

Qualified Auditor Application – Company

Please complete this form for your company to apply to be recognised as a qualified auditor in New Zealand in accordance with section 36(1)(f) or (g) of the Financial Reporting Act 2013 and the New Zealand Institute of Chartered Accountants Rules. You can find out more about being recognised as a qualified auditor in New Zealand on our website.

Before completing this form, please refer to the **Guidance notes** on **pages 8 – 9**. Once completed, please return the form to the NZ Regulation team (see **page 7** for details).

Refer to **pages 9 – 10** for **frequently asked questions**.

Section 1 – Company details

Company name	<input type="text"/>				
Company registration no.	<input type="text"/>	Is the company an approved practice entity?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Town or city of the principal place of business	<input type="text"/>				
Company address	<input type="text"/>	Suburb/City	<input type="text"/>		
State	<input type="text"/>	Postcode	<input type="text"/>	Country	<input type="text"/>
Contact name	<input type="text"/>				
Email address	<input type="text"/>				
Phone (business)	<input type="text"/>	<input type="text"/>	Mobile	<input type="text"/>	

[Section 2](#) overleaf >

Section 2 – Fit and proper person

I, Name confirm that

1. All the directors of the company have reviewed the matters set out in the frequently asked questions on pages 9–10, and: (please select **one** only)

- None of those matters apply
- A matter does apply. Please ensure you provide full details to NZICA below:

2. No other matter exists that could impact on whether any director of the company is a fit and proper person. If such a matter does apply, I have fully disclosed it to NZICA; and
3. I consider all directors of the company are fit and proper persons for the purposes of the Auditor Regulation Act 2011.

Section 3 – Professional indemnity insurance

- I confirm that the company has, and will at all times hold, professional indemnity insurance that can reasonably be regarded as adequate and appropriate for the scale and nature of the business of the company (see guidance notes).

Section 4 – Details of voting rights and directors

Name	Director	% of voting rights controlled (see notes below)	CA ANZ membership number (if applicable)	If a member of a relevant body other than NZICA, specify name of the body (see notes below)	If holding a practising certificate, specify who it was issued by	Approved non-member principal or affiliate (see notes below)	Qualified auditor	If a qualified auditor, specify who recognition was granted by
	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	
	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	
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	<input type="checkbox"/>					<input type="checkbox"/>	<input type="checkbox"/>	

Notes:

- If any voting rights are held in trust or if there are different classes of shares **please provide details with your application**, including copies of the shareholder agreement, constitution and/or trust deeds as appropriate.
- The majority of voting rights must be controlled by members of a relevant body (i.e., NZICA, CA ANZ or another accredited body or approved association) holding a Certificate of Public Practice (or equivalent for non-CA ANZ members).
- “Director” means a person occupying the position of a director of the company by whatever name called.
- “Control” in relation to voting rights means having directly or indirectly effective control of the voting rights.
- The majority of directors must be members of a relevant body and hold a Certificate of Public Practice.
- “Non-member principal” and “affiliate” are as defined in the NZICA Rules and the CA ANZ By-Laws respectively.
- At least one director of the company must be an individual qualified auditor.

Section 5 – Engagement directors

An engagement director is a director or other person (e.g., employee or contractor) who is responsible for one or more audits including having responsibility for the performance of the audit and for the audit report that is issued.

If the company has or will have any engagement directors who are **not listed in Section 4**, please provide details below:

Name	CA ANZ membership number (if applicable)	Qualified auditor	If a qualified auditor, specify who recognition was granted by
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	
		<input type="checkbox"/>	

Section 6 – Privacy Collection Statement

New Zealand Institute of Chartered Accountants (**NZICA** or **we**) is a body corporate established under the New Zealand Institute of Chartered Accountants Act 1996 (NZ). NZICA and Chartered Accountants Australia and New Zealand ABN 50 084 642 571 (**CA ANZ**) (together **us** or **we**) respectively collect, hold, use and disclose personal information (as defined in applicable legislation) about you in accordance with CA ANZ's privacy policy available at www.charteredaccountantsanz.com/privacy-policy (**CA ANZ Privacy Policy**).

Some of the personal information we collect may comprise 'sensitive information' (as defined in applicable legislation) including information relating to membership of a trade or professional association or union, criminal records, health or other sensitive information. We only ever use such sensitive information to the extent that it is reasonably necessary for one or more of the functions or activities of NZICA and/or CA ANZ (as applicable) or as otherwise permitted under applicable laws.

