

The background is a deep blue color with several large, overlapping, curved shapes in lighter shades of blue, creating a dynamic, abstract pattern. The text is centered and framed by two horizontal white lines.

2016 FINANCIAL &  
RELATED STATEMENTS

## Report of the Directors

### Introduction

The directors are pleased to submit to the eleventh Annual General Meeting of the Irish Auditing and Accounting Supervisory Authority ('IAASA') the financial statements for the year ended 31 December 2016, together with the Report of the Directors, which has been prepared pursuant to the provisions of section 325 of the Companies Act 2014 ('the Act').

### Directors and Secretary

The Directors and Secretary of IAASA as at 31 December 2016 were:

Member	Nominating body	Commencement of term of office
Mr Martin Sisk (Chairperson)	Ministerial nominee	21 December 2016
Mr Kevin Prendergast (Chief Executive)	<i>Ex-officio</i>	14 November 2016
Ms. Deirdre Behan	Revenue Commissioners	3 January 2012
Ms. Mary Burke	Central Bank of Ireland	14 October 2015
Ms. Marie Daly	Irish Business & Employers' Confederation	3 January 2006
Mr. David Devlin	Prescribed Accountancy Bodies	1 October 2016
Ms. Etain Doyle	Prescribed Accountancy Bodies	30 May 2014
Mr. Conor O'Mahony	Director of Corporate Enforcement	1 March 2012
Ms. Aileen O'Donoghue	Irish Stock Exchange	3 January 2014
Mr. Michael Quinlan	Law Society of Ireland	3 January 2011
Secretary	Mr Fergal Ó Briain, Head of Finance & Administration, IAASA	5 June 2015

The following were not directors at the reporting date, having either ceased to hold office during the year or been appointed since 1 January 2017:

Member	Nominating body	Commencement of term of office	Cessation of term of office
Mr. Michael Quinlan	Law Society of Ireland	3 January 2011	2 January 2017

## Principal activities

IAASA was incorporated as a company limited by guarantee on 20 December 2005 and is the independent statutory body in Ireland responsible for the:

- (a) examination and enforcement of certain listed entities' periodic financial reporting
- (b) supervision of the regulatory functions of the Prescribed Accountancy Bodies ('PABs'); and
- (c) (with effect from 17 June 2016) inspection and promotion of improvements in the quality of auditing of Public Interest Entities ('PIEs').

IAASA is also responsible for the adoption of auditing standards in Ireland, the registration of certain classes on liquidators, has been designated as the competent authority for the registration and quality assurance of certain third country auditors and audit entities. The company does not trade for the acquisition of gain by its members.

## Business Overview

An overview of IAASA's activities and future developments is given in the annual report.

## Financial position

The assets and liabilities and financial position of the company are set out in detail in the financial statements on pages 64 to 85.

## Risk and uncertainties

The directors confirm that, as required by the Code of Practice for the Governance of State Bodies, a Risk Management Policy and procedures have been developed and adopted for the purpose

of facilitating the identification, quantification and management of the key business risks facing IAASA.

## Accounting records

To ensure that adequate accounting records are maintained in accordance with the requirements of sections 281 to 286 of the Act, IAASA has employed an appropriately qualified Head of Finance and provides sufficient resources to the finance function. The accounting records are located at IAASA's registered office at Willow House, Millennium Park, Naas, Co. Kildare

## Provision of Relevant Audit Information

In accordance with Section 330 (1) of the Act, the directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the auditor is aware of that information. Insofar as they are aware, there is no relevant audit information of which the auditor is unaware.

## Events after the end of the reporting period

No events have occurred subsequent to the reporting date which would require disclosure in the financial statements.

## Auditor

IAASA's auditor, the Comptroller & Auditor General, remains in office in accordance with the provisions of section 927(2) of the Act.

Approved and authorised for issue by the Board of Directors on and signed on its behalf:

**Martin Sisk**  
*Chairperson*

30 May 2017

**Kevin Prendergast**  
*Chief Executive*

30 May 2017

## Statement on Internal Financial Control

### Responsibility for system of internal financial control

On behalf of the Board of directors of IAASA, I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

### Key control procedures

The Board of IAASA has taken steps to ensure an appropriate control environment is in place by:

- clearly defining management responsibilities;
- formalising a clear separation between the Board's and the Executive's functions and powers;
- setting regular reporting requirements concerning financial and related matters;
- establishing an Audit Committee;
- engaging an external firm of accountants to act as providers of an internal audit service to IAASA;
- publishing Codes of Conduct for both directors and employees of IAASA; and
- seeking to maintain a strong culture of accountability across the organisation.

The Board adheres to all the requirements of the Code of Practice for the Governance of State Bodies ('the Code') insofar as is appropriate for a non-commercial semi-State body.

The Board has also established processes to identify and evaluate business risks by:

- identifying the nature, extent and possible implications of the risks facing IAASA, including the extent and categories of risk which it regards as acceptable;
- assessing the likelihood of identified risks coming to fruition;
- assessing the Board's ability to manage and mitigate identified risks; and
- having regard to costs of operating particular controls relative to the benefit obtained.

The system of internal financial control is based on a framework of regular management information, administrative procedures including, to the extent practicable having regard to the scale of IAASA, segregation of duties and a system of delegation and accountability. In particular it includes:

- a comprehensive budgeting system with an annual budget, which is reviewed and agreed by the Board;
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance; and
- regular internal audit reviews.

IAASA appointed Crowleys DFK act as internal auditors for the period 2016 - 2018 and to report to the Audit Committee. The Audit Committee, which is comprised of non-executive directors, includes persons possessing knowledge of accounting, internal control and risk management matters. The Audit Committee is further charged with ensuring

that the Board is kept informed of the matters that it has considered.

The internal audit function operates in accordance with an approved Internal Audit Charter, which is consistent with the provisions set out in the Code. A rolling three-year internal audit work plan has been determined in consultation with the Audit Committee and is reviewed annually and revised as and when required. The internal audit work plan takes account of areas of potential risk identified in a risk assessment exercise carried out by Crowleys DFK. The internal auditor provides the Audit Committee with regular reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal financial control and the recommended corrective measures to be taken where necessary.

I confirm that, in respect of the year ended 31 December 2016, the Board conducted a review of the system of internal financial control and that the Board's review was informed by the work of the internal auditor, the Audit Committee, which oversees the work of the internal auditor, and IAASA's executive which has responsibility for the development and maintenance of the financial control framework.

