ICATT RULES AND REGULATIONS PROJECT

Summary of major changes

Regulatory infrastructure and changes to legislation

- Independent public oversight arrangements should be put in place to review and assess the regulatory activities undertaken by ICATT. This can be achieved by the creation of a public oversight body (POB) under statute and is regarded as best practice where a professional body self regulates its members

- ICATT to become the sole regulator of auditors in Trinidad & Tobago

- Non-members of ICATT cannot be appointed as auditors in Trinidad

- The financial statements of all companies should be required to be audited subject to any exemption considered suitable for small companies

- There should be a requirement for all companies and certain other entities to prepare financial statements in accordance with IFRS

- There should be a requirement for all companies and certain other entities to file financial statements with the Registrar of Companies (transparency and public interest)

- Statutory recognition should be given to the establishment of the Financial Reporting Compliance Board (FRCB) to monitor and enforce the application of IFRS (public interest)

Practising regulations

- Only firms should be licensed to accept audit engagements. A firm may include a sole practice, partnership or company

- Only firms controlled by ICATT members with practising certificates should be licensed to accept audit engagements. This will prevent any unqualified partners from being in a position to influence the integrity
and independence of the firm’s audit work (best practice and IFAC Code of Ethics)

- Additional requirements imposed on practising members and firms such as fitness and propriety, professional indemnity insurance (PII), practice continuity and being subjected to monitoring (best practice and IFAC SMO 1)

- Mandatory compliance with the IFAC Code of Ethics for Professional Accountants, as required by IFAC SMO 4

- Mandatory compliance with IAASB standards and pronouncements in the audit of financial statements (IFAC SMO 3) and the requirement to apply IFRS (IFAC SMO 7) in the preparation of financial statements

**Investigation and discipline mechanism**

- Members of Council should not be involved in ICATT's investigation and disciplinary processes as the Council is responsible for the adoption of the disciplinary regulations and procedures (IFAC SMO 6)

**Disciplinary regulations**

- Includes formal procedures for the investigation committee (SMO6)

- Allows for hearings to be open to public at the discretion of the Disciplinary Committee (best practice)

- Provides for publicity to be given to the orders made by the Disciplinary Committee (best practice)

**Committee regulations**

- Sets out the powers and responsibilities of the Investigation Committee, and panel members appointed by a committee of the Council. Panel members should include accountants and non-accountants

- The members of the Licensing, Disciplinary and Appeal committees should be drawn from the panel

- For each committee, the non-accountants should be in a majority as
The regulations provide for the sharing of information and co-operation with other regulatory bodies and public authorities (best practice and SMO 6).

**Supervision of audit monitoring**

- Mechanism and procedures for the functions of the Licensing Committee

**Licensing regulations**

- Sets out the powers and responsibilities of the Licensing Committee in the issue of practising certificates to members and auditing certificates to firms

- Also sets out the powers of the Licensing Committee to withdraw, suspend or put conditions on, practising and auditing certificates

**Mechanism for monitoring and enforcement of compliance with IFRS**

- Sets out the operating procedures of the FRCB

**Report on monitoring and enforcement of CPD**

- New CPD regulation, requiring 21 hours of verifiable CPD, to apply to all members as recommended by IFAC IES 7 and become a membership requirement

- Report recommends an IFAC IES 7 compliant CPD regulation and includes the framework, guidance and mechanism for monitoring and enforcement