

# Annual Audit Programme and Activity Report

## 2025



**IAASA**

Irish Auditing & Accounting  
Supervisory Authority



## Vision

Public trust and confidence in quality auditing and accounting



## Mission

Upholding quality corporate reporting and an accountable profession

## Our Values



### Excellence

Striving to be the best we can be



### Independence

Regulating impartially and objectively



### Integrity

Being trustworthy and respectful

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## DISCLAIMER

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# Chief Executive's Introduction

In accordance with section 930B of the Companies Act 2014, I am pleased to present the Irish Auditing and Accounting Supervisory Authority's (IAASA's) 2025 annual audit programme and activity report. This report outlines the activities IAASA carried out in 2025 to oversee the audit profession in Ireland and our 2026 work programme activities.

IAASA's oversight of the audit profession includes supervising the recognised accountancy bodies (RABs) that regulate statutory auditors and those approved to carry out the assurance of sustainability reports and directly reviewing the quality of audits for public-interest entities (PIEs) and assurance on sustainability reporting under the Corporate Sustainability Reporting Directive.

Highlights of IAASA's work in 2025 in overseeing statutory audit are set out below:



## Oversight and reporting

Inspected nine PIE firms and reviewed 26 audits of PIEs

Completed two joint audit inspections with the Public Company Accounting Oversight Board (PCAOB)

Issued supervisory reports to RABs with recommendations on RABs' investigation and disciplinary systems, from the outcome of investigations through to the appeal stage

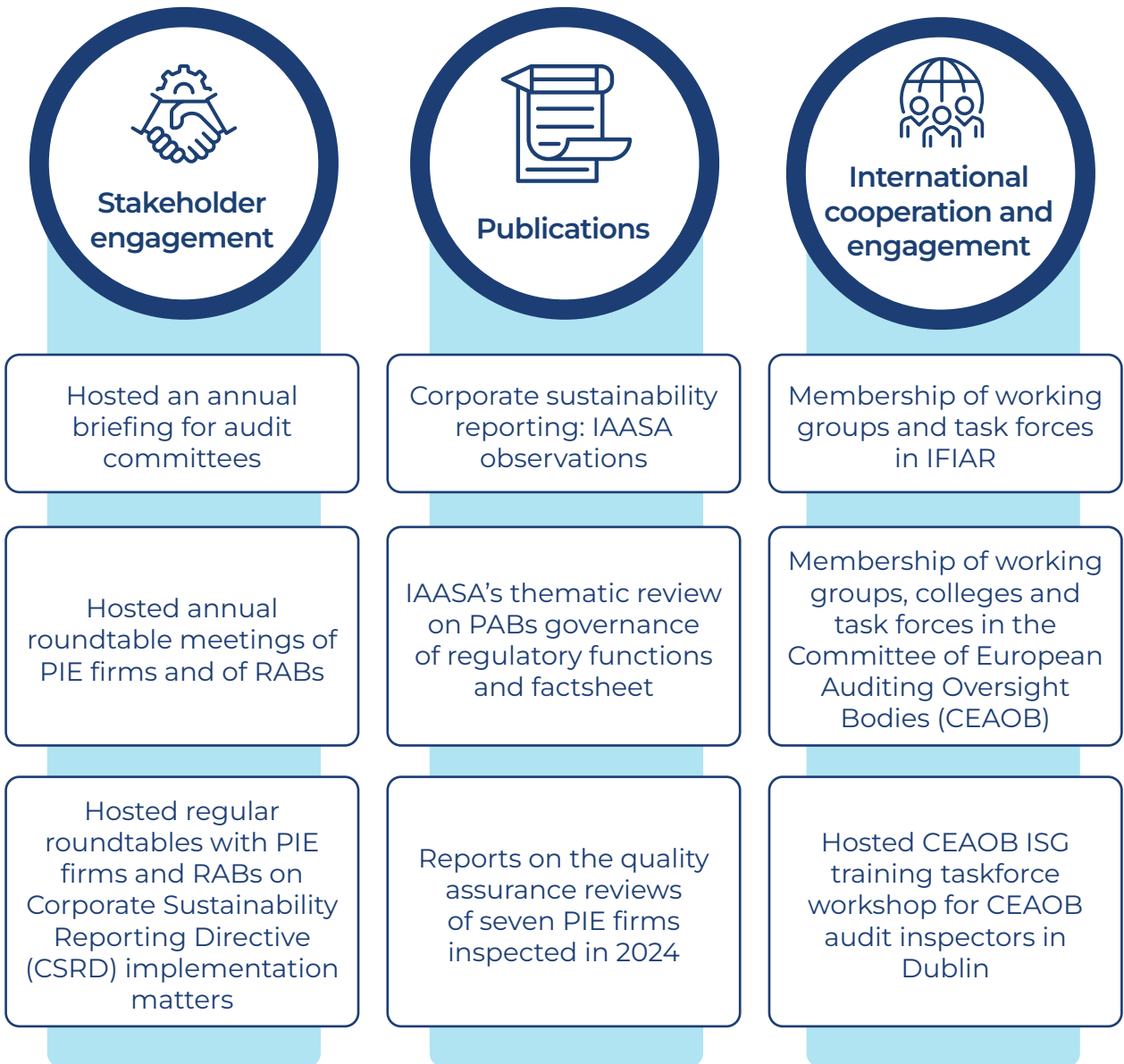


## Enforcement

Seven matters were referred to Enforcement

Four section 934 investigations were opened in 2025

Two referrals related to section 933. One was not opened as an enquiry and the other matter was under consideration at the year end



This report offers valuable insights into IAASA's work in overseeing the audit profession and explains the oversight activities related to audit quality. For more details on IAASA's activities, please visit [IAASA's website](#).

**Kevin Prendergast**  
 Chief Executive Officer  
 June 2026





# Introduction, Funding & Resources

## Introduction

IAASA is responsible for safeguarding the quality and integrity of audit and accountancy in Ireland by overseeing the regulation of the sector, and, in certain cases, by carrying out direct oversight.

The Annual Audit Programme and Activity Report outlines IAASA's work during 2025 in supervising the RABs, overseeing the statutory audits and sustainability assurance engagements of PIEs, and exercising its statutory enforcement powers where potential breaches of legislation or standards arose.

Across its supervisory functions, IAASA continues to promote strong regulatory frameworks, effective quality management, and high quality audit and assurance work.

During the year, IAASA supervised how RABs carried out their statutory responsibilities, including:

- › approval and registration of statutory auditors and audit firms
- › quality assurance reviews in relation to audits and assurance of sustainability reporting of entities that are not PIEs
- › continuing education
- › investigation and discipline

IAASA also undertook its own inspections of PIE firms, reviewing both the design and implementation of firms' systems of quality management and the quality of selected PIE audits and sustainability assurance engagements.

IAASA's supervisory and enforcement activities are complemented by regular engagement with stakeholders, including RABs, PIE firms, audit committees, Government departments and international regulatory groups. These interactions strengthen Ireland's regulatory environment, support consistent application of standards, and ensure that developments such as the Corporate Sustainability Reporting Directive (CSRD) are implemented effectively and in line with emerging EU and global expectations.

The report also outlines IAASA's enforcement activity during 2025, conducted under sections 933 and 934 of the Companies Act 2014. This activity reflects IAASA's statutory role in investigating potential breaches by statutory auditors, audit firms and accountancy bodies, and taking action where necessary to protect the public interest.

## Funding

IAASA is funded through a combination of an Exchequer grant, statutory levies on the Prescribed Accountancy Bodies (PABs), two of which are Recognised Accountancy Bodies (RABs), public interest entity (PIE) firms, and fees for registration services. All funding is governed by the Companies Act.

### Professional Body Supervision (PBS)

PBS is funded 60% by a statutory levy on the PABs and 40% by the Exchequer. The PAB levy is allocated based on each body's number of members and audit firms in Ireland.

### Assurance Quality Supervision (AQS)

AQS is funded through a statutory levy on PIE firms. The levy comprises:

- › a uniform standing charge reflecting the base level of inspection work
- › a variable element allocated according to each firm's market share of statutory audit fees for all PIE audits.

