

September 2022

CONSULTATION DRAFT

## **POLICY PAPER**

# **Publication of Information Regarding IAASA's Financial Reporting Supervision Activities**

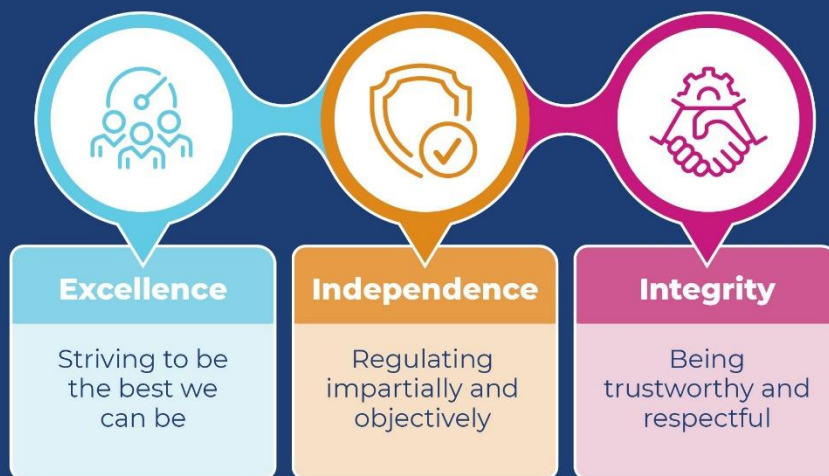
(Revised DD MMM 2022)

# 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



# Our Values



## Disclaimer

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# 1. Introduction

A principal function of the Irish Auditing and Accounting Supervision Authority (IAASA) is to examine certain listed entities' annual and half-yearly financial reports and take enforcement actions when instances of non-compliance with the relevant reporting framework are detected.

In line with its mission of supervising and promoting high quality financial reporting in the public interest and with its strategy as set out in its Work Plan<sup>1</sup>, IAASA publishes information on the outcomes of its financial reporting supervision activities.

## 2. Aim of this Paper

The purpose of this Paper is two-fold:

- to set out IAASA's policy on the publication of the outcomes of its financial reporting examination activities, and
- to set out the nature and extent of information to be published.

It is intended that this Publications Policy Paper be reviewed periodically and at least once every five years.

## 3. Publications

IAASA will publish the outcome of its financial reporting enforcement by publication of the below:

- significant financial reporting decisions [Section 4 below],
- list of examinations undertaken [Section 5 below],
- corrective public notices by issuers [Section 6 below],
- an annual *Observations* paper [Section 7 below], and
- the findings from thematic examinations [Section 8 below].

## 4. Significant financial reporting decisions

Proposed publication	Purpose	Frequency
IAASA's policy is to publish significant financial reporting decisions.	To inform stakeholders of the outcome of examinations and to provide preparers, auditors	Ad hoc – shortly after conclusion

<sup>1</sup> **Strategy 2 – Review of financial reporting**

*The Authority will support high standards in financial reporting by entities under its remit. This will be achieved through:*

- *review of annual and half yearly reports of issuers;*
- *engagement where necessary with issuers to seek explanations for accounting treatments;*
- *seeking undertakings where appropriate to ensure future quality in financial reporting;*
- *seeking withdrawal and reissuing where appropriate in cases of significant non-compliance; and*
- *publishing the outcome of the Authority's work in line with its publications policy.'*

Proposed publication	Purpose	Frequency
<p>A financial reporting decision – including instances where the financial reporting treatment applied by the issuer is accepted by IAASA – may be categorised as “significant” if IAASA considers it will promote high quality financial reporting. Some factors which are considered include, but are not limited to, whether the decision:</p> <ul style="list-style-type: none"> <li>(a) refers to financial reporting matters with technical merit,</li> <li>(b) has been discussed at the European Enforcers Coordination Sessions (EECS)<sup>2</sup> as an emerging issue,</li> <li>(c) has been submitted to the EECS Decisions Database,</li> <li>(d) may be of interest to other European accounting enforcers,</li> <li>(e) indicates a risk of significantly different financial reporting treatments being applied by issuers,</li> <li>(f) is likely to have a significant impact on other Irish or European issuers, and</li> <li>(g) is taken on the basis of a provision not covered by a specific financial reporting standard.</li> </ul> <p>The information proposed to be published in respect of each examination comprises:</p> <ul style="list-style-type: none"> <li>(a) issuer name,</li> <li>(b) report type – annual or half-yearly,</li> <li>(c) reporting date,</li> <li>(d) financial reporting framework adopted – IFRS, Irish GAAP, other,</li> <li>(e) financial reporting standard(s) involved,</li> <li>(f) outline of the financial reporting treatment applied by the issuer, outline of decision made by IAASA and the rationale for the decision, and</li> </ul>	<p>and users of financial reports with information as to the application of financial reporting standards.</p>	<p>of the examination.</p>

