

2020

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.



41,229

Members in Ireland



17,212

Students in Ireland



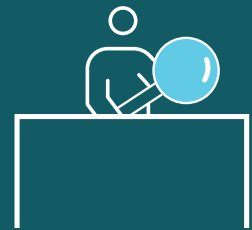
2,576

Statutory auditors
approved to audit
in Ireland



1,491

Statutory audit firms
approved to audit
in Ireland



251

Quality assurance reviews
concluded



88

Complaints received relating
to statutory audit



80

Complaints received
that were Irish relevant

1. Chief Executive's introduction

I am pleased to present the *Profile of the Profession 2020*. This document provides a statistical profile of the eight 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 2020

There is continued growth in the number of members in Ireland, with a 3% increase in 2020. There were 41,229 members in Ireland at the end of the year. Further information is contained in Section A.

At the end of the year there were 1,491 audit firms and 2,576 statutory auditors approved to audit in Ireland. In 2020, two RABs made changes to the registration processes for statutory auditors and audit firms. There was a 66% reduction in the number of audit firms approved in the year and a decrease of 73% in statutory auditors. In the main, the reduction relates to auditors and audit firms with offices in the UK who had historically been approved to audit in Ireland, but in practice, did not use this registration. Further information is contained in Section E.

The reduction in approved audit firms and statutory auditors, and the impacts of Covid-19, resulted in less quality assurance reviews being concluded and less continuing professional development (CPD) records of statutory auditors being reviewed. The number of complaints made to the RABs relating to statutory audit reduced by 63% during the year. Further information is contained in Sections D, F and G.

Acknowledgement

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

Kevin Prendergast
Chief Executive

May 2021

2. Prescribed Accountancy Bodies

A PAB is an accountancy body that comes within IAASA's supervisory remit. At 31 December 2020, there were eight 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
ICAEW	Institute of Chartered Accountants in England and Wales
ICAI	Institute of Chartered Accountants in Ireland
ICAS	Institute of Chartered Accountants of Scotland

Further information regarding each of the PABs is available on their respective websites; links to these are available in Appendix 1. At 31 December 2020, five of the eight PABs were also RABs. RABs are permitted to approve their members, member firms and other qualified individuals to practise as statutory auditors and audit firms. The five RABs are ACCA, CPA, ICAEW, ICAI and ICAS.

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 eight 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
- gain a minimum period of relevant supervised work experience.

Members' obligations

PAB members are required to undertake appropriate CPD to maintain their professional competence annually. 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 2020 – tables and chart

Table A.1 shows the 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.

Four PABs accounted for 99% of PAB members in Ireland:

- ICAI 49%;
- ACCA 29%;
- CIMA 11%; and
- CPA 10%.

Chart A.1 shows Irish membership, by PAB, over the past 10 years. In that period:

- PAB members located in Ireland has increased by just over 10,300 members, representing a 33% increase; and
- ICAI (44%) and ACCA (42%) have experienced the largest growth in membership.

Part A: PAB membership

Table A.1: Location of members

As at 31 December	2019		2020		Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	%	Total	%	ACCA	CPA	ICAEW	ICAI	ICAS			
Ireland	40,027	7%	41,229	7%	11,987	3,974	473	20,093	73	121	4,452	56
UK	338,483	60%	344,007	59%	91,306	117	132,859	6,354	19,868	1,180	80,087	12,236
Other EU member states	23,928	4%	24,862	4%	16,537	46	5,266	345	349	140	2,067	112
Other locations	165,491	29%	170,714	30%	108,941	443	19,214	2,804	2,523	8,100	27,886	803
Total members worldwide	567,929	100%	580,812	100%	228,771	4,580	157,812	29,596	22,813	9,541	114,492	13,207

Table A.2: Members in Ireland

As at 31 December	2019		2020		Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	%	Total	%	ACCA	CPA	ICAEW	ICAI	ICAS			
Members in Ireland	40,027	100%	41,229	100%	11,987	3,974	473	20,093	73	121	4,452	56
<i>Analysis by gender</i>												
Male	22,699	57%	23,242	56%	6,267	1,951	339	11,602	54	89	2,906	34
Female	17,326	43%	17,980	44%	5,720	2,023	134	8,489	19	32	1,541	22
Not specified	2	0%	7	0%	-	-	-	2	-	-	5	-
	40,027	100%	41,229	100%	11,987	3,974	473	20,093	73	121	4,452	56
<i>Analysis by age</i>												
< = 34	8,402	21%	8,284	20%	1,925	244	53	5,770	13	30	249	-
35-44	14,024	35%	14,253	35%	4,865	1,366	87	6,712	22	15	1,184	2
45-54	10,393	26%	10,891	26%	3,579	1,289	150	3,950	17	13	1,873	20
55-64	4,297	11%	4,684	11%	1,139	778	63	1,995	7	14	664	24
65+	2,892	7%	3,097	8%	479	285	120	1,662	14	45	482	10
Age not specified	19	0%	20	0%	-	12	-	4	-	4	-	-
	40,027	100%	41,229	100%	11,987	3,974	473	20,093	73	121	4,452	56
<i>Analysis by employment status</i>												
Business	24,196	61%	24,735	60%	7,637	1,955	217	11,430	36	59	3,393	8
Practice	9,179	23%	9,537	23%	2,221	1,232	93	5,896	15	22	57	1
Public sector	2,536	6%	2,619	7%	933	368	16	997	8	7	258	32
Retired	2,094	5%	2,122	5%	337	175	92	984	11	33	481	9
On a career break/unemployed	1,864	5%	2,062	5%	843	244	29	759	3	-	183	1
Other	158	0%	154	0%	16	-	26	27	-	-	80	5
	40,027	100%	41,229	100%	11,987	3,974	473	20,093	73	121	4,452	56

