



Department
for Business
Innovation & Skills

AUDIT REGULATION

Discussion document on the
implications of the EU and wider
reforms – Response Form

DECEMBER 2014

Regulation on the Specific Requirements Regarding Statutory Audit of Public Interest Entities and Directive amending Requirements on Statutory Audits of Annual Accounts and Consolidated Accounts

Discussion document response form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for responses is 19 March 2015

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Please tick a box from the list below that best describes you as a respondent.

Yes	Business representative organisation/trade body
	Non-government standard setting/regulatory body
	Charity or social enterprise
	Individual
	Large business (over 250 staff)
	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Chapter 4

Q1. In relation to the measures discussed in both this and the next chapter, we would welcome comments on the balance between legislative and non-legislative implementation of the requirements of the new Directive and Regulation.

The AIC agrees with BIS that it is important to obtain an appropriate level of balance between legislative and non-legislative implementation. In the UK, the “*Ethical Standards for Auditors*” published by the FRC (the Ethical Standards) provide the current framework for non-legislative auditing responsibilities. The AIC **recommends** that these are extended to cover the new requirements being imposed by the Audit Directive and Regulation, rather than changes being imposed through legislation. This would allow the FRC the flexibility to revise and amend the Ethical Standards to address any future issues as they arise. In addition, the new rules required by the Audit Directive and Regulation relate to subjects that are currently addressed in the Ethical Standards. For example, Ethical Standard 5 addresses “*Non-audit services provided to audited entities*”, and Ethical Standard 3 “*Long association with the audit engagement*” addresses audit partner rotation. The approach currently adopted in the UK utilises a guideline approach. This delivers high standards and provides clear justification for extending the approach to cover the new requirements.

Q2. In relation to all the Member State options in the Directive and the Regulation, we would welcome comments to inform our thinking on whether and how these should be taken up. Though many are discussed in the discussion document and in specific questions, all the options in the Directive and Regulation are considered in the options tables that are being made available separately.

The AIC **recommends** that, as a general rule and where these are not already part of the UK’s regulatory framework, the options allowing Member States to impose more stringent requirements should not be taken up. This is in line with the UK’s general regulatory approach not to gold plate EU legislation as outlined in the Department for Business Innovation & Skills’ “*Gold-Plating Review*” dated March 2013.

In instances where the UK does impose additional requirements, for example, to address any national laws or specific matters that may arise as a result of cultural or business practices in the UK, the AIC **recommends** that there is a clear reason to do so, and that the rules put in place are proportionate to the issues that have arisen.

Q3. In relation to the measures discussed in both this and the next chapter, what issues do you think arise that have not been considered as part of the discussion? If there are any, how do you think these should be addressed?

The AIC does not have any comment to make in relation to this question.

Q4. In relation to the measures discussed in both this and the next chapter, we would welcome comments on any burdens applied to small and micro sized companies and audit firms in

particular by the proposed implementation, which you consider are disproportionate to the wider benefits?

The AIC does not have any comment to make in relation to this question.

Q5. Do you agree that the Government should not expand the definition of a PIE beyond the EU minimum requirement – that is listed companies, banks, building societies and insurers?

Yes

The AIC **recommends** that UK Government applies the definition of PIEs as defined in the Audit Directive. This would mean that the more stringent new requirements would only apply to PIEs as defined in the Audit Directive, and as discussed in our response to Q2, this is in line with the UK's general regulatory approach.

Q6. What issues, if any, do you consider arise from the application of the provisions of the Regulation to audits of PIEs as defined in the Directive? How do you consider these should be addressed?

The AIC's views are expressed in response to relevant questions in this document.

Q7. What issues, if any, do you consider arise from the need to broaden the application of the implementation of the 2006 Directive as amended to include:

- other entities whose securities are admitted to trading on a regulated market;
- electronic money institutions;
- payment institutions;
- MiFiD investment firms;
- Undertakings for Collective Investment in Transferable Securities (UCITS); and,
- Alternative Investment Funds (AIFs).

How do you consider these should be addressed?

The AIC does not consider that this will cause any issues for UK investment companies as they are incorporated as companies and therefore have previously been subject to Part 42 of the UK Companies Act which implemented the 2006 Directive.

