



# **FEEDBACK PAPER**

## **Issue of supplementary standards and guidance**

**March 2018**

## **MISSION**

**To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest**

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## 1. Summary

On 10 November 2017, IAASA published its consultation on *Supplementary Standards and Guidance* (the [Consultation Paper](#)). The purpose of the Paper was to obtain the views of stakeholders with regard to IAASA's proposal to adopt or update supplementary standards and guidance relevant to Ireland, which had been issued prior to IAASA adopting the Auditing Framework for Ireland.

## 2. Responses to the Consultation

Six responses were received:

- Association of Chartered Certified Accountants ("ACCA")
- Institute of Chartered Accountants in Ireland ('CAI')
- Institute of Certified Public Accountants in Ireland ('ICPAI')
- The Central Bank of Ireland ('Central Bank')
- Ernst & Young ('EY')
- PricewaterhouseCoopers ('PwC')

## 3. Matters on which IAASA consulted and summary of views expressed

A number of matters are set out below on which IAASA sought views from stakeholders and interested parties.

1. Do you agree with IAASA's intention to amend and adopt ISAs (UK) 800 and 805 for use in the Irish market?

2. Do you believe that IAASA should seek to adopt SIRs for use in the Irish market? If so, other than legislative amendments, are there other amendments you believe are required to be made prior to adoption?

3. Do you agree with the proposed course of action for each of the guidance documents in issue prior to IAASA adopting the Auditing Framework for Ireland, as set out in the Appendix to this paper? If not, please provide your preferred course of action and reasons in your response.

4. Are there are other areas in which supplementary standards or guidance would be beneficial to support audit quality?

In summary, the responses indicated that

- 1) 5 respondents ( CAI, Central Bank, EY, ICPAI, PwC) agreed with IAASA's intention to amend and adopt ISA 800 and 805;
- 2) All respondents agreed that IAASA should seek to adopt the SIRs for use in the Irish market;
- 3) All respondents agreed in overall terms with IAASA's proposed course of action for guidance documents, whilst 5 made suggestions in respect of reconsidering its intention not to adopt and reissue guidance in PNs 26 & PN 23 dealing with documentation required in small entity audits and audit of financial instruments;
- 4) 5 respondents suggested that development of guidance in additional areas would be of value. These comprise audits of charities, insurers, investment funds, and investment intermediaries. It was also suggested that guidance on the audit of

revised financial statements and on interpretation of areas of the Ethical Standard for Ireland may be helpful.

Copies of each of the responses is available in the Annex to the Feedback Paper.

#### **4. Conclusion**

IAASA has noted the points raised in the responses to its Consultation Paper and will take the following steps:

- 1) IAASA will adopt ISA 800 and 805 with effect for periods beginning on or after 1 April 2018, with early adoption permitted. In addition to providing support for audit reporting on special purpose financial statements more generally, this will provide support for reporting by auditors on regulatory financial statements in the Solvency and Financial Condition Report required to be published by insurers under the Solvency II Directive (Directive 2009/138/EC) adopted in November 2009, and amended by Directive 2014/51/EU;
- 2) IAASA will commence the process necessary to obtain a license for use of the SIRs as issued by the FRC and adapt them for use in Ireland;
- 3) IAASA will develop a project plan for update and issue of supplementary guidance documents. The plan will include full details of the rationale for the approach taken and will be updated and refreshed as appropriate in the light of future developments in auditing standards, regulatory requirements and other factors affecting the audit environment in Ireland;
- 4) IAASA will consider the merit of developing guidance in the additional areas suggested by respondents and appropriate steps will be incorporated in the project plan referred to above.