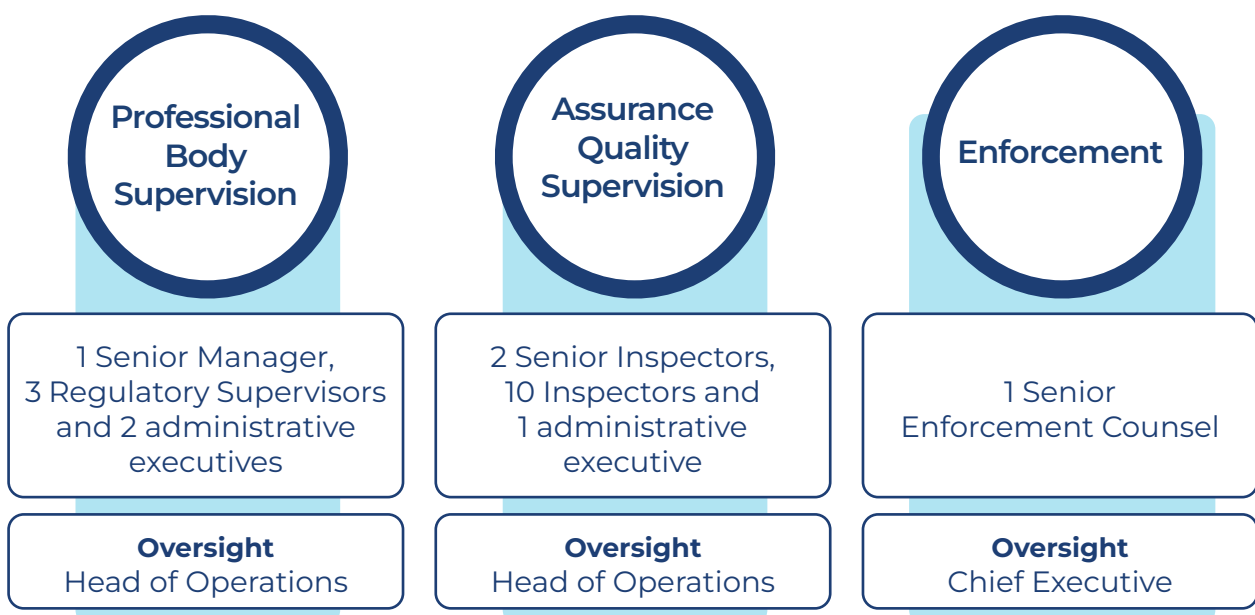
### Enforcement

The Enforcement unit is funded 60% by a statutory levy on the PABs and 40% by the Exchequer, with the PAB levy allocated using the same member/audit firm basis as PBS. Any fines or recouped costs are paid into a statutory reserve that may be used only for enforcement.

## Resources

The resourcing of PBS, AQS and Enforcement is described below.

**Chart A:** Resourcing



# Chapter 1

## IAASA's Professional Body Supervision

### Functions performed by the RABs

#### Statutory audit

A statutory audit is an audit of financial statements required by law. An auditor checks if the financial statements follow the relevant reporting standards and gives an opinion on them. The audit aims to boost users' trust in the financial statements.

Auditors and audit firms that perform these audits must be approved and registered by a RAB. The [Companies Registration Office](#) (CRO) lists all approved auditors and audit firms in Ireland on its website. As of December 31, 2025, there were 1,012 approved audit firms in Ireland, down from 1,083 in 2024. There were 1,781 approved statutory auditors, down from 1,839 approved in 2024. Further details on this are provided later in this chapter.

#### Functions assigned to RABs

The Companies Act 2014 assigns specific functions to RABs in relation to statutory auditors, audit firms, and those approved to carry out the assurance of sustainability reporting ("assigned functions"). IAASA oversees the RABs' activities in relation to their assigned functions.

The functions assigned to RABs include:

- › approvals and registration
- › quality assurance reviews in relation to audits and assurance of sustainability reporting of entities that are not PIEs
- › continuing education
- › investigation and discipline

At 31 December 2025, there were two RABs recognised to undertake the above functions:

- › Association of Chartered Certified Accountants (ACCA)
- › Chartered Accountants Ireland (CAI)

### Functions performed by the RABs during 2025

#### Approval and registration of statutory auditors and audit firms

RABs may approve statutory auditors and audit firms in accordance with the Companies Act 2014. The legal requirements for a firm to be approved include:

- › the firm is to be of good repute
- › the individuals who carry out statutory audits in the State on behalf of the firm are approved as statutory auditors

- › the majority of the voting rights in the firm are held by:
  - individuals who are eligible for approval in the State or in any other Member State as statutory auditors
  - audit firms approved as statutory audit firms in the State or in any other Member State, or
  - a combination of such individuals and audit firms
- › the majority of the members of the administrative or management body of the firm are:
  - individuals who are eligible for approval in the State or in any other Member State as statutory auditors
  - audit firms approved as statutory audit firms in the State or in any other Member State, or
  - a combination of such individuals and audit firms

The legal requirements for an individual to obtain statutory auditor approval typically include:



The RABs also require firms and individuals to hold professional indemnity insurance and have practice continuity arrangements in place. IAASA has issued Guidelines for RABs when performing the approval and registration function in respect of statutory auditors and audit firms.

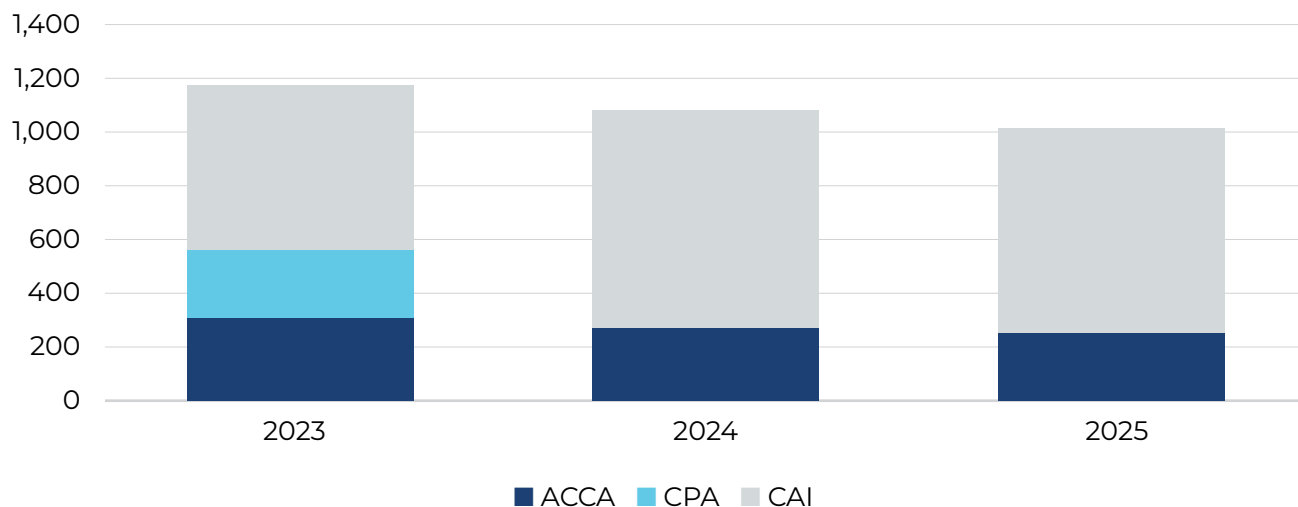
Table A shows the movement in audit firms and statutory auditors during 2025. The number of audit firms registered to audit in Ireland has decreased by 7% in 2025 and the number of statutory auditors registered to audit in Ireland has decreased by 3%. The table below shows that at 31 December 2025, there were 1,012 audit firms registered to carry out statutory audits in Ireland (2024:1,083), with 1,781 individuals in those firms authorised to act as statutory auditors (2024:1,839).

