

Guidelines for Reviewing Audit Monitoring Reports

Issued by The Quality Assurance Committee

Approved by Council: July 21, 2015

Update IFAC SMO 1: Approved by Council: April 5, 2016

Update Approved by Council: October 16, 2018

FIRST VISIT	FOLLOW UP VISIT	FOLLOW UP VISIT
<p>SATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be commended on the quality of audits performed and/or the improvements noted and will be informed that the next visit will take place within six (6) years, if the practicing member does not take any Public Interest Entity (PIE) clients. However, if he/she accepts the audit appointment of any PIE clients, the member will be reviewed in three (3) years. 2. If the practising member was requested to provide an adequate action plan and it is deemed adequate, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted at the next visit 3. If the practising member was requested to provide an adequate action plan and has failed to provide an effective action plan to ICATT: <ul style="list-style-type: none"> • The practising member will be instructed to prepare and submit an effective action plan within fourteen (14) days of the date of receipt of the letter. • When the practising member provides the effective action, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented and that the improvements will be noted at the next visit. • If no plan is received another warning letter will be issued requesting such a plan within seven (7) days of the date of receipt of the letter. 	<p>SATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be commended on the quality of audits performed and/or the improvements noted and will be informed that the next visit will take place within six (6) years, if the practicing member does not take any Public Interest Entity (PIE) clients. However, if he/she accepts the audit appointment of any PIE clients, the member will be reviewed in three (3) years. 2. If the practising member was requested to provide an adequate action plan and it is deemed adequate, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted at the next visit 3. If the practising member failed to provide an adequate action plan to ICATT after the first visit: <ul style="list-style-type: none"> • The practising member will be instructed to prepare and submit an effective action plan within fourteen (14) days of the date of receipt of the letter • When the practising member provides the effective action, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented and that the improvements will be noted at the next visit • If no plan is received a warning letter will be issued requesting such a plan within seven (7) days of the date of receipt of the letter. • The practising member will be mandated to attend a workshop on auditing worth at least six (6) CPD credits prior to the next review being scheduled. 	<p>SATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be commended on the quality of audits performed and/or the improvements noted and will be informed that the next visit will take place within six (6) years, if the practicing member does not take any Public Interest Entity (PIE) clients. However, if he/she accepts the audit appointment of any PIE clients, the member will be reviewed in three (3) years. 2. Where, the practising member failed to provide an adequate action plan to ICATT after the first and second visits: <ul style="list-style-type: none"> • The practising member will be instructed to prepare and submit an effective action plan within fourteen (14) days of the date of receipt of the letter • When the practising member provides the effective action, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented and that the improvements will be noted at the next visit. • If no plan is received a warning letter will be issued requesting such a plan within seven (7) days of the date of receipt of the letter. <p>The practising member will be mandated to attend a workshop on auditing worth at least nine (9) CPD credits prior to the next review being scheduled.</p>

