



# ***Schedule of Changes to the Joint UK Audit Regulations: 1 October 2024***

## **DETAILED CHANGES**

The amendments are described individually in the table below. A copy of the June 2023 regulations updated for track changes is also available. The amendments are set out in the order in which they arise in the regulations:

<b>Reference</b>	<b>Change and reason for change</b>
Cover page	Updated effective date to 1 October 2024 Updated year of copyright reference to 2024
Introduction	The definition of PIE has been aligned with the FRC definitions used for the PIE Audit Register. Also the ISDX has been updated to its current identity as the AQSE. Reference to the separate guidance chapters has been amended to reflect the deletion of chapter 2 s there is now only one chapter. The role of the UK Endorsement Board in approving standards has been amended. Additional reference has been made to the Audit & Assurance Faculty's Audit & Beyond as a source of technical material.
Chapter 1: Introduction	The definition of PIE has been aligned with the FRC definitions used for the PIE Audit Register. Also the ISDX has been updated to its current identity as the AQSE.
Chapter 1: Transitional arrangements <b>1.04</b>	Amended as appropriate for the current revision of the Audit Regulations – new effective date 1 October 2024 included. Regulations introduced 1 June 2023 no longer in force from 1 October 2024.
Chapter 1: Transitional arrangements <b>1.05</b>	Paragraph has been used to set out the transitional period for complying with the updated rules on majority control which need to be in place by 1 April 2025.
Chapter 1: Notice <b>1.08(b)</b>	Reference to serving notice by fax deleted as technology now outdated.
Chapter 1: Sch 1: Definitions 'Adaptation Period'	Introduced as part of changes to what comprises an appropriate qualification under the Professional Qualifications Act.

Chapter 1: Sch 1: Definitions 'Appeal Committee'	Amended to reflect the operation of appeal panels and recognise the slightly different appeal structure within ICAS.
Chapter 1: Sch 1: Definitions 'Appropriate Qualification'	Amended for the inclusion of adaptation periods and the dual process for qualification recognition under section 1221 of the Companies Act 2006 and the Professional Qualifications Act 2022.
Chapter 1: Sch 1: Definitions 'Audit Affiliate'	Updated for a change in the Charter reference which is amended to 11A. Also updated to reflect the different approach of ICAI.
Chapter 1: Sch 1: Definitions 'Conduct Committee'	A new definition reflecting the new title of the former Investigation Committee within ICAEW and ICAI.
Chapter 1: Sch 1: Definitions 'Disciplinary Body'	A new generic term to cover all the committees, panels and tribunals across the three institutes, enabling the officers' limitation to be only mentioned once.
Chapter 1: Sch 1: Definitions 'Disciplinary Committee'	Amended to reflect that this definition only applies to ICAI and ICAS.
Chapter 1: Sch 1: Definitions 'Investigation Committee'	Amended to reflect that this definition only applies to ICAS and cross-refers to the Conduct Committee definition
Chapter 1: Sch 1: Definitions 'Majority'	A clarification of the interpretation of "majority" in the context of control of a firm by audit qualified persons.
Chapter 1: Sch 1: Definitions 'Professional Qualifications Act'	A new definition explaining the terminology used to refer to various recent legislation setting out the basis for recognition of professional qualifications.
Chapter 1: Sch 1: Definitions 'Public Interest Entity'	The PIE definition has slightly been modified to align with FRC definitions used for the Public Interest Register.
Chapter 1: Sch 1: Definitions 'Registration Committee'	Updated to make clear this is known as the Authorisation Committee in ICAS.
Chapter 1: Sch 1: Definitions 'Third Country Auditor'	Updated to reflect requirements under the Professional Qualifications Act.
Chapter 1: Sch 1: Definitions 'Tribunals Committee'	Amended to reflect the new title of the former Disciplinary Committee within ICAEW.
Chapter 1: Sch 1: Definitions 'voting rights'	Expanded to make clearer the basis upon which the audit ownership tests might be applied within the meaning of paragraph 7 of Schedule 10 to the Companies Act 2006

