



Financial Reporting Council

FRC Tribunal and Appeal Panel Terms of Appointment

September
2022

Tribunal and Appeal Panel Terms of Appointment

Appointments to the Panel

1. The People Committee shall from time to time appoint not less than 4 individuals (all of whom shall be independent of the FRC Board) to form an appointment committee to appoint individuals (having the appropriate qualifications and experience to sit on a Tribunal) to be members of the combined Tribunal and Appeal Tribunal Panel ("the Panel").
2. The persons who may be appointed to the Panel shall include, but not be limited to, persons having legal and auditing expertise and experience.
3. No member of the Panel shall be:
 - a) a member of the FRC Board;
 - b) a serving officer of any of the Recognised Supervisory Bodies;
 - c) a current employee, director, officer or other appointee of the FRC, or of any subsidiary company of the FRC; or
 - d) a practising auditor or an individual who has during the previous 3 years (or 1 year in the case of a person appointed solely to be appointed to the PIE Registration Tribunal Panel):
 - i. carried out statutory audits;
 - ii. held voting rights in an auditing firm;
 - iii. been a member of an administrative management or supervisory body of an audit firm;
 - iv. been a partner, employee, or otherwise contracted by an audit firm; or
 - v. been an employee, member, director or officer of the FRC, any subsidiary company of the FRC or any Recognised Supervisory Bodies.
4. Members appointed to the Panel will be appointed for terms of up to 3 years and may be reappointed.
5. No member is entitled to hold office for more than three terms.

Appointment from the Panel

6. An Independent Reviewer, Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal shall be appointed from the Panel by the Convener who shall be appointed by the FRC's Appointment Committee.

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7. A Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal shall comprise three or five persons.
 8. An Independent Reviewer and the Chair of the Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal must be a lawyer (a current or former member of the judiciary, a barrister, an advocate or a solicitor).
 9. A three-person Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal must comprise, in addition to the Chair:
 - a) a person who is neither a lawyer nor an individual with audit experience; and
 - b) in the case of a Tribunal or Appeal Tribunal, an individual with audit experience.
 10. A five-person Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal must include, in addition to a Chair:
 - a) at least one person who is neither a lawyer nor an individual with audit experience; and
 - b) in the case of a Tribunal or Appeal Tribunal two (but no more than two) individuals with audit experience.
 11. The Convener must, having regard to:
 - a) the matters to be considered by the Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal;
 - b) the availability, experience and expertise of the Panel members;determine the size and composition of the Tribunal, PIE Registration Tribunal Panel or Appeal Tribunal required for each Hearing.
 12. No member may be appointed as an Independent Reviewer or to a Tribunal, PIE Registration Tribunal Panel or to an Appeal Tribunal if that member has participated in any prior stage of the case. A member who has considered a Proposed Settlement Decision Notice in a particular case may be again appointed as an Independent Reviewer in that case.
 13. [This paragraph has been deleted].

Responsibilities of the Independent Reviewer

13A. The Independent Reviewer shall exercise those functions under the Audit Enforcement Procedure delegated to an Independent Reviewer in Parts 3 and 6 including:

- a) approving the issuance of a Final Decision Notice or Final Settlement Decision Notice by Executive Counsel;

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- b) declining to approve the issuance of a Final Decision Notice or Final Settlement Decision Notice by Executive Counsel and providing the Parties with reasons in writing as to why it is not appropriate to approve the issuance of a Final Decision Notice;
 - c) notifying Executive Counsel;
 - d) inviting and considering written representations from the Parties on the appropriateness of approving the issuance of a Final Decision Notice or Final Settlement Decision Notice, where relevant.

Responsibilities of the Tribunal

- 14. The Tribunal shall exercise those functions under the Audit Enforcement Procedure delegated to a Tribunal in Parts 4, 5, 7 and 11 including:
 - a) serving Notices of Hearings;
 - b) considering all admissible evidence, including the evidence of witnesses placed before it by the Parties;
 - c) announcing its findings and giving reasons for its decision in a Final Decision Notice on liability;
 - d) in the event of an Adverse Finding, receiving evidence and submissions in respect of Sanction and Costs;
 - e) considering and announcing its decision on Sanction and Costs and giving reasons for its decision in a Final Decision Notice on Sanction and Costs;
 - f) considering and deciding whether to impose, amend or revoke an Interim Order.
- 15. The Chair of the Tribunal shall exercise those functions under the Audit Enforcement Procedure delegated to a Tribunal Chair including:
 - a) ruling on an application by a Party to amend the Allegation;
 - b) issuing Case Management Directions in accordance with Rules 38, 39 or 42;
 - c) ruling on any question of law or admissibility of evidence;¹
 - d) postponing a Hearing.²
- 16. In undertaking its responsibilities, the Tribunal will have regard to the Sanctions Policy that accompanies the Audit Enforcement Procedure and such other policies and guidance

