

2025

Professional Body Supervision

PABs' Governance of Regulatory Frameworks

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Public trust and confidence in quality auditing and accounting



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Upholding quality corporate reporting and an accountable profession

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Excellence

Striving to be
the best we
can be



Independence

Regulating
impartially and
objectively



Integrity

Being
trustworthy and
respectful

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Introduction and Key Observations

1. Introduction

Background

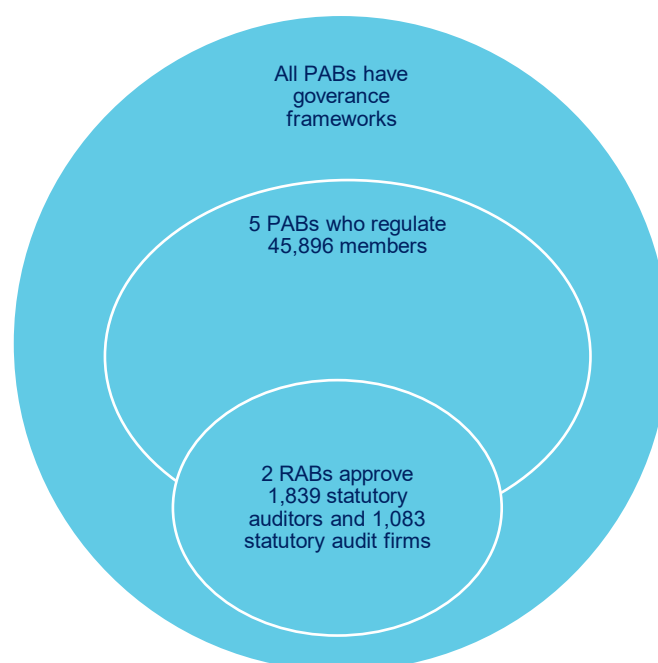
This report relates to information collated by the Irish Auditing and Accounting Supervisory Authority (IAASA) regarding Prescribed Accountancy Bodies (PABs) in Ireland. This information relates to various aspects of the governance systems of the PABs' regulatory frameworks. The purpose of this activity was to update IAASA's understanding of the governance of the regulatory frameworks across the five PABs. This work was completed pursuant to the Companies Act 2014 ('the Act').

Information was gathered from the five PABs in Ireland which include:

- Association of Chartered Certified Accountants (ACCA)
- Association of International Accountants (AIA)
- Chartered Institute of Management Accountants (CIMA)
- Chartered Institute of Public Finance and Accountancy (CIPFA)
- Institute of Chartered Accountants in Ireland (ICAI)

PABs are named throughout this report as PAB A to PAB E. This naming convention is not linked to the order of the listing above.

Chart A: Summary of PABs in Ireland



PABs regulate and oversee members of the profession. Two of the five PABs are also Recognised Accountancy Bodies (RABs) that approve all statutory auditors and audit firms in Ireland. All five PABs have a governance framework.

This report is prepared using the information provided by the PABs. Further information in relation to the PABs' processes can be obtained directly from the PABs.

IAASA would like to thank the PABs for their co-operation in the completion of this thematic review.

2. Definitions

Term	Meaning
the Act	The Companies Act 2014
Council	The overall governing body of a PAB
IAASA	Irish Auditing and Accounting Supervisory Authority
PAB/Body	Prescribed Accountancy Body
RAB	Recognised Accountancy Body
Regulatory board/board	The body(s) with responsibility for the oversight of a PAB's performance of its regulatory functions
Regulatory committee/committee	Boards, committees, and individuals delegated or assigned with oversight or decision-making roles regarding the performance of the PAB's regulatory functions.

