory Impact Statement

A Regulatory Impact Statement (RIA) has been prepared in connection with the preparation of *AUASB Repeal of Superseded Auditing Standards 2020*. The RIA has been cleared by the Office of Best Practice Regulation (OBPR).

STATEMENT OF COMPATIBILITY WITH HUMAN RIGHTS

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Legislative Instrument: *AUASB Repeal of Superseded Auditing Standards 2020*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

Background

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Human Rights Implications

This Legislative Instrument is issued by the AUASB in furtherance of the objective of facilitating the Australian economy. It does not diminish or limit any of the applicable human rights or freedoms, and thus do not raise any human rights issues.

Conclusion

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.