

2021

Regulatory and Monitoring
Supervision

Profile of the Profession

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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.

Disclaimer

The Irish Auditing & Accounting Supervisory Authority (IAASA) accepts no liability and disclaims all responsibility for the consequences of anyone acting or refraining from acting on the information contained in this document or for any decision based on it.



42,040

Members in Ireland



17,505

Students in Ireland



2,208

Statutory auditors
approved to audit
in Ireland



1,343

Statutory audit firms
approved to audit
in Ireland



282

Quality assurance reviews
concluded



63

Complaints received relating
to statutory audit



109

Complaints received
that were Irish relevant

1. Chief Executive's introduction

I am pleased to present the Profile of the Profession 2021. This document provides a statistical profile of the six Prescribed Accountancy Bodies (PABs). It includes information on:

- members and students
- approved statutory auditors and audit firms; and
- the regulation and monitoring of members, statutory auditors and audit firms.

Part of our role is to supervise how the PABs regulate their members. It also includes oversight of the Recognised Accountancy Bodies' (RABs') performance of their regulatory functions in relation to statutory audit. Such functions include:

- approval and registration of statutory auditors and audit firms
- monitoring of continuing education
- quality assurance reviews; and
- investigation and discipline.

Further information regarding our supervision of the PABs and oversight of statutory audit can be found in our Annual Report and Annual Audit Programme and Activity Report, both of which are available on our website.

Commentary on 2021

There is continued growth in the number of members in Ireland, with a 2% increase in 2021. There were 42,040 members in Ireland at the end of the year and 17,505 students. Further information is contained in Part A and Part B.

In the three years from 2019 to 2021, there has been a 69% reduction in the number of audit firms approved and a decrease of 77% in statutory auditors. These large reductions were due initially to changes made to the registration processes for statutory auditors and audit firms by two RABs in 2020 and subsequently in 2021, these two RABs applied for their recognition to be revoked. On the basis of their applications, IAASA decided to revoke the recognition of the Institute of Chartered Accountants in England and Wales ('ICAEW') and the Institute of Chartered Accountants of Scotland ('ICAS'). By virtue of the revocation of their recognition, ICAEW and ICAS are no longer prescribed accountancy bodies under the Companies Act 2014 and therefore, they no longer come under the remit of the Authority. At the end of the year there were 1,343 audit firms and 2,208 statutory auditors approved to audit in Ireland.

Profile of the Profession 2021

The number of new complaints made to the RABs relating to statutory audit reduced by 28% during the year. Further information is contained in Part D. Information relating to quality assurance is contained in Part F and information on monitoring of continuing education is included in Part G.

Acknowledgement

I would like to thank the PABs for providing the statistical information contained in this document and for their cooperation in responding to IAASA's queries.

Kevin Prendergast

Chief Executive

April 2022

2. Prescribed Accountancy Bodies

A PAB is an accountancy body that comes within IAASA's supervisory remit. At 31 December 2021, there were six PABs:

ACCA	Association of Chartered Certified Accountants
AIA	Association of International Accountants
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance & Accountancy
CPA	Institute of Certified Public Accountants in Ireland
ICAI	Institute of Chartered Accountants in Ireland

Further information regarding each of the PABs is available on their respective websites; links to these are available in Appendix 1. At 31 December 2021, three of the six PABs were also RABs. RABs are permitted to approve their members, member firms and other qualified individuals to practice as statutory auditors and audit firms. The three RABs are ACCA, CPA and ICAI. At the start of 2021, ICAEW and ICAS were also RABs, however both sought revocation during the year. Information relating to opening balances in ICAEW and ICAS has been included in this document with explanatory footnotes where relevant.

3. Source of information

Information in this document is compiled from annual returns provided by the PABs to IAASA. IAASA does not verify this data when preparing the publication. Further information in relation to any of the statistics in this document or the PAB processes can be obtained directly from the PABs.

4. Comparability of data

It is important to note that there are differences in the structure and operations of the six PABs and therefore there may be differences in the PABs' interpretation of information requested in the annual return. These facts may cause some difficulties in making comparisons. IAASA has tried to minimise such differences through the design and regular updating of the annual return templates.

A glossary is included at the end of this document. It includes definitions of some of the terms used in the document.



Part A

PAB membership

Part A: PAB membership

Admission to PAB membership

To become a member of a PAB, a person must:

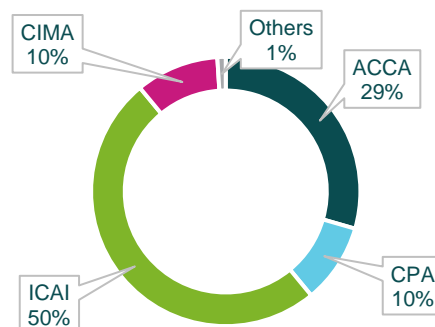
- pass the PAB's professional examinations; and
- undertake a minimum period of relevant supervised work experience.

Members' obligations

PAB members are required to undertake appropriate Continuing Professional Development ('CPD') annually to maintain their professional competence. They are also required to comply with the PAB's standards. PAB members who do not comply with PAB standards may be subject to disciplinary action. Part D of this document provides additional information regarding the PABs' investigation and disciplinary activities.

Membership at 31 December 2021 – tables and charts

Chart A.1: PAB members in Ireland



As can be seen in chart A.1 above, four PABs accounted for 99% of PAB members in Ireland. Table A.1 and chart A.2 show the location of PABs' membership throughout the world and table A.2 analyses Irish based members by gender, age and employment status.

Table A.3 shows the movement in Irish membership during the year and chart A.3 shows Irish membership, by PAB, over the past 10 years. In that period:

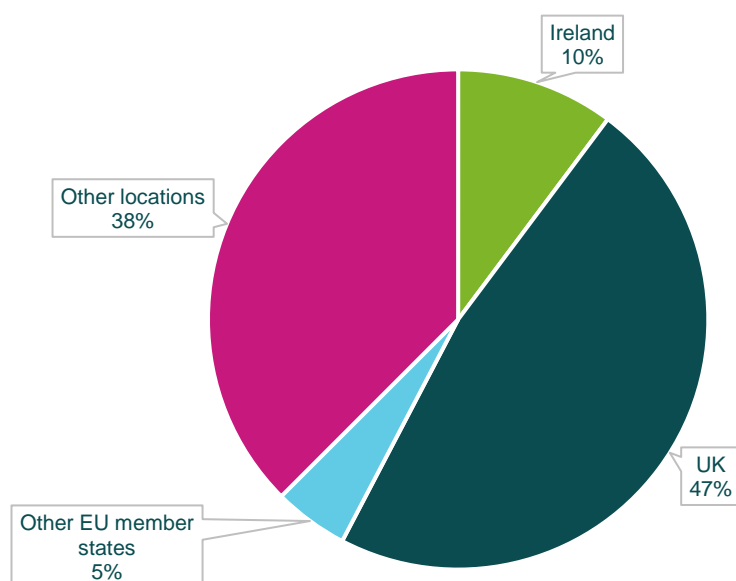
- PAB members located in Ireland has increased by 10,331 members, representing a 33% increase; and
- ICAI (47%) and ACCA (41%) have experienced the largest growth in membership.

Part A: PAB membership

Table A.1: Location of members

	2020		2021		Recognised Accountancy Bodies					
As at 31 December	Total	%	Total	%	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Ireland	41,229	7%	42,040	10%	12,385	4,031	21,005	145	4,420	54
UK	344,007	59%	195,320	47%	94,176	112	6,525	1,234	81,097	12,176
Other EU member states	24,862	4%	19,866	5%	17,040	48	346	131	2,189	112
Other locations	170,714	30%	154,344	38%	113,226	457	2,746	8,551	28,596	768
Total members worldwide	580,812	100%	411,570	100%	236,827	4,648	30,622	10,061	116,302	13,110

