

Process for applying to the High Court for the dismissal of a statutory auditor/audit firm

1. Section 511A of the Companies Act 2006 provides that, in the case of a statutory audit of a public-interest entity, it shall be permissible for the Competent Authority to apply to the High Court for the dismissal of the statutory auditor(s) or the audit firm(s) where there are proper grounds to do so.
2. This Process Note gives applicants guidance on the process the FRC will follow.
3. The FRC will keep this Process Note under review and will update it as appropriate.

Decision-making process

4. The FRC may seek to exercise this power in response to information received from members of the public, other statutory and non-statutory bodies, or of its own motion.
5. A decision to exercise this power would be taken by the Conduct Committee.
6. Any applications for the FRC to exercise this power must be provided in writing and must set out detailed reasons in support of the request.
7. The Conduct Committee will take into account all available information and may seek further information where it considers it necessary.
8. The Conduct Committee will, if necessary, seek submissions from the public-interest entity and the statutory auditor/audit firm in question before deciding whether to make an application to the court.
9. In deciding whether to make an application to the court, the Conduct Committee will consider the best interests of the shareholders and stakeholders of the entity, as well as the wider public interest.
10. The FRC will notify the public-interest entity and its statutory auditor/audit firm of its intention to make an application to the court before doing so, unless there are compelling reasons to make the application without notice.

Approved by the Board with effect from 17 June 2016