Signed on behalf of the Board:

**Martin Sisk**  
*Chairperson*  
30 May 2017

## Directors' Responsibilities Statement

IAASA performs its functions and exercises its powers through a company limited by guarantee, designated for that purpose in accordance with the Act.

Company law requires the directors to prepare financial statements and the report of the directors for each financial year which give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of its surplus or deficit for that period and otherwise comply with the Act. In preparing those financial statements, which are prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Ireland*, the directors are required to:

- select suitable accounting policies in accordance with Irish generally accepted accounting practices and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with appropriate accounting standards, identify these standards, and note the effect and the reason for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that IAASA will continue in operation.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Act and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Section 927(1) of the Act further provides that IAASA '*... shall keep records of, and prepare all proper and usual accounts of -*

- (a) *all income received by it, including records of the sources of that income,*
- (b) *all expenditure incurred by it, and*
- (c) *its assets and liabilities*'.

Approved and authorised for issue by the Board of Directors on and signed on its behalf:

**Martin Sisk**  
*Chairperson*

30 May 2017

**Kevin Prendergast**  
*Chief Executive*

30 May 2017

## Comptroller and Auditor General: Report for presentation to the Houses of the Oireachtas

### Irish Auditing and Accounting Supervisory Authority

I have audited the financial statements of the Irish Auditing and Accounting Supervisory Authority for the year ended 31 December 2016 under Section 927 of the Companies Act 2014. The financial statements comprise the statement of financial position, the statement of income and expenditure, the statement of changes in reserves and capital account, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and generally accepted accounting practice in Ireland.

### Responsibilities of the directors

The directors are responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and otherwise comply with the Companies Act 2014 and for ensuring the regularity of transactions.

### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made by the directors in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

### Opinion on the financial statements

In my opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Authority as at 31 December 2016 and of surplus for 2016; and
- have been properly prepared in accordance with generally accepted accounting practice in Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### Matters on which I am required to report by the Companies Act 2014

I have obtained all the information and explanations that I consider necessary for the purposes of my audit. In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

In my opinion, the information given in the directors' report is consistent with the financial statements.

### Matters on which I report by exception

I report by exception if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or

- the information given in the Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- the disclosures of directors' remuneration and transactions as specified by the Companies Act 2014 are not made, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

**Patricia Sheehan**

*For and on behalf of the  
Comptroller and Auditor General*

June 2017

## Irish Auditing & Accounting Supervisory Authority

### Statement of Financial Position as at 31 December 2016

	Note	2016 €	2015 €
<b>Non-current assets</b>			
Property, Plant & Equipment	4	108,066	108,365
Deferred Finance Lease Costs		199	639
		<u>108,265</u>	<u>109,004</u>
<b>Current Assets</b>			
Inventory		2,296	2,145
Receivables	5	764,789	14,707
Deferred Finance Lease Costs		440	653
Rent Incentive		12,264	-
Cash & Cash Equivalents	6	955,229	934,924
		<u>1,735,018</u>	<u>952,429</u>
<b>Creditors: Amounts falling due within 1 year</b>			
Payables	7	272,049	225,921
Deferred Rent Incentive	8	-	1,452
Finance lease obligations	9	2,242	2,242
Excess PAB Levy Income	10	363,961	276,464
Excess PIE Audit Firm Levy Income	10	449,539	-
Excess Departmental Grant Income	10	189,455	35,380
		<u>1,277,246</u>	<u>541,459</u>
<b>Net Current Assets</b>		457,772	410,970
<b>Amounts falling due after 1 year</b>			
Deferred Rent Incentive		52,311	13,132
Finance lease obligations		3,926	6,169
		<u>56,237</u>	<u>19,301</u>
<b>Net Assets before Retirement Benefits</b>		<b>509,800</b>	<b>500,673</b>
<b>Retirement Benefits</b>			
Retirement Benefit Liability	11	(2,665,000)	(1,822,000)
Deferred Exchequer Retirement Benefit Funding	11	2,665,000	1,822,000
<b>Net Assets after Retirement Benefits</b>		<b>509,800</b>	<b>500,673</b>
<b>Reserves</b>			
Income Reserve		-	-
Capital Account	12	108,066	108,365
Reserve Fund		401,734	392,308
<b>Members' Funds</b>		<b>509,800</b>	<b>500,673</b>

Approved and authorised for issue by the Board of Directors on and signed on its behalf:

**Martin Sisk**  
Chairperson

30 May 2017

**Kevin Prendergast**  
Chief Executive

30 May 2017

## Irish Auditing &amp; Accounting Supervisory Authority

## Statement of Income and Expenditure for the year ended 31 December 2016

	Note	2016 €	2015 €
Revenue	13	2,625,259	2,336,610
Administrative Expenses			
Staff Costs	14	1,732,999	1,448,575
Directors' Fees	15	41,091	65,835
Accommodation	2.2	277,337	160,050
Travel & Subsistence	16	76,754	64,514
Legal and Professional Services	17	224,242	354,018
Office Expenditure	18	55,925	65,582
Information Technology		89,067	22,819
Professional Development		55,587	48,238
Insurance		25,438	23,043
Auditor's Remuneration	19	12,000	10,500
Depreciation		26,585	9,896
Total Administrative Expenses		<b>2,617,025</b>	<b>2,273,070</b>
Surplus of Income over Admin Expenses before Finance Costs		8,234	63,540
Finance costs		653	841
Surplus of Income over Admin Expenses after Finance Costs		7,581	62,699
Finance Income	20	1,546	5,038
Surplus for the year		<b>9,127</b>	<b>67,737</b>
<b>Other comprehensive income</b>			
Experience (losses)/gains on pension scheme liabilities		(23,000)	44,000
Changes in assumptions		(568,000)	155,000
Adjustment to deferred Exchequer pension funding		591,000	(199,000)
Total recognised Surplus for the year		<b>9,127</b>	<b>67,737</b>

The results for the year relate to continuing operations.

