

GL/ml 39.02
15 March 2002

Senator the Hon. Ian Campbell
Parliamentary Secretary to the Treasurer
Manager of Government Business in the Senate
Parliament House
CANBERRA ACT 2600

Dear Senator Campbell

Re: CPA Australia's Response to the Ramsay Report

On behalf of CPA Australia's membership, I am writing to outline our position in relation to the recommendations made in Professor Ramsay's report.

In terms of the accounting profession's response to this report, CPA Australia has actively consulted with the Institute of Chartered Accountants in Australia (ICAA) regarding their submission. In this regard, CPA Australia does not have any significant differences with that which is included in the ICAA response. We believe that the recommendations are a significant step forward for audit independence issues.

However, CPA Australia firmly believes there is now a significant opportunity for the wider issues in financial reporting including financial management and reporting, accounting and auditing standards, management responsibility and corporate governance, all to be tackled alongside audit independence issues. CPA Australia has committed itself to such a review with the aim of developing a better and sustainable framework that delivers practical and sensible solutions for the Australian public and business community. We have already made good progress with this initiative.

Our work in this area has already commenced. We have enlisted the support of our key Centres of Excellence or 'research think tanks' covering auditing and assurance, external reporting, and ethics and corporate governance, to ensure a broad conceptual approach to these issues. Throughout our review, CPA Australia will consult regularly with government agencies including regulatory bodies, industry, and professional organisations. Our intention is to bring forward a comprehensive set of proposals which are supported by the accountancy profession and key stakeholders and which will provide a sustainable and long-term framework.

The work is far reaching and, I am sure you will understand, incorporates the views of respected opinion holders who hold a diverse set of views. We are not looking for the "quick fix" so we would appreciate it if you could acknowledge that it will take time. We undertake to keep you fully informed on progress and we have set ourselves a deadline of the end of May.

I look forward to discussing this matter and other key issues with you in the near future.

Yours sincerely

GREG LARSEN, FCPA
Chief Executive Officer