

Quality Assurance Review of the Audits and Assurance Engagements of Public Interest Entities in Ireland



IAASA is responsible for the quality assurance review of the quality of the audit and sustainability assurance engagements performed by the auditors of public interest entities in Ireland.

The factsheets in this document summarise IAASA's quality assurance review process, provide an overview of the audit firms and key stakeholders involved, and offer links to further information.

Factsheets

- 1 The Quality Assurance Review of the Audits and Assurance Engagements of Public Interest Entities - At a Glance
- 2 Audit Firms Inspected by IAASA in Ireland
- 3 The Quality Assurance Review Process
- 4 Key Stakeholders in Public Interest Entities' Quality Assurance Reviews
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The Quality Assurance Review of the Audit and Sustainability Assurance Engagements of Public Interest Entities - At a Glance

IAASA's quality assurance role



IAASA is responsible for reviewing the quality of the work performed by audit firms in relation to the financial and sustainability assurance reports of public interest entities.

Each audit firm that audits public interest entities must be reviewed at least once every three years.

What is a Public Interest Entity?



Public interest entities are defined in Irish company law. They include entities listed on a regulated market (e.g. Euronext Dublin operated by the Irish Stock Exchange) as well as banks and insurance companies. A full definition is available at the following link: [definition of public interest entity](#).

Who are the firms who audit public interest entities?



There are currently eight audit firms that audit public interest entities in Ireland. They are listed on Factsheet 2.

Review Methodology



The quality assurance review is designed to assess the effectiveness of the audit firm's internal quality management system.

This is achieved through (i) a review of each firm's quality management system and (ii) inspections of individual audit and assurance files.

IAASA assesses compliance with legal requirements, auditing, assurance and ethical standards and each firm's own methodology.

Reporting on a Review



Each audit firm is issued with a quality assurance review report detailing the main conclusions and recommendations of the review.

Each report sets out a significance rating for the findings in relation to the firm's quality management system and assigns a grade to each audit file inspected.

The quality assurance review reports are published on IAASA's website at the following link: [QAR reports](#)

Other activities



In addition to the annual quality assurance reviews, IAASA also participates in joint quality assurance reviews with overseas regulators including the US PCAOB, conducts thematic reviews on topical audit matters, and co-operates with other audit regulators on a range of common issues.

Audit Firms Inspected by IAASA in Ireland



The Quality Assurance Review Process

STAGE 1: QUALITY ASSURANCE REVIEW PLANNING

1 FIRM SUBMITS ANNUAL RETURN

Each audit firm submits its annual return to IAASA by 31 January with details of its audits and assurance engagements related to public interest entities and other firm-specific information.

2 IAASA PERFORMS RISK ASSESSMENT

IAASA incorporates the data from the firms' annual returns in its risk assessment model to select the engagements to be inspected within each audit firm in the coming year.

3 IAASA FINALISES REVIEW SCHEDULE

IAASA finalises the annual quality assurance review schedule, timelines and the number of engagements to be inspected. IAASA sends an information request to each audit firm.

STAGE II: QUALITY ASSURANCE REVIEW PROCEDURES

4 CONDUCT FIRM-WIDE PROCEDURES

The review of a firm's quality management system involves evaluation of its policies and procedures across several quality management areas to assess their impact on audit and assurance engagement quality. Relevant areas include governance and leadership, relevant ethical requirements, resources, and internal monitoring activities. IAASA applies the EU common audit inspection methodology ([CAIM](#)).

5 INSPECT ENGAGEMENT FILE

IAASA selects individual engagements for inspection based on risk-factors such as industry, size, fees, as well as matters such as media coverage. A file inspection involves an examination of several sections of the audit or assurance engagement to evaluate the sufficiency and quality of the evidence on the file. Each file inspection usually takes between 1-3 weeks.

6 DISCUSS QUERIES & FINDINGS WITH FIRM

IAASA issues queries to the audit firm on firm-wide procedures and on its engagement file inspections, highlighting points needing a formal reply or unresolved matters. IAASA meets with the firm to discuss the findings of the review, and where relevant, the recommendations that need to be implemented.

STAGE III: QUALITY ASSURANCE REVIEW COMPLETION

7 ISSUE QUALITY ASSURANCE REPORT TO THE FIRM

IAASA issues a quality assurance report to the audit firm, setting out the main conclusions and recommendations arising from the review. Each report sets out a significance rating (red, amber, yellow) for the findings in relation to the firm's quality management system and assigns a grade to each audit file inspected.

Access the guide to the reports on IAASA's website at the following link: [Guide to IAASA's reports on the quality assurance review of public-interest entity audit firms](#)

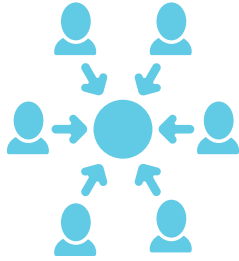
8 FOLLOW UP IMPLEMENTATION OF THE RECOMMENDATIONS

An audit firm is required to implement IAASA's recommendations within 12 months.

IAASA performs a review to assess whether the audit firm has implemented its recommendations.

Where a firm has failed to effectively implement recommendations within 12 months, IAASA will refer the matter for enforcement proceedings.

Key Stakeholders in Public Interest Entities' Quality Assurance Reviews



SHAREHOLDERS



AUDIT FIRMS



GOVERNMENT



THE PUBLIC



**AUDIT
COMMITTEES**



**OTHER
REGULATORS**

Find Further Information

To learn more about IAASA's role in the review of audit quality in Ireland visit our website at iaasa.ie or use the links below to access the documents listed.

www.iaasa.ie



Quality Assurance Reports

The quality assurance reports summarise the findings of IAASA's reviews of the audit firms who audit public interest entities.

[2023 Reports](#) [2022 Reports](#) [2021 Reports](#) [2020 Reports](#)
[Guide to IAASA's quality assurance reports](#) [2019 Reports](#)



Thematic Reports

IAASA has published the findings of several thematic reviews on audit topics on its website. Click the link below to find them.

<https://iaasa.ie/publications/>



IAASA's Annual Report and AAPA Report

[Chapter 5 of IAASA's Annual Report](#) summarises how IAASA has reviewed the quality of the audits of public interest entities each year.

[The Annual Audit Programme and Activity Report \(AAPA\)](#) summarises the activities performed by IAASA each year to oversee the audit profession in Ireland.



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info@iaasa.ie
045 983 600