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**My public response to the consultation on Sanctions
Guidance to Tribunals – A Consultation Paper – April 2011**

**Question 1: Do you agree with the Board's objectives and
approach to sanctions guidance?**

Yes

**Question 2: Do you agree that Tribunals need a clear
framework for sanctions which reflects the nature of its
cases and the wider context in which the accountancy
profession operates today?**

Yes

**Question 3: Do you agree that the sanctions imposed by
the Tribunals should act as a credible deterrent and be
proportionate to the seriousness of the misconduct and to
all the circumstances of the case, including the financial**

resources of Members and the size and financial resources of Member firms?

Yes

Question 4: Have we included the sorts of factors in the sanctions guidance that you would expect to see taken into account by Tribunals?

Yes . However I believe the Tribunal should in its determination also have regard to the audit fees paid to Member firms in prior audits and to reinforce the competence and protection of investor / public interest should ensure that for Reprimand and Severe Reprimands etc, for failing to carry out their professional duties in accordance with their Code of Ethics, a proper consideration of a repayment of those audit fees in full for a proportionate number of years should be enforced in a Tribunal Judgment.

Question 5: Are there any factors you believe Tribunals should take into account when deciding sanction that we have overlooked?

See my answer at Question 4

Question 6: Do you agree that there needs to be an adjustment in the level of fines imposed in AADB cases?

Yes a complete overhaul is essential

Question 7: If so, what adjustment do you consider to be appropriate?

Substantively as you have proposed in the Consultation

Question 8: What is your view of the alternative mechanisms proposed for calculating fines?

As per my response to Question 4 the Tribunal should also consider the full audit costs which have been paid in prior years. I believe the Tribunal should have the probability of enforcing a complete recovery of prior fees paid in cases of misconduct. This will focus the accounting profession on the quality / conduct and value of their work. If they fail to carry out sufficient work competently in the tasks undertaken for clients then they should face a full recovery of those fees as part of the Tribunal determination.

Question 9: What level of turnover/income do you consider would be appropriate in respect of each mechanism?

As per my responses above

Question 10: Do you agree that Tribunals should not take account of the costs that it is considering awarding against a Member or Member firm when determining the appropriate level for a Fine?


After careful consideration of the arguments I think that on balance the proposed approach in this Consultation is the right one.

Question 11: Do you have any other comments about the proposed structure or content of the sanctions guidance?

The approach should address both audit work and non-audit work where these are matters of public interest and referred under the PIDA legislation by Employment Tribunals.

Yours sincerely

JIM SHANNON MP

A handwritten signature in black ink that reads "Jim Shannon". The signature is written in a cursive style and is positioned above a horizontal line.

Member of Parliament

Democratic Unionist Party

Strangford Constituency