

2020

Enforcement

**Sanctions  
Guidance  
Consultation**

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## Mission

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

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## Summary

The purpose of this consultation paper is to obtain the views of stakeholders with regard to IAASA's proposal to issue sanctions guidance for use by Committees or decision makers in reaching decisions on sanction and /or on settlement agreements.

## Background

IAASA was established by the Companies (Auditing and Accounting) Act 2003 ('the 2003 Act'). The Companies Act 2014 consolidated Irish company legislation into a single Act. IAASA's powers of investigation under section 24 of the 2003 Act are continued by section 934 ('S934') of the Act. In 2018, the Companies Act 2014 was amended by the Companies (Statutory Audits) Act 2018. The amendments included a number of substantive changes to the provisions relating to the conduct of investigations/enquiries by IAASA under section 934 and section 933 respectively.

This consultation concerns providing guidance to committees and/or a decision maker when considering the sanction options available to committees of Investigation or Enquiry or for the purposes of reaching a settlement agreement.

## Overview

IAASA is consulting on draft sanctions guidance for use by people involved, or with an interest, in IAASA's Companies Act section 934 Investigations or section 933 Enquiries.

This guidance is the document committees would use to help with their decision-making. The document will also be considered by a decision maker when reaching a decision on settlement.

The Authority seeks your views on the guidance, its structure, and content. There are specific questions for you to answer. Your answers are really important and will help the Authority to develop and produce final guidance on sanction.

Committees reach their own conclusions about the evidence they hear. However, it is important that the decisions they make uphold confidence in the regulatory process for audit and accounting professionals, protect the public, and maintain and uphold professional standards.

The guidance should improve consistency, and lead to greater transparency of committee decisions about sanctions. This will be to the benefit of everyone involved in and affected by the process.

It is important to emphasise that committees are independent. It is also important to stress that, although this guidance will be used by the committees, they do not have to follow it. The guidance is not designed to affect their ability to make independent decisions.

The Authority intends the guidance to be accessible and understandable for all the stakeholders and participants in investigation and or enquiry proceedings.

## Matters on which IAASA is consulting

The Authority is particularly interested in your views on the following points, although we welcome comments on any issues that you wish to raise in relation to the draft sanctions guidance.

1. Do you think the structure of the document is clear and accessible?

If you think it is unclear, please let us know areas that can be improved.

2. Do you think the guidance is useful in helping you to understand:

a. the sanctions available?

b. how a committee decides upon a sanction?

3. Do you think the content represents a fair summation of the matters a committee or decision maker should consider in assessing the appropriate sanction?

4. Do you have any comments on how the draft guidance could be improved?

## Making your submission

IAASA invites comments on all aspects of the sanctions guidance. Stakeholders and interested parties are invited to provide responses to the above questions by e-mail only to **submissions@iaasa.ie no later than 11 December 2020**. Any anonymous submissions will not be considered.

Comments are most helpful if they:

(a) respond directly to the specific question posed;

(b) provide a clear rationale for the position adopted by the respondent; and

(c) describe in detail any alternative or additional consideration(s) you wish IAASA to consider.

All responses from identifiable individuals and organisations received by the deadline will be considered by IAASA. Depending on the nature and scale of responses, IAASA may publish a feedback statement summarising the content of the responses. Respondents should note that, in the interest of transparency, their responses may be published in full or in part (and may be attributed to the Respondent) by IAASA in that feedback statement.



**Irish Auditing & Accounting  
Supervisory Authority**

Willow House  
Millennium Park  
Naas, Co. Kildare  
W91 C6KT  
Ireland

Phone: +353 (0) 45 983 600  
Email: [info@iaasa.ie](mailto:info@iaasa.ie)

**[www.iaasa.ie](http://www.iaasa.ie)**