Q8. What do you think are likely to be the familiarisation costs to auditors of PIEs arising from all the changes affecting them. In particular:

(a) how many person hours likely to be involved in an individual statutory auditor and their team understanding and preparing for the changes?

The AIC does not have any comment on this question.

(b) what are the costs to audit firms of updating internal management systems to reflect the changes?

The AIC does not have any comment on this question.

(c) How this is likely to vary by size of audit firm?

The AIC does not have any comment on this question.

Q9. Do you agree the FRC should be the single competent authority with ultimate responsibility for the audit regulatory tasks and for oversight under the 2006 Directive as amended by the new Directive and under the Regulation?¹

Yes

To avoid any unnecessary upheaval and to take advantage of the knowledge and experience the FRC already has in relation to the oversight of audit, the AIC **recommends** that the FRC becomes the single competent authority under the 2006 Directive.

Q10. What issues, if any, do you consider arise from the need to implement a new statutory framework for the setting of auditing standards and for audit inspections, investigations and discipline by the single competent authority to replace the current framework that requires the bodies' rules to provide for this? If there are any, how should they be addressed?

The AIC does not have any comment on this question.

Q11. What issues, if any, do you think might arise for the current investigation and disciplinary arrangements between the professional supervisory bodies and the FRC, that apply to accountants generally as opposed to only auditors, given the changes in relation to audit? If there are any, how should they be addressed?

The AIC does not have any comment on this question.

¹ In answering this question, it may help in particular to consider the tasks of audit inspection, investigations and discipline, auditor approval and continuing professional development and the setting of technical and ethical standards for statutory audits and auditors.

Q12. In relation to each of the tasks provided for in the Directive and Regulation, do you consider that responsibility should be allocated to the single competent authority, for it to delegate to the professional supervisory bodies as appropriate and to the extent permitted in the Directive and Regulation?

Yes

Yes. The AIC **recommends** that responsibility be allocated to the single competent authority which in turn, delegate to the professional supervisory bodies as appropriate.

Q13. For any tasks where responsibility is allocated to the single competent authority for it to delegate, what limitations, if any, do you consider would needed to ensure that authority only retained responsibilities or reclaimed delegated responsibilities in appropriate circumstances? What do you consider these circumstances should be?

The AIC does not have any comment on this question.

Q14. In relation to each of the tasks provided for in the Directive and Regulation, are there any tasks, or any aspects of those tasks, that you consider it is important should continue to be covered by provisions in legislation on the content of the rules of the supervisory bodies? Please provide further information in support of your answer.

The AIC does not have any comment on this question.

Q15. Do you consider that both the registration of statutory auditors and their removal from the register should be covered by regulations under the Companies Act²?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

If so, which body or bodies do you think should have statutory powers for the removal of statutory auditors from the register?

The AIC does not have any comment on this question.

Q16. Do you consider that, for consistency with a framework of ultimate responsibility, single competent authority approval should be required for the rules of the supervisory bodies?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

² The [Statutory Auditors \(Registration\) Instrument 2008](#) currently applies for this purpose, having been made by the FRC using powers in section 1239 of the Companies Act, which are delegated to it.

The AIC does not have any comment on this question.

Q17. What do you consider are the costs and benefits in monetary terms and in terms of the effectiveness of audit regulation of the proposals in this chapter and of your preferred approach to implementation of these provisions?

The AIC does not have any comment on this question.

Q18. Do you agree that the provisions of Article 4 of the Regulation on the cap on non-audit services should be included in amendments to the FRC's ethical standards for auditors?

Yes

The AIC supports the view of BIS and **recommends** that the existing Ethical Standards be enhanced to capture the new requirements of the Regulation as the provision of non-audit services is already covered by ES5 which contains the UK's current regulatory framework in this area.

Q19. What issues, if any, do you consider arise from the application of the provisions on the cap on non-audit services? If there are any, how do you consider these should be addressed?

Since the implementation date is not until 17 June 2016, the AIC considers it unlikely that its members will have ongoing projects that will be impacted by the new requirements.

Q20. Do you agree that the Member State options in Article 4, to set more stringent requirements on the cap and on the auditor's independence where their total fee income from a PIE exceeds 15% of their total fee income overall, should be capable of being applied by the FRC in its ethical standards for auditors?

