

Professional Conduct Committee – 28 November 2017

Adverse Finding by Regulator – Member A

At a meeting of the Professional Conduct Committee of Chartered Accountants Australia and New Zealand held in private on 28 November 2017 in Sydney Australia in respect of Member A the Committee decided that:

1. The Member was disqualified by the Australian Securities and Investments Commission (ASIC) from holding a registration as an SMSF auditor, in breach of By-Law 40(2.1)(e).
2. ASIC and the Australian Taxation Office (ATO) outlined a number of concerns regarding the Member's practice as an SMSF auditor, including:
 - a. independence concerns regarding breaches of section 290 of APES 110, Code of Ethics for Professional Accountants; and
 - b. failure to comply with auditing standards, including failure to perform audit procedures and obtain sufficient appropriate evidence;

and that these matters amount to a failure to observe a proper standard of professional care, skill and competence, in breach of By-Law 40(2.1)(a).

With the written consent of the Member, the Committee made the following determinations:

- That the Member receive a reprimand.
- That the Member pay costs incurred by and on behalf of Chartered Accountants ANZ in investigating and dealing with the matters the subject of the complaint and the case conference in the amount of \$1,920.
- That the Member and his practice submit, at the Member's cost, to a quality review with particular attention paid to audit independence procedures for both superannuation fund and corporate audits, and with the results of such review to be made available to the Committee.
- That the member undertake to:
 - i) cancel his CA ANZ Certificate of Public Practice; and
 - ii) cease undertaking professional activities which require him to hold a CA ANZ Certificate of Public Practice, by no later than 31 December 2017.

The Committee considered that it was in the public interest for this decision to be published, because:

- breach of the independence requirements contained in APES 110 is a serious issue and members are required to be fully aware and compliant with those requirements; and
- ASIC's action in disqualifying the Member from holding registration as an SMSF auditor is a serious regulatory action.

Professional Conduct Committee Chartered Accountants Australia and New Zealand

28 November 2017