



## REGISTERED ORGANISATIONS COMMISSION

### Fact sheet

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#### Registration of Auditors

##### Auditors and Financial Reports

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that all financial reports of organisations and branches must be audited by an auditor registered by the Registered Organisations Commissioner (the Commissioner) before they are provided to members, presented to a meeting and lodged with the Registered Organisations Commission (the ROC).

For further information on the financial reporting process please see our website.

##### Who can apply to be registered

A person can apply in writing to the Commissioner to be registered as an auditor.

The application must be in the approved form and if the application is made by:

- A *registered company auditor* – include evidence of that status
- A person who is not a registered company auditor – include the information contained in the regulations.

It appears that a company may apply to be registered however in order to hold the position of auditor of a reporting unit a company must have at least one director, officer or employee who is a registered company auditor.

##### Registered company auditors

The Commissioner must register a registered company auditor as an auditor under the RO Act unless they are excluded by section 255E of the RO Act (see below).

##### Persons who are not registered company auditors

The Commissioner must register a person as an auditor under the RO Act who is not a registered company auditor if satisfied that the person:

- has appropriate qualifications (and, if required, experience); AND
- either satisfies the requirements of ASIC under section 1280A of the *Corporations Act 2001* or has the required practical experience; AND
- is capable of performing the duties of an auditor and is otherwise a fit and proper person to be registered as an auditor AND

- is not excluded under section 255E of the RO Act (see below).

### Qualifications

Section 255C of the RO Act outlines what educational qualifications are required of an auditor. The person must:

- Hold a degree, diploma or certificate from a university or other prescribed institution (see regulations made under section 1280(2A)(a) of the *Corporations Act 2001*) AND
- Have passed the examinations in subjects that represent a course of study in accountancy of not less than 3 years duration or commercial law of not less than 2 years duration AND
- Have satisfactorily completed a course in auditing prescribed by regulations made under section 1280(2A)(c) of the *Corporations Act 2001*.

OR

- Possess other qualifications and experience that, in the Commissioner's opinion, are equivalent to the requirements above.

### Practical experience

If the person does not satisfy all of the requirements of ASIC approved under section 1280A of the *Corporations Act 2001*, they must have:

- Undertaken at least 3,000 hours work in auditing companies or organisations (including at least 750 hours supervising) during the 5 years immediately before making an application OR
- Practical experience that, in the Commissioner's opinion, is equivalent.

Applicants should contact the ROC for information about the full list of documents required to be lodged with their application.

### **Section 255E – Persons who must not be granted registration**

The Commissioner must refuse to register a person if the person:

- is within the exclusion period following a conviction for a prescribed offence (s. 215(1) of the RO Act), or
- has been disqualified by the Federal Court under section 307A of the RO Act.

The Commissioner may refuse an application if the person is not resident in Australia.

### **If registration is granted**

The Commissioner must issue a certificate to the applicant informing them that:

- they are now a registered auditor
- the date the registration was granted.

The registration takes effect from the date it was granted.

## The register of auditors

The auditor's details are placed in a register of auditors which is available from the website. The register includes the auditor's:

- Name
- Registration number
- Date of registration
- Address of principal place of practice
- Name of the company, ACN or firm
- The date of any suspension

### **Informing the Commissioner of Changes**

A registered auditor must inform the Commissioner of any changes in their circumstances that may materially affect their registration within 14 days. A failure to do so is subject to a penalty.

Further, in order to maintain the accuracy of the register, auditors need to advise the ROC of any changes to their details by declaration as soon as practicable.

### **If registration is refused**

The Commissioner cannot refuse an application for registration without holding a hearing and giving the individual a chance to make submissions and provide further evidence in support of their application for registration.

The Commissioner must provide a decision in writing to the individual outlining the reasons for the decision to refuse registration.

### **Cancellation or Suspension of registration**

The Commissioner may cancel or suspend a person's registration as an auditor if they:

- have failed to carry out their duties under the Act,
- have not performed audit work during a period of not less than 5 years and consequently does not have the requisite experience,
- are otherwise not a fit and proper person to remain registered, or
- are no longer a registered company auditor.

The Commissioner must notify ASIC of the suspension or cancellation and the reasons for it.

The Commissioner must inform the affected person in writing of the decision to cancel or suspend their registration.

### **Further information**

For further information please contact the Registered Organisations Commission at [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au). © Commonwealth of Australia 2017

This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.