



APPENDIX 1

Principles Governing the Timing and Manner of Disclosure of Penalties and Sanctions

The disciplinary procedures of each of the accountancy bodies (“Accountancy Bodies”) listed below are such that they may impose sanctions and/or penalties on registered persons and firms in relation to the conduct of audit work at the conclusion of the disciplinary process. To a varying extent, each Accountancy Body vests discretion in its disciplinary committees to determine the manner and timing of the disclosure of such sanctions and/or penalties to the public. A disciplinary committee (“Disciplinary Committee”) means any disciplinary committee or tribunal (however called) of an Accountancy Body which imposes penalties or sanctions in accordance with disciplinary procedures approved by the Competent Authority for Statutory Audit in the Republic of Ireland and / or the United Kingdom.

Accountancy Bodies

1. The Association of Chartered Certified Accountants
2. The Institute of Chartered Accountants in England and Wales
3. The Institute of Chartered Accountants in Ireland
4. The Institute of Chartered Accountants of Scotland
5. The Institute of Certified Public Accountants in Ireland

The following principles are consistent with and underpin the policies of each of the Accountancy Bodies with regard to the disclosure of disciplinary sanctions and/or penalties, in relation to the conduct of audit work, to the public:

1. Subject to 2 below, the default position is that sanctions and/or penalties imposed by a Disciplinary Committee, including sanctions or penalties imposed with the individual/firm’s consent, will be disclosed to the public.
2. The particulars to be disclosed will include the sanction and/or penalty imposed by the Disciplinary Committee and details in relation to the identity of the individual/firm penalised and/or sanctioned unless the approved procedures vest discretion in the Disciplinary Committee to direct that the identity of the member/firm should not be made available to the public.

A Disciplinary Committee will publish identity unless it considers that disclosure of the identity of the individual/firm (or any other personal data) would:

- be disproportionate;
- jeopardise the stability of the financial markets;
- jeopardise an ongoing criminal investigation;
- cause disproportionate damage to an institution or individual concerned.

Where a Disciplinary Committee exercises its discretion in this manner it will set out in writing the reasons for its decision.

3. Sanctions and/or penalties will be disclosed as soon as practicable provided the Disciplinary Committee has not directed otherwise and the time allowed for appealing the decision of the Disciplinary Committee has elapsed.
4. Disclosure may be by way of one or more of the following:
 - Notice in a professional magazine;
 - Notice in a national or local newspaper;
 - Press release;
 - Inclusion on a public register; or
 - Inclusion on the website of the Accountancy Body.
5. Disclosure of a sanction amounting to the withdrawal of a individual/firm's authorisation for audit will include the name of the member/firm, save where, in exceptional circumstances, the Disciplinary Committee exercises its discretion not to do so in line with 2 above. Where a Disciplinary Committee exercises its discretion in this manner it will set out in writing the reasons for its decision.