PRESS RELEASE

IAASA'S ANNUAL REPORT HIGHLIGHTS NEW REGULATORY MEASURES FOR THE AUDIT PROFESSION.

The Irish Auditing and Accounting Supervisory Authority (IAASA) has issued its Annual Report for 2013. The Report details the work undertaken by IAASA over the past year and looks ahead to some key regulatory changes on the horizon.

In his introductory statement to this year's Annual Report, IAASA Chairperson, Professor Brendan Walsh, notes

> "*These changes will affect auditors and audited entities and the relationship between them. They will also have a significant impact on authorities such as IAASA, changing the nature of its relationship with the accountancy bodies under its remit and increasing co-operation with other similar authorities. IAASA is cognisant of the challenges posed in implementing these important reforms and is committed to working with all stakeholders to ensure they are met as successfully and as swiftly as possible.*"

The new measures will significantly widen IAASA'S remit and are focussed on delivering high quality audits by ensuring that objectivity, independence and high standards are maintained throughout the audit profession in Ireland.

New EU Regulation and amendments to the existing EU Audit Directive have now been approved by the European Parliament and will come into force throughout Europe in June 2016. The new legislation stipulates a number of measures designed to ensure the objectivity, independence and competence of auditors including changes to the tendering process, the prohibition of certain non-audit services and making independent inspections of certain audit firms mandatory. Additionally, on 24 December 2013, the Oireachtas enacted the Companies (Miscellaneous Provisions) Act 2013 which provided for a levy on affected auditors to cover in full the costs of independent inspections.

While welcoming these measures which he regards as vital to restoring public trust and confidence in financial reporting and auditing after some of the negative events of recent years, Professor Walsh also highlights the urgent need for IAASA's resources to adequately reflect both the current and future scope of its remit.

> "*2013 was my first year as Chairperson of IAASA and during the year I have been hugely impressed by the staff of IAASA, the quality of their work and their commitment to IAASA's objectives. I am proud of what has been achieved. However I am also aware that IAASA's current level of resources is placing limitations on its ability to fulfil its remit...... I have therefore, engaged with the Minister on this matter during 2013 and will continue to do so during 2014 as we work together to find a resolution to this key issue.*"

The Chairperson also reiterated IAASA's commitment to increasing the level of transparency in its activities:-

> "*Providing information to the public about our work and being transparent about outcomes is challenging given IAASA's statutory confidentiality requirements. Except in restricted circumstances, we are prohibited by legislation from disclosing information about our work to the public or other bodies. During 2013 we had significant positive discussions with the*

Department on this matter and our understanding is that the Department intends to amend IAASA's confidentiality provisions through amendments to the Companies Bill 2012. I shall continue to engage with the Minister on this during 2014. "

The full report can be accessed via IAASA's website here.

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Note to Editors

The Irish Auditing and Accounting Supervisory Authority ('IAASA') is the independent body in Ireland responsible for:

a) *Supervision of the regulatory functions of the accountancy bodies; and*

b) *Examination and enforcement of certain listed entities' periodic financial reporting.*

Further information about IAASA is available on www.iaasa.ie