**Table A:** Movement in statutory audit firms and auditors in 2025

	Total	ACCA	CAI
<b>Audit firms registered to audit in Ireland at 1 January</b>	<b>1,083</b>	<b>278</b>	<b>805</b>
<i>During the year:</i>			
New applications granted	17	5	12
Applications not renewed or voluntarily surrendered	(79)	(21)	(58)
Registrations withdrawn	(4)	-	(4)
Other*	(5)	-	(5)
<b>Audit firms registered to audit in Ireland at 31 December</b>	<b>1,012</b>	<b>262</b>	<b>750</b>
- Of those, number with offices in Ireland at 31 December	867	242	625
<b>Statutory auditors registered to audit in Ireland at 31 December</b>	<b>1,781</b>	<b>314</b>	<b>1,467</b>
- Of those, number located in Ireland at 31 December	1,549	290	1,259

\* These firms moved jurisdiction to "UK only" during the year and another registration ceased due to the death of a principal

**Chart B:** Statutory Audit Firms approved to audit in Ireland – 3-year review



### Approval and registration relating to sustainability assurance

Under Part 28 of the Companies Act 2014, RABs can approve statutory auditors and audit firms to carry out the assurance of sustainability reporting. At 31 December 2025, CAI had approved ten (2024:4) statutory audit firms, and 45 (2024:17) statutory auditors and ACCA had approved one (2024:1) statutory audit firm and one (2024:1) statutory auditor to carry out the assurance of sustainability reporting in Ireland.

### Monitoring continuing education

Continuing education, or continuing professional development (CPD), ensures statutory auditors keep their professional knowledge, skills, and values up to date. RABs review statutory auditors' CPD regularly, as required by IAASA's Guidelines. Table B shows the CPD reviews of auditors conducted by the RABs in 2025. RABs generally conduct their review of statutory auditors' CPD at the same time as the quality assurance monitoring visit but they may also review CPD at other times.

**Table B:** CPD records reviewed in 2025

	Total	ACCA	CAI
<b>CPD review records reviewed in the year</b>	<b>350</b>	<b>151</b>	<b>199</b>
<i>Analysed by:</i>			
Desktop reviews (risk based)	41	8	33
Desktop reviews (random)	-	-	-
On-site reviews	178	12	166
Other monitoring activities	131	131	-
CPD records found to be non-compliant with CPD requirements after follow up action was taken	115	77	38
<i>Of those, statutory auditors that were:</i>			
- Subject to regulatory action	77	77	-
- Subject to disciplinary action	-	-	-

## Quality assurance systems

RABs must have a quality assurance system to review the quality of statutory auditors and audit firms, except for PIE firms, which IAASA inspect directly. RABs need to review each statutory audit firm based on a risk analysis, but at least once every six years. As can be seen in Table C, RABs conduct quality assurance reviews to meet the legislative cycle requirements but also for other reasons including heightened risk, a poor outcome at a previous visit, a first-time registration or on the back of a recommendation by a regulatory committee.

In 2025, RABs completed 141 quality assurance reviews of audit firms, a decrease from 165 in 2024. The outcome of these reviews is set out in Table C and the reason the reviews were conducted is also set out in Table C. In 2025, 55 reviews found issues that led to regulatory action by the RABs, an increase from 49 in 2024. Regulatory action can include restrictions, conditions, penalties or suspension of registration.

**Table C:** Quality Assurance Review Analysis

	Total	ACCA	CAI
Statutory audit firms worldwide approved to audit in Ireland at 1 January	1,083	278	805
<b>Quality assurance reviews concluded in the year</b>	<b>141</b>	<b>68</b>	<b>73</b>
<b>Analysis by outcome:</b>			
1.Good	18	3	15
2.Limited Improvements Required	85	43	42
3.Improvements Required	18	16	2
4.Significant Improvements Required	20	6	14
Of the quality assurance reviews concluded in the year, those that resulted in regulatory action	55	29	26
<b>Analysis by reason for review:</b>			
Review to meet legislative requirements	73	34	39
Conclusion of a review open at 1 January	35	11	24
Accelerated/re-review for heightened risk	15	13	2
Accelerated due to 1st time registration	8	7	1
Accelerated/early review on foot of a recommendation/referral, or order, from a Regulatory Committee	10	3	7

## Investigation and discipline

The Companies Act 2014 requires RABs to have effective systems for investigating and sanctioning poor audit work. In 2025, RABs opened 39 new complaint cases about statutory auditors and audit firms, an increase from 37 in 2024. Most complaints were about poor work or unsatisfactory professional service or conduct, breach of code of ethics, or breaches of RABs' own rules or regulations. Table D shows the summary of complaints opened and closed during 2025 and Table E shows at what stage of the disciplinary process the complaint was closed.

**Table D:** Summary of Complaints 2025

	Total	ACCA	CPA*	CAI
New complaints received	39	7	-	32
Complaints closed	39	12	5	22
Complaints closed with adverse findings	12	3	5	4
Complaints closed and sanctions imposed	11	3	4	4
Average time taken to close a complaint (in months)		18	21	12

\*CPA amalgamated with CAI on 1 September 2024. Figures included relate to complaints open at that date.

**Table E:** Stages that complaints were closed

	Total	ACCA	CPA*	CAI
<b>No. of cases closed during 2025</b>	39	12	5	22
Closed by Staff (before referral to a committee or assessor)	14	7	-	7
Closed by Committee (Independent Committee, Conduct Committee, Assessor, Independent Review Committee)	22	4	3	15
Closed by Disciplinary Committee (Disciplinary committee or tribunal)	3	1	2	-
Closed by Appeals Committee (Appeals committee or tribunal)	-	-	-	-

\*CPA amalgamated with CAI on 1 September 2024. Figures included relate to complaints open at that date.

## IAASA’s oversight activities

IAASA conducts supervisory visits to the RABs, evaluating the RABs’ activities in relation to their assigned functions. IAASA’s supervisory visits focus on the RABs’ activities to comply with the relevant legal requirements and IAASA’s Guidelines for RABs. IAASA uses a colour-coded system to indicate the significance of findings as set out in Chart C:

**Chart C:** IAASA’s findings for supervisory visits of PABs



Following each supervisory visit, IAASA issues a report to the RAB, noting any findings and outlining IAASA's recommendations. IAASA assigns a rating of either yellow, amber and red to each finding raised, with red being the most serious. RABs must implement IAASA's recommendations within 12 months. RABs are required to provide IAASA with a written report detailing the actions taken to implement IAASA's recommendations. IAASA reviews these reports and decides if the recommendations have been properly implemented or if IAASA needs to take further action.

**Chart D:** IAASA's process following supervisory visit



Every year, IAASA reviews the RABs' regulatory plans, annual returns, and other regulatory reports. IAASA engages with the RABs throughout the year through meetings, roundtables, and other communications. IAASA reviews and approves any changes the RABs propose to their constitutional documents and gives feedback on relevant guidance documents and policies.

## IAASA’s oversight activities in 2025

### 2025 supervisory visits

In 2024, IAASA completed supervisory visits focusing on RABs’ investigation and disciplinary systems, including the outcome of investigations through to the appeal stage. In 2025, final reports were issued by IAASA to each RAB with recommendations which were required to be implemented by March 2026.

In 2025, IAASA carried out supervisory visits, to both RABs, to review the governance of their regulatory functions. Draft reports were issued to each RAB with final reports issued in early 2026. IAASA issued nine findings with recommendations - four of the findings were rated as amber and five were rated as yellow as highlighted in Chart E:

**Chart E:** IAASA’s findings in 2025



These findings included issues concerning committees’ terms of service and quorum and non-compliance with RABs own regulations, policies or processes. IAASA also noted a number of other areas of weakness in each RAB and issued recommendations for consideration under schedules of other matters. IAASA also conducted a follow up review to one RAB on licensing.

### Engagement

Throughout 2025, IAASA engaged regularly with the RABs to discuss the implementation of the CSRD and drafted CSRD Guidelines. These guidelines were put on hold until the impact of the EU Omnibus proposal is clear. IAASA will continue to work with the RABs to ensure any proposed CSRD Guidelines are aligned to the Omnibus requirements.

In February 2025, IAASA hosted a joint quality assurance (QA) workshop between QA inspectors from the RABs and IAASA’s AQS team to discuss and share insights on QA reviews.

