**Fit and proper form for an individual**

**Annual Statement of independence and confidentiality and confirmation of fit and proper status**

Name: ................................................

Generally, professional bodies audit regulations require the firm to obtain confirmation from all principals, staff, sub-contractors and consultants involved in audits that they:

1. are independent
2. will adhere to the rules of confidentiality
3. are fit and proper individuals.

In the UK, Part V of the Criminal Justice Act 1993 also requires confirmation from all principals, staff, sub-contractors and consultants that they understand and will comply with the restrictions against insider dealing.

Please complete this form (choosing the correct answer by clicking on the grey boxes), sign it and return it to insert name by insert date at the latest.

Please let the partner know if you have any questions. You will be asked to renew this statement every year. In the meantime, any changes must immediately be notified to the principal in charge of compliance.

**A Independence**

In accordance with the policies of this firm, all partners, professional staff and others involved in or otherwise connected with professional work must complete and sign a statement of independence as a condition of employment.

**1** Do you have any beneficial interest\* in any client of the firm?

Where the answer is ‘yes’, please list below the investments held.

     

**2** Do you hold voting rights in any other firm?

If ‘yes’, give details.

**3** Have you been employed by any client of the firm during the  
last two years?

If ‘yes’, give details.

**4** Are you intending to join, or are currently in substantive negotiations   
with a view to joining, any client?

If ‘yes’, give details.

**5** Have you accepted any material goods or services on favourable

terms, or received undue hospitality, from any client?

If ‘yes’, give details.

1. Do you act as a trustee, cheque signatory or in any management

or shadow management role for any audit client, or do you have any   
personal or family connections with any client?

If ‘yes’, give details.

\*Beneficial interest includes ownership of shares by yourself or a closely connected person. The ownership may be direct or indirect (eg as beneficiary of a trust).

The following will normally be regarded as being closely connected with a person:

(a) their spouse or cohabitee, except in the case of a spouse from whom the person is separated, or a shareholding of a spouse or cohabitee of whose financial affairs the person has been denied knowledge

(b) their minor children, including step-children

(c) a company in which they have a 20% or more interest.

In all considerations of the independence of a person or firm, regard must be given to the substance of a relationship. The above list is not, therefore, exhaustive.

**B Other entities**

**Cooperative and community benefit societies and friendly societies**

The Co-operative and Community Benefit Societies Act 2014 and the Friendly Societies Act 1974 preclude a firm from acting as auditor for a society where it employs an officer or servant of the society. The following is a list of all such societies acted for by the practice. Please sign below to confirm that you do not act as an officer or servant (employee) of any of these societies, whether on a paid or unpaid basis. This means in any capacity, whether on the financial side or otherwise.

*Name of society:* insert names of societies acted for by the firm

I confirm that I am not employed by, nor am I an officer of, any of the above societies.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Solicitors**

We are required to consider whether any staff or partners have used the services of any of our solicitor clients.

A list of our solicitor clients is attached.

I can confirm that I have used the services of the following solicitors:

insert name of solicitor insert nature of service

insert name of solicitor insert nature of service

insert name of solicitor insert nature of service

insert name of solicitor insert nature of service

**NB where none, please state this.**

**C Insider dealing**

You must be aware of the statutory provisions against insider dealing. These are listed in Part V of the Criminal Justice Act 1993. In summary, you must not buy or sell shares when you have unpublished information about the company that is likely to be price sensitive. You must also not advise anybody else to buy or sell shares when you hold such information.

**D Confidentiality**

In accordance with the policy of the firm, all principals, staff, sub-contractors and consultants involved in or connected with audit work must complete and sign a statement of confidentiality as a condition of employment. Your attention is drawn to the need for confidentiality on all audit assignments, in particular:

1. working papers must always be kept secure so that unauthorised access is not gained by either the client’s staff or third parties
2. the firm’s procedures should not be disclosed to third parties without proper approval from the principal in charge
3. information about the client should not be disclosed to either the client’s staff or third parties without proper approval from the principal in charge or the client.

