

Submission to the Insolvency Industry Review.

1. The Australian Securities & Investments Commission should undertake an annual review or audit of practitioners files as Insolvency Trustee Service Australia does with Registered Bankruptcy Trustees

Insolvency Trustee Service Australia ("ITSA") undertakes an annual review of bankruptcy trustees files. That is, a random selection of files is selected by ITSA and reviewed in depth.

As a consequence of the review, the Trustee who is seen to have seriously breached their duties will be issued a Category A or B breach. From this, the Trustee will be sent to counselling or be asked to show cause why he should remain Registered.

ASIC does not undertake similar reviews perhaps because it has very limited funding. \_\_

As a consequence of this, there is now a general perception of inaction by the ASIC in relation all but the most extreme behaviours despite Liquidators reporting offences against the Corporations Act pursuant to Section 533 of the Law.

In this environment, unsavoury conduct of Liquidators, referrers and clients has arisen.

This same conduct or complaint is not witnessed in the ranks of Registered Bankruptcy Trustees due to the annual audit conducted by ITSA.

The Senate inquiry must consider an annual audit of Registered Liquidators files on a random basis.