

BRENT OWEN KENNERLEY (AUD101)

**NOTICE OF AN ORDER OF THE DISCIPLINARY TRIBUNAL OF
THE NEW ZEALAND INSTITUTE OF CHARTERED ACCOUNTANTS**

Brent Owen Kennerley ("the Member") appeared before the Disciplinary Tribunal of the New Zealand Institute of Chartered Accountants ("NZICA") on 4 and 5 April 2017 in relation to a complaint arising from a Practice Review under Rules 12.1 and 12.6(c) of the NZICA Rules.

The complaint arose from the Member's role as engagement quality control review partner for the audit of a company listed in New Zealand and Australia. The Member pleaded guilty to charges of negligence or incompetence in a professional capacity and breaching the Code of Ethics. He admitted particulars regarding a failure to adequately evaluate significant judgements made by the engagement team and/or identify such judgements were lacking and a failure to ensure certain matters were properly documented by the engagement team, in breach of ISA (NZ) 220 *Quality Control for an Audit of Financial Statements* and the Fundamental Principle of Professional Conduct and Due Care and/or section 130 of the Code of Ethics (2014). The Disciplinary Tribunal found the charges proven and the particulars made out.

In its decision dated 13 April 2017 the Disciplinary Tribunal made the following orders pursuant to the Rules of NZICA:

- (a) That the Member be censured under Rule 13.40(k);
- (b) The Member pay costs to NZICA in the sum of \$40,116 pursuant to Rule 13.42 in respect of the costs and expenses of the hearing before the Disciplinary Tribunal and investigation by the Professional Conduct Committee; and
- (c) Pursuant to Rule 13.44 the Disciplinary Tribunal's decision be published on the website and NZICA's official publication *Acuity* with mention of the Member's name and location. The Tribunal ordered that the names of the Member's firm and all third parties be suppressed pursuant to Rule 13.62(b).

The Disciplinary Tribunal found that the Member's breaches of the accounting and auditing standards were at low end of the spectrum of negligence in a professional capacity and did not constitute misconduct or conduct unbecoming an accountant. It considered that the evidence highlights for all members the importance of diligence, attention to detail and the application of all standards in the process of their work and stated that the penalty was both appropriate and proportionate.

A full copy of the Disciplinary Tribunal's decision can be downloaded from the decisions register on our website:

<https://www.charteredaccountantsnz.com/about-us/complaints/decisions-register>