Chart A.2: Location of Members



Part A: PAB membership

Table A.2: Members in Ireland

	2020		2021		Recognised Accountancy Bodies					
As at 31 December	Total	%	Total	%	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Members in Ireland	41,229	100%	42,040	100%	12,385	4,031	21,005	145	4,420	54
<i>Analysis by gender</i>										
Male	23,242	56%	23,437	56%	6,433	1,965	12,031	107	2,868	33
Female	17,980	44%	18,587	44%	5,952	2,066	8,967	38	1,543	21
Not specified	7	0%	16	0%	-	-	7	-	9	-
	41,229	100%	42,040	100%	12,385	4,031	21,005	145	4,420	54
<i>Analysis by age</i>										
<= 34	8,284	20%	8,404	20%	1,895	246	5,977	43	243	-
35 - 44	14,253	35%	14,394	35%	4,991	1,303	7,054	19	1,025	2
45 - 54	10,891	26%	11,112	26%	3,747	1,331	4,088	18	1,913	15
55 - 64	4,684	11%	5,031	12%	1,289	823	2,134	13	747	25
65+	3,097	8%	3,079	7%	463	316	1,748	49	491	12
Age not specified	20	0%	20	0%	-	12	4	3	1	-
	41,229	100%	42,040	100%	12,385	4,031	21,005	145	4,420	54
<i>Analysis by employment status</i>										
Business	24,735	60%	25,086	59%	7,593	2,006	12,028	78	3,372	9
Practice	9,537	23%	9,943	24%	2,380	1,209	6,269	26	58	1
Public sector	2,619	7%	2,788	7%	1,082	370	1,022	7	278	29
On a career break/unemployed	2,062	5%	2,117	5%	977	249	716	-	174	1
Retired	2,122	5%	1,978	5%	339	197	942	34	458	8
Other	154	0%	128	0%	14	-	28	-	80	6
	41,229	100%	42,040	100%	12,385	4,031	21,005	145	4,420	54

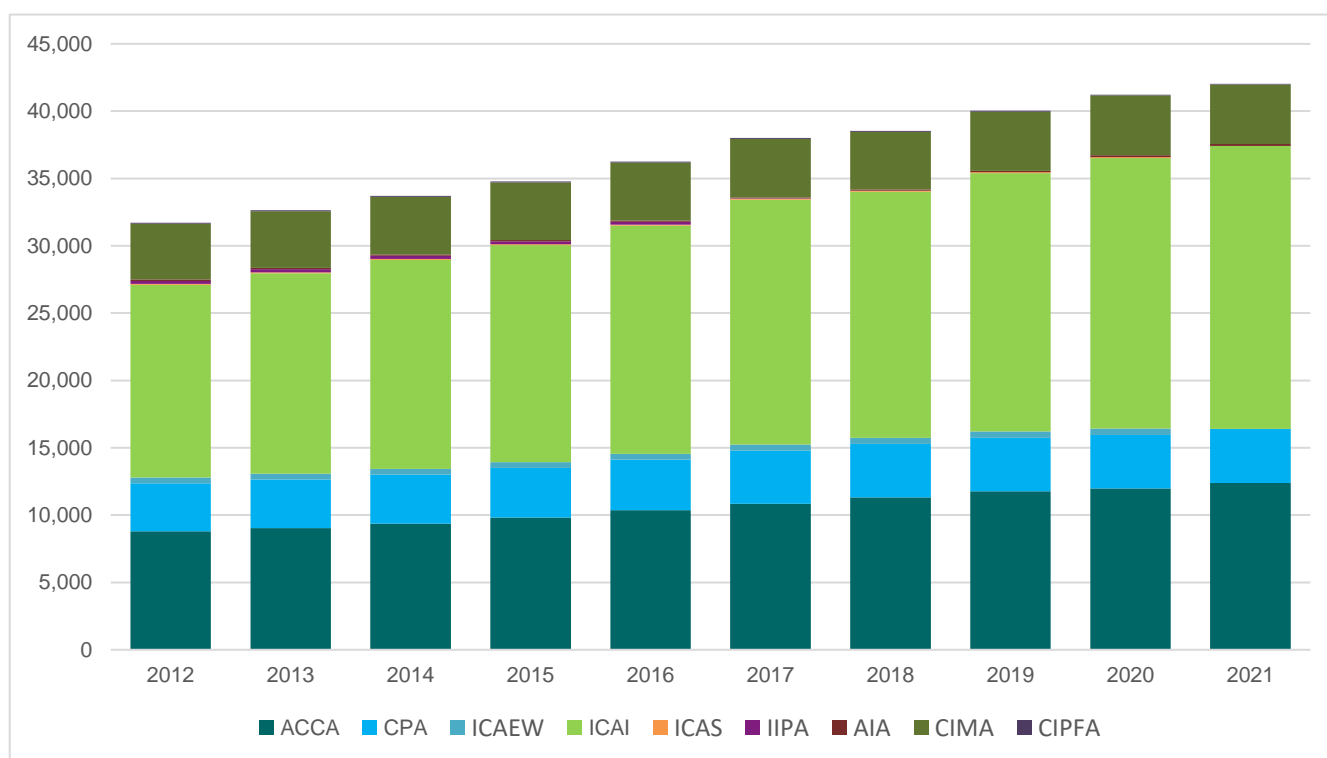
Part A: PAB membership

Table A.3: Movement of members in Ireland during the year

	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Members in Ireland at 1 January *	40,027	41,229	11,987	3,974	20,093	121	4,452	56
Students admitted	1,588	1,618	481	68	999	-	70	-
Members of other PABs admitted	6	8	-	4	-	4	-	-
Members of other accountancy bodies admitted	51	66	2	22	18	24	-	-
Former members re-admitted on payment of outstanding fees	197	329	207	3	8	-	111	-
Former members re-admitted for other reasons	12	30	25	-	5	-	-	-
Less								
Members excluded for non-payment of fees	(467)	(544)	(267)	(14)	(30)	(1)	(232)	-
Members excluded for other reasons	(44)	(27)	(26)	-	(1)	-	-	-
Resigned members	(83)	(158)	(19)	(47)	(84)	(3)	(3)	(2)
Deceased members	(42)	(72)	(4)	(10)	(55)	-	(3)	-
Net movement of members between jurisdictions	(16)	107	(1)	31	52	-	25	-
+/- Other	-	(546)	-	-	-	-	-	-
Members in Ireland at 31 December	41,229	42,040	12,385	4,031	21,005	145	4,420	54

*Total Members in Ireland at 1 January includes 546 member in ICAEW & ICAS

Chart A.3: Members in Ireland 10 year review





Part B

PAB student population

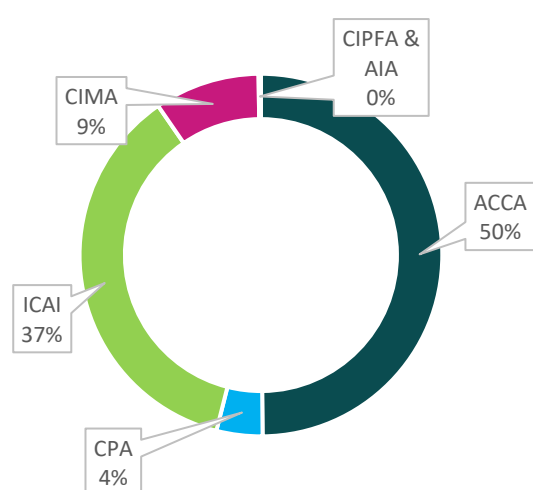
Part B: PAB student population

Student membership

The education and training of students is an important part of the PABs' activities. Students are required to comply with the relevant PAB's applicable standards. Once a student becomes a member they are entitled to use the designatory letters reserved for members of that PAB.

Student population at 31 December 2021 – tables and charts

Chart B.1: PAB students in Ireland



Four PABs account for the majority of students in Ireland as shown above in chart B.1. Table B.1 and chart B.2 show the location of PABs' student numbers throughout the world and table B.2 analyses students in Ireland by gender and employment status.

During the year 1,618 PAB students were admitted as members, an increase of 2% from 2020 (2020:1,588) and 3,275 new students were registered in Ireland, a decrease of 9% from 2020 (2020: 3,615).

Table B.3 shows the movement of Irish based students during the year and chart B.2 shows student numbers in Ireland, by PAB, over the past 10 years. In that period:

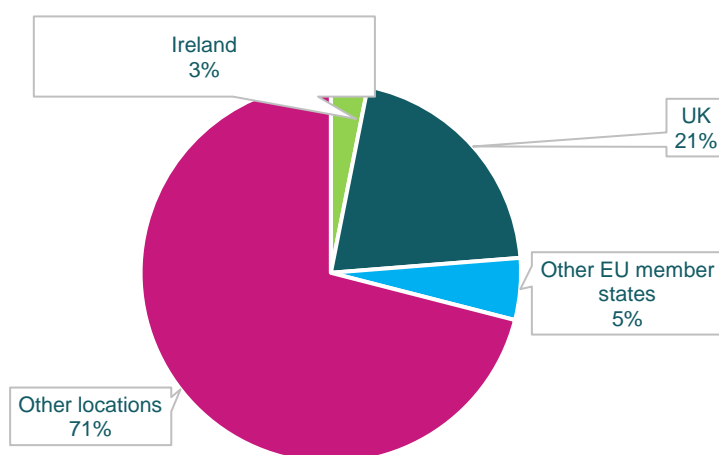
- PAB students located in Ireland increased by 8%
- ICAI, ACCA and CIPFA experienced the largest growth in student numbers
- CIMA and CPA both experienced declines in student numbers
- AIA continues to have low student numbers located in Ireland
- The reduction in students located in the UK is due to the revocation of ICAEW and ICAS.

