

## IAASA Insights Podcast

## Episode #2: 'The Profile of the Profession'

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- Host** Welcome to "IAASA Insights," the podcast that explores the work of the Irish Auditing and Accounting Supervisory Authority in upholding quality corporate reporting and an accountable profession.
- I'm Eileen Townsend, Head of Standards, Policy, and Organisational Development at IAASA.
- Today, we're exploring one of IAASA's key responsibilities - our supervision of the five prescribed accountancy bodies in Ireland.
- This area is highlighted in our recently released publication, the 2024 Profile of the Profession, which provides valuable insights into the accounting profession in Ireland.
- So, to help listeners understand both IAASA's supervision role and the new publication, I'm joined by Mary Healy, Senior Manager in IAASA's Professional Body Supervision team.
- Welcome, Mary.
- Guest** Hi, Eileen. Thanks for having me on today.
- Host** **So, Mary, to begin with, could you give our listeners a brief overview of what the Profile of the Profession publication covers?**
- Guest** Sure, so the Profile of the Profession is a report that IAASA publishes annually, and it provides like, an overview of Ireland's accounting and auditing landscape from a regulatory perspective.
- So, it presents demographic information about members and students of accountancy bodies in Ireland, like, it includes key statistics about various regulatory areas - for example, complaints handling outcomes, details of quality assurance reviews, statutory auditor data, and data about continuing professional development activities.
- Host** **Okay, and then before we dive into the specific details of those in the Profile, maybe you'll give listeners an overview of the regulatory landscape for accountants in Ireland.**
- Guest** So, sure, in Ireland, we have five prescribed accountancy bodies - or PABs for short. And these are ACCA, AIA, CAI, CIMA, and CIPFA.
- So these five bodies regulate and monitor their members, so the bodies have their own rules and regulations that members and students are required to comply with.
- Like these rules and regulations, they may cover education, containing professional education, quality assurance reviews, disciplinary processes.
- Host** **Then for listeners, can you explain what IAASA's role is in all of this?**

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- Guest** So, IAASA's role in this is that IAASA functions as an oversight layer above the accountancy bodies.
- So, we supervise how the accountancy bodies monitor and regulate their members, particularly statutory auditors.
- So, two of the accountancy bodies - ACCA and CAI - they can approve individuals and firms to carry out statutory audits, and IAASA will oversee their approval and registration process.
- Host** **Okay, thank you.**
- So maybe in terms of demographics, then let's talk about accounting profession demographics in Ireland. What does the Profile tell us, for example, about membership trends?**
- Guest** Sure, so the Profile shows us that accountancy body membership reached a record high of 46,000 members at the end of 2024. Now, that represents a growth of 32% over the past 10 years, but actually since IAASA first collected these statistics in 2006, we've seen a 92% increase from the original 24,000 members.
- Now, three of the bodies dominate in the market. They account for approximately 99% of all PAB members in Ireland. And they are CAI, which represents 60% of all members, ACCA accounts for 29% and CIMA comprises 10%.
- Host** **And what do you think is driving that 32% growth in accountancy body membership in the past decade?**
- Guest** Well, I'd say predominantly market demand.
- I mean, there continues to be a strong demand for accounting expertise in Ireland.
- Like, the Profile statistics demonstrate this strongly. And over the past decade, we've seen the number of new students being admitted as members significantly higher than the number of members actually resigning their membership.
- Host** **And then what about the pipeline of new accountants?**
- Guest** Well, the pipeline of new accountants Eileen, is very stable.
- I mean, the Profile shows 17,000 accounting students in Ireland at the end of 2024, which is a 3% increase from the previous year. But looking at the longer trend, the Profile shows that student numbers have consistently remained above 16,000 over the past decade.
- Host** **So, that's membership and students. So, are there trends that the Profile reveals about gender and age demographics within the profession in Ireland?**

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**Guest** Yes. So, the 2024 Profile shows the current gender balance as 55% male, 44% female, and 1% with the information not provided. Now, we've seen a meaningful shift towards greater gender balance over time. Like back in 2015, the profession was 62% male, and in 2006 it was 66% male. Now, the student demographics suggest this trend will continue.