IAASA considered the report submitted by one RAB on the implementation of additional controls around CRO registration. This recommendation issued in 2024, was closed as controls were satisfactorily implemented.

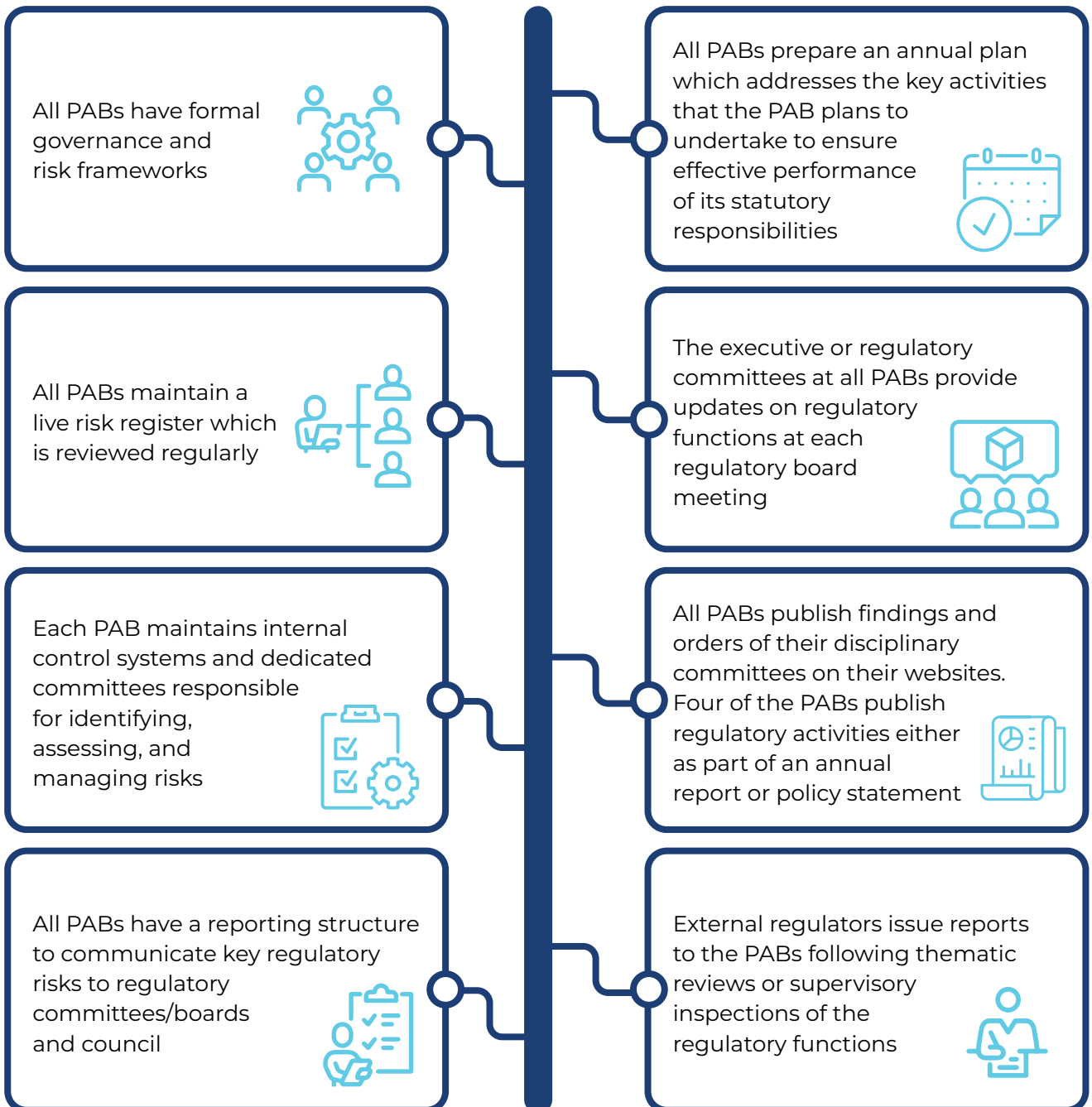
IAASA reviewed and approved a number of constitutional documents including amendments to examination and appeals regulations, disciplinary regulations and disciplinary byelaws. IAASA also reviewed and provided feedback on various RAB policies including principles governing the timing and manner of disclosure of penalties and sanctions, publication policies, code of ethics, member regulations and global practising regulations.

In 2025, IAASA commenced a thematic review of the PABs' examinations and exam integrity which will be finalised in 2026. In 2024, IAASA conducted a desktop review on governance of regulatory functions which was published in 2025.

Some of the supplementary information on risk and communication from IAASA's thematic review conducted in 2024 on the governance of regulatory functions in the PABs is summarised below:

## Risk

## Communication



In November 2025, IAASA hosted a roundtable discussion with the two RABs in Ireland. The RABs presented on the challenges of preserving examination integrity in the context of developments in artificial intelligence. There were also presentations on the regulatory landscape, Corporate Enforcement Authority investigations, sustainability, validity of audit opinions, ISQM1 and the European Single Access Point (ESAP).

### Third country auditors

A third country auditor (TCA) is an auditor who issues an audit opinion in relation to an entity not incorporated within the EU, which is listed on an EU regulated stock exchange. In Ireland, such auditors must make an application to register with IAASA. On receipt of this application, IAASA performs a detailed assessment to ensure the auditor meets the relevant criteria. IAASA processes third country applications as they arise and processes renewals and any updates throughout the year.

During 2025, IAASA renewed the full registration of 12 (2024: 9) third country audit firms. IAASA considered and approved 42 updates to TCAs. IAASA referred one TCA firm to the Corporate Enforcement Authority (CEA) for signing an audit report when not registered. IAASA is also responsible for updating the register of third country auditors for approved applications and notifying any other changes to the CRO. This register is available on the [CRO website](#).

IAASA contributes to the CEA OB sub-group that assesses whether countries should be deemed equivalent by the EU and makes recommendations to the EU accordingly. IAASA attended seven sub-group meetings during 2025.

# Chapter 2

## IAASA's Assurance Quality Supervision

### Overview of Ireland's PIE audit market

PIEs are defined in the Companies Act 2014, as:

- › entities with securities listed on an EU regulated stock exchange
- › credit institutions
- › insurance undertakings

Any auditor or audit firm listed on the CRO register can audit a PIE. By law, auditors must notify IAASA when they are first appointed to audit a PIE. As of 31 December 2025, IAASA was notified of eight PIE firms, auditing a total of 479 PIEs, down from 503 in 2024. One further firm was appointed as a PIE auditor late in 2024 and resigned during 2025.

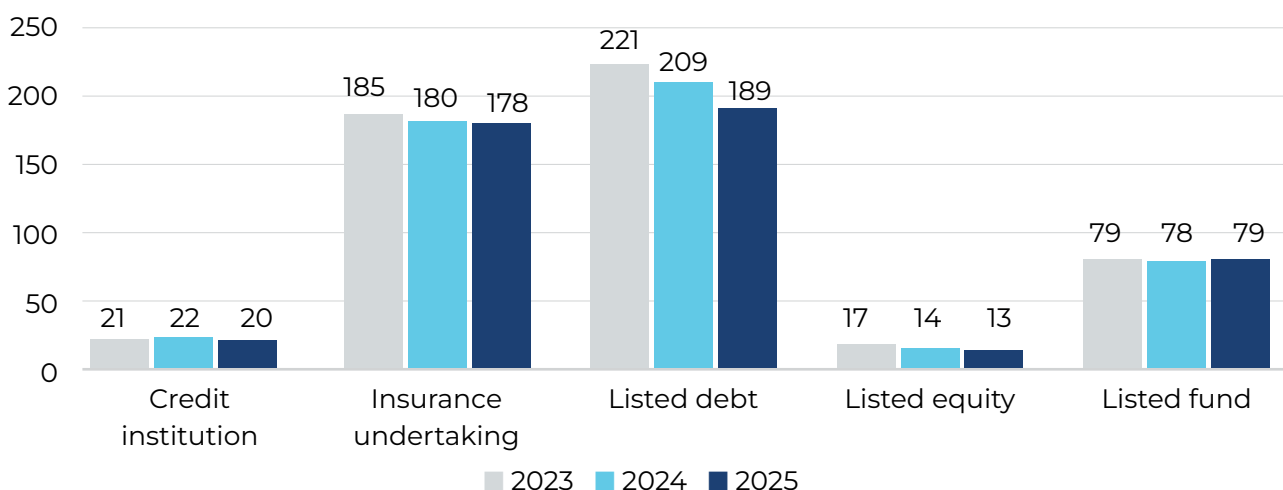
The eight PIE firms notified to IAASA at 31 December 2025 were:

- › Baker Tilly
- › BDO
- › Deloitte
- › EY
- › Grant Thornton
- › KPMG
- › Forvis Mazars
- › PricewaterhouseCoopers Ireland

Each PIE firm must submit an annual return to IAASA, detailing the PIEs they audited during the year. IAASA uses this information to monitor changes in the number of PIE audits and to choose which PIE audits to inspect.

