

MEDIA RELEASE

DATE 11 December 2024

CADB SUSPENDS THE REGISTRATION OF NEW SOUTH WALES COMPANY AUDITOR

The Companies Auditors Disciplinary Board (**CADB**) has ordered the suspension of the registration as a company auditor of **Joseph John Santangelo** until 1 June 2026 and ordered Mr Santangelo to give a series of undertakings to the Australian Securities and Investments Commission (**ASIC**).

The orders were made following the hearing of an application to CADB made by ASIC. At the hearing, Mr Santangelo accepted that he had failed in the performance of his duties. A panel of CADB, consisting of Howard Insall SC, Tony Brain and Michael Flynn KC, found that it was satisfied that Mr Santangelo had failed to carry out or perform adequately and properly the duties of an auditor, in connection with his role as lead auditor and engagement partner for the group audit by Nexia Sydney Audit Pty Ltd (**Nexia Sydney Audit**) of the financial statements of the Greensill Group.

Mr Santangelo has been a registered company auditor since 26 July 2011. He is a director of Nexia Sydney Audit, an authorised audit company, and his principal place of practice was at the offices of Nexia Sydney Audit.

The application related to the audits by Nexia Sydney Audit of the financial statements of the Greensill Group for the years ending December 2018 and December 2019. The Greensill Group was a group of about 40 entities, including Greensill Capital (UK) Ltd and Greensill Bank AG, the ultimate holding company of which was Greensill Capital Pty Limited. Mr Santangelo, as engagement partner and lead auditor, was required to ensure that the audits were conducted by Nexia Sydney Audit in accordance with Australian Auditing Standards.

ASIC contended (and Mr Santangelo accepted) that Mr Santangelo's failures to comply with the duties of an auditor, as informed by various Australian Auditing Standards, involved failings in nine different categories, including:

- failing to design and implement appropriate responses to component auditors to address significant risks of material misstatement of the group financial report;
- failing to communicate significant risks of material misstatement to component auditors;
- failing to apply sufficient professional scepticism in his evaluation of the work performed by the component auditors;
- failing to ensure that his evaluation of the component auditors' work was sufficiently documented; and

- failing to obtain English translations of key audit workpapers relating to significant matters or risks identified.

ASIC did not contend that there was any material misstatement in the relevant financial statements of the Greensill Group or that Mr Santangelo engaged in any dishonesty or deliberate impropriety. Mr Santangelo cooperated with ASIC's investigation into the audits and agreed to the orders sought by ASIC.

The Panel was satisfied that ASIC's contentions were made out and ordered that Mr Santangelo's registration be suspended until 1 June 2026. In making the orders, the Panel considered that a two year suspension was an appropriate sanction but commencing from the date on which Mr Santangelo had undertaken to ASIC that he would not perform the duties of, or otherwise act as, a registered company auditor (1 June 2024).

The Panel also ordered that Mr Santangelo give undertakings to ASIC, as set out in Schedule A to the Notice of Decision and Reasons, including undertakings to complete additional CPD education activity and to engage a peer reviewer to undertake a review of his audits, post suspension. A copy of the full Reasons for Decision, including the Schedule A undertakings, will be posted on the Board's website (<https://www.cadb.gov.au>).

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The Companies Auditors Disciplinary Board (or "CADB") is a statutory body established under Pt 11 of the ASIC Act to act as an independent tribunal with powers under Pt 9.2 Division 3 of the Corporations Act including power to hear and determine professional disciplinary matters with respect to registered auditors under s1292 of the Corporations Act and to impose sanctions with respect to such auditors when appropriate.