





2026

Consultation paper

**Audit Quality
Indicators (AQIs)**

**Proposed AQI
reporting by Firms
to IAASA**

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1. Introduction

Audit Quality Indicators (AQIs) are structured measures to facilitate the assessment of audit quality. They offer insight into specific aspects of the audit process, addressing both inputs (such as time spent or experience levels) or outputs (such as findings or outcomes).

AQIs can take different forms. They may describe a broad concept or consist of specific metrics designed to measure or illustrate that concept. AQIs may be calculated at the level of an individual audit and at the level of the firm overall.

IAASA is considering the role that AQIs play in contributing to audit quality. This includes assessing how AQIs can support the monitoring of audit work, the facilitation of comparisons across firms or engagements, and the identification of areas requiring improvement.

International context

AQI frameworks have been published in several countries globally. For example:

- Canada (CPAB)
- Portugal (CMVM)
- Singapore (ACRA)
- South Africa (IRBA)
- United Kingdom (FRC)
- Netherlands (Quartermasters)*

** The AQI model published by Quartermasters in the Netherlands is evolving and not yet in effect.*

Each of these AQI frameworks has its own distinct characteristics, regulatory status, intended users and reporting approach, including:

- **The number of AQIs included in the published frameworks ranges from seven to 20. Commonly used AQIs include partner or team involvement in the audit, staff turnover, training hours, quality control review results and experience level of the audit team.**
- **The AQI framework in Portugal is mandatory, while the frameworks in Singapore, Canada, the United Kingdom and South Africa operate on a voluntary basis. The framework for the Netherlands is evolving and not yet in effect.**
- **Framework designs vary depending on the intended users – for example, whether the information is aimed at regulators or audit committees.**
- **Two models publish both aggregated and firm-specific results, two publish aggregated results only, one publishes firm-specific results and one does not collect or publish any AQI data.**

AQIs in Irish firms

In 2024 and 2025, IAASA met with the eight PIE Firms in Ireland (Irish firms) to understand their use of AQIs. These discussions focused on the AQIs tracked by each firm, how these AQIs are reported and the firms' views on the role of AQIs within IAASA's regulatory activities. Key observations include:



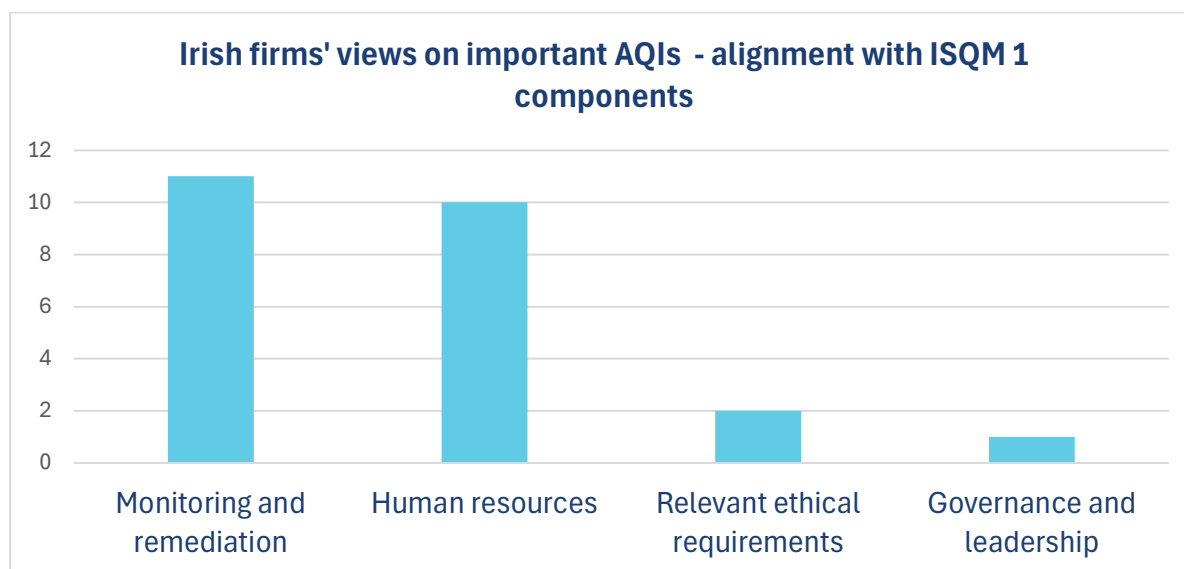
AQIs tracked in Irish firms

IAASA asked the Irish Firms to identify the AQIs that they regarded as most important. The table below shows the AQIs considered important by the Irish Firms.



As shown in the table on the previous page, Irish firms identified a broad range of AQIs as important. All eight firms emphasised the importance of inspection results – both internal and external – noting that these provide valuable feedback on audit execution and compliance. Four Irish firms also highlighted training-related metrics to be valuable AQIs, reflecting investment in professional development and technical competence.

IAASA notes that all 24 of the AQIs considered important by the Irish firms align closely with ISQM 1 components, including monitoring and remediation, human resources, ethical requirements (independence), and governance and leadership.



