

2021

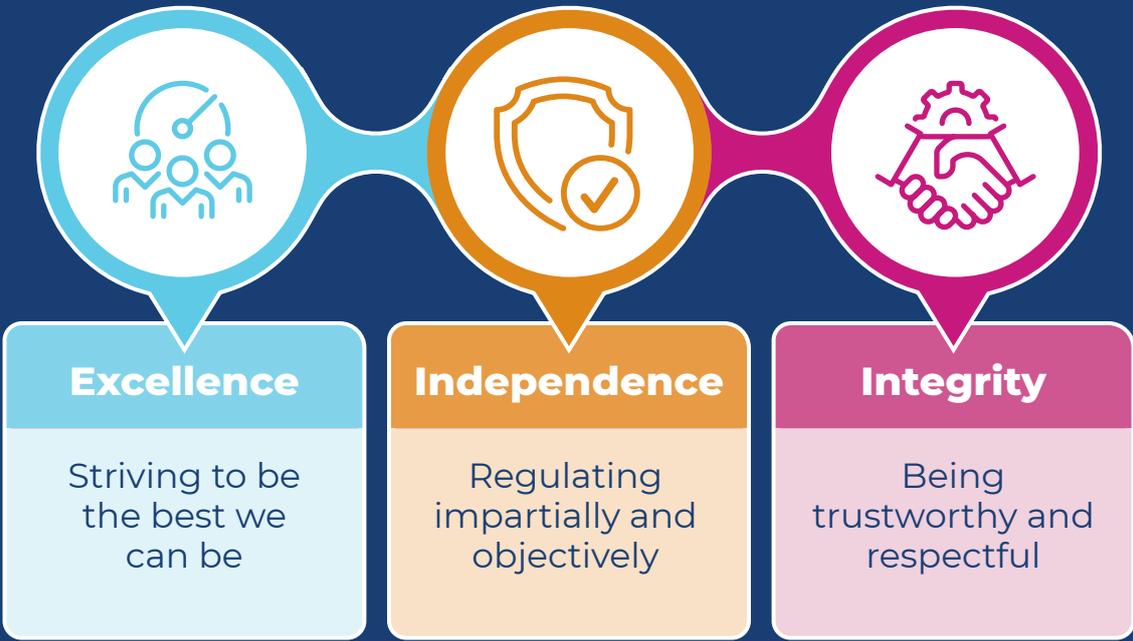
# Annual Report

# Mission

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest



# Our Values



# STRATEGIES

## Strand 1 Regulation

**Strategy 1:** Oversight of accountancy profession

**Strategy 2:** Review of financial reporting

**Strategy 3:** Direct inspection of auditors of PIEs

**Strategy 4:** Investigation and Enquiry



## Strand 2 Promotion of High Standards

**Strategy 1:** Development of ISAs (Ireland) and related guidance

**Strategy 2:** Supporting accountancy bodies in undertaking their regulatory responsibilities

**Strategy 3:** Supporting high standards in financial reporting

**Strategy 4:** Supporting high standards in audit of PIEs

**Strategy 5:** Disseminating best practice



## Strand 3 Maximising our Impact

**Strategy 1:** Ensuring