Among accounting students in Ireland, we see a 52% female population, so a slight majority of female students in Ireland. Now, this indicates that we likely experience further increases in female representation within the profession over the medium term.

Now, another demographic to highlight actually is the age demographic, the membership is under 45 years of age, and 77% are under 55. Now, this aligns with what we'd expect to see given the year over year membership growth and the continued strong market demand for accounting expertise.

**Host** **Okay, really interesting. And then where are accountants working? So do you have data on what sectors they are primarily employed in?**

**Guest** Yes, so from a career perspective, the Profile gives a breakdown of the sectors that both members and students work in. Now, we can see the majority of accountancy bodies members in Ireland - 61% - work in business settings. With a further 24% working in accounting practice and 6% working in the public sector.

Now, interestingly, these proportions have remained very stable over the past 10 years, with consistently over 60% of members working in business.

**Host** **So, maybe to focus now on accountants working in practice, so those providing services to businesses and members of the public, what does the Profile tell us about this group?**

**Guest** So, the Profile reports that approximately 3,500 members in Ireland are authorised by the accountancy bodies to offer accountancy services to the public. Now, this refers to general accountancy services, so it's not for specialised areas like such as audit.

**Host** **Okay, well perhaps you can expand on that point, Mary. So, who can provide accountancy services then to members of the public in Ireland?**

**Guest** Yeah, it's an interesting question, Eileen, because it's important to point out that there's no legal prohibition preventing someone who isn't a member of an accountancy body from providing many accounting services.

Now, IAASA would strongly encourage anyone seeking accounting services to choose a professional who is a member of a prescribed accountancy body. And the reason for this is that these members are subject to regulatory oversight. As you can read in the Profile document, becoming a member of an accountancy body, it requires meeting several important criteria.

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Like, attaining sufficient practical experience, passing professional examinations, and being deemed a fit and proper person, a person of good repute.

And also, when someone is admitted as a member, a person must adhere to that body's rules and regulations and they must maintain their professional competence and keep their knowledge up to date. Further, members in practice must be insured. And all members are subject to an investigation and disciplinary system if a complaint is made about them. So, this should ensure accountability for member's professional conduct. And that's why we would encourage people to seek the professional services of a member of an accountancy body.

**Host**            **And so for listeners who want to check if their accountant is a member of one of those five prescribed accountancy bodies, what would you recommend they do?**

**Guest**            Well, verifying if your accountant is a member of one of the five accountancy bodies is very straightforward.

Like, each accountancy body maintains a membership directory on their own website where you can search for members.

Also, you could check the professional designations an individual uses after their name or on their firm's letterhead, search what body the letters refer to and then confirm their membership status through the relevant body's directory.

**Host**            **Okay, thank you.**  
**So, the Profile also includes statistics about complaints received by accountancy bodies about their members. So, could you explain what's the regulatory framework around the complaints process in relation to accountants in Ireland?**

**Guest**            Well firstly, complaints about members of accountancy bodies are normally handled by the relevant accountancy body, and not by IAASA.  
IAASA's enforcement team they mainly handle public interest matters, particularly those relating to the audits of public interest entities.  
So, IAASA's role is to approve and then supervise the procedures that the prescribed accountancy bodies use when handling complaints about the conduct of a member.

**Host**            **Okay, so that's the regulatory framework then. So, what does the complaint process typically look like for someone who wants to report an issue with an accountant?**

**Guest**            Well, all the accountancy bodies provide easily accessible information on their websites about how to make a complaint.  
When a member of the public files a complaint about an accountant, the body will assess the details to determine whether further investigation is needed. And if they conclude that there appears to be a case to answer, the complaint will proceed through their investigation and disciplinary process. Now, it's also worth noting that if a member of the public is dissatisfied with how an

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accountancy body handled their complaint, they can refer the matter to IAASA. And in these cases, IAASA will focus on whether the body complied with its approved procedures in handling the matter.

**Host**            **And then, what are the most common issues that generate complaints and what kind of sanctions typically apply when a member is found to have breached the relevant rules and regulations?**

**Guest**            Well, as reported in the 2024 Profile it shows that the most common complaint subjects they typically include poor work or unsatisfactory professional service and breaches of the accountants' code of ethics. The Profile also provides information on the most common sanctions imposed on members, which include fines, cautions, reprimands, and the publication of the disciplinary details.