Part B: PAB student population

Table B.1: Location of students

	2020		2021		Recognised Accountancy Bodies					
As at 31 December	Total	%	Total	%	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Ireland	17,212	3%	17,505	3%	8,727	718	6,379	4	1,644	33
UK	144,585	25%	115,432	21%	66,461	8	1,283	140	45,457	2,083
Other EU member states	30,089	5%	29,407	5%	23,693	6	2	37	5,061	608
Other locations	396,607	67%	397,462	71%	347,351	80	4	5,375	41,534	3,118
Total students worldwide	588,493	100%	559,806	100%	446,232	812	7,668	5,556	93,696	5,842

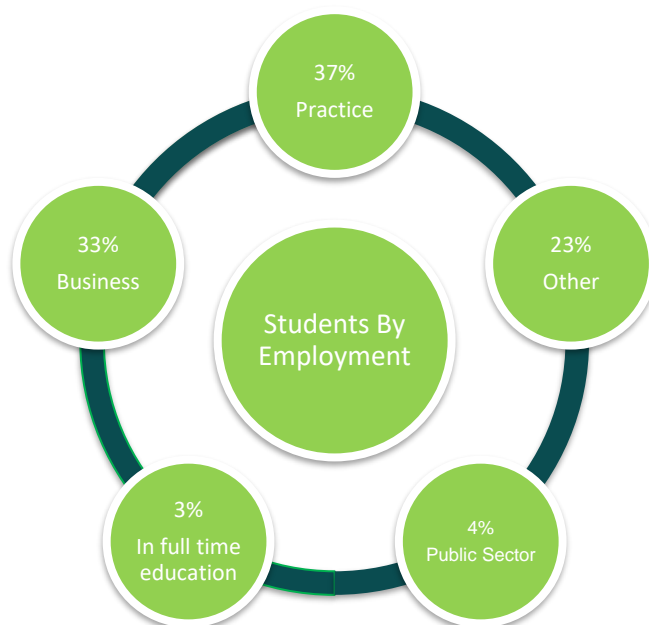
Chart B.2: Location of Students



Part B: PAB student population

Table B.2: Students in Ireland

As at 31 December	2020		2021		Recognised Accountancy Bodies			AIA	CIMA	CIPFA
	Total	%	Total	%	ACCA	CPA	ICAI			
Students in Ireland	17,212	100%	17,505	100%	8,727	718	6,379	4	1,644	33
<i>Analysis by gender</i>										
Male	8,388	49%	8,337	48%	3,724	281	3,399	4	919	10
Female	8,807	51%	9,135	52%	5,003	437	2,980	-	692	23
Not specified	17	0%	33	0%	-	-	-	-	33	-
	17,212	100%	17,505	100%	8,727	718	6,379	4	1,644	33
<i>Analysis by employment status</i>										
Practice	6,125	36%	6,413	37%	1,096	235	5,082	-	-	-
Business	6,262	36%	5,780	33%	4,024	424	73	4	1,251	4
Other	3,335	19%	4,131	23%	2,623	-	1,196	-	293	19
Public sector	778	5%	639	4%	511	54	28	-	36	10
In full time education	712	4%	542	3%	473	5	-	-	64	-
	17,212	100%	17,505	100%	8,727	718	6,379	4	1,644	33



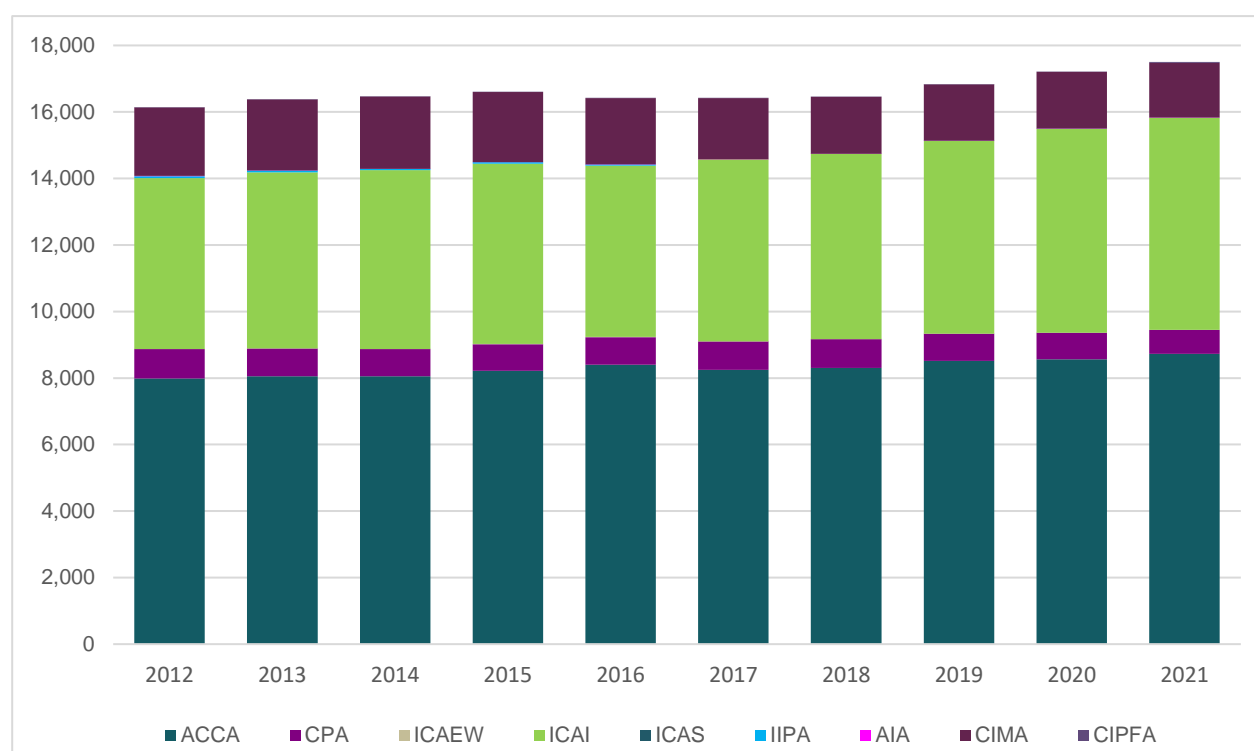
Part B: PAB student population

Table B.3: Movement of students in Ireland during the year

	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Students in Ireland at 1 January *	16,830	17,212	8,561	800	6,130	4	1,710	4
Opening balance adjustment	25	35	-	-	35	-	-	-
<i>Add</i>								
New students registered	3,615	3,275	1,224	162	1,520	-	338	31
<i>Less</i>								
Students admitted as full members	(1,588)	(1,618)	(481)	(68)	(999)	-	(70)	-
Lapsed student registrations	(773)	(734)	-	(176)	(146)	-	(412)	-
Student registrations cancelled	(1,077)	(730)	(579)	-	(132)	-	(17)	(2)
Net movement of students between jurisdictions	44	(14)	2	-	(28)	-	12	-
+/- Other*	136	79	-	-	(1)	-	83	-
Students in Ireland at 31 December	17,212	17,505	8,727	718	6,379	4	1,644	33

*Students in Ireland at 1 January and 'Other' include 3 students in ICAEW & ICAS

Chart B.2: Students in Ireland – 10 year review





Part C

PABs' practising certificates

Part C: PABs' practising certificates

Practising certificates

PABs grant practising certificates to members who wish to be principals in a firm and offer accounting related services to the public. Additional authorisation is required for statutory audit and may be required for other areas, such as investment business. Members in practice are required to comply with additional PAB standards.

The PABs have additional requirements for awarding practising certificates, which generally include:

- obtaining a minimum level of post membership experience
- holding professional indemnity insurance cover and
- putting in place practice continuity arrangements in the event of incapacity or death.

Practice monitoring reviews

Practice monitoring reviews are the review of the work of members in practice. These reviews often include a review of services provided by the practice; anti-money laundering compliance; data security processes; and professional indemnity insurance. These reviews are reported separately to the quality assurance reviews carried out on statutory audit firms. Quality assurance reviews of statutory audit work are reported in Part F of this report. Practice monitoring reviews are generally carried out on a risk or cyclical basis.