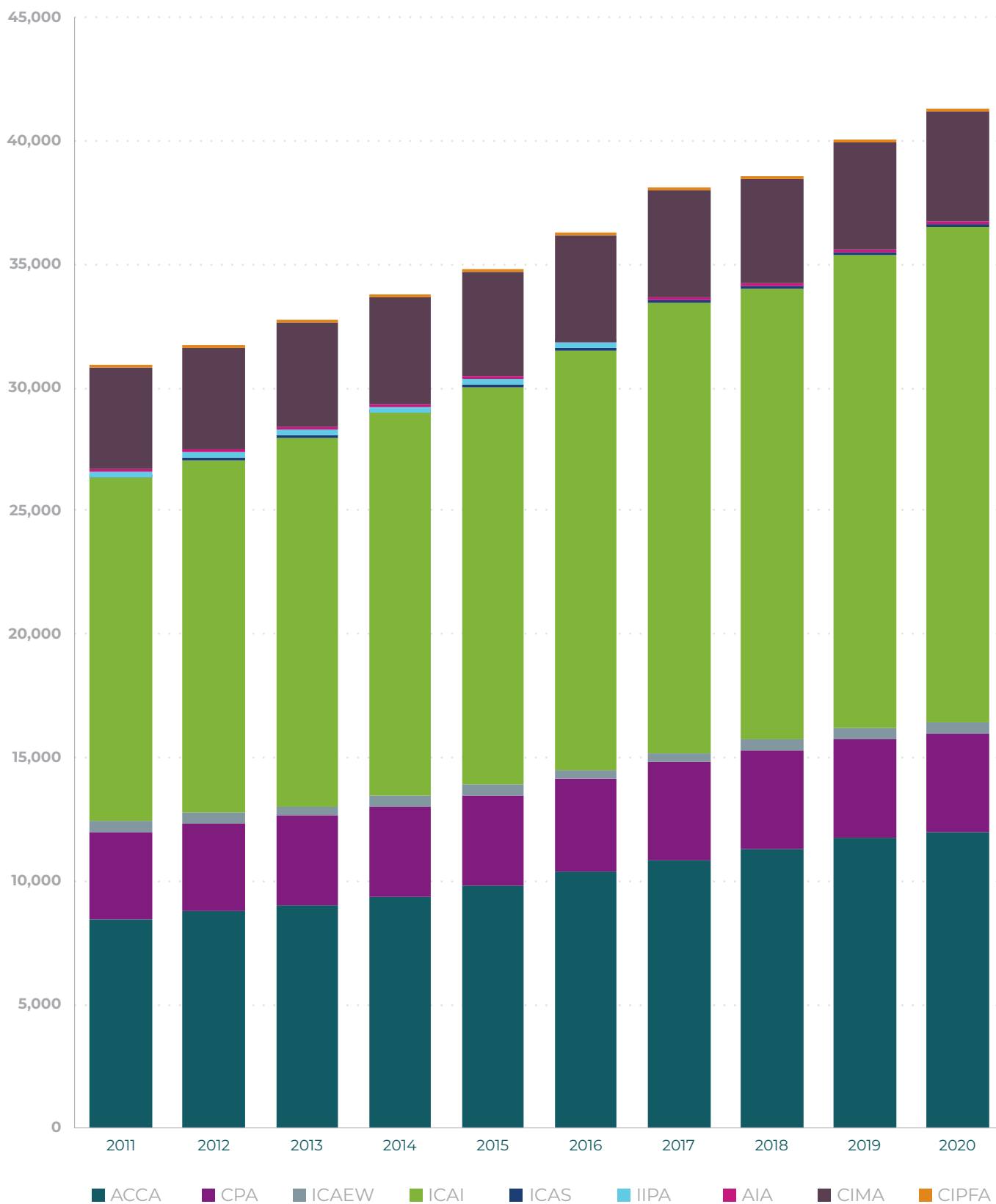
Part A: PAB membership

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

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
As at 31 December	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
Members in Ireland at 1 January	38,530	40,027	11,775	3,974	473	19,180	72	96	4,402	55
Opening balance adjustment	(3)	-	-	-	-	-	-	-	-	-
<i>Add:</i>										
Students admitted	1,736	1,588	481	49	1	991	-	-	66	-
Members of other 7 PABs admitted	12	6	-	4	-	2	-	-	-	-
Members of other accountancy bodies admitted	27	51	2	12	2	8	-	27	-	-
Former members re-admitted on payment of outstanding fees	641	197	74	4	-	1	-	-	118	-
Former members re-admitted for other reasons	4	12	11	-	-	-	-	-	-	1
<i>Less:</i>										
Members excluded for non-payment of fees	(862)	(467)	(299)	(9)	(6)	(7)	-	-	(146)	-
Members excluded for other reasons	(5)	(44)	(41)	(1)	-	(2)	-	-	-	-
Resigned members	(108)	(83)	(13)	(29)	(5)	(28)	-	(2)	(6)	-
Deceased members	(57)	(42)	(5)	(2)	-	(34)	-	-	(1)	-
Net movement of members between jurisdictions	112	(16)	2	(28)	8	(18)	1	-	19	-
+/- Other	-	-	-	-	-	-	-	-	-	-
Members in Ireland at 31 December	40,027	41,229	11,987	3,974	473	20,093	73	121	4,452	56

Part A: PAB membership

Chart A.1: 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 2020 – tables and chart

Table B.1 shows the PABs' student numbers throughout the world and table B.2 analyses students in Ireland by gender and employment status. Table B.3 shows the movement of Irish based students during the year.

