



LONG ASSOCIATION OF SENIOR PERSONNEL (INCLUDING PARTNER ROTATION) WITH AN AUDIT CLIENT

Date Approved by Council: July 11, 2017

Effective: December 15, 2017

Overview

The following article has been drafted by the Auditing and Accounting Standards Committee (AASC) based on research material adapted from internet publications. While every effort has been made to ensure the accuracy and reliability of the information contained herein, readers are advised to independently verify any critical data or facts and exercise discretion when relying on this content for decision-making or reference. The AASC Committee and its contributors do not assume any liability for errors, omissions, or consequences that may arise from the use of this information.

Entities that meet the definition of a Public Interest Entity are subject to the rotation requirements in Section 290.149 to 290.152 of the IEBSA Code. Section 290.153 permits an independent Regulator to provide an exemption from partner rotation subject to certain safeguards.

On July 11th , 2017, the Council of ICATT approved the following exemption:

Long Association of Senior Personnel (Including Partner Rotation) with an Audit Client

When a firm has only a few people with the necessary knowledge, industry expertise and experience to serve as a key audit partner on the audit of a public interest entity, rotation of key audit partners may not be an available safeguard. ICATT shall provide an exemption from partner rotation in such circumstances. An individual may therefore remain a key audit partner for more than seven years' subject to the firm or practitioner complying with all of the following minimum safeguards:

1. The key audit partner is subject to periodic review in accordance with ICATT's practice monitoring programme and receives satisfactory results;
2. The audit engagement is subject to an independent external review by a suitably qualified practitioner; and
3. The matter is communicated and agreed with the audit client's decision-makers (e.g. audit committee or Board of Directors as appropriate).

A suitably qualified practitioner is a person who holds an accounting qualification recognized by ICATT and is a practicing member licensed to conduct audits in good standing with ICATT or similar accounting regulator in another jurisdiction. A suitably qualified practitioner in another jurisdiction, but from the same network firm as the key audit partner, is not precluded from conducting the independent external review.

Effective Date

This definition of a Public Interest Entity and the long association for senior personnel exemption shall become effective for audits of financial statements for periods beginning on or after December 15th, 2017.

Please note that the ["Firm Rotation Position Paper"](#) Issued by: The Auditing and Accounting Standards committee Approved by Council: December 14, 2023 serves as an additional resource. Please [click here](#) to access.