



ASIC

Australian Securities & Investments Commission

[PF 215]

Pro Forma 215

Company auditor registration conditions

Corporations Act 2001 Chapter 9, Part 9.2

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This Pro Forma [PF 215] sets out the standard registration conditions that will usually be imposed on the registration of a person as a company auditor. The conditions are of the kind specified in Regulation 9.2.08 of the Corporations Regulations 2001.

Australian Securities and Investments Commission
Corporations Act 2001 — Section 1289A

1. Continuing professional development

Regulation 9.2.08(a)

- 1.1 The auditor must complete at least 120 hours of continuing professional development (CPD) activities over each three-year period commencing on the date of the auditor's registration and each third anniversary of that date. Each CPD activity must be a learning activity that could reasonably be expected to enhance the auditor's technical skills or professional service delivery.
- 1.2 The auditor must make a written record of their participation in CPD activities. These records must be kept for at least 3 years after the end of the calendar year in which the CPD activity took place.

2. Quality assurance

Regulation 9.2.08(b)

- 2.1 The auditor must document, maintain and comply with quality assurance procedures as required by Australian auditing standard

AUS 206, 'Quality Control for Audit Work' made under s336 of the Act.

3. Professional indemnity insurance

Regulation 9.2.08(c)

- 3.1 Where the auditor engages in or proposes to engage in a Corporations Act audit other than as an officer or employee of an authorised audit company, the auditor must:
- (a) if the auditor is a sole practitioner—maintain at all times an insurance policy which, has an insured amount of at least \$250,000 for each claim, and all claims in the aggregate, made under the policy during one calendar year; or
 - (b) if the auditor is a member or employee of an audit firm—ensure that at all times they are covered by an insurance policy maintained by that firm which has an insured amount that is at least \$500,000 for each claim, and all claims in the aggregate, made under the policy during one calendar year.
- 3.2 The insurance policy referred to in paragraphs 3.1(a) and (b) must satisfy paragraph 3.3 of these conditions.
- 3.3 The insurance policy must:
- (a) cover any civil legal liability arising in relation to a Corporations Act audit conducted by the auditor or their employees, including liability arising out of the dishonesty of employees of the auditor; and
 - (b) cover costs and expenses incurred by the auditor and their employees when defending and settling claims against the auditor of the kind referred to in paragraph 3.3(a), including legal costs and expenses of investigation;
 - (c) not be cancellable by the insurer solely because of an innocent non-disclosure or misrepresentation by:
 - (A) the auditor or its employees; or
 - (B) where the auditor is a member or employee of an audit firm—any other member or employee of the firm; and
 - (d) subject to paragraphs 3.3(a) to (c), be on ordinary commercial terms offered by insurers for insurance of that type at the time the insurance contract is entered into, including:

- (A) exclusions and conditions standard or usual for insurance of that type; and
 - (B) any excess applicable to the cover must not be of an unreasonable amount.
- 3.4 An officer or employee of an authorised audit company must ensure that at all times they are covered by an insurance policy maintained by the authorised audit company which complies with the conditions imposed on the authorised audit company, if any.

4. Complaints handling

Regulation 9.2.08(d)

4.1 The auditor must:

- (a) implement complaints handling procedures consistent with Australian Standard AS 4269:1995, 'Complaints Handling' as at 5 February 1995 and document these procedures; or
- (b) if the auditor is a member or employee of an audit firm—be satisfied that the audit firm has implemented complaints handling procedures consistent with Australian Standard AS 4269:1995, 'Complaints Handling' as at 5 February 1995 and documented these procedures.

4.2 All complaints received in relation to Corporations Act audits must be dealt with in accordance with these procedures.

5. Interpretation

5.1 In these conditions:

- (a) **Act** means the Corporations Act 2001.
- (b) **Corporations Act audit** means:
 - (i) an audit of a company, registered scheme or disclosing entity under a provision of the Act;
 - (ii) an audit required under a condition of or otherwise conducted to obtain the benefit of ASIC relief in relation to the Act; or
 - (iii) an audit conducted in accordance with the operating rules of a licensed financial market.