



Licensing Committee Guideline on Practice Monitoring Programme

INTRODUCTION

The guideline is intended to provide guidance to members in understanding ICATT's Practice Monitoring Programme (based on legislation and the rules and regulations of ICATT). It is particularly useful to those members that are new to practice or contemplating setting up in practice in the future. It acts as a single, helpful point of reference.

Moreover, this guideline has no regulatory status and is issued for guidance purposes only, and in the event of any conflict between the content of this guideline and the ICATT's rules and regulations, the latter shall always take precedence. Therefore, this guideline should not be regarded by a member as a substitute for familiarizing himself or herself with the appropriate rules and regulations or, where necessary, obtaining specific advice concerning a specific situation.

1. REASONS/GOALS OF PRACTICE MONITORING PROGRAMME

The Institute of Chartered Accountants of Trinidad and Tobago (ICATT), through its Licensing Committee, is required to:

- Oversee ICATT'S Practice Monitoring Programme; and
- Review and take appropriate action in respect of each monitoring report.

Practice Monitoring is managed by the Licensing Committee of ICATT to ensure that members engaging in public practice are conducting their practice in accordance with ICATT's 2018 Rules and Regulations, the Code of Ethics and the relevant accounting and auditing standards as adopted by ICATT from time to time. Additionally, Practice Monitoring will promote quality members in public practice and public trust.

The monitoring process focuses on members' compliance with their obligations and the standard of their work.

2. TERMINOLOGY

Practice Monitoring is a form of supervision that focuses on ensuring that a member in Public Practice, whether an individual or firm, is compliant in the aforementioned areas or with the terms and conditions imposed on a member's practising or auditing certificate.

A "Reviewer" may be a member of staff or an appointed agent of ICATT who ensures that a member in public practice is compliant with ICATT's rules and regulations or with the terms and conditions imposed on a member's practising or auditing certificate.

3. PROCEDURE

Monitoring visits are an opportunity for practising members to receive independent guidance on practice and professional matters. All of the reviewers who carry out practice monitoring visits are qualified accountants with significant public practice experience who can therefore offer frank and relevant guidance, as well as carrying out the monitoring function.

The Reviewer on behalf of the Licensing Committee would, from time to time, randomly select members in public practice to perform practice monitoring reviews. In conducting its functions, the Licensing Committee may:

- a) require any Member to appear before it on giving reasonable notice (approximately 14 days);
- b) require any Member to produce, at any reasonable time (approximately 14 days) and place, documents relating to his practice, including working papers relating to his clients;
- c) enter the business premises of any Member on giving reasonable notice in writing (approximately 14 days), and interview any employee or officer of a Member;
- d) appoint any one or more of its members, any officer or any agent of ICATT as its agent or delegate for the purpose of carrying out any of its responsibilities and exercising any of its powers.

Moreover, in discharging their functions, the Licensing Committee may have regard to all relevant matters, including any code of practice (whether relating to the ethical, the technical or any other aspect of practice), and any regulations or guidance related to the exercise of their functions.

Where the reviewer performed their practice monitoring review on a member in practice and:

- a) after a period of 90 days or 3 communicative and negotiatory attempts by the Licensing Committee, there is failure by the certificate holder to respond or agree a remedial course of action in relation to his practice monitoring results; or
- b) there is a persistent failure or serious failings by the certificate holder to adhere to an agreed remedial course of action in relation to his practice monitoring results,

the Licensing Committee could recommend the suspension or withdrawal of the practising or auditing certificates or refer the matter to the Disciplinary Committee for further disciplinary action to be taken.

For the avoidance of doubt, a serious failing means where the reviewer, while conducting a practice monitoring review or quality assurance review, of a member concludes one or more of the following:

- a) that there has been insufficient audit work completed to reach an audit opinion in at least 50 percent of the audit files inspected or the audit opinion is not appropriate based on the evidence obtained;
- b) that there has been insufficient audit work completed to reach an audit opinion in an audit file relating to a public interest entity or a larger client of the firm; or
- c) there has been an act of improper or unprofessional conduct irrespective of the findings on the audit files inspected.

4. POWERS OF THE LICENSING COMMITTEE

If the Licensing Committee, based upon any practice monitoring review or any other relevant information, is of the opinion that a Member's Practising Certificate or Auditing Certificate should be amended or restricted, it shall make reasonable efforts to achieve the following:

- a) To reach agreement with the Member to undertake a recommended remedial course of action in relation to his practice monitoring results that would avoid the need for the imposition of conditions on his certificate; or
- b) To reach agreement with the Member on the conditions to be imposed on his certificate.

Where the Licensing Committee and the Member reach an agreement as described in b) above the Licensing Committee shall issue a new certificate to the Member detailing the conditions imposed.

Where the Licensing Committee fails to achieve either a) or b), it shall refer the matter to the Disciplinary Committee for a decision on the imposition of conditions of the Member's certificate. Also, based on the results of any practice monitoring review or any other relevant information, the Licensing Committee may refer any matter to the Disciplinary Committee where it is of the opinion that a Member's Practising or Auditing Certificate ought to be amended, restricted, suspended or withdrawn.

Before forwarding a matter to the Disciplinary Committee based on the results of practice monitoring reviews, the Licensing Committee shall communicate with the reviewers to further understand the basis for their conclusions, and the additional quality control checks that occurred in relation the certificate holder's practice monitoring visit.

Each request for information or directions from the Licensing Committee is required to be in writing and given to the member personally or sent by post, courier or electronically to the member at his registered address or last known place of business and, when so made and sent, shall be deemed to have been received by the member within seventy-two hours (excluding Saturdays, Sundays, and public holidays) after the time of dispatch.

Any notice or document required to be given to the Licensing Committee may be given by sending it to the registered address of the ICATT.

Where the Licensing Committee decides to refer the member to the Disciplinary Committee, it is required to provide reasons to the member for such a conclusion as soon as it is reasonably practicable by post, courier or electronically to the member at his registered address or last known place of business.

5. REFERRALS TO THE DISCIPLINARY COMMITTEE

In addition to the 5. above, the Licensing Committee may refer a matter to the Disciplinary Committee where:

- a) The Licensing Committee discovers that the holder of a certificate has ceased to be, or never was eligible to be issued with the practising or auditing certificate;
- b) The holder of the practising or auditing certificate so requests;
- c) It appears that any false, inaccurate or misleading information concerning the holder of the certificate, has been supplied to ICATT;
- d) The holder of the certificate has failed to:
 - i. comply with a request for information;
 - ii. co-operate with the Licensing Committee in the exercise of its powers and responsibilities under these regulations;
 - iii. comply with any condition imposed by the Institute pursuant to the Rules; and
- e) The holder of the certificate is not a fit and proper person to hold the certificate in question within the meaning of the Practising Regulations.

6. APPEAL

A member who is aggrieved by the decision of the Licensing Committee has the right to appeal to the Appeal to the Appeals Committee with 30 days of receipt of the reasons for the decision.