efficient use of our financial resources

**Strategy 2:** Being heard

**Strategy 3:** Developing/improving our processes

**Strategy 4:** Innovating



### Strand 1: Regulation

Supervision of the Auditing and Accounting Profession

Supervision of Financial Reporting Quality

Supervision of Audit Quality for PIE Audits

Enforcement

### Strand 2: Promotion of High Standards

Standards and Policy

Supervision of the Auditing and Accounting Profession

Supervision of Financial Reporting Quality

Supervision of Audit Quality for PIE Audits

Enforcement

Corporate Services

### Strand 3: Maximising our Impact

Standards and Policy

Supervision of the Auditing and Accounting Profession

Supervision of Financial Reporting Quality

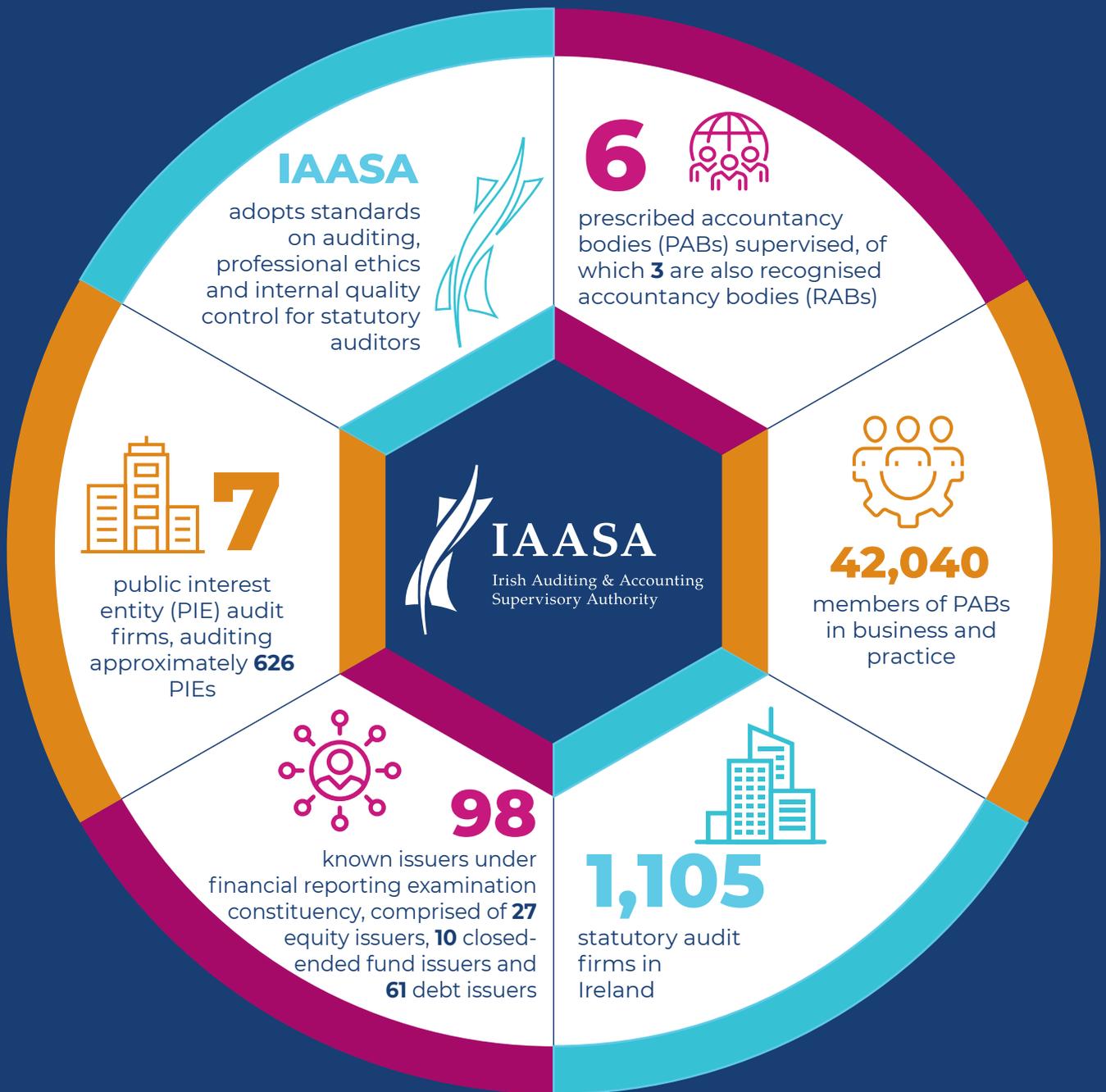
Supervision of Audit Quality for PIE Audits