Four PABs accounted for almost all of PAB students in Ireland:

- ACCA 50%;
- ICAI 35%;
- CIMA 10%; and
- CPA 5%.

During the year 1,588 PAB students were admitted as members, a decrease of 9% from 2019 (2019: 1,736); and 3,615 new students were registered in Ireland, a decrease of 1% from 2019 (2019: 3,647).

Chart B.1 shows student numbers in Ireland, by PAB, over the past 10 years. In that period:

- PAB students located in Ireland increased by 2%;
- ICAI and ACCA experienced growth in student numbers of 18% and 3% respectively;
- CIMA and CPA both experienced declines of 22%; and
- ICAEW, ICAS, AIA and CIPFA continue to have less than five students each in Ireland.

Part B: PAB student population

Table B.1: Location of students

As at 31 December	2019		2020		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	CPA	ICAEW	ICAI	ICAS	AIA	CIMA	CIPFA
Ireland	16,830	3%	17,212	3%	8,561	800	2	6,130	1	4	1,710	4
UK	148,461	25%	144,585	25%	67,647	9	23,307	1,221	3,963	135	46,194	2,109
Other EU member states	31,912	5%	30,089	5%	23,917	5	1,253	-	16	34	4,415	449
Other locations	407,843	67%	396,607	67%	334,963	87	7,094	1	22	5,208	46,514	2,718
Total students worldwide	605,046	100%	588,493	100%	435,088	901	31,656	7,352	4,002	5,381	98,833	5,280

Table B.2: Students in Ireland

As at 31 December	2019		2020		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	CPA	ICAEW	ICAI	ICAS	AIA	CIMA	CIPFA
Students in Ireland	16,830	100%	17,212	100%	8,561	800	2	6,130	1	4	1,710	4
<i>Analysis by gender</i>												
Male	7,987	48%	8,388	49%	3,677	478	2	3,251	-	4	975	1
Female	8,823	52%	8,807	51%	4,884	322	-	2,879	1	-	718	3
Not specified	20	0%	17	0%	-	-	-	-	-	-	17	-
	16,830	100%	17,212	100%	8,561	800	2	6,130	1	4	1,710	4
<i>Analysis by employment status</i>												
Business	6,203	37%	6,262	36%	4,361	467	-	73	-	4	1,356	1
Practice	5,751	34%	6,125	36%	1,008	255	1	4,860	1	-	-	-
Other	3,421	20%	3,335	19%	1,915	-	1	1,177	-	-	240	2
Public sector	760	5%	778	5%	646	68	-	20	-	-	43	1
In full time education	695	4%	712	4%	631	10	-	-	-	-	71	-
	16,830	100%	17,212	100%	8,561	800	2	6,130	1	4	1,710	4

