

4 February 2022

Mr Douglas Niven
Chief Accountant, Financial Reporting and Audit
Australian Securities and Investments Commission
GPO Box 9827
Sydney NSW 2001

Via email: auditsubmissions@asic.gov.au

Dear Doug

ASIC consultation paper 352 Communicating audit findings to directors, audit committees or senior managers

Thank you for the opportunity to comment on the above consultation paper (CP 352). It sets out ASIC's proposals to directly communicate specific financial reporting and audit quality findings from their reviews of audit files to directors, audit committees or senior managers of companies, responsible entities or disclosing entities rather than continuing the current policy of communicating such findings on an exception basis.

In principle, we support the proposal to provide findings directly to directors, audit committees and senior management. We understand most of the firms subject to ASIC's Audit Inspections already routinely discuss the inspection process and findings with their clients.

We believe that the opportunity for directors and audit committees to see ASIC's detailed findings will be beneficial to allow both auditors and those charged with governance to participate in conversations about financial reporting and audit quality with ASIC. These wider conversations will provide opportunities for ASIC to hear the views of audit committees and directors on issues raised in the findings.

In supporting these proposals, we would emphasise the importance of providing context and adequate explanation, as well as presenting findings in a format that conveys the full implications and also limitations of ASIC's inspections and the findings identified. We understand the reports on findings currently provided to firms are in a summarised, 'shorthand' form that assumes knowledge of auditing standards and context that may be obvious and readily at hand to ASIC staff and the auditors but possibly not to all company directors and audit committee members.

Appendix A provides more information about CA ANZ. If you have any questions about our submission, please contact Melanie Scott at [REDACTED].

Yours sincerely

Amir Ghandar FCA
Leader, Reporting and Assurance

Simon Grant FCA
Group Executive, Advocacy and
Professional Standing

Appendix A

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents 131,673 financial professionals, supporting them to make a difference to the businesses, organisations and communities in which they work and live. Chartered Accountants are known as Difference Makers. The depth and breadth of their expertise helps them to see the big picture and chart the best course of action.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with mentored practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate boldly in the public good. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 15 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.

We employ more than 500 talented people across Australia, New Zealand, Singapore, Malaysia, Hong Kong and the United Kingdom.