

SCHEDULES

SCHEDULE 11

RECOGNITION OF SUPERVISORY BODY

PART II

REQUIREMENTS FOR RECOGNITION

Professional integrity and independence

- 7.—(1) The body must have adequate rules and practices designed to ensure—
- (a) that company audit work is conducted properly and with integrity, and
 - (b) that persons are not appointed company auditor in circumstances in which they have any interest likely to conflict with the proper conduct of the audit.
- (2) The body must also have adequate rules and practices designed to ensure that no firm is eligible under its rules for appointment as a company auditor unless the firm has arrangements to prevent—
- (a) individuals who do not hold an appropriate qualification, and
 - (b) persons who are not members of the firm,
- from being able to exert any influence over the way in which an audit is conducted in circumstances in which that influence would be likely to affect the independence or integrity of the audit.