



THE ROLE AND RESPONSIBILITIES OF THE AUDIT COMPLIANCE PRINCIPAL



This helpsheet is designed to:

- provide sole practitioners and Audit Compliance Principals (ACPs) with a guide to the main audit compliance requirements that each audit firm has to comply with and what this means in practice;
- aid firms in appointing an ACP, identify their key responsibilities and to assist that individual in carrying out their role, including performance of an Annual Compliance Review (ACR).

The Audit Regulations require each audit registered firm to appoint an ACP. The ACP is responsible for ensuring that the firm complies with the Regulations and ensuring that monitoring required by these Regulations is carried out.

Whilst we have attempted to cover the key areas of the Regulations in this helpsheet, please note that this does not include all of the requirements. As such, you are advised to read the Regulations in full to ensure continued compliance. An up to date copy of the Regulations can be found on the ICAS **website**.

THE AUDIT COMPLIANCE PRINCIPAL

Who should my firm nominate as the ACP?

AR 3.21 states that 'Each Registered Auditor (other than a sole practice) must appoint an audit compliance principal. A sole practitioner will be the audit compliance principal'.

The role of the ACP role should be fulfilled by someone who has the following attributes:

- Strong audit and technical skills;
- A commitment to audit quality;
- Sufficient authority within the firm to challenge Responsible Individuals (RIs); and
- The necessary resources to carry out the function and follow up on issues noted.

You should note that, due to the stringent requirements noted, this role will most effectively be carried out by a partner or principal of your firm. You should notify the Institute as to who has been nominated as the ACP.

RESPONSIBILITIES OF THE ACP

I have been nominated as my firm's ACP. What are the key requirements of the Regulations which I should ensure we are complying with?

As we have explained above, you are responsible for ensuring that your firm is in compliance with the Regulations. The most frequent areas

where questions arise relate to an effective ACR process and a firm's quality control policies and procedures. We will examine both of these areas in detail later, however, in the meantime, let's consider some other key areas of the Regulations with which you should be in compliance.

- **Eligibility** – Your firm should be appropriately registered with the Institute, or another Recognised Supervisory Body (RSB), to accept audit appointments. The Audit Registration Committee (ARC) will only register a firm if it is satisfied that certain requirements are met, a full list of which can be viewed in Audit Regulations (ARs) 2.02 and 2.03. Eligibility requirements include ensuring the firm is fit and proper, that there is appropriate PII (Professional Indemnity Insurance) in place and that an ACP is nominated.

Where you are not a sole practice, you should ensure that each principal of your firm is a member of an RSB (ie ICAS, ICAEW, ICAI or ACCA) or authorised by ICAS as an Affiliate. It is the ACP's responsibility to ensure that every principal meets these requirements and that appropriate application forms are sent to ICAS for any persons requiring to become an Affiliate. Please note that becoming an Affiliate means that the principal has signed up to comply with the Institute's regulations, it conveys no rights and Affiliates are not authorised to sign audit reports or be responsible for audits.

Individuals with an "appropriate (audit) qualification" must hold the majority of voting rights in each firm. For more information on eligibility requirements and what "appropriate qualification" means the **Audit News 52A** article "What are the main eligibility requirements of an audit firm?" explains this in more detail.

It is important to note here that, in accordance with AR 2.07, if any of the above requirements are not met, then your firm should cease to provide audit services.

- **Responsible Individuals (RIs)** – As ACP you may designate as RIs individuals, principals or employees who have an appropriate qualification, are competent to conduct audit work and are allowed to sign audit reports in their name on behalf of the firm. You must ensure that ARs 4.01 – 4.06 are complied with, the key requirements being that an RI must be a member of an appropriate body, hold a practicing certificate, have sufficient audit experience and apply to and be approved by the ARC to act as an RI. Please note that consultants and sub-contractors cannot be designated as an RI and only RIs can sign audit reports.



The ARC takes a very serious view of firms where principals sign off audit reports before being properly authorised as RIs beforehand, and this could result in disciplinary proceedings. It is therefore very important that confirmation of RI status approval is obtained from ICAS before any principal signs an audit report.

