
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 (Part A of this Chapter refers);
- investigation and disciplinary activities (Part B of this Chapter refers);
- respective student populations (Part C of this Chapter refers);
- practice authorisation (Part D of this Chapter refers);
- registration of members/member firms as auditors (Part E of this Chapter refers); and
- the RABs' monitoring of registered auditor members/member firms (Part F of this Chapter refers).

The information set out in this Chapter relates to the year ended 31 December, 2011.

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 Authority's 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, i.e.:

- firstly, to provide the Authority with the information necessary to:
 - facilitate the monitoring of the PABs' ongoing regulatory and monitoring activities; and
 - plan 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 confidential in nature and, accordingly, whilst 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 nevertheless 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; and

‘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, the addresses of which 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 and Accountancy (CIPFA)	www.cipfa.org.uk
Institute of Chartered Accountants in England and 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

Part A: Membership

Admission to PAB membership

Admission to membership involves applicants satisfying 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, supervised 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, PAB members 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' rules, regulations and standards etc. Failure to comply with same may render a member liable to disciplinary action.

Members in public practice

It should be noted that the PABs impose additional requirements on those of their members engaged in public practice (i.e. those 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 – Tables and Charts

- During 2011, there has been a 3% increase in the membership of the nine PABs both in Ireland and worldwide (Tables A.1 and A.2), with ACCA having the largest membership worldwide.

- ICAI, ICPAI and IIPA membership is predominantly based in Ireland, with the majority of CIMA, CIPFA, ICAEW and ICAS members based in the UK. 50% of ACCA members are located in the UK and Ireland, while the majority (75%) of AIA members are located outside of the EU (Chart A.2).
- Four bodies dominate PAB membership in Ireland (Chart A.1):
 - ICAI (45.0%);
 - ACCA (27.3%);
 - CIMA (13.2%); and
 - ICPAI (11.5%).
- 40% of PAB members located in Ireland are female, compared with 39% in 2010 (Chart A.4). While Chart A.5 shows that males comprise the majority gender in all nine bodies, the numbers of female members have 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.
- While the majority of PAB members located in Ireland (61%) are employed in business, a significant minority (24%) are employed in practice (Chart A.6). IIPA is the only PAB with a majority of Irish based members employed in practice (Chart A.7).
- 68% of aggregate PAB membership in Ireland comprises of individuals under 45 years of age (Chart A.8). ACCA has the highest proportion of under 45s (75%), followed by ICAI (69%), ICPAI (64%) and CIMA (62%) (Chart A.9).
- Table A.2 shows the movements in membership in Ireland during 2011. Increases in membership arise, in the main, through the admission of students to membership. Decreases in membership are principally due to member resignations or exclusions. Exclusions arise mainly as a consequence 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.1: Members worldwide – location

			Recognised Accountancy Bodies								
As at 31 December	2010 TOTAL	2011 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	30,002	30,890	8,444	444	13,908	69	3,548	207	125	4,080	65
UK	278,057	285,069	66,861	117,031	4,906	16,597	96	4	1,522	64,958	13,094
Other EU Member States	15,037	15,268	8,396	4,559	400	407	39	1	184	1,205	77
Other locations	104,866	110,969	67,582	16,430	1,691	2,261	152	3	5,469	17,073	308
Total members worldwide	427,962	442,196	151,283	138,464	20,905	19,334	3,835	215	7,300	87,316	13,544

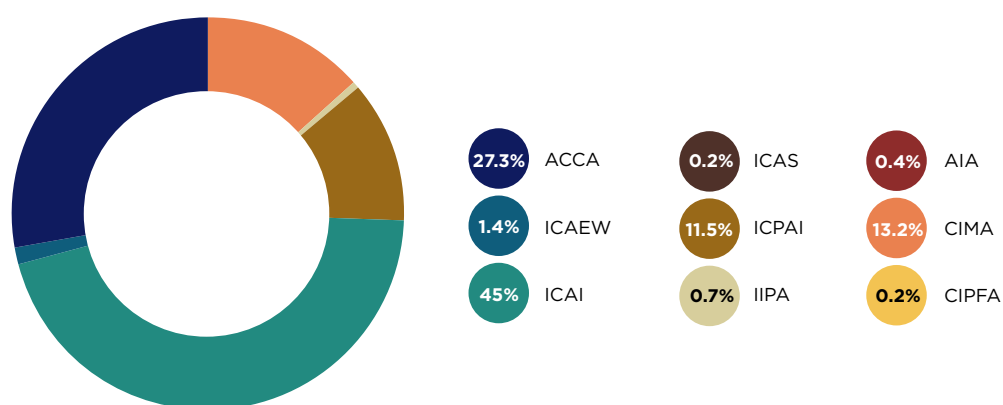
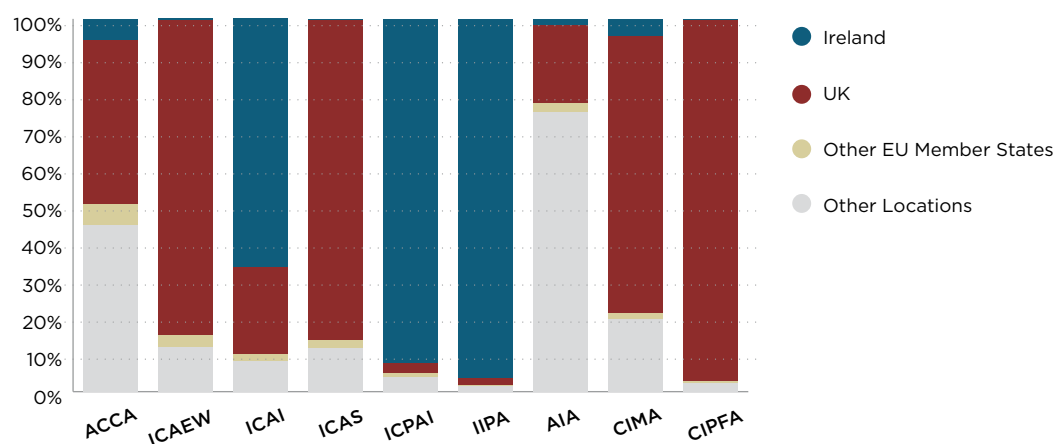
Chart A.1: % Share of PAB Members located in Ireland**Chart A.2:** Members worldwide – comparison of location

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

	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Members in Ireland at 1 January	28,547	30,002	8,151	435	13,475	69	3,474	207	134	3,991	66
During the Year:											
ADD: Students admitted as members	1,861	1,314	474	3	535	-	150	3	-	149	-
Members of other bodies admitted as members	11	21	13	-	3	-	5	-	-	-	-
Other Individuals admitted as members	5	2	-	-	-	-	-	2	-	-	-
Former members re-admitted to membership	144	145	51	1	9	-	2	1	-	80	1
LESS: Members excluded from membership	(378)	(380)	(228)	(2)	(28)	-	-	-	(2)	(120)	-
Members resigning from membership	(133)	(163)	(8)	(1)	(58)	-	(67)	(6)	(4)	(17)	(2)
Members deceased	(34)	(43)	(9)	(1)	(28)	-	(1)	-	(1)	(3)	-
Other	(21)	(8)	-	9	-	-	(15)	-	(2)	-	-
Members in Ireland at 31 December	30,002	30,890	8,444	444	13,908	69	3,548	207	125	4,080	65

Table A.3: Members in Ireland – movement from 2009-2011

Membership In Ireland as at 31 December	2009	2010	2011
ACCA	7,722	8,151	8,444
ICAEW	434	435	444
ICAI	12,694	13,475	13,908
ICAS	65	69	69
ICPAI	3,363	3,474	3,548
IIPA	219	207	207
AIA	138	134	125
CIMA	3,846	3,991	4,080
CIPFA	66	66	65
Total	28,547	30,002	30,890

Note: The ICAEW figure for 'students admitted as members' in Table A.2 (3) differs to Table C.2 (2) as individuals who are eligible for membership for more than 12 months are not included in the ICAEW student figures.

Note: The ICAI figure for 'students admitted as members' in Table A.2 (535) differs to Table C.2 (851) as students may complete their term as a student in Ireland but move to another location prior to admission to membership.