3. Objective and scope of thematic review

The purpose of this thematic review was to develop and update IAASA's understanding of the governance of the regulatory frameworks across the five PABs. The review focused on the governance of:



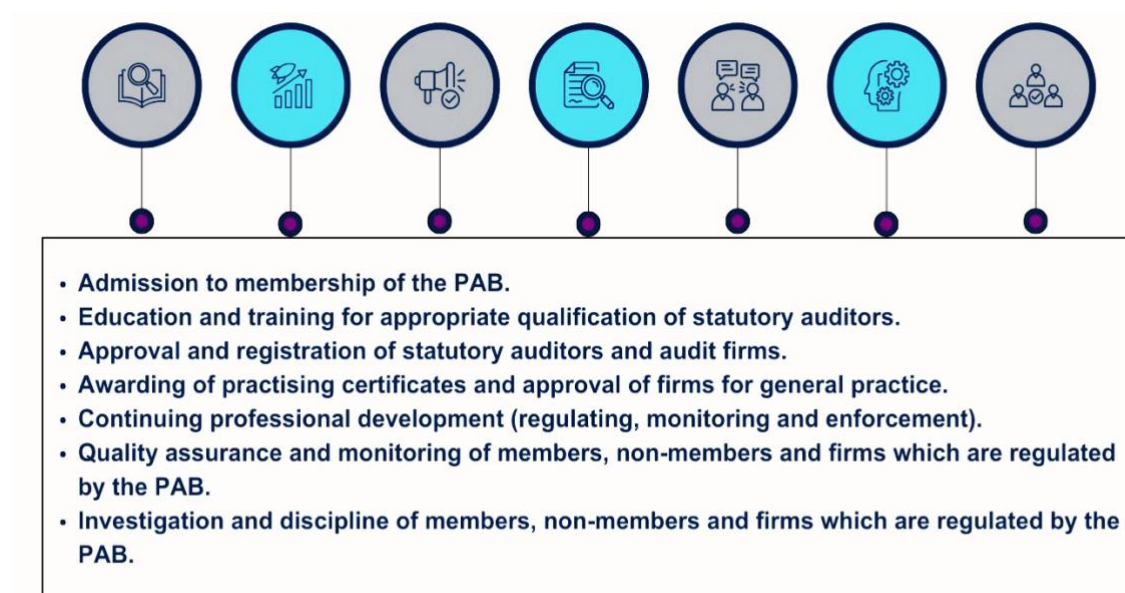
Regulatory Frameworks

Communication

Evaluation and Resources

Risk Management

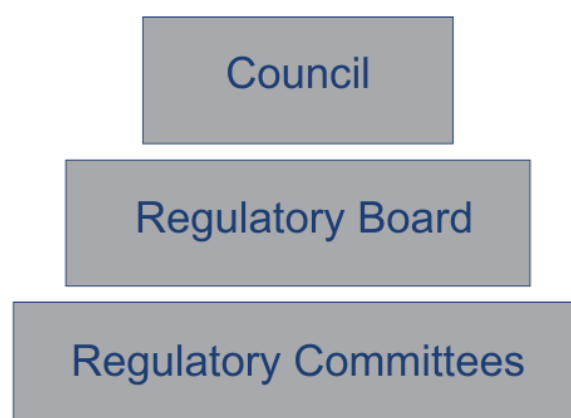
The review considered responses to a questionnaire issued by IAASA and supporting information provided by the PABs. The regulatory functions of the PABs that were included in the questionnaire included:



The PABs provided extensive information on their governance structures and systems. This report focuses on the regulatory framework based on that information. Future publications may focus on communication, evaluation and resources, and risk management.

The regulatory framework of each PAB's governance system varies but for the purpose of this report, IAASA has mapped all the body's systems to the following framework:

Chart B: Regulatory framework



The council in a PAB has overall responsibility for the governance of the PAB. The council assigns primary oversight of the performance of their regulatory functions to a board/committee, referred to in this report as the *regulatory board*. The PAB further delegates decision-making or limited oversight roles regarding the performance of the PAB's regulatory functions to boards, committees, and individuals, referred to in this report as the *regulatory committees*.

4. Key observations

The key observations from this thematic review are summarised below:

The highest governing body of each PAB is council.



Four of the PABs councils delegate oversight of a PAB's performance of its regulatory functions to one or more regulatory boards

The maximum council size ranges in number from 20 to 70 persons. All councils comprise of a mix of PAB members elected by the PAB membership at a general meeting, and other members elected or co-opted by council. Two of the councils also include non-members co-opted by council.

All PABs reference the need for diversity on council, boards and committees.



All PABs have rules relating to the terms of office that a person can serve on the council or a regulatory board.



All PABs have rules regarding meetings for both council and regulatory boards including rules regarding how many meetings they must hold per annum; what the quorum is for each of those meetings and how decisions are made.