- **Professional Indemnity Insurance (PII)** – AR 2.02 also states that you should have professional indemnity insurance, or other appropriate arrangement, as required by the PII regulations. Whilst this responsibility may rest with another principal in the firm, it is still advisable for you to check when conducting your whole firm review that the level of insurance is as required.
- **Cooperation with the Institute** – AR 2.09 states that you should comply with any notice from the Institute where information has been requested or a visit is proposed. It is also important that you notify the Institute of any changes in your firm that may impact on your eligibility or ability to conduct audit work, or any other significant changes. These changes should be notified to the Institute within **10 business days** and a full list of applicable matters can be found in AR 2.11.
- **Networks** – AR 2.12 states that, if your firm is a member of a network, you should ensure that you maintain a list of names and addresses of all other firms in the network. This list should be available to members of the public, usually by holding on a website or on public display in your office reception. The location of this list, and any changes, should be communicated to the Institute.
- **Fit and Proper Procedures** – AR 3.06 states that your firm must make arrangements so that **all principals**, and any audit staff, consultants and sub-contractors are fit and proper to perform their role on audit engagements. You should ensure that fit and proper, and confidentiality, declarations are completed on an annual basis. The firm should then assess the impact of any matters noted and monitor any follow up action.

This process should also include an assessment of the fit and proper status of the firm, including completion of a declaration for the firm as a whole. This should be done once the individual declarations have been obtained.

In the experience of ICAS AM, some firms are not aware of the requirement to complete a whole firm fit and proper form. Examples of fit and proper forms for firms and individuals can be found at Appendices A and B of Chapter 2 to the Audit Regulation Guidance.

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- **Statutory Requirements** – In accordance with AR 3.08, you must ensure that the firm complies with the requirements of all relevant legislation, including the Companies Act 2006. This Regulation includes:
 - appointment;
 - ensuring audited financial statements comply with the Companies Act and other financial reporting requirements;
 - complying with the statutory requirements when you cease to act as auditor (ie statement of circumstances).

Should your firm cease to act as auditor to a ‘major’ audit client you are also required to inform the FRC immediately of the reasons for this, at the time of cessation (“major” audit clients are those defined on FRC’s **website** and include listed companies and very large pension schemes, charities etc.). This requirement therefore will not apply to most firms.

In the case of cessation from acting for other non ‘major’ audit clients, then notification, which in this case is to ICAS not the FRC, is only required if the audit appointment ceases **before the normal time**. This can be done via your Firms’ Annual Return and does not need to be done sooner than this. This requirement is relevant to all audit firms.

AR 3.15 goes on to state that if you are appointed to a ‘major’ audit client you must inform the ARC in writing as soon as practicable, but no later than 21 business days after the event.

- **Access to successor auditors** – AR 3.09 requires that for accounting periods starting on or after 6 April 2008 where there is a change of audit appointment the predecessor auditor must, if requested in writing, allow the successor access to all relevant information held in respect of audit work for the client. This only applies to audits caught within scope of S 1210 of Companies Act 2006. AR 3.09 provides further guidance on this matter. The guidance indicates that the successor should be as specific as possible regarding the information required and should avoid a “blanket” request. The request is only available to the immediate predecessor and the period is usually the start of the last accounting period audited by the predecessor up to the point when the predecessor ceased appointment. The guidance states that both parties should exchange letters. Example letters, as well as further guidance, has been issued by ICAS Accounting & Auditing in a Technical Release (this can be accessed **here**).
- **Audit Reports** – In accordance with AR 3.16, you should ensure that all audit reports are appropriate to the financial year under audit. Any audit reports of entities within the scope of S 1210 of Companies Act



2006 for financial periods beginning on or after 6 April 2008 must state the name of the RI who was in charge of the audit and be signed by this person in his own name, include the words 'Senior Statutory Auditor', state the name of the firm as it appears in the Register and include the words 'Statutory Auditor' after the name of the firm.

- There have been many changes in recent years to the format of audit reports, the signing of audit reports and the filing requirements with Companies House that some firms might feel confused about the requirements. The requirements are set out, in summary, below:

SIGNING REQUIREMENTS FOR AUDIT REPORT TO CLIENT

- **For Section 1210 entities** (companies, banks, insurers, certain partnerships, building societies, LLPs, and Lloyds syndicates):

Where the firm is appointed auditor:

The audit report needs to be signed by the "Senior Statutory Auditor", on behalf of the "Statutory Auditor" (firm). For example:

J Smith

John Smith CA, Senior Statutory Auditor
For and on behalf of Smith & Co Ltd, Statutory Auditors,
Chartered Accountants,
Address
Date

Where an individual is appointed as auditor,

It must be signed by the "Senior Statutory Auditor" in their own name.

