

Presentation to students at  
The Institute of Technology, Carlow  
12 March, 2014

**An Overview of IAASA**  
Helen Hall, Chief Executive, IAASA



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## Disclaimer and confidentiality

**Disclaimer**

The views expressed are mine and do not necessarily reflect the views of the Board, individual Board members or the staff of IAASA

**Section 31**

*"No person shall disclose, except in accordance with law, information that –*

- a) *is obtained in performing the functions or exercising the powers of the Supervisory Authority, and*
- b) *has not otherwise come to the notice of members of the public"*

Certain exemptions provided for in law



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## Presentation structure

- A. Mission, goals and structure of IAASA
- B. Supervision of the Accountancy and Auditing Profession
- C. Enforcement of Financial Reporting Standards
- D. UK / Irish GAAP recent developments
- E. Concluding remarks



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## A. Mission, goals and structure of IAASA



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### *IAASA's mission*

To promote high quality financial reporting and effective regulation of accountants and auditors through the delivery of independent and effective supervision that protects the public interest



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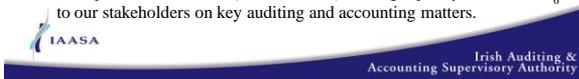
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### Principal goals

- to deliver independent and effective supervision of the regulatory activities of the Prescribed Accountancy Bodies ('PABs') which promotes high quality regulation and which responds to inadequate regulatory practice robustly, promptly and proportionately;
- to deliver independent and effective supervision of financial reporting which promotes high quality financial reporting and which responds to non-compliance robustly, promptly and proportionately;
- to promote adherence to high professional standards by accountants, auditors and preparers of financial reports; and
- to provide specialist advice and support to the Minister for Jobs, Enterprise & Innovation ('the Minister') and high quality information to our stakeholders on key auditing and accounting matters.



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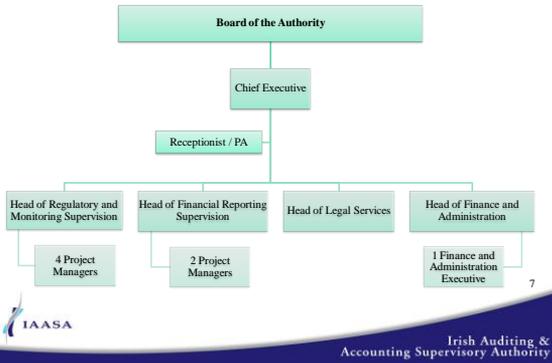
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## Current structure and staffing of IAASA



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## Board composition

- Board comprises 15 directors, nominated as follows:
  - 2 (including the Chairperson) nominated by the Minister
  - 3 nominated jointly by the prescribed accountancy bodies
  - 9 nominated by various bodies (1 each)
  - Chief Executive (ex-officio)
- A maximum of 5 of the 15 directors may be members of prescribed accountancy bodies



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## B. Supervision of the Accountancy and Auditing Profession



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## Supervision of the profession

- Self-regulation by the profession comprising nine prescribed accountancy bodies (PABs)
- Supervision of the regulatory activities of the nine PABs
- The PABs monitor and regulate 32,641 accountants in Ireland including 5,772 Irish registered auditors
- Registration of third country auditors



10

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A **PAB** is an accountancy body that comes within IAASA's supervisory remit. There are currently nine PABs:

**ACCA:** Association of Chartered Certified Accountants;

**AIA:** Association of International Accountants;

**CIMA:** Chartered Institute of Management Accountants;

**CIPFA:** Chartered Institute of Public Finance & Accountancy;

**ICAEW:** Institute of Chartered Accountants in England & Wales;

**ICAI:** Institute of Chartered Accountants in Ireland;

**ICAS:** Institute of Chartered Accountants of Scotland;

**ICPAI:** Institute of Certified Public Accountants in Ireland; and

**IIPA:** Institute of Incorporated Public Accountants.



11

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## Supervisory tools used

- Approval of bye-laws, rules, regulations, standards, etc
- Onsite supervisory reviews and review meetings
- Complaints handling
- Statutory enquiries
- Attachment of conditions
- Annual return process



12

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## Co-operation role

- Assisting the Board to discharge its functions as an advisor to the Minister on accounting and auditing related matters
- Development of accounting and auditing standards
- Cooperating with domestic regulators
- Cooperating with international counterparts

13



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## C. Enforcement of Financial Reporting Standards

14



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## Financial reporting enforcement

- Function is "... to examine that information referred to in this Directive is drawn up in accordance with the relevant reporting framework and take appropriate measures in case of discovered infringements"
- Cooperate with other EU national accounting enforcers;
- Cooperate in the development of financial reporting standards; and
- Provide financial reporting advice to the Minister.