¹ Audit Enforcement Procedure Rule 43

² Audit Enforcement Procedure Rule 60

applicable to Tribunal members and the conduct of proceedings as may be issued by the FRC from time to time.

Responsibilities of the PIE Registration Tribunal Panel

17. A person appointed under paragraph 3.5 of the Public Interest Entity ("PIE") Auditor Registration Regulations ("PIE Auditor Regulations") Appeal Rules to consider whether to give leave to bring an Appeal³ shall exercise the functions delegated to that person under Part 3 of the Appeal Rules, including:
 - a) considering the grounds of Appeal and submissions made by the Parties on Appeal;
 - b) deciding whether one or more of the grounds of Appeal at paragraph 14.15 of the PIE Auditor Regulations is made out.
18. The PIE Registration Tribunal Panel shall exercise those functions delegated to it in Part 14 of the PIE Auditor Regulations and the PIE Auditor Regulations Appeal Rules, including:
 - a) where there is to be an Appeal Hearing, serving a Notice of Hearing;
 - b) where the matter will be determined on the papers, notifying the Parties in writing of the likely date on which the determination will be made;
 - c) considering all admissible evidence including the evidence of witnesses placed before it by the Parties;
 - d) announcing its findings and giving reasons in a written decision;
 - e) considering representations in respect of Costs;
 - f) considering and announcing its decision on Costs and giving reasons for its decision in an order on Costs.
19. The Chair of the PIE Registration Tribunal Panel shall exercise the functions under the PIE Auditor Regulations Appeal Rules delegated to the Chair, including:
 - a) deciding whether the Appeal will be determined on the papers or whether it will be listed for an Appeal Hearing in accordance with paragraph 4.1;
 - b) inviting representations in respect of Costs in accordance with paragraph 4.9;
 - c) where the PIE Registration Tribunal Panel orders a Party to pay the Costs of the other Party, summarily assessing the Costs award or requesting the Parties to agree the amount of the Costs award in accordance with paragraph 4.13.
20. In undertaking its responsibilities, the PIE Registration Tribunal Panel will have regard to the guidance that accompanies the PIE Auditor Regulations and Appeal Rules and such other

³ Appeal means an appeal of an internal review brought under paragraph 14.9 of the Public Interest Entity Registration Regulations Appeal Rules.

policies and guidance applicable to Tribunal members and the conduct of proceedings as may be issued by the FRC from time to time.

Responsibilities in relation to appeal

21. A person appointed under Rule 116 of the Audit Enforcement Procedure to consider whether to give leave to appeal shall exercise those functions under the Audit Enforcement Procedure delegated to that person in Part 7 including:
 - a) considering the grounds of appeal and submissions made by the Parties on appeal;
 - b) deciding whether one or more of the grounds of appeal at Rule 117(d) is made out.
22. The Appeal Tribunal shall exercise those functions under the Audit Enforcement Procedure delegated to an Appeal Tribunal in Parts 7, 10 and 11 including:
 - a) where an appeal is successful, whether wholly or partly:
 - i. revoking or varying the relevant Final Decision Notice on the case;
 - ii. giving such direction or taking such other steps as the Tribunal could have given or taken;
 - iii. making any other decision which the Tribunal could have made; or
 - iv. remitting the case back to the Tribunal;
 - b) announcing its findings and giving reasons for its decision;
 - c) considering and deciding the issue of costs.⁴
23. In undertaking its responsibilities, the Appeal Tribunal will have regard to the Sanctions Policy that accompanies the Audit Enforcement Procedure.

Issued by the Conduct Committee with effect from 21 September 2022

⁴ Audit Enforcement Procedure Part 10

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Registered Office: 8th Floor, 125 London Wall,
London EC2Y 5AS



Financial Reporting Council

**Financial
Reporting Council**

8th Floor
125 London Wall
London EC2Y 5AS

+44 (0)20 7492
2300