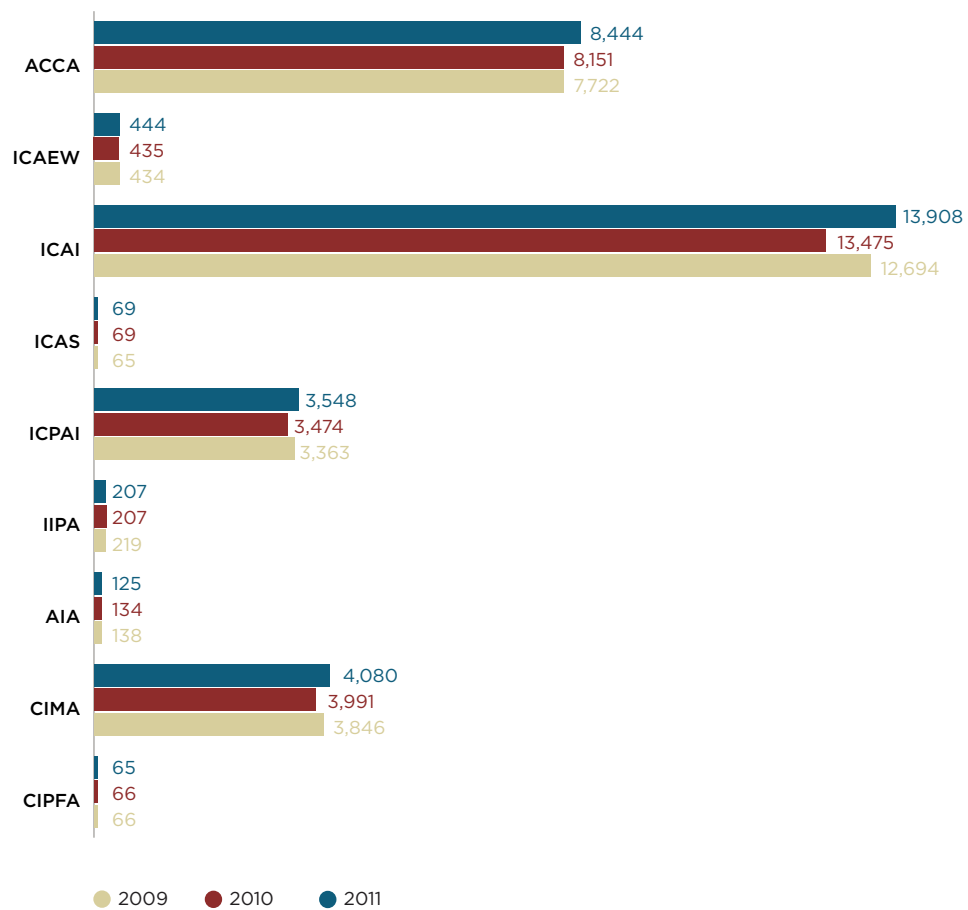
Chart A.3: Comparison of membership in Ireland

Table A.4: Members in Ireland – gender profile

As at 31 December	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Female	11,713	12,311	3,748	105	5,279	16	1,763	13	9	1,354	24
Male	18,289	18,579	4,696	339	8,629	53	1,785	194	116	2,726	41
Total membership	30,002	30,890	8,444	444	13,908	69	3,548	207	125	4,080	65

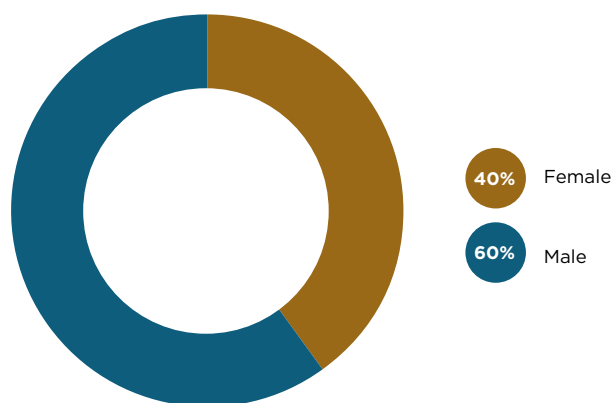
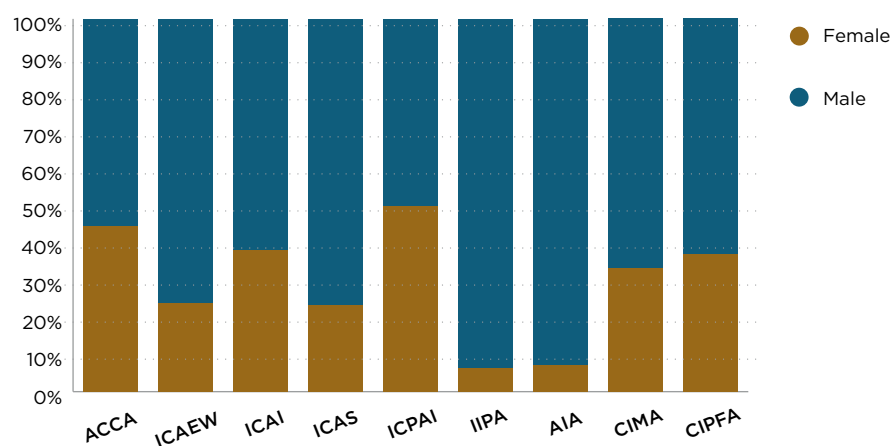
Chart A.4: Members in Ireland – gender profile**Chart A.5:** Members in Ireland – comparison of gender profile

Table A.5: Members in Ireland – employment status

As at 31 December	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Practice	7,648	7,577	1,944	107	4,091	10	1,150	184	16	74	1
Industry/Business	18,471	18,727	5,162	190	7,837	40	1,788	15	73	3,616	6
Public Sector	1,539	1,602	578	21	528	2	288	7	10	115	53
Retired	1,076	1,175	211	82	499	11	71	1	22	275	3
Other	1,268	1,809	549	44	953	6	251	-	4	-	2
Total	30,002	30,890	8,444	444	13,908	69	3,548	207	125	4,080	65