No

The level of choice with regard to service providers available to provide audit and non-audit services must be as extensive as possible. Research based on information from Morningstar shows that 91% of investment company audits are conducted by only 6 audit firms. To introduce any restrictions that go beyond those outlined in the new Audit Directive and Regulation may reduce the number of audit firms willing or able to tender for particular audit or non-audit work and could restrict further the choice of provider available to companies.

Additionally, the AIC considers that the responsibility for assessing which services the auditor should provide is the responsibility of the company's audit committee. Further restrictions, either through law or standards, reduces the ability of the audit committee to act in the best interests of the company.

Instead, we support the current standards which require safeguards to be put in place where threats to independence are identified. As part of the UK's Corporate Governance Code, the audit committee is responsible for developing and implementing a policy on the engagement of the external auditor to supply non-audit services. The audit committee should then explain to investors in its annual report and accounts how auditor objectivity and independence are safeguarded.

Fees paid to the auditor for both audit and non-audit services are disclosed in the annual report and accounts. This ensures transparency for the investor.

The AIC **recommends** that no further restrictions are required and the FRC is not given powers to impose more stringent requirements on the level of non-audit fees.

The AIC **recommends** that, to the extent that the Directive and Regulation imposes new requirements, these are applied by the FRC in the Ethical Standards, but no further restrictions are made.

The AIC does not have any comment on the question about setting more stringent requirements on the auditor's independence where their total fee income from a PIE exceeds 15% of their total fee income overall.

Q21. Do you agree that the FRC should have the ability to exempt an audit firm from the 70% cap for up to two financial years on an exceptional basis and on application by the firm?

Yes

Yes. The AIC agrees that the FRC should have this ability and, as such, **recommends** that this derogation is taken up. This will provide the competent authority with a level of flexibility which may be required in certain, limited circumstances.

Q22. Do you agree that the subject matter of Article 5 of the Regulation on the blacklist of non-audit services, including the possibility of setting more stringent requirements, should be included in amendments to the FRC's ethical standards for auditors?

Yes

The Ethical Standards are the most appropriate place to address the matters contained in Article 5 of the Regulation.

As a general policy, the AIC agrees that the UK's regulatory approach should not gold plate EU legislation. However, it is important for the competent authority to have the ability to impose additional requirements to address any national laws or specific matters that may arise as a result of cultural or business practices in the UK.

Therefore, the AIC **recognises** that the competent authority should be able to set more stringent requirements provided that there is a clear reason to do so and there is a proportionate response to any need that may arise.

However, currently, the AIC does not consider there a need to impose more stringent standards.

Q23. What issues, if any, do you consider arise from the application of the provisions on the blacklist of non-audit services? If there are any, how do you consider these should be addressed?

The AIC does not have any comment on this question.

Q24. Do you agree that implementation of the revised requirements on ensuring and documenting auditor independence in the 2006 Directive should be implemented primarily via the ethical standards, with amendments to the existing legislation as necessary only to:

- underpin the standards? And,
- introduce simplifications for audits of small non-PIEs?

Please provide further information to support your answer.

The existing Ethical Standards already contain the UK's current regulatory framework with regard to ensuring and documenting auditor independence. Therefore, the AIC **recommends** that the new requirements of the Regulation are implemented via these standards and underpinned with existing legislation only where necessary. This will allow for the Ethical Standards to be developed to meet the UK's changing culture and business practices, as and when necessary.

Q25. Do you agree that the existing framework on disclosure by PIEs in notes to their accounts of the audit and non-audit fees they paid their auditor should be adapted, to ensure public disclosure of the information the auditor is required to provide to the competent authority under Article 14 of the Regulation?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

The AIC does not have any comment on this question.

Q26. For our impact assessment on the changes we would welcome any estimates that could be provided on:

- (a) the percentage of non-audit services that are likely no longer to be provided by auditors due to their inclusion on the blacklist?

The AIC does not have any comment on this question.

(b) the additional costs associated with reallocating some of the non-audit services that would otherwise have been provided by the same statutory auditor?

The AIC does not have any comment on this question.

(c) the extent to which these additional costs vary by the size of PIEs?

The AIC does not have any comment on this question.

(d) the person hours likely to be involved in a non-audit team at an audit firm understanding and preparing for the changes given that they will not be able to provide certain non-audit services to the firm's audit clients?

