

## **COURT ENFORCEABLE UNDERTAKING**

*Australian Securities and Investments Commission Act 2001*

### **Section 93AA**

The commitments in this undertaking are offered to the Australian Securities and Investments Commission (ASIC) by:

Graham Charles Webb  
a registered company auditor numbered 336001  
with principal place of practice at C/- Rothsay Chartered Accountants, L1, 6-10  
O'Connell St, Sydney NSW 2000  
(Mr Webb)

## **1 Definitions**

In addition to terms defined elsewhere in this undertaking, the following definitions are used:

**Acceptance Date** means the date of acceptance by ASIC of this court enforceable undertaking;

**ASIC Act** means the *Australian Securities and Investments Commission Act 2001* (Cth);

**CADB** means Companies Auditors Disciplinary Board;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Hall Chadwick (NSW)** means the firm of RCA members of Hall Chadwick (NSW), which Mr Webb recorded as his principal place of practice between 29 September 2009 and 30 January 2023;

**RCA** means a company auditor who is registered and remains registered in accordance with Part 9.2 of the Corporations Act.

## **2 Background**

### **2.1 ASIC's role:**

2.1.1 Under s1 of the ASIC Act, ASIC is charged with a statutory responsibility to perform its functions and to exercise its powers so as to promote the confident and informed participation of investors and consumers in the financial system.

2.1.2 Auditor registration, cancellation and suspension is administered through Part 9.2 of the Corporations Act. Auditors may be registered with ASIC as either individual auditors or authorised audit companies.

2.1.3 Division 1 of Part 2M.4 of the Corporations Act provides a firm may be appointed as auditor for a company, and that the appointment is taken to be an appointment of all individual registered company auditor members of the firm at the date of the appointment.

2.1.4 ASIC may bring an application to the CADB pursuant to s1292(1) of the Corporations Act where an individual who is registered as an auditor has (amongst other things) contravened s324DB of the Corporations Act.

### **3 Duties of an auditor**

3.1 Division 5 of Part 2M.4 of the Corporations Act outlines the auditor rotation requirements for listed companies and other entities, generally requiring an individual auditor to rotate off auditing a listed company after five successive financial years (**eligibility term**). The term of the individual auditor's involvement may be extended for one or two successive financial years as set out in s324DAA to s324DAC of the Corporations Act. A purported approval to extend the eligibility term is ineffective under s324DAD of the Corporations Act, unless it complies with all of the requirements of s324DAA to s324DAC.

3.2 An individual contravenes s324DB of the Corporations Act when they play a significant role in the audit of a listed company for a financial year and they are not eligible to play that role. An individual who has contravened the rotation requirements outlined in paragraph 3.1 would not be eligible to play a significant role.

3.3 "[P]lay a significant role" is defined in s9 of the Corporations Act to include where a firm is appointed as an auditor of a company for a financial year, a person is a registered company auditor and that person acts on behalf of the firm as the company's lead or review auditor within that financial year.

### **4 Details of conduct and ASIC's surveillance/investigation into the auditor rotation breaches**

4.1 In October 2024 ASIC issued a letter to all registered company auditors, including Mr Webb, directly to their email address used on their last electronic lodgement, and publicly via an ASIC media release. This letter warned them of the commencement of a surveillance initiative focussing on auditors' adherence with independence and conflicts of interest obligations under the Corporations Act. ASIC encouraged auditors to self-identify and self-report non-compliance with these obligations.

4.2 ASIC's surveillance activity identified that Mr Webb, while practising as a registered company auditor and member of Hall Chadwick (NSW):

- 4.2.1 audited a listed company for an additional two financial years after the end of the eligibility term under the belief he had extended the eligibility term to continue as auditor in compliance with s324DAA to s324DAC of the Corporations Act, when no directors' resolution could be produced to ASIC;
- 4.2.2 was appointed as lead auditor for a listed company and held directors' resolutions purporting to extend the eligibility term, which were ineffective under s324DAD of the Corporations Act because all the requirements of s324DAA to s324DAC of the Corporations Act were not complied with; and
- 4.2.3 acted as lead auditor for a combined total of four financial years across these two listed company audits between 1 July 2019 to 31 December 2021 when he was ineligible to do so.