**Host**            **Okay, so Mary, if we can talk specifically then about statutory audit and statutory auditors. So, that's an area where a person must be legally approved before they can offer the service. And so that's different to general accountancy services, as you explained. So first of all, maybe tell us about how many firms are approved to audit in Ireland?**

**Guest**            Well, in Ireland at the end of 2024, there were approximately 1,100 audit firms approved to audit in Ireland. Now, we have seen numbers fallen, which is mainly due to Brexit-related exit of accountancy bodies, firm mergers, and also higher audit exemption thresholds. That's led to some firms giving up their approvals voluntarily because they just don't have audit clients anymore. Now, in the main audit firms in Ireland are quite small. Like, if we look at them by the number of principals, which is essentially an owner, director, or partner in the firm. The majority - 97% - they have 5 principals or less with 57% of firms being one principal firms, sole traders. There are only 14 firms with over 11 principals, which includes 4 firms with over 50 principals. Now, just also to mention, we are seeing a lot of restructuring in the market, with an increased movement towards private equity investment. And this could further affect the decline of one principal firms going forward.

**Host**            **Okay, so some very interesting statistics in there in the Profile, and I'm sure much more detail in there as well. And of course, a significant event in 2024 was the introduction in law of sustainability reporting, and the requirement for assurance of that reporting. And in Ireland, statutory auditors were given that role. So, does the profile tell us about the supply of those assurance providers?**

**Guest**            Yeah so, as you say, Eileen, new Irish legislation, and it states that statutory auditors can be approved to carry out the assurance of sustainability reports if they meet certain criteria. So last year, the accountancy bodies approved 18 statutory auditors to undertake this assurance.

**Host**            **Okay, so in terms of regulation then of auditors, we know that the accountancy bodies are required under law to monitor the quality of the work of those firms that they have approved.**

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- Guest** **So, what does the Profile tell us then about that quality assurance process?**
- So, a quality assurance review, Eileen, normally involves two elements: firstly, a review of the procedures a firm has in place to ensure quality in its audit work, and further, an inspection of a sample of audit files. So, the Profile reports on the number of reviews completed by the bodies, the grading of reviews, and the number that were subject to further regulatory action.
- Host** **Okay. And on that point then, the Profile says that 23% of audits which were reviewed by the bodies required improvement or significant improvement. So, what kind of regulatory action arises for those audit firms then?**
- Guest**
- Well, the most common regulatory response is a follow-up visit to check that the improvements have been made by the firm.
- But other actions are things like being required to undertake additional training, maybe being required to have your audit file reviewed by another auditor, either before or after it's signed-off.
- And occasionally, a matter might be referred to discipline, or an auditor may be directed not to take any new clients.
- Host** **Mary, thank you very much for talking to us about the demographics and also the regulatory framework that applies to accountants and auditors in Ireland.**
- I'm going to ask you one last question, and that's if you were to add one new metric or data point to next year's Profile of the Profession that you're not currently tracking, what would it be and why?**
- Guest**
- Thanks, Eileen.
- Well, I'm always trying to think what would be interesting to publish in the Profile of the Profession.
- So, I think I probably have two metrics that I would like to include going forward, possibly further data on gender distribution across employment or senior leadership roles would be one metric.
- And another metric would be the age profile of students because it's not uncommon for people to complete the accountancy qualification later in their careers.
- And I think it would be really interesting to see these age stats of students over time.
- Host**
- Mary, thank you so much for sharing insights from the 2024 Profile of the Profession with us today.
- I have no doubt you've helped our listeners to understand the evolving landscape of the profession in Ireland and the regulatory framework that surrounds it.
- So for any listeners who want to explore the details we've discussed today, I would encourage you to visit our website at [IAASA.ie](https://iaasa.ie), where you can download the complete Profile of the Profession publication.
- And of course, the website also offers additional resources about IAASA's oversight of the prescribed accountancy bodies.
- So thank you for tuning in to "IAASA Insights", and we look forward to having you back for our next episode.