

Chapter 15

Disqualification of auditors and actuaries

15.1 Introduction

15.1.1

Auditors and *actuaries* fulfil a vital role in the management and conduct of *firms*, *AUTs* and *ACs*. Provisions of the *Act*, *rules* made under the *Act* and the *OEIC Regulations 2000* impose various duties on auditors and *actuaries*. These duties and the *FCA's* power to disqualify auditors and *actuaries* if they breach them assist the *FCA* in pursuing its *statutory objectives*. The *FCA's* power to disqualify auditors in breach of duties imposed by *trust scheme rules* or *contractual scheme rules* also assists the *FCA* to achieve these *statutory objectives* by ensuring that auditors fulfil the duties imposed on them by these *rules*.

15.1.2

The *FCA* also has the power under section 345 to impose a financial penalty and a *public censure* on an auditor or *actuary* in respect of a failure to comply with a duty imposed on the auditor or *actuary* by rules made by the *FCA*, or a failure to comply with a duty imposed under the *Act* to communicate information to the *FCA*. The *FCA* has the power under section 249 to impose a financial penalty and a *public censure* on an auditor in respect of a failure to comply with a duty imposed on him by *trust scheme rules*. The *FCA's* statement of policy in relation to the imposition of financial penalties is set out in ■ DEPP 6.2 (Deciding whether to take action) and ■ DEPP 6.4 (Financial penalty or *public censure*). The *FCA's* statement of policy in relation to determining the amount of a financial penalty is set out in ■ DEPP 6.5 to ■ DEPP 6.5D.