J Smith, Senior Statutory Auditor

Address
Date

- **For all other audits caught within the Audit Regulations, but which are not S 1210 entities** (eg unincorporated charities) audit reports do not need to be signed by the "Senior Statutory Auditor":

Smith & Co Ltd

Smith & Co Ltd, Statutory Auditors
Chartered Accountants,
Address
Date

The firm may, however choose to sign all reports the same as per S 1210 entities, for consistency, but must make sure the engagement letter indicates that any claim arising would be against the firm and not the individual.

- **For audits not caught within the Audit Regulations** (eg an unincorporated golf club): A firm can choose to sign as “Statutory Auditor” or “Registered Auditor”. For consistency, it may be better to use the same signing as above, and ensure that any personal sign offs are covered via the engagement letter explaining that any claims would be against the firm and not the individual.

FILING REQUIREMENTS WITH COMPANIES HOUSE:

- The copy of the audit report filed with the Registrar does not need to be signed;
- it should state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as “Senior Statutory Auditor” (if applicable), unless section 506 applies (exemption if naming would result in violence/intimidation).

AUDIT REPORT TEMPLATE:

- For short accounting periods commencing on or after 6 April 2008 but ending before 5 April 2009, you should use APB Bulletin 2008/8.
- For UK companies, except those which are charities, with periods commencing on or after 6 April 2008 and ending on or after 5 April 2009, you should use ISA 700 (Revised). There are also further applicable worked examples in APB Bulletin 2009/2.
- For all other UK entities, you will only need to apply ISA 700 (Revised) for accounting periods ending on or after 15 December 2010. Illustrative examples can be found in APB Bulletin 2010/2 (revised).

For the ISAs and APB Bulletins click **here**

BANNERMAN WORDING (UPDATED FOR COMPANIES ACT 2006)

“This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.”



- **Firms Annual Return** – You should ensure that this is completed correctly and submitted to the Institute within the time allowed. It is important that you take the time to check over the information included in the Return as it is a breach of AR 2.10A to provide incorrect or misleading information to the Institute.

This is a fairly regular issue noted on Audit Monitoring visits and, therefore, adequate time should be devoted to completion of the Firms Annual Return, particularly ensuring that you have provided an accurate analysis of the number and types of audit clients you have.

Are there any areas outwith the Regulations which I should consider in my role as ACP?

In your role it is also important to consider all laws and regulations which your firm is required to be in compliance with. We have noted a couple of areas below, however you should be mindful that this is not a complete list and there may be other matters that you should consider depending on the nature and jurisdiction of your firm.

- **Money Laundering Regulations** – The responsibility for compliance with the Money Laundering Regulations rests with the Money Laundering Reporting Officer, however any review of the firm's compliance with laws and regulations should ensure that Money Laundering procedures are up to date and that all staff are appropriately trained in this regard.
- **The Provision of Services Directive** – The Directive has been enacted in the UK as the "Professional Services Regulations" and took effect from 28 December 2009. In respect of audit firms, general contact information is mandatory, however you will likely have this information already displayed on your letterhead, and many of the other requirements will be covered by a typical audit engagement letter.

However, a new requirement is for audit firms to disclose:

- their professional title, and the member state in which the regulated professional title has been given;
- the particulars of the competent authority;
- details of the public register and the firm's register number (the four digit ICAS firm number)

You could display this as a legend on your headed paper, or alternatively on a website.

AR 2.01 now includes the following suggested wording; 'Registered to carry on audit work in the UK and Ireland by The Institute of Chartered Accountants of Scotland. Details about our audit registration can be viewed at www.auditregister.org.uk for the UK and www.cro.ie/auditors for Ireland, under reference number Fxxxx'.

An additional **helpsheet** on this Directive has been issued by the Institute and we would advise that you read this to ensure compliance.

QUALITY CONTROL POLICIES AND PROCEDURES (ISQC1)

What considerations should I make with regards my firm's compliance with Auditing Standards and Quality Control Standards?

AR 3.10 states that you must ensure that your firm complies with the Auditing Standards and with the Quality Control Standards.

International Standard on Quality Control 1 (ISQC1) is the only "quality control standard" currently issued by the APB. An up to date version of this standard can be accessed on the **FRC website**. Some of the requirements in the standard echo some requirements already contained in the Audit Regulations.