Enforcement

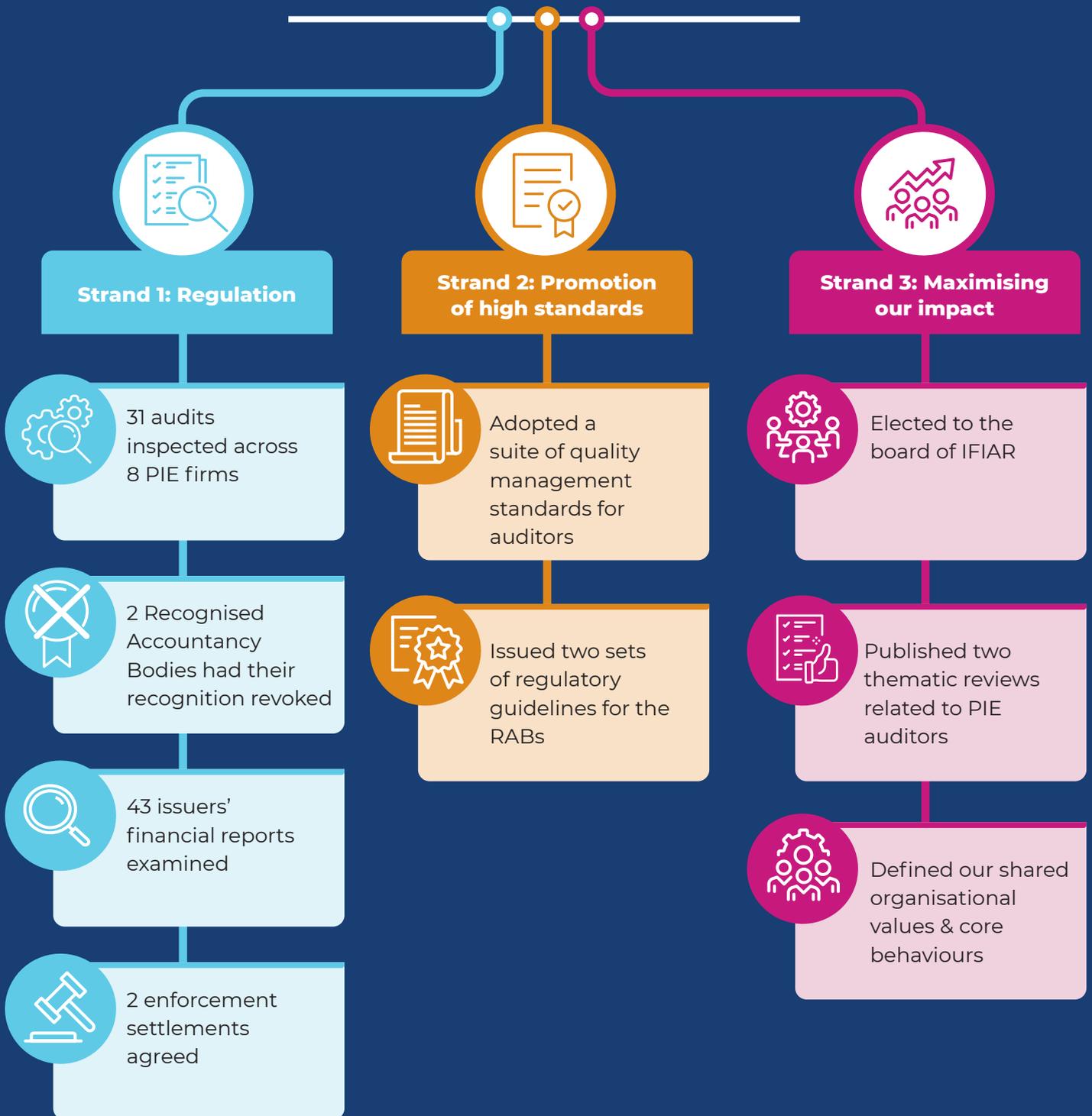
Corporate Services

Organisational Development

# About Us



# 2021 HIGHLIGHTS



# Chapter 2

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## STANDARDS AND POLICY

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# Chapter 2: Standards and Policy



## 1. Principal functions

The principal functions of the Standards and Policy Unit are to:

- adopt auditing, ethical and quality control standards for statutory audit in Ireland
- issue such guidance and assurance standards as the Authority deems appropriate
- contribute to the development of Authority policy on regulatory and other matters

## 2. Significant developments

IAASA adopted four revised International Standards on Auditing (Ireland) during the year as well as related conforming amendments. These included:

- International Standard on Quality Management (ISQM) (Ireland) 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements; and
- International Standard on Auditing (ISA) (Ireland) 240 - The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.

A full list of the revised standards issued during the year is set out in Appendix 5.

In 2021, IAASA adopted International Standard on Review Engagements (ISRE) (Ireland) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. This is an assurance standard tailored for Irish auditors undertaking reviews of interim financial statements produced by entities listed on the Irish stock exchange. The new standard is effective for reviews of interim financial statements for periods beginning on or after 15 December 2021, with early adoption permitted.

To complement consultation and feedback papers relating to auditing and assurance standards issued during the year, IAASA produced short presentations and informational videos. They are designed to provide users with an overview of the topics covered and encourage them to engage further by accessing the full documents on IAASA's website.

IAASA issued guidelines for the RABs in relation to continuing education for statutory auditors as well their investigation and disciplinary functions. The guidelines clarify IAASA's expectations in these areas, and are intended to improve the RABs' approaches to their regulatory functions and enhance consistency across them. The guidelines are available on IAASA's website ([IAASA - Oversight of the Profession](#)) and are effective from 1 January 2022.

During 2021, IAASA continued to actively engage with peers, stakeholders and standard setters. Such activities include observing meetings of the FRC's Technical Advisory Group, contributing to the CEOB's response to a number of international consultations on proposed standards, and issuing its own comment letters on proposed standards where appropriate. IAASA also organised an outreach

event attended by the RABs and auditing firms at which representatives of the International Auditing and Assurance Standards Board (IAASB) provided an overview of the proposed international auditing standard for less complex entities.

In addition, the Authority contributed to the work of the Company Law Review Group (CLRG) (the independent advisory body to the Department on company law matters) through membership by the Chief Executive.

## Quality Management Standards

To ensure that audit firms' systems are robust and effectively support high-quality audits, in 2021 IAASA adopted three interrelated standards that address firms' systems of quality management.

The new standards, which will be effective 15 December 2022, are:

- ISQM (Ireland) 1 (as described above), which introduces a new risk-based approach that requires a firm to customise the design, implementation and operation of its system of quality management based on the nature and circumstances of the firm and the engagements it performs. The standard also deals with the firm's responsibility in respect of policies or procedures for engagements that are subject to engagement quality reviews.
- ISQM (Ireland) 2 - Engagement Quality Reviews, deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.
- ISA (Ireland) 220 (Revised December 2021) - Quality Management for an Audit of Financial Statements, deals with the auditor's specific responsibilities for quality management for an audit of financial statements and the related responsibilities of the engagement partner.

These new and revised standards will apply to both audit and assurance engagements. They will strengthen firms' approaches to quality management and are intended to result in:

- an effective system of quality management within a firm that establishes the foundation for consistent engagement quality.
- a proactive response by the firm to changing circumstances and proactively managing or mitigating risks, and promoting continual improvement and responsiveness.
- increased emphasis on monitoring the system as a whole, and timely and effective remediation.
- improved integration of the components of the system of quality management.

