

Friday, 10 March 2023

Financial Reporting and Audit Team
Australian Securities and Investments Commission
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Brisbane QLD 4001

By email: SMSFauditor.submissions@asic.gov.au

Competency Standards for Approved SMSF Auditors

Chartered Accountants Australia and New Zealand (CA ANZ), CPA Australia and the Institute of Public Accountants (IPA) (“the Joint Accounting Bodies”) welcome the opportunity to provide comments on the Australian Securities and Investments Commission (ASIC) [Class Order CO 12/1687](#) Competency Standards for Approved SMSF Auditors (“the Class Order”).

The Joint Accounting Bodies represent over 300,000 professional accountants in Australia and internationally. The Class Order, dated December 2012, is based on the Joint Accounting Bodies *Competency Requirements for Auditors of Self-Managed Superannuation Funds (February 2008)* (“Competency Standard”). The Joint Accounting Bodies intend to withdraw the Competency Standard because it has become superfluous.

We understand ASIC has not taken action against any Approved SMSF Auditor for breaching the Class Order. Instead, we understand ASIC takes action against Approved SMSF Auditors for not complying with the *Superannuation Industry (Supervision) Act 1993* (SIS Act), the *Superannuation Industry (Supervision) Regulations 1994* (SIS Regs), and the standards issued by the Auditing and Assurance Standards Board (AUASB), and the Accounting Professional and Ethical Standards Board (APESB).

We understand that the sole use of the Class Order is to assist ASIC in setting questions for the SMSF auditor competency exam and as a reference point for candidates sitting the exam. On this basis, if the Class Order is revoked, there will be a need for an authoritative reference point that sets out the knowledge required to succeed in the SMSF auditor competency exam. If the Class Order is retained for this purpose, it will need updating accordingly.

If the Class Order is revoked, other than serving as a reference for the SMSF auditor competency exam as noted above, we believe it will not have any impact on the competency requirements for Approved SMSF Auditors as the Class Order has effectively been superseded by the:

- SIS Act and SIS Regs,
- Auditing and assurance standards issued by the AUASB,
- Professional, ethical and independence requirements in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the APESB,
- ASIC’s registration process for becoming an Approved SMSF Auditor, including the SMSF auditor competency exam, and
- The ASIC and Australian Taxation Office (ATO) regulatory oversight functions.

Should you have any questions about the matters raised in this submission or wish to discuss them further, please contact either Amir Ghandar (CA ANZ) at amir.ghandar@charteredaccountantsanz.com, Ram Subramanian (CPA Australia) at ram.subramanian@cpaaustralia.com.au or Irwin Bushnell (IPA) at Irwin.Bushnell@publicaccountants.org.au.

Yours faithfully

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