It is important to note that ISQC1 was revised in October 2009. It is recommended that you review ISQC1 in full to ensure that your firm has up to date policies and procedures in compliance with the Standard. The following areas are those key to ISQC1:

- **Policies and Procedures** – These should be appropriate to the size of your firm and should be communicated to all partners and staff.
- **Leadership** – Policies and procedures should reflect who has ultimate responsibility for quality control and the principal with operational responsibility should have appropriate experience, ability and authority.
- **Independence and Integrity** – In accordance with ISQC1, the Audit Regulations (ARs 3.01, 3.02 and 3.04), the Code of Ethics and the Ethical Standards, it is of great importance that your firm does not accept an appointment or continue as an auditor if there is any interest that is likely to conflict with the proper conduct of the audit. The firm should identify any threats to independence and implement appropriate safeguards to mitigate these threats.

You should ensure that independence declarations for all partners, staff, consultants and sub-contractors are completed on an annual basis. The firm should then assess the impact of any matters noted and monitor any follow up action.



Whilst some firms have a nominated Ethics partner, this is not always the case. As ACP you should still ensure that you are familiar with the requirements of the Ethical Standards.

- Client Acceptance and Re-appointment: ISQC1 and AR 3.03 require all firms to have appropriate client take-on procedures and appropriate re-appointment procedures for every engagement thereafter. This is to ensure that firms are only accepting engagements where:
 - they have the competence, capabilities, time and resources, to conduct the audit effectively;
 - the relevant ethical requirements can be complied with; and
 - the integrity of the client has been considered, and the firm does not have information that would lead it to conclude that the client lacks integrity.

Whilst the processes will be different from firm to firm, usual procedures that you may require to put in place are:

- client acceptance checklists and re-appointment checklists to be completed for each engagement;
 - anti money laundering identification and due diligence procedures;
 - enquiries of third parties;
 - background searches;
 - professional clearance letters with predecessor firms (this is also covered in the Code of Ethics);
 - consideration of the use of experts for more complex or technical areas;
 - discussion of client acceptance risks with other principals; and
 - ensuring statutory requirements are met.
- **Disengagement procedures:** ISQC1 provides guidance in this area and indicates that the firm should:
 - discuss the issues with those charged with governance;
 - if it is appropriate to withdraw from the engagement, inform those charged with governance;
 - consider any professional, legal or regulatory requirements to report the withdrawal;
 - document significant matters and consultations.

Whilst the Audit Regulations do not specifically spell out disengagement responsibilities, the statutory requirements of the Companies Act 2006 regarding issuing a statement of circumstances are within the scope of AR 3.08. Also remember the cessation notification requests mentioned earlier in this helpsheet.

HUMAN RESOURCES:

Recruitment: whilst in larger firms this responsibility may lie with a different principal or even an HR department, the ACP should still ensure that appropriate procedures are being applied to recruiting audit principals and staff, including obtaining appropriate references.

Assignment of staff to engagement teams: as ACP, you should ensure that there are appropriate procedures in place for allocating the appropriate principals and staff, with the necessary capabilities and competence, to each audit engagement. This also ties back to various requirements in IFAC's International Education Standard 8 (IES8). ICAS issued guidance on IES8 which helps to ensure that you have assessed your staff and principals' audit competence and helps to identify any shortfalls that will need to be remedied via CPD. This guidance can be accessed on the ICAS **website**

Maintaining Competence – AR 3.17, ISQC1 and IES8 state that your firm must make arrangements so that all partners and staff performing audit work are, and continue to be, competent to carry out their role.

Under the requirements of the Regulations, and International Education Standard 8 (IES8), all audit staff must have carried out sufficient audit related CPD during the year, and, therefore, it would be beneficial for you to have oversight of this in order to ensure compliance.

You may wish to pay specific attention to whether your appraisal process is appropriate, whether training covers the range of your clients (including specialist audits) and recent pronouncements (including clarified ISAs) and if you have documented your assessment of which staff are suitable as being involved in significant judgements on the audit (as required by IES8).

It may also be appropriate to consider inactive RIs, where an RI does not have any audit clients, as these individuals are still required to maintain up to date CPD in case they become active.



