



**ASIC**  
Australian Securities &  
Investments Commission

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28 February 2025

Committee Secretary  
Parliamentary Joint Committee on Corporations and  
Financial Services  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**KATE O'ROURKE**  
**COMMISSIONER**

Via email: [corporations.joint@aph.gov.au](mailto:corporations.joint@aph.gov.au)

Dear Committee Secretary

Thank you for the invitation to appear at the Committee's hearing on Tuesday 4 March 2025 which is examining the public accounting bodies - Chartered Accountants Australia and New Zealand (**CAANZ**), Certified Practising Accountants Australia (**CPA**) and Institute of Public Accountants (**IPA**) - with a particular focus on their administration of professional standards regimes. ASIC will be pleased to attend the hearing, including to hear evidence provided by other witnesses.

Thank you too for the invitation to make a submission on the information submitted by the Professional Accounting Bodies in submissions 16, 17 and 18 to the Committee which includes the 2023 reports provided by the Professional Accounting Bodies to the Professional Standards Council.

The Professional Accounting Bodies represent and support accounting and financial professionals by providing professional guidelines, standards, minimum academic requirements and codes of conduct that their members must adhere to.

As the Committee is aware, the Professional Accounting Bodies each operate a Professional Standards Scheme as part of their functions as occupational associations. These Schemes cap the damages that participating members of an occupational association can be liable for if a court upholds a relevant claim against them.

The Schemes are approved and overseen by Professional Standards Councils, which are independent statutory bodies. The Professional Standards Council in each state and territory has specific responsibilities under the relevant professional standards legislation for assessing and approving applications for and supervising the application of Professional Standards Schemes.

As part of these schemes, the Professional Accounting Bodies prepare an annual report to the Professional Standards Councils and the reports from 2023 are the primary content in submissions 16, 17 and 18 to the Committee.

ASIC does not have any specific submissions to make on the information provided in submissions 16, 17 and 18. In the remainder of this submission, we outline how ASIC's work relates to that undertaken by the Professional Accounting Bodies and how we engage with the Bodies.

As the regulator of persons or companies that hold registrations<sup>1</sup> that are also members of the Professional Accounting Bodies, ASIC's engagement with these bodies assists in relation to the effective functioning of the professional standards regime and is an important contribution to audit quality more generally. As the Committee is aware, ASIC's work in relation to audit quality also includes registration of auditors and oversight of their appointments to audits, proactive surveillance of financial reports and audits, surveillance of auditor compliance with independence and conflicts of interest requirements, enforcement action on auditor misconduct and engagement with domestic and international standard setting bodies and regulators and audit firms.

### **Information shared by the Professional Accounting Bodies with ASIC**

ASIC meets with CAANZ and CPA on a regular basis and with IPA on an as needs basis to share information about emerging trends and issues and in the industry. There are very few IPA members that are registered company auditors and therefore subject to ASIC oversight.

Historically some Professional Accounting Bodies have notified ASIC on an ad hoc basis of outcomes of their disciplinary matters that relate to their members that hold registrations with ASIC. We have engaged with CAANZ and CPA to formalise this notification process.

All registered company auditors are required to notify ASIC in their annual statement if they have been subject to disciplinary action by any of the Professional Accounting Bodies.

ASIC has mechanisms in place to review and assess any information provided directly by the Professional Accounting Bodies and responses in auditors' annual statements and uses this information in our work including registration and licensing, surveillance and enforcement action.

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<sup>1</sup> Such as registered company auditors and authorised audit companies, but also could include SMSF auditors, registered liquidators and financial advisors.

### **Information shared by ASIC with Professional Accounting Bodies**

ASIC has the ability to release information to the Professional Accounting Bodies under s127(4)(d)(i) of the Australian Securities and Investments Commission Act 2001 (Cth) (**ASIC Act**) and reg 8AA of the Australian Securities and Investments Commission Regulations 2001 (Cth).

ASIC has released information to the Professional Accounting Bodies with the intention the bodies use the information to investigate and/or discipline their members (**ASIC Information**). ASIC has done this especially in instances where the information ASIC holds concerns an individual that does not have a registration that ASIC administers, but ASIC is otherwise concerned with the individuals conduct as a member of one of the Professional Accounting Bodies.

Once the Professional Accounting Bodies have the ASIC Information, there are limitations on the use and disclosure of that information: s127(4EA) ASIC Act.

Your sincerely

**Kate O'Rourke**  
Commissioner