The AIC does not have any comment on this question.

Q27. Audit Committees must submit a recommendation to the board for the appointment of an auditor. However, under Article 16(1) sub-paragraph (2) of the Regulation, this does not apply where the Member State has provided an alternative system for the appointment of the auditor. The current alternative systems set out in the Companies Act 2006 are where:

- the directors appoint the auditor before the company's first accounts meeting;
- the directors appoint the auditor to fill a casual vacancy in the office of auditor; and where,
- the Secretary of State appoints the auditor because a public company failed to do so.

Do you consider that all of these alternative systems for the appointment of an auditor should continue to operate in the UK as they do at present?

Yes

Yes, the AIC **recommends** these alternative systems continue to apply. They have been developed to meet the UK's regulatory needs, and in such circumstances a competitive tender process is not appropriate.

For example, when an investment company launches and applies to be listed on the Main Market of the London Stock Exchange, its audit committee may not be fully in place until towards the end of the process. Imposing a requirement for the audit committee to undertake the steps required for a formal audit tender and submit an offer at least two choices for the audit engagement to the board along with providing a justified preference for at least one of the auditors during this process would not provide benefit proportionate to the cost and inconvenience that would be imposed. In addition, when the directors appoint the auditor, that auditor will only hold office until the first meeting of the company's shareholders when the accounts are presented at which point, the shareholders will decide whether they wish to reappoint the current auditor or to appoint a new one.

Are there any other systems that should also be provided for on the grounds that a competitive tender process is not appropriate?

The AIC does not have any comment on this question.

Q28. Where the PIE is exempted from having an audit committee (e.g. because it is an unlisted bank), there is no provision as to which body should fulfil the audit committee's role. Do you agree that in this situation the directors should determine the recommendations that should be put to shareholders of the audited entity?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

The AIC does not have any comment on this question.

Q29. The Government does not intend to take up the option to provide for an extension of the maximum duration of the engagement beyond 10 years where a joint auditor is engaged. Do you agree that the replacement of a single auditor with two joint auditors, one of whom was the original auditor, should be made on the basis of a retender?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

The AIC does not have any comment on this question.

Q30. We are considering whether provision should be made so that, where a PIE has stated in its annual report it will appoint an auditor based on a tender process before the expiry of the maximum duration of 10 years, it should still be able to take advantage of an extension of the maximum duration beyond ten years, following that tender. Do you agree?

Yes

The audit committee should have the ability to take advantage of an extension of the maximum duration beyond 10 years following the tender. Therefore the AIC **recommends** that this provision is made.

Q31. We are seeking views on the proposal that for companies that are PIEs the company's plans on retendering should be part of a new element of the annual report setting out key matters for the audit committee on the appointment of auditors. Do you agree that the report should include:

a) when the current auditor took up the audit engagement at that company?

No

b) when the audit engagement was last retendered?

No

c) the start of the next accounting year in relation to which the company expects that the auditor appointment will be based on a tender?

No

d) the directors' reasons for considering that the proposed year is in the best interests of the company's members?

No

Do you consider that any other information should be included in addition the above? Please provide further information to support your answer.

No

The AIC considers that items "a" and "b" above, are already a matter of public record as these are evident from prior period annual reports and accounts. Therefore, we do not consider it necessary to add this extra disclosure in each annual report and accounts.

The AIC agrees that it is important for investors to understand the company's auditor tendering policy. We advocate disclosing this policy to investors as part of best practice. However, there is little merit in disclosing the year that the next tender is expected to take place in the annual report and accounts.

The circumstances determining when it is most appropriate for a tender to take place may change. It is important for the audit committee to be able to be flexible and adapt to any specific change in circumstances to decide when it is in the best interest of the company to hold an audit tender. If a tender date is set and disclosed to investors in advance, this may limit the audit committee's capacity to change the date if they fear investors may take the wrong message from such a change.

Extra disclosures are likely to lead to boilerplate reporting rather than providing investors with a useful insight to the company's audit tendering policy.