Engagement Performance – ISQC1 and the Audit Regulations have a number of key requirements in this area:

- You should ensure that your firm is in compliance with AR 3.18 and AR 3.19 Audit Procedures. In order to achieve this you should assess whether:
 - your audit procedures are ISA compliant and up to date;
 - your accounts production procedures and accounts disclosure checklists are up to date;
 - that you use specialised procedures or tailor your procedures for specialist or regulated audit engagements;
 - that your staff have appropriate training in the use of your procedures;
 - that procedures are being adhered to and being used effectively.
- You should also ensure that there is appropriate supervision and review procedures in place on each audit and ensure that your RIs are directing, controlling and reviewing the audit right from the start.

It is the experience of ICAS Audit Monitoring that a lack of adequate audit procedures, or a lack of adherence to the firms procedures results in poor audit quality. It is important that the firms audit procedures (including specialist procedures) are not only ISA compliant, but are kept up to date and used effectively.

- **Consultation** – Policies and procedures should ensure that appropriate consultation takes place on difficult or contentious matters, that sufficient resources are available and that the nature and scope of consultation are documented and conclusions are agreed.
- **Engagement Quality Control Reviews (EQCR)** – this terminology might not be familiar to all, but essentially means an independent partner “hot file review”. All listed audit engagement require to have an EQCR and the scope of the review is covered in detail in ISQC1. For all other audits, firms should introduce policies and procedures which set out criteria against which all audits should be evaluated to determine whether an engagement quality control review should be performed. Often firms decide, on a prudent basis, to have EQCRs for situations such as :
 - high reputation risk clients;
 - highly regulated or complex clients;
 - potential audit report modifications;
 - clients where the previous year audit report was modified/qualified and the firm is proposing to remove the modification.

It is entirely up to the firm (for audits other than listed audits), but as the purpose is risk reduction it is well worth considering the firm’s policies and reviewing the client base very carefully to determine which clients might fall into this category. As well as setting out

which clients should fall into category of needing an EQCR, as ACP you should also ensure that there are appropriate procedures for how to conduct and document such reviews, to ensure consistency across the firm. This requirement applies to all firms, and not just the largest. Sole practitioners may even have riskier clients needing EQCRs – in such cases, an external review will require to be sourced if there are no other RIs in the firm.

- **Engagement Documentation** – You should establish policies and procedures for engagement teams to complete the final assembly of files on a timely basis, safe storage of documentation and appropriate retention of records. AR 3.11 additionally requires retention of audit files for six years.
- **Complaints** – Policies and procedures should be developed to deal with complaints and allegations by clients, third parties or from within the firm. It is a good idea to include in engagement letters who clients can complain to. The procedures within the firm should allocate responsibility for evaluating complaints to a principal who has sufficient experience, competence and authority.

THE AUDIT COMPLIANCE REVIEW (ACR)

Is my firm required to perform an ACR and who is responsible for this?

AR 3.20 states that 'A Registered Auditor must monitor, at least once a year, how effectively it is complying with these Regulations and take action to deal with any issues found and communicate any changes in procedures to principals and employees on a prompt basis'.

All registered audit firms must carry out an ACR, regardless of their size and the responsibility for an effective ACR rests with the ACP, although the Regulations do not stipulate that the ACP has to perform the review. AR 3.21 does, however, require that an ACP discharges his/her function effectively and this will include at least appropriate supervision and control over the ACR function.

The reviewer should have sufficient and appropriate experience and you should consider whether this is someone from within the firm, another registered auditor, the Institute or a specialist organisation. Consideration must be given to each of these options to ensure that your firm gets the most benefit from the review.

It is the experience of ICAS Audit Monitoring that poor quality audit work and a poor ACR process often go hand in hand, which suggests that if the ACR process is carried out effectively then this leads to higher quality audit work.



What does an effective ACR comprise?

In its simplest form, the ACR is made up of two parts. Firstly, there is a whole firm review (WFR), which covers how well your firm's whole firm procedures are complying with the Audit Regulations and ISQC1. The WFR should cover all of the policies and procedures mentioned earlier in this helpsheet (such as independence and integrity, fit and proper status, competence and so on),

The second part of the ACR deals with cold file reviews (CFRs) of completed audit engagements to ensure that the ISAs and your firm's audit procedures have been followed. These reviews take place after the audit report has been signed.

We will consider each of these in turn. (It should be noted that there is significant guidance on carrying out an ACR included within Chapter 2 of the Guidance in the Regulations, and you are advised to read this as a refresher of the requirements).