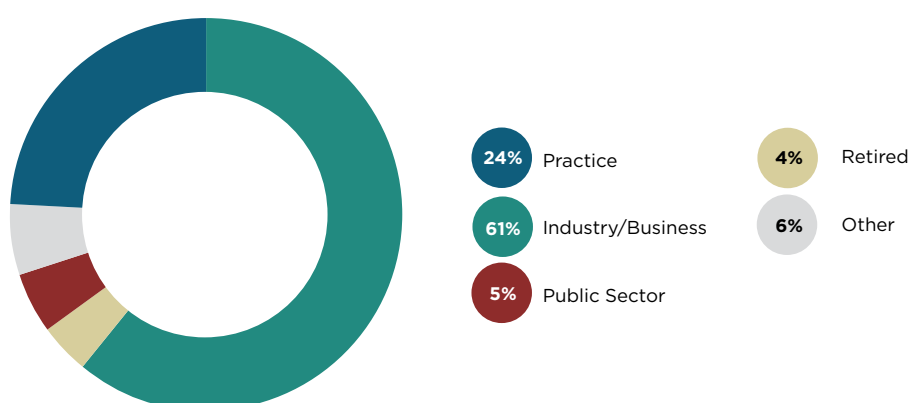
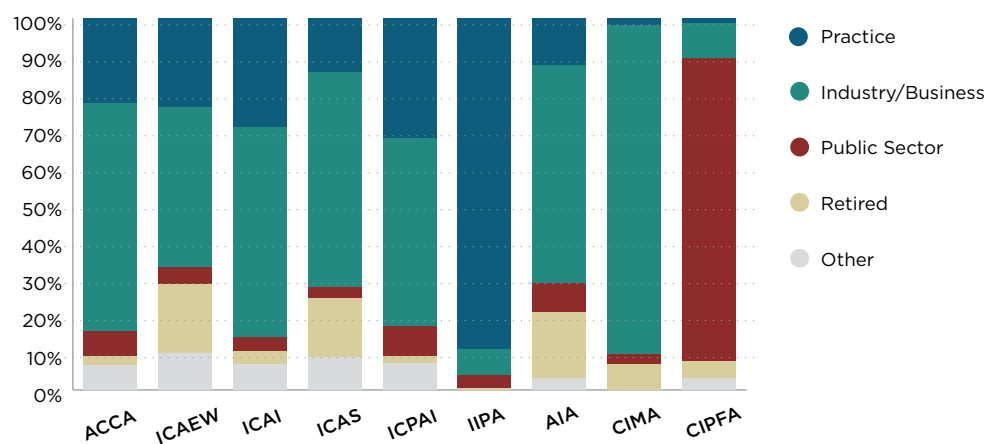
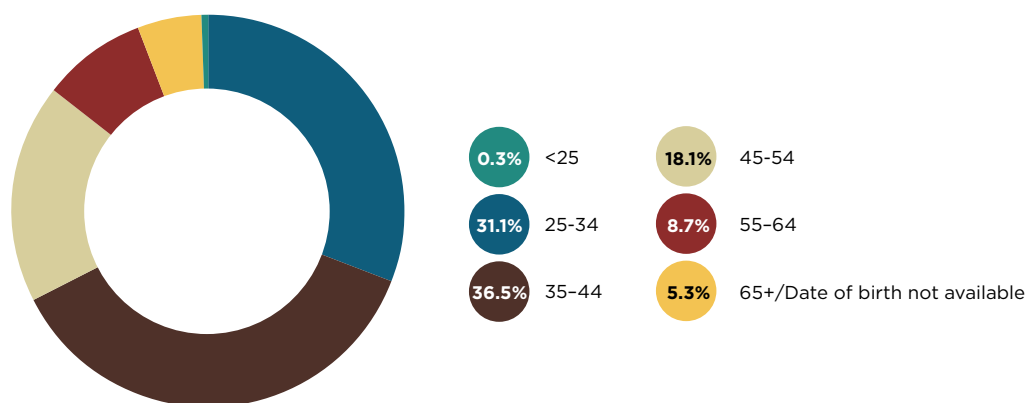
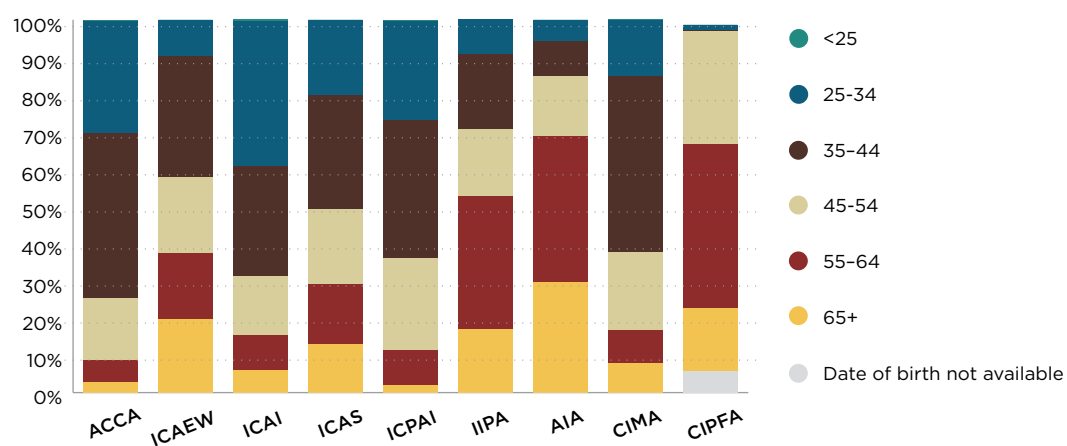
Chart A.6: Members in Ireland – employment status**Chart A.7:** Members in Ireland – comparison of employment status

Table A.6: Members in Ireland – age profile

As at 31 December	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
< 25	105	92	33		43	-	14	-	-	2	-
25-34	10,037	9,599	2,542	44	5,404	14	947	19	7	621	1
35-44	10,768	11,283	3,725	143	4,101	21	1,306	42	12	1,917	16
45-54	5,055	5,583	1,421	91	2,233	14	878	37	20	861	28
55-64	2,577	2,694	483	79	1,295	11	335	74	49	353	15
65+	1,459	1,637	240	87	832	9	68	35	37	326	3
Date of birth not available	1	2	-	-	-	-	-	-	-	-	2
Total	30,002	30,890	8,444	444	13,908	69	3,548	207	125	4,080	65

Chart A.8: Members in Ireland – age profile**Chart A.9:** Members in Ireland – comparison of age profile

Part B: PABs' investigation and disciplinary activities

Role of the Authority

As outlined in the Authority's previous Annual Reports, under the model of supervised self regulation provided for by the Act, responsibility for the investigation of complaints¹⁰³ relating to the PABs' members and member firms resides, in the first instance, 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.

PABs' investigation and disciplinary processes

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 the organisation of investigation, disciplinary and appeals systems through Committee structures.

When a member of the public makes a complaint to a PAB, or where relevant information comes to the attention of a PAB, concerning the conduct or competence of a member/member firm, the recipient body typically has a number of initial options available to it, including investigation by a Committee¹⁰⁴ (or regulatory assessor in the case of ACCA) or resolution by conciliation¹⁰⁵ or other means provided for under its approved investigation and disciplinary procedures. In cases where a judgement is formed, by either the Investigation Committee or the regulatory assessor, that there is a *prima facie*¹⁰⁶ 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 Order¹⁰⁷.

PABs' investigation and disciplinary activities – Tables and Charts

The Tables and Charts in this part provide the following information:

- Tables B.1 and B.2¹⁰⁸ detail movements in the number of complaints processed by each PAB during 2011, including the number of new cases arising, the number of cases closed and the stage of the investigation and disciplinary process at which such complaints were closed;
- Tables B.3 and B.4¹⁰⁸ analyse the nature of the complaints received by each PAB during 2011;
- Table B.5 outlines the sanctions that each PAB may impose in the case of complaints found to have been proven. It should be noted that this Table refers only to sanctions available as part of the investigation and disciplinary process, and does not include sanctions that may be imposed by other committees which operate outside the

¹⁰³ The term 'complaint' includes any expression of dissatisfaction with accounting related services, whether communicated to a PAB by a member of the public or otherwise.

¹⁰⁴ It should be noted that not all the PABs use the same terminology for their Investigation Committee. For example, the ICAI refer to this committee as the Complaints Committee while the ICAS refer to it as the Investigations and Professional Conduct Enforcement Committee. For convenience, this Chapter refers generically to Investigation Committees.

¹⁰⁵ It is worth noting that conciliation processes typically require the complaint to be resolved to the mutual satisfaction of all parties and is usually only permitted in relation to minor matters. Additionally, it should be noted that not all of the PABs' processes and procedures provide for a complaint conciliation process.

¹⁰⁶ On the face of it.

¹⁰⁷ A Consent Order is a process whereby a member admits to the findings of the Investigation Committee and consents to the imposition of sanctions. Not all PABs' processes and procedures provide for a Consent Order process.

¹⁰⁸ Tables B.1, B.3 and B.6 provide detail regarding Irish relevant complaints whereas Tables B.2, B.4 and B.7 provide detail regarding complaints relevant to Registered Auditors.

investigation and disciplinary process (such as Registration Committees and Quality Assurance Committees, howsoever called). The nature of the sanction(s) 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; and

- Tables B.6 and B.7¹⁰⁸ provide an analysis of the sanctions imposed during the year 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.

Table B.1: Summary of complaints – Irish relevant

Year to 31 December, 2011	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Complaints outstanding at 1 January, 2011	305	180	-	82	-	20	22	-	1	-
During the year:										
ADD: New cases arising during the year	209	94	-	86	-	22	5	-	2	-
LESS: Cases closed during the year by:										
- Conciliation	(29)	(29)	-	-	-	-	-	-	-	-
- Secretary/Staff	(59)	(40)	-	(13)	-	(5)	(1)	-	-	-
- Assessor	(2)	(2)	-	-	-	-	-	-	-	-
- Investigation/Complaints Committee	(72)	-	-	(53)	-	(13)	(6)	-	-	-
- Disciplinary Committee	(19)	(11)	-	(4)	-	(3)	-	-	(1)	-
- Appeal Committee	(4)	(1)	-	-	-	(3)	-	-	-	-
- Other	(9)	(4)	-	(5)	-	-	-	-	-	-
Complaints outstanding at 31 December, 2011	320	187	-	93	-	18	20	-	2	-

Note : The ICPAI figure for complaints outstanding at 1 January, 2011 was amended (12 per the 2010 Annual Report) due to a clerical error in the 2010 annual return submitted by the Institute.