Challenges and risks with AQI data

IAASA identified some challenges in interpreting AQI information:

- **Comparability across firms:** difficulties comparing AQIs due to differences in terminology, measurement approaches, and other less tangible factors such as varying year-end dates
- **Need for multi-year analysis:** AQIs are more meaningful when reviewed over several years, as this allows trends, progress, and areas requiring continued focus to be identified.
- **Impact of technology and automation:** developments in digital tools and data analytics are changing the relevance and interpretation of certain AQIs. In particular, efficiency gains may alter the relationship between time-based measures (such as hours spent) and audit quality.
- **Interpretation of restatements:** restatements may arise from a range of factors and are not always indicative of audit quality issues.

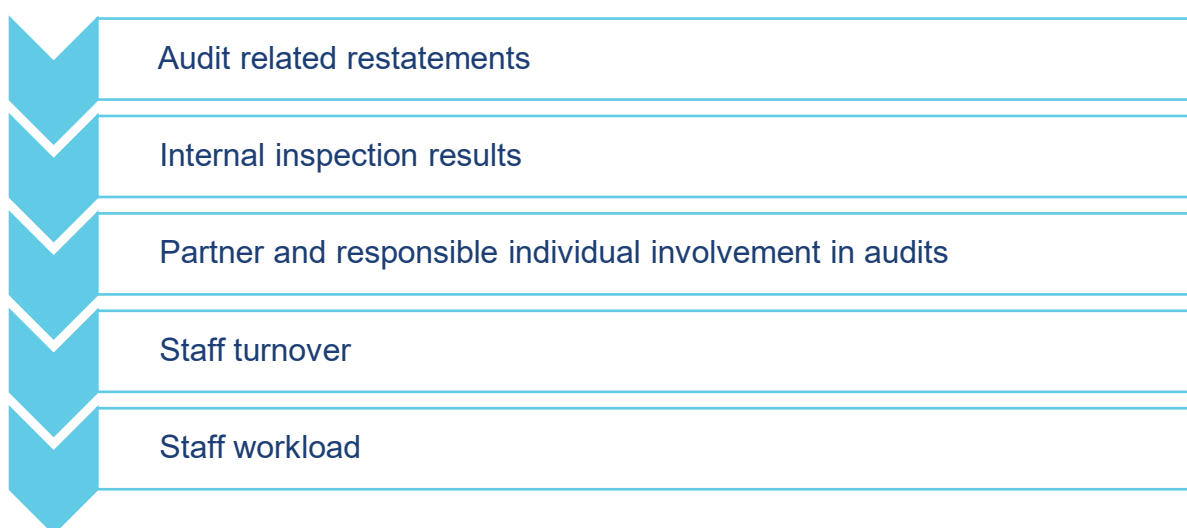
Irish firms' views on the role of AQIs in IAASA's regulation

Firms highlighted the substantial amount of work involved in preparing the annual "audit firm PIE return" submitted to IAASA, which sets out key information about the PIEs they audit. They also highlighted the challenges that may arise if AQI data is required for a period that does not align with the firm's performance year.

In addition, firms emphasised continuing concerns around comparability of AQIs and underlined the importance of clear interpretation where inconsistencies in metrics arise across firms.

2. IAASA's proposed reporting on AQIs

IAASA has identified five AQIs, which are present across all of the Irish firms:



IAASA proposes that Irish firms report on each of these five AQIs within their annual PIE return for a three-year pilot period, beginning in January 2027. To help reduce the administrative burden during this pilot phase, firms will only be required to report the most recent metrics they already produce relating to these five AQIs.

The AQI information submitted during the pilot period will be used by IAASA for analysis and risk-assessment purposes. IAASA will not make firms' AQI data publicly available during the pilot phase.

3. Matters on which IAASA is consulting

Set out below are matters on which IAASA is seeking stakeholders' views no later than 5pm, Friday 10 July 2026.

No.	Matter on which stakeholder views are sought
1.	Do you agree that IAASA should pilot the collection of Audit Quality Indicators (AQIs) from Irish firms? If you do not agree, please set out your rationale and outline any additional factors that you believe IAASA should take into account.
2.	Do you agree that Irish firms should report the following AQIs to IAASA as part of the annual PIE return from January 2027? (a) Internal inspection results (b) Audit related restatements (c) Staff workload (d) Staff turnover (e) Partner and responsible individual involvement in audits If you do not agree, in each instance, please set out your rationale and set out any alternative approaches that you wish IAASA to consider.
3.	Do you agree that IAASA should aim to use AQI data submitted by Irish firms for analysis and risk assessment purposes? If you do not agree, please set out your rationale and any other points you believe IAASA should consider.

4. Making your submission

IAASA invites comments on the proposed reporting on AQIs. In particular, comments are sought on the matters set out in section 3 above.

Comments are most helpful if they:

- (a) respond directly to the question asked,
- (b) provide a clear rationale for your position,
- (c) provide evidence supporting your views, and
- (d) describe in detail any alternative options you wish IAASA to consider.

Please send your response to <mailto:submissions@iaasa.ie> by 5pm, Friday 10 July 2026.

IAASA will consider all responses from identifiable individuals and organisations that are received by this deadline.

IAASA may publish a feedback statement summarising the content of the responses. Responses may also be published in full or in part and attributed to respondents.



IAASA

Irish Auditing & Accounting
Supervisory Authority

**Irish Auditing & Accounting
Supervisory Authority**

Willow House
Millennium Park
Naas, Co. Kildare
W91 C6KT
Ireland

Phone: +353 (0) 45 983 600
Email: info@iaasa.ie

www.iaasa.ie