Approved and authorised for issue by the Board of Directors and signed on its behalf:

**Martin Sisk**  
Chairperson

30 May 2017

**Kevin Prendergast**  
Chief Executive

30 May 2017

**Irish Auditing & Accounting Supervisory Authority**  
**Statement of Changes in Reserves and Capital Account for the year ended**  
**31 December 2016**

	<b>Income Reserve</b>	<b>Capital Account</b>	<b>Reserve Fund</b>	<b>NET ASSETS</b>
<b>Balance - 1 January 2015</b>	<b>-</b>	<b>13,705</b>	<b>419,231</b>	<b>432,936</b>
Surplus for the year	67,737	-	-	67,737
Transfer from Income & Expenditure Account:				-
income applied to capitalised asset acquisitions	(104,556)	104,556	-	-
less: amortisation applied in line with asset depreciation	9,896	(9,896)	-	-
income receivable on reserve fund monies	(2,574)	-	2,574	-
amounts receivable in respect of fines (S. 933, 2014 Act)	-	-	-	-
amounts payable from reserve fund (S. 933, 2014 Act)	29,497	-	(29,497)	-
actuarial gain on pension liabilities	199,000	-	-	199,000
adjustment to deferred exchequer pension funding	(199,000)	-	-	(199,000)
<b>Balance - 31 December 2015 / 1 January 2016</b>	<b>-</b>	<b>108,365</b>	<b>392,308</b>	<b>500,673</b>
Surplus for the year	9,127	-	-	9,127
Transfer from Income & Expenditure Account:				-
income applied to capitalised asset acquisitions	(106,899)	106,899	-	-
less: amortisation applied in line with asset depreciation	26,585	(26,585)	-	-
Add: reallocation of previously capitalised expenditure	80,613	(80,613)	-	-
income receivable on reserve fund monies	(1,068)	-	1,068	-
amounts receivable in respect of fines (S. 933, 2014 Act)	(30,000)	-	30,000	-
amounts payable from reserve fund (S. 933, 2014 Act)	21,642	-	(21,642)	-
actuarial (loss) on pension liabilities	(591,000)	-	-	(591,000)
adjustments to deferred exchequer pension funding	591,000	-	-	591,000
<b>Balance - 31 December 2015</b>	<b>-</b>	<b>108,066</b>	<b>401,734</b>	<b>509,800</b>

Approved and authorised for issue by the Board of Directors on and signed on its behalf:

**Martin Sisk**  
*Chairperson*

30 May 2017

**Kevin Prendergast**  
*Chief Executive*

30 May 2017

**Irish Auditing & Accounting Supervisory Authority**  
**Statement of Cash Flows for the year ended 31 December 2016**

	<b>Note</b>	<b>2016</b> <b>€</b>	<b>2015</b> <b>€</b>
Net Cash Inflow from Operating Activities	21	125,504	114,325
Cash Flows from Financing Activities			
Interest received		1,700	6,142
Cash Flows from Investing Activities			
Payments to acquire tangible fixed assets		(106,899)	(104,556)
<b>Increase in Cash &amp; Cash Equivalents in Year</b>		<b>20,305</b>	<b>15,911</b>
<b>Reconciliation of Net Cash Flow to Movements in Net Funds</b>			
Increase in Net Funds in Year	22	20,305	15,911
Net Funds at 1 January		934,924	919,013
Net Funds at 31 December		<b>955,229</b>	<b>934,924</b>

Approved and authorised for issue by the Board of Directors on and signed on its behalf:

**Martin Sisk**  
*Chairperson*

30 May 2017

**Kevin Prendergast**  
*Chief Executive*

30 May 2017

## Irish Auditing & Accounting Supervisory Authority

### Notes to Financial Statements

#### 1 Basis of Preparation

These financial statements have been prepared under the historic cost convention in accordance with applicable legislation and with FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Ireland* issued by Financial Reporting Council in the UK for use in Ireland.

As the company does not trade for the acquisition of gain by its members, the directors have determined that a Statement of Income & Expenditure disclosing the surplus or shortfall for the year rather than a Profit & Loss account is appropriate as provided for in Section 291(5) of the Act. Similarly, the Statement of Financial Position provides all information that would otherwise be disclosed in the Balance Sheet.

In accordance with FRS 102, these Financial Statements comprise the Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves & Capital Account, Statement of Cash Flows, and Notes to the Financial Statements.

#### 2 Accounting policies applied

##### 2.1 Non-current Assets - depreciation

Non-current assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income & Expenditure on a straight line basis, with the charge being calculated over assets' expected useful lives.

##### 2.2 Non-current Assets - refurbishment project

The Authority commenced a refurbishment project of its office premises in 2015 in order to accommodate additional staff and to better design the premises for its existing staff. Professional fees of €80,613 were incurred during the year, and these were capitalised. Physical works did not commence, and the project was abandoned in 2016 when the floor immediately below the existing offices became available which could be occupied with only minor alterations. Accordingly, the costs have been charged in full to the Statement of Income & Expenditure.

##### 2.3 Non-current Assets purchased prior to establishment

Non-current assets owned and controlled by IAASA have been recorded by the Authority at cost. In addition to these assets, and as detailed in Note 3, IAASA has the use of certain assets which were purchased by the Department of Jobs, Enterprise & Innovation ('the Department') prior to the Authority's establishment. Section 2 of FRS 102 defines an asset as "a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity". These assets remain the property of the Department. Their return may be sought at any time. In the event of their sale, or the dissolution of the Authority, the asset/proceeds remain the property of the Department. In light of the foregoing, the Directors are satisfied that these assets are not assets of the Authority, and are properly omitted from the Authority's Statement of Financial Position.

##### 2.4 Inventory

Stocks on hand at period end represent stocks of information technology consumables and office consumables and are stated at the lower of cost and net realisable value.

##### 2.5 Revenue Recognition

In accordance with section 921(1) of the Act, any excess of income over expenditure in any financial period shall be applied towards meeting IAASA's Programme of Expenditure in the following period and any amounts payable from the Exchequer and PABs respectively shall be appropriately reduced. Section 921(2) further provides that income set aside for Reserve Fund purposes is not considered to be income for this purpose. The treatment of income set aside for Reserve Fund purposes is detailed further below.

##### 2.5.1 Exchequer grant income via the Department

Section 914(2) of the Act provides that a grant not exceeding 40% of IAASA's approved Programme of Expenditure for the period shall, subject to any conditions thought proper by the Minister for Jobs, Enterprise & Innovation ('the Minister'), be paid to IAASA out of monies provided by the Oireachtas.