### 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<p><b>Development of ISAs (Ireland) and related guidance</b></p> <p><b>Supporting high standards in audit of PIEs</b></p> <p><b>Disseminating best practice</b></p>	<ul style="list-style-type: none"> <li>→ Adopted four revised International Standards on Auditing (Ireland), related conforming amendments and revised Glossary of Terms</li> <li>→ Issued ISRE (Ireland) 2410 for auditors that perform reviews of interim financial information</li> <li>→ Hosted four Technical Advisory Panel meetings during the year. Also, a working group provided support on the development of an assurance standard</li> <li>→ Monitored developments in international and UK auditing standards, including through attendance at meetings of the FRC's Technical Advisory Group and participation in the CEAOB International Auditing Standards Subgroup</li> <li>→ Issued guidelines for the RABs in relation to their regulation, monitoring and enforcement of continuing education for statutory auditors and their investigation and disciplinary functions</li> </ul>
<p><b>Being heard</b></p>	<ul style="list-style-type: none"> <li>→ Issued three consultations relating to revisions to the auditing framework during the year. Prior to issuing the consultations, IAASA engaged with its Technical Advisory Panel and, where relevant, other regulatory bodies</li> <li>→ Participated in the CEAOB International Auditing Standards Subgroup, including periodic conference calls and meetings with the international standard setting boards (IAASB and IESBA) and Public Interest Oversight Board</li> <li>→ Contributed to the development of the CEAOB's responses to audit related consultations issued by the IAASB, IESBA and EU Commission</li> <li>→ Submitted one IAASA response to an IAASB consultation and one response to an IESBA consultation</li> <li>→ Organised an IAASB outreach event which was attended by the RABs and auditing firms to discuss the proposed international auditing standard for less complex entities</li> </ul>

# **Chapter 3**

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## **SUPERVISION OF THE AUDITING AND ACCOUNTING PROFESSION**

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# Chapter 3: Supervision of the Auditing and Accounting Profession



## 1. Principal functions

The principal functions of the Regulatory and Monitoring Supervision Unit are to:

- supervise the manner in which the PABs regulate their members, including the operation of their investigation and disciplinary processes
- oversee the manner in which the RABs perform the following functions in respect of the statutory auditors and audit firms that they have approved and registered under the Act:
- approval and registration
- continuing education
- quality assurance systems and
- investigative and administrative disciplinary systems
- cooperate with EU and international counterparts as well as with other national and EU authorities
- advise the Minister on matters relating to the accounting profession

## 2. Significant developments

Two RABs applied to IAASA for revocation of their recognition during 2021. Under section 931 of the Act, IAASA decided to revoke the recognition of the Institute of Chartered Accountant in England and Wales (ICAEW) effective from 21 July 2021 and the recognition of the Institute of Chartered Accountants of Scotland (ICAS) effective from 22 December 2021. By virtue of the revocation of the recognition of ICAEW and ICAS, these institutes are no longer prescribed accountancy bodies under the Act and therefore no longer come under the remit of IAASA. Appendix 3 lists the current PABs in Ireland, some of which operate in both Ireland and the UK.

The Authority undertook one supervisory visit in 2021, relating to quality assurance. A number of supervisory reports were issued during 2021, including a quality assurance report, a supervisory report relating to investigation and disciplinary procedures and a report related to licensing. Additionally, the team finalised the approach to the regulation of the PABs, focusing on aligning resources to the legislative functions to aim for the most efficient regulatory approach.

The Authority also issued guidelines on continuing education and investigation and disciplinary functions and issued a consultation on proposed amendments to the exemption guidelines.

### Revocation of Recognition

The Authority continued engagement with all RABs regarding regulatory requirements post Brexit. Brexit presented a number of challenges to the model for dual recognition between Ireland and the UK. For example, one requirement of Irish law is that auditors must carry out a substantial part of their practical training in audits required by EU law. As such, the audit of UK companies post Brexit no longer counted towards that requirement. As a result of our engagements on this and other issues arising as a result of Brexit, two RABs decided to apply for revocation of their recognition and this was completed in the year.

### 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Oversight of accountancy profession</b>	<ul style="list-style-type: none"><li>→ Managed the effective revocation of recognition of ICAEW and ICAS</li><li>→ Undertook continuous supervisory engagement through review meetings, review of regulatory plans, annual returns, and annual/regulatory reports</li><li>→ Considered and recommended 44 sets of constitutional documents for approval</li></ul>
<b>Supporting accountancy bodies in undertaking their regulatory responsibilities</b>	<ul style="list-style-type: none"><li>→ Undertook regular supervisory engagement with all PABs</li><li>→ Held an annual roundtable meeting including presentations from relevant units in IAASA and a presentation from a PAB</li></ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"><li>→ Provided feedback to RABs on their implementation plans for compliance with continuing education and investigation and disciplinary guidelines</li><li>→ Issued 'Profile of the Profession' which provides statistical data on the accounting and audit profession</li><li>→ Commenced a thematic review on 'what is considered to be good repute'</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>→ Engaged with relevant stakeholders including the Department, CRO and the FRC in relation to supervisory matters</li><li>→ Presented at a PAB's membership event</li></ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"><li>→ Carried out further refinements to the supervisory approach to the oversight and supervision of PABs</li></ul>

