OFFICIAL

CATSI Act Review

# Part 19—Review of financial reports

Part 19 of the CATSI Amendment Bill allows medium corporations to have their financial reports reviewed rather than audited, bringing their reporting requirements into line with registered entities under the *Australian Charities and Not-for-profits Commission Act 2012* and companies limited by guarantee under the *Corporations Act* *2001*. There will also need to be a corresponding change to the CATSI Regulations to support this amendment.

Although the changes appear extensive, items 259 to 288, 290, 294, 300-316 and 318-325 generally insert the words ‘or review’ anywhere where the term audit is discussed in the section dealing with reporting requirements.

Item 289 sets out who can conduct a review of a financial report.

Item 293 outlines that an auditor must form a conclusion in relation to a review of a financial report, in the same way as they do for an audit.

Item 298 sets out that an auditor must make a written report in relation to a review of a financial report and the things that are to be covered in that report.

Item 317 clarifies who is considered to be involved in the conduct of an audit or review.

Items 326 and 327 provide definitions of an ‘auditor’ and ‘involved in the conduct of an audit or review’, and item 328 repeals the current definition of ‘person involved in the conduct of an audit’.

All other items make minor amendments to language to broaden the applicability of the section, or to make clear that the amended section is specifically about an audit.