

MEDIA RELEASE

DATE 9 APRIL 2019

CADB CANCELS THE REGISTRATION OF QUEENSLAND AUDITOR

The Companies Auditors Disciplinary Board (“CADB”) has ordered the cancellation of the registration as an auditor of Mr Reginald Lance Williams, who practised on the Gold Coast.

CADB has made this order on the application to it by the Australian Securities and Investments Commission (“ASIC”).

Mr Williams was registered continuously as an auditor since 1996. His firm, Williams Partners Independent Audit Specialists, a partnership, performed an audit of the consolidated financial statements of the LM Managed Performance Fund (“LM”), an unregistered managed investment scheme, for the financial year ended 30 June 2012. Mr Williams was the engagement partner with respect to that audit and on 7 December 2012, he signed an unqualified audit report with respect to those financial statements.

ASIC alleged that Mr Williams’ performance of his duties as an auditor in the 2012 LM Audit was not adequate insofar as the audit had not been performed in accordance with relevant Auditing Standards then in operation with respect to:

- (a) The audit of the carrying value, impairment and recoverability by LM of loans and receivables.
- (b) The auditor’s consideration of going concern.
- (c) The accuracy and disclosure of related party loans made in the 2012 LM Financial Statements.
- (d) The completeness and accuracy of, and the investment manager's right to management fees paid by LM.
- (e) The auditor’s calculation of materiality in the 2012 LM Audit.

On the basis of the allegations and contentions that CADB found established in the proceedings before it, CADB was satisfied that Mr Williams’ failed to carry out or perform adequately and properly the duties of an auditor within the meaning of section 1292(1)(d)(i) of the Corporations Act.

CADB has ordered cancellation of Mr Williams’ registration as an auditor.

On 5 December 2018, Mr Williams applied to the Administrative Appeals Tribunal (“AAT”) for a review of the Panel’s decision in this matter. The AAT placed a temporary stay on the operation and implementation of the Panel’s decision pursuant to Section 41(2) of the AAT Act. The AAT’s stay order lapsed on 26 March 2019 following a decision of Deputy President McCabe on 19 March 2019. Accordingly the Panel’s orders with respect to Mr Williams are now operative. CADB has implemented those orders by arranging publication of its decision in the Government Gazette on 9 April 2019 in accordance with

its statutory obligation, publishing its decision on the CADB website and issuing a media release in accordance with the Panel's decision on publicity.

The CADB is an independent statutory body with powers under the Corporations Act to cancel or suspend the registration of auditors. CADB's powers are directed to maintaining proper professional standards on the part of registered company auditors.

Further enquiries may be directed to:

Registrar

Companies Auditors Disciplinary Board

Telephone: 02 9911 2970

Website: www.cadb.gov.au

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