
CHAPTER 7

Profile of the Prescribed Accountancy Bodies

Profile of the Prescribed Accountancy Bodies

1. Introduction

The purpose of this Chapter is to provide users of this Report with an insight into:

- the scale and composition of the Authority's supervisory remit as regards the PABs;
- the scale of the PABs, both individually and collectively;
- overall trends in the PABs' membership, student numbers and profiles; and
- the nature and scale of the PABs regulatory and monitoring activities.

To achieve this aim, this Chapter provides a statistical profile of the nine PABs coming within the Authority's supervisory remit in relation to their:

- respective memberships;
- investigation and disciplinary activities;
- respective student populations;
- practice authorisation;
- registration of members/member firms as auditors; and
- monitoring of registered auditor members/member firms.

The information set out in this Chapter relates to the year ended 31 December, 2010.

2. Provision of information by the Prescribed Accountancy Bodies

The Authority has relied on the PABs for the provision of this information, which was submitted as part of the PABs' annual return process. In the context of the foregoing, the Authority wishes to acknowledge the efforts made by the PABs in compiling their annual returns and their co-operation in responding to associated queries raised and clarifications requested by the Authority.

As described in Chapter 3 of this Report, the Authority's annual return process has a dual objective:

- firstly, to provide the Authority with the information necessary to:
 - facilitate the monitoring of the PABs' ongoing regulatory and monitoring activities; and
 - plan future reviews of the PABs by, for example, identifying key areas, issues or trends deserving of particular attention or resource allocation; and
- secondly, to provide relevant information to the Authority for publication purposes.

Given the dual purpose of the data sought, certain of same is of a confidential nature and, accordingly, while used for supervisory purposes, is not reproduced in this Chapter.

3. Considerations regarding the comparability of data presented

In studying and analysing the data presented in this Chapter, it is important to note the inherent limitations of the underlying data provided. Differences in the structure and operations of the nine PABs, as well as in the PABs' interpretations of the information requested may present some difficulties in making comparisons. Whilst the Authority has sought to minimise such differences through the design of its annual return templates, care is needed in interpreting the data presented herein and direct comparison may not be appropriate or meaningful in some cases.

4. Definitions used throughout this Chapter

Certain words have been defined for the purposes of this Chapter including:

'Ireland' means the Republic of Ireland;

'Irish Relevant' means complaints relating to members and students located in Ireland, firms based in Ireland and members/firms with clients based in Ireland;

'member' means an individual who has applied for, and been admitted to, membership of the relevant PAB;

'principal' means a partner in a member firm and includes a sole practitioner;

'registered auditor' means a firm or an individual that is registered to undertake statutory audits under the Irish Companies Acts;

'student' means an individual who is registered with the relevant PAB as a student and is actively pursuing the education process with a view to admission to full membership.

5. Further information regarding the Prescribed Accountancy Bodies

Further information regarding each of the nine PABs is available on their respective websites. Website addresses of each PAB are set out hereunder for readers' reference.

Association of Chartered Certified Accountants (ACCA)	www.accaglobal.com
Association of International Accountants (AIA)	www.aiaworldwide.com
Chartered Institute of Management Accountants (CIMA)	www.cimaglobal.com
Chartered Institute of Public Finance & Accountancy (CIPFA)	www.cipfa.org.uk
Institute of Chartered Accountants in England & Wales (ICAEW)	www.icaew.com
Institute of Chartered Accountants in Ireland (ICAI)	www.charteredaccountants.ie
Institute of Chartered Accountants of Scotland (ICAS)	www.icas.org.uk
Institute of Certified Public Accountants in Ireland (ICPAI)	www.cpaireland.ie
Institute of Incorporated Public Accountants (IIPA)	www.iipa.ie

6. Structure of the remainder of this Chapter

The remainder of this Chapter is divided into the following sections:

Part A	Membership
Part B	PABs' investigation and disciplinary activities
Part C	Student population
Part D	Practising authorisation
Part E	Registered auditors
Part F	Individually Authorised Auditors
Part G	Recognised Accountancy Bodies' monitoring of registered auditors

Part A: Membership

The Tables and Charts in this Part provide information regarding the membership profile of each of the nine PABs as well as the PABs in aggregate. Admission to membership involves applicants satisfactorily fulfilling various criteria, which typically include:

- completing a course of study and successfully completing the relevant PAB's professional examinations;
- obtaining a minimum period of relevant work experience; and
- undertaking to comply with the relevant PAB's constitution, bye-laws, rules, regulations, standards and codes of ethics and conduct, as applicable.

Once admitted to membership, members of the PABs are:

- entitled to use the designatory letters as provided for in the bodies' respective constitutional provisions; and
- required to fulfil certain obligations on an ongoing basis in order to retain that status, including maintaining up to date professional competence through undertaking Continuing Professional Development ('CPD') and ongoing compliance with the relevant PABs' various rules, regulations and standards etc. Failure to comply with same may render a member liable to disciplinary action.

It should be noted that the PABs impose additional requirements on those of their members wishing to engage in public practice (i.e. wishing to offer services to members of the public and in reserved areas such as audit or investment business). Part D of this Chapter provides further information regarding the requirements relating to practising authorisations.

Membership – Highlights 2010

- During 2010 there has been an increase of 5% in the membership of the nine PABs in Ireland and 4% in the worldwide membership (Tables A.1 and A.2), with ACCA having the largest worldwide membership of the PABs.

- ICAI, ICPAI and IIPA membership is predominantly based in Ireland, with the majority of the membership of CIMA, CIPFA, ICAEW and ICAS being based in the UK. 50% of ACCA members are located in the UK and Ireland. A majority (74%) of AIA members are located outside of the EU (Table A.1).
- Four bodies dominate PAB membership in Ireland – ICAI members comprise almost 45% of PAB membership, followed by ACCA at 27%, CIMA at 13% and ICPAI at 12% (Chart A.1).
- 39% of PAB members located in Ireland are female, compared with 38% in 2009 (Table A.4). Chart A.5 shows that males comprise the majority gender in all nine bodies. However, the numbers of female members has been rising over the past number of years and readers should refer to the statistics on student numbers (Part C of this Chapter refers) for an indication of likely future trends in membership gender profiles.
- The majority of members located in Ireland (62%) are employed in business, with a large minority (25%) employed in practice (Table A.5). On an individual basis, with the exception of the IIPA, a minority of Irish based members of each body are employed in practice.
- 70% of aggregate PAB membership in Ireland is comprised of individuals under 45 years of age (Table A.6). ACCA has the highest proportion of under 45s at 79%, followed by ICAI at 69%, CIMA and ICPAI at 65%.
- Increases in membership arise in the main through the admission of students to membership. Decreases in membership arise principally from member resignations or exclusions. Exclusions arise mainly as a result of members' failure to pay subscription fees or, alternatively, as a result of disciplinary action. In the case of non-payment of subscription fees, members are usually re-admitted once payment has been made. Table A.2 shows the movements in membership in Ireland during 2010.

Table A.1: Members worldwide – location

As at 31 December	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66
UK	270,126	278,057	64,414	115,555	4,670	16,201	91	4	1,540	62,351	13,231
Other EU Member States	12,532	15,037	7,859	4,995	382	392	38	1	171	1,120	79
Other locations	101,772	104,866	63,973	15,630	1,483	2,118	142	2	5,201	16,025	292
Total members worldwide	412,977	427,962	144,397	136,615	20,010	18,780	3,745	214	7,046	83,487	13,668

Chart A.1: % Share of PAB Members located in Ireland

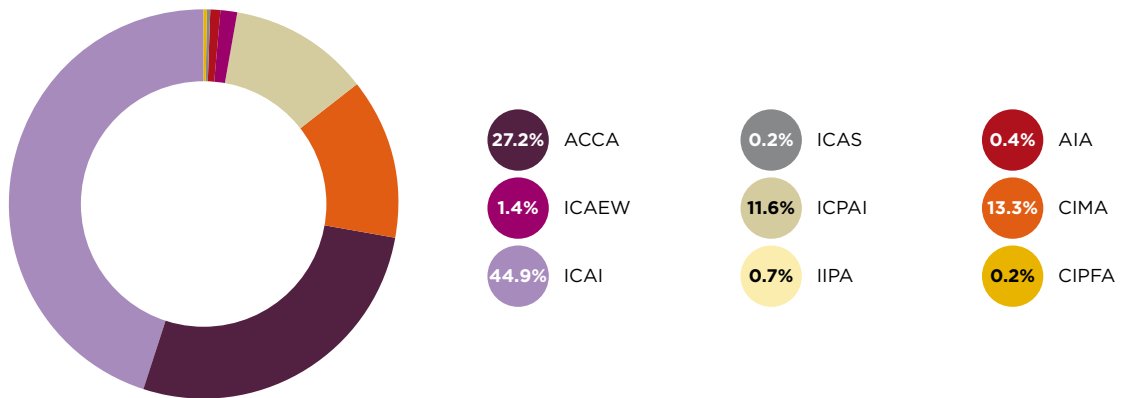


Chart A.2: Members worldwide – comparison of location

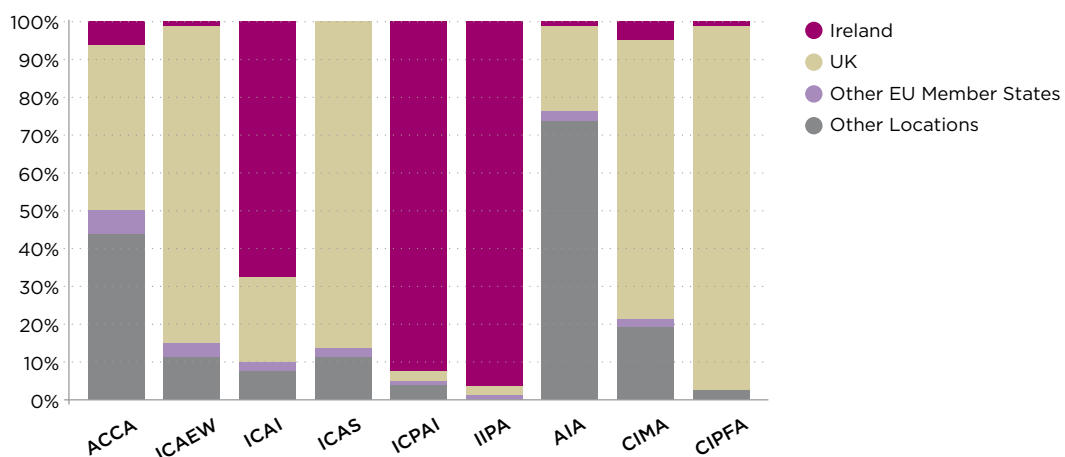


Table A.2: Members in Ireland - movement during the year

			Recognised Accountancy Bodies								
	2009 TOTAL	2010 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Members in Ireland at 1 January	27,395	28,547	7,722	434	12,694	65	3,363	219	138	3,846	66
During the Year:											
ADD: Students admitted as members	1,586	1,861	594	9	860	4	163	3	0	226	2
- Members of other bodies admitted as members	29	11	2	0	0	0	6	2	1	0	0
- Other Individuals admitted as members	0	5	0	0	0	0	0	5	0	0	0
- Former members re-admitted to membership	315	144	50	0	15	0	3	1	0	75	0
LESS: Members excluded from membership	(545)	(378)	(199)	(3)	(26)	0	0	0	(2)	(145)	(3)
- Members resigning from membership	(172)	(133)	(13)	(4)	(42)	0	(40)	(23)	(2)	(9)	0
- Members deceased	(49)	(34)	(5)	0	(26)	0	(1)	0	0	(2)	0
Other	(12)	(21)	0	(1)	0	0	(20)	0	(1)	0	1
Members in Ireland at 31 December	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66

Table A.3: Members in Ireland - movement from 2008-2010

Membership In Ireland as at 31 December	2008	2009	2010
ACCA	7,437	7,722	8,151
ICAEW	429	434	435
ICAI	12,049	12,694	13,475
ICAS	64	65	69
ICPAI	3,281	3,363	3,474
IIPA	211	219	207
AIA	145	138	134
CIMA	3,708	3,846	3,991
CIPFA	71	66	66
Total	27,395	28,547	30,002

Note: ICAEW Figures for 'Students admitted as members' Table A.2. (9) differ to Table C2: (0) as individuals who are eligible for membership for more than 12 months are not included in Student figures.