15



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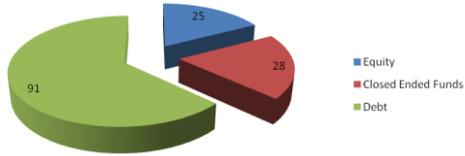
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## Review constituency as at 31 December 2013



16

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## Types of examinations

- Full Scope;
- Focused;
- Follow-up;
- Thematic; and
- Topical Surveys



17

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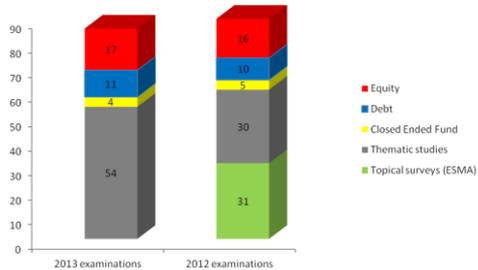
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## Examinations undertaken in 2013



18

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## Some recent publications

2013 annual observations document on key financial reporting matters

<http://www.iaasa.ie/publications/obsdoc2013/view.html#/0>.

*Presentation of financial statements by equity issuer (IAS 1)*

<http://www.iaasa.ie/publications/IAS1/ebook/view.html#/0>

*Key management personnel disclosures (IAS 24)*

[http://www.iaasa.ie/publications/IAS24\\_2013.pdf](http://www.iaasa.ie/publications/IAS24_2013.pdf)

Survey on the use of alternative performance measurements

<http://www.iaasa.ie/publications/APM2012.pdf>

19



19

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## D. UK / Irish GAAP - Recent Developments

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## New standards

- Following extensive consultation, the FRC published two standards in November 2012 - FRS 100 and 101 and a further standard FRS102 in March 2013
- The mandatory effective date for the new framework of reporting is for financial years beginning on or after 1 January 2015
- Early adoption is permitted

21



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## New standards – FRS 100 and 101

- FRS 100 ‘Application of Financial Reporting Requirements’ - sets out the requirements in the UK and Republic of Ireland
- FRS 101 ‘Reduced Disclosure Framework’ - outlines the reduced disclosure framework available for use by ‘qualifying entities’ choosing to report under IFRS

22



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## New standards – FRS 102

- FRS 102 is the Financial Reporting Standard (FRS) applicable in the UK and Republic of Ireland
- Known as the new UK / Irish GAAP
- This FRS is based upon the IASB’s IFRS for SMEs but has been significantly amended

23



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## Summary from an Irish perspective

Accounting Framework	Accounting Regime	Type/Nature of Entities
IFRS	IFRS (IASB issued and EU endorsed)	<ul style="list-style-type: none"> <li>• EU listed – consolidated accounts</li> <li>• ESM listed</li> <li>• Any entity choosing to apply</li> </ul>
Converged UK / Irish GAAP	<ul style="list-style-type: none"> <li>• FRS 100</li> <li>• FRS 101</li> <li>• FRS 102 (issued by FRC and based on the IFRS for SME with significant amendments)</li> </ul>	<ul style="list-style-type: none"> <li>• All other entities not required to apply IFRS</li> <li>• Small companies, who choose to apply</li> </ul>
Converged UK / Irish GAAP	FRSSE (Issued by FRC. UK / Irish GAAP based)	Small companies without public accountability

24



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## Key implications of change

- Significant change for all preparers, users and reviewers of UK / Irish GAAP financial statements
- Comparatives will need to be restated and a reconciliation provided in respect of the opening balance sheet position
- Early planning is crucial
- Staff training required
- IT system updates

25



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## E. Concluding remarks

- Challenges of increased future responsibilities;
- Scope for enhanced cooperation;
- Increased use of focussed thematic supervision and regulation; and
- Transparency and reporting.

26



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## Contacts and further Information

Further information on IAASA and its activities may be obtained from [www.iaasa.ie](http://www.iaasa.ie) or [www.iaasa.eu](http://www.iaasa.eu)

**IAASA**  
**2<sup>nd</sup> Floor, Willow House**  
**Millennium Park**  
**Naas**  
**Co. Kildare**

Tel: +353 (0)45 983600  
Email: [info@iaasa.ie](mailto:info@iaasa.ie)

27



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# Questions



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