## Irish Auditing & Accounting Supervisory Authority Notes to Financial Statements

The Department has stipulated that the grant that will be paid in any given financial period will be such as to meet 40% of IAASA's expenditure in that period. Accordingly, grant income recognised in the Statement of Income & Expenditure represents the amount necessary to meet 40% of IAASA's net expenditure in the year. Any timing differences arising at the reporting date between 40% of IAASA's net expenditure in the period and amounts received from the Department are, therefore, reflected as a debtor or grant income carried forward.

### 2.5.2 Prescribed Accountancy Bodies' Levies

Section 916(1) of the Act also provides that IAASA may impose one or more levies on the PABs with the consent of the Minister for the purpose of meeting up to 60% of its approved Programme of Expenditure. The aggregate of the PABs' levies are apportioned on the basis of criteria submitted to, and approved by, the Minister. Given that statutory levies imposed on the PABs are designed to meet 60% of IAASA's expenditure in the period, PAB levy income recognised in the Statement of Income & Expenditure represents the amount necessary to meet 60% of IAASA's net expenditure in the period. Any timing differences arising at the reporting date between 60% of IAASA's net expenditure in the period and the aggregate of levies received from the PABs are reflected as debtors or levy income carried forward.

### 2.5.3 Reserve Fund

Section 919(1) of the Act provides that IAASA shall maintain establish a Reserve Fund, to be used only for the purposes of performing its functions or exercising its powers under section 933 of the Act. Exchequer Reserve Fund grant income and PAB Reserve Fund levies respectively, if arising, are accounted for in the financial statements on the date of approval by the Minister, or on such later date if appropriate in accordance with any payment stipulations set out by the Minister. No such income has been approved by the Minister since 2007 pursuant to the corresponding provisions of the Companies (Auditing & Accounting) Act 2003 ('the 2003 Act').

Sections 933(5), 933(6) and 934(7) of the Act provide that fines may be levied on PABs and

members of PABs respectively in circumstances where adverse findings are made by IAASA following investigation under the relevant Regulations. Such income, where arising, is required to be credited to the Reserve Fund. Fine income accounted for on the date of the statutorily required High Court approval. Movements in the Reserve Fund are set out in the Statement of Changes in Reserves & Capital Account.

### 2.5.4 Income relating to IAASA's role as a Competent Authority under the Transparency Directive Regulations

The EU Transparency Directive is concerned with the harmonisation of information requirements applying to issuers whose securities have been admitted to trading on a regulated market situated, or operating, within the EU. IAASA has been designated by the Minister as a competent authority for the purposes of Article 24(4)(h) of the EU Transparency Directive. In accordance with Departmental sanction, monies received in respect of the Transparency Directive may only be used towards the performance of IAASA's responsibilities in that regard. As is the case with IAASA's other sources of Exchequer income, the amount provided by the Department is such as to meet the amount expended in the year, and, accordingly, the grant income recognised in the Statement of Income & Expenditure represents an amount equivalent to said expenditure. Any differences arising at the reporting date between the expenditure in the period and amounts received from the Department are, therefore, reflected as a debtor or grant income carried forward.

### 2.5.5 Income relating to IAASA's Audit Inspections Unit

As part of European audit reform measures, IAASA has been given responsibility for inspecting the quality of audit work performed by the auditors of public interest entities with effect from June 2016. As a result, IAASA has established up a new unit within its operations with the overall objective of inspecting auditors' work and promoting improvements in the quality of auditing of public interest entities. Associated costs were fully Exchequer funded in 2015, and up to 17 June 2016. Thereafter, the Unit is funded by way of

direct levy on the PIE Audit Firms. In accordance with Departmental sanction, monies received in respect of the establishment of the AIU may only be used towards the performance of IAASA's responsibilities in that regard. As is the case with IAASA's other sources of Exchequer income, the amount provided by the Department is such as to meet the amount expended in the year, and, accordingly, the grant income recognised in the Statement of Income & Expenditure represents an amount equivalent to said expenditure. Any differences arising at the reporting date between the expenditure in the period and amounts received from the Department are, therefore, reflected as a debtor or grant income carried forward, or as PIE Audit Firm debtors.

#### **2.5.6 Income relating to IAASA's role as a Competent Authority for the purpose of Registration of Third Country Audit Entities**

Third country (i.e. non-EU Member States) auditors and audit entities which audit the annual or consolidated accounts of certain companies must register with IAASA for their audit report to have legal validity in the State. IAASA has been designated as a competent authority for such registration, which is normally effected under the provisions for "full registration". There are provisions whereby auditors and audit entities from certain third countries may, subject to certain provisions, register under Transitional Regulations. Registration fees for both types of registration are specified by the Minister and are charged annually. In accordance with Departmental sanction, monies received from Third Country Audit Entity Registration may be retained and used towards the performance of IAASA's responsibilities in that regard to a maximum of €40,000. Any amounts in excess of this threshold are to be returned to the Department. Such income is accounted for in the financial statements by reference to the date of registration.

#### **2.5.7 Finance income**

Bank interest receivable on non-Reserve Fund monies is included as recurrent income, and carried forward as described above. Bank interest receivable on monies on deposit in the Reserve Fund is retained in the Reserve Fund. In both cases, bank interest is recognised in the Statement of Income & Expenditure on a receivable basis.

#### **2.6 Key management personnel**

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the Board of directors and the Chief Executive, who is also a director.

### **3 Critical accounting judgements and estimates**

#### **3.1 Retirement Benefits**

The position regarding IAASA's superannuation schemes is as set out in Note 11. Section 28.10(a) of FRS 102 defines Defined Contribution schemes as "*post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurer, together with investment returns arising from the contributions*". All other schemes are to be treated as Defined Benefit schemes.

In substance, the directors consider that the obligation to pay retirement benefits remains with IAASA, but that the Exchequer has committed to providing IAASA with sufficient funds to settle any such obligations on IAASA's behalf as they fall due, provided IAASA pays over employees' and the employer's contributions at rates specified by the Minister for Public Expenditure & Reform.

Notwithstanding that the Exchequer has confirmed that it will bear all liabilities arising to IAASA employees (and their spouses, civil partners and children) in return for a fixed contribution, the Directors remain of the view that the contractual obligation remains between the Authority and its employees. Consequently, the directors continue to account for the schemes as Defined Benefit schemes.

Accordingly, the financial statements recognise both a Retirement Benefit Obligation and a Deferred Exchequer Retirement Benefit Funding receivable.