# Chapter 4

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## SUPERVISION OF FINANCIAL REPORTING QUALITY

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# Chapter 4: Supervision of Financial Reporting Quality



## 1. Principal functions

The principal functions of the Financial Reporting Supervision Unit are to:

- examine certain listed entities' annual and half-yearly financial reports and take enforcement actions when instances of non-compliance are detected
- cooperate with EU accounting enforcers
- cooperate in the development of financial reporting standards and
- advise the Minister on accounting matters

## 2. Significant developments

In 2021, the Authority examined 43 financial reports, comprising 37 annual financial reports and six half-yearly financial reports (see Appendix 2). 19 issuers provided 86 undertakings to the Authority to improve reporting in future periods. The most frequent area in which undertakings were provided related to financial instruments disclosures. Other areas resulting in undertakings included the reporting and presentation of financial statements, alternative performance measures, operating segment disclosures, impairment and fair value measurement.

Additionally, the Authority published an information note on [IAS 36 Impairment of Assets](#).

The Authority continued its substantial engagement with its European counterparts, participating in the various task forces and sub-groups associated with accounting enforcement. During the year, the attention of these groups continued to focus on COVID-19 and future developments in corporate reporting, including the European Single Electronic Format (ESEF), and non-financial reporting, particularly corporate sustainability reporting.

## Impairments – impact of COVID-19

The Authority examined the annual financial statements of an issuer in the hospitality and transportation sector, which was severely impacted by the COVID-19 travel restrictions and social distancing rules. The Authority evaluated whether or not at the reporting date there was any indication that an asset may be impaired in an environment where the issuer's operations were significantly impacted by COVID-19, noting that the issuer had not carried out an impairment review.

IAASA concluded that the impact of COVID-19 travel restrictions was a strong indication that one or more of the impairment indicators in IAS 36 *Impairment of Assets* were triggered for the issuer during 2020.

IAASA also concluded that the following matters were indicators of impairment and were identifiable at 31 December 2020:

- one craft from the issuer's fleet was temporarily withdrawn from service in 2020
- the reduction in revenue and earnings as a result of COVID-19 travel restrictions and social distancing rules appear to have had an adverse effect on the market and economic environment in which the issuer operates [IAS 36.12(b)]; and
- on-going travel restrictions and social distancing rules imposed by the Irish government continued up to the date of approval of the annual financial statements [IAS 36.12(b)].

Other factors considered relevant in the context of the identification of impairment indicators included the fact that in its preliminary announcement published in Q1 2021 it was stated that the COVID-19 travel restrictions were still having an impact on the economic environment in which the issuer operates.

Following the engagement with IAASA, the issuer voluntarily provided a number of undertakings to IAASA including expanding the impairment disclosures in its 2021 annual financial statements to include:

- an explanation that a number of impairment indicators were present at 31 December 2020; and
- an explicit statement that the impairment test that was performed found that no impairment charge was required at 31 December 2020;

The issuer further undertook to perform an assessment to identify whether any indicators of impairment exist at 31 December 2021.

### 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Review of financial reporting</b>	<ul style="list-style-type: none"><li>→ Examined 37 annual reports</li><li>→ Examined six half-yearly reports</li></ul>
<b>Supporting high standards in financial reporting</b>	<ul style="list-style-type: none"><li>→ Actively participated in several European forums, sub-groups and task forces, including the Corporate Reporting Standing Committee, the Narrative Reporting Working Group and Financial Institutions Task Force</li><li>→ Participated, with the Department in the Accounting Regulatory Committee which provides its opinion to the European Commission on proposals adopting IFRSs</li></ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"><li>→ Published a compendium of five financial reporting decisions</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>→ Published one Information Note – IAS 36 <i>Impairment of Assets</i></li><li>→ Made six presentations to audit firms, industry bodies and other stakeholders on FRSU observations and priorities</li></ul>
<b>Developing and improving our processes</b>	<ul style="list-style-type: none"><li>→ Monitored developments in accounting enforcement globally and considered potential impact on IAASA's system of examination of financial reporting</li></ul>

# Chapter 5

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## SUPERVISION OF PUBLIC-INTEREST ENTITY AUDITS

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# Chapter 5: Supervision of Public-Interest Entity Audits



## 1. Principal functions

IAASA's Audit Quality Unit is responsible for the quality assurance review of statutory auditors and audit firms that perform statutory audits of public-interest entities (PIEs) in Ireland.

The unit has three principal functions:

- carry out inspections of audit firms that conduct statutory audits of PIEs
- cooperate with EU audit oversight bodies
- advise the Minister on auditing matters

## 2. Significant developments

### Inspection of PIE audit firms

In 2021, IAASA conducted its fourth round of inspections across seven of the PIE audit firms. IAASA inspected five internal control areas in the seven PIE audit firms. The areas inspected were:

- consultations
- internal monitoring
- methodology
- other quality control reviews
- training

As part of its fourth round of inspections, IAASA also inspected a sample of 30 audits of PIEs across the seven PIE audit firms. The results of the 2021 inspections in respect of these seven PIE audit firms were published by IAASA in March 2022 and are available on IAASA's website [here](#).