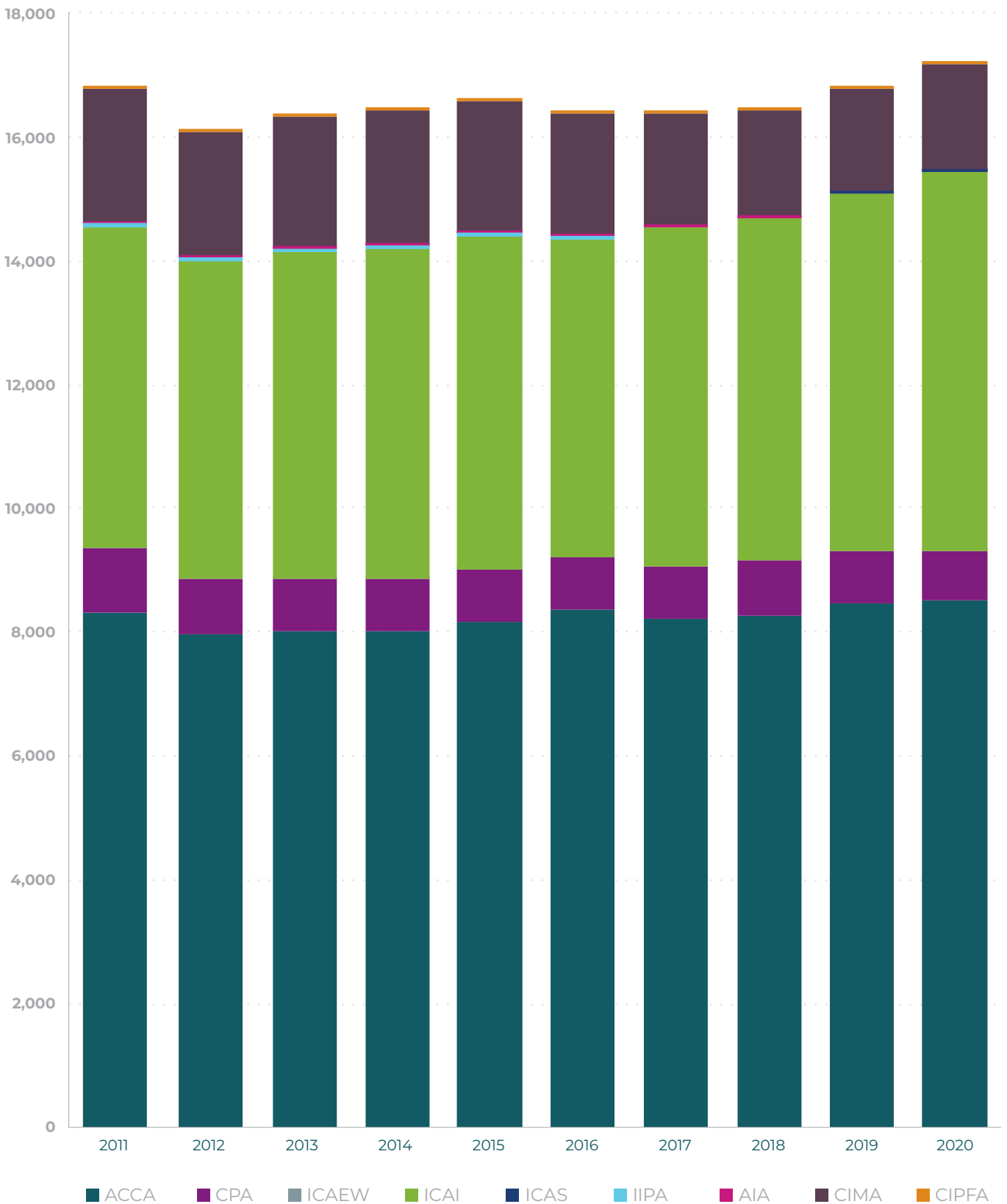
Part B: PAB student population

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

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
Students in Ireland at 1 January	16,462	16,830	8,513	822	1	5,792	1	3	1,695	3
Opening balance adjustment	-	25	-	-	-	24	-	-	-	1
<i>Add:</i>										
New students registered	3,647	3,615	1,471	212	1	1,525	-	1	405	-
<i>Less:</i>										
Lapsed student registrations	(766)	(773)	-	(185)	-	(125)	-	-	(463)	-
Student registrations cancelled	(901)	(1,077)	(946)	-	-	(114)	-	-	(17)	-
Students admitted as full members	(1,736)	(1,588)	(481)	(49)	(1)	(991)	-	-	(66)	-
Net movement of students between jurisdictions	18	44	4	-	1	19	-	-	20	-
+/- Other	106	136	-	-	-	-	-	-	136	-
Students in Ireland at 31 December	16,830	17,212	8,561	800	2	6,130	1	4	1,710	4

Part B: PAB student population

Chart B.1: Students in Ireland – 10 year review





Part C

PABs' practising certificates

Part C: PABs' practising certificates

Practising certificates

The PABs may 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, where client money is held.

Practice monitoring reviews

Practice monitoring reviews are reviews of the work of members in practice other than statutory audit work. Quality assurance reviews of statutory audit work are reported in Section F of this report. Often practice monitoring reviews include a review of: services provided by the practice; anti-money laundering compliance; data security processes; and professional indemnity insurance.

Practising certificates at 31 December 2020 – table

Table C.1 shows the number of members that are authorised to practise in Ireland and the number of practice monitoring reviews concluded in the year. As in prior years:

- the majority of those located in Ireland are members of ICAI (53%); and
- the majority of those worldwide are members of ICAEW (71%).

Table C.1: Practising certificates and practice monitoring reviews

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
Worldwide										
Practising certificates at 31 December	29,491	29,139	1,331	670	20,609	2,533	1,646	442	1,908	-
Practice monitoring reviews concluded in the year	2,702	2,322	44	9	1,756	58	64	18	373	-
Ireland										
Practising certificates at 31 December	3,435	3,455	815	668	51	1,836	6	22	57	-
Practice monitoring reviews concluded in the year	25	96	36	9	3	13	-	24	11	-



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 manner in which 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 2020 – tables

Tables D.1 to D.3 relate to Irish relevant complaints received by the PABs. Tables D.4 to D.6 relate to statutory auditor/audit firm complaints received by the RABs.

Table D.1 provides a summary, by PAB, of the movement in Irish relevant complaints from 2018 to 2020. Overall, there has been a reduction of 38% in the number of new complaints received in the period. In 2020, one third of complaints closed had adverse findings. ICAEW, CIMA and CIPFA did not receive any Irish relevant complaints in the year.

Table D.4 provides a summary, by RAB, of the movement in statutory auditor/audit firm complaints from 2018 to 2020. Overall, there has been a reduction of 53% in the number of new complaints received in the period. In 2020, 31% of complaints closed had an adverse finding.

Tables D.2 and D.5 show the nature of new complaints received in 2020 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 2020 with adverse findings. More than one sanction can be imposed. The most common sanctions are monetary sanctions, publication and admonishments/cautions, reprimands and/or severe reprimands. One statutory auditor/audit firm was expelled or had their registration revoked through the investigation and disciplinary process. A further number of suspensions and revocations of statutory auditors are reported in table F.2 under regulatory action resulting from quality assurance reviews.

Part D: PABs' investigation and disciplinary activities

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

	Year	Total	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
			ACCA	CPA	ICAEW	ICAI	ICAS			
New complaints received	2020	80	14	16	-	47	1	2	-	-
	2019	134	34	13	-	85	-	-	2	-
	2018	130	29	14	-	86	-	-	1	-
Complaints closed	2020	96	14	14	-	64	-	2	2	-
	2019	150	32	12	-	104	-	-	2	-
	2018	129	40	22	-	67	-	-	-	-
Complaints closed with adverse findings	2020	32	3	7	-	21	-	-	1	-
	2019	48	8	5	-	34	-	-	1	-
	2018	44	10	10	-	24	-	-	-	-
Average time taken to close a complaint (in months)	2020		4	8	N/A	18	N/A	2	8	N/A
	2019		6	6	N/A	26	N/A	N/A	10	N/A
	2018		4	9	N/A	15	N/A	N/A	N/A	N/A