NZICA collects your personal information to fulfil its statutory role in regulating the professional conduct of CA ANZ members resident in New Zealand. We may also collect the information on this application form for assessing and processing your application, for the management and administration of your NZICA and CA ANZ memberships and/or programs, for the provision of products and services to you and to otherwise communicate with or manage our relationship with you.

If you do not provide the personal information requested, we may not be able to process your application to be a qualified auditor.

NZICA and CA ANZ may disclose personal information to each other and each of our respective agents, contractors and service providers (such as where we outsource functions to third parties), to local and international professional bodies and other regulators and government and statutory bodies in New Zealand and Australia. We may also collect information about individuals from a third party (such as other professional bodies with which we have reciprocal arrangements). It is likely that personal information will be disclosed to overseas recipients as provided in the CA ANZ Privacy Policy.

The CA ANZ Privacy Policy also sets out how you can seek to access and correct your personal information or raise a privacy concern or complaint and how it will be dealt with as well as details about the disclosure of your personal information to entities overseas.

CA ANZ is formed in Australia. Our members are not liable for our debts and liabilities.

Additional Provisions for EU or UK data subjects

The following additional provisions apply to you if the (EU) 2016/679 General Data Protection Regulation (**GDPR**) applies to you. GDPR will apply to you if you are or become a resident of the member states of the EU, Norway, Iceland and Liechtenstein (**EU data subjects**).

Lawful grounds: Under the GDPR, we are permitted to process your information for the purposes described above, by relying on one or more of the following lawful grounds: (a) you have explicitly agreed that we may process your information for a specific reason; (b) the processing is necessary to perform the agreement we have with you or to take steps

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to enter into an agreement with you; (c) the processing is necessary for us to comply with our legal obligation; or (d) the processing is necessary for our legitimate interests, which include: (i) to protect our business interests; (ii) to ensure that complaints, including complaints about member conduct, are appropriately investigated; (iii) to evaluate, develop or improve our products and services; or (iv) to keep our members informed of relevant products and services, unless you indicate that you do not wish us to do so. We generally rely on your specific consent to process special categories of personal data (i.e., 'sensitive information'). However, in some cases (for example, relating to an alleged offence), we may need to use some of that information to comply with our legal obligations.

Withdrawing your consent: Where you have consented to our processing of your information (including special categories of personal data), you may withdraw your consent at any time. To do so, contact us using the details set out in our Privacy Policy. In some cases we may lawfully continue to process your information even after you withdraw your consent, by relying on the legal bases described above. Other important information such as transferring your personal data outside the European Economic Area information, your specific GDPR rights over your personal data and how and when we retain and destroy your personal data is explained in our Privacy Policy.

I have read, understood and agree to and consent to the CA ANZ Privacy Policy and the Privacy Collection Statement above.

Section 7 – Declaration

I confirm I am authorised to complete this application and execute the recognition agreement below on behalf of the named company, and the parties named in the application and confirm that the details in the application are true and correct.

I authorise NZICA to lawfully obtain at any time, from any person or entity, any information about myself or the company that it considers necessary or desirable to obtain in order to process this application, and I authorise any such person or

entity to release this information to NZICA. I confirm that I have obtained such an authorisation from all other parties named in the application and that I have the authority to give the authorisation on behalf of the company.

I acknowledge that NZICA will publish information about the company, including the company's name, the town or city in which the company's principal place of business is located, and any conditions or limitations on its recognition as a qualified auditor on a register on a website maintained by NZICA.

By signing this form below, I declare that the information provided in this form is complete, true and correct. This form can be signed by manual signature or electronic signature (whether digital or encrypted). If this form is signed by electronic signature, it will have the same force and effect as a manual signature.