Chapter 2: 2.02(e)	Amended to reflect the different rules pertaining to affiliates between the three institutes.
Chapter 2: 2.03 (a) and (aa)	Split out to recognise the different approach of ICAI in dealing with affiliates.
Chapter 2: 2.03 guidance	Added wording introduced to make clear that “majority” decision making is based on audit qualified individuals being able to control all major decisions, and this may be greater than 50% in certain circumstances Wording regarding the approach to affiliates amended for the ICAI affiliate rules changes added into three paragraphs. Attention drawn to the merger between ICAI and CPA on 1 September 2024 and the impact on registrations.
Chapter 2: 2.11(d)(4)	Expanded to make clear such overseas registrations include those of the firm as well as the responsible individual.
Chapter 3: 3.10 guidance	Guidance with the quality management standards has been added as an additional source of assistance in applying standards.
Chapter 3: 3.14 guidance	Related to the exchange of working papers the guidance is updated to indicate there continue to be no arrangements with EEA states for equivalence and adequacy as at 31 May 2024.
Chapter 3: 3.17	Regulation regarding CPD augmented to set responsibility on firms to ensure that those they put forward as responsible individuals and the staff they deploy on audit work maintain the appropriate CPD records.
Chapter 3: 3.17 guidance	Guidance expanded to include reference to ICAEW’s revision to requirements around CPD and the introduction of three CPD categories.
Chapter 3: 3.17A, 3.17A guidance	Regulation regarding CPD updated to keep pace with developments within the institutes and align with the approach in the Irish Republic. Additional guidance notes have been added aligning also with the Irish Audit Regulations.
Chapter 3:3.18-20	Guidance notes amended in these three regulations to reflect more clearly the expectations and terminology set out in ISQM1.
Chapter 4 introduction 4.01 guidance	The introduction has been modified to reflect that adaptation periods are now options in the qualification process and secondly to explain the processes for third country qualification recognition set out in the Professional Qualifications Act.
Chapter 4; 4.01 guidance. 4.04 guidance	Attention drawn to the merger between ICAI and CPA on 1 September 2024 and the impact of CPA qualifications.
Chapter 4; 4.02 & 4.02A	Regulations amended to reflect different rules between the institutes relating to the standing of affiliates.

Chapter 4; 4.02 guidance	Note indicating that work undertaken for the adaptation period may count towards the experience of audit work required for 4.02c or 4/02A(d).
Chapter 4; 4.08(f)	Example limited to 7.03 rather than 7.01 as well.
Schedule 1	Amended to incorporate the adaptation period option and indicate there are different types of affiliate pertaining to ICAI.
Chapter 5 Intro	Chapter 5 has been split into two sections to reflect the differing rules pertaining to affiliates of ICAEW and ICAS on one hand and ICAI on the other.
Chapter 5: 5.06(b) and (c)	Reference to individual committees, tribunals and panels removed and replaced with the generic term “disciplinary bodies”
Chapter 6: 6.02(e),(f) and (g)	Paragraphs amended to make clear powers to impose restrictions or conditions relate to responsible individuals as well as firms
Chapter 6: 6.04 guidance	Paragraphs amended to make clear powers to impose restrictions or conditions relate to responsible individuals as well as firms and lie with the committee.
Chapter 6: 6.13 and 6.14 guidance	Clarify that powers of appeal extend to responsible individuals as well as firms.
Chapter 7: 7.01	Words added to make clear Responsible Individuals as well as registered auditors are subject to restrictions and conditions.
Chapter 7: 7.01 guidance	Paragraphs moved from below 7.02A to underneath 7.01 and updated to reflect current practice.
Chapter 7: 7.03	Introduction to regulation amended to make clear the relevant parts of this regulation could apply to a responsible individual as well as their firm.
Chapter 7: 7.03(f)	Reference to individual committees, tribunals and panels removed and replaced with the generic term “disciplinary body”.
Chapter 7: 7.03(f)-(j)	Paragraphs amended to apply to a responsible individual as well as their firm.
Chapter 7: 7.03A	Sentence added to make clear the competent authority’s requirement to withdraw registration applies to responsible individuals as well as firms
Chapter 7: 7.09	Addition of FRC withdrawal notices under regulation 7.03A to list of decisions that have immediate effect.
Chapter 7: 7.10 guidance	Addition of “responsible individual” in third bullet referring to withdrawal of registration
Chapter 7: 7.16 guidance	Examples extended to include shortfalls on CPD records.

Chapter 8: 8.05 & 8.11(b)	Removal of 4.08f from tables as this is covered by the inclusion of 7.03 which is also amended for clarity.
Chapter 9: Introduction	Reference in 4 <sup>th</sup> paragraph to individual committees, tribunals and panels removed and replaced with the generic term “disciplinary body”.
9.05(b)	Wording amended to indicate the discretion is not unlimited but exercisable within the Institute’s sanctions guidelines.
9.07 guidance	Examples extended to include breach of CPD regulations.
Part 2 Chapter 2	Section deleted as ISQM1 sets out the principal areas of guidance.