FIRST VISIT	SECOND VISIT	FOLLOW UP VISIT
<p>MARGINALLY UNSATISFACTORY</p> <ol style="list-style-type: none"> The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit which will take place within four (4) years, provided that he/she does not take on any Public Interest Entity (PIE) clients. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in two (2) years. If the practising member provides an effective action plan, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. If the practising member was requested to provide an action plan and has failed to provide an effective action plan, ICATT will issue: <ul style="list-style-type: none"> 1st Warning to the practising member that failure to provide such a plan by the due date will jeopardise the practising member's and its principal(s)' ability to continue auditing in Trinidad and Tobago, and The plan must be submitted within fourteen (14) days of the date of receipt of the letter. If no plan is received another warning letter will be issued requesting such a plan by the new due date advised. The practising member will be mandated to attend a workshop on auditing that is relevant to the deficiencies noted worth at least six (6) CPD credits before the next scheduled review. 	<p>MARGINALLY UNSATISFACTORY</p> <ol style="list-style-type: none"> The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit which will take place within four (4) years, provided that he/she does not take on any Public Interest Entity (PIE) clients. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in two (2) years. If the practising member provides an effective action plan, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. Where, the practising member has again failed to provide an effective action plan, ICATT will issue: <ul style="list-style-type: none"> 2nd warning to the practising member that failure to provide such a plan by the due date will jeopardise the practising member's and its principal(s)' ability to continue auditing in Trinidad and Tobago, and The adequate action plan must be submitted within fourteen (14) days of the date of receipt of the letter. If no plan is received another warning letter will be issued requesting such a plan by the due date, the report will be referred to ICATT's Disciplinary Tribunal. The practising member will be mandated to attend a workshop on auditing worth at least nine (9) CPD credits before the next scheduled review. In exceptional circumstances, if the failure to comply with auditing standards is marginal and the practising member is willing and able to make the necessary improvements and has provided an effective action plan: <ul style="list-style-type: none"> ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. 	<p>MARGINALLY UNSATISFACTORY</p> <ol style="list-style-type: none"> The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit which will take place within four (4) years, provided that he/she does not take on any Public Interest Entity (PIE) clients. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in two (2) years. Where, the practising member failed to provide an adequate action plan to ICATT after the first and second visits: <ul style="list-style-type: none"> 3rd Warning to the practising member that failure to provide such a plan within fourteen (14) days of the date of the letter, will leave ICATT no choice but to reconsider the issue of a Practising Certificate and refer the report to the Disciplinary Tribunal for determination. The practising member will be mandated to attend a workshop on auditing worth at least twelve (12) CPD credits before the next scheduled review. If no improvements are noted by the review, the practising member will be advised that the report will be referred to the Disciplinary Tribunal for determination. If the failure to comply with auditing standards is yet again marginal and the practising member is willing and able to make the necessary improvements and has provided an effective action plan: <ul style="list-style-type: none"> ICATT will approve the action plan and will warn the failure to achieve a satisfactory audit monitoring visit at the time of the next visit, will leave ICATT no choice to immediately refer to the report to Disciplinary Tribunal.

FIRST VISIT	SECOND VISIT	FOLLOW UP VISIT
<p>UNSATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit, which will take place within two (2) years. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in one (1) year. 2. If the practising member provides an effective action plan, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. 3. If the practising member was requested to provide an action plan and has failed to provide an effective action plan, ICATT will issue: <ul style="list-style-type: none"> • 1st Warning to the practising member that failure to provide such a plan by the due date will jeopardise the practising member's and its principal(s)' ability to continue auditing in Trinidad and Tobago, and • The plan must be submitted within fourteen (14) days of the date of receipt of the letter. • If no plan is received another warning letter will be issued requesting such a plan by the new due date advised. 4. The practising member will be mandated to attend a workshop on auditing worth at least nine (9) CPD credits before to the next scheduled review. 5. Where, the practising member has listed or other public interest entity (PIEs) clients such as banks, insurance companies and credit unions and the audit reports of such clients are found to be unsatisfactory with significant deficiencies at the first visit: <ol style="list-style-type: none"> a. The Reviewer will notify ICATT during the review. b. The practising member will be required to provide details on how it intends to rectify the breach (i.e. what safeguards it has put in place to mitigate the independence threats or whether it has withdrawn from the audit appointments where no safeguards are appropriate) together with supporting evidence within three (3) months. 	<p>UNSATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit, which will take place within two (2) years. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in one (1) year. 2. If the practising member provides an effective action plan, ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. 3. Where, the practising member has again failed to provide an effective action plan, ICATT will issue: <ul style="list-style-type: none"> • 2nd warning to the practising member that failure to provide such a plan by the due date will jeopardise the practising member's and its principal(s)' ability to continue auditing in Trinidad and Tobago, and • An adequate action plan must be submitted within fourteen (14) days of the date of receipt of the letter. • If no plan is received another warning letter will be issued requesting such a plan by the due date. The report will also be referred to ICATT's Investigations Committee. 4. The practising member will be mandated to attend a workshop on auditing worth at least twelve (12) CPD credits before the next scheduled review. 5. If serious independence breaches are also found at a subsequent monitoring visit in respect of an audit of a PIE the report will be referred immediately to ICATT's Investigations Committee 6. Where the practising member performed PIE audits and was previously granted permission to continue, prior to commencing any future PIE audits, the practising member will be mandated to attend a workshop worth at least a further nine (9) CPD credit applicable to PIE clients. The training must be completed before the next scheduled review. 	<p>UNSATISFACTORY</p> <ol style="list-style-type: none"> 1. The practising member will be advised that ICATT expects that the necessary improvements will be made by the next visit which will take place within two (2) years. However, if the member accepts the audit appointment of any PIE clients, he/she will be reviewed in one (1) year. 2. Where, the practising member failed to provide an adequate action plan to ICATT after the first and second visits: <ul style="list-style-type: none"> • 3rd Warning to the practising member that failure to provide such a plan within fourteen (14) days of the date of receipt of the letter, will leave ICATT no choice but to reconsider the issue of a Practising Certificate and refer the report to the Disciplinary Tribunal for determination. 3. The practising member will be mandated to attend a workshop on auditing worth at least fifteen (15) CPD credits before to the next review being scheduled. 4. Where for three unsatisfactory reports it was noted that the practising members is willing and able to make the necessary improvements and has provided an effective action plan: <ul style="list-style-type: none"> • ICATT will approve the action plan and will warn that failure to ensure that improvements are made by the next visit will result in the report being immediately referred to the Disciplinary Tribunal. 5. If no improvements, the practising member will be advised that the report will be referred to the Disciplinary Tribunal for determination. 6. Where the practising member received permission to resume audits and subsequently obtained a unsatisfactory outcome from a review and the serious deficiencies noted were in respect of a PIE: <ul style="list-style-type: none"> • The practising member will be requested to resign from all such appointments forthwith and provide evidence thereof.

