

## **Provisional Decision on Remedies submission**

### Auditing companies

Public companies receive many privileges from the public. In many cases, they have reneged from their duty to the public. Independent auditing might seem to be a way of checking on this duty of care. But under current rules, the “independent” auditors owe their primary duty of care not to the public but to the company. The explicit responsibility of auditors need to be changed from the company to the public.

By fiddling around the edges of contractual process, the CC is averting its eyes from the primary problem. Currently, the auditing companies and the audited companies are legally in cahoots. The cosy relationship needs to be broken and should be explicitly, legally, confrontational. The auditors should be policing the companies, not protecting them. If the auditors fail in declaring publicly any found or suspected failings, that should be a criminal offence (akin to insider dealing), not a minor infringement of professional standards.

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