## Irish Auditing & Accounting Supervisory Authority Notes to Financial Statements

### 4 Non-current assets

	Office refurbishment	IT Equipment	Office Equipment	Furniture & Fittings	Total
<b>Rate of Depreciation</b>	<b>0.00%</b>	<b>33.33%</b>	<b>20%</b>	<b>12.5%</b>	
	€	€	€	€	€
<b>Cost</b>					
At 1 January, 2016	80,613	37,119	17,529	21,660	156,921
Additions	-	28,836	14,811	63,252	106,899
Disposals	-	-	-	-	-
Impairments (see note 2.2)	(80,613)	-	-	-	(80,613)
At 31 December, 2016	<u>-</u>	<u>65,955</u>	<u>32,340</u>	<u>84,912</u>	<u>183,207</u>
<b>Accumulated Depreciation</b>					
At 1 January, 2016	-	27,303	11,001	10,252	48,556
Charge for year	-	14,505	3,105	8,975	26,585
Disposals	-	-	-	-	-
At 31 December, 2016	<u>-</u>	<u>41,808</u>	<u>14,106</u>	<u>19,227</u>	<u>75,141</u>
<b>NET BOOK VALUE</b>					
At 1 January, 2016	80,613	9,816	6,528	11,408	108,365
At 31 December, 2016	<u>-</u>	<u>24,147</u>	<u>18,234</u>	<u>65,685</u>	<u>108,066</u>

Further to a commitment given to the PABs by the Minister with the consent of the Minister for Public Expenditure & Reform prior to IAASA's incorporation, the Exchequer funded IAASA's establishment costs in full. This expenditure was incurred by the Department. As a consequence, in addition to non-current assets acquired by IAASA subsequent to its incorporation, and to which IAASA has legal title, IAASA also has the use of certain assets that were acquired by the Department prior to its incorporation and to which the Department has legal title. The nature and acquisition cost of these assets is set out hereunder for information:

	€
Fit out costs - Millennium Park premises	507,127
Furniture and fittings	147,415
IT equipment	60,539
Total	<u>715,081</u>

The notional Net Book Value of these assets at the reporting date, had they been capitalised and depreciated in accordance with IAASA policies, would be nil [2015: nil]. The bulk of the IT assets have, with the Department's permission, been disposed of.

#### 4.1 Non-current assets 2015

	Office refurbishment	IT Equipment	Office Equipment	Furniture & Fittings	Total
<b>Rate of Depreciation</b>	<b>0.00%</b>	<b>33.33%</b>	<b>20%</b>	<b>12.5%</b>	
	€	€	€	€	€
<b>Cost</b>					
At 1 January, 2015	-	39,492	17,133	13,111	69,7360
Additions	80,613	14,678	716	8,549	104,556
Disposals	-	(17,051)	(320)	-	(17,371)
At 31 December, 2015	<b>80,613</b>	<b>37,119</b>	<b>17,529</b>	<b>21,660</b>	<b>156,921</b>
<b>Accumulated Depreciation</b>					
At 1 January, 2015	-	39,214	9,209	7,608	56,031
Charge for year	-	5,140	2,112	2,644	9,896
Disposals	-	(17,051)	(320)	-	(17,371)
At 31 December, 2015	<b>-</b>	<b>27,303</b>	<b>11,001</b>	<b>10,252</b>	<b>48,556</b>
<b>NET BOOK VALUE</b>					
At 1 January, 2015	-	278	7,924	5,503	13,7057
At 31 December, 2015	<b>80,613</b>	<b>9,816</b>	<b>6,528</b>	<b>11,408</b>	<b>108,365</b>

#### 5 Receivables

	2016 €	2015 €
PIE Audit Firm Debtors	740,984	-
Other	23,805	14,707
	<b>764,789</b>	<b>14,707</b>

## Irish Auditing & Accounting Supervisory Authority

### Notes to Financial Statements

#### 6 Cash and cash equivalents

	<b>2016</b> €	<b>2015</b> €
Bank - notice deposit (Reserve)	390,106	419,879
Bank - notice deposit (Non-Reserve)	521,874	321,383
Bank - current	43,205	193,618
Cash on Hand	44	44
<b>Total cash &amp; cash equivalents</b>	<b><u>955,229</u></b>	<b><u>934,924</u></b>

€401,734 [2015: €390,823] of the funds held in the Authority's bank accounts at 31 December 2016 relate to the Reserve Fund and can only be used for the purposes as set out in Note 2.6.3.

#### 7 Payables

	<b>2016</b> €	<b>2015</b> €
Pay and Pay-Related	32,951	18,294
Office of the Revenue Commissioners	6,577	8,112
Legal and Professional Services	10,536	92,915
Other	221,985	106,600
	<b><u>272,049</u></b>	<b><u>225,921</u></b>

## 8 Lease of Accommodation, Deferred Rent Incentive

Rents due under leases are paid to the lessor by the Office of Public Works ("OPW") and are recouped by the OPW from IAASA on a quarterly basis by agreement. Rents are charged to the Statement of Income & Expenditure in the year to which they relate.

Under the lease agreement concluded in 2005 in respect of the second floor, Willow House, Millennium Park, Naas, IAASA benefited from a rent free period at the commencement of this lease. The value of the incentive has been spread across the life of the lease. This treatment has resulted in a charge of €27,652 in the financial statements at the date of incorporation and a corresponding deferred rent incentive, which will be released to the Statement of Income & Expenditure over the period of the lease.

Under the lease agreement concluded in 2016 in respect of the first floor, Willow House, IAASA benefited from a further six month rent free period from the commencement of this lease to 14 March 2017. The value of the incentive will be spread across the life of the lease, i.e., to 14 September 2025. This treatment has resulted in a charge of €26,915 in these financial statements and a corresponding deferred rent incentive, which will be released to the Statement of Income & Expenditure over the period of the lease.

The value of the incentive at 31 December to be released to the Statement of Income and Expenditure:

	2016		2015
	First Floor	Second Floor	Second Floor
	€	€	€
- within one year	(13,716)	1,452	1,452
- in two to five years	21,030	5,808	5,808
- in more than five years	19,597	5,872	7,324
	<b>26,911</b>	<b>13,132</b>	<b>14,584</b>

## 9 Finance Costs

IAASA acquired office equipment in August 2015 by way of finance lease. The period of the lease is 63 months, and total payments of €11,776 will be made in this period. At the end of the lease period, ownership of assets (with a cash value of €9,193 in August 2015) will pass to IAASA.