Note: ICAI figures for Students admitted as full members in Table A.2 (860) & Table C.2 (1,162) do not cross check due to discrepancies in the movement of candidates between studentship & membership. Students may complete their term as a student in 'Ireland' & enter into membership while located outside of 'Ireland'.

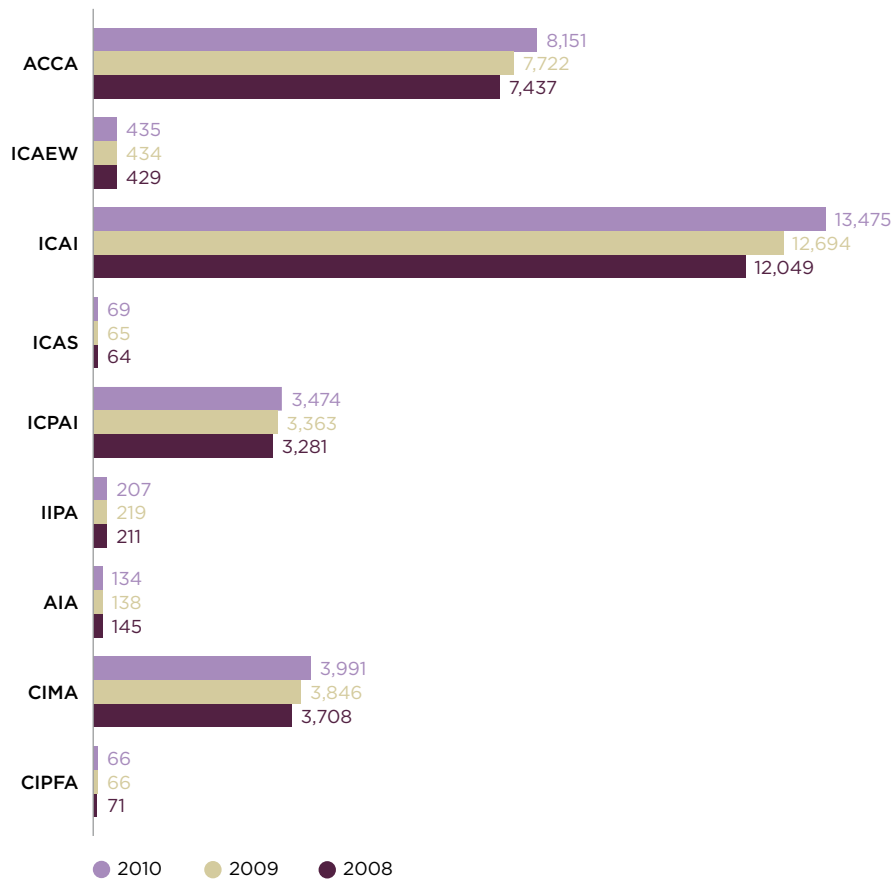
Chart A.3: Comparison of membership in Ireland

Table A.4: Members in Ireland – gender profile

As at 31 December			Recognised Accountancy Bodies								
	2009 TOTAL	2010 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Male	17,675	18,289	4,586	334	8,481	53	1,794	193	124	2,683	41
Female	10,872	11,713	3,565	101	4,994	16	1,680	14	10	1,308	25
Total membership	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66

Chart A.4: Members in Ireland – gender profile

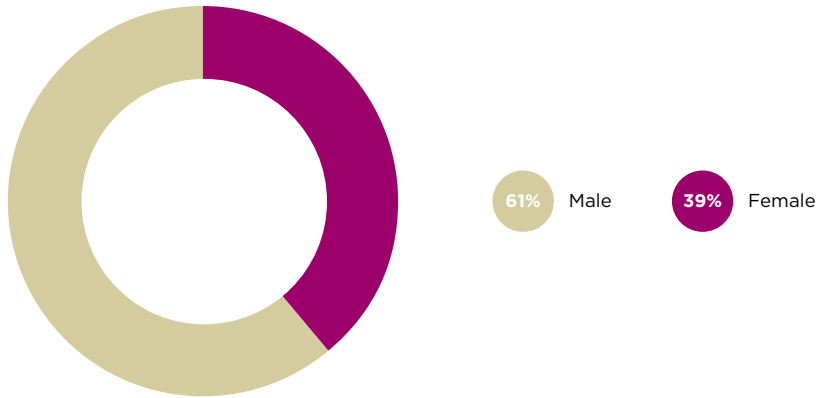


Chart A.5: Members in Ireland – comparison of gender profile

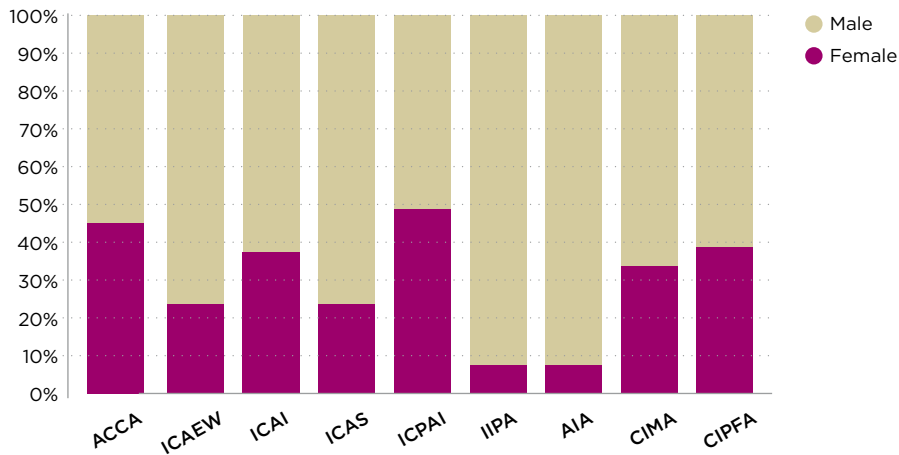


Table A.5: Members in Ireland – employment status

As at 31 December	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Practice	7,640	7,648	1,919	99	4,175	11	1,197	171	16	59	1
Industry/Business	17,771	18,471	5,189	204	7,651	40	1,700	25	89	3,568	5
Public Sector	1,681	1,539	555	19	486	2	310	2	1	110	54
Retired	1,027	1,076	199	72	454	10	60	0	24	254	3
Other	428	1,268	289	41	709	6	207	9	4	0	3
Total	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66

Chart A.6: Members in Ireland – employment status

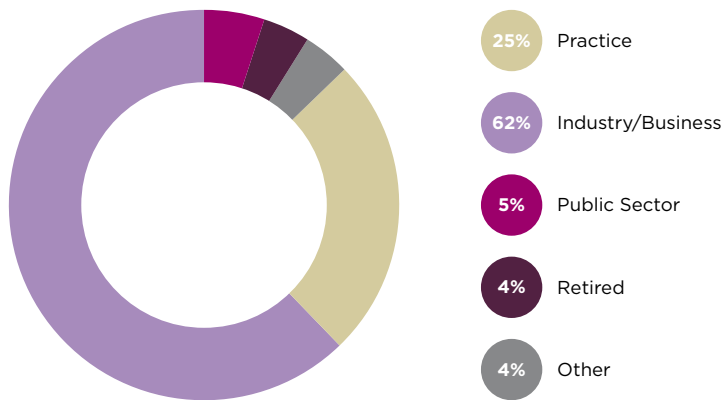


Chart A.7: Members in Ireland – comparison of employment status

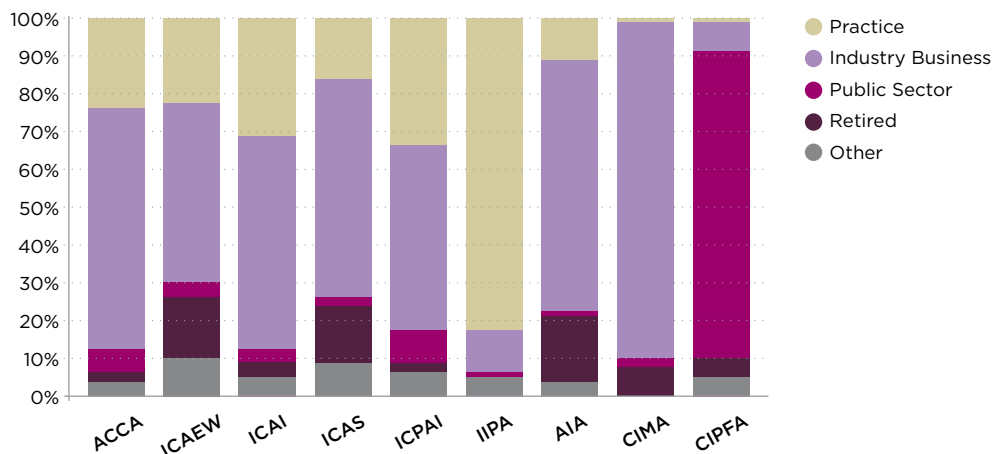


Table A.6: Members in Ireland – age profile

As at 31 December	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
< 25	30	105	43	0	31	0	30	0	0	1	0
25-34	8,838	10,037	2,948	47	5,324	16	979	25	7	691	0
35-44	10,655	10,768	3,410	147	3,953	19	1,265	43	14	1,896	21
45-54	5,017	5,055	1,128	80	2,134	16	833	57	24	757	26
55-64	2,592	2,577	413	80	1,280	9	308	72	50	350	15
65+	1,414	1,459	209	81	753	9	59	10	39	296	3
Date of birth not available	1	1	-	-	-	-	-	-	-	-	1
Total	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66

Chart A.8: Members in Ireland – age profile

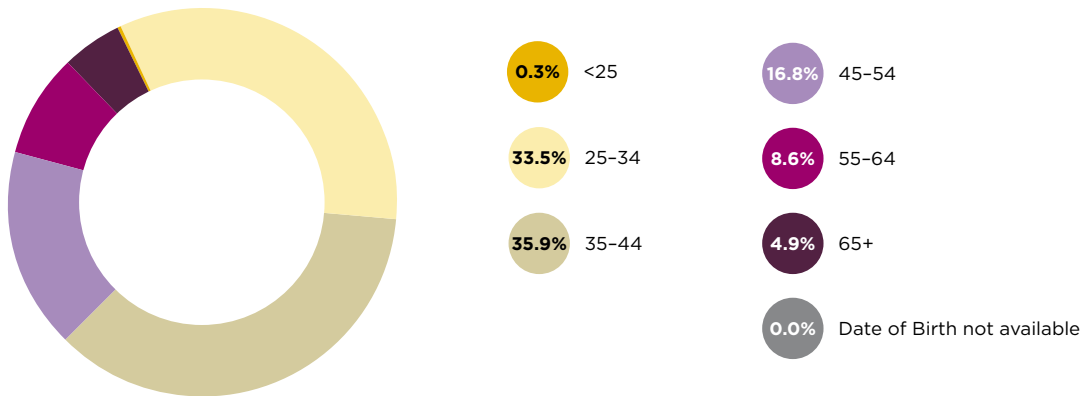
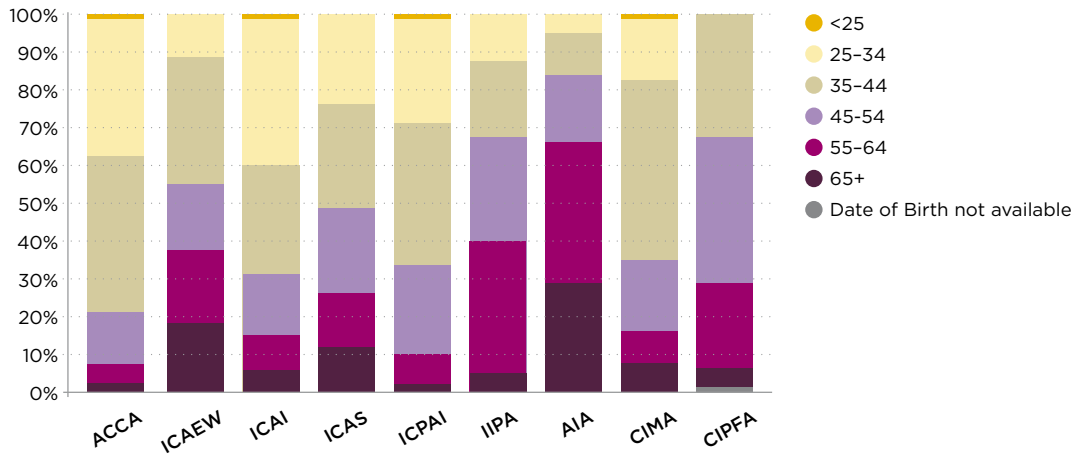


Chart A.9: Members in Ireland – comparison of gender profile (by body)



Part B: PABs' investigation and disciplinary activities

The Tables in this Part provide information regarding the PABs' investigation and disciplinary activities.