All PABs manage conflicts of interest of council members and regulatory board members through declarations.
All PABs maintain a register of interests.

All PABs encourage the completion of induction training provided to new council and board members.
In one PAB, failure to complete such training may result in suspension.
A number of PABs provide on-going training to council and board members.



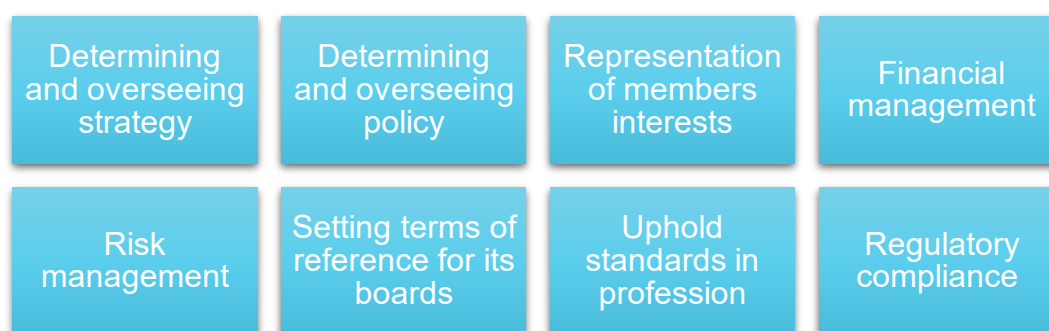
Part A: Structure, roles and responsibilities

5. Structure, roles and responsibilities

Each of the PABs is a member body, owned and run primarily by its membership. All the PABs aim to serve the interests of both the membership and the public. Each PAB's constitutional documents have internal rules and regulations regarding governance. These rules and regulations aim to guide and direct the actions of the PAB, its regulatory processes, and its members.

The highest governing body of each PAB is their council. Councils are responsible for examining students and the admission to membership. Chart C outlines council's responsibilities across the five PABs. Additionally, PAB E's council is responsible for human resource management.

Chart C: Council's responsibilities:



Council delegates certain functions to a number of boards and/or committees in each PAB. These boards and committees all report back to council. The day-to-day management of the PAB is delegated to a Chief Executive and their leadership team. Regulatory boards are responsible for ensuring the regulatory obligations of the PAB and its members are effectively implemented, monitored and enforced.

Table A shows that four of the PABs delegate oversight of a PAB's performance of its regulatory functions to a regulatory board or across a number of regulatory boards. In PAB B council acts as the regulatory board.

The council is primarily made up of PAB members elected by the body of members at a member's general meeting. Some PABs also require or enable a certain number of additional members and non-members on their council.

Table A: Governing body and regulatory board(s)

	PAB A	PAB B	PAB C	PAB D	PAB E
Council	✓	✓	✓	✓	✓
Number of boards/committees (with delegated functions & report to council)	8	11	4	3	5
Of which are regulatory boards (with delegated responsibility for oversight of regulatory functions)	3	Council acts as regulatory board	1	1	1

Each PAB also has a number of regulatory committees that report to the regulatory boards/council. Examples of such committees include examination committee; admissions committee; licensing committee and quality assurance committee. The oversight of the investigation and disciplinary (I&D) committees lies with council in PABs B and C, and with the regulatory board in PABs A, D & E.

Table B shows the composition rules of the council for each PAB. The maximum council size ranges in numbers from 20 to 70 persons. The majority of the PABs' councils are PAB members elected by the PAB membership at a general meeting. Three of the PABs include members appointed by council and two of the PABs include non-members appointed by council. PAB A includes a maximum of five non-members of the PAB on its council. A maximum of 10% of the council membership in PAB C are non-members. PABs B, D and E are member only councils.

Table B: Council composition

	PAB A	PAB B	PAB C	PAB D	PAB E
Maximum number including Chair	30	20	70	41	49
Members elected by membership	Maximum 19	Maximum 20	36	21 + 4 Officers	45
Members appointed by council	Up to 11	Casual vacancies only	up to 13	16	4 max
Non-Members appointed by council	2 - 5	Not Specified	3-5	N/A	N/A
Members co-opted to fill vacancies	✓	✓	By election	✓	✓

Part B: Regulatory board and committees

6. Regulatory board composition

Table C shows the composition rules for the regulatory boards in each PAB. PAB A, as noted above, has three regulatory boards. The regulatory board of PAB B is its council. PAB D has a regulatory board and a sub-regulatory board. All PABs have regulatory committees that report to the regulatory board.