Q32. We are considering whether, where the statement under point (c) above is included in the company's annual report, and the incumbent auditor is reappointed on the basis of the planned tender process before the expiry of the 10 year maximum duration (eg at 7 years), the next tender process should be expected to take effect:

- (a) after the same period has expired again (ie year 14 in this example);
- (b) after a further 10 years has expired (ie year 17 in this example); or,

- (c) after the same period has expired again, though with the potential to extend it by the full 10 years via further notice from the audit committee in the annual report (ie in this example at year 14 though this could be extended to year 17)?

Which option would you prefer?

Option b

The AIC considers that a further 10 years should be allowed to expire from the date of the retender (which was based on a planned tender process). Therefore option (b) is the most appropriate.

This allows the audit committee to request a retender at an earlier point in time should it be in the best interest of the company, whilst also being able to maintain its reappointed auditors for the maximum length of time, as allowed by the Directive prior to a further retender.

Q33. What issues, if any do you consider arise from the UK's obligation to apply effective, proportionate and dissuasive sanctions for failure to comply with the UK's implementation of the framework on mandatory rotation and retendering? If there are any such issues, how do should they be addressed?

The AIC does not have any comment on this question.

Q34. For our impact assessment on the changes we would welcome any estimates that could be provided on:

- (a) resources that are likely to be deployed by PIEs to tender audit appointments?
- (b) resources that are deployed by auditors to tender for audit work?
- (c) additional familiarisation costs that arise for both auditors and the audit client when a new auditor takes up an audit engagement?
- (d) the extent to which this varies by the size of the PIE?

The AIC does not have any comment on this question.

Q35. What issues, if any, do you consider arise from the inclusion in legislation on audit reporting of a requirement for the auditor to include a statement in the audit report where there is a material uncertainty relating to events or conditions that may cast significant doubt about the entity's ability to continue as a going concern? How do you consider these should be addressed?

The AIC does not have any comment on this question.

Q36. Do you agree that the provisions of Article 10 of the Regulation on the audit report should be included in amendments to the FRC's International Standards for Auditing (UK and Ireland)? Please provide information to support your answer.

Yes

The FRC's International Standards for Auditing (UK and Ireland), already contains the UK's current regulatory framework in this area. The AIC **recommends** that the new requirements of the Regulation are implemented via these standards.

Q37. What issues, if any, do you consider arise from the application of the provisions of the Regulation on the audit report? If there are any, how do you consider they should be addressed?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

The AIC does not have any comment on this question.

Q38. Do you agree that the provisions in Article 11 of the Regulation on the additional report to the audit committee should be included in amendments to the FRC's International Standards for Auditing (UK and Ireland)?

Yes

Per our response to Q10, the FRC's International Standards for Auditing (UK and Ireland), already contain the UK's current regulatory framework in this area. The AIC **recommends** that the new requirements of the Regulation are implemented via these standards as this would be the most efficient approach.

Q39. What issues, if any, do you consider arise from the application of the provisions of Article 11 of the Regulation on the additional report to the audit committee? If there are any how should they be addressed?

The AIC does not have any comment on this question.

Q40. For our impact assessment on the changes, we should particularly welcome data on:

- (a) additional resources are likely to be needed by the auditor to produce the additional report for the audit committee?

The AIC does not have any comment on this question.

(b) the additional annual cost of the audit committee considering the additional report?

The AIC does not have any comment on this question.

(c) how these costs vary by size of PIE?

The AIC does not have any comment on this question.

Q41. Do you consider that the small companies audit exemption thresholds should:

- (a) remain aligned with those for the small companies accounting regime, so that the number of audit exempt small companies will increase in line with the increase in the small companies accounting thresholds;
- (b) remain unchanged so that the turnover and balance sheet thresholds are considerably lower than the thresholds for access to the small companies accounting regime; or,
- (c) be amended in some other way (please set this out)?

☐ (a) ☐ (b) ☐ (c) ☐ No preference ☐ Not applicable

The AIC does not have any comment on this question.

Chapter 5

Q42. What issues, if any, do you consider arise from the measures considered in this chapter? If there are any, how do you consider these should be addressed?

The AIC does not have any comment on this question.

Q43. For the purpose of our impact assessment, we would welcome any information you can provide on the expected costs and benefits of the measures considered in this chapter, particularly any estimates of costs or benefits that you consider it would be possible to quantify?

The AIC does not have any comment on this question.