Note : The IIPA figure for complaints outstanding at 1 January, 2011 was amended (5 per the 2010 Annual Report) due to the misclassification of cases as closed by secretary/staff in previous returns submitted to the Authority. These cases have been reclassified as "outstanding", in compliance with the IIPA's bye-laws.

Table B.2: Summary of complaints – Registered Auditors

Year to 31 December, 2011	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Complaints outstanding at 1 January, 2011	316	136	78	63	-	17	22
During the year:							
ADD: New cases arising during the year	232	67	85	58	-	17	5
LESS: Cases closed during the year by:							
- Conciliation	(20)	(20)	-	-	-	-	-
- Secretary/Staff	(40)	(12)	(18)	(5)	-	(4)	(1)
- Assessor	(1)	(1)	-	-	-	-	-
- Investigation/Complaints Committee	(121)	-	(56)	(47)	-	(12)	(6)
- Disciplinary Committee	(27)	(7)	(15)	(4)	-	(1)	-
- Appeal Committee	(3)	-	-	-	-	(3)	-
- Other	(7)	(2)	-	(2)	-	-	(3)
Complaints outstanding at 31 December, 2011	329	161	74	63	-	14	17

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

Year to 31 December, 2011	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Poor work or unsatisfactory professional service or conduct	30	-	15	-	-	-	-	1	-
Loss/withholding of client records	3	-	1	-	-	-	-	-	-
Fee disputes	2	-	2	-	-	-	-	-	-
Delay/failure to respond and/or co-operate with the Institute/Association or an external party	5	-	9	-	-	1	-	-	-
Failure to report to a Regulator	-	-	1	-	4	-	-	-	-
Criminal conviction/civil proceedings	1	-	-	-	-	-	-	-	-
Carrying on public practice or audit while not authorised	5	-	10	-	2	-	-	-	-
Execution of an audit report by non-RI (Responsible Individual)	-	-	2	-	2	2	-	-	-
Other breach of company law/restriction or disqualification as a director/failure to satisfy judgement debt	-	-	7	-	2	1	-	-	-
Other audit related matters	16	-	11	-	4	-	-	-	-
Professional appointment related	-	-	2	-	-	-	-	-	-
Breach of Code of Ethics	17	-	13	-	10	-	-	-	-
Breach of Institute/Association Rules or Regulations (such as in relation to client monies, professional indemnity insurance)	-	-	2	-	-	1	-	-	-
Matters relating to insolvency work or conduct of a liquidation	13	-	8	-	-	-	-	-	-
Matters relating to investment business	1	-	2	-	-	-	-	-	-
Tax work	-	-	2	-	-	-	-	-	-
Training/student related matters	1	-	1	-	-	-	-	1	-
Other	-	-	1	-	-	-	-	-	-

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, 2011	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Poor work or unsatisfactory professional service or conduct	23	13	15	-	-	-
Loss/withholding of client records	2	-	1	-	-	-
Fee disputes	2	-	2	-	-	-
Delay/failure to respond and/or co-operate with the Institute/ Association or an external party	5	10	7	-	-	1
Failure to report to a Regulator	-	-	-	-	4	-
Criminal conviction/civil Proceedings	1	-	-	-	-	-
Carrying on public practice or audit while not authorised	-	5	3	-	-	-
Execution of an audit report by non-RI (Responsible Individual)	-	5	-	-	-	2
Other breach of company law/restriction or disqualification as a director/failure to satisfy judgement debt	-	8	4	-	1	1
Other audit related matters	14	19	13	-	4	-
Professional appointment related	-	6	1	-	-	-
Breach of Code of Ethics	7	11	7	-	8	-
Breach of Institute/Association Rules or Regulations (such as in relation to client monies, professional indemnity insurance)	-	1	1	-	-	1
Matters relating to insolvency work or conduct of a liquidation	12	6	3	-	-	-
Matters relating to investment business	1	1	2	-	-	-
Tax work	-	-	1	-	-	-
Training/student related matters	-	-	-	-	-	-
Other	-	-	-	-	-	-

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, 2011	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
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	Y
Rest on file/similar sanction	Y	N	Y	N	Y	N	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 – Irish relevant

Year to 31 December, 2011	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Reprimands/severe reprimands imposed	2	-	17	-	8	-	-	1	-
Cases where fines were imposed	-	-	12	-	8	-	-	-	-
Aggregate value of fines imposed	-	-	€27,775	-	€46,000	-	-	-	-
Maximum fine imposed in a single case	-	-	€5,000	-	€15,000	-	-	-	-
Cases where costs were imposed	10	-	16	-	7	-	-	1	-
Aggregate value of costs imposed	£20,784.50	-	€38,473	-	€34,500	-	-	£5,623	-
Maximum costs imposed in a single case	£11,903	-	€10,148	-	€10,000	-	-	£5,623	-
Member exclusions applied	6	-	-	-	-	-	-	-	-
Member suspensions applied	-	-	-	-	-	-	-	-	-
Suspensions of audit authorisation applied	-	-	-	-	-	-	-	-	-
Suspensions of other authorisation applied	-	-	-	-	-	-	-	-	-
Withdrawals of audit authorisation applied	-	-	-	-	-	-	-	-	-
Cases where conditions were attached to authorisation	-	-	-	-	2	-	-	-	-
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	-	-	-	-	2	-	-	-	-
Cases proven but no penalty or similar	1	-	1	-	-	-	-	-	-
Student exclusions/suspensions applied	3	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Consent orders offered during the year	-	-	12	-	3	-	-	-	-
Consent orders accepted during the year	-	-	12	-	3	-	-	-	-
Cases where the Committee decision was published	10	-	16	-	8	-	-	1	-
Cases where the decision was published, and the member identified in the publication	10	-	10	-	4	-	-	1	-

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

Year to 31 December, 2011	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Reprimands/severe reprimands imposed	2	51	14	-	5	-
Cases where fines were imposed	-	47	12	-	5	-
Aggregate value of fines imposed	-	€203,000	€25,950	-	€28,000	-
Maximum fine imposed in a single case	-	€40,000	€5,000	-	€15,000	-
Cases where costs were imposed	4	58	16	-	5	-
Aggregate value of costs imposed	£15,851.50	£122,881	€49,275	-	€21,000	-
Maximum costs imposed in a single case	£11,903	£10,055	€10,148	-	€15,000	-
Member exclusions applied	4	4	-	-	-	-
Member suspensions applied	-	-	2	-	-	-
Suspensions of audit authorisation applied	-	-	-	-	-	-
Withdrawals of audit authorisation applied	-	24	-	-	-	-
Cases where conditions were attached to authorisation	-	61	-	-	2	-
Ineligible for an authorisation for period of time	-	-	-	-	1	-
Refunds of fees/commissions applied	-	-	-	-	-	-
Directions to pay compensation to complainant	-	-	-	-	-	-
Aggregate value of compensation awarded to complainant	-	-	-	-	-	-
Cases resting on file/similar	-	-	-	-	2	-
Cases proven but no penalty or similar	1	10	-	-	-	-
Other	-	-	-	-	-	-
Consent orders offered during the year	-	40	10	-	2	-
Consent orders accepted during the year	-	45	10	-	2	-
Cases where the Committee decision was published	4	100	16	-	5	-
Cases where the decision was published, and the member identified in the publication	4	100	11	-	3	-

Part C: Student population

Student membership

The education and training of students forms a significant part of the PABS' overall activities. 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 – Tables and Charts