Table C: Composition of regulatory board

	PAB A	PAB B	PAB C	PAB D	PAB E
Number on board	<i>Board 1</i> 5 (including Chief Executive) <i>Board 2</i> Minimum 8 <i>Board 3</i> Maximum 10	20	Minimum 8 Maximum 15	15	8
Of which PAB Members	<i>Board 1</i> 4 <i>Board 2</i> Not specified <i>Board 3</i> 50% member	Not specified	Minimum not stated Members in practice, maximum 3	Minimum 9	2 which are also council members
Non-member/lay	<i>Board 1</i> No requirement <i>Board 2</i> Not specified <i>Board 3</i> 50% non member	Not specified	Minimum of 4	2	6

7. Recruitment

Members wishing to join the council can usually put themselves forward for election or the PAB may require nomination by other members. The PABs use various methods to recruit council or board members. Chart D shows the methods employed by PABs A; C; D and E to fill these positions and includes advertising platforms used. PABs B and E use their website, newsletters and bulletins as well as recommendations from PAB members. They may also approach suitable parties directly.

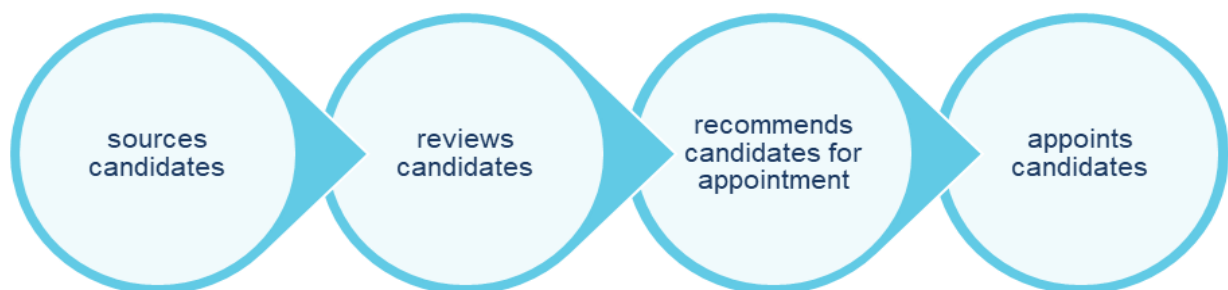
Chart D: Recruitment sources



8. Nominations and appointments to committees

In selecting parties to serve on council, regulatory boards or regulatory committees, the majority of the PABs use a nominations or appointments committee. The roles and responsibilities of these committees vary across the PABs but include tasks such as those outlined in chart E.

Chart E: Role of nominations and appointments committees



9. Diversity

All the PABs reference the need for diversity on council, boards and committees and PAB B has a diversity and inclusion policy. The PABs differ in their consideration of diversity. Chart F outlines the most common areas of diversity considered across the PABs. PABs B and D also consider ethnicity and reasonable accommodation. All PABs consider gender, geographical location, expertise and technical proficiency. PABs A, B, and E consider practice and business membership and expertise and technical proficiency. Some PABs nominations and appointments committees have a role in applying and monitoring diversity and inclusion policies to council, board and committee composition.

Chart F: Common diversity areas considered by the PABs



10. Terms of office

Once recruited and selected for council or regulatory board membership, all PABs have rules relating to the terms of office that a person can serve. Tables D and E show the typical or default term of office for each council and regulatory board. Some PABs have rules permitting extensions of terms of office in particular circumstances, such as a council/board member becoming an officer.

