# Chapter 1

## Introduction

1.1 The duties of the Parliamentary Joint Committee on Corporations and Financial Services, as set out in section 243 of the *Australian Securities and Investments Commission Act 2001* (the ASIC Act), include:

> (b) to examine each annual report that is prepared by a body established by this Act and of which a copy has been laid before a House, and to report to both Houses on matters that appear in, or arise out of, that annual report and to which, in the Parliamentary Committee's opinion, the Parliament's attention should be directed …

1.2 Committee members routinely examine the annual report of the Australian Securities and Investments Commission (ASIC) as part of their regular oversight hearings and reports. Committee members considered ASIC's 2009-10 annual report as part of their preparation for a public hearing held with ASIC on 24 November 2010.[1] The committee reported on this hearing during February 2010.[2]

1.3 A number of additional bodies are also established under the ASIC Act. These include:

- the Auditing and Assurance Standards Board (AUASB)
- the Australian Accounting Standards Board (AASB)
- the Companies Auditors and Liquidators Disciplinary Board (CALDB)
- the Corporations and Markets Advisory Committee (CAMAC)
- the Financial Reporting Council (FRC)
- The Financial Reporting Panel (FRP)
- the Takeovers Panel

1.4 The committee obtains the annual reports of these bodies and will from time to time report to the Parliament on matters in these reports to which it feels the Parliament's attention should be directed.

1.5 However, the committee notes that the annual reports of these bodies are also subject to scrutiny by the Senate Economics Legislation Committee. Senate Standing Order 20 requires the Economics Committee to:

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1 The Hansard transcript of this hearing is available online at http://www.aph.gov.au/hansard/joint/commttee/J13358.pdf

2 The committee's ASIC oversight reports can be viewed at http://www.aph.gov.au/senate/committee/corporations_ctte/asic/index.htm .

(a) Examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory.

(b) Consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration.

(c) Investigate and report to the Senate on any lateness in the presentation of annual reports.

(d) In considering an annual report, take into account any relevant remarks about the report made in debate in the Senate.

(e) If the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates.

(f) Report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.

(g) Draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports.

(h) Report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

1.6 Therefore, in conducting its review of the annual reports of bodies established under the ASIC Act, the committee will confine itself to either raising urgent matters that it believes should be considered by the Parliament or highlighting operational matters of key interest.

1.7 The committee did not hold any public hearings or seek written submissions during the preparation of this report.