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

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
Complaints received related to:										
Breach of code of ethics	39	32	-	5	-	27	-	-	-	-
Poor work or unsatisfactory professional service or conduct	16	19	1	7	-	11	-	-	-	-
Other breaches of PAB rules or regulations	26	12	3	6	-	2	-	1	-	-
Matters relating to insolvency work or conduct of a liquidation	7	8	-	1	-	6	1	-	-	-
Carrying on public practice while not authorised	2	6	6	-	-	-	-	-	-	-
Other	14	4	-	-	-	4	-	-	-	-
Delay/failure to respond and/or cooperate with body	21	3	-	-	-	3	-	-	-	-
Other audit related matters	5	3	3	-	-	-	-	N/A	N/A	N/A
Carrying out audit work while not authorised	3	3	1	1	-	1	-	N/A	N/A	N/A
Other breaches of company law/ restriction or disqualification of a director	-	1	-	-	-	-	-	1	-	-
Criminal conviction	1	-	-	-	-	-	-	-	-	-
Failure to satisfy a judgement debt or other insolvency event	-	-	-	-	-	-	-	-	-	-

Part D: PABs' investigation and disciplinary activities

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

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
Sanctions imposed:										
Admonishments/cautions, reprimands and/or severe reprimands	28	27	3	7	-	16	-	-	1	-
Publication	32	25	3	7	-	15	-	-	-	-
Monetary sanction (including fine or costs)	33	23	3	7	-	13	-	-	-	-
Member expelled	9	4	-	-	-	4	-	-	-	-
Other	1	2	-	2	-	-	-	-	-	-
Statutory auditor/audit firm expelled/registration revoked	-	1	-	1	-	-	-	N/A	N/A	N/A
Member temporarily suspended	1	-	-	-	-	-	-	-	-	-
Registration, other than audit, temporarily suspended	1	-	-	-	-	-	-	-	-	-
Statutory auditor/audit firm temporarily suspended	-	-	-	-	-	-	-	N/A	N/A	N/A
Registration, other than audit, revoked	-	-	-	-	-	-	-	-	-	-

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

	Year	Total	Recognised Accountancy Bodies				
			ACCA	CPA	ICAEW	ICAI	ICAS
New complaints received	2020	88	15	12	29	28	4
	2019	235	28	10	137	53	7
	2018	187	16	8	104	50	9
Complaints closed	2020	108	16	12	31	44	5
	2019	216	24	7	111	64	10
	2018	156	21	16	74	40	5
Complaints closed with adverse findings	2020	33	4	7	8	11	3
	2019	58	7	3	30	15	3
	2018	49	7	8	21	12	1
Average time taken to close complaint (in months)	2020		5	10	16	16	7
	2019		4	8	12	22	4
	2018		5	9	15	17	4

Part D: PABs' investigation and disciplinary activities

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

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Complaints received related to:							
Poor work or unsatisfactory professional service or conduct	118	42	1	5	24	9	3
Breach of code of ethics	57	19	-	3	3	13	-
Other breaches of PAB rules or regulations	20	17	9	6	-	2	-
Other audit related matters	8	8	3	-	-	1	4
Other	13	6	1	-	-	5	-
Matters relating to insolvency work or conduct of a liquidation	3	4	-	1	-	3	-
Carrying out audit work while not authorised	12	3	-	1	2	-	-
Delay/failure to respond and/or cooperate with body	7	2	-	-	-	2	-
Failure to satisfy a judgement debt or other insolvency event	-	1	1	-	-	-	-
Other breaches of company law/restriction or disqualification as a director	3	-	-	-	-	-	-
Carrying on public practice while not authorised	-	-	-	-	-	-	-
Criminal conviction	-	-	-	-	-	-	-

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

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Sanctions imposed:							
Monetary sanction (including fine or costs)	52	31	4	7	8	9	3
Admonishments/cautions, reprimands and/or severe reprimands	48	31	4	7	8	9	3
Publication	51	30	4	7	5	11	3
Member expelled	1	2	-	-	-	2	-
Other	1	2	-	2	-	-	-
Statutory auditor/audit firm expelled/registration revoked	-	1	-	1	-	-	-
Statutory auditor/audit firm temporarily suspended	-	-	-	-	-	-	-
Member temporarily suspended	-	-	-	-	-	-	-
Registration, other than audit, temporarily suspended	-	-	-	-	-	-	-
Registration, other than audit, revoked	-	-	-	-	-	-	-

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 usually include:

- 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 2020 – tables and charts

Tables 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 67% and the number of statutory auditors has declined by 74%. ICAEW and ICAS account for over 95% of the decline. During 2020, both bodies required members to make a separate application for Irish registration where such registration was required, resulting in a significant drop in the numbers.

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. 97% of audit firms have less than five principals.

Charts E.1 and E.2 graphically represent, by RAB, the movement in statutory audit firms and statutory auditors located in Ireland since 2016. The number of statutory audit firms has declined by 16% and the number of statutory auditors has declined by 12%.