Practising certificates at 31 December 2021 – tables and charts

Table C.1 shows a three year review of the number of members that are authorised to practice in Ireland and worldwide by each PAB. Charts C.1 and C.2 graphically illustrate the breakdown by PAB for 2021.

- the majority of those located in Ireland are members of ICAI (54%); and
- the majority of those worldwide are members of ICAI (37%) and CIMA (28%).

Table C.2 shows a three year review of practice monitoring reviews carried out by the PABs.

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Part C: PABs' practising certificates

Practising certificates at 31 December 2021 – tables and charts

Table C.1: Practising certificates and practice monitoring reviews

	Year	TOTAL	Recognised Accountancy Bodies			Revoked in 2021		AIA	CIMA	CIPFA*
			ACCA	CPA	ICAI	ICAEW	ICAS			
Members [located worldwide] authorised to practice in Ireland at 31 December	2021	6,976	1,318	665	2,554	-	-	454	1,985	-
	2020	29,139	1,331	670	2,533	20,609	1,646	442	1,908	-
	2019	29,491	1,308	685	2,506	21,039	1,689	423	1,841	-
Members [located in Ireland] authorised to practice in Ireland at 31 December	2021	3,418	817	663	1,854	-	-	26	58	-
	2020	3,455	815	668	1,836	51	6	22	57	-
	2019	3,435	796	683	1,818	52	7	20	59	-

* CIPFA do not award practising certificates to members

Chart C.1 Members worldwide authorised to practice 2021

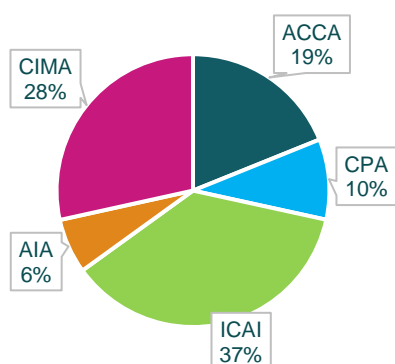


Chart C.2 Members in Ireland authorised to practice 2021

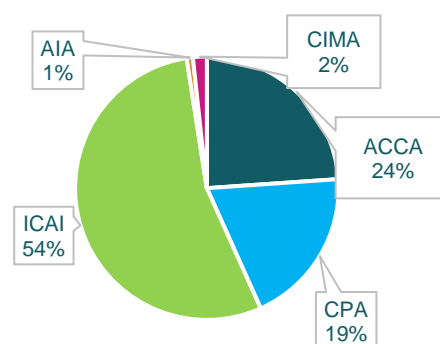


Table C.2: 3 year review of practice monitoring reviews

	Year	TOTAL	Recognised Accountancy Bodies			Revoked in 2021		AIA	CIMA	CIPFA
			ACCA	CPA	ICAI	ICAEW	ICAS			
Practice monitoring reviews [located worldwide] concluded in the year	2021	480	42	11	87	-	-	26	314	-
	2020	2,322	44	9	58	1,756	64	18	373	-
	2019	2,702	19	1	12	2,171	88	16	395	-
Practice monitoring reviews [located in Ireland] concluded in the year	2021	101	25	11	45	-	-	2	18	-
	2020	96	36	9	13	3	-	24	11	-
	2019	25	7	1	8	-	2	-	7	-



Part D

**PABs' investigation and
disciplinary activities**

Part D: PABs' investigation and disciplinary activities

PABs' investigation and disciplinary processes

PABs receive complaints about their members/member firms and are required to process them in accordance with their investigation and disciplinary procedures, which are approved by IAASA. When a member of the public makes a complaint to a PAB, or information comes to a PAB's attention concerning the conduct or competence of a member/member firm, the PAB will assess the complaint and may investigate further.

In cases where the initial investigation concludes that there appears to be a case to answer against a member/member firm, the complaint will be processed through the disciplinary process. As each PAB's investigation and disciplinary procedures are tailored to its specific requirements, the way complaints are processed, and the calculation of the average time taken to close complaints varies. Further details on investigation and disciplinary processes are available on the PABs' individual websites.

Investigation and disciplinary activities 2021 – tables and charts

Table D.1 provides a summary, by PAB, of the movement in Irish relevant complaints from 2019 to 2021. Overall, there has been a reduction of 19% in the number of new complaints received in the period.

In 2021, 32% of complaints closed had adverse findings. AIA and CIPFA did not receive any Irish relevant complaints in the year. Chart D.1 shows the number of closed complaints with adverse findings by PAB.

Table D.4 provides a summary, by RAB, of the movement in statutory auditor/audit firm complaints from 2019 to 2021. Overall, there has been a reduction of 73% in the number of new complaints received in the period. In 2021, 33% of complaints closed had an adverse finding. Chart D.3 shows the number of closed complaints with adverse findings by RAB over a three year period.

Tables D.2 and D.5 and charts D.2 and D.4 show the nature of new complaints received in 2021 that progressed through the PABs' disciplinary processes. Complaints can relate to one or more matters. The majority of complaints relate to breaches of the bodies' codes of ethics, poor work or unsatisfactory professional service or conduct or other breaches of bodies' rules or regulations.

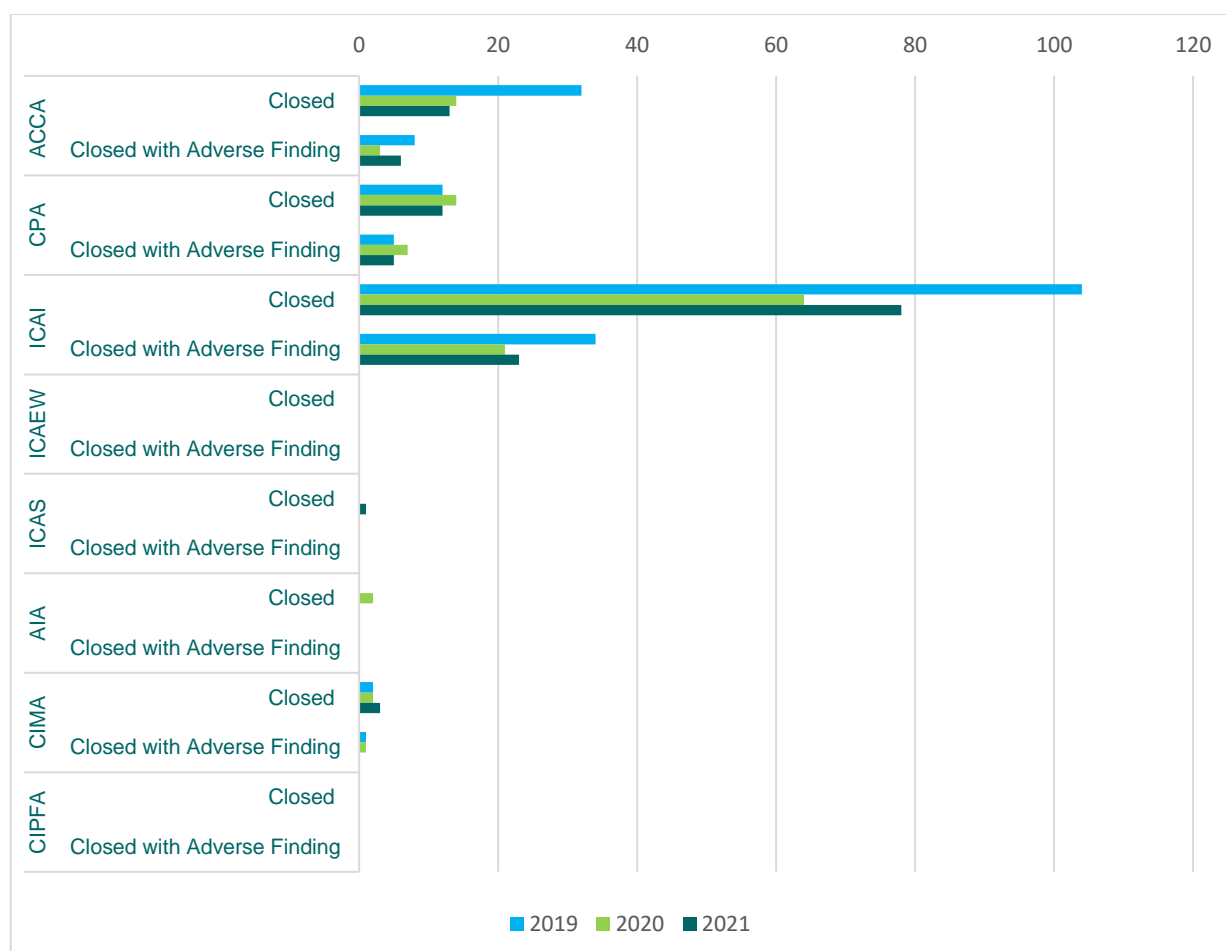
Tables D.3 and D.6 show the sanctions imposed on those complaints closed in 2021 with adverse findings. The most common sanctions are monetary sanctions, publication and admonishments/cautions, reprimands and/or severe reprimands. One or more sanctions can be imposed on a closed complaint.