As outlined in previous Reports, under the model of supervised self regulation provided for by the Act, responsibility in the first instance for the investigation of complaints¹¹⁰ relating to the PABs' members and member firms resides with those bodies, which are required to process same in accordance with investigation and disciplinary procedures approved by the Authority. Rather than being to supplant the PABs' responsibility to investigate complaints received in respect of their members/member firms, the Authority's role is to supervise the manner in which the PABs' complaints, investigations, disciplinary and appeals processes operate. However, notwithstanding the foregoing, following the receipt of a complaint or otherwise on its own initiative, the Authority is empowered to initiate Enquiries into whether a PAB has complied with its approved procedures under section 23 of the Act. Further details concerning such Enquiries are provided in Chapter 3 of this Report.

Each PAB's established systems and procedures are tailored to its specific requirements. Accordingly, the manner in which complaints concerning members and member firms are processed varies across the PABs. However, notwithstanding the differences in these processes, due to the requirement that disciplinary processes respect the principles of natural justice as well as applicable human rights legislation, there are many similarities across the PABs, such as, for example, the organisation of investigation, disciplinary and appeals systems through Committee structures.

When a member of the public (complainant) makes a complaint to a PAB concerning the conduct or competence of a member/member firm or where relevant information comes to the attention of a PAB, the recipient body typically has a number of initial options available to it, including investigation by a Committee¹¹¹ (or regulatory assessor in the case of ACCA) or resolution by conciliation¹¹² or other means provided for under its approved investigation and

disciplinary procedures. In cases where a judgement is formed by either the Committee or the regulatory assessor that there is a *prima facie*¹¹³ case against the member, the member may either be referred to the formal disciplinary process (typically to a Disciplinary Committee/Tribunal) or be offered a Consent Order¹¹⁴.

The range of sanctions available to Investigation Committees and the Disciplinary Tribunals are outlined in Table B.5 and the nature of the sanction imposed on a member will depend on the particular facts of any case, including, for example, the seriousness of the wrongdoing found to have occurred. Where a Disciplinary Tribunal makes a finding against a member, the member typically has a right of appeal to an Appeal Committee/Tribunal. The tables and charts set out below provide the following information:

- Tables B.1 and B.2¹¹⁵ outline the number of complaints open at the end of 2009 and 2010 respectively, the number of new cases arising during 2010, the number of cases closed during 2010 and at what stage of the investigation and disciplinary process such complaints were closed by each PAB;
- Tables B.3 and B.4¹¹⁵ outline the nature of the complaints received by each PAB during 2010;
- Table B.5 outlines the sanctions that may be imposed by each PAB in the case of complaints found to have been proven. It should be noted that this Table refers only to sanctions available to Investigation Committees & Disciplinary Tribunals and does not take into account sanctions that may be imposed other than as part of the investigation & disciplinary process, e.g. by other Committees that operate outside the investigation & disciplinary process (e.g. Registration Committees and Quality Assurance Committees, howsoever called); and
- Tables B.6 and B.7¹¹⁵ provide an analysis of the sanctions actually imposed in the case of complaints found to have been proven. As can be seen from those tables, the sanctions most commonly imposed are reprimands, fines and the imposition of costs.

¹¹⁰ The term 'Complaint' includes any expression of dissatisfaction with accounting related services, whether communicated to a PAB by members of the public or otherwise.

¹¹¹ It should be noted that not all the PABs use the same terminology for their Investigation Committee. For example, the ICAI refers to this committee as the Complaints Committee while ICAS refers to it as the Investigations and Professional Conduct Enforcement Committee. For convenience, this Chapter refers generically to Investigation Committees.

¹¹² It is worth noting that conciliation processes typically require the complaint to be resolved to the mutual satisfaction of all parties and conciliation is usually not permitted other than relating to minor matters. Additionally, it should be noted that not all of the PABs' processes and procedures provide for a complaint conciliation process.

¹¹³ On the face of it.

¹¹⁴ A Consent Order is a process whereby a member admits to the findings of the Investigation Committee and consents to the sanctions imposed. Not all PABs' processes and procedures provide for a Consent Order process.

¹¹⁵ Tables B.1, B.3 and B.6 provide detail regarding complaints relevant to Ireland whereas Tables B.2, B.4 and B.7 provide detail regarding complaints relevant to Registered Auditors.

Table B.1: Summary of complaints – Ireland relevant

Year to 31 December, 2010	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Complaints outstanding at 1 Jan, 2010	246	140	0	89	0	11	5	0	1	0
During the year:										
ADD: New cases arising during the year	184	101	0	66	0	11	5	0	1	0
LESS: Cases closed during the year by:										
- Conciliation	(16)	(16)	0	-	0	0	0	0	0	0
- Secretary/Staff	(45)	(37)	0	-	0	(3)	(4)	0	(1)	0
- Assessor	(2)	(2)	0	-	0	0	0	0	0	0
- Investigation/Complaints Committee	(69)	0	0	(65)	0	(4)	0	0	0	0
- Disciplinary Committee	(16)	(6)	0	(7)	0	(3)	0	0	0	0
- Appeal Committee	(1)	0	0	(1)	0	0	0	0	0	0
- Other	0	0	0	0	0	0	0	0	0	0
Complaints outstanding at 31 Dec, 2010	281	180	0	82	0	12	6	0	1	0

Table B.2: Summary of complaints – Registered Auditors

Year to 31 December, 2010	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Complaints outstanding at 1 Jan, 2010	256	102	72	67	0	10	5
During the year:							
ADD: New cases arising during the year	241	70	95	57	0	14	5
LESS: Cases closed during the year by:							
- Conciliation	(12)	(12)	0	-	0	0	0
- Secretary/Staff	(50)	(21)	(23)	-	0	(2)	(4)
- Assessor	(1)	(1)	0	-	0	0	0
- Investigation/Complaints Committee	(116)	0	(57)	(56)	0	(3)	0
- Disciplinary Committee	(18)	(2)	(9)	(5)	0	(2)	0
- Appeal Committee	0	0	0	0	0	0	0
- Other	0	0	0	0	0	0	0
Complaints outstanding at 31 Dec, 2010	300	136	78	63	0	17	6

Table B.3: Nature of complaints received – Irish relevant

Year to 31 December, 2010	Recognised Accountancy Bodies								
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Poor work or unsatisfactory professional service or conduct	28	0	34	0	12	1	0	1	0
Loss/withholding of client records	11	0	0	0	0	1	0	0	0
Fee disputes	1	0	3	0	0	3	0	0	0
Delay/failure to respond and/or co-operate with the Institute/Association or an external party	3	0	5	0	1	0	0	0	0
Failure to report to a Regulator	0	0	0	0	0	0	0	0	0
Criminal conviction/Civil proceedings	1	0	0	0	0	0	0	0	0
Carrying on public practice or audit while not authorised	11	0	5	0	2	0	0	0	0
Execution of an audit report by non-RI (Responsible Individual)	0	0	0	0	0	0	0	0	0
Other breach of company law/restriction or disqualification as a director/failure to satisfy judgement debt	0	0	9	0	1	0	0	0	0
Other audit related matters	11	0	9	0	0	0	0	0	0
Professional appointment related	0	0	4	0	2	0	0	0	0
Breach of Code of Ethics	16	0	0	0	0	0	0	0	0
Breach of Institute/Association Rules or Regulations (such as in relation to client monies, professional indemnity insurance)	2	0	22	0	1	0	0	0	0
Matters relating to insolvency work or conduct of a liquidation	12	0	7	0	1	0	0	0	0
Matters relating to investment business	0	0	3	0	0	0	0	0	0
Tax work	0	0	2	0	0	0	0	0	0
Training/student related matters	5	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0

Note: Complaints are included in whichever category is relevant to the complaint, including more than one category where the complaint has a number of different elements.

Table B.4: Nature of complaints received – Registered Auditors

Year to 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Poor work or unsatisfactory professional service or conduct	18	8	30	0	11	1
Loss/withholding of client records	10	0	0	0	0	1
Fee disputes	1	0	4	0	0	3
Delay/failure to respond and/or co-operate with the Institute/Association or an external party	3	10	5	0	1	0
Failure to report to a Regulator	0	0	0	0	0	0
Criminal conviction/Civil Proceedings	0	0	0	0	0	0
Carrying on public practice or audit while not authorised	4	7	2	0	1	0
Other breach of company law/restriction or disqualification as a director/failure to satisfy judgement debt	0	6	0	0	0	0
Execution of an audit report by non-RI (Responsible Individual)	0	14	7	0	1	0
Other audit related matters	10	29	7	0	0	0
Professional appointment related	0	0	3	0	1	0
Breach of Code of Ethics	13	16	0	0	0	0
Breach of Institute/Association Rules or Regulations (such as in relation to client monies, professional indemnity insurance)	0	3	18	0	0	0
Matters relating to insolvency work or conduct of a liquidation	11	2	7	0	1	0
Matters relating to investment business	0	0	2	0	0	0
Tax work	0	0	2	0	0	0
Training/student related matters	0	0	0	0	0	0
Other	0	0	1	0	0	0

Note: Complaints are included in whichever category is relevant to the complaint, including more than one category where the complaint has a number of different elements.

Table B.5: Disciplinary sanctions available

Year to 31 December, 2010	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Reprimand/severe reprimand	Y	Y	Y	Y	Y	Y	Y	Y	Y
Fine	Y	Y	Y	Y	Y	Y	Y	Y	Y
Costs	Y	Y	Y	Y	Y	Y	Y	Y	Y
Exclusion from membership	Y	Y	Y	Y	Y	Y	Y	Y	Y
Suspension from membership	N	N	Y	Y	Y	Y	Y	N	Y
Suspension of audit authorisation	Y	Y	N	Y	Y	Y	N/A	N/A	N/A
Withdrawal of audit authorisation	N	Y	Y	Y	Y	Y	N/A	N/A	N/A
Suspension of other authorisation	Y	Y	N	Y	Y	Y	Y	N/A	Y
Withdrawal of other authorisation	N	Y	Y	Y	Y	Y	Y	Y	Y
Attach conditions to an authorisation	Y	Y	N	Y	Y	Y	Y	Y	N/A
Ineligible for an authorisation for period of time	N	N	Y	Y	Y	Y	Y	N	N
Direct member to reimburse complainant for expenses incurred in connection with the complaint	Y	Y	N	N	N	Y	N	N	Y
Direct member to refund fees/commission to complainant	Y	Y	N	N	N	Y	N	N	Y
Direct member to pay compensation to complainant	Y	N	N	N	N	Y	N	N	N
Rest on file/similar sanction	Y	N	Y	N	Y	Y	Y	N	Y
Proven but no penalty/similar sanction	Y	Y	Y	Y	Y	Y	Y	Y	Y
Publication of findings, including member's name	Y	Y	Y	Y	Y	Y	Y	Y	Y
Other	Y	N	N	Y	N	Y	N/A	Y	N

Key: Y = Available as a sanction; N = not available as a sanction; N/A = Not applicable to that body in Ireland

Note: The sanction of 'Rest on file' is typically reserved for situations where it is concluded that the member is liable to disciplinary action but no immediate action is warranted. Details of the issue are placed on the member's file and may subsequently be taken into account should other issues come to the PAB's attention that would render that member liable to disciplinary actions.