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				
			ACCA	CPA	ICAEW	ICAI	ICAS
Statutory audit firms [located worldwide] approved to audit in Ireland at 31 December	2020	1,491	406	319	38	723	5
	2019	4,341	418	344	2,662	750	167
	2018	4,568	430	371	2,812	783	172
Statutory audit firms [with offices in Ireland] approved to audit in Ireland at 31 December	2020	1,155	290	319	3	543	-
	2019	1,207	298	344	3	562	-
	2018	1,260	290	371	3	596	-

Table E.2: 3 year review of statutory auditors

	Year	Total	Recognised Accountancy Bodies				
			ACCA	CPA	ICAEW	ICAI	ICAS
Statutory auditors [located worldwide] approved to audit in Ireland at 31 December	2020	2,576	565	412	254	1,333	12
	2019	9,657	578	435	6,793	1,360	491
	2018	10,000	591	450	7,021	1,412	526
Statutory auditors [located in Ireland] approved to audit in Ireland at 31 December	2020	1,851	387	412	3	1,049	-
	2019	1,894	388	435	3	1,068	-
	2018	1,956	388	450	3	1,115	-

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	2019		2020		Recognised Accountancy Bodies				
	Total	%	Total	%	ACCA	CPA	ICAEW	ICAI	ICAS
Statutory audit firms with offices in Ireland	1,207	100%	1,155	100%	290	319	3	543	-
<i>Analysis by number of principals</i>									
1 principal	718	60%	678	59%	189	210	2	277	-
2 - 5 principals	459	38%	446	39%	94	108	-	244	-
6 - 10 principals	17	1%	18	1%	7	1	-	10	-
11 - 49 principals	11	1%	9	1%	-	-	-	9	-
50+ principals	2	0%	4	0%	-	-	1	3	-
	1,207	100%	1,155	100%	290	319	3	543	-
<i>Analysis by number of PIE clients</i>									
No PIE clients	1,199	100%	1,145	99%	290	319	3	533	-
1 - 5 PIE clients	2	0%	10	1%	-	-	-	10	-
6 - 10 PIE clients	-	0%	-	0%	-	-	-	-	-
11 - 49 PIE clients	3	0%	-	0%	-	-	-	-	-
50+ PIE clients	3	0%	-	0%	-	-	-	-	-
	1,207	100%	1,155	100%	290	319	3	543	-

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

Chart E.1: Audit firms in Ireland – 5 year review

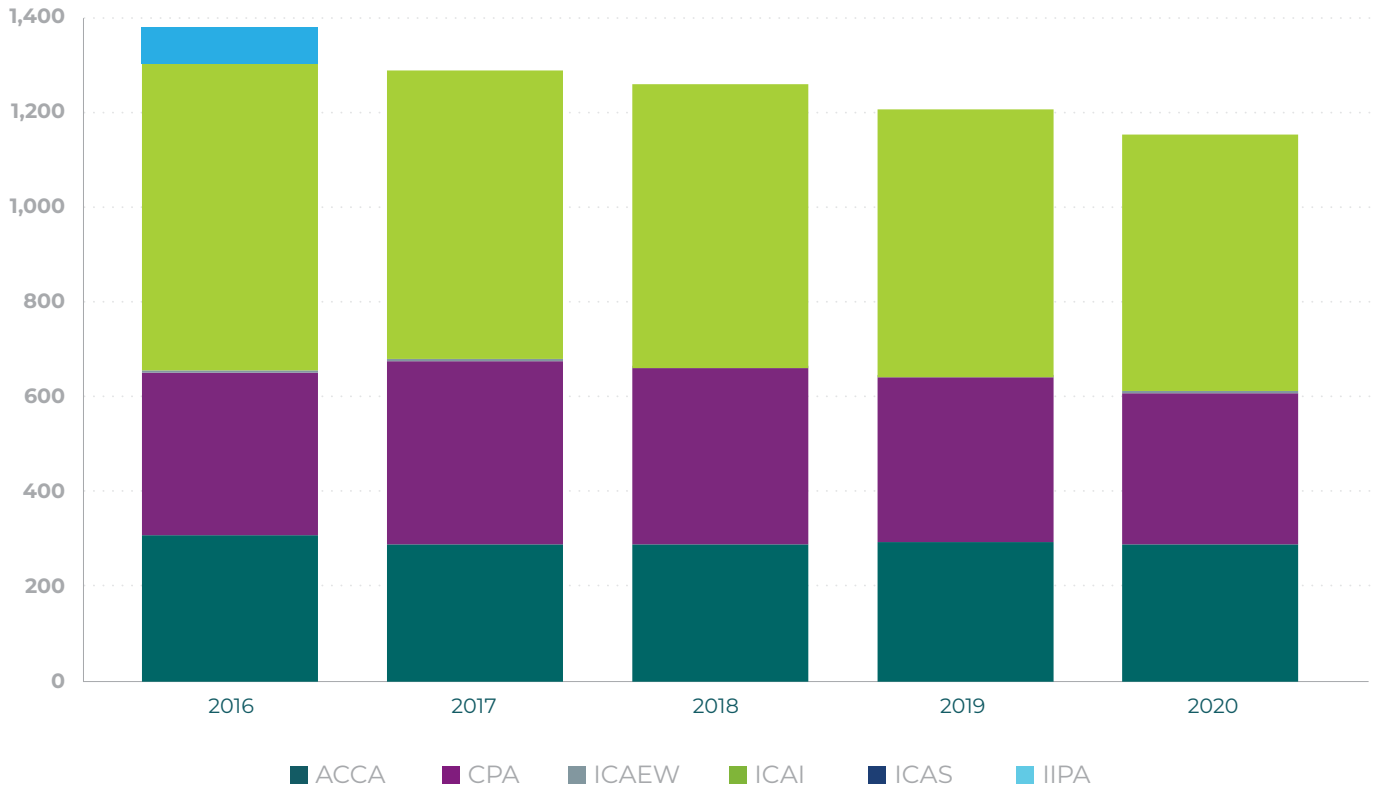
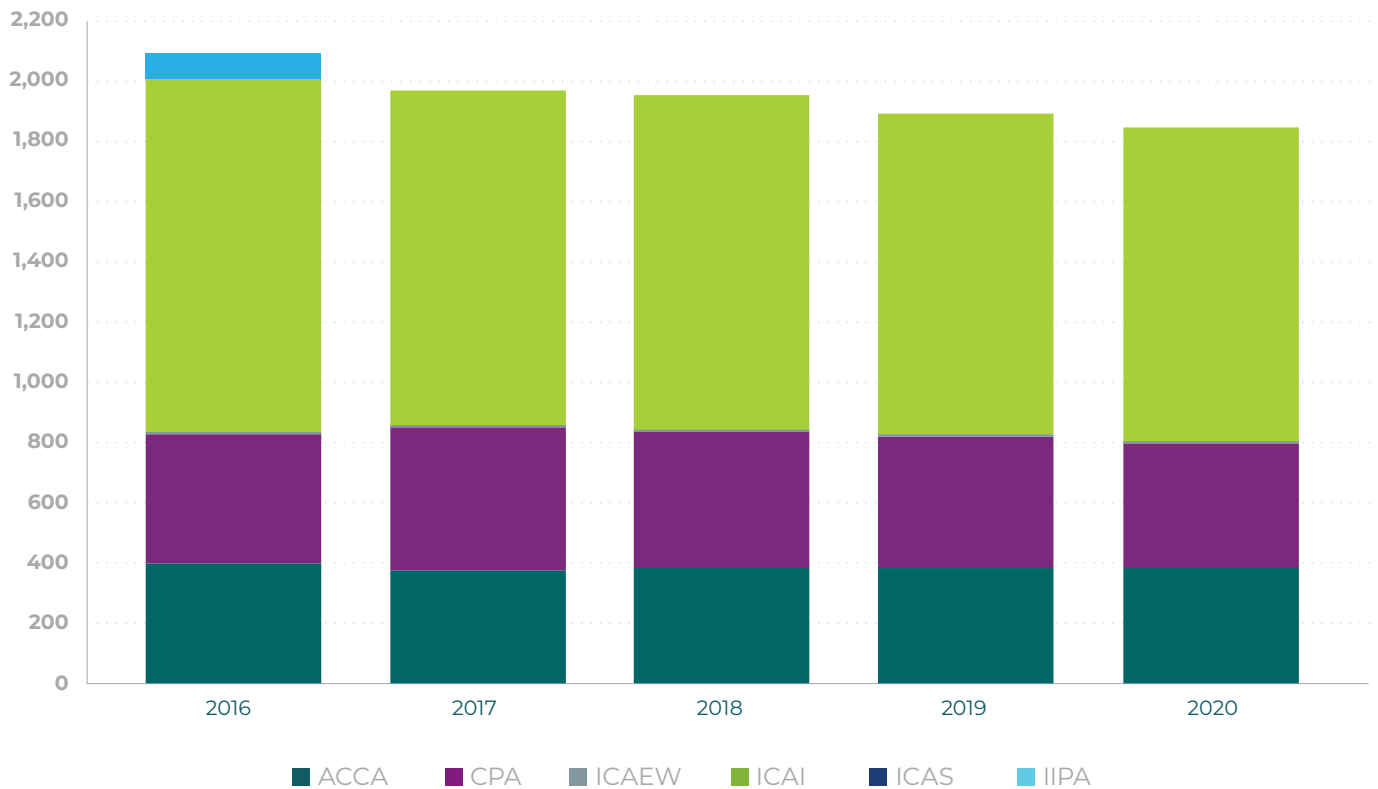