The value of the financial obligation accruing to IAASA as at 31 December:

	2016	2015
	€	€
- within one year	2,242	2,242
- in two to five years	3,926	6,169
- in more than five years	-	-
	<b>6,168</b>	<b>8,411</b>

## Irish Auditing & Accounting Supervisory Authority Notes to Financial Statements

### 10 Exchequer Grant Debtor/PAB Levy Carry Forward

#### 10.1 Calculation of Net Expenditure

	2016 €	2015 €
Gross Expenditure per Statement of Income and Expenditure	2,617,025	2,273,070
Adjust for:		
Unamortised amount of income used for capital acquisitions	(299)	94,660
Finance costs	653	841
Expenditure related to the Reserve Fund (Note 2.6.3)	<u>(21,642)</u>	<u>(29,497)</u>
	2,595,737	2,339,074
Less:		
Non-reserve fund interest receivable	478	2,464
Liquidator registration	3,500	9,500
Income from third country audit entity registration	41,000	43,000
<b>Net Expenditure for the year</b>	<b><u>2,550,759</u></b>	<b><u>2,284,110</u></b>
Net expenditure attributable to the Exchequer		
i. Transparency Directive (100%) (Note 2.6.4)	239,339	278,706
ii. Audit Inspections Unit (100%) (Note 2.6.5)	341,228	137,511
iii. Excess income from Third Country Audit Entities (Note 2.6.6)	(1,000)	(3,000)
iv. Obligations under the 2014 Act (40% of balance)	662,692	1,242,259
Net expenditure attributable to the PABs	994,039	1,122,536
Net expenditure attributable to the PIE Audit Firms	314,461	-
	<b><u>2,550,759</u></b>	<b><u>2,284,110</u></b>

#### 10.2 Calculation of Grant Debtor / Levy Carry Forward

	Exchequer €	PABs €	PIE Audit Firms €	TOTAL €
Balance at 1 January, 2016	(35,380)	(276,464)	-	(311,844)
Attributable net expenditure	1,242,259	994,039	314,461	2,550,759
Grants/Levies received in the year	(1,396,334)	(1,081,536)	(23,016)	(2,500,886)
Grants/Levies received in the year	-	-	(740,984)	(740,984)
<b>(Levy Carry Forward) at 31 December, 2016</b>	<b><u>(189,455)</u></b>	<b><u>(363,961)</u></b>	<b><u>(449,539)</u></b>	<b><u>(1,002,955)</u></b>

## 11 Retirement Benefits

### 11.1 Overview

Section 926(1) of the Act provides that IAASA may only establish a superannuation scheme with the approval of the Minister, given with the consent of the Minister for Public Expenditure & Reform ('the Ministers'). IAASA prepared and submitted proposals to the Ministers in respect of employees and employees' spouses, civil partners & children (based upon the civil service defined benefit 'Model Schemes'). The schemes, which were submitted pursuant to the corresponding provision of the 2003 Act, were approved by the Ministers on 29 November 2010 and 5 December 2012 respectively. The schemes are based on the civil service 'model' schemes as described on the [www.cspensions.gov.ie](http://www.cspensions.gov.ie) website.

In summary, the arrangements are:

- i. IAASA employees' scheme contributions are paid to the Department;
- ii. IAASA pays an employer contribution to the Department, the rate of which is set by the Minister for Public Expenditure & Reform. The rate is currently 25% [2015: 25%]; and
- iii. in return for the payment to it of the employees' and employer's contributions, the Department has committed that any benefits due to IAASA employees, and/or their spouses, civil partners and children will be met in full by the Exchequer as they fall due.

Scheme liabilities represented by the present value of future payments earned by IAASA staff to date are measured on an actuarial basis using the projected unit method. Pension costs reflect benefits earned by IAASA staff in the period and are shown net of employee pension contributions, which are retained by the Department. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Income & Expenditure for the year in which they occur and a corresponding adjustment is recognised to the balance for Deferred Exchequer Retirement Benefit Funding.

Employer contributions, which are charged at a rate imposed by the Minister for Public Expenditure & Reform and retained by the Exchequer, are charged or credited to the Statement of Income & Expenditure to the extent that they exceed or fall short of pension costs respectively as described above.

## Irish Auditing & Accounting Supervisory Authority

### Notes to Financial Statements

#### 11.2 Actuarial valuation

IAASA has commissioned an actuarial valuation of accrued liabilities at the balance sheet date, and the cost of benefits (service cost) accrued during the year. This valuation, which was based on the Projected Unit method, is premised on the following assumptions:

	At 31-12-2016	At 31-12-2015
Rate of increase in salaries	2.50%	2.50%
Rate of increase in pensions in payment	2.00%	2.00%
Discount rate	1.75%	2.50%
Inflation assumption	1.50%	1.50%
Life expectancy at age 70:		
Current pensioners - male	17.9 years	-
Current pensioners - female	20.2 years	-
Future pensioners - male	18.4 years	18.4 years
Future pensioners - female	20.8 years	20.8 years

Based on the above, the present value of liabilities at the balance sheet date is €2,665,000 [2015: €1,822,000], and the service cost (calculated on the foregoing assumptions) for the year is €240,000 [2015: €239,000]. Certain of IAASA's staff, who have accumulated service elsewhere in the public service, have not to date exercised the option to transfer said service to IAASA.

#### 11.3 Analysis of total pension costs charged to Statement of Income and Expenditure

	2016 €	2015 €
Total employer contribution	319,720	266,229
*Current service cost	240,000	239,000
Interest cost	41,000	39,000
Adjustment to deferred Exchequer pension funding	(281,000)	(278,000)
Total charged to Statement of Income and Expenditure	<b>319,720</b>	<b>266,229</b>

\*Employee contributions totalling €68,057 [2015: €57,699] have been included in the calculation of the current service cost.

**11.4 Movement in net pension liability**

	<b>2016</b> €	<b>2015</b> €
Net Pension Liability at 1 January	1,822,000	1,743,000
Current Service Cost	240,000	239,000
Interest Cost	41,000	39,000
Experience (gains) on scheme liabilities	23,000	(44,000)
Changes in assumptions	568,000	(155,000)
Pensions paid in the year	(29,000)	-
Net Pension Liability at 31 December	<b><u>2,665,000</u></b>	<b><u>1,822,000</u></b>

**11.5 History of scheme liabilities and experience (gains)/losses**

	<b>2016</b> €	<b>2015</b> €	<b>2014</b> €	<b>2013</b> €	<b>2012</b> €
Scheme liability	2,665,000	1,822,000	1,743,000	1,055,000	1,023,000
Experience (gains) on scheme liabilities	23,000	(44,000)	(13,000)	(96,000)	(17,765)
Changes in assumptions	568,000	(155,000)	499,000	(93,000)	317,000

**12 Capital Account**

The Capital Account represents the unamortised value of income used for capital purposes (i.e. asset acquisitions).