The whole firm review

The whole firm review is essentially an annual MOT of the way your firm conducts its audit work to ensure continued compliance with the Regulations. However, if this is carried out effectively, it can also add value to the audit practice by either identifying areas for improvement or by confirming that your policies and procedures are adequate. In order to come to either of these conclusions however, the review must be carried out diligently. A half-hearted attempt could miss potentially serious issues, and give a false sense of security.

There are a number of commercially available checklists for firms to use in order to carry out this review and we would recommend that you use such a checklist in order to ensure that all relevant areas of the practice are covered.

Cold file reviews

While completion of the WFR is relatively straightforward, the CFR process will take longer and requires more thought. For example, you will need to consider how many files should be reviewed and which ones should be selected. The timing of the review is also crucial to ensuring that any learning points identified from the reviews can be incorporated before the subsequent year audits are started. However, as noted above, a review must be carried out each year, and therefore it is generally beneficial to have this at the same time each year.

How many files should be reviewed is a matter of judgement; however the guidance in ISQC1 states that each RI should be covered in a three year cycle. While this might be appropriate in a larger firm, many firms are of the view that it is more prudent for each RI to be covered annually.

We would also recommend that you consider the type of clients your firm has when deciding on file selection. We recommend that specialist clients should be selected within the scope of the review (eg a charity, pension scheme, FCA regulated entity etc) and you should also consider whether any of your other clients should be included based on risk.

As noted above, the reviews can be carried out externally or internally, and there are a number of commercially available checklists to ensure that the requirements of the International Standards on Auditing (ISAs) are met.

Where reviews are being carried out internally, it is important that these are sufficiently challenging and focus on the key areas of the audit. It is often a temptation for the cold file reviewer to look at the financial statements and the procedural elements of the audit file, without looking into the quality of the audit work. An example of this would be completing a cold file review checklist, and confirming that there was a planning memo without assessing if it covered all the relevant areas, or noting that a fixed asset lead sheet was on the file, but not identifying that it did not tie in to the signed financial statements and whether all the necessary audit work was conducted.

Therefore, in selecting the reviewers to carry out the reviews, you need to be confident that the reviewers will go beyond the procedural checks of ensuring boxes have been ticked, and that the cold file reviewer has considered whether the requirements of the ISAs have been met and whether the audit report is appropriately supported by documentary evidence on the audit file.

I am a sole practitioner, is there any other guidance in relation to the CFR process?

CFRs are required to be carried out each year. ISQC1 has been rewritten recently, and now prohibits any engagement partner from carrying out the cold file review of their own file. However, it is recognised that sole practitioners and firms with only one RI would incur significant additional expense in implementing this requirement each year, especially given larger firms only need to cover their RIs once every three years. Therefore, the Audit Regulations & Guidance now state that sole practitioners must obtain an external review every three years but can do an internal review in the intervening two years.

Many sole practitioners and small firms prefer, in any case, to have the additional “comfort” of an external review annually given the difficulties of self-review. Using an experienced reviewer who has significant experience of reviewing many other firms often is money well spent and provides firms with the assurance that they are either on the right track or they know exactly what improvements they need to make.



What should happen after the ACR process?

If issues have been identified as part of the review process, then these should be collated and discussed with the relevant partners first. There is also merit in sharing the results of the CFRs with audit staff to ensure that points are addressed on a timely basis. The results of the ACR process should be kept for a minimum of two years to allow assessment of the follow up action, either by the firm or by the Institute's Audit Monitoring team. As a general rule, the starting point for the ACR process should be a review of the previous year's findings to assess what progress has been made against previous findings.

Additional assistance from ICAS and useful references:

- Members with any query in relation to the information held in this helpsheet can contact **Audit Monitoring** by telephone on **0131 347 0284**.
- The ICAS Practice Review Service provides support to registered auditor firms. It offers a variety of services on all aspects of audit regulation, which can be tailored to meet the needs of your firm, and provides standard audit programmes that may be useful for your firm. For more information on any of these services, **contact Linda Laurie on 0131 347 0249 or email llaurie@icas.org.uk**.
- The Audit Monitoring team, on an annual basis, publish an Annual Report detailing key findings from the visits carried out during the year. Around 50 firms are visited each year and this provides a useful summary of the most common weaknesses on audit files, including those of specialist entities. A copy of the 2012 Annual Report can be downloaded **here**
- A full copy of the Audit Regulations can be found on the **ICAS website**

LINKS

Audit News can be accessed **here**

Helpsheets on specialist audits can be accessed **here**

A full copy of the Audit Regulations can be found on the ICAS website **here**



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