

# **Auditor Protocol**

The following comments cover both the proposed Scope of the Auditor Protocol in addition to the General Framework.

## **Summary**

- The overall plan to implement such a Protocol is to be welcomed. It should not, however, be restricted to the large or larger institutions with “potential to harm the economy”. Private Clients investing hard earned savings and/or pension funds with smaller investment firms may be more directly impacted as a result of poor governance within small to medium size investment houses.

## **Scope**

- Initial scope is targeted at firms rated “High Impact” – what plans are there to broaden the scope of the Protocol to include smaller firms? Is there a turnover threshold envisaged or something based on the number of clients within an institution that will be published in order that clients of regulated institutions can seek confirmation from their institution that nothing material has come to light following these meetings? In recent times it is not only the larger financial institutions that have come under the spotlight but also the smaller, private client focused, institution which can result in potential loss of savings or sanctions/directions resulting in clients not being able to access their funds.

## **General Framework**

- Will minutes of bilateral meetings be shared with the Firm?
- Are Auditors being requested to “cost” these meeting?
- Will Firms be requested to carry any such additional costs?
- What steps, if any, can be taken to ensure that any additional costs are capped?

**Covestone Asset Management.**