

5.3 Regulations Relating To Members

Audit Qualification

84 Regulations 87 and 88 shall apply to *members* admitted on or after 1 January 1990 who started *approved training as provisional members*:

- (a) before 1 January 1990 but who had not been admitted to membership by 1 January 1996; or
- (b) on or after 1 January 1990.

85 Regulations 87 and 88 shall also apply to *members* admitted before 1 January 1990 who were not *members* immediately before 1 January 1990 and immediately before 1 October 1991.

86 *Members* to whom regulations 87 and 88 apply who wish to undertake audit work as *qualified or responsible individuals* within firm of *registered auditors*, shall obtain prior confirmation from the *Institute* that they hold an appropriate qualification as defined in the Companies Act 2006. Other *members* shall be deemed to hold such appropriate qualification.

87 In order to obtain the confirmation referred to in regulation 86, the *members* concerned must:

- (a) have completed a minimum of 144 weeks of general training and work experience from an environment approved by the *Institute*, of which at least 96 weeks shall have been completed with a firm of statutory auditors under the supervision of appropriately qualified individuals; and
- (b) have completed a minimum of 48 weeks of audit work experience from an environment approved by the *Institute*, of which at least 24 weeks shall have been in statutory audit work as defined in the Companies Act 2006, and the rest either in statutory audit work or in other audit work similar to statutory audit work where the nature of such work conforms with the definition agreed by the *Institute* and the Professional Oversight Board.

88 The *Committee* may, to the extent permitted by the provisions of the Companies Act 2006 and the Professional Oversight Board, vary or waive the requirements of regulation 87 in respect of *members* who are unable to meet them in whole or in part, if the *Committee* in its absolute discretion is satisfied that, in all the circumstances of the case, such relaxation is justified.

Practising Certificate Eligibility

[*Note: The Council's statement on public practice may be found in the Section 6.1*]

89 A *member*, including a member to whom the Regulation Governing Corporate Practice apply, shall be entitled to engage in *public practice* in the *United Kingdom* or any other member state of the *European Community* only if the *member* holds a current *practising certificate*.

90 A *member* shall be eligible to hold a *practising certificate* only if the *member* has satisfied the *Committee* that he:

- (a) has been a *member* for two years;
- (b) is compliant with the requirements of Principal Bye-law 56 - *Continuing Professional Development*;

- (c) understands the Fundamental Principles set out in the Code of Ethics and in particular Fundamental Principle (c);
- (d) has undertaken to comply with the Council's Professional Indemnity Insurance Regulations;
- (e) is a fit and proper person to hold a *practising certificate*;
- (f) has submitted an application in such form as prescribed by the *Committee* including payment of set application fees;
- (g) has passed an aptitude test if relevant.

91 The *Committee* may vary or waive the requirements of regulation 90 in such circumstances as the *Committee* in its absolute discretion considers to be acceptable.

92 A member shall cease to be eligible to hold a practising certificate if he fails to certify his compliance with the provision of Principal Bye-law 56 (requirements for *Continuing Professional Development*) or fails to provide evidence required to demonstrate such compliance when required to do so.

93 A member who ceases to be eligible for a practising certificate by reason of Regulation 92 above shall forthwith return his practising certificate to the Institute.

Advancement to Fellowship

94 An *Associate* may apply to become a *Fellow* of the *Institute* pursuant to clause 7(b) of the *Supplemental Charter*, provided such *Associate* has been a *member* for a continuous period of not less than ten years. The *Committee* may require such *Associate* to provide such additional information and evidence as it sees fit including evidence as to *Continuing Professional Development (CPD)* as appropriate which the said *Associate* has undertaken, and of any disciplinary findings or orders against the said *Associate* or of any disciplinary proceedings outstanding, and a failure without reasonable cause to provide such information or evidence may be a ground for refusing the application.

95 The *Committee* may in its absolute discretion vary or waive the requirements of regulation 94 in respect of an *Associate* whose period of *membership* of the *Institute*, commencing on or after 1 July 1978, has not been continuous but in aggregate has not been less than ten years, if the *Committee* is satisfied, in all the circumstances of the case, of the *Associate's* fitness to become a *Fellow*.

Continuing Professional Development

[These CPD regulations were made by Council on 8 June 2005 and came into force on 1 July 2005.]

96 Members shall co-operate with the Institute, its staff and any *Committee* carrying out functions under Principal Bye law 56¹ (*Continuing Professional Development*).

¹ Principal Bye law 56 states-Except as may be provided in regulations a member shall
(a) keep under review his needs for training and development having regard to the professional and other work he undertakes;
(b) where such a review identifies a specific need for training or development act promptly to meet such need; and
(c) certify annually to the Institute compliance with these provisions and, if requested by the Institute, provide such evidence of compliance as may be required.

97 Members shall supply any information requested under Principal Bye-Law 56 (whether in the Annual Members Profile or otherwise) promptly and in accordance with the terms specified. Information includes any evidence requested to demonstrate compliance with Continuing Professional Development. Such evidence may include records, documents and other information whether in hard copy or electronic form.

98 Where the Institute has any issues or concerns relating to compliance with Principal Bye law 56 these will be notified in writing to the member. The member shall, within 15 business days of receipt of such notification (or such longer period as may be allowed), provide a response in writing addressing such issues or concerns.

99 If a member is a CPD exempt member (as defined in these regulations) paragraphs (a) and (b) of Principal Bye-law 56 do not apply.

100 Members shall complete a certificate relating to compliance with Principal Bye-law 56 (whether included in the Annual Members' Profile or as otherwise directed by the *Committee*).

101 Where a member makes a complaint about the conduct of Institute staff responsible for administering the Continuing Professional Development arrangements and remains dissatisfied notwithstanding an explanation, the *Committee* shall appoint one of its members to review the complaint. The appointed *Committee* member shall consider written or oral representations from those concerned and all documents he considers relevant. He may make such enquiries as he deems appropriate and shall then report to the *Committee*.

102 The *Committee* may in exceptional cases accept CPD compliance with an approved overseas body as meeting the requirements of Principal Bye-law 56.

Interpretation

103 In these CPD regulations unless the context otherwise requires or express reference is made, words and phrases in these regulations have the same meaning as in the Principal and Disciplinary Bye laws. Furthermore:

'*Annual Members' Profile*' means the questionnaire or similar document sent to members by the Institute requesting information under the Regulations Governing the Information to be Supplied by Members;

'*business days*' means normal working days excluding Saturdays, Sundays, Public and Bank holidays;

'*Committee*' means the committee appointed by Council for the purposes of the supervision of continuing professional development under Principal Bye law 56;

'*CPD exempt member*' means a member who—

(a) provides no accountancy service (with or without reward); and

(b) provides no other service for reward; and

(c) does not act as a trustee, director of a body corporate or in any other capacity which carries with it an equivalent level of legal or financial responsibility; and

(d) has no intention of providing the services in (a), (b) or (c) of this paragraph in the future.

'work' means–

- (a) the provision of any accountancy service as defined in the Council Statement on Public Practice² (with or without reward);
- (b) the provision of any other service for reward;
- (c) acting as a trustee, director of a body corporate or in any other capacity which carries with it an equivalent level of legal or financial responsibility.

² Extract Council Statement on Public Practice Section 6.2. 'Accountancy services include preparing or advising upon accounts or financial information, auditing and financial reporting, insolvency, taxation and financial (or management) consultancy but in the case of consultancy work only where the principal consultancy activity is accountancy related.'