Part D: PABs' investigation and disciplinary activities

Table D.1: 3 year review of Irish relevant complaints

	Year	Total	Recognised Accountancy Bodies			Revoked in 2021		AIA	CIMA	CIPFA
			ACCA	CPA	ICAI	ICAEW	ICAS			
New complaints received	2021	109	24	18	63	-	-	-	4	-
	2020	80	14	16	47	-	1	2	-	-
	2019	134	34	13	85	-	-	-	2	-
Complaints closed	2021	107	13	12	78	-	1	-	3	-
	2020	96	14	14	64	-	-	2	2	-
	2019	150	32	12	104	-	-	-	2	-
Complaints closed with adverse findings	2021	34	6	5	23			-	-	-
	2020	32	3	7	21	-	-	-	1	-
	2019	48	8	5	34	-	-	-	1	-
Average time taken to close a complaint (in months)	2021		11	9	16			N/A	3	N/A
	2020		4	8	18	N/A	N/A	2	8	N/A
	2019		6	6	26	N/A	N/A	N/A	10	N/A

Chart D.1: 3 year comparison of PABs' closed complaints & closed complaints with adverse findings

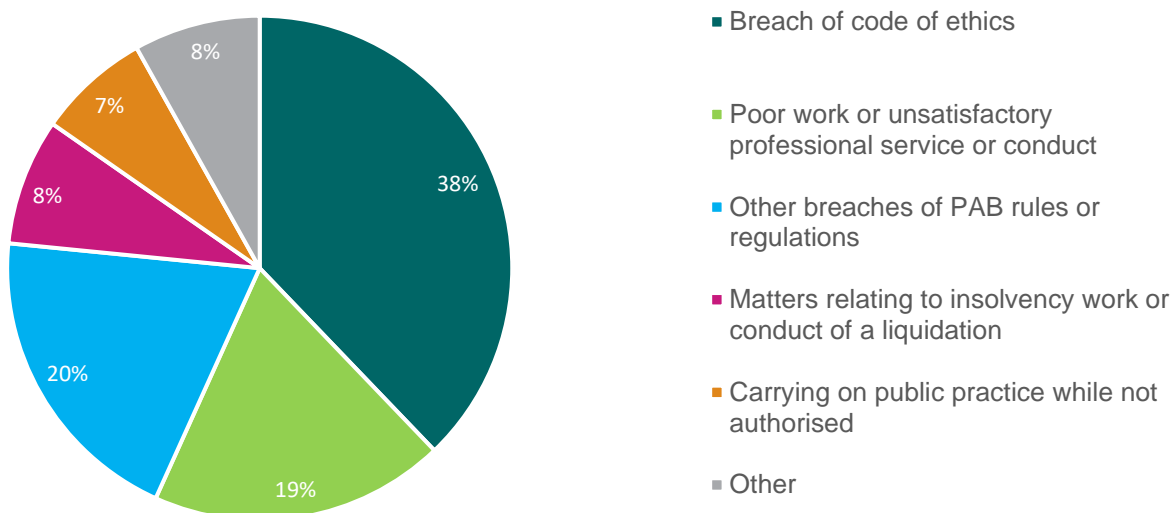


Part D: PABs' investigation and disciplinary activities

Table D.2: Irish relevant complaints that progressed through the PABs' disciplinary processes

	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Complaints received related to								
Breach of code of ethics	32	42	-	2	39	-	1	-
Other breaches of PAB rules or regulations	12	22	12	4	6	-	-	-
Poor work or unsatisfactory professional service or conduct	19	21	1	9	9	-	2	-
Matters relating to insolvency work or conduct of a liquidation	8	9	-	2	7	-	-	-
Carrying on public practice while not authorised	6	8	8	-	-	-	-	-
Other	4	2	1	-	-	-	1	-
Delay/failure to respond and/or cooperate with body	3	2	-	-	2	-	-	-
Other audit related matters	3	2	1	-	1	N/A	N/A	N/A
Carrying out audit work while not authorised	3	2	-	2	-	N/A	N/A	N/A
Criminal conviction	-	1	1	-	-	-	-	-
Other breaches of company law/restriction or disqualification of a director	1	-	-	-	-	-	-	-

Chart D.2: Irish relevant complaints progressed through PABs' disciplinary process



Part D: PABs' investigation and disciplinary activities

Table D.3: Sanctions imposed on closed Irish relevant complaints

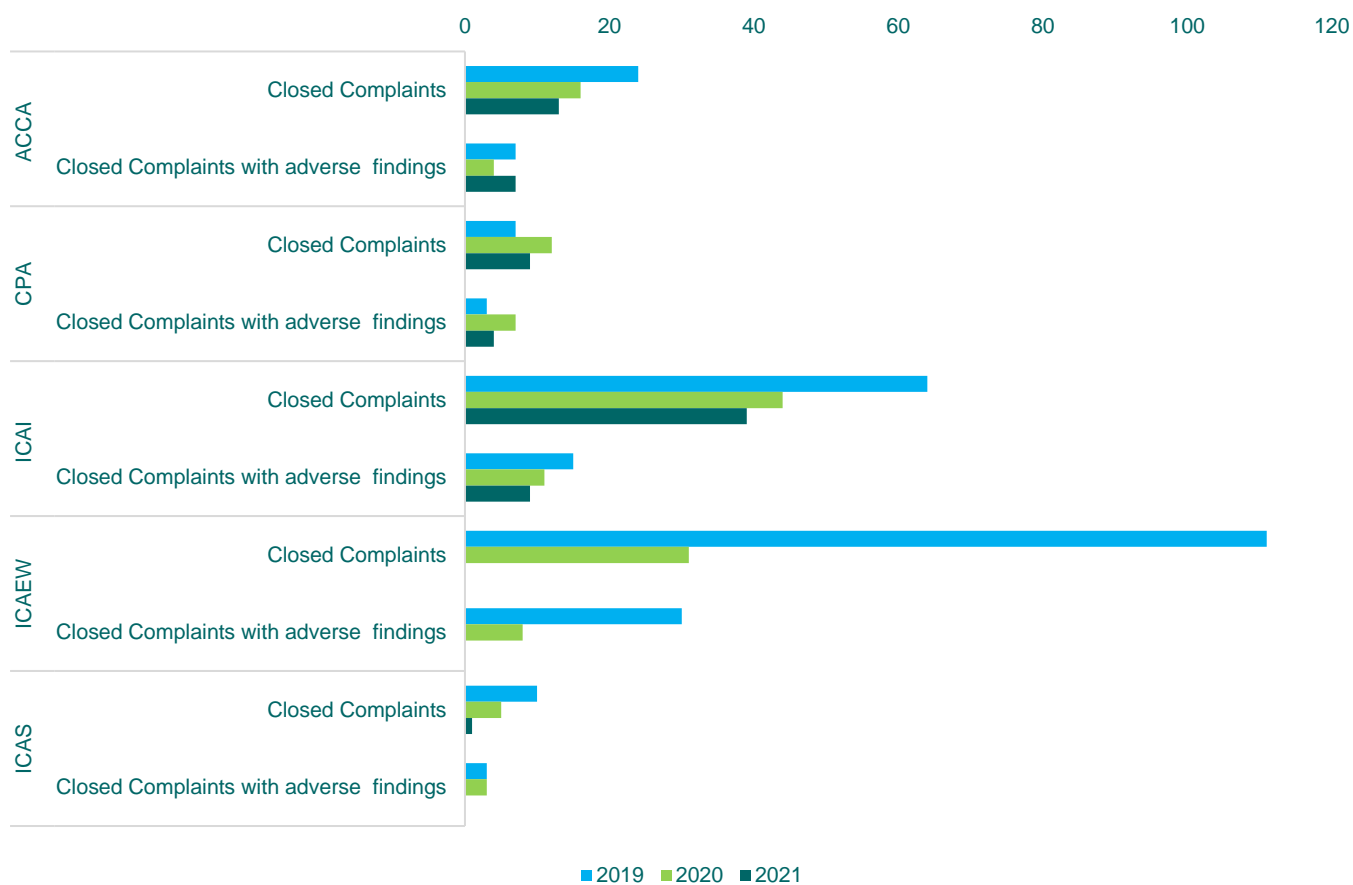
	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
Sanctions imposed								
Publication	25	30	6	5	19	-	-	-
Admonishments/cautions, reprimands and/or severe reprimands	27	27	5	5	17	-	-	-
Monetary sanction (including fine or costs)	23	25	6	5	14	-	-	-
Member expelled	4	2	1	-	1	-	-	-
Other	2	2	-	2	-	-	-	-
Statutory auditor/audit firm temporarily suspended	-	2	-	1	1	N/A	N/A	N/A
Member temporarily suspended	-	1	-	-	1	-	-	-
Statutory auditor/audit firm expelled/registration revoked	1	-	-	-	-	N/A	N/A	N/A