- While there was no material change in total worldwide student numbers, there was a 2% decrease in total student numbers in Ireland in 2011 (Table C.1).
- As with membership, ICAI, ICPAI and IIPA students are predominantly based in Ireland, with the majority of students in CIPFA, ICAEW and ICAS based in the UK. 51% of CIMA students are located in Ireland and the UK, while a majority of ACCA and AIA students (69% and 97% respectively) are located outside the EU (Chart C.2).
- Four bodies dominate the student market in Ireland – ACCA students comprise almost 50% of all PAB students in Ireland, followed by ICAI (31%), CIMA (13%) and ICPAI (6%) (Table C.2). ICAEW, IIPA, AIA and CIPFA have very small student populations in Ireland, collectively comprising less than 1% of the market. ICAS does not currently have any students located in Ireland.
- In contrast to the membership statistics (Part A of this Chapter refers), almost 50% of PAB students are female (Table C.4). On an individual basis, Chart C.5 shows that ACCA, ICAI, ICPAI and CIPFA all have a majority female student population.
- In Ireland, employment in business is the largest employment sector for PAB students at 45%, followed by practice at 37% (Chart C.6).
- Chart C.7 shows that ICAI students are employed predominantly in practice, while business is the largest employer for students of ACCA, ICPAI, IIPA and CIMA.
- The majority of PAB students (58%) are between 25 and 34 years of age (Chart C.8), while there is a significant minority of the ICAI's student population (40%) under 25 (Chart C.9).
- During 2011, 78% of all newly registered students held a degree or post-graduate qualification (Chart C.10). On an individual basis, ICAI has the highest proportion of students with a relevant degree or post-graduate qualification at 88% (Table C.7).
- There has been a 5% decrease in the number of students who registered for the first time in 2011 compared with 2010 (Table C.8) and a 19% decrease during the 2009–2011 period.
- Of the 3,028 new students registered during the year (Table C.8), ACCA and ICAI students comprise approximately 39% each, CIMA 15% and ICPAI 7%, with the other PABs accounting for less than 1%.

Table C.1: Students worldwide – location

			Recognised Accountancy Bodies								
As at 31 December	2010 TOTAL	2011 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Ireland	17,227	16,835	8,347	4	5,183	-	1,021	78	4	2,195	3
UK	156,274	154,337	80,123	15,010	1,166	2,994	8	1	151	52,450	2,434
Other EU Member States	23,655	24,128	20,078	885	3	30	3	-	87	3,036	6
Other locations	298,365	301,224	240,777	3,174	9	-	37	-	8,189	48,931	107
Total students worldwide	495,521	496,524	349,325	19,073	6,361	3,024	1,069	79	8,431	106,612	2,550

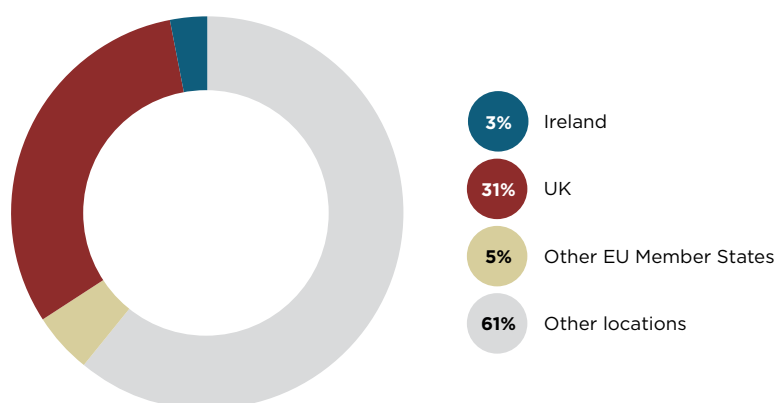
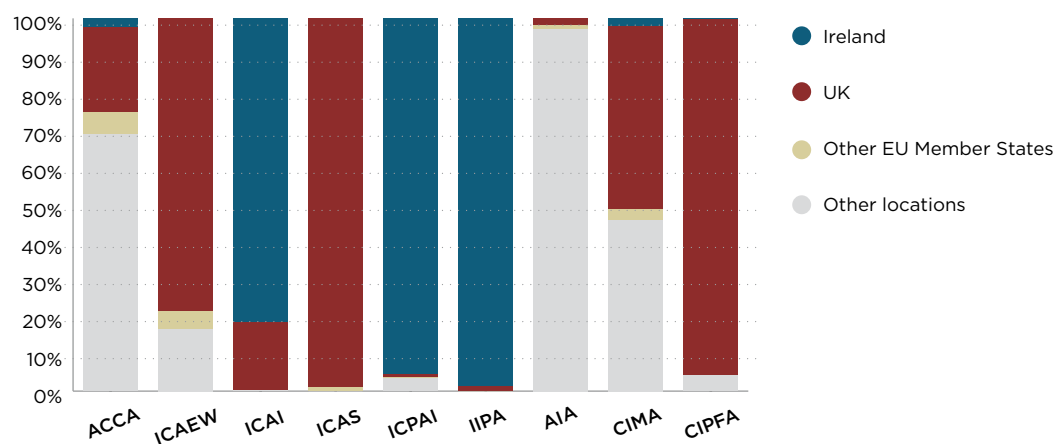
Chart C.1: Students worldwide – location**Chart C.2:** Students worldwide – comparison of location

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

	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Students in Ireland at 1 January	18,644	17,227	9,016	5	4,682	-	1,180	74	4	2,260	6
During the year:											
ADD: New students registered	3,189	3,028	1,197	-	1,179	-	197	8	-	446	1
LESS: Lapsed student registrations	(2,303)	(1,856)	(1,252)	-	(42)	-	(206)	(1)	-	(353)	(2)
- Student registrations cancelled	(231)	(266)	(28)	-	(144)	-	-	-	-	(92)	(2)
- Students admitted as full members	(2,150)	(1,629)	(474)	(2)	(851)	-	(150)	(3)	-	(149)	-
Other	78	331	(112)	1	359	-	-	-	-	83	-
Students in Ireland at 31 December	17,227	16,835	8,347	4	5,183	-	1,021	78	4	2,195	3

Note: The ICAEW figure for 'students admitted as members' in Table A.2 (3) differs to Table C.2 (2) as individuals who are eligible for membership for more than 12 months are not included in the ICAEW student figures.

Note: The ICAI figure for 'students admitted as members' in Table A.2 (535) differs to Table C.2 (851) as students may complete their term as a student in Ireland but move to another location prior to admission to membership.

Note: The ICAI figure of 359 for 'other' is due to a change in policy which allows students 8 years in which to complete the education process.

Table C.3: Students in Ireland – movement from 2009–2011

Student membership in Ireland as at 31 December	2009	2010	2011
ACCA	9,580	9,016	8,347
ICAEW	5	5	4
ICAI	5,098	4,682	5,183
ICAS	-	-	-
ICPAI	1,385	1,180	1,021
IIPA	164	74	78
AIA	4	4	4
CIMA	2,397	2,260	2,195
CIPFA	11	6	3
Total	18,644	17,227	16,835

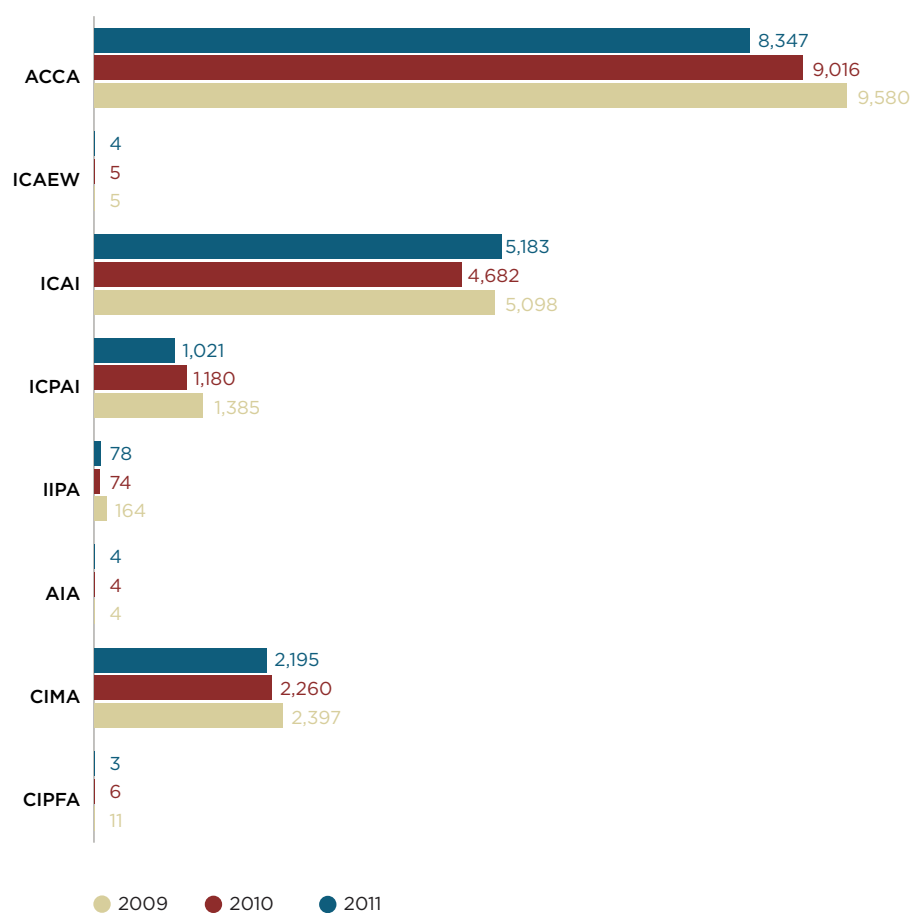
Chart C.3: Comparison of student membership in Ireland 2009–2011

