

Overview to November

In last month's edition of *Current Affairs in Auditing*, we discussed the independence provisions of the *CLERP (Audit Reform & Corporate Reform & Disclosure) Bill*. This month, we shall discuss other provisions of the Bill, reactions to the independence sections of the Bill and the independence provisions of a discussion document issued by Australian Prudential Regulation Authority (APRA), entitled *Prudential Supervision of General Insurance: Stage 2 Reforms*. The independence requirements of the Bill and the discussion paper provide an interesting comparison, with the requirements included in the discussion paper being more radical. However, as we see from the discussion on reactions to the independence requirements of the Bill, the reforms introduced can result from a political process. Thus, as a starting point for the subsequent political negotiations, APRA may deliberately have chosen radical proposals that later may be watered down to meet their initial expectations.

Reference

Australian Prudential Regulation Authority (APRA) 2003, *Prudential Supervision of General Insurance: Stage 2 Reforms*, November, www.apra.gov.au.