Table D.4: 3 year review of statutory auditor/audit firm complaints

			Recognised Accountancy Bodies			Revoked in 2021	
	Year	Total	ACCA	CPA	ICAI	ICAEW	ICAS
New complaints received	2021	63	11	16	36		
	2020	88	15	12	28	29	4
	2019	235	28	10	53	137	7
Complaints closed	2021	61	13	9	39		
	2020	108	16	12	44	31	5
	2019	216	24	7	64	111	10
Complaints closed with adverse findings	2021	20	7	4	9		
	2020	33	4	7	11	8	3
	2019	58	7	3	15	30	3
Average time taken to close a complaint (in months)	2021		10	7	14		
	2020		5	10	16	16	7
	2019		4	8	22	12	4

Part D: PABs' investigation and disciplinary activities

Chart D.3: 3 year comparison of statutory auditor/audit firm closed complaints & closed complaints with adverse findings

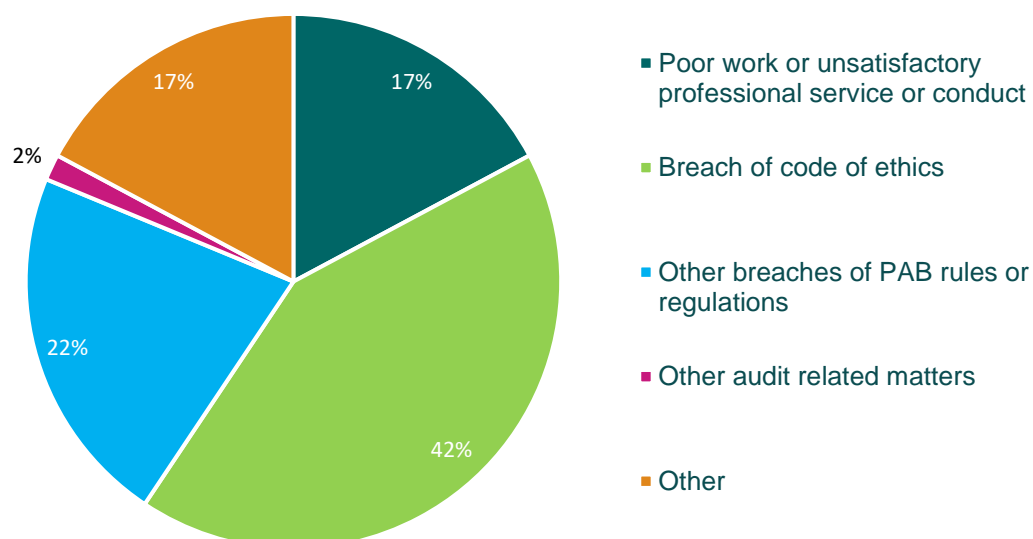


Part D: PABs' investigation and disciplinary activities

Table D.5: Statutory auditor/audit firm complaints that progressed through the RABs' disciplinary processes

	2020	2021	Recognised Accountancy Bodies		
	Total	Total	ACCA	CPA	ICAI
Complaints received related to					
Breach of code of ethics	19	27	-	2	25
Other breaches of PAB rules or regulations	17	14	8	4	2
Poor work or unsatisfactory professional service or conduct	42	11	1	7	3
Matters relating to insolvency work or conduct of a liquidation	4	5	-	2	3
Other	6	2	2	-	-
Carrying out audit work while not authorised	3	2	-	2	-
Delay/failure to respond and/or cooperate with body	2	2	-	-	2
Other audit related matters	8	1	-	-	1
Failure to satisfy a judgement debt or other insolvency event	1	-	-	-	-

Chart D.4: Statutory auditors/audit firms that progressed through RABs' disciplinary processes



Part D: PABs' investigation and disciplinary activities

Table D.6: Sanctions imposed on closed statutory auditor/audit firm complaints

	2020	2021	Recognised Accountancy Bodies		
	Total	Total	ACCA	CPA	ICAI
Sanctions imposed					
Monetary sanction (including fine or costs)	31	19	7	4	8
Publication	30	19	7	4	8
Admonishments/cautions, reprimands and/or severe reprimands	31	17	6	4	7
Other	2	2	-	2	-
Statutory auditor/audit firm temporarily suspended	-	2	-	1	1
Member expelled	2	1	1	-	-
Member temporarily suspended	-	1	-	-	1
Statutory auditor/audit firm expelled/registration revoked	1	-	-	-	-



Part E

**RABs' approval of statutory audit
firms and statutory auditors**

Part E: RABs' approval of statutory audit firms and statutory auditors

Criteria for audit approval

RABs can approve firms and individuals to carry out statutory audits if those firms and individuals meet the criteria set out in the Companies Act 2014 (as amended) (the Act). The legal requirements for an individual to obtain statutory auditor approval includes:

- to be of good repute
- to hold an appropriate audit qualification and
- to have sufficient and appropriate audit experience.

The RABs also require firms and individuals to hold professional indemnity insurance and have practice continuity arrangements in place.

RABs' approval of statutory audit firms and statutory auditors at 31 December 2021 – tables and charts

Table E.1 and E.2 set out statutory audit firms and statutory auditors approved by the RABs to perform statutory audits in Ireland over the past three years. In the three year period, the number of audit firms has declined by 69%. This reduction is predominantly relating to the revocation of the RAB status of ICAEW and ICAS. In 2020, both ICAEW and ICAS required members to make a separate application for Irish registration where such registration was required, resulting in a significant drop in the numbers. Then in 2021, ICAEW and ICAS applied to IAASA to have their recognition revoked. The recognition of ICAEW as a RAB was revoked effective 21 July 2021 and the recognition of ICAS as a RAB was revoked effective 22 December 2021.

Charts E.1 to E.4 graphically represent, by RAB, the movement in statutory audit firms and statutory auditors located worldwide and in Ireland since 2019. The number of statutory audit firms located in Ireland has declined by 8% and the number of statutory auditors has declined by 5%.

Table E.3 analyses statutory audit firms located in Ireland by the number of principals employed in the firm and by the number of public interest entity (PIE) clients. 98% of audit firms have less than five principals.

Part E: RABs' approval of statutory audit firms and statutory auditors

Table E.1: 3 year review of statutory audit firms

	Year	TOTAL	Recognised Accountancy Bodies			Revoked 2021	
			ACCA	CPA	ICAI	ICAEW	ICAS
Statutory audit firms [located worldwide] approved to audit in Ireland at 31 December	2021	1,343	359	308	676	-	-
	2020	1,491	406	319	723	38	5
	2019	4,341	418	344	750	2,662	167
Statutory audit firms [with offices in Ireland] approved to audit in Ireland at 31 December	2021	1,105	283	308	514	-	-
	2020	1,155	290	319	543	3	-
	2019	1,207	298	344	562	3	-

Chart E.1: 3 year review of total statutory audit firms located worldwide

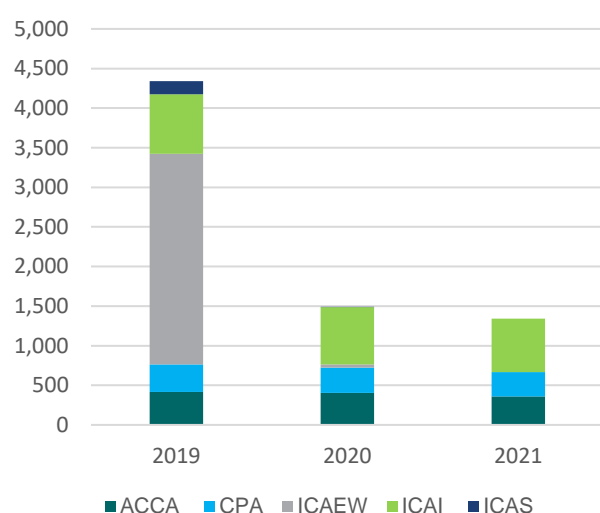
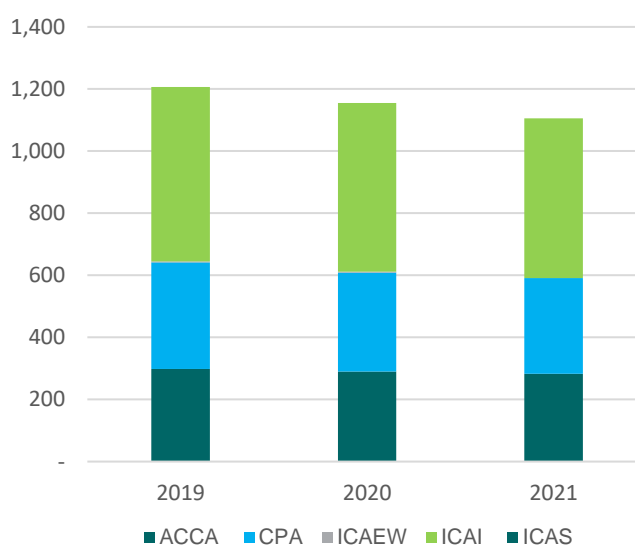


