



FINANCIAL MARKETS AUTHORITY

TE MANA TATAI HOKOHOKO - NEW ZEALAND

Overseas Auditor Coversheet Pack for Applications under the Trans-Tasman Mutual Recognition Act 1997

Please use this pack to identify the documents that are being provided in each area of your application.

Please place the relevant cover sheet on top of each set of documents. All the coversheets should be returned, however, if the coversheet is not required in your situation, please identify this on the relevant coversheet.

Please send the completed pack to;

Licensing Team
Financial Markets Authority

Mail:
PO Box 1179
Wellington 6140
New Zealand

Deliver or Courier:
Level 2
1 Grey Street
Wellington
New Zealand

COVERSHEET A

**Signed and completed Application for an Overseas Auditor
Licence under the Trans-Tasman Mutual Recognition Act 1997**

Please attach your signed application, having made sure that each page is initialled and dated in the bottom right hand corner.

COVERSHEET B

Evidence of auditor status and conditions of acting

Please attach documents in relation to question 13 as follows:

1. Evidence required in support of question 13 relating to your registration as a registered company auditor and any other licence, authorisation, registration or other approval you hold to carry out audit work in Australia and any conditions attaching, namely:
 - (a) A print out of the relevant entry on a register of auditors (or equivalent) along with the website address of the register;

-OR-
 - (b) A copy of a certificate from the authorising body in the relevant jurisdiction, together with the name and contact details of the body; and

2. If the limitations, conditions or duration of licence are not shown on the register or certificate provided above, a copy of any documents from the statutory body showing the limitations, conditions or expiry date; or a statement confirming that there are no limitations or conditions or no expiry date.

COVERSHEET C

Quality review

Please attach documents in relation to question 19 as follows:

1. A description of the quality review arrangements the auditor is subject to, including:
 - (a) The name of the organisation which undertakes the review, together with a brief description of the nature or status of that organisation;
 - (b) A brief description of the scope of the quality reviews undertaken;
 - (c) A list of when quality reviews have been carried out in the past five years; and
 - (d) A description of the frequency with which quality reviews of your practice are undertaken, including whether the frequency is determined by law or as a matter of policy.

2. A copy of the most recent quality review report of you or your practice, together with:
 - (a) a summary any steps taken, or to be taken, to address issues raised or recommendations made by the reviewer;
 - (b) if any recommendation has not been addressed, an explanation of why; and
 - (c) comments on whether or not the reviewer was satisfied with the steps taken or explanations given (as detailed in (a) and (b) above).

Your practice may be a firm you are a partner, director or employee of, whether or not that firm is a registered audit firm, or your auditing business if you are a sole trader.

If your practice is, or has made an application to FMA to be, an overseas registered audit firm, you may refer to documents attached to that application or subsequently provided on behalf of that firm, you may refer to that document without re-attaching it. Where you do this, you should attach a document directing us to the relevant document and confirming that that document is correct and up to date.

If your practice has been reviewed by the Australian Securities and Investments Commission ('ASIC') and will be subject to reviews by ASIC in future, your response should focus on reviews by ASIC.

If your practice has been reviewed by a professional body since its most recent review by ASIC (if any), please address the questions above in respect of both reviews by ASIC and reviews by that professional body.

Systems, policies and procedures

Please attach documents in relation to question 20 as follows:

1. A description of your practice's approach to promoting compliance with auditing and assurance standards and reasonable skill, care and diligence in issuer audits;
2. A summary of the systems, policies and procedures to ensure that issuer audits are carried out in accordance with New Zealand law and standards, including:
 - (a) comment on any significant differences between New Zealand auditing and assurance standards and those in the home country and how you address these; and
 - (b) information on how PES 1, PES 2 and PES 3 are addressed;
3. An explanation as to how your practice has satisfied itself that its systems, policies and procedures are satisfactory to meet the requirements of the Act;
4. An explanation of the arrangements for quality control review of key judgements and decisions, including how your practice ensures its issuer audits are subject to review by a licensed auditor and that its arrangements are followed.

Please do not supply a full copy of the audit manuals used in your practice.

Your practice may be a firm you are a partner, director or employee of, whether or not that firm is a registered audit firm, or your auditing business if you are a sole trader.

If your practice is a firm that is, or has made an application to FMA to be, an overseas registered audit firm, you may refer to documents attached to that application or subsequently provided on behalf of that firm without re-attaching the documents. Where you do this, you should attach a statement directing us to the relevant documents and confirming that those documents are correct and up to date.

Professional indemnity cover

Please attach documents in relation to question 21 as follows:

1. Either:
 - (a) A schedule or certificate of professional indemnity insurance from an insurer showing the amount of cover for relevant activities and any conditions, exclusions or restrictions; or
 - (b) A description of any self-insurance arrangement, including how any funds are held or guarantees given and by whom;
2. A description of the size and nature of the business which the insurance covers, and an explanation on behalf of the partnership as to why the insurance is considered adequate. The explanation should take into account any existing potential claims on the amount of insurance for the current period;
3. Evidence that the insurance covers claims by New Zealand residents, for example an extract from the policy or letter from the insurer.

Your practice may be a firm you are a partner, director or employee of, whether or not that firm is a registered audit firm, or your auditing business if you are a sole trader.

If your practice is an overseas registered audit firm, it is sufficient to confirm that all audits you undertake are covered by that firm's professional indemnity insurance arrangements, and that there has been no significant changes to the arrangements that have been described to FMA.

Access to New Zealand knowledge and experience

Please attach documents in relation to question 22 as follows:

1. a description of any steps you have taken to gain knowledge of New Zealand commercial law and taxation, including:
 - (a) details of any qualifications, courses or formal training; and
 - (b) any experience or on-the-job training.

2. a description of any resources or arrangements available to you to ensure that knowledge of New Zealand commercial law and taxation is available to you where this is relevant to an audit you are undertaking, including:
 - (a) whether your firm employs other persons who have this knowledge; and
 - (b) whether you, or your firm, adopts a practice of seeking advice or assistance externally as required.

Experience of issuer audits

Please attach documents in relation to question 23 as follows:

1. a brief description of your experience since becoming an overseas auditor (or for the last 5 years if shorter, with any comment on the years prior to that). The description should broadly explain the scope of experience during the period, the types of roles undertaken and comment on the relevance to issuer audits.
2. a brief analysis of your recent relevant experience, including an estimate of the hours spent on New Zealand issuers and companies that issue securities to the public in Australia, the names of the issuers or overseas issuers, the nature of those issuer's businesses, and the nature of your role in those audits. If your experience on issuers and overseas issuers is extensive, this analysis does not need to identify all issuers and overseas issuers, but should cover a sufficient number to demonstrate the level and range of experience you have.
3. a list of your current issuer audits and your role on those audits.
4. explanation of your overall current role and workload, including the approximate number of audits.

Membership of a professional body

Please attach documents in relation to question 24 as follows:

1. the name and contact details of the professional accounting body, and the website address for any publicly available list of members published by the body; and
2. confirmation of membership from the professional body.

On-going competence – continuing professional development

Please attach documents in relation to question 25 as follows:

1. a brief description of the continuing education or continuing professional development requirements that apply to you, including:
 - (a) the number of hours or training events you must complete;
 - (b) any requirements related to types of training or education that can be counted;
 - (c) any requirements related to the subjects training must relate to;
 - (d) whether you must complete any particular training events, or one or more training events from a set list; and
 - (e) whether you are required to successfully complete any assessment.

2. a description of how these requirements are imposed, who monitors compliance, and how compliance with those requirements is monitored.