Table B.6: Analysis of sanctions imposed – Ireland relevant

Year to 31 December, 2010	Recognised Accountancy Bodies									
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA	
Reprimands/severe reprimands imposed	2	-	14	-	5	-	-	-	-	
Cases where fines were imposed	1	-	13	-	3	-	-	-	-	
Aggregate value of fines imposed	£2,000	-	€51,500	-	€6,500	-	-	-	-	
Maximum fine imposed in a single case	£2,000	-	€30,000	-	€6,000	-	-	-	-	
Cases where costs were imposed	5	-	14	-	5	-	-	-	-	
Aggregate value of costs imposed	£2,928	-	€79,042	-	€7,500	-	-	-	-	
Maximum costs imposed in a single case	£820	-	€41,544	-	€5,000	-	-	-	-	
Member exclusions applied	-	-	4	-	-	-	-	-	-	
Member suspensions applied	-	-	2	-	-	-	-	-	-	
Suspensions of audit authorisation applied	-	-	-	-	-	-	-	-	-	
Suspensions of other authorisation applied	-	-	-	-	-	-	-	-	-	
Withdrawals of audit authorisation applied	-	-	-	-	-	-	-	-	-	
Cases where conditions were attached to authorisation	-	-	-	-	3	-	-	-	-	
Refund of fees/commissions	-	-	-	-	-	-	-	-	-	
Ineligible for an authorisation for period of time	-	-	-	-	1	-	-	-	-	
Directions to pay compensation to complainant	-	-	-	-	-	-	-	-	-	
Aggregate value of compensation awarded to complainants	-	-	-	-	-	-	-	-	-	
Cases resting on file/similar	-	-	-	-	-	-	-	-	-	
Cases proven but no penalty or similar	-	-	5	-	-	-	-	-	-	
Student exclusions/suspensions applied	3	-	-	-	-	-	-	-	-	
Other	-	-	1	-	-	-	-	-	-	
Consent orders offered during the year	-	-	22	-	-	-	-	-	-	
Consent orders accepted during the year	-	-	21	-	-	-	-	-	-	
Cases where the Committee decision was published	5	-	23	-	3	-	-	-	-	
Cases where the decision was published, and the member identified in the publication	5	-	12	-	1	-	-	-	-	

Table B.7: Analysis of sanctions imposed – Registered Auditors

Year to 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Reprimands/severe reprimands imposed	1	45	15	-	4	-
Cases where fines were imposed	-	41	14	-	2	-
Aggregate value of fines imposed	-	€110,533	€67,750	-	€1,500	-
Maximum fine imposed in a single case	-	€30,000	€25,000	-	€1,000	-
Cases where costs were imposed	1	50	14	-	4	-
Aggregate value of costs imposed	€820	€95,282	€27,016	-	€3,500	-
Maximum costs imposed in a single case	€820	€14,895	€2,500	-	€5,000	-
Member exclusions applied	-	1	1	-	-	-
Member suspensions applied	-	-	1	-	-	-
Suspensions of audit authorisation applied	-	-	-	-	-	-
Withdrawals of audit authorisation applied	-	33	-	-	-	-
Cases where conditions were attached to authorisation	-	54	-	-	1	-
Ineligible for an authorisation for period of time	-	-	-	-	-	-
Refunds of fees/commissions applied	-	-	-	-	-	-
Directions to pay compensation to complainant	-	-	-	-	-	-
Aggregate value of compensation awarded to complainant	-	-	-	-	-	-
Cases resting on file/similar	-	-	-	-	-	-
Cases proven but no penalty or similar	-	-	4	-	-	-
Other	-	-	1	-	-	-
Consent orders offered during the year	-	37	22	-	-	-
Consent orders accepted during the year	-	31	21	-	-	-
Cases where the Committee decision was published	1	93	19	-	2	-
Cases where the decision was published, and the member identified in the publication	1	93	8	-	3	-

Part C: Student population & education

The Tables and Charts in this Part provide information regarding the student profile of each of the nine PABs as well as the PABs in aggregate. The education and training of students forms a significant part of the overall activities of the PABs. Whilst students are subject to the provisions of applicable bye-laws, rules and regulations of the relevant PAB, they:

- do not have the status of membership of that PAB;
- cannot hold themselves out to be members;
- cannot provide accounting services to the public; and
- are not entitled to use the designatory letters reserved for members of that PAB.

Student Population – Highlights 2010

- Taking the PABs in aggregate, there has been a decrease of 8% in total student numbers in Ireland in 2010, while there was a 7% increase in total worldwide student numbers during the year (Table C.1).
- As with membership, ICAI, ICPAI and IIPA students are predominantly based in Ireland, with the majority of the students of CIMA, CIPFA, ICAEW and ICAS being based in the UK. A majority of ACCA and AIA students (69% and 97% respectively) are located outside the EU.
- Four bodies dominate the student market in Ireland – ACCA students comprise almost 52% of all PAB students in Ireland, followed by ICAI with 27%, CIMA with 13% and ICPAI with 7% (Chart C.2). ICAEW, IIPA, AIA and CIPFA have very small student populations in Ireland, collectively comprising less than 1% of the market. ICAS do not currently have any students located in Ireland.
- In contrast to the membership statistics (Part A of this Chapter refers), the majority of PAB students are female (53%) (Table C.4). On an individual basis, Chart C.5 shows that ACCA, ICAI and ICPAI all have a majority female student populations.
- On an aggregate basis, employment in business is the largest employment sector for PAB students in Ireland at 44%, followed by practice at 35% (Chart C.6). On an individual basis, the statistics show that ICAI students are employed predominantly in practice, while business is the largest employer for students of ACCA, ICPAI and CIMA (Table C.5).
- The majority of PAB students (59%) are between 25 and 34 years of age (Chart C.8). A significant minority of the ICAI's student population (48%) are under 25 (Table C.6).
- During 2010, 71% of all students newly registered by the PABs held a degree or post-graduate qualification (Chart C.10). On an individual basis, the ICAI has the highest proportion of students with a relevant degree or post-qualification (85%).
- There has been a decrease of 15% in the number of students who registered for the first time in 2010 compared with the number in 2009 (Table C.8) and a 34% decrease during the 2008-2010 period.
- Of the 3,189 new students registered during the year, ACCA students comprise 49%, ICAI 30%, CIMA 13% and ICPAI 7%, with the other PABs accounting for the remaining 1%.

Table C.1: Students worldwide – location

As at 31 December	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	18,644	17,227	9,016	5	4,682	0	1,180	74	4	2,260	6
UK	151,884	156,274	82,674	14,505	1,084	2,962	10	1	147	52,210	2,681
Other EU Member States	21,855	23,655	20,155	827	2	42	0	0	84	2,542	3
Other locations	272,479	298,365	246,107	2,316	3	0	35	0	7,578	42,252	74
Total students worldwide	464,862	495,521	357,952	17,653	5,771	3,004	1,225	75	7,813	99,264	2,764

Chart C.1: Students worldwide – location

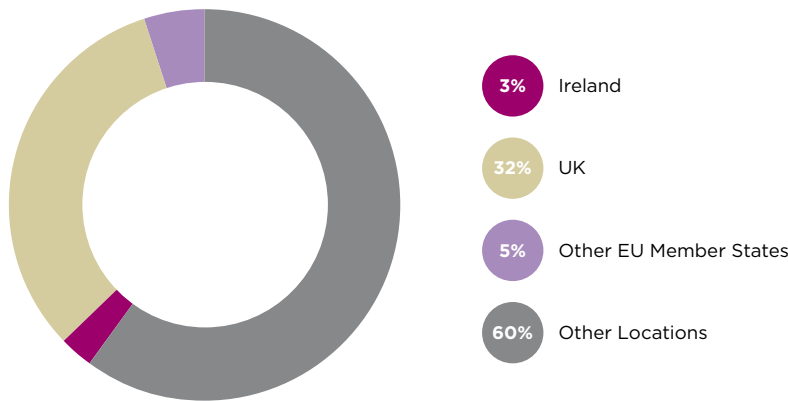


Chart C.2: Students worldwide – comparison of location

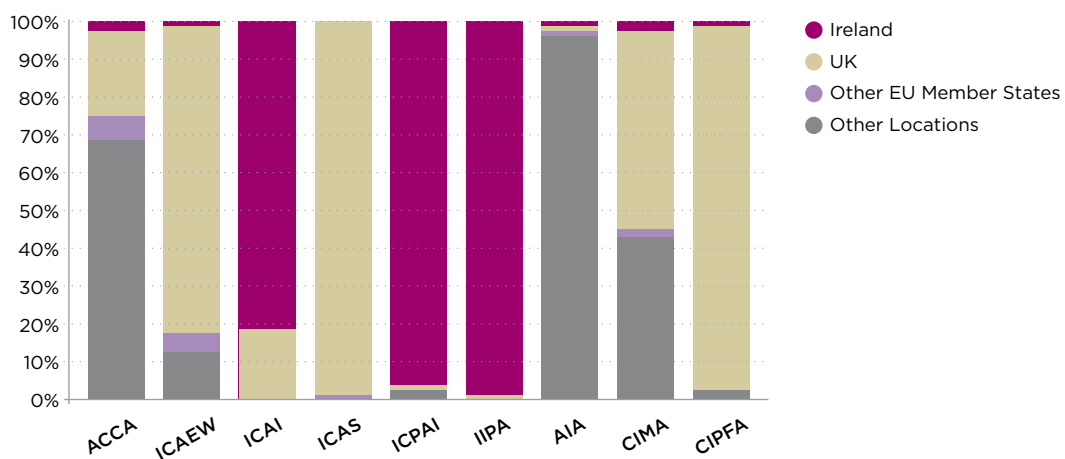


Table C.2: Students in Ireland – movement during the year

	Recognised Accountancy Bodies										
	2009 TOTAL	2010 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Students in Ireland at 1 January	18,805	18,644	9,580	5	5,098	0	1,385	164	4	2,397	11
During the year:											
ADD: New students registered	3,748	3,189	1,577	4	971	0	208	12	0	416	1
LESS: Lapsed student registrations	(2,073)	(2,303)	(1,518)	(2)	(78)	0	(250)	(98)	0	(353)	(4)
- Student registrations cancelled	(215)	(231)	(29)	(2)	(147)	0	0	(1)	0	(52)	0
- Students admitted as full members	(1,774)	(2,150)	(594)	0	(1,162)	0	(163)	(3)	0	(226)	(2)
Other	153	78	0	0	0	0	0	0	0	78	0
Students in Ireland at 31 December	18,644	17,227	9,016	5	4,682	0	1,180	74	4	2,260	6

Please refer to Table A.2 and the notes thereto regarding certain cross-referencing clarifications.