Chart E.2: Statutory auditors in Ireland – 5 year review





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 2020 – tables

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

- of the reviews concluded:
 - 44% were 'good with limited improvements required' (2019: 58%);
 - 37% were 'acceptable overall with improvements required' (2019: 27%); and
 - 19% were 'unacceptable with significant improvements required' (2019: 15%).
- 44% of the quality assurance reviews were performed to meet the six year cycle (2019: 56%).

Table F.2 shows the action taken by the RABs resulting from quality assurance reviews. 16% of reviews gave rise to regulatory action (2019: 18%).

Table F.3 provides an overview of quality assurance reviews undertaken by the RABs to meet legislative requirements. In the year:

- 216 quality assurance reviews were required to be concluded (2019: 510); and
- 50% of these reviews met legislative requirements (2019: 87%).

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. In 2020, ICAS were not required to conclude any quality assurance reviews and ICAEW were required to conclude one. The level of non-compliance with the legislative cycle has increased significantly in 2020. This is directly attributable to Covid-19 as the RABs were unable to perform a number of reviews either due to illness, staff shortages or technological issues preventing remote reviews. IAASA is working with the impacted RABs to ensure that these reviews are concluded as soon as possible or appropriate action taken if this continues not to be possible.

Part F: RABs' quality assurance of statutory audit

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

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Statutory audit firms worldwide approved to audit in Ireland at 1 January	4,568	4,341	418	344	2,662	750	167
Quality assurance reviews thereof concluded in the year	826	251	75	74	11	87	4
<i>Analysis by reason for review</i>							
Review to meet legislative requirements	462	111	39	27	-	45	-
Conclusion of a review open at 1 January	100	58	21	16	6	11	4
Accelerated/re-review for heightened risk	181	34	8	17	5	4	-
Other	12	21	-	3	-	18	-
Accelerated due to 1st time registration	30	15	7	8	-	-	-
Accelerated/early review on foot of a recommendation/referral, or order, from a Regulatory Committee	41	12	-	3	-	9	-
	826	251	75	74	11	87	4
<i>Analysis by type of review</i>							
Onsite	770	216	51	71	11	79	4
Desktop	56	35	24	3	-	8	-
	826	251	75	74	11	87	4
<i>Analysis by outcome of the review</i>							
Good with limited improvements required	480	111	11	21	9	69	1
Acceptable overall with improvements required	222	92	49	35	2	3	3
Unacceptable with significant improvements required	124	48	15	18	-	15	-
	826	251	75	74	11	87	4

