

SCHEDULE 1

Requirements for professional ethics, independence, objectivity, confidentiality, auditing standards and audit reporting

15.—(1) Standards must ensure that, in the case of a statutory audit of the consolidated accounts of a group of undertakings—

- (a) the group auditor bears full responsibility for the audit report,
- (b) where applicable, the group auditor bears full responsibility for ensuring the requirements of Articles 10 and 11 of the Audit Regulation are met,
- (c) the group auditor—
 - (i) evaluates and reviews the audit work carried out by any statutory auditors, EEA auditors or third country auditors for the purpose of the group audit, and
 - (ii) documents the nature, timing and extent of the work so carried out, including, where applicable, the group auditor's review of the relevant parts of the audit documentation,
- (d) any documentation retained by the group auditor is such as to enable the competent authority (or, where appropriate, the recognised supervisory body of which the group auditor is a member) to review the work of the group auditor,
- (e) for the purposes of the group auditor's review mentioned in sub-paragraph (1)(c)(i), the group auditor—
 - (i) requests the agreement of the statutory auditor, EEA auditor or third country auditor to the transfer of relevant documentation during the conduct of the audit of consolidated financial statements as a condition of the group auditor relying on the work of the statutory auditor, EEA auditor or third country auditor, and
 - (ii) if unable to request or secure the agreement mentioned in sub-paragraph (1)(e)(i), takes appropriate measures (including carrying out additional statutory audit work directly or outsourcing such work) and informs the competent authority (or where appropriate, the recognised supervisory body of which the group auditor is a member),

(2) Standards must ensure that a group auditor, who is subject to a quality assurance review or an investigation concerning the statutory audit of the consolidated financial statements of a group of undertakings—

- (a) complies with any request by the competent authority for relevant documentation retained by the group auditor and concerning the audit work performed by the respective statutory auditors, EEA auditors or third country auditors for the purposes of the group audit (including any working papers relevant to the group audit);
- (b) in cases where the competent authority is unable to obtain documentation from the relevant competent authorities of a third country, complies with any request for additional documentation relating to audit work performed by third country auditors for the purposes of the group audit (including working papers relevant to the group audit);
- (c) in order to comply with any request under sub-paragraph (2)(b), the group auditor—
 - (i) retains copies of such documentation,
 - (ii) obtains the agreement of third country auditors to the group auditor having unrestricted access to such documentation on request,

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- (iii) retains documentation to show that the group auditor has undertaken the appropriate procedures in order to gain access to the audit documentation and evidence supporting the existence of any impediments to access, or
- (iv) takes any other appropriate action.