### 2021 inspection results

In 2021, across the seven PIE firms, IAASA raised findings in the areas of consultations, internal monitoring, other quality control reviews and training. The severity of the findings raised by IAASA ranged between yellow (minor deficiency) and red (significant deficiency).

In 2021, 93% of audits of PIEs conducted by the seven PIE firms were assigned a grade of 1 or 2, indicating that audit quality was of a good standard. The remaining audits required improvement.

### Firms auditing PIEs

In 2021, nine audit firms conducted statutory audits of PIEs in Ireland (2020: eight). Four of these firms audited 74% (2020: 76%) of the PIEs in Ireland, earning approximately 89% (2020: 90%) of the PIE audit fees.

For seven of these firms IAASA completes inspections and publishes the results of this work.

The eighth firm was newly notified to IAASA as a PIE audit firm. IAASA inspected 14 areas of this firm's system of quality control during 2021. IAASA also inspected one audit of a PIE that was conducted by this firm. Because this was IAASA's first inspection of the firm, the results of the inspection were not published. This firm no longer performs statutory audits.

The remaining firm was the statutory auditor to one PIE in Ireland. This firm was based in the UK and was subject to oversight by the UK competent authority in 2021. Following IAASA's revocation of the recognition of ICAEW, this firm no longer performs statutory audits of PIEs.

### Publication of inspection reports

In March 2021, IAASA published inspection reports setting out the results of IAASA's 2020 inspections of seven PIE audit firms. These inspection reports are available on IAASA's website [here](#).

### International engagement

IAASA continues to engage with peers internationally and continuously reviews this engagement to ensure maximum value add. In 2021, IAASA was elected to the Board of IFIAR and also joined two sub-groups. IAASA ceased participation in an Emerging Regulators group of IFIAR, on the basis that IAASA is now considered to be a well-established regulator.

At European level, we continue to engage in CEOB and all sub-groups. IAASA has chaired the Market Monitoring sub-group for a number of years now and has notified all parties of intention to resign from this post in 2022. In place of this, IAASA has been appointed as chair of a new task force aimed at identifying and coordinating effective training for inspectors.

### Follow-up procedures

In 2021, IAASA reviewed all submissions received from PIE audit firms explaining the actions taken to implement IAASA's 2020 recommendations and performed follow-up procedures, where necessary. IAASA is satisfied that all recommendations made to the PIE firms in 2020 were appropriately implemented in 2021.

### International cooperation

IAASA believes that cooperating with international audit regulators is fundamental to its success. As the entities and firms within IAASA's remit often operate within global structures, it is vital that regulators cooperate effectively to share knowledge, experience and be consistent if possible. Such activities contribute to regulators achieving their aim of effectively and efficiently contributing to continuing improvements in audit quality. IAASA actively participates

in both Committee of European Audit Oversight Bodies (CEAOB) and the International Forum of Independent Audit Regulators (IFIAR).

IAASA has representatives on all CEAOB subgroups as well as a number of task forces and colleges. IAASA's Chief Executive is on the consultative group of the CEAOB, which supports the Chair of the CEAOB. IAASA continues to hold the position of Chair of the CEAOB Market Monitoring Subgroup. IAASA also participates in the leadership of the CEAOB Inspection Subgroup (ISG), through its organising committee, and chaired the meeting of the ISG in June 2021. During 2021, IAASA was elected as Chair of the ISG's new Training Task Force.

### Supporting high standards in audit of PIEs

In line with IAASA's strategy to be heard, IAASA organised a briefing for audit committees in October 2021. This was a virtual event and was well attended. The briefing included updates from IAASA on topics relevant to audit committee members and a panel discussion on audit reporting, audit expectation and the annual report. The recording of the event is available to the public [here](#).

IAASA published a thematic paper discussing transparency reporting by Irish PIE audit firms, available [here](#). IAASA also published a thematic paper discussing the use of data analytics in statutory audit in Ireland, available [here](#). IAASA also published inspection insights setting out key messages for auditors in auditing cash and cash equivalents, available [here](#).

## 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Direct inspection of auditors of PIEs</b>	<ul style="list-style-type: none"> <li>→ Inspected eight firms</li> <li>→ Inspected 31 audits of PIEs</li> </ul>
<b>Supporting high standards in audit of PIEs</b>	<ul style="list-style-type: none"> <li>→ Engaged regularly with all PIE audit firms</li> <li>→ Chaired the CEAOB Market Monitoring Subgroup</li> <li>→ Chaired a meeting of the CEAOB Inspection Subgroup</li> <li>→ Actively participated in all CEAOB subgroups and a number of task forces. IAASA also participates in the leadership of the inspection subgroup, through its organising committee, and the CEAOB plenary, through its consultative group</li> <li>→ Actively participated in two IFIAR task forces</li> </ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Published seven inspection reports</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Hosted a briefing for audit committees</li> <li>→ Published two thematic papers</li> <li>→ Published an insights series on auditing cash and cash equivalents</li> <li>→ Published an annual audit programme and activity report</li> </ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"> <li>→ Implemented the Common Audit Inspection Methodology for assessing the internal quality control systems of PIE audit firms</li> <li>→ Developed and continued to refine a suite of working papers for the inspection of individual audits, taking into account the specificities of particular auditing standards as well as relevant matters relating to the entity type or industry</li> </ul>