Table C.3: Students in Ireland – movement from 2008-2010

Student membership in Ireland as at 31 December	2008	2009	2010
ACCA	9,526	9,580	9,016
ICAEW	4	5	5
ICAI	4,920	5,098	4,682
ICAS	-	-	-
ICPAI	1,620	1,385	1,180
IIPA	121	164	74
AIA	8	4	4
CIMA	2,591	2,397	2,260
CIPFA	13	11	6
Total	18,803	18,644	17,227

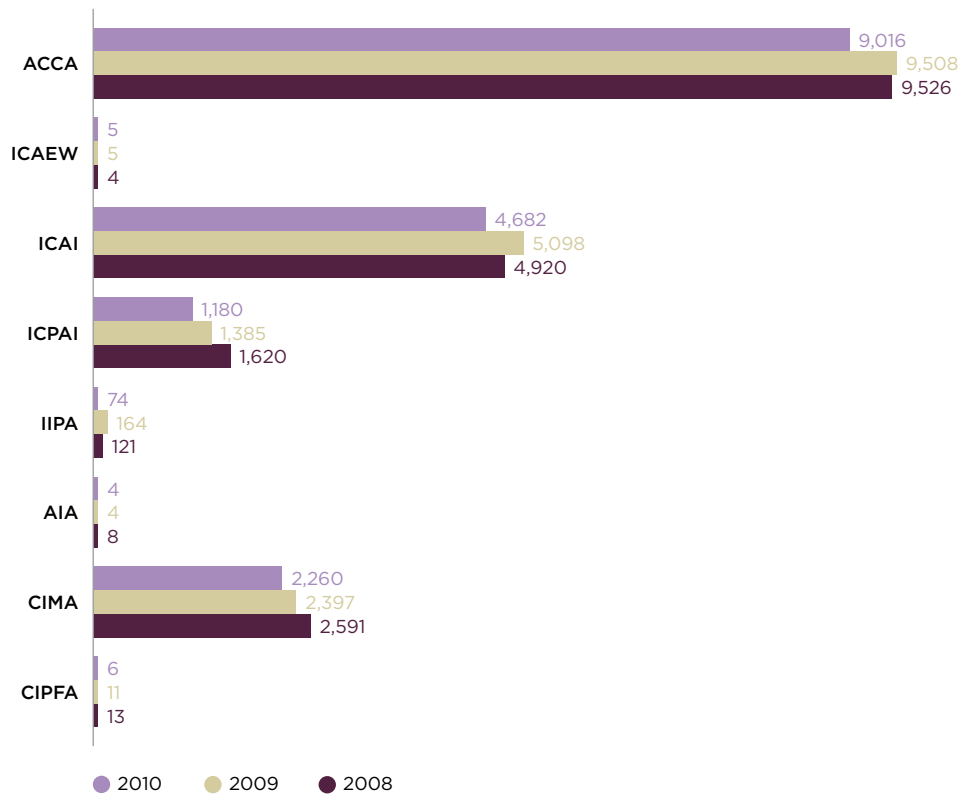
Chart C.3: Comparison of student membership in Ireland 2008–2010

Table C.4: Students in Ireland – gender profile

As at 31 December			Recognised Accountancy Bodies								
	2009 TOTAL	2010 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Female	9,860	9,134	5,017	1	2,388	0	767	31	1	926	3
Male	8,784	8,093	3,999	4	2,294	0	413	43	3	1,334	3
Total	18,644	17,227	9,016	5	4,682	0	1,180	74	4	2,260	6

Chart C.4: Students in Ireland – gender profile

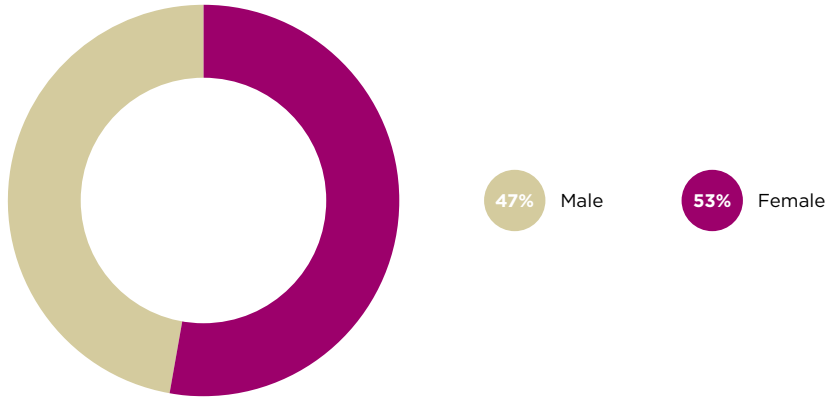


Chart C.5: Students in Ireland – comparison of gender profile

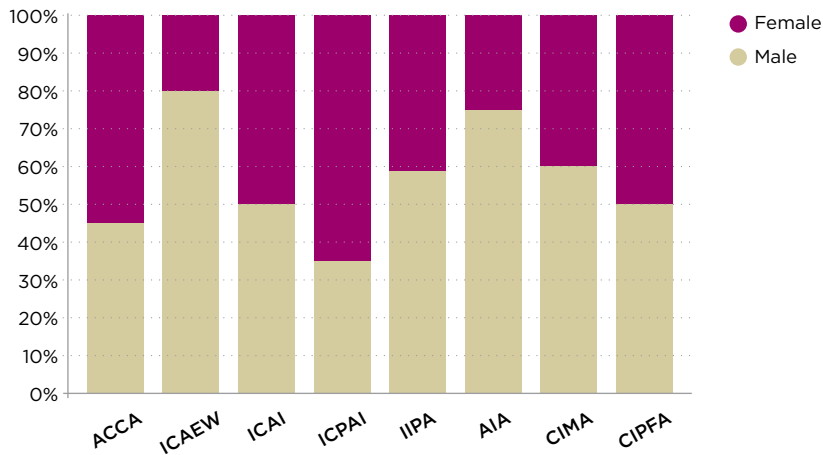


Table C.5: Students in Ireland – employment status

As at 31 December			Recognised Accountancy Bodies								
	2009 TOTAL	2010 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Practice	7,104	6,070	1,814	1	4,012	0	220	21	2	0	0
Industry/Business	8,011	7,589	4,505	1	181	0	628	35	2	2,237	0
Public sector	793	766	606	0	13	0	103	15	0	23	6
In full-time education	762	625	622	0	0	0	3	0	0	0	0
Other	1,974	2,177	1,469	3	476	0	226	3	0	0	0
Total	18,644	17,227	9,016	5	4,682	0	1,180	74	4	2,260	6

Chart C.6: Students in Ireland – employment status

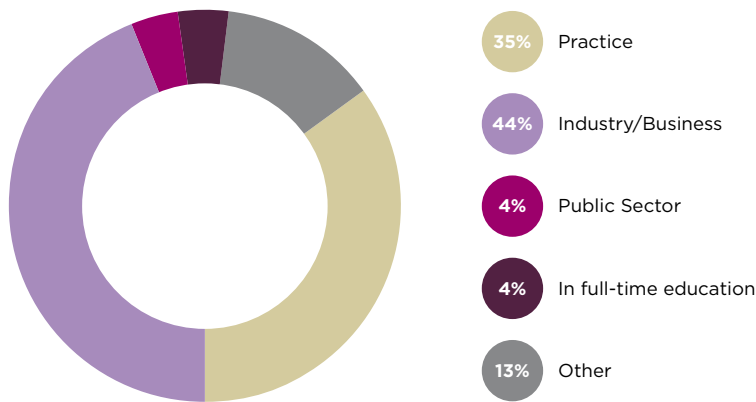


Chart C.7: Students in Ireland – comparison of employment status

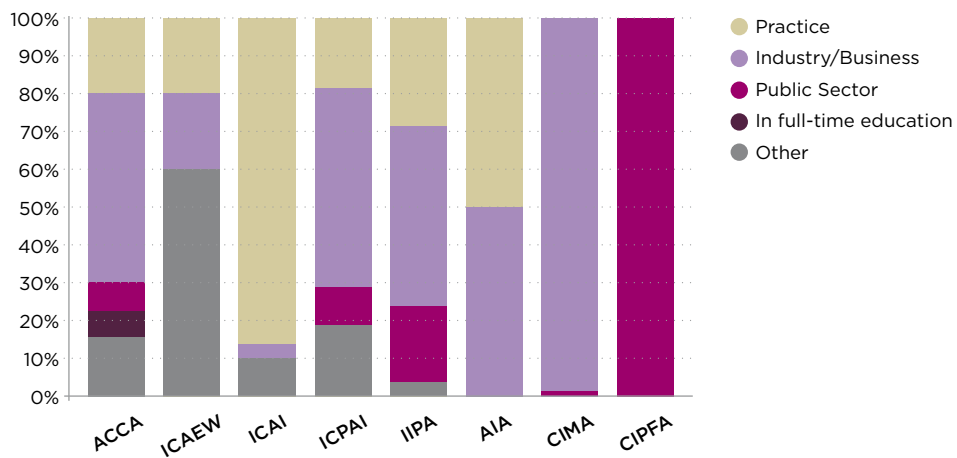


Table C.6: Students in Ireland – age profile

As at 31 December	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
< 25	3,757	3,098	587	0	2,241	0	128	5	0	137	0
25-34	11,260	10,150	6,117	5	2,136	0	656	38	3	1,194	1
35-44	2,914	3,169	1,873	0	254	0	291	21	1	728	1
45-54	568	651	359	0	42	0	91	9	0	148	2
55-64	130	135	69	0	9	0	12	1	0	43	1
65+	15	24	11	0	0	0	2	0	0	10	1
Total	18,644	17,227	9,016	5	4,682	0	1,180	74	4	2,260	6

Chart C.8: Students in Ireland – age profile

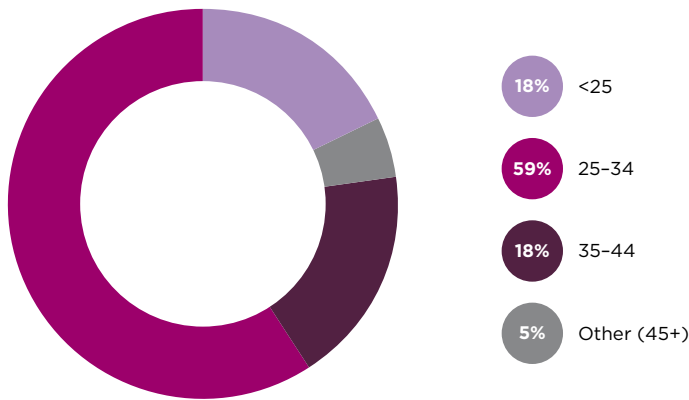


Chart C.9: Students in Ireland – comparison of age profile

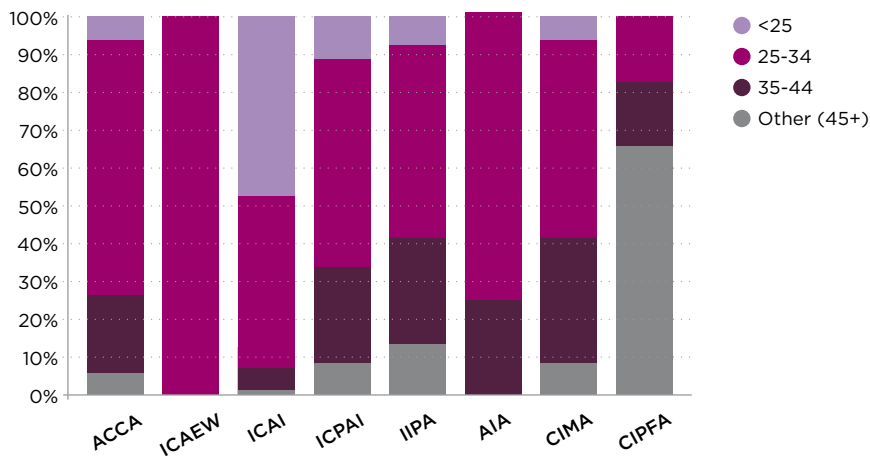


Table C.7: New students registered in Ireland – educational background

Students registered during the year	2009 TOTAL	2010 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Non-relevant primary degree	830	726	579	1	103	0	8	0	0	34	1
Relevant primary degree	1,344	1,006	273	1	546	0	79	3	0	104	0
Non-relevant post-graduate qualification	123	157	113	0	0	0	4	1	0	39	0
Relevant post-graduate qualification	262	370	32	1	284	0	16	0	0	37	0
Without a degree	1,189	930	580	1	38	0	101	8	0	202	0
New students registered	3,748	3,189	1,577	4	971	0	208	12	0	416	1