Table C.4: Students in Ireland – gender profile

			Recognised Accountancy Bodies								
As at 31 December	2010 TOTAL	2011 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Female	9,134	8,337	4,205	1	2,598	-	636	28	1	865	3
Male	8,093	8,498	4,142	3	2,585	-	385	50	3	1,330	-
Total	17,227	16,835	8,347	4	5,183	-	1,021	78	4	2,195	3

Chart C.4: Students in Ireland – gender profile

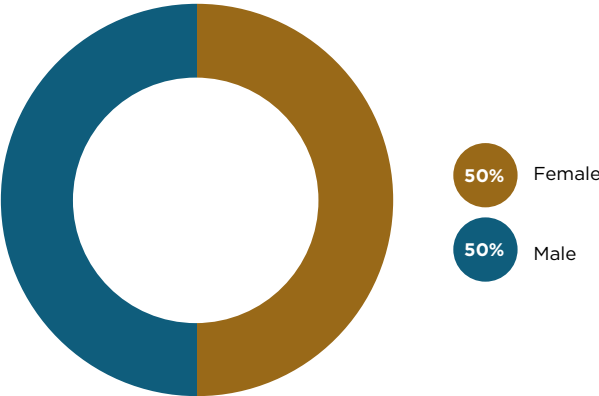


Chart C.5: Students in Ireland – comparison of gender profile

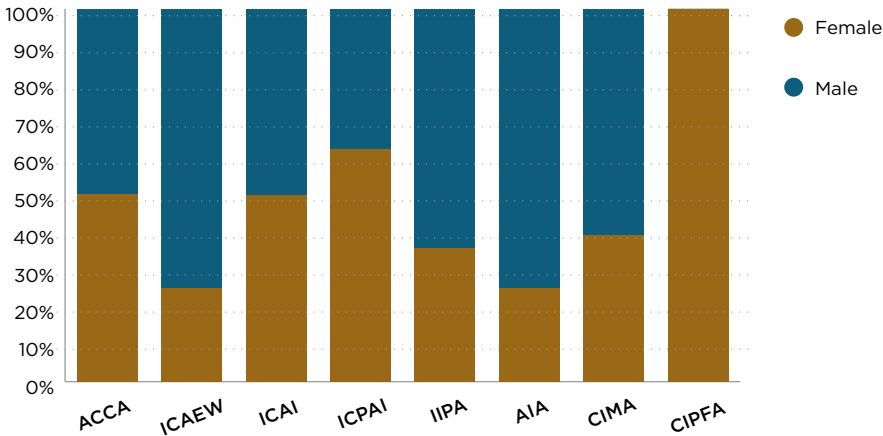


Table C.5: Students in Ireland – employment status

			Recognised Accountancy Bodies								
As at 31 December	2010 TOTAL	2011 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
Practice	6,070	6,168	1,569	-	4,379	-	183	35	2	-	-
Industry/Business	7,589	7,573	4,620	1	166	-	575	37	2	2,172	-
Public sector	766	715	604	-	14	-	67	4	-	23	3
In full-time education	625	559	556	-	-	-	2	1	-	-	-
Other	2,177	1,820	998	3	624	-	194	1	-	-	-
Total	17,227	16,835	8,347	4	5,183	-	1,021	78	4	2,195	3

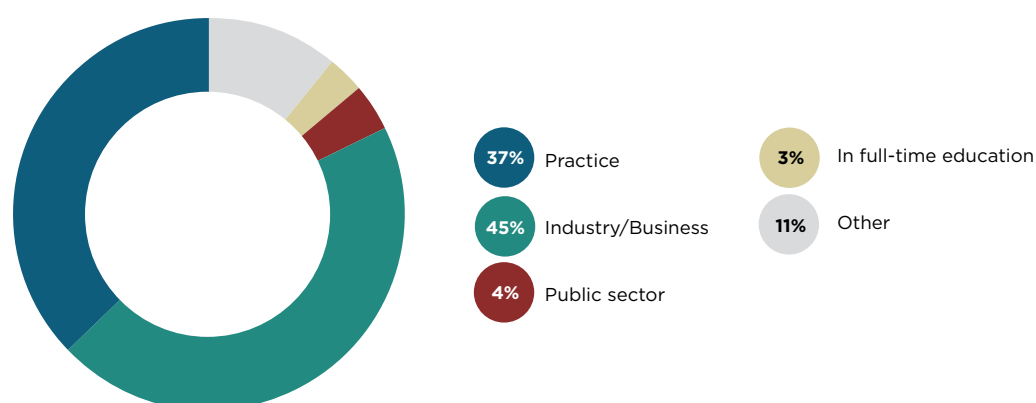
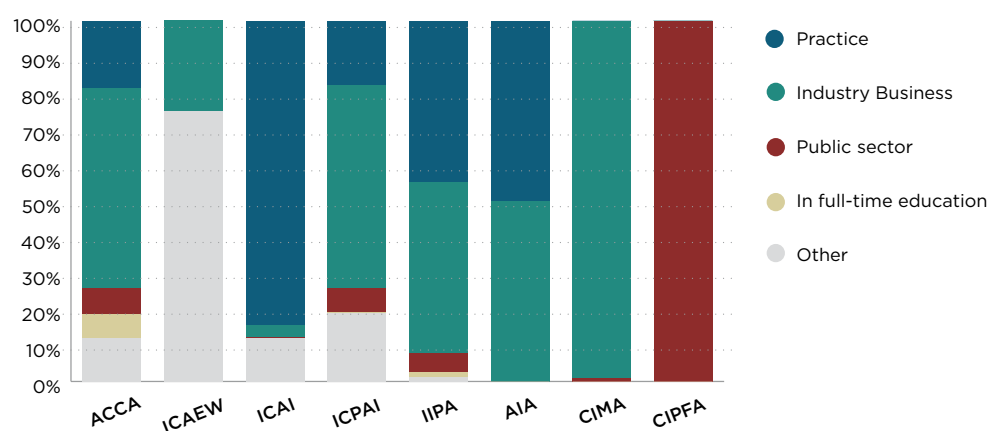
Chart C.6: Students in Ireland – employment status**Chart C.7:** Students in Ireland – comparison of employment status

Table C.6: Students in Ireland – age profile

			Recognised Accountancy Bodies								
As at 31 December	2010 TOTAL	2011 TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA	AIA	CIMA	CIPFA
< 25	3,098	2,824	498	-	2,095	-	97	2	-	132	-
25-34	10,150	9,858	5,500	3	2,721	-	539	22	3	1,070	-
35-44	3,169	3,295	1,927	1	301	-	266	29	1	769	1
45-54	651	679	336	-	56	-	103	14	-	169	1
55-64	135	153	78	-	10	-	15	11	-	38	1
65+	24	26	8	-	-	-	1	-	-	17	-
Total	17,227	16,835	8,347	4	5,183	-	1,021	78	4	2,195	3