Table D: Council terms of office

	PAB A	PAB B	PAB C	PAB D	PAB E
Initial term on council	4 years	1/3 of council retire each year (longest in office)	3	2 years	3 years
Eligible for re-election at end of term	✓	✓	✓	✓	✓
Maximum term	8 years	9 years	9 years	9 years	9 years

Table E: Regulatory board terms of office

	PAB A	PAB B	PAB C	PAB D	PAB E
Initial term on board	<i>Board 1</i> Term is determined by the office the member may hold. <i>Board 2</i> 4 years <i>Board 3</i> 4 years	1/3 of council retire each year (longest in office)	Chair & Vice Chair – 2 years All other members – 1 year	2 years	3 years
Re-election /re-appointment permitted at end of the initial term	<i>Board 1</i> Term is determined by the office the member may hold. <i>Board 2</i> council may appoint for a further 4 years <i>Board 3</i> Yes, for a further 4 years	✓	✓	✓	✓
Maximum term	<i>Board 1</i> Term is determined by the office the member may hold. <i>Board 2</i> 8 years <i>Board 3</i> 8 years	9 years	9 years	9 years	6 years

11. Meetings

The PABs' rules regarding meetings for both council and regulatory board/s include rules regarding how many meetings they must hold per annum; what the quorum is for each of those meetings and how decisions are made, in addition to other rules including attendance in person, hybrid and remote. All PABs use a secure portal for delivering papers for meetings. Table F shows particulars for each PAB's meetings.

Table F: Meeting rules

	PAB A	PAB B	PAB C	PAB D	PAB E
Number of council meetings per annum	As required minimum 5	5	3-5	4	4
Council meeting quorum	7	4	¼ of council membership	5	10
Number of regulatory board meetings per annum	Board 1 4 Board 2 3 Board 3 4	5	3	4	4
Regulatory board quorum	Board 1 3 Board 2 3 Board 3 4 2 lay and 2 members, one of whom must be a council member	4	3 including 1 member and 1 non-member	50% of the board	3 with lay members in the majority
Decision making criteria for regulatory board	Simple majority Chair casting vote	Simple majority Chair casting vote	Simple majority	Simple majority	Simple majority Lay chair casting vote

Part C: Internal controls

12. Internal control mechanisms

All the PABs have a member representation role in addition to regulatory governance obligations. To ensure that member representation does not improperly influence the operation of the regulatory processes, four of the PABs have a regulatory board(s) (including non-members) that oversees the regulatory and disciplinary functions. In these four PABs, member representation activities are reserved for council or are delegated to a different board. Disciplinary frameworks in all PABs operate independently of councils. All PABs are regulated by IAASA and other external regulators.

13. Managing conflict

All the PABs have systems for ensuring council and regulatory board members declare any conflicts. Table G shows requirements for declarations on joining council or a regulatory board. In some PABs repeat declarations are required at commencement of each meeting and at regular intervals thereafter. Where an individual declares a conflict of interest, they are required to not take part in discussions regarding the conflicted matter and may be required to excuse themselves from that part of the meeting. Four of the PABs additionally maintain a register of interests. In PAB A a declaration of interest is signed annually. Some PABs have rules requiring persons elected to council or regulatory boards/committees to resign as officers of any professional membership associations they may hold.

Table G: Conflict of interest management

	PAB A	PAB B	PAB C	PAB D	PAB E
Sign conflict of interest policy on joining council/ board	✓	✓	✓	✓	✓
Sign conflict of interest policy annually thereafter	✓	✓	✓	✓	✓
Declare any identified conflicts at start of a meeting	✓	✓	✓	✓	✓
Complete a register of interests	✓	✓	✓	✓	✓

14. Training for council and boards

All the PABs provide induction training for new members to council and boards as outlined in Table H. PAB A provides annual training thereafter, and on a case-by-case basis as required. Following induction training, PAB B provides any additional training on a needs basis. Training is encouraged in all the PABs. In four of the PABs, no action is taken if a party does not undertake the training provided. In PAB C repeated failure to complete induction training may result in suspension until such time that the training has been completed.

Table H: Training for council and boards

	PAB A	PAB B	PAB C	PAB D	PAB E
Induction training on joining council/ board	✓	✓	✓	✓	✓
Updates to training	Annual training In meetings (AOB) Case by Case as needed	Case by case as needed	Annual refresher & as required	As required	As required/ Ad hoc
Is training mandatory	No	No	Induction training is mandatory	No	No
Action if individual does not undertake training	None	None	May result in suspension until induction training is completed.	None	None

15. Final Summary

All the PABs have documented governance frameworks. This report shows the arrangements that the PABs have put in place for the governance of regulatory frameworks. The report highlights both the similarities and differences between the bodies in their approach to governance of regulatory functions. Further publications will focus on the PABs' governance in the context of communication, evaluation and resources, and risk management.



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