Chart F shows the number of PIE audits based on PIE firms' most recent annual returns.

**Chart F: PIE Population**



In 2025, four audit firms (Deloitte, EY, KPMG and PricewaterhouseCoopers Ireland) audited approximately 64% of PIEs (2024: 68%) and earned approximately 83% of the related fees (2024: 86%).

Chart G illustrates the market share of eight of the PIE firms in Ireland, showing the number of PIEs audited by each of these PIE firms in 2025 and the fees earned by each firm in respect of these audits of PIEs.

**Chart G: PIE Market Share**

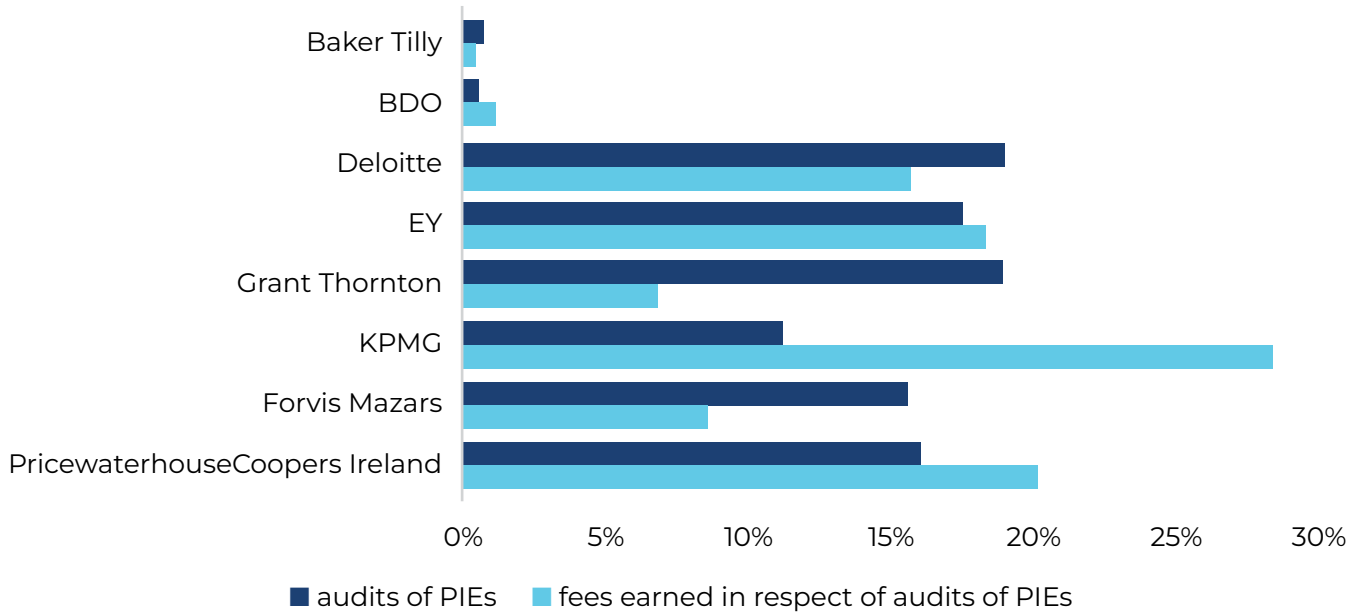
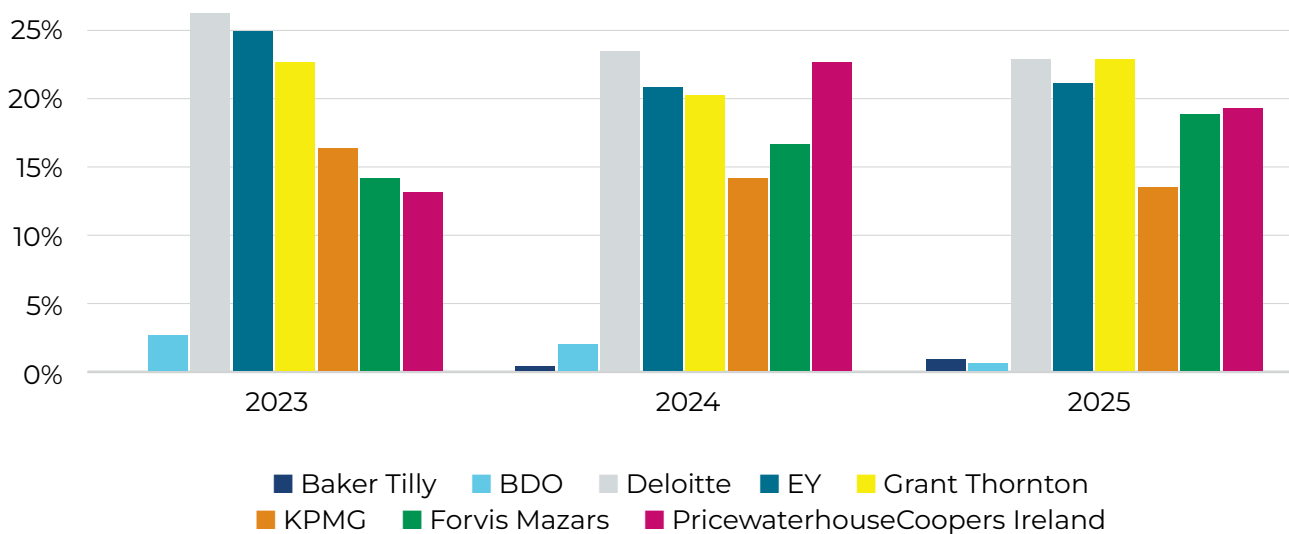


Chart H illustrates the developments in the Irish market in relation to the market share of the eight PIE firms in Ireland since 2023. The chart shows that six PIE firms have each consistently audited more than 10% of the PIEs in the last three years.

**Chart H: Developments in the Irish PIE audit market**



## Sustainability assurance

The Corporate Sustainability Reporting Regulations transposed the EU's Corporate Sustainability Reporting Directive (CSRD), requiring enhancements in the disclosure by companies on climate and environmental data. The regulations came into effect in 2024 and commenced for financial years on or after 1 January 2024 for public-interest entities with greater than 500 employees.

Part 28 of the Companies Act 2014 was inserted during 2024 to include the assurance of sustainability reporting. Companies subject to the CSRD must obtain limited assurance from a statutory auditor approved to carry out the assurance on their sustainability reports. Firms performing sustainability assurance engagements are required to perform them in accordance with the International Standard on Assurance Engagements (Ireland) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000).

The first wave of companies in scope of the CSRD in Ireland reported sustainability statements during 2025. IAASA carried out inspections of a sample of sustainability assurance engagements by PIE firms during 2025. Six inspections were completed across six PIE firms. The results of the inspections were not published, however each firm received a report including an indicative grade and, where relevant, recommendations on improvements that were required going forward. In the first year of implementation, IAASA observed that audit firms focused, in particular, on the completeness of the entities' double materiality assessment and, in many cases, performed extensive procedures to ensure compliance with the required reporting framework. Overall, IAASA observed high-quality documentation supporting the limited assurance opinions issued. IAASA had no significant concerns regarding the sufficiency of procedures performed and quality of evidence obtained in the areas reviewed.