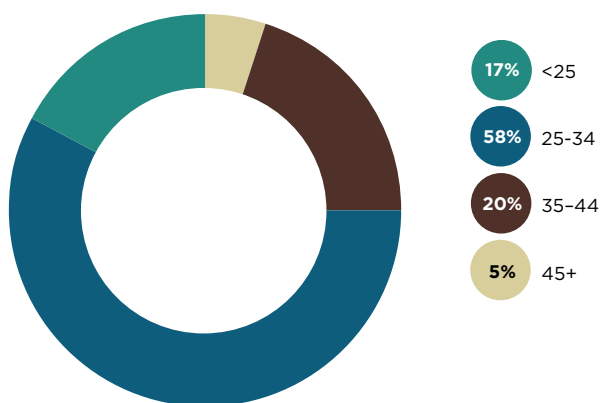
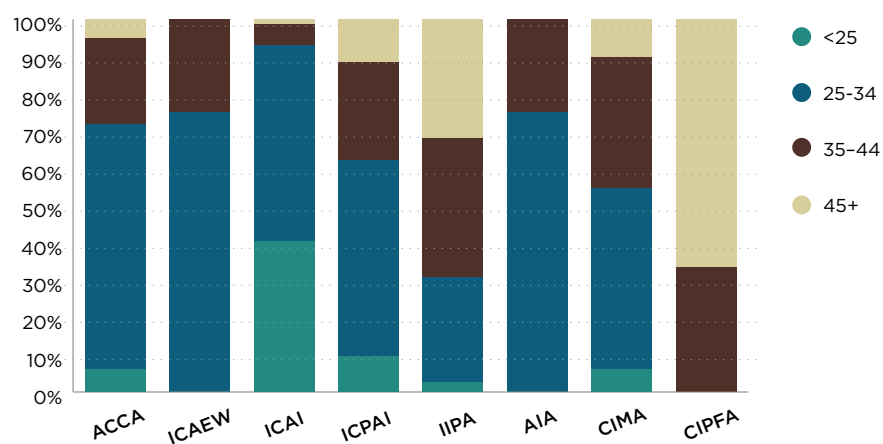
Chart C.8: Students in Ireland – age profile**Chart C.9:** Students in Ireland – comparison of age profile

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

Students registered during the year	2010 TOTAL	2011 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
Non-relevant primary degree	726	686	491	-	106	-	16	-	-	73	-
Relevant primary degree	1,006	1,087	217	-	669	-	81	2	-	118	-
Non-relevant post-graduate qualification	157	120	87	-	-	-	3	-	-	30	-
Relevant post-graduate qualification	370	453	34	-	366	-	13	1	-	39	-
Without a degree	930	682	368	-	38	-	84	5	-	186	1
New students registered	3,189	3,028	1,197	-	1,179	-	197	8	-	446	1

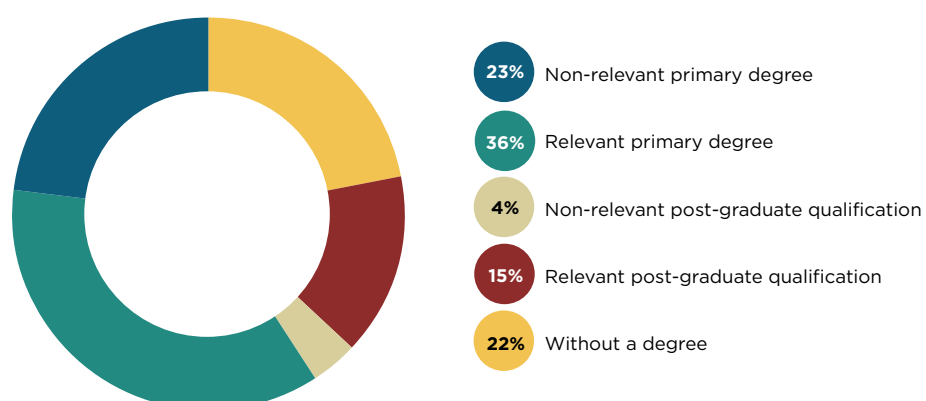
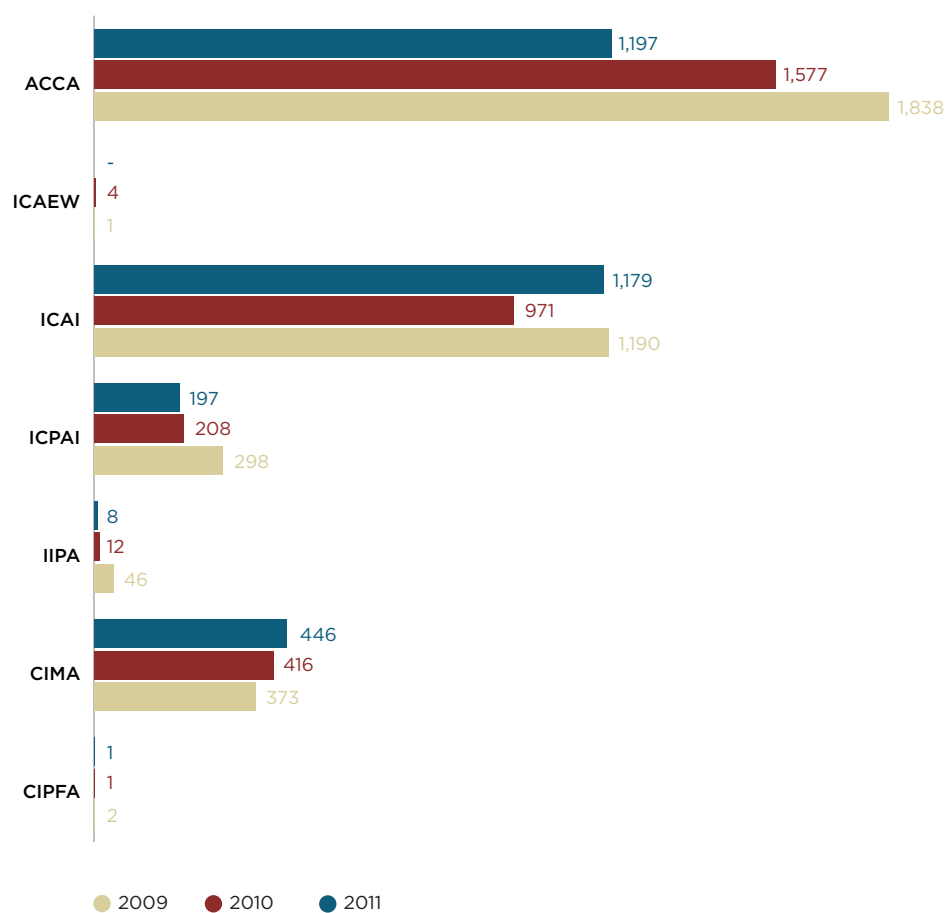
Chart C.10: New students in Ireland – educational background

Table C.8: New students registered in Ireland – movement from 2009–2011

New Students In Ireland as at 31 December	2009	2010	2011
ACCA	1,838	1,577	1,197
ICAEW	1	4	-
ICAI	1,190	971	1,179
ICAS	-	-	-
ICPAI	298	208	197
IIPA	46	12	8
AIA	-	-	-
CIMA	373	416	446
CIPFA	2	1	1
Total	3,748	3,189	3,028

Chart C.11: Comparison of new students registered in Ireland 2009–2011

Part D: Practising authorisation

Criteria for 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 (for example, in the case of illness or death), clients' affairs will be afforded continuity of service;
- obtaining minimum levels of experience post admittance to membership; and
- undertaking CPD in areas relevant 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 member firm are not usually required to hold a practising certificate themselves, unless they are holding themselves out to provide services to the public in their individual capacity as a member.

Practising authorisation – Tables and Charts

The following Tables and Charts detail the number of PAB members located in Ireland that, having satisfied the relevant requirements, 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 include such members that have been granted a practising certificate which includes authorisation to engage in public practice in Ireland.

- Of the 30,957 PAB members authorised to engage in public practice in Ireland as at 31 December, 2011, only 3,301 were located in Ireland (Table D.1).
- Of those located in Ireland, three bodies dominate the population, with ICAI members accounting for 53%, ACCA members at 21% and ICPAI members making up 17% (Table D.2).