# Chapter 6

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## ENFORCEMENT

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# Chapter 6: Enforcement



## 1. Principal functions

The principal functions of the Enforcement Unit are to:

- conduct investigations into suspected irregularities in the conduct of PIE audits
- conduct enquiries into breaches of investigation and disciplinary procedures by PABs, and the RABs' performance of their functions in respect of statutory auditors
- administer sanctions following on from regulatory investigations

## 2. Significant developments

2021 allowed for further development and implementation of the regulations for conducting section 933 enquiries and section 934 investigations. These regulations allow the Authority to take an executive led approach to the initial enquiry and investigation phase, and improved efficiency of the overall enforcement process is evidenced by the number of cases open and closed throughout 2021. A significant number of those cases are closed without the need for the launch of a formal investigation or enquiry. During the year, the Authority entered into two settlement agreements, one in relation to a section 933 enquiry and one relating to a section 934 investigation. A link to the text of these agreements is available on our website [here](#). The Authority launched two enquiries under section 933 and two investigations under section 934. One of the section 933 enquiries and one of the section 934 investigations were closed at the year end and the other matters were open at the year end.

Supporting its new approach to enforcement, the Authority published its sanctions guidance, and policy on time limits for making complaints. It continued to develop its internal processes and procedures to support the new enforcement policy.

On the international front, the Authority's Senior Enforcement Counsel contributed to the work of the CEAOB through membership of the Enforcement Working Group and as a member of the enforcement sub group of IFIAR.

### Section 934 investigation

The Authority publicised details of a settlement agreement that it had entered into with a specified person, in relation to the audit of a PIE. Examples of matters contained in the settlement agreement related to:

- insufficient challenging of assumptions used in the valuation of the loans and receivables balance.
- insufficient appropriate audit evidence and failure to sufficiently consider the impact of multiple IT deficiencies and multiple audit adjustments on the planned procedures.
- insufficient procedures performed to test the existence of loans/underlying securities.

The specified person made admissions to a number of contraventions to auditing standards and was sanctioned accordingly. Having considered the available sanctions under law, the Authority's own sanctions guidance, and various mitigating circumstances including the previous and subsequent unblemished record of the individual and the cooperation provided, the Authority reprimanded and fined the specified person €10,500 which incorporated a 30% discount for early settlement.

The settlement agreement resulted in the avoidance of further additional costs and administrative burden of an extended investigation for both the Authority and the specified person.

This settlement process offered both the Authority and the specified persons a means of achieving early resolution of the matter. Early settlement is an efficient use of the Authority's resources and provides timely resolution and transparency through the publication of the details of the case. The settlement agreement took account of the public interest including protecting the public, maintaining public confidence in the audit profession and upholding proper standards.

### 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Investigation and Enquiry</b>	<ul style="list-style-type: none"><li>→ Developed and implemented guidance and policies. In particular, sanctions guidance and a policy relating to time limits for making complaints</li><li>→ Drafted and implemented settlement procedures</li><li>→ Progressed investigations and enquiries</li><li>→ Achieved appropriate outcomes evidenced by the settlement agreements</li><li>→ Published outcomes in line with policies</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>→ Published feedback on consultation on sanctions guidance</li><li>→ Participated in the CEAOB Enforcement Subgroup, including periodic conference calls</li><li>→ Participated in IFIAR enforcement subgroup and speaker at international conference.</li><li>→ Participated in stakeholder roundtable meetings</li></ul>

# Chapter 7

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## CORPORATE SERVICES

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# Chapter 7: Corporate Services



## 1. Principal functions

The principal functions of the Corporate Services Unit are to:

- provide corporate services support to IAASA, including finance, HR, ICT and facilities management
- provide a secretariat to the board and to certain of its committees
- oversee the risk management process for IAASA
- provide in-house legal services, including day-to-day operational advice and all GDPR-related functions

## 2. Significant developments

The unit's role was expanded in early 2021 to encompass all support services, most notably the addition of the HR management function. Through the year, the unit continued to meet its statutory deadlines despite the increased workload and the impact of the pandemic. These included IAASA's statutory financial statements and company returns, and the requirements of the Code of Practice for the Governance of State Bodies. Further details of these are included elsewhere in this report, primarily in the Governance and Structure section.

IAASA continued to work remotely for the full year, and the unit ensured that support services, primarily ICT related, functioned efficiently and robustly in a remote setting. The unit carried out both internal disaster recovery testing and external penetration testing, overseen by the Audit & Risk

Committee, with the latter finding no weaknesses in the Authority's remote access processes.

