

Conditions applying to auditor licences issued by NZICA

In accordance with section 15(1)(a) of the Auditor Regulation Act 2011 the following standard conditions apply to each auditor licence issued by NZICA:

- 1) The licensed auditor must comply, at all times, with NZICA's Code of Ethics, the NZICA Rules, the Auditor Regulation Act 2011 (ARA) and any Regulations and Notices made under the ARA, including the Prescribed Minimum Standards and Conditions for Licensed Auditors and Registered Audit Firms issued by the Financial Markets Authority (FMA);
- 2) The licensed auditor must notify NZICA :
 - a) if they leave an audit firm or join an audit firm;
 - b) if they become a partner or director, or cease to be a partner or director, in an audit firm;
 - c) of any changes to the information contained in respect of the licensed auditor on the register;
 - d) of any matter that may adversely impact on whether the licensed auditor continues to meet the fit and proper person requirements; and
 - e) of any disciplinary matter taken against the licensed auditor by any professional body;
- 3) The licensed auditor must provide to NZICA any information requested as part of an annual survey or notification and any other information requested by NZICA for purposes of NZICA's functions and duties under the ARA within the specified time; and
- 4) Where the licensed auditor undertakes FMC audits as a sole practitioner (i.e. other than through a registered audit firm of which they are a director, partner, contractor or employee) the licensed auditor must not accept an FMC audit engagement unless they have:
 - a) systems, policies and procedures which comply with the Professional and Ethical Standards issued by the New Zealand Auditing and Assurance Standards Board and are equivalent to those required of a registered audit firm. Where licensed auditors are undertaking an FMC audit in their personal capacity, it will be acceptable if the audit firm they are associated with has these systems, policies and procedures and licensed auditors comply with them when undertaking FMC audits; and
 - b) professional indemnity insurance that is adequate and appropriate for the nature and scale of the licensed auditor's business activities.

Note: in these conditions, "director" means a director of a registered audit firm within the meaning of section 126 of the Companies Act 1993. For the avoidance of doubt, it does not include an employee whose job title includes the word "director" unless that person is a director of the audit firm within the Companies Act definition.