Q44. Do you agree that the implementation of EU requirements on technical standards should be primarily through changes to the FRC's ISAs (UK and Ireland)?

Yes

Per our previous responses, the FRC's International Standards for Auditing (UK and Ireland),

already contains the UK's current regulatory framework in this area. The AIC **recommends** that the new requirements of the Regulation are implemented via these standards.

Q45. For the purpose of our impact assessment on the changes we would welcome any estimate you could provide of the percentage of PIE audits for which the quality control review will now have to be undertaken by an individual auditor from outside the appointed audit firm (where there is a lack of detachment from the audit or knowledge of the client sector) where this was not previously required?

The AIC does not have any comment on this question.

Q46. What issues do you consider arise from the implementation of EU adopted ISAs in the UK that UK representatives should raise with the European Commission?

The AIC does not have any comment on this question.

Q47. Do you agree that following any adoption of ISAs by the European Commission, the FRC should have the discretion to:

- (a) apply standards where the Commission has not adopted an ISA covering the same subject-matter;

Yes

Please see our response in the box below.

- (b) impose procedures or requirements in addition to adopted ISAs if these national procedures or requirements are necessary to give effect to national legal requirements or to add to the quality of financial statements?

Yes

We consider that it is important for the competent authority to have the ability to be able to impose additional requirements to address any national laws or specific matters that may arise as a result of cultural or business practices in the UK. Therefore the AIC **recommends** that the FRC has this discretion.

Q48. What issues, if any, do you consider arise from the implementation of the new requirements on audit committees via amendments to the existing DTR 7.1 in the FCA Handbook (for companies with securities admitted to trading on a regulated market)?

The UK Corporate Governance Code should be updated to reflect the changes made to DTR7.1. The FCA should continue to confirm that compliance with certain provisions of the UK Corporate Governance Code will result in compliance with certain DTR rules. Provided that this remains the case, as indicated, then the AIC does not consider there to be any significant issues for its members.

Q49. What issues, if any, would you consider arise from the implementation via provisions in PRA rules of the new requirements on audit committees for those banks, building societies and insurers that are not required to have an audit committee under DTR 7.1?

The AIC does not have any comment on this question.

Q50. For our impact assessment on the changes, we would welcome data on:

(a) the numbers of non-listed PIEs that currently do not have an audit committee?

The AIC does not have any comment on this question.

(b) the cost of recruiting members to be part of an audit committee?

The AIC does not have any comment on this question.

(c) the annual cost of attendance of a member?

The AIC does not have any comment on this question.

(d) the auditor's fees for attending audit committee meetings?

The AIC does not have any comment on this question.

(e) how these costs vary by size of PIE?

The AIC does not have any comment on this question.

Q51. Do you consider that the single competent authority with responsibility for regulation of audit should be designated to receive the information required to be provided to supervisors of PIEs when it is provided to:

- (a) the PRA for banks, building societies and insurers?
- (b) the FCA for other PIEs? or
- (c) both?

☐ (a) ☐ (b) ☐ (c) ☐ No preference ☐ Not applicable

The AIC does not have any comment on this question.

Q52. For the purpose of our impact assessment on these changes we should be grateful for any estimates you can provide of:

(a) the costs of the auditor providing this information to supervisors of PIEs?

The AIC does not have any comment on this question.

(b) the frequency with which the PRA is provided with this information for banks building societies and insurers under existing requirements?

The AIC does not have any comment on this question.

(c) the frequency with which the FCA is provided with this information for other PIEs in practice already?

The AIC does not have any comment on this question.

Q53. Do you agree that we should enable the single competent authority to exercise the choices of aptitude test and/or adaptation period for the approval in the UK of individual statutory auditors from other Member States?

☐ Yes ☐ No ☐ Not sure ☐ Not applicable

The AIC does not have any comment on this question.

Q54. Were the single competent authority to have this role, what do you consider would be the implications for the operational provision (currently by the professional supervisory bodies) of:

(a) aptitude tests;

The AIC does not have any comment on this question.

(b) adaptation periods (if these were to be provided for)?

The AIC does not have any comment on this question.

How would this be affected by the CEAOB progressing discussions “with a view to achieving a convergence of the requirements of the adaptation period and the aptitude test” across the EU?

The AIC does not have any comment on this question.

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