## IAASA's quality assurance review process

### Purpose of a quality assurance review

The purpose of IAASA's quality assurance review process is to assess the effectiveness of a PIE firm's system of quality management.

IAASA's quality assurance review process aims to evaluate how well a PIE firm manages quality. This review:

- › assesses the effectiveness of the firm's quality management system
- › evaluates the quality of a sample of PIE audits
- › evaluates the quality of a sample of PIE limited assurance engagements, where applicable

The review process is not meant to find every weakness in a firm's quality management system. The statutory auditor who issues the audit opinion is ultimately responsible for audit quality.

### Inspection of a firm's system of quality management

IAASA reviews a firm's quality management system by examining how the firm designs, implements, and operates the eight components of quality management for financial statement audits, as outlined in ISQM 1.

These components are:

- › the firm's risk assessment process
- › governance and leadership
- › relevant ethical requirements
- › acceptance and continuance of client relationships and specific engagements
- › engagement performance
- › resources
- › information and communication
- › the firm's monitoring and remediation process

ISQM 1 requires audit firms to evaluate their quality management system annually. IAASA began reviewing how PIE firms apply ISQM 1 in 2023 and continues to assess each of the eight components over three years. Within the three-year cycle, IAASA also reviews the application of ISQM 2, Engagement Quality Reviews. ISQM 2 sets out the requirements relating to a reviewer performing an objective evaluation of the significant judgments made by an audit engagement team and the conclusions reached thereon.

### **Selection of a sample of audits of PIEs**

IAASA uses a risk-based approach to choose a sample of PIE audits for inspection. For each selected audit, IAASA assesses the adequacy and quality of audit evidence in various audit areas.

The sample size for each firm depends on factors such as the number of PIEs the firm audits, the outcomes of previous inspections, and any significant changes in the firm's market share or the types of PIEs it audits.

IAASA uses a risk selection model that considers various factors and assigns weights to them as needed.

These factors include:

- › PIE type
- › PIE size
- › public information
- › audit fees, non-audit fees, year on year changes in fees
- › the PIE firm's experience of auditing the specific PIE type
- › previous audit quality referrals, if any, to IAASA's Enforcement unit
- › experience of the auditor, if they are a new PIE auditor

When selecting a sample of PIE audits for inspection, IAASA also looks at factors outside the risk selection model, such as media coverage, complaints, and issues identified through IAASA's Corporate Reporting Supervision (CRS). PIE firms with weak previous inspection results are given a higher risk rating.

This risk-based approach allows IAASA to select audits with particular complexities or higher risks. However, the audits inspected by IAASA are not representative of all PIE audits and IAASA's inspection results cannot be generalised to other audits.

## Inspection procedures for audits of PIEs

When inspecting a PIE audit, IAASA selects areas to review based on specific risks related to the PIE and areas identified by IAASA as focus areas. IAASA then performs procedures to evaluate the adequacy and quality of audit evidence in the selected areas.

If there are issues relevant to both IAASA's Corporate Reporting Supervision and Assurance Quality Supervision, a joint corporate reporting and audit quality inspection is completed. If issues are found, IAASA may also increase the number of audits or audit areas inspected.

## IAASA's recommendations

If non-compliance with laws, standards, or a firm's policies are found in the course of an inspection, IAASA issues findings and recommendations to the PIE firm. IAASA's recommendations set out the actions the firm must take to address deficiencies or make improvements.

By law, PIE firms must implement IAASA's recommendations within 12 months. If PIE firms fail to do so, IAASA must impose a sanction. PIE firms are required to submit a written report to IAASA detailing the actions they have taken to implement IAASA's recommendations. IAASA then follows up to ensure the recommendations have been properly implemented within the 12-month period.

## IAASA's rating and grading policy

IAASA uses a colour-coding system to indicate the significance of findings related to a PIE firm's quality management system:

**Chart I:** IAASA's rating and grading policy for PIE firm's quality management system



For each PIE audit inspected, IAASA assigns a grade:

- 1 Good audit
- 2 Limited improvements required
- 3 Improvements required
- 4 Significant improvements required

More details on IAASA's rating and grading policy can be found in Appendix 1.

### Referral to IAASA’s Enforcement unit

If IAASA suspects significant breaches of standards or legal violations by a statutory auditor, the case is referred to IAASA’s Enforcement unit. Meanwhile, IAASA’s Assurance Quality Supervision continues to issue recommendations as usual, and the PIE firm must implement these recommendations within 12 months.

For more details on the process followed by IAASA’s Enforcement unit, see Chapter 3.

### Reporting

Each year, IAASA publishes a report for each PIE firm summarising the results of IAASA’s quality assurance review. The report sets out:

- › any deficiencies found by IAASA on the firm’s system of quality management and IAASA’s recommendations
- › a summary of the results of the PIE audits inspected and IAASA’s key recommendations relating to these PIE audits

## IAASA’s 2025 quality assurance review activity

### Inspection of PIE firms’ systems of quality management

In 2025, IAASA assessed the design of the system of quality management in three ISQM 1 component areas:

- › engagement performance
- › monitoring and remediation
- › network resources and services

In assessing the design of the PIE firm’s system of quality management, IAASA evaluated the quality objectives, quality risks and the related responses identified to address quality risks by each firm across the three component areas reviewed.

Findings were identified in the areas of engagement performance and monitoring and remediation. No findings were identified in the area of network resources and services. IAASA raised six findings in total, with findings raised in five of the seven of the PIE firms inspected. The severity of findings on PIE firms’ systems of quality management in 2025 ranged between yellow (minor deficiency) and amber (improvement required).

Furthermore, IAASA carried out inspections covering all ISQM components for one PIE firm that was newly notified to IAASA. In line with IAASA policy the results of this inspection were not published.

**Chart J:** 2025 System of Quality Management Findings



The 2025 quality assurance review reports for seven PIE firms explain the background to each finding raised on the firms' systems of quality management. In addition to the background to each finding, the reports also set out the issue identified and IAASA's recommendations. IAASA's recommendations detail what IAASA expects the firm to do to remediate deficiencies or implement improvements going forward.

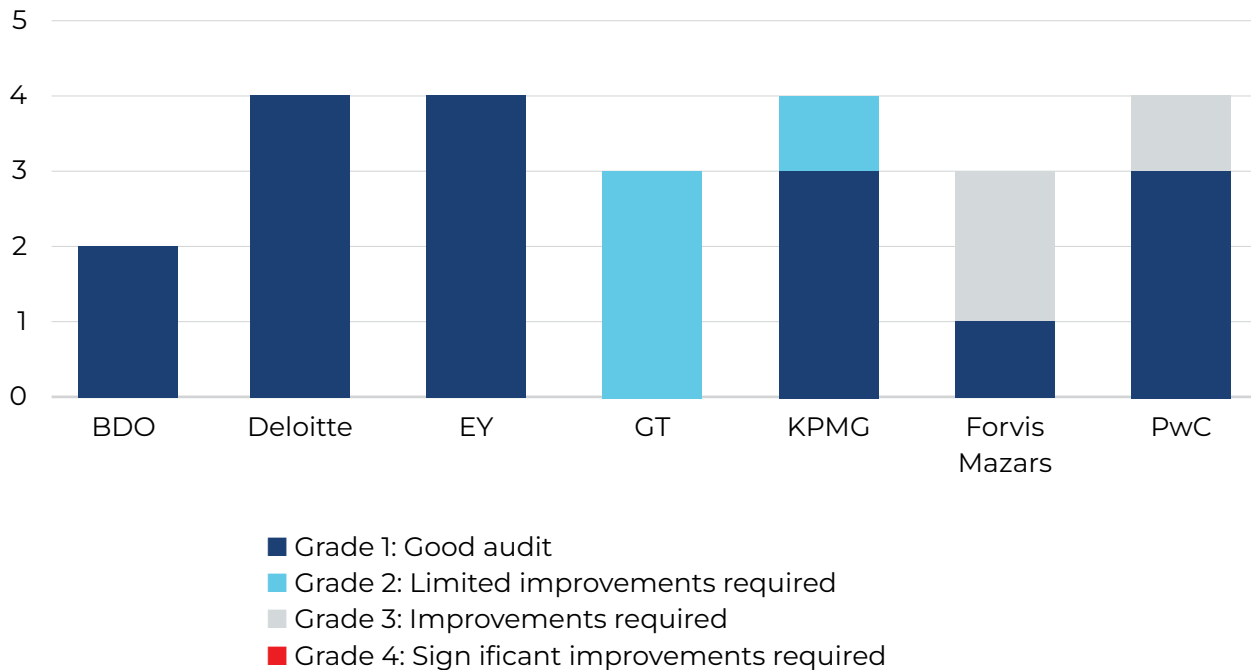
### Inspection of audits of PIEs

In 2025, IAASA inspected 24 audits of PIEs across seven PIE firms, whose quality assurance review reports were published. The number of audits of PIEs reviewed in each of the seven PIE firms varied between two and four. The financial statements for three of the PIEs reviewed were also reviewed by IAASA's Corporate Reporting Supervision. Furthermore, IAASA inspected two PIE audits performed by the two PIE firms newly notified to IAASA. The results of these inspections are not published or included in the information below.