Please sign and date

Signature

Full name

Date
(DD/MM/YYYY)

Section 8 – Recognition agreement

In consideration of NZICA agreeing to recognise the company as a qualified auditor in accordance with section 36(1)(f) or (g) of the Financial Reporting Act 2013 (FRA), the company agrees to the following terms which shall constitute a recognition agreement in accordance with Appendix V of the NZICA Rules:

- (a) That the members of NZICA named in Section 5 of this application as directors or holders of voting rights in the company shall be responsible for and accountable to NZICA for the conduct of the company as a qualified auditor and that they shall be liable to disciplinary action for any failure by the company to comply with the New Zealand Institute of Chartered Accountants Act 1996 (NZICA Act), NZICA's Rules, NZICA Code of Ethics or any auditing and assurance standard issued by the External Reporting Board under section 12 of the FRA;
- (b) That the company:
- (i) will comply with the NZICA Act, NZICA Rules, NZICA Code of Ethics and the auditing and assurance standards issued by the External Reporting Board under section 12 of the FRA;
 - (ii) is obliged to ensure that each engagement director, as defined in section 36F(2) of the FRA, in respect of an assurance engagement pursuant to statute is a qualified auditor under section 36(1)(a) to (d) of the FRA in respect of that engagement;
 - (iii) will comply at all times with the requirements for recognition set out in the FRA, Financial Reporting Regulations 2015, the NZICA Rules and this agreement, and any amendments, additions or successors to these instruments as may be in force from time to time;
 - (iv) will inform NZICA, on a timely basis, of any proposed or actual change in relation to the name, principals (including non-member principals), percentage of voting rights controlled, shareholders and share capital (if applicable), composition of the board of

directors (if applicable), registered office, approved practice entity status and will provide such other information in respect of the company as NZICA may from time to time require;

- (v) will immediately inform NZICA if any person named in Section 5 or Section 6 of this application is subject to any adverse finding as a result of a complaint or other disciplinary proceeding;
 - (vi) acknowledges that, if the structure or approved practice entity status of the company changes, recognition may be reconsidered by NZICA pursuant to clause (c), the FRA, the Financial Reporting Regulations 2015 and the NZICA Rules;
 - (vii) will continue to maintain in force at all times a contract of insurance which provides the company with professional indemnity cover which can reasonably be regarded as adequate and appropriate to the nature and scale of the business of the company, and to immediately advise NZICA if the contract of insurance is refused, cancelled or lapses or if cover is declined or not accepted in respect of any engagement; and
 - (viii) will confirm annually that the company continues to meet the requirements or minimum standards for recognition in a form to be set by NZICA;
- (c) That NZICA may review and make a new decision about the company's recognition from time to time as it sees fit, including upon receipt of any information pursuant to clause (b)(iv) or (b)(v);
- (d) That in the event of any material breach of the terms of this agreement, NZICA may cancel or suspend the recognition of the company as a qualified auditor under clause 6.3 of Appendix V of the NZICA Rules; and
- (e) That this recognition agreement shall continue in force subject to the company continuing to meet its annual confirmation requirement as specified in clause (b)(viii) and subject to any suspension or cancellation of the agreement by NZICA.

Signed on behalf of the company

Signature

Full name

Date

(DD/MM/YYYY)

Section 9 – Fee and payment details

Fee payable

The fee payable is **\$525.00 NZD** (inclusive of GST).

Fee:

This fee is for considering your application.
This fee is **non-refundable**.

Payment method

Pay by **DIRECT CREDIT**

Electronic Payments can be made to our

Westpac account: **03-0566-0222278-003**

SWIFT code: **WPACNZ2W** (for overseas transfers)

Note: Please include your company's name and code '**COMPQUAL**' in your reference.

Section 10 – Checklist

Please ensure you have:

- Completed **all** sections, and **signed** the declaration
- Included supporting documentation regarding control of voting rights where required in **Section 4**

- Signed** the recognition agreement
- Paid fees** via direct credit

Section 11 – Submitting your application form

How to apply for recognition

Please return your completed application (with accompanying attachments) to:

Email regulation.nzica@charteredaccountantsanz.com

or

Post NZ Regulation
Chartered Accountants ANZ
PO Box 11342
Wellington 6142

Any questions

If you have any questions, you can contact the NZ Regulation team at:

Email regulation.nzica@charteredaccountantsanz.com

or

Phone Member Support on **0800 469 422**

Qualified Auditor Application – Company

Guidance notes

(incl. Frequently asked questions on pages 9 and 10)

Please read the following notes **prior** to the completion of your *Qualified Auditor Application*.

Who is this form for?

This form is for use by a company seeking recognition as a qualified auditor under sections 36(1)(f) or (g) of the Financial Reporting Act 2013 (FRA). This enables the company to act as auditor, or reviewer in relation to statutory audit and other statutory assurance engagements in New Zealand.

