

Parliamentary Joint Committee on Corporations and Financial Services

ANSWERS TO QUESTIONS ON NOTICE

Inquiry into Regulation of Auditing in Australia

29 November 2019

Dear Mr Hodder

In my evidence given to the Committee regarding the Inquiry into the Regulation of Auditing in Australia there was one question taken on notice (page 56). The question was from Ms Hammond.

Response: Only registered company auditors (RCAs) can carry out an audit of a listed public company. The requirements to become an RCA are set out in ASIC's RG180 Auditor Registration which is an 80 plus page document. Eligibility includes (a) qualifications (specified academic qualification and a prescribed course in auditing); (b) skills (satisfying an ASIC approved competency standard and a prescribed level of practical experience); and (c) capable, fit and proper person to be registered as an auditor. One way of demonstrating that an individual can satisfy the auditing competency standard is by membership of one of the three professional accounting bodies (CPAA, CA ANZ and IPA). My main concern is that over time eligibility of membership to those professional accounting bodies requires considerably less prerequisites in terms of coverage of accounting material.

Dr Ken Trotman