

## **NZICA standard conditions applying to the firm's registration (Corporate Audit Firms)**

Section 28(1) of the Act<sup>1</sup> provides that the registration of a firm is subject to any conditions that NZICA thinks fit. NZICA has decided to make the firm's registration subject to the following conditions:

- The firm at all times complies with Regulation 5A of the 2012 Regulations<sup>2</sup> which specifies the prescribed requirements for registration of corporate audit firms;
- The firm complies with FMA's Prescribed Minimum Standards<sup>3</sup>;
- The firm promptly advises NZICA if there is a change to any information recorded in the register (as per s41(2) of the Act and Regulation 7(2) of the 2012 Regulations);
- The firm promptly notifies NZICA of all information required as part of the continuous information disclosures (such as issuer audit engagements that the firm has accepted, declined or resigned from, significant changes in financial position or issuer entities and changes in engagement partner or EQCR);
- The firm provides NZICA with the information requested as part of the annual disclosure requirements (primarily the information requested in the Annual Survey);
- The firm satisfactorily addresses any action plan arising from a Quality Review undertaken under the Act within an agreed timeframe;
- The firm promptly advises NZICA if any director of the firm ceases to be a director, or any new director is appointed;
- The firm provides NZICA with the detail of any adverse findings of any internal or external reviews of the firm's audit practice (which may be part of a wider firm review) including steps taken, or to be taken, to correct any adverse findings and implement any recommendations. If any recommendations are not implemented, the firm should explain why; and
- The firm must provide, or make available through an external provider, appropriate education and training to all audit staff and keep records of the same.

NZICA intends to monitor the firm's compliance with these conditions. Failure to comply with a condition of registration may be grounds for NZICA to cancel the firm's registration.

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<sup>1</sup> Auditor Regulation Act 2011

<sup>2</sup> Auditor Regulations 2012

<sup>3</sup> Auditor Regulation Act (Prescribed Minimum Standards and Conditions for Licensed Auditors and Registered Audit Firms) Notice 2012