If you wish to perform FMC audits (previously called issuer audits) as defined by the Financial Markets Conduct Act 2013 in New Zealand through your company, you should not use this form. Please complete the Audit Firm Registration application form available on our website.

What requirements does my company need to meet and how are these assessed?

We are currently only able to recognise companies where at least one director is recognised by NZICA as a qualified auditor in their individual capacity. Companies that do not meet this requirement should contact us to discuss their position.

If you are applying for qualified auditor status as an individual, you may still submit a company application, however we will not be able to approve the company application until your individual application is approved.

Act and Regulations

The company must comply with the requirements of the legislation (FRA and the Financial Reporting Regulations 2015) and the NZICA Rules (the Rules) in relation to:

- Voting rights
- Governance (directorships)
- Professional Indemnity Insurance
- Ensuring that where the company is appointed as auditor, the engagement director for each audit must also be a qualified auditor.

Majority NZICA membership

Approval by the Board of NZICA is required for companies in which the majority of directors are not NZICA members and/or the majority of voting rights are not held by NZICA members.

Approved Practice Entity status

A company that is recognised as a qualified auditor will meet the requirements to be an Approved Practice Entity (APE). This form captures all the information needed to assess whether a company meets the APE requirements. No separate application for this is required if the company applying for recognition was not previously an APE. However, if the company is already an APE, an application for recognition as a qualified auditor is still required and the fee is payable.

Recognised companies that are APEs remain subject to the requirements of Rule 11 and Appendix V of the Rules. NZICA members who hold certificates of public practice must ensure that the company satisfies, and continues to satisfy, the APE requirements. The standard recognition agreement included in the application also specifies that NZICA members who are directors or hold voting rights will procure compliance with these requirements.

Further requirements and information

Details of all of these requirements are set out on our website. We ask you to provide details of all directors and holders of voting rights in your application. We will check these details against Companies Office records and consider whether they meet the requirements. We may need to contact you to clarify the position where the information is not clear.

Your company must at all times have professional indemnity cover which can reasonably be regarded as adequate and appropriate to the nature and scale of the business of the company. We may request evidence of this to support your application.

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In addition, you will need to agree to meet certain ongoing requirements by signing the declaration and recognition agreement on the application form.

Recognition is kept under review, and we may ask you to provide information to assist us to confirm your ongoing compliance.

Fit and proper person

All directors of your company must be assessed by NZICA as being fit and proper persons.

Each director must consider if any of the matters set out in the **frequently asked questions** apply to them. If any such matter applies then they must provide full details to NZICA of the event, their conduct in relation to the event, any findings made in relation to the event, and any penalty or sanction imposed. Failure to make any relevant disclosure may result in your firm's qualified auditor application being denied.

NZICA will then consider the circumstances of the matter and their overall history and determine if they are fit and

proper. The presence of such a matter does not automatically disqualify the company from being recognised as a qualified auditor. However, it will require the company to provide information in order to satisfy NZICA as to the company's suitability to be recognised as a qualified auditor. NZICA expects that more serious events will require the company to provide more extensive evidence to satisfy NZICA that the director is now a fit and proper person.

NZICA considers that the first five matters set out in the **frequently asked questions** (i.e., dishonesty, imprisonment, conviction of an offence under sections 130 to 138 of the Crimes Act 1961, offences against financial markets legislation and banned from acting as a director) to be the most serious. For other matters, the severity may depend on how recently the event occurred, the type of conduct or behaviour exhibited, and any mitigating circumstances surrounding the event.

Each director must also consider whether any other matter exists that could impact on whether they are fit and proper and if such matter does exist, disclose it to NZICA.

Frequently asked questions

We have more than one office. Why do you need to know the town or city of our principal place of business?

The legislation requires us to include this information in the public register on our website.

What is a relevant body?

A relevant body is a professional body of accountants who are able to recognise their members as qualified auditors (see Regulation 8 of the Financial Reporting Regulations 2015 and the further definitions in the Financial Reporting Act 2013 (FRA)). This includes accredited bodies, for example CPA Australia, and other associations of accountants approved by the Registrar of Companies under section 36(1)(c) of the FRA.

What is an approved non-member principal or affiliate?

An approved non-member principal is a non-member of NZICA who has been approved to act as a principal of an accounting firm in accordance with the NZICA Rules (the Rules). An application form for obtaining non-member principal status is available on our website. Qualified auditors recognised by another relevant body do not need to separately apply for non-member principal status. An affiliate is a member of Chartered Accountants Australia and New Zealand who holds affiliate status.