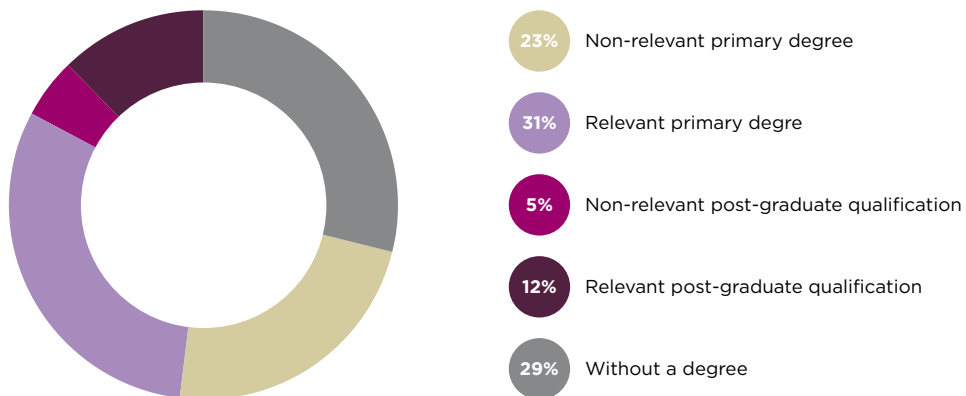
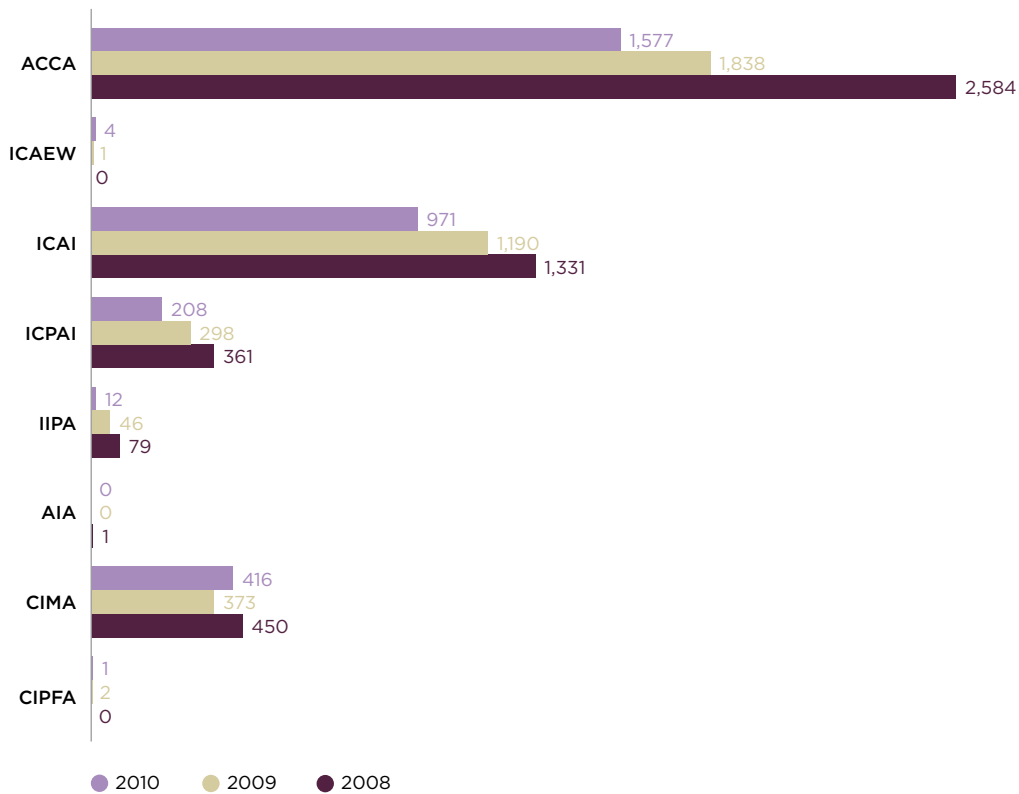
Chart C.10: New students in Ireland – educational background

Table C.8: New students registered in Ireland – movement from 2008-2010

New Students In Ireland as at 31 December	2008	2009	2010
ACCA	2,584	1,838	1,577
ICAEW	-	1	4
ICAI	1,331	1,190	971
ICAS	-	-	-
ICPAI	361	298	208
IIPA	79	46	12
AIA	1	-	-
CIMA	450	373	416
CIPFA	-	2	1
Total	4,806	3,748	3,189

Chart C.11: Comparison of new students registered in Ireland 2008-2010

Part D: Practising authorisation

As alluded to in Part A, the PABs impose additional requirements on those of their members wishing to engage in public practice (i.e. offering services to the public) before authorising them to do so. These additional requirements normally include:

- the necessity to arrange minimum levels of Professional Indemnity Insurance ('PII') cover;
- putting in place practice continuity arrangements whereby in the event of non-continuation of the practice (e.g. in the case of illness or death) clients' affairs will be afforded continuity of service;
- obtaining minimum levels of post admittance to membership experience; and
- undertaking CPD in areas of relevance to their practice.

Members or member firms who satisfy the specified criteria are granted a practising certificate, which authorises them to engage in public practice (but not to carry out work in reserved areas such as audit or investment business, for which additional authorisations are

required). Such members and member firms are generally required to renew this authorisation annually. Employees of a practising member or firm are not usually required to hold a practising certificate, unless they are holding themselves out to provide services to the public in their individual capacity as a member.

The following Tables detail how many of the PABs' members that are located in Ireland have satisfied the relevant requirements and have been authorised to engage in public practice. Some of the PABs also authorise members located outside of Ireland to practise and, accordingly, the Tables also show the number of such members that have been granted a practising certificate which includes the authorisation to engage in public practice in Ireland.

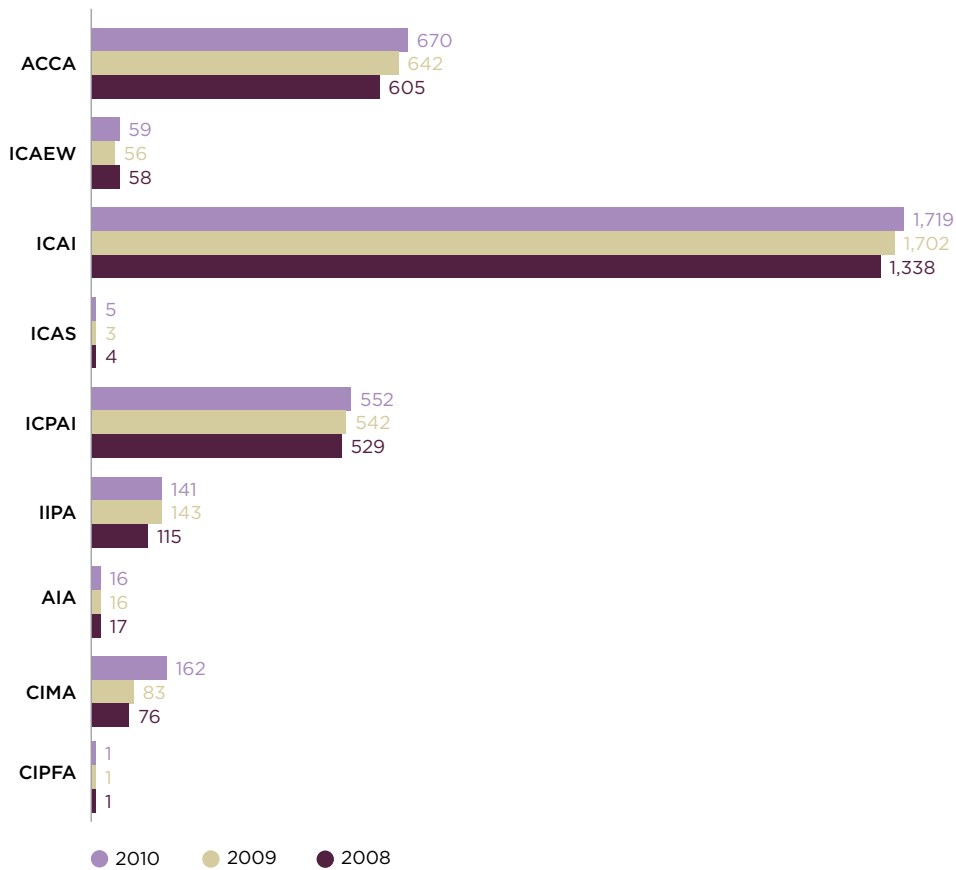
The Tables show that, while there were 30,834 PAB members authorised to engage in public practice as at 31 December, 2010, only 3,325 of those members were located in Ireland. Of those located in Ireland, three bodies dominate the population, with ICAI members accounting for 52%, ACCA members at 20% and ICPAI members making up 17%.

Table D.1: Members with Practising Certificates who are located in Ireland

As at 31 December, 2010	TOTAL	Recognised Accountancy Bodies								
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Whether the grant of a practising certificate is to an individual member or a firm		Member	Member	Member	Member	Member	Member	Member	Member	Member
Members with practising certificates at 1 January 2010	3,188	642	56	1,702	3	542	143	16	83	1
During the year:										
Add: Members who were granted a new certificate during the year	247	43	5	74	2	30	3	0	90	0
Less: Members who did not renew their practising certificate during the year	(93)	(15)	(2)	(49)	0	(19)	(5)	0	(3)	0
Less: Practising certificates withdrawn by the Institute/ Association during the year	(9)	0	0	(1)	0	0	0	0	(8)	0
Other	(8)	0	0	(7)	0	(1)	0	0	0	0
Practising certificates at 31 Dec, 2010 (For members located in Ireland)	3,325	670	59	1,719	5	552	141	16	162	1
Practising certificates at 31 Dec, 2010 to practice in Ireland (For members worldwide)	30,834	1,278	22,971	2,358	1,795	553	141	16	1,331	391

Table D.2: Members with Practising Certificates who are located in Ireland – movement from 2008–2010

Practising certificates at 31 December (For members located in Ireland)	2008	2009	2010
ACCA	605	642	670
ICAEW	58	56	59
ICAI	1,668	1,702	1,719
ICAS	4	3	5
ICPAI	529	542	552
IIPA	115	143	141
AIA	17	16	16
CIMA	76	83	162
CIPFA	1	1	1
Total	3,073	3,188	3,325

Chart D.1: Members with Practising Certificates located in Ireland 2008–2010

Part E: Registered Auditors

Previously, section 191 of the 1990 Act provided that the Authority could grant recognition to bodies of accountants for the purposes of section 187 of that Act¹¹⁶ (provided that those bodies satisfied certain criteria). Regulation 10 of the Statutory Audit Directive Regulations ('the Regulations') has replaced the previous Section 191 with a new section 191.

As a result, Section 191 now provides for two separate classes of recognition, *viz*:

- recognition for the purposes of section 187 of the 1990 Act (i.e. bodies entitled to grant approval to members to act solely as Public Auditors); and
- recognition for the purposes of Regulation 24 of the Regulations (i.e. bodies entitled to grant approval to members to act solely as Statutory Auditors).

A "public auditor" means a public auditor for the purposes of the Industrial and Provident Societies Acts 1893 to 1978, and the Friendly Societies Acts 1896 to 1977.

In accordance with the provisions of Regulations 10(3) and 10(4) of the Regulations, the six¹¹⁷ RABs that, prior to the enactment of the Regulations were RABs for the purpose of section 187:

- continue to stand recognised by the Authority under, or for the purpose of, section 187; and
- are deemed to have been granted recognition by the Authority under, or for the purposes of, the Regulations.

The Tables and Charts in this Part provide information in respect of the members/member firms authorised by the six RABs to perform both statutory audits under the Companies Acts and audits under the Industrial and Provident Societies Acts 1893 to 1978, and the Friendly Societies Acts 1896 to 1977.

Certain companies are obliged under company law to have their financial statements audited by a suitably qualified auditor or audit firm on an annual basis¹¹⁸. To be eligible to undertake statutory audits of a company, an individual or a firm must be:

- a member of the RAB holding appropriate qualifications as referred to in Regulation 26 of the Regulations;
- a Member State Auditor meeting certain requirements; or

- a Third Country Auditor meeting certain requirements.

To be eligible to undertake audits as a public auditor under the Industrial and Provident Societies Acts 1893 to 1978, and the Friendly Societies Acts 1896 to 1977, an individual or a firm must be:

- a member of a RAB; and
- hold a valid practising certificate (conferring the entitlement to audit) from that body.

Prior to the introduction of the Regulations, Section 187 of the 1990 Act provided that certain persons, while not necessarily being members of a RAB, were entitled to perform statutory audit work on foot of individual Ministerial authorisations granted prior to 3 February, 1983 and having been registered under the provisions of section 199(3) of the 1990 Act. Further details of these individuals are provided in Part F of this Chapter.