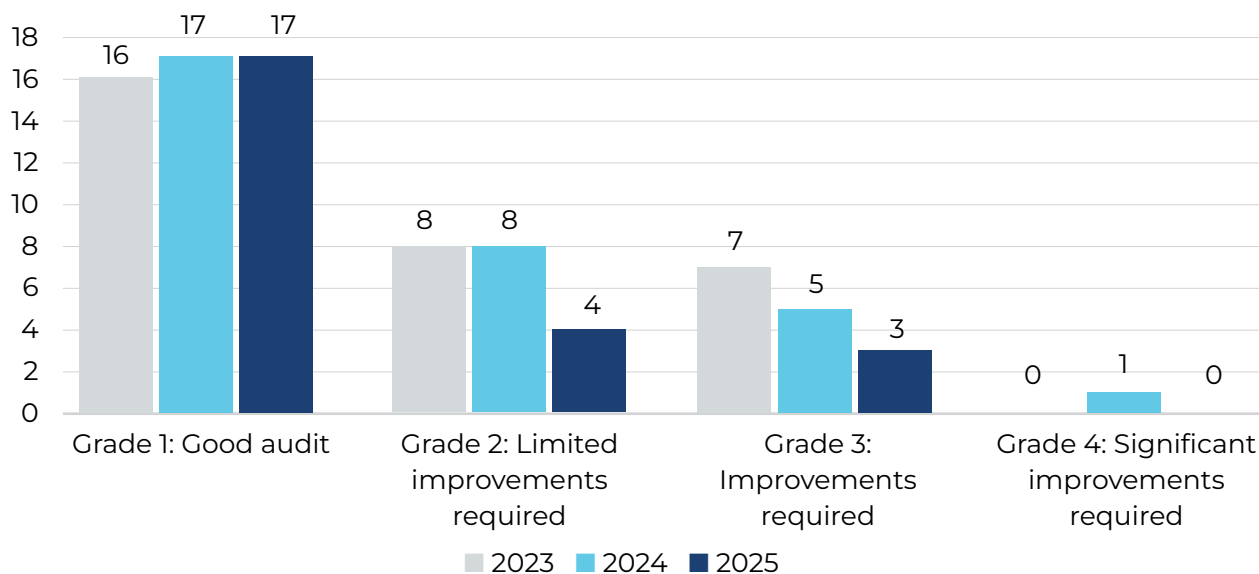
Chart K shows the grades assigned to the 24 audits of PIEs inspected in 2025. Chart L illustrates the grading assigned to the PIE audits that were inspected by IAASA in 2023, 2024 and 2025.

88% of audits of PIEs inspected by IAASA in 2025 were assigned a grade of 2 or higher, indicating that these audits were of a good standard or required limited improvements. 12% of audits inspected were assigned a grade of 3, indicating improvements were required. No audits inspected by IAASA were assigned a grade of 4.

**Chart K:** Grading of PIE audits 2025



**Chart L:** Grading of PIE audits – 3-year review



The key recommendations that arose from inspection of audits of PIEs in 2025 are set out in the [quality assurance reports](#) of each of the seven PIE firms, available on IAASA's website.

Table F sets out some of IAASA's recurring key recommendations across the seven PIE firms.

**Table F:** Recurring Key Recommendations

Audit area	IAASA's key recommendations
<b>Financial statement review</b>	<p>The audit file evidences how all information presented in the notes to the financial statements are reliable.</p> <p>The engagement team designs and performs substantive procedures to obtain sufficient evidence for each material disclosure in the financial statements, in particular those relating to a significant risk, accounting estimate and/or key audit matter.</p>
<b>Engagement quality control review</b>	<p>The engagement quality reviewer reviews the key detailed working papers addressing the significant risks, and, where these or other relevant working papers are not maintained on the audit file, the engagement quality reviewer evidences their review of those working papers manually.</p> <p>IAASA recommends that, going forward, the audit file includes sufficient documentation of the engagement quality reviewer's specific consideration and conclusions of the matters outlined in ISQM 2 paragraph 25R-1, which sets out the matters that shall be considered by an engagement quality reviewer for audits of PIEs.</p> <p>The audit file sufficiently evidences the engagement quality reviewer's discussion of their review, including the significant matters relating to the audit, with the key audit partner.</p>

## Follow up on recommendations

IAASA reviewed all submissions from PIE firms detailing the actions taken to implement IAASA's recommendations and conducted follow up procedures as needed. IAASA is satisfied that all recommendations made to PIE firms in 2024 were properly implemented in 2025.

In October 2025, IAASA held a briefing for audit committees, covering topics such as sustainability reporting, IAASA and CEAOB regulatory updates, and artificial intelligence for audit committees. The event featured speakers and panellists from various sectors including the CEAOB Chair, and accountants and representatives from industry and financial services.

IAASA organised a roundtable discussion with all PIE firms. The roundtable topics included CRS financial reporting and sustainability reporting updates, AQS inspection results and key findings, audit committee engagement, CSRD wave 1 learnings, and sustainability assurance inspections.

In 2025, IAASA issued publications in the form of thematic reports, observation papers, insights series, factsheets and podcasts. IAASA's publications in 2025 covered topics such as: inspection insights on IFRS 17, related parties and findings around the audit of financial statement disclosures and insights on wave one CSRD reporting and sustainability assurance. These publications are available on IAASA's website.

## International cooperation

IAASA is actively involved in both the CEAOB and IFIAR.

IAASA is part of the organising committee of the CEAOB inspections sub-group and the consultative group that supports the CEAOB Chair. IAASA has representatives in all CEAOB sub-groups, including Inspections, International Auditing Standards, Enforcement, Market Monitoring, International Equivalence and Adequacy and firm colleges. IAASA also participates in CEAOB task forces focused on training, financial services, specific audit firms, sustainability reporting, IT, inspection reports, and audit quality indicators. Additionally, IAASA chairs the CEAOB's Training Task Force and the PwC college.

IAASA is a member of IFIAR's Inspection Workshop Working Group and is a participant in IFIAR's Technology Task Force.

As part of IAASA's engagement with the CEAOB, IAASA participated in a peer review with the Polish Agency for Audit Oversight (PANA). The objectives of this peer review were to assess compliance of the IAASA audit file inspection process with the EU Audit Regulation and Directive and identify areas for improvement. A report will be made to the CEAOB during 2026 on the peer review process with the aim of facilitating a discussion on the potential rollout to other member states. IAASA will review the report and consider whether there are any opportunities to improve IAASA's processes.

IAASA hosted a three-day training event in November 2025 for CEAOB members which included sessions on banking audits, insurance audits, sustainability, ISQM 1 and financial statement disclosures.

# Chapter 3

## IAASA's Enforcement

### Enforcement against auditors and recognised accountancy bodies

#### Statutory auditors and audit firms

Under section 934 of the Companies Act 2014, IAASA can take enforcement action in response to a breach of RAB standards or a contravention of legislation. Section 934 of the Companies Act 2014 allows IAASA to investigate possible violations of sections 336, 337, Part 27 and 28 of the Companies Act, or Regulation (EU) No. 537/2014 by statutory auditors and RABs.