## Irish Auditing & Accounting Supervisory Authority

### Notes to Financial Statements

#### 13 Revenue

##### 13.1 Approved Programme of Expenditure

IAASA's Programme of Expenditure for the year, as approved by the Minister under section 911(1) of the Act, was €4,428,000 [2015: €2,331,000] as laid out below. This includes Exchequer funding (via the Department) to a maximum of €763,000 [2015: €401,000] made available during the year in respect of IAASA's functions under the Transparency Directive; and funding of up to €1,402,000 [2015: €500,000] approved in relation to the establishment of an Audit Inspections Unit. The Audit Inspections Unit was funded by the Exchequer to 16 June 2016, and by the PIE Audit Firms thereafter.

	Exchequer	PABs	PIE Audit Firms	TOTAL
	€	€	€	€
Recurrent Expenditure	905,000	1,358,000	-	2,263,000
Approved allocation in respect of Transparency Directive	638,000	-	764,000	1,402,000
Approved allocation in respect of Transparency Directive	763,000	-	-	763,000
<b>Total</b>	<b><u>2,306,000</u></b>	<b><u>1,358,000</u></b>	<b><u>764,000</u></b>	<b><u>4,428,000</u></b>

##### 13.2 Analysis of Income

	2016 €	2015 €
<b>Recurrent Income under the Act</b>		
Exchequer Grant Income	661,692	745,357
PABs' Levies	994,039	1,122,536
<b>Reserve Fund Income</b>		
Amounts receivable in respect of fines (Section 933)	30,000	-
<b>Income in respect of Transparency Directive Activity</b>		
Exchequer Grant Income	239,339	278,706
<b>Income in respect of Audit Inspections Unit</b>		
Exchequer Grant Income	341,228	137,511
PIE Audit Firms	314,461	
<b>Income in respect of Liquidator Registration</b>		
Application fees received from liquidators	9,500	-
<b>Income in respect of Third Country Audit Entity Registration</b>		
Registration fees received from Third Country Audit Entities	41,000	43,000
	<b><u>2,625,259</u></b>	<b><u>2,336,610</u></b>

## 14 Staff Costs

	<b>2016</b> €	<b>2015</b> €
Salaries	1,283,753	1,075,038
Employer PRSI Contributions	129,526	107,308
Employer Retirement Benefit Contributions	319,720	266,229
	<b><u>1,732,999</u></b>	<b><u>1,448,575</u></b>

The total amount deducted from staff members in respect of the Pension Related Deduction pursuant to the Financial Emergency Measures in the Public Interest Act, 2009, was €85,761 [2015: €80,174].

The average number of employees during the year was 19 [2015: 15]. IAASA's complement of full time staff at 31 December 2016 was 20 [2015: 17].

IAASA employees are paid on the basis of salary scales analogous with civil service grades. These salaries represent total pay and IAASA does not pay overtime or similar allowances.

In accordance with Department of Public Expenditure & Reform requirements, an analysis of total employee remuneration (including salaries and other benefits, but excluding employer superannuation contributions) for those earning over €60,000 is set out below:

	<b>2016</b>	<b>2015</b>
€60,000 to €69,999	3	3
€70,000 to €79,999	6	7
€80,000 to €89,999	3	1
€90,000 to €99,999	1	-
€100,000 to €109,999	1	1
€110,000 to €119,999	-	1
€120,000 to €129,999	1	-
	<b><u>15</u></b>	<b><u>13</u></b>

## Irish Auditing & Accounting Supervisory Authority

### Notes to Financial Statements

#### 15 Board fees and expenses

Fees are payable to Board members at a rate specified from time to time by the Minister for Public Expenditure & Reform. In accordance with Department of Public Expenditure & Reform regulations and the Code of Practice for the Governance of State Bodies ('the Code'), fees are not payable to certain Board members who are also public servants.

	<b>2016</b> €	<b>2015</b> €
Professor Brendan Walsh	4,523	11,970
Martin Sisk	328	-
Marie Daly	7,695	7,695
David Devlin	5,460	7,695
Etain Doyle	7,695	7,695
Sean Hawkshaw	-	7,695
Bernadette McGrory-Farrell	-	7,695
Aileen O'Donoghue	7,695	7,695
Michael Quinlan	7,695	7,695
	<b>41,091</b>	<b>65,835</b>

In addition, a total of €nil [2015: €4,970] was incurred by Board members during the year in furtherance of their duties. These amounts include both expenses paid directly to Board members and those incurred by IAASA on their behalf. Expenses paid to or incurred on behalf of the Chief Executive, who is also a Board member, totalled €18,200 [2015: €13,624], as detailed in Note 24.

#### 16 Travel & Subsistence

	<b>2016</b> €	<b>2015</b> €
National	19,673	20,015
International	57,081	44,499
	<b>76,754</b>	<b>64,514</b>

## 17 Legal & Professional Services

	<b>2016</b> €	<b>2015</b> €
Financial Statement Review (Transparency Directive)	32,294	76,452
Committees of Enquiry - Section 933	21,642	19,438
Committees of Investigation - Section 934	-	11,199
Legal Advice	23,015	79,202
Internal Audit & Actuarial Services	12,748	7,547
PAB review	-	1,755
Organisational review	-	205
PR Services	14,760	14,760
Registration of Liquidators	46,854	40,378
Audit Reform	38,956	62,896
Recruitment Services	33,733	39,360
HR/Medical	240	826
	<b><u>224,242</u></b>	<b><u>354,018</u></b>

## 18 Official Entertainment/hospitality expenditure

Total expenditure on entertainment, included in the Statement of Income & Expenditure as Office Expenditure, is €357 [2015: €90]

## 19 Auditor's remuneration

	<b>2016</b> €	<b>2015</b> €
Audit of company financial statements	<b><u>12,000</u></b>	<b><u>10,500</u></b>

The Office of the Comptroller & Auditor General does not provide non-audit services to IAASA and no services other than statutory audit services were provided by the Comptroller & Auditor General during the year.