'Registered auditor', in the context of the following Tables, means a firm or an individual that is registered to undertake:

- statutory audits under the Companies Acts;
- audits under the Industrial and Provident Societies Acts 1893 to 1978, and the Friendly Societies Acts 1896 to 1977;

Membership of a RAB does not automatically entitle an individual or firm to provide audit services. Rather, to obtain audit registration, a member or firm must satisfy the relevant RAB's additional criteria (i.e. over and above those required for (i) membership; and (ii) practising authorisation) which normally include:

- an audit qualification for any individual who proposes to sign an audit report; and
- sufficient and appropriate post-membership audit experience.

While 6,171 members/member firms have been authorised by the RABs to offer auditing services in Ireland (Table E.1), the number of those with offices in Ireland is substantially smaller at 1,562 (Table E.3). This is attributable to the fact that, generally speaking, authorisation by UK based RABs of UK based members/member firms also constitutes authorisation to perform statutory audits in Ireland. The majority (71%) of auditors with offices in Ireland operate as one principal firms (Table E.3), meaning that there is one partner in the firm, who may or may not employ a number of staff.

¹¹⁶ i.e. for the purpose of entitling those bodies to authorise members to act as Auditors.

¹¹⁷ The other three PABs (i.e. AIA, CIMA and CIPFA) are not RABs and may not, therefore, confer audit authorisations in Ireland on their members/member firms.

¹¹⁸ Certain companies who meet defined criteria may avail of an exemption from the general requirement to have their financial statements audited.

Table E.1: Registered Auditors – analysis by principal and offices worldwide

As at 31 December, 2010	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Whether audit registration is by member or by firm		Firm	Firm	Firm	Firm	Firm	Both
Total number of registered auditors at 31 December	6,171	540	3,958	986	232	348	107
Analysis of firms by number of principals:							
1 principal	3,257	402	1804	619	83	251	98
2-5 principals	2,491	134	1788	337	127	96	9
6-10 principals	290	4	253	19	13	1	0
11-25 principals	95	0	84	5	6	0	0
26-50 principals	17	0	12	4	1	0	0
50 + principals	21	0	17	2	2	0	0
Analysis of firms by number of offices							
1 office	4,519	481	2525	907	173	326	107
2 offices	1,199	48	1032	54	43	22	0
3 offices	262	10	233	19	0	0	0
4-5 offices	131	1	113	5	12	0	0
6-10 offices	42	0	38	1	3	0	0
11-20 offices	10	0	10	0	0	0	0
More than 20 offices	8	0	7	0	1	0	0

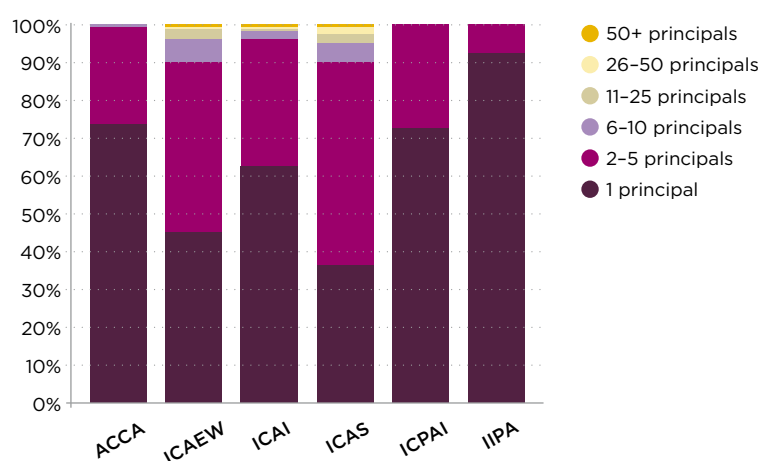
Chart E.1: Comparison of Registered Auditors worldwide by number of principals

Chart E.2: Comparison of Registered Auditors worldwide by number of offices

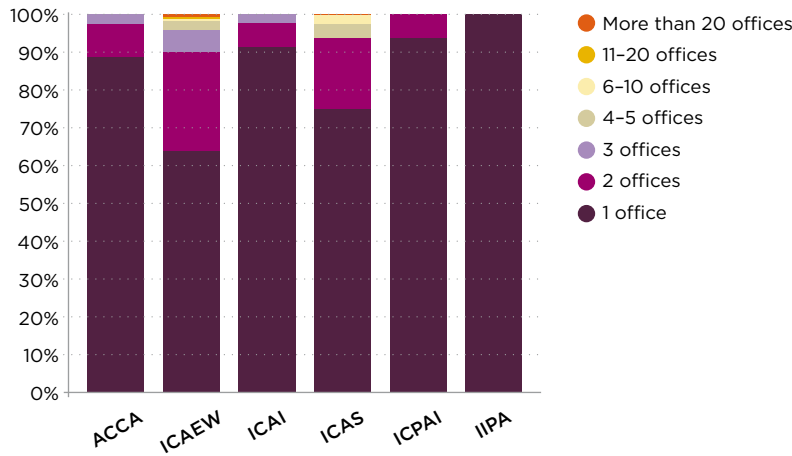


Table E.2: Registered Auditors worldwide - movement from 2008-2010

As at 31 December	2008	2009	2010
ACCA	531	540	540
ICAEW	2,805	2,545	3,958
ICAI	991	985	986
ICAS	205	191	232
ICPAI	339	343	348
IIPA	115	111	107
Total	4,986	4,715	6,171

Chart E.3: Registered Auditors worldwide 2008-2010

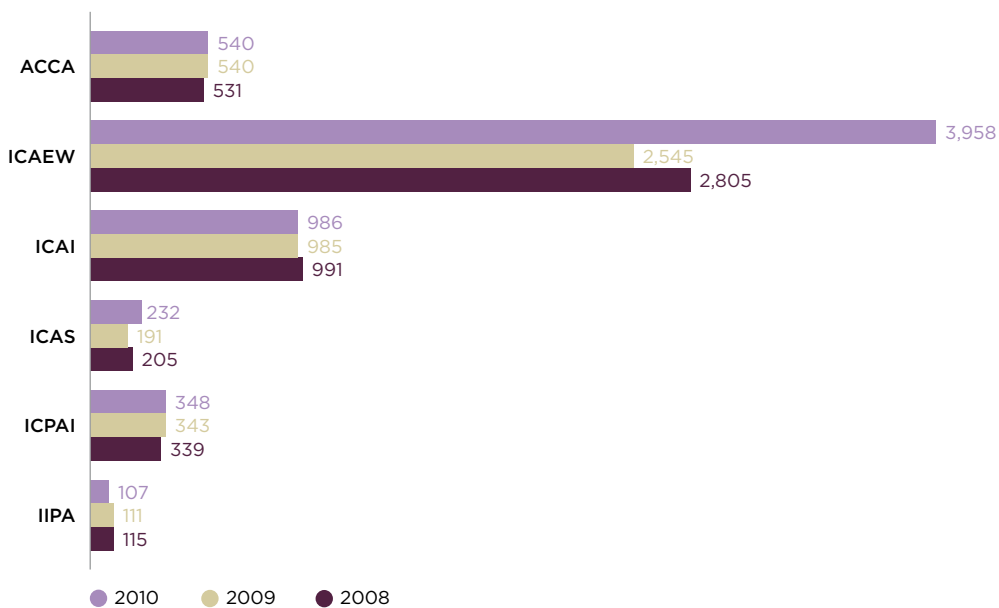
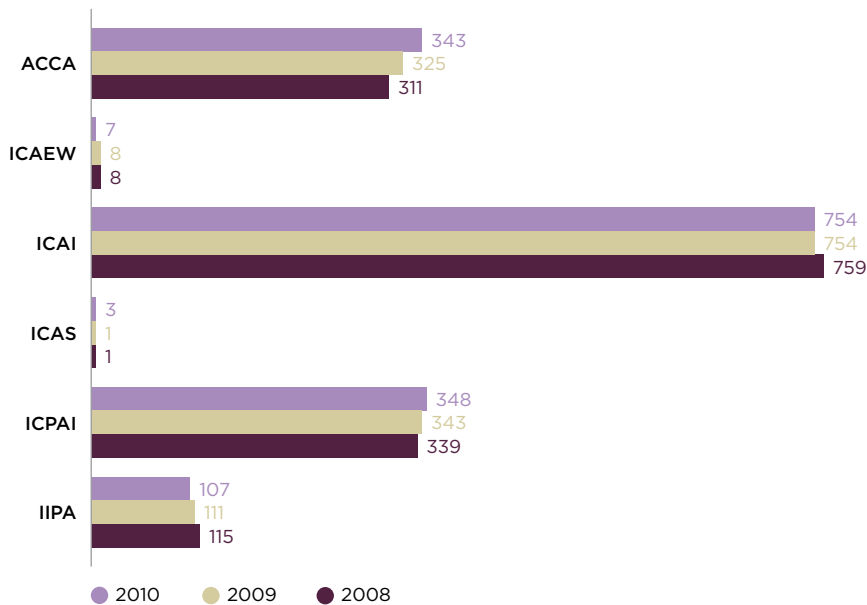


Table E.3: Registered Auditors with offices in Ireland – analysis by principal and offices

As at 31 December, 2010	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Whether audit registration is by member or by firm		Firm	Firm	Firm	Firm	Firm	Both
Total number of registered auditors at 31 December	1,562	343	7	754	3	348	107
Analysis of firms by number of principals:							
1 principal	1,108	254	6	497	2	251	98
2-5 principals	429	85	1	237	1	96	9
6-10 principals	16	4	0	11	0	1	0
11-25 principals	3	0	0	3	0	0	0
26-50 principals	4	0	0	4	0	0	0
50 + principals	2	0	0	2	0	0	0
Analysis of firms by number of offices							
1 office	1,460	312	6	706	3	326	107
2 offices	81	25	1	33	0	22	0
3 offices	17	6	0	11	0	0	0
4-5 offices	3	0	0	3	0	0	0
6-10 offices	1	0	0	1	0	0	0
11-20 offices	0	0	0	0	0	0	0
More than 20 offices	0	0	0	0	0	0	0

Table E.4: Registered Auditors with offices in Ireland – movement from 2008-2010

As at 31 December	2008	2009	2010
ACCA	311	325	343
ICAEW	8	8	7
ICAI	759	754	754
ICAS	1	1	3
ICPAI	339	343	348
IIPA	115	111	107
Total	1,533	1,542	1,562

Chart E.4: Registered Auditors with offices in Ireland 2008-2010**Table E.5:** Registered Auditors – movement during the year

As at 31 December, 2010	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Audit registrations at 1 January, 2010	4,715	540	2,545	985	191	343	111
During the year:							
ADD: New applications for audit registration accepted	440	52	270	49	42	22	5
LESS: Audit registrations withdrawn/not renewed following a request from the registered auditor	(524)	(51)	(400)	(47)	(1)	(16)	(9)
Audit registrations withdrawn /suspended as a result of disciplinary or other regulatory action taken by the Institute/Association	(27)	(1)	(25)	(1)	0	0	0
Other	1,567	0	1,568	0	0	(1)	0
Registered Auditors at 31 December, 2010	6,171	540	3,958	986	232	348	107

Table E.6: Registered Auditors with offices in Ireland – movement during the year

As at 31 December, 2010	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Audit registrations at 1 January, 2010	1,542	325	8	754	1	343	111
During the year:							
ADD: New applications for audit registration accepted	96	34	1	32	2	22	5
LESS: Audit registrations withdrawn/not renewed following a request from the registered auditor	(73)	(15)	(2)	(31)	0	(16)	(9)
Audit registrations withdrawn/suspended as a result of disciplinary or other regulatory action taken by the Institute/Association	(2)	(1)	0	(1)	0	0	0
Other	(1)	0	0	0	0	(1)	0
Registered Auditors at 31 December, 2010	1,562	343	7	754	3	348	107

Part F: Individually Authorised Auditors

As alluded to in Part E of this Chapter, Individually Authorised Auditors ('IAAs') are individuals who were authorised to be qualified for appointment as an auditor of a company or as a Public Auditor by the Minister before the 3 February, 1983.

The Statutory Audit Directive Regulations contained important requirements for IAAs authorised as Company Auditors.

Regulation 25(1) provides that a person that was qualified for appointment as an auditor of a company pursuant to Part X of the 1990 Act is deemed to be approved as a statutory auditor in accordance with the Regulations. Additional requirements are imposed in Regulations 25(2) and 25(3) in relation to a person who is qualified for appointment as an auditor of a company pursuant to Part X of the 1990 Act by virtue of having been authorised by the Minister to be so appointed before 3 February 1983.

