9 August 2010

ATTORNEY-GENERAL

LEGAL ADVICE
CONSISTENCY WITH THE NEW ZEALAND BILL OF RIGHTS ACT 1990:
AUDITOR REGULATION AND EXTERNAL REPORTING BILL

1. We have considered whether the Auditor Regulation and External Reporting Bill (PCO 14211/7.0) ('the Bill') is consistent with the New Zealand Bill of Rights Act 1990 ('the Bill of Rights Act'). We understand that the Bill is likely to be considered by the Cabinet Economic Growth and Infrastructure Committee at its meeting on Wednesday, 18 August 2010.

2. The purpose of the Bill is to strengthen the regulation of practitioners who carry out audits in respect of issuers and to establish an independent oversight system in order to:
   
   • maintain and promote, in respect of issuer audits, quality, expertise, and integrity in the profession of auditors, and
   • promote the recognition of the professional status of New Zealand auditors in overseas jurisdictions.

3. The Bill reconstitutes the Accounting Standards Review Board as the External Reporting Board. It consolidates financial reporting and auditing and assurance standard-setting within the Board.

4. We have concluded that the Bill appears to be consistent with the rights and freedoms affirmed in the Bill of Rights Act. This advice has been prepared by the Public Law Group and the Office of Legal Counsel.

Jeff Orr
Chief Legal Counsel
Office of Legal Counsel

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