Chart E.2: 3 year review of total statutory audit firms located in Ireland



Part E: RABs' approval of statutory audit firms and statutory auditors

Table E.2: 3 year review of statutory auditors

	Year	Total	Recognised Accountancy Bodies			Revoked in 2021	
			ACCA	CPA	ICAI	ICAEW	ICAS
Statutory auditors [located worldwide] approved to audit in Ireland at 31 December	2021	2,208	537	393	1,278		
	2020	2,576	565	412	1,333	254	12
	2019	9,657	578	435	1,360	6,793	491
Statutory auditors [located in Ireland] approved to audit in Ireland at 31 December	2021	1,790	380	393	1,017		
	2020	1,851	387	412	1,049	3	-
	2019	1,894	388	435	1,068	3	-

Chart E.3: 3 year review of total statutory auditors worldwide

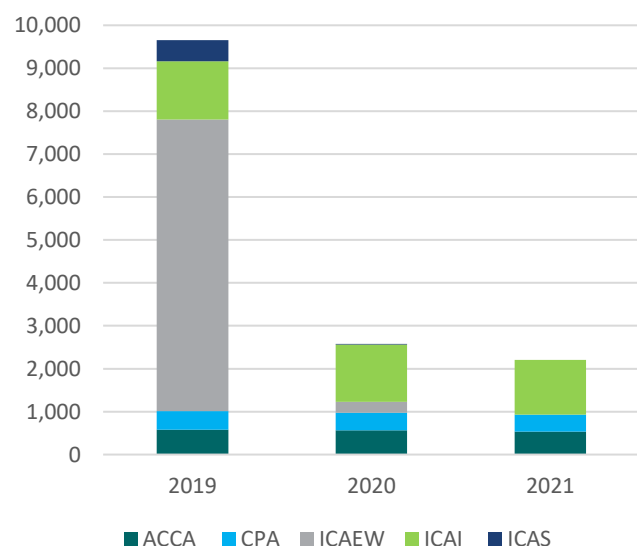
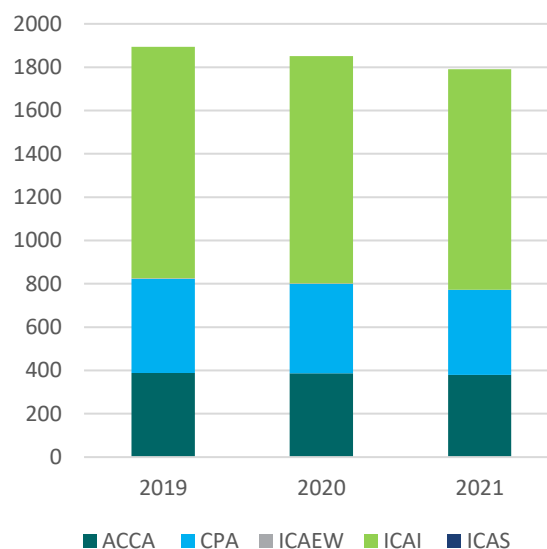


Chart E.2: 3 year review of total statutory auditors in Ireland



Part E: RABs' approval of statutory audit firms and statutory auditors

Table E.3: Statutory audit firms with offices in Ireland

As at 31 December	2020		2021		Recognised Accountancy Bodies		
	Total	%	Total	%	ACCA	CPA	ICAI
Statutory audit firms with offices in Ireland	1,155	100%	1,105	100%	283	308	514
<i>Analysis by number of principals</i>							
1 principal	678	59%	667	60%	193	203	271
2 - 5 principals	446	39%	413	38%	88	104	221
6 - 10 principals	18	1%	13	1%	2	1	10
11 - 49 principals	9	1%	9	1%	-	-	9
50+ principals	4	0%	3	0%	-	-	3
	1,155	100%	1,105	100%	283	308	514
<i>Analysis by number of PIE clients</i>							
No PIE clients	1,145	99%	1,098	99%	283	308	507
1 - 5 PIE clients	10	1%	-	0%	-	-	-
6 - 10 PIE clients	-	0%	-	0%	-	-	-
11 - 49 PIE clients	-	0%	1	0%	-	-	1
50+ PIE clients	-	0%	6	1%	-	-	6
	1,155	100%	1,105	100%	283	308	514



Part F

**RABs' quality assurance of
statutory audit**

Part F: RABs' quality assurance of statutory audit

Responsibility for quality assurance of statutory audit

The RABs are required by the Act to have quality assurance systems, which are used to monitor the activities of statutory auditors and audit firms. They are responsible for the review of statutory audits except for PIEs. Negative outcomes of quality assurance reviews may result in a RAB taking regulatory action. IAASA is ultimately responsible for the RABs' quality assurance systems. IAASA directly performs the quality assurance reviews for PIEs.

Legislative requirements

The Act requires the RABs to undertake a quality assurance review of each statutory audit firm based on an analysis of risk, but at least once every six years

RABs' quality assurance of statutory audit firms 2021 – tables

Table F.1 provides an analysis of the quality assurance reviews concluded in 2021. It sets out the reason, the type undertaken and the outcome of reviews. As in 2020, a number of reviews were conducted remotely using the same processes as an on-site review and are reflected as such in the tables. Of the reviews concluded in the year:

- 54% were 'good with limited improvements required' (2020: 44%)
- 34% were 'acceptable overall with improvements required' (2020: 37%); and
- 12% were 'unacceptable with significant improvements required' (2020: 19%)
- 60% of the quality assurance reviews were performed to meet the six-year cycle (2020: 44%).

Table F.2 shows the action taken by the RABs resulting from quality assurance reviews. 12% of all reviews gave rise to regulatory action (2020: 16%). Table F.3 provides an overview of quality assurance reviews undertaken by the RABs to meet legislative requirements.

In the year:

- 285 quality assurance reviews were required to be concluded (2020: 216); and
- of these, 54% met legislative requirements (2020: 50%).

The level of non-compliance with the legislative cycle has decreased since 2020 by 4%. The reasons for not meeting legislative cycle requirements is directly attributable to Covid-19 as the RABs were unable to perform several reviews either due to illness, staff shortages or technological issues preventing remote reviews. During 2021, IAASA continued to work with the impacted RABs to ensure that these reviews were concluded as soon as practical or appropriate action taken.

Table F.4 shows the target number of quality assurance reviews required to meet legislative requirements over 3 years, those that met that target and those that did not.

