



ICS - Audit company authorization and termination procedures

A. ICS audit company authorization procedure

Audit companies are authorized for all countries, albeit an extraordinary situation, in which case ICS will define the company's perimeter of action. Audit companies' candidacies are analyzed twice per year. Unless exceptionally justified and validated by ICS members (e.g., unexpected or specific needs in terms of audits volume and geographical capacities) only one new audit company can be tested at a time.

For an audit company to be officially authorized by ICS, it needs to follow the below 5 steps.

- 1. Send a request to ICS applying for authorization.**
- 2. The audit company must provide detailed information about the following points:**
 - a. Auditor qualification criteria.
 - b. Auditor training procedures.
 - c. Integrity policy.
 - d. Eventual conflicts of interest (established commercial relationship with an existing ICS member, for internal or quality audits for example.)
 - e. Geographical scope (audit volume, auditor capacity per region, etc.)
 - f. Percentage and number of freelance and employee auditors under contract.
 - g. CSR policy.
 - h. GDPR or data protection policy
 - i. The audit company presents its added value and the interest of its positioning compared to other audit companies authorized by ICS.
- 3. First approval by ICS.**
- 4. One-year trial period to be validated by ICS members, in which the audit company is tested by members:**
 - a. The audit company candidacy will be presented during an ICS plenary.
 - b. The audit company will agree on the ICS ethical code by signing the [ICS Agreement](#) (also available on the [ICS external website](#)).
 - c. The audit company will be given access to all the ICS tools and documentation for the trial period.
 - d. The audit company will have to be mandated for ICS audits by at least 3 ICS members to start the trial period.
 - e. The audit company will have to complete audits in at least 2 different activity sectors.
 - f. The audit company will have to complete audits in 2 different countries or regions.
 - g. The audit company will have to complete at least 30 different audits during the trial period.
- 5. Authorization approval:**
 - a. The final approval depends on the completion of all the above steps and the success of the one-year trial period. It should be noted that as an exception, the one-year trial period can also be extended if ICS members need more time and observation to reach a final decision.
 - b. ICS members having tested the audit company will share their experience with the other members.
 - c. The final approval is made by a unanimous vote by ICS members during a Plenary Meeting.



If a candidacy has been presented three times consecutively with no confirmation of interest by several ICS members, the candidacy will not be analyzed for a period of a year and a half, at which time the audit company can reapply for authorization.

B. ICS audit company termination procedure

Terms of an authorization termination

- a. Five warnings will result in the termination of an audit company's ICS authorization. A warning is issued when the audit company commits a serious offence as defined by the ICS rules and procedures.
- b. The termination needs a unanimous approval by ICS members during a Plenary Meeting.
- c. The termination can be temporary (e.g., several months) or permanent.
- d. ICS will notify the audit company two months ahead of the termination date.
- e. For the audit company to be authorized again, they would have to go through the entire authorization procedure.
- f. ICS and its members may terminate an audit company's authorization in specific countries or regions, without full termination.

Terms in relation with an audit company termination

The terms for the termination of an audit company's ICS authorization are:

- a. Audit companies will no longer be allowed to communicate in any way on ICS (they would have to delete all mentions of ICS on their websites and documentation, especially the ICS logo.)
- b. The audit company will be banned from using ICS tools (completed audits or templates, or any of the ICS tools they had been in possession of during their authorization period.)