

MEDIA RELEASE

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CALDB ORDERS THE SUSPENSION OF THE REGISTRATION OF QUEENSLAND AUDITOR

The Companies Auditors and Liquidators Disciplinary Board ("CALDB") has ordered the suspension for three years of the registration as an auditor of Mr Wayne John Wessels who practises in Brisbane.

The CALDB made this order on an application to the Board by the Australian Securities and Investments Commission ("ASIC").

ASIC alleged that Mr Wessels had failed to perform adequately and properly the duties of an auditor in connection with the audit of Kleenmaid Corporate Pty Ltd for the year ended 30 June 2008. Mr Wessels was the lead auditor for that audit. Kleenmaid Corporate Pty Ltd, part of a group of companies known as the Kleenmaid Group, went into administration in April 2009. The administrators expressed the view that, as at that time, the companies had a significant excess of liabilities over assets.

ASIC alleged that in a number of respects Mr Wessels did not fulfil the requirements of ASA 200 "Objective and General Principles Covering the Audit of a Financial report" and ASA 230 "Audit Documentation" in relation to the audit. Among other things, ASIC alleged that there was a lack of sufficient appropriate evidence in the 2008 audit file to support that Mr Wessels had obtained a sufficient understanding of the interrelationships between two groups of companies within the Kleenmaid Group for identifying risks relevant to the audit and that Mr Wessels ought to have brought a higher degree of professional scepticism to his consideration of the going concern assumption.

Mr Wessels accepted these allegations.

The Board found in the circumstances, that Mr Wessels had failed to carry out and perform adequately and properly the duties of an auditor or the duties and functions required by an Australian Law to be carried out or performed by a registered company auditor, for the purposes of s 1292(1)(d) of the Corporations Act.

The Board made orders, to which Mr Wessels consented, that his registration as an auditor be suspended for a period of 3 years. The Board noted that, in addition, Mr Wessels had made a number of undertakings to ASIC in relation to his future conduct.

A copy of the CALDB's decision and reasons is published on the CALDB website (www.caldb.gov.au).

The CALDB is an independent statutory body with powers under the Corporations Act to cancel or suspend the registration of auditors and liquidators. The Board's powers are directed to the maintenance of proper professional standards on the part of registered auditors and liquidators.

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