FIRST VISIT	SECOND VISIT	THIRD VISIT
<p>UNSATISFACTORY CONT'D</p> <ul style="list-style-type: none"> c. The practising member will be advised that it will be suspended from auditing Public Interest Entities (PIEs) until a satisfactory outcome is received. d. If the practising member has failed to provide an effective action plan to ICATT, the Committee will require them to prepare and submit an effective action plan within fourteen (14) days of the date of receipt of the letter. e. Warn the practising member that failure to provide such a plan by the due date will result in the report being referred to the Disciplinary Tribunal for determinations. f. The practising member will be mandated to attend a workshop worth at least a further six (6) CPD credits applicable to PIE clients. The training must be completed prior to the next scheduled review. <p>6. In exceptional circumstances, if the report noted that the practising member is willing and able to make the necessary improvements and has provided an effective action plan:</p> <ul style="list-style-type: none"> • ICATT will approve the action plan and instruct the practising member that it is expected that the plan will be implemented to ensure that improvements are noted by the next visit. 	<p>UNSATISFACTORY CONT'D</p> <ul style="list-style-type: none"> 7. If the report yet again noted that the practising member is willing and able to make the necessary improvements and has provided an effective action plan: <ul style="list-style-type: none"> • ICATT will approve the action plan and will warn the failure to achieve a satisfactory audit monitoring visit at the time of the next visit, will leave ICATT no choice to immediately refer to the report to the Disciplinary Tribunal. 	<p>UNSATISFACTORY CONT'D</p> <ul style="list-style-type: none"> • Report will be referred immediately to ICATT's Disciplinary Tribunal. <p>7. Where the practising member performed PIE audits and was previously granted permission to continue, prior to commencing any future PIE audits, the practising member will be mandated to attend a workshop worth at least a further twelve (12) CPD credits and applicable to PIE client. The training must be completed prior to the next scheduled review.</p>

Failure to achieve the necessary improvements and to obtain a satisfactory outcome after consecutive visits may result in the withdrawal of your practising certificate. Additionally, if firms' action plans are not submitted within the agreed date, in accordance with ICATT's procedures, files will be referred to the Disciplinary Tribunal of ICATT for consideration. Before a decision is taken to refer a file to the Disciplinary Tribunal of ICATT, the Licensing Committee may request a meeting with the member to verify the contents of the report and to determine the way forward on the matter.

Members are asked to note parts 13.4.4 - 13.4.7 of ICATT's 2019 Rules and Regulations.