3.6 Firms' cooperation with their auditors

3.6.1 A firm must cooperate with its auditor in the discharge of his duties under this chapter.

Auditor's access to accounting records

3.6.2 In complying with §SUP 3.6.1 R, a firm should give a right of access at all times to the firm's accounting and other records, in whatever form they are held, and documents relating to its business. A firm should allow its auditor to copy documents or other material on the premises of the firm and to remove copies or hold them elsewhere, or give him such copies on request.

3.6.3 Section 341 of the Act (Access to books etc.) provides that an auditor of a firm appointed under §SUP 3.3.2 R:

1. has a right of access at all times to the firm’s books, accounts and vouchers; and

2. is entitled to require from the firm’s officers such information and explanations as he reasonably considers necessary for the performance of his duties as auditor.

3.6.4 Section 389A of the Companies Act 1985 where applicable, otherwise sections 499 and 500 of the Companies Act 2006, section 79 of the Building Societies Act 1986 and section 75 of the Friendly Societies Act 1992 give similar rights to auditors of companies, building societies and friendly societies respectively.

3.6.5 Section 413 (Protected items), under which no person may be required under the Act to produce, disclose or permit the inspection of protected items, is relevant to §SUP 3.6.1 R and §SUP 3.6.3 G.

Access and cooperation: appointed representatives, material outsourcing, employees

3.6.6 In complying with §SUP 3.6.1 R, a firm should take reasonable steps to ensure that each of its appointed representatives or, where applicable, tied agents gives the firm's auditor the same rights of access to the books, accounts and vouchers of the appointed representative or tied agent and entitlement to information and explanations from the appointed representative's or tied
agent's officers as are given in respect of the firm by section 341 of the Act (see also SUP 12.5.5 R (3)).

3.6.7 In complying with SUP 3.6.1 R, a firm should take reasonable steps to ensure that each of its suppliers under a material outsourcing arrangement gives the firm's auditor the same rights of access to the books, accounts and vouchers of the firm held by the supplier, and entitlement to information and explanations from the supplier's officers as are given in respect of the firm by section 341 of the Act.

3.6.8 In complying with SUP 3.6.1 R, a firm should take reasonable steps to ensure that all its employees cooperate with its auditor in the discharge of his duties under this chapter.

Provision of false or misleading information to auditors

3.6.9 Firms and their officers, managers and controllers are reminded that, under section 346 of the Act (Provision of false or misleading information to auditor or actuary), knowingly or recklessly giving false information to an auditor appointed under SUP 3.3.2 R constitutes an offence in certain circumstances, which could render them liable to prosecution. This applies even when an auditor is also appointed under an obligation in another enactment.