How do you assess if our professional indemnity insurance is adequate and appropriate?

It is for you to determine if you consider your professional indemnity insurance is adequate and appropriate. However we may ask you to provide us with details of your insurance cover and your own assessment to show that you hold adequate and appropriate cover. As a guideline, we would normally expect a firm performing statutory assurance engagements to have cover of at least NZ\$1 million. We expect that firms with a significant audit portfolio or higher risk clients would have a higher level of cover. The policy must cover all the audits performed by the firm.

What is a recognition agreement?

The Rules provide that we may require a company to enter into a recognition agreement with us as a condition of us granting recognition as a qualified auditor (see clause 3.2(d) of Appendix V of the Rules – available on our website). The declaration in Section 8 of this application includes the recognition agreement. The agreement ensures that we are able to regulate qualified auditors effectively. All companies wishing to obtain qualified auditor status with NZICA are required to enter into such an agreement.

In certain cases, for example when we agree to recognise a company where the majority of voting rights or directorships are held by non-NZICA CPP holders, we may require that the company enter into a bespoke recognition agreement to ensure we are able to regulate the company effectively.

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What is an engagement director and who may be one?

The term "engagement director" is defined in section 36F(2) of the FRA as the director or other person in the company that is recognised as a qualified auditor who is responsible for the audit and the performance of the audit and for the audit report that is issued on behalf of the company. This is essentially the same as the definition of "engagement partner" in paragraph 12 of ISA (NZ) 220 (Revised) *Quality Management for an Audit of Financial Statements* and paragraph 16(c) of PES 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*.

Where we recognise a company as a qualified auditor and the company is appointed as auditor in respect of a statutory assurance engagement, the engagement director must also be a qualified auditor.

What is a fit and proper person?

The following factors must be taken into account when determining whether a person is fit and proper:

- The person has been convicted of a crime involving dishonesty. A crime of dishonesty includes:
 - Any offence under sections 99 to 106 (bribery and corruption), 108 to 117 (misleading justice), and 217 to 266 (crimes against rights of property) of the Crimes Act 1961;
 - Any offence under sections 15 to 20 (offences resembling forgery or fraud) of the Summary Offences Act 1981; or
 - Any offence under any overseas law which is equivalent to one of those Crimes Act or Summary Offences Act offences set out above.
- The person has served or been sentenced to a term of imprisonment.
- The person has been convicted of any offence under sections 130 to 138 of the Crimes Act 1961.
- The person has been convicted of any offence under any provision of the financial markets legislation (as defined in the Financial Markets Authority Act 2011) or any offence under any provision of any overseas Act governing auditors, financial markets or financial services, corporations, financial reporting, or requirements for preventing money laundering or financing of terrorism or similar.
- The person has been banned from acting as a director of a company or other incorporated body, or from being involved in the management of any class of incorporated or unincorporated entity.

- The person has been subject to disciplinary action against them by any professional body or disciplinary tribunal, where those actions resulted in penalties, sanctions, fines, declarations, orders, reprimands, or undertakings being imposed or censure.
- The person has had a court ruling against them in respect of a civil case, or has reached an out of court settlement, relating to their profession.
- The person has been declined membership of any professional body, or has been declined or had suspended or cancelled any registration, licence, authorisation, or accreditation required in relation to any profession by any public body, self-regulatory organisation, or exchange, or has had any such membership, registration, licence, authorisation, or accreditation revoked or withdrawn.
- The person has been dismissed, or asked to resign, from a position of trust, fiduciary appointment, or similar position.
- The person has been placed into statutory management or has been a director of a company which has been placed into statutory management.
- The person has, in the last 10 years, been made bankrupt, or made the subject of an official assignment for the benefit of their creditors.
- The person has, in the past 10 years, been a director or senior manager of a company, or other incorporated or unincorporated entity, which has:
 - Been placed into liquidation, administration or receivership (or any overseas equivalent status);
 - Entered into any compromise agreement, moratorium or other restructuring to avoid liquidation, administration or receivership;
- The person is subject to pending proceedings which, if any adverse finding is reached, will result in one or more of the matters set out in the paragraphs above applying to the person.

For the avoidance of doubt, NZICA may, in exceptional circumstances, in its sole discretion, take into account any other matter it considers relevant in assessing fit and proper status.