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IAASA Insights Podcast Episode #4: 'Corporate Reporting Observations Document'

Host Welcome to **IAASA Insights**, the podcast that explores the work we do at the Irish Auditing and Accounting Supervisory Authority to uphold quality corporate reporting and an accountable profession.

I'm Eileen Townsend, Head of Standards, Policy and Organisational Development here at IAASA.

As listeners will no doubt be aware, IAASA is Ireland's accounting regulator, and today we'll be focusing on a recent IAASA publication in corporate reporting: Our 2025 observations paper.

Joining us today to explain the content of this publication is Lisa Campbell, Head of Operations here at IAASA.

Welcome, Lisa.

Guest Thanks, Eileen. It's great to be here.

Host So firstly, Lisa, what kind of reporting are companies in Ireland required to do and who is interested in it?

Guest All companies in Ireland are required to prepare annual reporting. The type of reporting varies depending on the company size. But the purpose is the same for all companies — to provide stakeholders with a clear summary of their performance and financial position.

There are many people who have an interest in transparency and accountability in relation to that performance and financial position — from investors, employees, creditors to finance providers.

Because of the importance of these interested parties, the law also provides for the checking of the accuracy of those reports.

So everyone, apart from very small entities, has to have a statutory audit to check that the reporting is accurate.

Historically, corporate reporting was exclusively financial, but since this year, some companies also have to report on sustainability.

Host And so IAASA's role in relation to accounting regulation or supervision — it is focused on a particular category of company or entity. Could you clarify for listeners who's in IAASA's scope?

Guest We refer to "issuers", and these are listed companies that the general public can invest in. For those companies, European law requires an additional layer of supervision by a public body.

It's not all listed companies though — some are structured so that the minimum investment is €100,000 or more.

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In those cases, the investors are usually professional or institutional investors who are assumed to be capable of doing their own due diligence.

Our work focuses on companies where members of the general public can invest, and who may not be able to carry out that due diligence themselves. So we provide that service to the public.

Host And the observations paper that you've recently issued is focused on corporate reporting by those entities. Can you give us an overview of the observations paper and what its purpose is?

Guest This is an annual public statement where we set out topics that we feel warrant particular attention by those preparing corporate reports.

Of course, it's of particular interest to the companies that fall within our remit, but the messages apply to all companies.

It's a guide for anyone involved in the preparation and approval of corporate reports — including management, directors, audit committees, and even auditors.

Host And this year's observations paper is structured around three key themes. Can you give listeners an overview of those?

Guest Yes — we landed on three separate sections this year.

The first section looks at the general environment we're all operating in, which is one of significant uncertainty and volatility.

Then we go into points around sustainability reporting.

And the last section covers financial reporting pointers.

Host OK, so perhaps you'll start with the general environment — the uncertainty and volatility you mentioned — and how that might impact corporate reports.

Guest We're all very aware of the current geopolitical risks and the volatility in the environment — wars, trade wars, tariffs, supply chain disruption, commodity price volatility.

These things can impact companies in various ways — from the valuation of assets, changes in revenue patterns, to the need for provisions.

Companies need to carefully consider the key assumptions they're using in valuation models.

They also need to be mindful of risks related to debt covenants, potential going concern issues, and more.

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We're advising that companies provide clear, detailed, and entity-specific disclosures, so stakeholders get relevant, accurate and timely information to understand how these factors affect each company's financial position and performance.

Host Okay, so that's the general environment. Another key theme in the paper is sustainability reporting, a new requirement in 2025.

Guest Yes, the Corporate Sustainability Reporting Directive, which is a European Directive, came into effect for December 2024 year ends for in-scope companies in Ireland.

At the moment, it applies to a relatively small number of companies, but it has a significant impact for those affected.

There's a specific set of reporting standards with over 1,100 data points covering a wide range of topics — environmental issues like climate, pollution, water, biodiversity and resource use; social aspects like workforce and consumers, and governance of sustainability matters.

The sustainability reporting environment itself is also undergoing change — the European Commission is reviewing the requirements to reduce the burden on companies. This is welcome, but unfortunately, the reliefs being considered won't apply for December 2025 year ends — so that's something we highlighted.

Host And what key messages are there in there for companies about sustainability reporting, based on IAASA's supervisory work to date?

Guest We examined a number of these reports during 2025, and the good news is that companies had done a lot of work and were broadly compliant.

There were no significant concerns, just a few minor points.

From our engagement, and from others, we know that companies learned a lot in year one — especially because they didn't have other examples to refer to. Now, with year one behind them and with the benefit of seeing other reports, we expect reporting to evolve in year two.

We wanted to make it clear that we'll continue examinations — at least two companies next year from the twelve in scope. We'll be focusing on the connectivity between sustainability and financial information, and on how companies approach double materiality in year two — which is expected to look quite different from year one.

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Host So plenty in there for those doing sustainability reporting, for sure. And the third theme is financial reporting. What key topics is IAASA covering in that theme?

Guest We had a lot to talk about under this heading — several specific topics including:

- Reporting of financial instruments
- Global minimum tax rules
- Deferred tax assets
- Segment reporting
- New and upcoming standards

There's quite a lot here — we could probably do a whole separate podcast on it! But we won't keep people too long today.

Host And maybe just for listeners who are interested — how do you decide what topics to include in the observations paper?

Guest We do two things: we look back and we look forward.

Looking back, we consider common areas of deficiency we've found in our examinations.

We also engage a lot with our European peers — sometimes they identify issues we haven't seen yet in Ireland but that are still relevant.

Looking forward, we consider things like new or amended reporting standards, legislative changes, or changes in the reporting environment.

We aim to provide useful pointers for companies to consider.

Host You mentioned your European peers — isn't there a similar statement issued each year at European level?

Guest Yes, the European Securities and Markets Authority (ESMA) issues an annual document called the *Common Enforcement Priorities*.

That sets priorities for all European accounting regulators.

This aligns with ESMA's focus on harmonised regulation across member states. We're very involved in ESMA working groups and in developing that statement, so naturally, there's often a lot of overlap with our own observations document.

We expect ESMA to issue the next ESEPs document in late October, and we'll repost it when it's published.

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Host Great. OK, Lisa — thank you very much.
Certainly some really useful pointers there for corporate reporters in Ireland.
And for any listeners who want to check out the observations paper, visit our website at **www.iaasa.ie**, where you can download not just the observations paper but other publications and access helpful resources.
Thank you for tuning in to IAASA Insights today — and we look forward to welcoming you back for our next episode.