

Guidance from the Audit Registration Committee for those applying for RI status

The requirements

Audit Regulation 4.01 states:

Subject to *regulation 4.02* and *regulation 4.05* the *audit compliance principal* may designate as a *responsible individual* any of the *Registered Auditor's principals* or *employees* who:

- a has an *appropriate qualification*;
- b is competent to conduct *audit work*; and
- c is allowed to sign *audit reports* in their name on behalf of the *firm*.

The Audit Registration Committee considers this to mean that an applicant will have recent, relevant and sufficient experience in order to be competent to conduct audit work.

Required skill set

The skills and knowledge required by all audit professionals should include the following:

- best practice in auditing
- International Standards on Auditing (ISAs)
- financial accounting and reporting processes and practices
- other applicable standards and laws (auditing financial reporting, or other laws and regulations)
- information technology systems and frameworks for evaluating controls and assessing risks in accounting systems (note: the training in this area depends on the complexity of the audit engagements allocated to the audit professional), and
- professional skills and professional values, ethics and attitudes.

Each applicant is asked to provide details of their skill set and recent audit experience in the previous 24 months.

Insufficient experience

If the applicant's recent audit experience is not considered to be sufficient by the Audit Registration Committee there are two courses of action that may be adopted:

1 Conditions

Conditions may be placed on the granting of the RI status, such as:

- Initial assignments as an RI are to be subject to a hot file review,
- Further audit training specified by the Audit Registration Committee is undertaken during the forthcoming year, and/or
- An early monitoring visit.

This course of action is more likely if the applicant works in a firm that has an audit registration and where there are already other RIs.

2 Gain further experience before reapplying

The applicant may be asked to withdraw their application and to gain further experience before reapplying. Further experience may be gained by:

- Attendance at audit update courses and/or the ICAS Audit Compliance course for Principals

Audit update courses provided by ICAS or other suppliers will generally be suitable but the Audit Registration Committee will not make specific recommendations

- Mentoring with an auditor/RI
Mentoring would involve working with an auditor in order to learn current audit procedures and practise. ICAS does not have a list of members who act as mentors - any mentoring arrangement would be between the two members without ICAS involvement. The list of Registered Auditors is available at: <http://www.auditregister.org.uk/Forms/Default.aspx>.