Consultation Response

IAASA Consultation on Investigation and Disciplinary Guidelines for Prescribed Accountancy Bodies

August 2026

AIA Response: General Guidelines for Prescribed Accountancy Bodies

AIA welcomes the opportunity to respond to IAASA's consultation on the proposed Investigation and Disciplinary Guidelines for Prescribed Accountancy Bodies (PABs).

AIA supports IAASA's objective of promoting fair, transparent, effective and proportionate investigation and disciplinary arrangements that protect the public interest and maintain confidence in the accountancy profession. We agree that investigation and disciplinary functions are a critical component of the regulatory framework and that clear supervisory expectations can support consistency across PABs.

Whilst we are broadly supportive of the proposed Guidelines, we believe that the final framework should continue to emphasise proportionality, procedural fairness and outcomes-based regulation. Given the diversity of the PAB population, it is important that the Guidelines recognise that equivalent regulatory outcomes may be achieved through different operational structures and processes.

AIA supports the introduction of Investigation and Disciplinary Guidelines for Prescribed Accountancy Bodies and agrees that they provide a strong foundation for fair, transparent and effective disciplinary systems.

We encourage IAASA to maintain a principles-based and proportionate approach in the final Guidelines and to provide additional clarification in areas relating to proportionality, interim measures, publication of outcomes, and performance expectations. Such refinements would support consistent implementation while recognising the differing structures and operating models of individual PABs.

AIA Response

Question 1: Do you support the creation of Investigation and Disciplinary Guidelines for PABs? If not, please explain why and suggest alternatives.

Yes.

AIA supports the development of Investigation and Disciplinary Guidelines for PABs. The proposed framework provides a valuable articulation of IAASA's supervisory expectations and should assist in promoting consistency, transparency and public confidence in disciplinary systems across the profession.

The five principles identified in the draft Guidelines appropriately address the key elements of an effective disciplinary framework:

- fair, objective and well-governed processes;
- accessible engagement with complainants;
- timely handling of cases;
- proportionate and appropriate sanctions; and
- transparency and accountability.

AIA supports the recognition that application guidance is intended to be illustrative rather than prescriptive and that alternative approaches may be adopted where they achieve the intended regulatory outcome.

We encourage IAASA to maintain this principles-based approach in the final Guidelines.

Question 2: Do the proposed guidelines appropriately support fair, effective and proportionate investigation and disciplinary systems?

Overall, yes.

AIA considers that the Guidelines establish an appropriate framework for the operation of investigation and disciplinary processes and are generally aligned with accepted principles of good regulatory practice.

In particular, we support:

- the emphasis on procedural fairness for all parties;
- the expectation that decisions should be evidence-based and objectively determined;
- the requirement to identify and manage conflicts of interest;
- the focus on timely case management;
- the recognition that sanctions should be proportionate whilst capable of protecting the public interest; and
- the commitment to transparency and continuous improvement.

AIA welcomes the inclusion of safeguards designed to ensure that disciplinary decisions are taken independently and based solely on the facts of the case. These principles are fundamental to maintaining confidence in regulatory processes among both members and the public.

However, we believe some further clarification would strengthen the proportionality of the framework, particularly regarding:

- investigatory expectations in lower-risk matters;
- reporting and publication requirements;
- performance expectations regarding case timelines; and
- the use of interim measures.

Further clarification would help ensure consistency without creating unintended operational burdens.

Question 3: Are there any areas of the guidelines that should be expanded, clarified, or removed?

AIA considers the scope and content of the Guidelines to be broadly appropriate. However, several areas may benefit from additional clarification.

Proportionality of Investigations

Section A.2 refers to undertaking thorough investigations and making all reasonable efforts to identify and obtain relevant evidence. AIA supports this principle, but it would be helpful to acknowledge that investigations activity may remain proportionate to:

- the seriousness of the allegation;
- the potential regulatory risk;
- the likely public interest impact; and
- the nature of available evidence.