Breach of the rules regarding confidential information will be considered as gross misconduct and, normally, subject to investigation, will result in instant dismissal, and, in certain circumstances, legal action.

**F ‘Fit-and-proper’ status**

***Financial integrity and reliability***

**1** In the last 10 years, has a court, in the United Kingdom or  
elsewhere, given any judgment against you about a debt?

**2** In the last 10 years, have you made any compromise arrangement   
with your creditors?

**3** Have you ever been declared bankrupt or been the subject of a   
bankruptcy court order in the United Kingdom or elsewhere,   
or has a bankruptcy petition ever been served on you?

**4** Have you ever signed a trust deed for a creditor, made an   
assignment for the benefit of creditors, or made any arrangements   
for the payment of a composition to creditors?

***Convictions or civil liabilities***

*NB There is no need to mention any offences committed before the age of 17 (unless committed within the last 10 years) and road traffic offences that did not lead to a disqualification or prison sentence.*

**5** Have you at any time pleaded guilty to or been found   
guilty of any offence? If so, give details, at the end of this form,   
of the court that convicted you, the offence, the penalty   
imposed and date of conviction.

     

**6** In the last five years have you, in the United Kingdom or elsewhere,   
been the subject of any civil action relating to your professional or  
business activities, which has resulted in a finding against you by a   
court or a settlement being agreed?

**7** Have you ever been disqualified by a court from being a director,   
or from acting in the management or conduct of the affairs of any   
company?

***Good reputation and character***

**8** Have you, in the United Kingdom or elsewhere, ever been:

refused the right or been restricted in the right to carry on any   
trade, business or profession for which a specific licence,   
registration or other authority is required?

investigated about allegations of misconduct or malpractice in   
connection with your professional activities, which resulted   
in a formal complaint being proved but no disciplinary   
order being made?

the subject of disciplinary procedures by a professional body or   
employer resulting in a finding against you?

reprimanded, excluded, disciplined or publicly criticised by any   
professional body that you belong or have belonged to?

refused entry to or excluded from membership of any profession  
or vocation?

dismissed from any office (other than as auditor) or employment, or

requested to resign from any office, employment or partnership?

reprimanded, warned about future conduct, disciplined or   
publicly criticised by any regulatory body, or any officially   
appointed enquiry concerned with the regulation of a financial, professional   
or other business activity?

the subject of a court order at the instigation of any regulatory   
body, or any officially appointed enquiry concerned with the   
regulation of a financial, professional or other business activity?

**9** Are you currently undergoing any investigation or disciplinary   
procedure as described in 8 above?

Please detail below the circumstances surrounding any ‘yes’ answer.

**G Confirmation**

I have read and understood the restrictions on insider dealing and am aware of the need to avoid any conflict with clients’ interests.

I am aware of the need to keep clients’ affairs confidential.

I am aware of the firm’s audit procedures as set out in the ISQC1 policy statement and confirm that I understand and comply with the contents of the statement.

I am aware of any changes to the documentation and procedures, and will comply with these changes.

I am aware of the firm’s money laundering procedures and am not aware of any suspicion that has not been notified to the money laundering reporting officer.

I am aware of the firm’s anti-bribery policy and have not offered or received any bribes.

I am not aware of any actual or potential claims against the practice that have not already been notified to the principal in charge of compliance.

I am aware of the rules on investment business and can confirm that I am not aware of any breaches.

I have answered the questions above truthfully and honestly, to the best of my knowledge and belief. Should any of the circumstances above change, I shall inform the principal in charge of compliance immediately.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_

**H Review**

I have considered the answers given on the statement of independence and confidentiality and confirmation of fit-and-proper status. I am satisfied that the above person is eligible to carry out audit work for this firm.

Insert details below of the reasoning behind the above statement where the answer to any of the above questions is ‘yes’

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_

Principal in charge of compliance