

Conditions applying to New Zealand licensed auditors

Section 15(1)(a) of the Auditor Regulation Act requires that every licence issued by NZICA 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:

- Licensed auditors must comply, at all times, with NZICA's Code of Ethics and the NZICA Rules; and
- Licensed auditors cannot accept an issuer audit engagement (other than through a registered audit firm of which you are a partner or employee) unless they have:
 - systems, policies and procedures which comply with PES 1, PES 2 and PES 3. Where licensed auditors are undertaking an issuer audit in their own 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 issuer audits; and
 - professional indemnity insurance that is adequate and appropriate for the nature and scale of business activities¹; and
- Licensed auditors must notify NZICA:
 - if they leave an audit firm or join an audit firm;
 - if they become a partner, or cease to be a partner, in an audit firm;
 - of any changes to the information contained in respect of the licensed auditor on the register;
 - of any matter that may adversely impact on whether the licensed auditor continues to meet the fit and proper person requirements; and
 - of any disciplinary matter taken against the licensed auditor by any professional body.

¹ These conditions only apply when licensed auditors undertake issuer audits in their personal capacity, and not through a registered audit firm.