

Standard conditions applying to New Zealand licenced auditors

Section 15(1)(a) of the Auditor Regulation Act requires that every licence issued by CPA Australia must be subject to any conditions prescribed by the FMA under section 32(1)(b)(i) of the Act. The FMA has prescribed three conditions under section 32(1)(b)(i) of the Act that apply to auditor licences:

1. Licensed auditors must comply, at all times, with all relevant rules and codes, including but not limited to CPA Australia's Constitution, By-laws, Code of Professional Conduct, applicable professional standards and applicable auditing standards.
2. Licensed auditors must not accept or undertake any FMC audit engagements (other than through a registered audit firm of which they are a partner or employee) unless the licensed auditor has in place:
 - (a) systems, policies and procedures that comply with professional and ethical standards issued by the External Reporting Board; and
 - (b) professional indemnity insurance that is adequate and appropriate for the nature and scale of the licensed auditor's business activities as set out in By-Law 9.8.
3. Licensed auditors must provide specified reports and notifications to CPA Australia, within such reasonable timeframe as CPA Australia specifies, including:
 - (a) annual confirmation in the form specified by CPA Australia.
 - (b) notification (and provide details of the circumstances or reasons) if any of the following events occur:
 - (i) any change in the licensed auditor details held by the Registrar of Companies;
 - (ii) any breach of an applicable law or standard during an FMC audit;
 - (iii) any breach of conditions attached to the auditor's licence; and
 - (iv) any adverse event reflecting on your fitness to hold a licence.