Interim Measures

Section C.2 refers to interim measures where necessary to protect the public. AIA agrees with this principle but would welcome additional guidance regarding:

- the threshold for implementation;
- procedural safeguards;
- review mechanisms; and
- factors to be considered when assessing proportionality.

Given the potentially significant impact of interim measures on members, clarity around due process would be beneficial.

Publication of Outcomes

Section E contains expectations regarding publication of disciplinary outcomes. AIA supports transparency and public accountability. However, further guidance would be welcome on:

- factors determining whether publication would be unfair or disproportionate;
- criteria for anonymisation;
- retention periods for published outcomes; and
- circumstances where publication may not serve a public interest objective.

Performance Metrics

The references to KPIs and performance monitoring are supported. However, it would be useful if IAASA clarified whether specific metrics are expected or whether PABs may develop measures appropriate to their own structures and caseloads.

Question 4: Are the expectations clear, practical, and capable of consistent implementation across PABs?

For the most part, yes.

The structure of the Guidelines is clear and logical, and the linkage between principles, requirements and application guidance assists understanding and implementation.

AIA nevertheless believes there would be value in further clarifying the distinction between:

- mandatory requirements contained within the Guidelines; and
- illustrative examples contained within the application guidance.

Additionally, terms such as:

- "promptly";
- "timely";
- "reasonable efforts";
- "serious concerns"; and
- "significant harm"

may be open to differing interpretations. Further explanation or illustrative examples could improve consistency of implementation while retaining flexibility.

Question 5: Are there operational challenges associated with implementation of these guidelines? How could these be addressed?

AIA does not anticipate significant implementation challenges in relation to the overall framework. Nevertheless, certain provisions may create practical considerations.

Timeliness Expectations

The expectation that PABs establish and monitor timelines for each stage of the disciplinary process is sensible. However, some cases involve:

- parallel criminal proceedings;

- civil litigation;
- regulatory investigations by other authorities; or
- complex evidential issues.

It will therefore be important that IAASA recognises legitimate reasons for delay and focuses on effective case management rather than strict adherence to predetermined timelines.

Transition Arrangements

AIA recommends that IAASA provide a reasonable implementation period following publication of the final Guidelines, enabling PABs to review rules, procedures, documentation and governance arrangements where necessary.

About AIA

The Association of International Accountants (AIA) was founded in the UK in 1928 as a professional accountancy body and promotes the concept of 'international accounting' to create a global network of accountants.

AIA is recognised by the UK government as a recognised qualifying body for statutory auditors under the Companies Act 2006, across the European Union under the mutual recognition of professional qualifications directive and as a prescribed body under the Companies (Auditing and Accounting) Act 2014 in the Republic of Ireland. AIA also has supervisory status for its members in the UK under the Money Laundering Regulations 2017. AIA is a Commonwealth Accredited Organisation. AIA is a member of the European Federation of Accountants and Auditors (EFAA) for SMEs and SMPs.

AIA believes in creating a global accountancy profession and supports the International Federation of Accountants (IFAC) in their vision of a global accountancy profession recognised as a valued leader in the development of strong and sustainable organisations, financial markets and economies. AIA has adopted IFAC's Code of Ethics for professional accountants and also incorporates IFAC's International Education Standards (IES) into its qualifications and policies.

AIA has members working throughout the whole spectrum of the accountancy profession. Many of our members are at the top of the accountancy industry, from senior management to director level. Conversely, significant numbers of our members work in small and medium sized businesses (SMEs) and we strive to champion the importance of SMEs and their needs.

Further Information

The above replies represent our comments upon this consultation document. We hope that our comments will be helpful and seen as constructive. AIA will be pleased to learn of feedback, and to assist further in this discussion process if requested.

If you require any further information, please contact:

AIA Policy & Public Affairs Department
The Association of International Accountants
Staithes 3 The Watermark
Metro Riverside
Newcastle upon Tyne
NE11 9SN
United Kingdom

T: +44 (0)191 493 0269

E: consultations@aiaworldwide.com