## **5 ASIC's view on contraventions and breaches of duties**

- 5.1 As a result of ASIC's investigation and surveillance activities in paragraphs 4.1 and 4.2, ASIC holds the view that Mr Webb contravened s324DB of the Corporations Act by playing a significant role in the audits of listed companies for a combined total of four financial years across two listed companies, where he was not eligible to play that role. A contravention of s324DB enlivens s1292(1)(a)(ia) of the Corporations Act, under which the CADB may, upon application by ASIC and if satisfied, make an order to cancel or suspend an auditor's registration for a specified period.

## **6 Admissions**

- 6.1 Mr Webb acknowledges and admits that he contravened s324DB of the Corporations Act by playing a significant role in the audits of listed companies for four financial years, across two listed companies, where he was not eligible to play that role. A contravention of s324DB enlivens the operation of s1292(1)(a)(ia) of the Corporations Act, under which the CADB may, upon application by ASIC and if satisfied, make an order to cancel or suspend an auditor's registration for a specified period.

## **7 Undertakings**

- 7.1 Under s93AA of the ASIC Act, Mr Webb has offered, and ASIC has agreed to accept, as an alternative to applying to the CADB for contraventions of s324DB, the undertakings in paragraphs 7.2 to 7.4 below.

### **Auditor reporting prior to extending the eligibility term**

7.2 For five years from Acceptance Date, Mr Webb undertakes to inform ASIC of any extension of the eligibility term for him to play a significant role in the audit of a listed company, listed registered scheme or registrable superannuation entity. In informing ASIC and prior to all the relevant deadlines,<sup>1</sup> Mr Webb undertakes to submit to ASIC evidence of compliance, or the planned steps to fully comply, with Division 5 of Part 2M.4 of the Corporations Act, particularly s324DAA to s324DAC.

### **Other**

7.3 Mr Webb undertakes that he will pay the costs of compliance with this court enforceable undertaking.

7.4 If ASIC requests information and documents for the purpose of assessing compliance with the terms of this court enforceable undertaking, Mr Webb undertakes to provide the requested information and documents to ASIC within seven days of the request.

## **8 Acknowledgements**

8.1 Mr Webb acknowledges that ASIC:

- 8.1.1 may issue a media release on execution of this undertaking referring to its terms and to the concerns of ASIC which led to its execution;
- 8.1.2 may from time to time publicly refer to this undertaking;
- 8.1.3 will from time to time publicly report about compliance with this undertaking; and
- 8.1.4 will make this undertaking available for public inspection.

8.2 Further Mr Webb acknowledges that:

- 8.2.1 ASIC's acceptance of this undertaking does not affect ASIC's power to investigate, conduct surveillance or pursue a criminal prosecution or its power to lay charges or seek a pecuniary civil order in relation to any contravention not the subject of ASIC's concerns in this court enforceable undertaking or arising from future conduct;
- 8.2.2 this undertaking in no way derogates from the rights and remedies available to any other person or entity arising from any conduct described in this undertaking or arising from future conduct.

8.3 Mr Webb acknowledges that this undertaking has no operative force until accepted by ASIC, and Mr Webb and ASIC acknowledge that the date of the court enforceable undertaking is the date on which it is accepted by ASIC.

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<sup>1</sup> With sufficient time before the end of the five successive financial years (specified in s324DAA) and the director's resolution 14 day lodgement timeframe (specified in s324DAC).

Signed by **Graham Charles Webb** in the )  
presence of:

)  
) ..... 

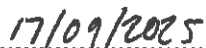
) Signature: **Graham Charles Webb**



.....  
Signature of Witness



.....  
Name of Witness in full



.....  
Date

**Accepted by the Australian Securities and Investments Commission under s93AA  
of the ASIC Act by its duly authorised delegate:**



.....  
**Tom O'Shea**

**Delegate of Australian Securities and Investments Commission**

**Date:** 19/09/2025