## 20 Finance income - analysis of interest

	<b>Fixed Term deposit Reserve</b> €	<b>Fixed Term deposit Non-Reserve</b> €	<b>TOTAL 2016</b> €	<b>TOTAL 2017</b> €
Gross interest receivable	1,810	810	2,620	8,539
DIRT	(742)	(332)	(1,074)	3,501
Net interest receivable	<b><u>1,068</u></b>	<b><u>478</u></b>	<b><u>1,546</u></b>	<b><u>5,038</u></b>

## Irish Auditing & Accounting Supervisory Authority Notes to Financial Statements

### 21 Reconciliation of Surplus for the year to Net Cash from Operating Activities

	<b>2016</b> €	<b>2015</b> €
Surplus for the year	<b>9,127</b>	<b>67,737</b>
Non Operating Items:		
Add: reallocation of fixed assets to expenditure	80,613	-
Less: Finance income	(1,700)	(6,142)
	<b>88,040</b>	<b>61,595</b>
Add:		
Increase in Payables	46,128	39,344
Increase/(Decrease) in Excess PABs Levy Income	87,497	(241)
Increase in Excess Departmental Grant Income	154,075	6,743
Increase in Excess PIE Levy Income	449,539	-
(Increase) in Receivables	(750,082)	(211)
(Increase)/Decrease in Inventory	(151)	53
Decrease in Deferred Finance Lease Costs	653	841
(Decrease) in Finance Lease Obligations	(2,243)	(2,243)
Increase/(Decrease) in Deferred Rent Incentive	25,463	(1,452)
Depreciation	26,585	9,896
	<b>37,464</b>	<b>52,730</b>
Net Cash Inflow from Operating Activities	<b>125,504</b>	<b>114,325</b>

### 22 Analysis of changes in net funds

	<b>Cash at Bank &amp; on Hand</b> €	<b>Cash on Fixed Term Deposit (Non-Reserve)</b> €	<b>Cash on Fixed Term Deposit (Reserve)</b> €	<b>TOTAL</b> €
Balance at 1 January, 2016	193,662	321,383	419,879	934,924
Cash flow for year	(150,413)	200,491	(29,773)	20,305
Balance at 31 December, 2016	<b>43,249</b>	<b>521,874</b>	<b>390,106</b>	<b>955,229</b>

### 23 Taxation

IAASA is a non-commercial state-sponsored body for tax purposes and, accordingly, income and capital gains arising, if any, are not liable to income tax or capital gains tax respectively. IAASA is not, however, exempt from Deposit Interest Retention Tax ('DIRT').

## 24 Financial Commitments

### 24.1 Capital Commitments

There are no capital commitments as at 31 December 2016.

### 24.2 Rental commitments

IAASA's premises are leased on behalf of the State by the OPW. IAASA in turn rents the premises from the OPW, but has provided no undertakings in this regard. Given that IAASA is not a party to the lease, it has no rental commitments in the coming twelve months.

Rental commitments under the lease in the coming twelve months, which are payable by the OPW, will be €154,237.

## 25 Chief Executive's salary and expenses

Ms Helen Hall was employed as Chief Executive until 14 January 2016. Mr Michael Kavanagh served as interim Chief Executive until 13 November 2016, and Mr Kevin Prendergast was appointed as Chief Executive from 14 November 2016. Their respective remunerations are detailed below. These amounts are approved by the Minister with the consent of the Minister for Public Expenditure & Reform. The Chief Executive was not entitled to receive a Board fee, and the Performance Related Bonus Scheme was not in operation in 2016. Ms Hall was and Mr Kavanagh is a member of IAASA's Employee and Spouses, Civil Partners & Children's superannuation schemes (as detailed in Note 11), and the relevant employer contribution in this regard is also detailed below. Mr Prendergast remains a member of the Civil Service Pension Scheme. The foregoing represents the Chief Executives' total remuneration package for the period.

	<b>H Hall</b>	<b>2016</b>	<b>K Prendergast</b>	<b>2015</b>
	<b>€</b>	<b>M Kavanagh</b>	<b>€</b>	<b>H Hall</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Gross salary	8,802	97,164	18,499	114,850
Superannuation	2,201	24,291	-	26,004
	<b>11,003</b>	<b>121,455</b>	<b>18,499</b>	<b>140,854</b>

The Chief Executive is an *ex-officio* director of the company. Expenses incurred directly by the Chief Executive in the performance of his/her duties and/or by IAASA on behalf of the Chief Executive are disclosed hereunder.

	<b>H Hall</b>	<b>2016</b>	<b>K Prendergast</b>	<b>2015</b>
	<b>€</b>	<b>M Kavanagh</b>	<b>€</b>	<b>H Hall</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Professional memberships <i>(subject to BIK where applicable)</i>	1,465	-	-	1,465
Travel & Subsistence, incl. air fares	246	10,400	2,282	9,024
Mobile phone costs	102	570	40	1,147
Internet Services	-	250	50	522
Training	-	-	-	885
Incidentals	70	2,709	16	581
	<b>1,883</b>	<b>13,929</b>	<b>2,388</b>	<b>13,624</b>

## Irish Auditing & Accounting Supervisory Authority Notes to Financial Statements

### 26 Related Party Transactions

#### **26.1 Directors**

Details of all payments made to IAASA non-executive directors and the Chief Executive are set out in Notes 15 and 25 respectively. There were no other transactions with directors during the year [2015: nil], and no balances outstanding at the reporting date [balance at 31 December 2015: nil].

#### **26.2 Key management personnel**

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the Board of directors and the Chief Executive, who is also a director. As alluded to above, all payments made to these key management personnel are set out in Notes 15 and 25 respectively.

#### **26.3 Other related parties**

There were no other related party transactions during 2016 or 2015 and there were no amounts outstanding at either year end.

### 27 Board Members – Disclosure of Transactions

In accordance with the Code of Practice for the Governance of State Bodies, IAASA has in place a Code of Business Conduct for Board members. The Code of Business Conduct includes guidance in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board during the year covered by these financial statements. During the year under review, there were no financial transactions with directors other than the payment of Board fees and expenses detailed in Note 15. There were no occasions whereby a Board Member disclosed a financial interest during 2016.

### 28 Approval of the Financial Statements

The Financial Statements were approved and authorised for issue by the Board of Directors on 30 May 2017