

# Compliance Audit Process - Overview

## Refer to the Compliance Risk Profile and Assurance Approach

Annual Compliance Assurance Approach

- Obtain an understanding of the *Foreign Acquisitions and Takeovers Act 1975* (the Act) as the legislative basis underpinning the assurance approach.
- As a key product of the assurance approach, determine the compliance audit objectives and scope.
- Identify the listing of foreign investment transactions with associated conditions imposed by the Treasurer.
- Develop a compliance risk profile, audit selection methodology and annual compliance audit plan.

## Audit Procedures

Documentation, Communication and Quality Control

Planning Compliance Audits

- Identify the conditions imposed by the Treasurer and understand the risk/s the conditions are intended to mitigate.
- Develop an audit strategy with consideration given to the nature and source of audit evidence required to conclude whether the foreign investor has complied with the conditions imposed by the Treasurer.

Performing the Audit and Gathering Evidence

- Obtain information from internal and other independent sources and determine the additional information required from the foreign investor.
- Send formal correspondence to the foreign investor, requesting information be provided within the specified period as per section 133 (3) of the Act.

Evaluating Evidence and Forming Conclusions

- Evaluate whether sufficient appropriate audit evidence has been obtained to conclude whether the foreign investor has complied with the conditions.
- Form a conclusion whether the foreign investor has complied with the conditions imposed by the Treasurer.

Reporting

- Prepare a draft report on the results of the audit, including identified exceptions, the overall conclusion formed and other observations, for comment.
- Issue the report as final.

Evaluate outcomes and incorporate into future plans and approach