Part F: RABs' quality assurance of statutory audit

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

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Quality assurance reviews concluded in the year	826	251	75	74	11	87	4
Quality assurance reviews concluded in the year that resulted in regulatory action	145	40	2	21	-	15	2
<i>Regulatory action taken:</i>							
Required to submit further documentation/ information or clarification	37	18	-	8	-	10	-
Required not to undertake file review for other firms	60	15	-	-	-	15	-
Other conditions/restrictions imposed	32	12	-	-	-	12	-
Cold file review of clients files imposed	58	11	-	-	-	11	-
Directed to address CPD/training matters	29	9	-	-	-	9	-
Monetary penalties imposed	52	8	-	-	-	8	-
Hot file review restriction	39	8	-	4	-	2	2
External compliance review	19	8	-	-	-	8	-
Requirement for a follow up on-site review	40	7	-	7	-	-	-
Referred to the investigation and disciplinary process	17	3	2	1	-	-	-
Directed not to accept further audit appointments	30	2	-	-	-	2	-
Voluntarily surrendered audit registration as a result of findings	21	2	-	1	-	1	-
Audit registration withdrawn as a result of findings	5	2	1	-	-	1	-
Audit registration suspended as a result of findings	3	-	-	-	-	-	-

Part F: RABs' quality assurance of statutory audit

Table F.3: Overview of legislative requirements

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
Statutory audit firms approved to audit in Ireland at 1 January	4,568	4,341	418	344	2,662	750	167
Of those, number of quality assurance reviews required to be concluded in the year	510	216	58	28	1	129	-
Quality assurance reviews concluded that met legislative requirements	445	107	24	26	-	57	-
Quality assurance reviews that did not meet legislative requirements	65	109	34	2	1	72	-
<i>Reason for not meeting legislative requirements:</i>							
Review concluded late	40	31	26	-	-	5	-
Review not concluded	13	32	8	2	-	22	-
Other	12	46	-	-	1	45	-
	65	109	34	2	1	72	-

Table F.4: Legislative requirements – 3 year review

	Year	Total	Recognised Accountancy Bodies				
			ACCA	CPA	ICAEW	ICAI	ICAS
Quality assurance reviews required to meet legislative requirements	2020	216	58	28	1	129	-
	2019	510	30	69	335	60	16
	2018	504	34	36	349	73	12
Quality assurance reviews that met legislative requirements	2020	107	24	26	-	57	-
	2019	445	24	52	296	57	16
	2018	436	24	28	312	60	12
Quality assurance reviews that did not meet legislative requirements	2020	109	34	2	1	72	-
	2019	65	6	17	39	3	-
	2018	68	10	8	37	13	-



Part G

PABs' activities in continuing
education of members

Part G: PABs' activities in continuing education of members

Requirement for 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 additional 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 2020 – 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 statutory auditors monitored were compliant with CPD requirements;
- the number of statutory auditor CPD reviews in the year decreased by 49% from 2019. The majority of statutory auditor CPD reviews continue to be carried out as part of quality assurance reviews to statutory audit firms; and
- 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

	2019	2020	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS			
CPD records reviewed in the year	1,873	1,645	415	909	22	233	2	22	38	4
<i>Analysed by</i>										
Desktop review (risk based)	320	349	160	111	-	48	2	22	6	-
Desktop review (random)	389	269	-	74	22	137	-	-	32	4
Onsite review	341	149	38	63	-	48	-	-	-	-
Other monitoring activities	823	878	217	661	-	-	-	-	-	-
	1,873	1,645	415	909	22	233	2	22	38	4
CPD records found to be non-compliant with CPD requirements after follow up action was taken	33	14	10	-	-	2	-	2	-	-
<i>Of those, members that were:</i>										
- Subject to regulatory action	18	12	10	-	-	2	-	-	-	-
- Subject to disciplinary action	-	-	-	-	-	-	-	-	-	-

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

	2019	2020	Recognised Accountancy Bodies				
	Total	Total	ACCA	CPA	ICAEW	ICAI	ICAS
CPD records reviewed in the year	2,218	1,135	187	503	286	159	-
<i>Analysed by</i>							
Desktop review (risk based)	169	177	115	32	-	30	-
Desktop review (random)	20	21	-	-	19	2	-
Onsite review	1,171	256	47	61	21	127	-
Other monitoring activities	858	681	25	410	246	-	-
	2,218	1,135	187	503	286	159	-
CPD records found to be non-compliant with CPD requirements after follow up action was taken	19	8	6	-	-	2	-
<i>Of those, statutory auditors that were:</i>							
- Subject to regulatory action	19	8	6	-	-	2	-
- 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
ICAEW	www.icaew.com
ICAI	www.charteredaccountants.ie
ICAS	www.icas.com

Glossary and definitions

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, student or affiliate, howsoever coming to the attention of the body
Complaint (Irish relevant)	A complaint relating to a member, member firm, 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
EU	European Union
IAASA	The Irish Auditing and Accounting Supervisory Authority
ICAEW	Institute of Chartered Accountants in England and Wales

Appendix 1

Glossary and definitions (continued)

ICAI	Institute of Chartered Accountants in Ireland
ICAS	Institute of Chartered Accountants of Scotland
IIPA	Institute of Incorporated Public Accountants. On 16 March 2018, IIPA's recognition was revoked and it is no longer a PAB
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
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
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
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



IAASA

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