<sup>2</sup> The European Securities and Markets Authority (ESMA) organises the European Enforcers Coordination Sessions, a forum of 38 European enforcers from all European Economic Area (EEA) countries with responsibilities in the area of enforcement of financial information

Proposed publication	Purpose	Frequency
(g) outline of the corrective actions, if any, undertaken or to be undertaken by the issuer on foot of the decision made by IAASA.		

In line with IAASA's Values, at the conclusion of the examination, IAASA will provide the proposed wording of the finding to the issuer in advance of publication, providing an opportunity to highlight any factual errors.

Where IAASA forms the view that publication of a particular financial reporting decision could seriously jeopardise the financial markets or cause disproportionate damage to the parties involved, it will take necessary steps to ensure that such consequences do not arise. Such steps may include omitting the name of the issuer concerned, redacting certain information from the publication, or refraining from publishing the decision.

## 5. List of examinations

Proposed publication	Purpose	Frequency
<p>IAASA's policy is to publish a list of examinations undertaken each year, a summary of engagement and the outcome of those examinations.</p> <p>The information to be published in respect of each examination comprises:</p> <ul style="list-style-type: none"> <li>(a) issuer name,</li> <li>(b) report type – annual or half-yearly,</li> <li>(c) reporting date,</li> <li>(d) nature of examination performed – unlimited interactive, unlimited desk-top, focused interactive, focused desk-top, or follow-up,</li> <li>(e) a summary of the engagement, if applicable, and</li> <li>(f) a summary of the outcome of the examination.</li> </ul>	To inform stakeholders as to the nature and level of examinations performed by the Authority.	Annually.

## 6. Corrective public notice

Proposed publication	Purpose	Frequency
Where, consequent on engagement with IAASA, an issuer publishes a corrective public notice, IAASA will publish a notification on its website highlighting that corrective public notice. The notification on the website will include a link to where that corrective public notice may be accessed.	To inform stakeholders of the publication of the corrective public notice by the issuer.	Ad hoc – immediately after publication of the corrective public notice by the issuer.

## 7. Observations paper

Proposed publication	Purpose	Frequency
<p>IAASA will publish an annual paper <i>Observations on Selected Financial Reporting Issues</i>.</p> <p>Matters included in the <i>Observations</i> paper may result from the financial reporting matters identified during IAASA's examination of annual and half-yearly financial reports.</p>	<p>To assist management, audit committees and directors in the preparation and approval of high-quality financial reports by offering observations on selected financial reporting issues to coincide with the preparation of issuers' financial statements.</p> <p>The paper also sets out some matters which will be the focus of IAASA's examinations when examining issuers' financial reports.</p>	Annually.

## 8. Thematic examinations

Proposed publication	Purpose	Frequency
<p>IAASA undertakes other activities, typically of a desk-top nature and without specific issuer engagement, that focus on a particular financial reporting subject.</p> <p>IAASA may determine it is useful to issue information to support issuers in relation to specific financial reporting topics.</p> <p>The names of all issuers included in such thematic examinations and details of the overall findings may be published.</p>	<p>To:</p> <ul style="list-style-type: none"> <li>(a) to identify and describe common practice,</li> <li>(b) highlight instances of good practice, and</li> <li>(c) provide recommendations which, if applied, will enhance users' understanding of the performance, financial position and cash flows and enable improved comparability across issuers.</li> </ul> <p>IAASA will draw attention to the financial reporting requirements applying in a particular circumstance and thereby aid management, audit committees and directors in the preparation and approval of high-quality financial reports to ensure compliance with the specific requirements of financial reporting standards.</p>	<p>Ad hoc.</p>





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