Part F: RABs' quality assurance of statutory audit

Table F.1: Analysis of quality assurance reviews of statutory audit firms

	2020	2021	Recognised Accountancy Bodies		
	Total	Total	ACCA	CPA	ICAI
Statutory audit firms worldwide approved to audit in Ireland at 1 January*	4,341	1,491	406	319	723
Quality assurance reviews thereof concluded in the year	251	282	63	71	148
<i>Analysis by reason for review</i>					
Review to meet legislative requirements	111	170	37	55	78
Conclusion of a review open at 1 January	58	37	4	2	31
Accelerated/re-review for heightened risk	34	55	15	10	30
Other	21	2	-	2	-
Accelerated due to 1st time registration	15	8	6	1	1
Accelerated/early review on foot of a recommendation/referral, or order, from a Regulatory Committee	12	10	1	1	8
	251	282	63	71	148
<i>Analysis by type of review</i>					
Onsite	216	241	37	71	133
Desktop	35	41	26	-	15
	251	282	63	71	148
<i>Analysis by outcome of the review</i>					
Good with limited improvements required	111	153	13	20	120
Acceptable overall with improvements required	92	95	41	40	14
Unacceptable with significant improvements required	48	34	9	11	14
	251	282	63	71	148

* Statutory audit firms worldwide approved to audit in Ireland at 1 January includes 43 member firms from ICAEW & ICAS

Part F: RABs' quality assurance of statutory audit

Table F.2: Regulatory action resulting from quality assurance reviews

	2020	2021	Recognised Accountancy Bodies		
	Total	Total	ACCA	CPA	ICAI
Quality assurance reviews concluded in the year	251	282	63	71	148
Quality assurance reviews concluded in the year that resulted in regulatory action	40	34	3	12	19
<i>Regulatory action taken</i>					
Required to submit further documentation/ information or clarification	18	12	2	-	10
Required not to undertake file review for other firms	15	14	-	-	14
Other conditions/restrictions imposed	12	16	-	2	14
Cold file review of clients files imposed	11	11	-	-	11
Directed to address CPD/training matters	9	9	-	-	9
Monetary penalties imposed	8	13	-	-	13
Hot file review restriction	8	14	-	7	7
External compliance review	8	8	-	-	8
Requirement for a follow up on-site review	7	3	1	2	-
Referred to the investigation and disciplinary process	3	1	-	1	-
Directed not to accept further audit appointments	2	6	-	-	6
Voluntarily surrendered audit registration as a result of findings	2	3	-	1	2
Audit registration withdrawn as a result of findings	2	-	-	-	-
Audit registration suspended as a result of findings	-	1	-	-	1

Part F: RABs' quality assurance of statutory audit

Table F.3: Overview of legislative requirements

	2020	2021	Recognised Accountancy Bodies		
	Total	Total	ACCA	CPA	ICAI
Statutory audit firms approved to audit in Ireland at 1 January	4,341	1,491	406	319	723
Of those, number of quality assurance reviews required to be concluded in the year	216	285	80	55	150
Quality assurance reviews concluded that met legislative requirements	107	154	29	51	74
Quality assurance reviews which did not meet legislative requirements	109	131	51	4	76
<i>Reason for not meeting legislative requirements</i>					
Review concluded late	31	49	33	4	12
Review not concluded	32	63	16	-	47
Other	46	19	2	-	17
	109	131	51	4	76

* Statutory audit firms worldwide approved to audit in Ireland at 1 January includes 43 member firms from ICAEW & ICAS

Table F.4: Legislative requirements – 3 year review

			Recognised Accountancy Bodies			Revoked in 2021	
	Year	Total	ACCA	CPA	ICAI	ICAEW	ICAS
Quality assurance reviews required to meet legislative requirements	2021	285	80	55	150	N/A	N/A
	2020	216	58	28	129	1	-
	2019	510	30	69	60	335	16
Quality assurance reviews that met legislative requirements	2021	154	29	51	74	N/A	N/A
	2020	107	24	26	57	-	-
	2019	445	24	52	57	296	16
Quality assurance reviews that did not meet legislative requirements	2021	131	51	4	76	N/A	N/A
	2020	109	34	2	72	1	-
	2019	65	6	17	3	39	-



Part G

**PABs' activities in continuing
education of members**

Requirement for continuing education/continuing professional development

The PABs require their members to comply with their CPD standards and request annual confirmation of compliance with CPD requirements from their members. They carry out checks on a sample of members' CPD each year. This review can be based on risk or be a random selection.

The Act sets out CPD requirements for statutory auditors; it is a condition of approval to keep knowledge and skills updated, particularly in relation to audit.

If a member is found not to have complied with CPD requirements, they may be subject to regulatory and/or disciplinary action. Figures relating to the monitoring of CPD across the PABs may not be comparable as the PABs have varying CPD reporting periods.

CPD monitoring activities 2021 –tables

Table G.1 provides details on the PABs' monitoring of compliance with CPD requirements, by their members located in Ireland. Table G.2 provides details on the RABs' monitoring of compliance with CPD requirements, by their statutory auditors approved to audit in Ireland.

- 99% of members and 98% statutory auditors monitored were compliant with CPD requirements
- the number of statutory auditor CPD reviews in the year decreased by 20% from 2020 due to the reduced number of approved statutory auditors in 2021. The majority of statutory auditor CPD reviews continue to be carried out as part of quality assurance reviews to statutory audit firms or as part of the annual renewal process; and
- as in 2020, a number of reviews were conducted remotely using the same processes as an on-site review and are reflected as such in the tables.

Part G: PABs' activities in continuing education of members

Table G.1: Monitoring of CPD of members in Ireland

	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI	AIA	CIMA	CIPFA
CPD records reviewed in the year	1,645	1,738	373	867	430	27	41	-
<i>Analysed by</i>								
Desktop review (risk based)	349	234	102	80	25	26	1	-
Desktop review (random)	269	374	103	112	118	1	40	-
Onsite review	149	338	41	10	287	-	-	-
Other monitoring activities	878	792	127	665	-	-	-	-
	1,645	1,738	373	867	430	27	41	-
CPD records found to be non-compliant with CPD requirements after follow up action was taken	14	22	3	-	15	1	3	-
<i>Of those, members that were</i>								
- Subject to regulatory action	12	8	3	-	1	1	3	-
- Subject to disciplinary action	-	-	-	-	-	-	-	-

Table G.2: Monitoring of CPD of statutory auditors approved to audit in Ireland

	2020	2021	Recognised Accountancy Bodies					
	Total	Total	ACCA	CPA	ICAI			
CPD records reviewed in the year	1,135	912	156	496	260			
<i>Analysed by</i>								
Desktop review (risk based)	177	115	60	35	20			
Desktop review (random)	21	1	-	-	1			
Onsite review	256	373	74	68	231			
Other monitoring activities	681	423	22	393	8			
	1,135	912	156	496	260			
CPD records found to be non-compliant with CPD requirements after follow up action was taken	8	17	3	-	14			
<i>Of those, statutory auditors that were</i>								
- Subject to regulatory action	8	8	3	-	5			
- Subject to disciplinary action	-	-	-	-	-			



Appendix 1

Appendix 1

PAB contact details

Further information regarding each of the PABs is available on their respective websites, as set out below.

PAB	Website
ACCA	www.accaglobal.com
AIA	www.aiaworldwide.com
CIMA	www.cimaglobal.com
CIPFA	www.cipfa.org
CPA	www.cpaireland.ie
ICAI	www.charteredaccountants.ie

Glossary and definitions

The following provides a definition and explanation of the acronyms and terms used throughout this documents:

Acronym/term	Definition/explanation
ACCA	Association of Chartered Certified Accountants
Act, the	Companies Act 2014 (as amended)
AIA	Association of International Accountants
Average time to close a complaint	The manner in which the PABs determine the average time taken to close a complaint varies
Body	A PAB or a RAB
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance & Accountancy
Complaint	Any expression of dissatisfaction with audit or accounting related services, the conduct or performance of a member, member firm, statutory auditor, student or affiliate, howsoever coming to the attention of the body
Complaint (Irish relevant)	A complaint relating to a member, member firm, statutory auditor, student or affiliate located or employed in Ireland or relating to clients based in Ireland
CPA	Institute of Certified Public Accountants in Ireland
CPD	Continuing professional development

Appendix 1

Glossary and definitions (continued)

EU	European Union
IAASA	The Irish Auditing and Accounting Supervisory Authority
ICAEW	Institute of Chartered Accountants in England and Wales
ICAI	Institute of Chartered Accountants in Ireland
ICAS	Institute of Chartered Accountants of Scotland
IIPA	Institute of Incorporated Public Accountants
Ireland	The Republic of Ireland (ROI)
Location	The primary address used for correspondence by the student, member or member firm
Member	An individual who has applied for, and been admitted to, full membership of the body
PAB	A Prescribed Accountancy Body that comes within IAASA's supervisory remit, as defined in the Companies Act 2014
PAB standards	PAB's applicable bye-laws, rules and regulations
PIE	A Public Interest Entity is defined in the Companies Act 2014 and includes entities listed on an EU regulated exchange, credit institutions and insurance undertakings
Practice monitoring review	A review of the non-audit work of a member in practice
Principal	A partner in a member firm including a sole practitioner/director
RAB	A Recognised Accountancy Body permitted to approve its members/ member firms as statutory auditors/audit firms, as defined by the Companies Act 2014 (as amended). RABs are also permitted to approve other qualified individuals
Relevant legislative requirements	Requirements set out in the Companies Act 2014 (as amended)
Statutory auditor/audit firm	An individual/audit firm that is approved in accordance with relevant legislation to carry out statutory audits in Ireland
Worldwide	Throughout this document worldwide includes Ireland



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