On HR, the unit conducted a full review of its internal performance management systems, and introduced a revised *goal setting & performance development* system for use in 2022. Separately, the unit considered the Authority's risk appetite statement and approach to quantifying risk tolerances across its functions. Work on this project was ongoing at year-end.

### Goal setting & performance development

The Authority continued to focus on its staff, its key asset, during the year. As part of this, the unit carried out a detailed review of IAASA's approach to performance appraisal and development, and introduced a number of enhancements to the formal process. The new process moves away from task focus, which while important, now shares equal prominence with employee personal development, and with living IAASA core organisational values of excellence, independence and integrity. The approach to the formal bi-annual meetings has also been developed to maximise the value for staff, managers and the organisation. This process is in addition to regular interactions at team and individual one-to-one level, which are corporeal whenever possible within public health restriction, or on videolink.

## 3. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Statutory Annual Report approved by board</li> <li>→ Delivered mandated reports to Minister by statutory deadlines</li> </ul>
<b>Ensuring efficient use of our financial resources</b>	<ul style="list-style-type: none"> <li>→ Programme of Expenditure (budget) adopted by board and approved by Minister</li> <li>→ Successful outcome of review of systems of internal control by internal and external auditors</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Acted as principal point of contact with journalists and public representatives</li> <li>→ Continued strong and effective relationship with the Department's liaison unit</li> </ul>
<b>Developing/improving processes</b>	<ul style="list-style-type: none"> <li>→ Ongoing maintenance of and investment in ICT infrastructure, the remote working model</li> <li>→ Enhanced security for network access and for mobile devices.</li> <li>→ Developed revised approach to employee goal setting and performance development.</li> <li>→ Provided in-house legal advisory support.</li> </ul>

# Chapter 8

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## ORGANISATIONAL DEVELOPMENT

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# Chapter 8: Organisational Development



## 1. Principal functions

The principal functions of the Organisational Development Unit are to:

- develop initiatives that improve the efficiency and effectiveness of the organisation
- support a culture for innovation in IAASA
- manage a social media presence for IAASA
- support IAASA's staff committees to see ideas through to implementation

## 2. Significant developments

During 2021, IAASA developed an innovation strategy, aligned to the public sector innovation strategy, and amended as necessary to address IAASA's specific context. IAASA's specific innovation ambition is to harness innovation in the ways it supervises and promotes high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest. The strategy sets out the priorities for innovation within IAASA, details actions under each priority and concludes with a path to 'make innovation real' through an implementation plan. It is linked to the Authority's three year work programme and the innovation actions are incorporated into each unit's annual business plan as well as into each employee's goal-setting and performance and development discussions.

Several innovation hackathon initiatives were finalised during the year, including streamlining the PAB annual return and profile of the profession publication, development of a generic audit quality report, establishment of a financial reporting database, implementation of a time management system and completion of an audit inspection file archiving project. We also developed a digital 'innovation recognition wall' to highlight staff achievement of these initiatives.

Other organisational development activities included ongoing development of the Authority's social media presence on LinkedIn, as well as establishing a YouTube channel and expanding the range of media and formats used to communicate with our stakeholders. A quarterly organisational development newsletter for staff provided information on innovation and problem solving tools and techniques. Authority staff also regularly attended the online programme of events organised by the Department of Public Expenditure & Reform's public service innovation team.

## IAASA's Values

During 2021 we undertook a project to define our shared organisation values, along with a set of core behaviours aligned to the values that are to be demonstrated by all our people. Our values articulate what we stand for and what we believe is important in the way we work. They are as follows:

**Excellence:** *Striving to be the best we can be* - we consider the big picture, we deliver high standards of performance and quality outcomes, we are specialists in our field and continuously improve and innovate, we build relationships and learn from others

**Independence:** *Regulating impartially and objectively* - we consider all perspectives and make measured judgements, we challenge robustly and constructively, we safeguard our independence from conflicts of interest and undue influence

**Integrity:** *Being trustworthy and respectful* - we are open-minded, honest and inclusive, we act with courage and conviction, we demonstrate accountability for our work and our actions, we engage with empathy and respect

### 3. Activities and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Being heard</b>	<ul style="list-style-type: none"><li>→ Maintained an active IAASA presence on LinkedIn</li><li>→ Launched an IAASA YouTube channel</li><li>→ Increased use of video and other communication formats for articulating key messages</li><li>→ Provided training for staff on writing for effective communication</li></ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"><li>→ Completed eight hackathon innovation projects</li><li>→ Developed an IAASA values and behaviours statement</li><li>→ Maintained a staff intranet and an online social network, ensuring updates on innovation initiatives and other activities of general interest</li><li>→ Held staff 'connect and engage' sessions to share updates and information across the organisation</li></ul>
<b>Innovating</b>	<ul style="list-style-type: none"><li>→ Developed an IAASA innovation strategy, aligned to the public service strategy</li><li>→ Published a quarterly staff organisational development newsletter, highlighting useful innovation tools and techniques</li><li>→ Established an innovation recognition wall to highlight staff achievement of innovation initiatives</li><li>→ Supported a range of staff committee initiatives on wellbeing and the green agenda</li><li>→ Participated at the public service innovation network online events and innovation week</li></ul>