This requirement provides that an IAA's deemed approval to act as a Statutory Auditor shall cease to have effect unless, as soon as may be after the commencement of Regulation 25 (i.e. 20 May, 2010), the IAA becomes either:

- (a) a member; or
- (b) subject to the regulation

of a RAB.

Regulation 63 requires the CRO to maintain a register of statutory auditors and audit firms with effect from 20 August, 2010. Regulation 64 requires an IAA to provide the relevant information (i.e. information that is listed in Schedule 1 of the Regulations in relation to Statutory Auditors) to the CRO as soon as may be after 20 May, 2010.

Regulation 68(2) required that the information be provided to the CRO within one month of the commencement of the Regulations, i.e. by 20 June, 2010. Regulation 68(3) provides that a person who fails, without reasonable excuse, to register with the CRO is guilty of an offence and is liable, on summary conviction, to a fine not exceeding €5,000.

Regulation 65 prohibits a person from acting as, or representing himself as, a statutory auditor unless his name is entered in the Register of Auditors. This provision is effective from 20 August, 2010 and anyone contravening this Regulation is guilty of an offence and is liable:

- on summary conviction, to a fine not exceeding €5,000; or
- on conviction on indictment, to a fine not exceeding €50,000.

An IAA whose sole authorisation is to act as a Public Auditor is not subject to the requirements to become regulated as outlined in the Regulations and is not authorised to act as a Statutory Auditor. Public Auditors are, however, required to be included on the Register of Auditors maintained by the CRO under section 198 of the 1990 Act.

Part G: Recognised Accountancy Bodies' Monitoring of Registered Auditors

Responsibility for the monitoring (i.e. quality assurance processes and monitoring of compliance with professional standards etc.) of members and member firms resides with the RABs. The Authority's role is to supervise the manner in which the RABs discharge their monitoring responsibilities and the Authority's activities in this regard are discussed in Chapter 3 of this Report.

At this time, all of the RABs have arrangements in place for monitoring their members/member firms. In the case of several of the RABs, this regime extends beyond audit into other areas of members' or member firms' activities such as, for example, investment business activities. As this Part is concerned with the quality assurance system employed to assess those members who are registered auditors, information on other areas of members' activities such as investment business activity is not discussed here.

Each RAB's quality assurance process is tailored to its specific requirements and elements thereof may include, for example, desk-top reviews of members' annual returns, desk-top reviews of members' individual client engagement files and/or periodic quality assurance visits to registered auditors' offices by quality assurance reviewers (who are, generally, employees of the RABs).

The scope of quality assurance visits to members or member firms typically includes:

- an assessment of the member's or member firm's compliance with the relevant RAB's bye-laws, regulations, professional standards and applicable law;
- an assessment of the member's or member firm's internal quality control procedures; and
- a substantive review of individual client engagement files for the purpose of assessing, amongst other things, the level of adherence to auditing standards.

Each of the RABs seeks to perform quality assurance reviews of members or member firms by reference to pre-set cycles. The length of cycles varies between the RABs and within the RABs depending on the nature of members' or member firms' client bases (e.g. firms auditing listed clients or clients otherwise regulated would generally tend to be reviewed more frequently than members/member firms not having such clients). In addition it should be noted that:

- the information and statistics provided in this Part may relate to the RABs' total activities in respect of quality assurance and not solely to their activities in respect of Registered Auditors; and
- variations may occur in the statistics provided in Table G.1 (relating to the number of reviews completed) and Table G.3 (regarding the number of grades awarded) due to timing differences arising from the date of the completion of the review and the date of the awarding of the grade.

Table G.1: Registered Auditors – quality assurance reviews – summary of activities

As at 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of quality assurance reviews open at 1 January, 2010	10	80	36	1	1	4
Add: Quality assurance on-site visits carried out during 2010	56	751	87	50	93	10
Less: Quality assurance reviews concluded during 2010	(59)	(755)	(102)	(50)	(94)	(12)
Quality assurance reviews open at 31 December, 2010	7	76	21	1	0	2

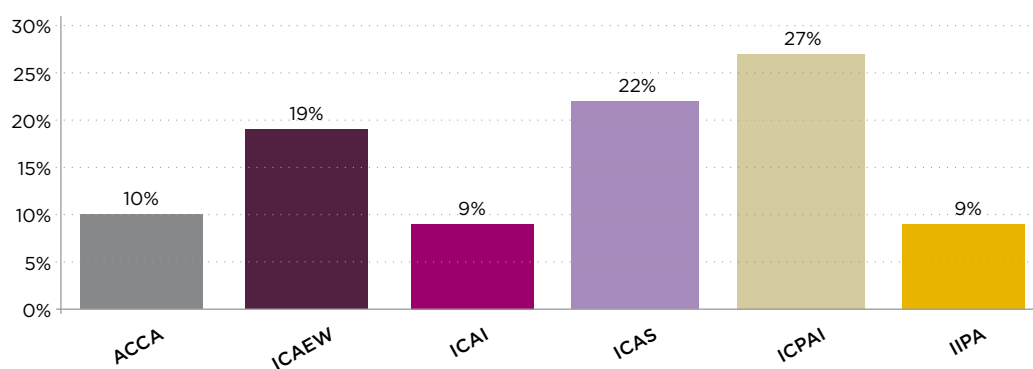
Chart G.1: % of on-site visits (Table G.1) by total number of Registered Auditors (Table E.1)

Table G.2: Quality assurance on-site visits during 2010

As at 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of expected quality assurance on-site visits to be undertaken in 2010	115	750	139	50	0	10
Number of visits actually undertaken in 2010	56	755	87	50	93	10
Analysis of the reasons for each visit:						
Number of members/firms selected for a visit as part of normal cycle (randomly/routinely)	31	676	0	0	81	7
Number of members/firms specifically selected and visited due to heightened risk (excluding early follow-ups)	0	68	77	48	0	1
Number of members/firms that were visited following a referral from a Committee	4	11	3	0	4	0
Number visited as re-review/early follow-up	21	0	2	2	8	2
Other reason	0	0	5	0	0	0
Analysis of members/firms visited by size						
1 principal	46	334	57	14	64	10
2-5 principals	10	337	26	30	28	0
6-10 principals	0	38	0	4	1	0
11-25 principals	0	22	0	1	0	0
26-50 principals	0	10	2	0	0	0
More than 50 principals	0	14	2	1	0	0

Table G.3: Registered Auditors – Outcome of Quality Assurance Visits – Grades

As at 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Grades awarded	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6

Note 1: ACCA grades awarded

This Table shows the reasons for, and outcomes of, quality assurance visits carried out by ACCA to firms holding a firm's auditing certificate valid in Ireland during 2010.

Visit reason	A/B	C+	C-	D	Total
New/Routine	17	8	-	8	33
Early follow-up (4 years)	11	1	1	4	17
Early follow-up (2 years)	3	-	-	3	6
Investigative	-	-	-	-	-
Committee ordered visit	2	-	-	1	3
Total	33*	9	1	16	59*

* Nine of these firms had no audit clients.

Key to grades awarded:

- A/B: Good/Satisfactory;
- C+: Unsatisfactory & improvements required;
- C-: Unsatisfactory & significant improvements required;
- D: Regulatory action required (regulatory/disciplinary action).

Note 2: ICAEW grades awarded

Grade	No.
A: No instances of non-compliance or other matters requiring follow-up action.	89
B: Some instances of non-compliance or other matters but the firm's responses adequately address the matters raised and no follow-up action required.	397
C: Some instances of non-compliance or other significant issues and additional detail or evidence of the firm's actions as agreed in its closing meeting required.	132
D4: No conditions or restrictions are proposed but the Committee may wish to impose regulatory penalties or refer to investigations.	22
D3: The Quality Assurance Directorate is recommending conditions be imposed, for which the firm has not volunteered, but are likely to lead to the necessary improvements once imposed.	16
D2: Serious or extensive non-compliance and the firm's responses inadequate. Stringent conditions and restrictions likely to be recommended, to provide a strong framework to monitor the firm's actions. The Committee may warn that it considered withdrawing the firm's audit registration.	25
D1: The Quality Assurance Directorate recommends that the firm's audit registration should be withdrawn.	17
N: Situations where specific Committee requirements cannot be rated in accordance with the specified criteria e.g. where a firm wishes to continue with audit registration but does not have any audit clients.	57
Total	755

Note 3: ICAI grades awarded

Grade	No.
A: No breaches recorded and no regulatory action required	1
B: Instances of non-compliance noted but firm has undertaken to address all issues arising and no follow-up action is required.	20
C: Instances of non-compliance noted and the firm has undertaken to take actions that address the issues raised, and follow-up is required.	40
D3: Conditions or restrictions to be imposed, but loss of registration or authorisation not being proposed	22
D2: Serious integrity concerns, flagrant breaches, lack of commitment, progress, competence or failure to comply with previous conditions/restrictions. The Quality Review Committee will be 'minded to withdraw' authorisation or registration. However, it may be possible for the problems to be corrected.	14
D1: Serious integrity concerns, flagrant breaches, lack of commitment, progress, competence or failure to comply with previous conditions/restrictions. Loss of registration or authorisation is proposed.	5
Total	102

Note 4: ICAS grades awarded

Grade	No.
A: No instance of non-compliance with the Institute's Audit Regulations	0
B: Some areas of non-compliance, but they have been adequately addressed by the firm's closing meeting responses	29
C2: Some instances of non-compliance in relation to one area and follow up action is required	16
C1: Some instances of non-compliance in relation to more than one area and follow up actions required	1
D3: Findings requiring follow-up actions such as imposition of conditions and restrictions	2
D2: Committee to consider withdrawing audit registration or to impose serious conditions and restrictions.	0
D1: Proposing withdrawal of audit registration	1
Total	49

Note 5: ICPAI grades awarded

Type of review	A	B	C	D	No Grade	Total
Normal review	34	35	9	3	-	81
Re-review	3	4	0	-	1	8
Committee referral	1	1	-	-	2	4
Total	38	40	9	3	3	93

Explanation of Grades

A: No follow up action necessary

B: Some follow up required to address particular area of weakness

C: Full re-review required, significant areas of weakness or problems

D: Immediate referral to Director of Professional Standards or Investigation Committee

Note 6: IIPA grades awarded

Grade	No.
1: No further action or follow up required	0
2: The firm has a small number of minor issues and will be required to address and report back to the Monitoring Committee within an eight week period.	2
3: The firm has a moderate number of minor issues and will be required to address and report back to the Monitoring Committee within an eight week period. They will be subject to a revisit within six months.	3
4: The firm has a large number of minor issues or a small number of significant issues and will be required to address and report back to the Monitoring Committee within a four week period. In addition they will be required to immediately engage appropriate professional guidance from an appropriate source.	1
5: The firm has a large number of significant issues. Prompt action will be taken by the Monitoring Committee; this will include suspension of the member's Practising Certificate and referral of the matter to the Director of Professional Conduct as a Complaint.	1
No Grade Given: The review of the firm has not been completed due to time constraints experienced by the Monitor.	3
Total	10

Table G.4: Registered Auditors – Outcome of Quality Assurance Visits – RABs' actions

As at 31 December, 2010	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number who have had their audit registration withdrawn as a result of the findings of a quality assurance review	0	13	1	0	0	0
Number who have had their audit registration suspended as a result of the findings of a quality assurance review	0	0	10	0	0	0
Number referred to an investigations & disciplinary process	0	36	2	0	0	0
Number who have had a follow up on site visit imposed	14	6	1	1	8	1
Number who have had cold file reviews imposed	0	15	29	11	0	0
Number who have had monetary penalties imposed	0	34	21	1	0	0
Number who have had a desk-top review of client files imposed	0	0	0	0	38	0
Number directed to address CPD/training matters	0	19	27	3	3	0
Number directed not to accept further audit appointments	0	33	14	0	0	0
Number directed to resign from a client	0	0	0	0	0	0
Number of other conditions/restrictions	16	169	45	8	0	0