#### Breach of RAB standards

Section 934 of the Companies Act 2014 allows IAASA to investigate potential breaches of a RAB's standards by a statutory auditor. IAASA can start an investigation if it believes it is appropriate or in the public interest. If IAASA finds that a breach has occurred, it can impose any sanction that the statutory auditor would face under the RAB's rules.

#### Contravention of legislation

Section 934 of the Companies Act 2014 allows IAASA to investigate potential legal violations by statutory auditors. If IAASA finds that a statutory auditor has broken the law, IAASA can impose sanctions. These sanctions may include:

- › a temporary ban on the statutory auditor from performing statutory audits
- › a declaration that an audit report does not meet certain requirements
- › financial penalties

#### Accountancy bodies

Under section 933 of the Companies Act 2014, IAASA can investigate whether a PAB has followed its approved investigation and disciplinary procedures. IAASA can impose sanctions on PABs if necessary. IAASA can also check if a RAB has met its statutory obligations and can impose sanctions related to these enquiries.

IAASA has various powers to collect evidence. It can require a person to provide documents or appear before IAASA to answer questions under oath. Additionally, a person may be asked to give any other reasonable assistance needed for an investigation.

## IAASA's 2025 enforcement activity

### Full enquiry and investigation committees

During the year, IAASA continued to develop its processes and procedures in the conduct of enquiries and investigations under sections 933 and 934 of the Companies Act 2014. If IAASA considers that there is a prima facie case following a preliminary enquiry or investigation and there is no prospect of settlement, the case may be referred to a Full Enquiry/Investigation Committee.

### Preliminary investigations and enquiries

During 2025, seven matters were referred to IAASA for enforcement consideration. One of those matters did not fall within the remit of section 933 or section 934. Under section 933 of the Companies Act 2014, IAASA can investigate whether a PAB has followed its approved investigation and disciplinary procedures.

Two referrals related to section 933. One of those referrals was not opened as a section 933 enquiry and was closed following an initial consideration of the evidence, and in respect of the other potential s933 complaint, that matter was under consideration at the year-end.

Four section 934 investigations were opened in 2025.

Table G summarises IAASA's enforcement activity in 2025.

**Table G:** Enforcement Activity 2025

	Section 934 investigations	Section 933 enquiries
Open at 1 January	0	0
Opened during the year	4	0
Concluded during the year	0	0
Open at 31 December 2025	4	0

### International cooperation

IAASA is part of the organising committee for the CEAOB Enforcement sub-group and the IFIAR's Enforcement Working Group. This involvement allows IAASA to present at various virtual and in-person workshops and conferences.

# Chapter 4

## IAASA's 2026 Work programme priorities

### Professional Body Supervision

#### Supervisory visits

IAASA intends to carry out supervisory visits to both RABs in 2026. The planned supervisory visits will focus on quality assurance systems. AQS will join PBS on the planned visits where AQS will shadow audit inspectors carrying out their QA reviews.

IAASA will also consider the RABs' submissions regarding the implementation of recommendations arising from the IAASA's 2025 supervisory visit reports on investigation and discipline. IAASA will issue the report on the licensing visit conducted in 2025.

#### Engagement

IAASA will continue to oversee the RABs and their work in respect of their assigned functions. IAASA will continue hosting CSRD roundtable meetings with the RABs and DETE and will continue working with the RABs on implementing legislation.

IAASA (AQS and PBS) will host another QA workshop to facilitate collaboration between audit inspectors in RABs and IAASA and discussion of challenges in QA monitoring visits.

Following on from the thematic on the investigation and disciplinary systems and the supervisory visits over the past couple of years, IAASA intends reviewing the investigation and disciplinary Guidelines to ensure the content remains appropriate. Any amendments proposed to these guidelines will be consulted on with RABs. Also following the visits and desktop thematic on governance of regulatory functions, IAASA plans to review the General Guidelines for appropriateness. Any amendments proposed to the General Guidelines will also be subject to consultation with RABs before being made effective.

IAASA will continue working with DETE, FRC, and CRO on common matters affecting RABs.

### Assurance Quality Supervision

#### Quality Assurance Reviews

IAASA will continue to communicate the outcomes of its quality assurance review process to key stakeholders, including through publications such as observations documents, insights series and commentaries. Early in 2026, IAASA published the 2025 quality assurance review reports for seven PIE firms.

## **Sustainability Assurance Reviews**

IAASA will carry out inspections of a further sample of sustainability assurance engagements performed on companies reporting under the CSRD.

## **Engagement**

IAASA will host further roundtables and CSRD roundtables with PIE firms. IAASA intends hosting its annual audit committee briefing in October. IAASA will continue its involvement with international regulatory groups, CEAOB and IFIAR.

## **Enforcement**

In 2026, IAASA will continue to progress its enforcement activities, reviewing all matters referred to the Enforcement unit and conducting enquiries and investigations as required.

## **International cooperation**

IAASA will continue its active involvement in international regulatory groups, contributing through participation in working groups and task forces, moderation, presentations and other engagement. IAASA's Chief Executive Officer will continue in his role as elected Chair of IFIAR. This role enhances IAASA's access to global audit networks and developments, strengthens public confidence in audit quality in Ireland, and ensures that the perspectives of smaller regulators are represented internationally.

# Appendix 1

## IAASA's PIE audit firm rating and grading policy

### IAASA's rating and grading policy

#### Ratings

Findings in relation to the effectiveness of a PIE firm's system of quality management have their significance indicated by way of a colour-coding system.



**Yellow** indicates that a finding is a minor deficiency. This is:

- › a minor failure in the application of a firm's procedures or processes; or
- › a low-level deficiency that has the potential to develop into a significant or less than significant failure to meet the requirements of the ethical standards and ISQM 1



**Amber** indicates that an improvement is required. This is a less than significant failure to:

- › meet the requirements of the ethical standards and International Standard on Quality Management (Ireland) 1 (ISQM 1); or
- › apply a firm's processes or procedures



**Red** indicates that a finding is a significant deficiency.

#### Grades

Each of the audits of PIEs inspected as part of the quality assurance review is assigned a grade.



**1** A **1** grade is a good audit with no concerns regarding the sufficiency and quality of audit evidence or the appropriateness of significant audit judgements in the areas reviewed. Any concerns are very limited in their implications (both individually and collectively).



**2** A **2** grade is an audit that requires limited improvements. There are only limited concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgements in the areas reviewed. Although there may be some concerns, their implications (both individually and collectively) are limited.



**3** A **3** grade is an audit that requires improvements. There are some concerns, assessed as less than significant, regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgements in the areas reviewed. Although there may be concerns, their implications (both individually and collectively) are less than significant.



**4** A **4** grade is an audit that requires significant improvements. There are significant concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgements in the areas reviewed. There may be concerns in other areas, with implications that are individually or collectively significant.



# Glossary

AAPA	Annual audit programme and activity report
ACCA	Association of Chartered Certified Accountants
AQS	Assurance Quality Supervision
AUTHORITY, THE	The Irish Auditing & Accounting Supervisory Authority
CAI	Chartered Accountants Ireland
CEAOB	Committee of European Auditing Oversight Bodies
CPA	Institute of Certified Public Accountants in Ireland
CRO	Companies Registration Office
CRS	Corporate Reporting Supervision
CSRD	Corporate Sustainability Reporting Directive
DETE	Department of Enterprise Tourism and Employment
ESAP	European Single Access Point
FRC	Financial Reporting Council
IAASA	The Irish Auditing & Accounting Supervisory Authority
IFIAR	International Forum of Independent Audit Regulators
IFRS	International Financial Reporting Standards
ISQM	International Standard on Quality Management
PAB	Prescribed Accountancy Body
PCAOB	Public Company Accounting Oversight Board
PIE	Public interest entity as defined in the Companies Act 2014
PIE FIRM	An audit firm appointed to act as statutory auditor to a PIE
PBS	Professional Body Supervision
QA	Quality assurance
RAB	Recognised Accountancy Body
TCA	Third country auditor



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