Guidance on Procedures for Changes in Professional Appointments

October 2020

Incoming members in public practice

1. In the majority of cases, the appropriate procedures for any member who is invited to act in succession to another, whether the changeover is at the insistence of the client or of the existing accountant, is to:

- Explain to the prospective client that there is a professional duty to communicate with the existing accountant; and
- Request the client to confirm the proposed change in accountant to the existing accountant and to authorise the existing accountant to co-operate with the incoming accountant; and
- Write to the existing accountant regarding the prospective involvement with the client and request disclosure of any issue or circumstance which might be relevant to his/her decision to accept or decline the appointment (making an oral enquiry if no written reply is forthcoming).

2. When these procedural steps have been taken, the member shall consider, in light of the information received from the existing accountant, or any other factors, including conclusions reached following discussion with the client, whether:

- To accept the engagement, or
- Accept it only after having addressed any factors arising from the information received from the existing accountant, or
- Decline it.

3. The member shall ordinarily treat in confidence any information provided by the existing accountant, unless it is needed to be disclosed to perform the role required (such as making investigations into matters which need the perspective of the client's officers or senior employees).

4. In circumstances where the enquiries referred to above are not answered, the member shall write to the existing accountant by recorded delivery stating an intention to accept the engagement in the absence of a reply within a specific and reasonable period. The member is entitled to assume that the existing accountant's silence implies there are no issues or circumstance he/she should be aware of, although this does not obviate the requirements in section 320 to consider all appropriate circumstances.

5. A member who is nominated as a joint auditor shall communicate with all existing auditors and be guided by similar principles to those set out in relation to nomination as an auditor.
Where it is proposed that a joint audit appointment becomes a sole appointment, the surviving auditor shall communicate formally with the other joint auditor as though for a new appointment.

6. A member invited to accept nomination on the death of a sole practitioner shall endeavour to obtain such information as may be needed from the latter's continuity of practice arrangement (where appropriate), the administrators of the estate, or other source.

7. If a member accepts an audit engagement, the member shall comply with the requirements as indicated in paragraph 15 below and

i. ISQC (Ireland)1 **Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Related Services Engagements**
ii. ISA (Ireland) 240 **The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements**
iii. ISA (Ireland) 250A Consideration of Laws and Regulations in an Audit of Financial Statements
iv. ISA (Ireland) 250B **The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector**
v. ISA (Ireland) 510 **Initial Engagements - Opening Balances**

8 Where a member decides to accept nomination/appointment having been given notice of any matters which are the subject of contention between the existing accountant and the client, the member shall be prepared, if requested to do so, to demonstrate to CPA Ireland and regulatory investigating authorities that proper consideration has been given to those matters and the relevant legal, regulatory and ethical requirements have been met.

Existing accountants

9. The appropriate procedure for any accountant who receives any communication in terms of the above paragraphs, whether or not the accountant is still in office, is to:

- Comply with section 320.11 of this code;
- Answer promptly any communication from the potential successor about the client's affairs; and
- Confirm whether there are any matters about those affairs which the incoming accountant ought to know, explaining them meaningfully, or confirm there are no such matters.

10. If the existing accountant has made one or more suspicious transaction reports (STR) relating to money laundering and terrorist financing, the existing accountant shall not disclose that fact to the prospective accountant or make other disclosures that could amount to prejudicing an investigation. The existing accountant shall take care not to prejudice an investigation.

11. Professional accountants, ceasing to hold the office of auditor, have legal responsibilities, where applicable, to prepare a statement of circumstances in accordance Section 400 of the Companies Act 2014 (ROI). of circumstances connected with ceasing to hold office which, the auditor believes, shall be brought to the notice of the members or creditors of the client .

12. It is best practice for the incoming member in public practice and the existing accountant to communicate in writing such discussions as are referred to in the paragraphs above. If oral discussions take place, each party shall make and retain their own records of matters discussed, decisions and agreements made.

Anti-money Laundering procedures for Customer Due Diligence and Client Identification

13. Members who are designated persons in accordance the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 to 2018 shall take reasonable measures to establish the identity of new clients (both personal and corporate). Attention is drawn to additional Anti-Money Laundering Guidance on the procedures for "customer due diligence" and "client identification" as prepared by the Consultative Committee of Accountancy Bodies in Ireland (CCAB-I). Please refer to the **Technical-Release-01-2019-Anti-Money-Laundering-Guidance-Republic-of-Ireland**.