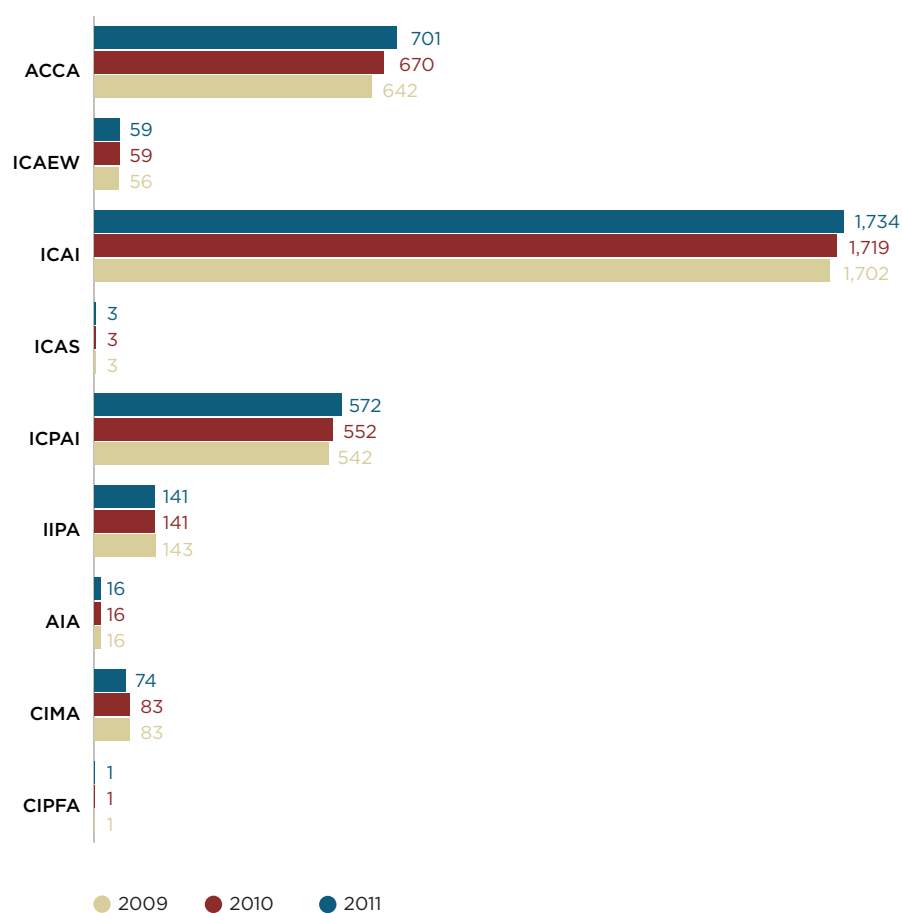
Table D.1: Members with Practising Certificates who are located in Ireland

	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA			
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, 2011	3,244	670	59	1,719	3	552	141	16	83	1
During the year:										
Add: Members who were granted a new certificate during the year	177	38	2	62	-	37	3	1	34	-
Less: Members who did not renew their practising certificate during the year	(78)	(7)	(2)	(39)	-	(14)	(2)	(1)	(13)	-
Less: Practising certificates withdrawn by the Institute/ Association during the year	(7)	-	-	(2)	-	(3)	(1)	-	(1)	-
Other	(35)	-	-	(6)	-	-	-	-	(29)	-
Practising certificates at 31 December, 2011 (For members located in Ireland)	3,301	701	59	1,734	3	572	141	16	74	1
Practising certificates at 31 December, 2011 to practice in Ireland (For members worldwide)	30,957	1,299	22,907	2,378	1,723	573	141	16	1,535	385

Note: CIMA's 2010 published closing figure has been adjusted down from 162 to reflect only numbers with certificates awarded under new licensing arrangements.

Table D.2: Members with Practising Certificates who are located in Ireland – movement from 2009–2011

Practising certificates at 31 December (For members located in Ireland)	2009	2010	2011
ACCA	642	670	701
ICAEW	56	59	59
ICAI	1,702	1,719	1,734
ICAS	3	3	3
ICPAI	542	552	572
IIPA	143	141	141
AIA	16	16	16
CIMA	83	83	74
CIPFA	1	1	1
Total	3,188	3,244	3,301

Chart D.1: Members with Practising Certificates located in Ireland 2009–2011

Part E: Registered Auditors

Recognised Accountancy Bodies

Section 191 of the Companies Act, 1990 ('the 1990 Act'), as amended, provides that IAASA can grant two separate classes of recognition to bodies of accountants, 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 Statutory Audit Directive Regulations (i.e. bodies entitled to grant approval to members to act solely as statutory auditors).

In accordance with the provisions of Regulations 10(3) and 10(4) of the Statutory Audit Directive Regulations, the six RABs that, prior to the enactment of the Regulations, were RABs for the purpose of section 187 of the 1990 Act:

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

Public 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.

To be eligible to undertake audits as a public auditor, an individual or a firm must meet the criteria set out in section 187 of the 1990 Act. These criteria include:

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

Statutory Auditors

Certain companies are obliged under company law to have their financial statements audited by a suitably qualified auditor or audit firm on an annual basis¹⁰⁹. To be eligible to undertake the statutory audit of a company, an individual or a firm must meet the criteria set out in Regulation 24 of the Statutory Audit Directive Regulations. These criteria include:

- members of the RABs holding appropriate qualifications as referred to in Regulation 26 of the Regulations;
- Member State auditors meeting certain requirements; and
- third country auditors meeting certain requirements.

Individually Authorised Auditors ('IAAs')

Prior to the introduction of the Statutory Audit Directive Regulations, Section 187 of the 1990 Act provided that certain persons who, 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.

The Statutory Audit Directive Regulations contain important requirements for IAAs authorised as company auditors. Regulation 25(1) of the Statutory Audit Directive Regulations 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), which provide that an IAA's deemed approval to act as a statutory auditor shall cease to have effect unless the IAA becomes either a member, or subject to the regulation, of a RAB.

¹⁰⁹ Certain companies who meet defined criteria may avail of an exemption from the general requirement to have their financial statements audited.

Registered Auditors

'Registered Auditor', in the context of this Part, means a firm or an individual:

- that is registered to undertake:
 - statutory audits under the Companies Acts; or
 - audits under the Industrial and Provident Societies Acts, 1893 to 1978, and the Friendly Societies Acts, 1896 to 1977;
- being a member or member firm of a RAB; and
- holding the appropriate practising certificate/authorisation from such a body.

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 membership and 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.

Register of Auditors

Regulation 63 of the Statutory Audit Directive Regulations requires the Companies Registration Office ('CRO') to maintain a register of statutory auditors and audit firms. Regulation 64 requires the RABs to provide the required information to the CRO in respect of those of their members that have been approved as statutory auditors. Additionally, section 198 of the 1990 Act requires public auditors to be included on the Register of Auditors maintained by the CRO.

Regulation 65 prohibits a person from acting as, or representing him/herself as, a statutory auditor unless his/her name is entered in the Register of Auditors. 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.

Registered Auditors – Tables and Charts

The Tables and Charts in this Part provide information in respect of the members/member firms authorised by the six¹¹⁰ 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.

- While 6,107 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 1,612 (Table E.3). This is attributable to the fact that, generally speaking, authorisation by the UK based RABs of UK based members/member firms also constitutes authorisation to perform statutory audits in Ireland.
- The majority (69%) of auditors with offices in Ireland operate as one principal firms (Table E.3), meaning that there is a single partner in the firm, who may or may not employ a number of staff.

¹¹⁰ The remaining 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.

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

As at 31 December, 2011	TOTAL	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	6,107	546	3,865	995	232	362	107
Analysis of firms by number of principals:							
1 principal	3,713	389	2,277	604	85	254	104
2-5 principals	2,186	151	1,438	360	127	107	3
6-10 principals	142	5	105	19	12	1	-
11-25 principals	40	1	30	5	4	-	-
26-50 principals	15	-	8	4	3	-	-
50+ principals	11	-	7	3	1	-	-
Analysis of firms by number of offices							
1 office	4,398	489	2,379	911	170	342	107
2 offices	1,253	45	1,083	60	45	20	-
3 offices	259	11	230	18	-	-	-
4-5 offices	136	1	117	5	13	-	-
6-10 offices	43	-	39	1	3	-	-
11-20 offices	10	-	10	-	-	-	-
20+ offices	8	-	7	-	1	-	-

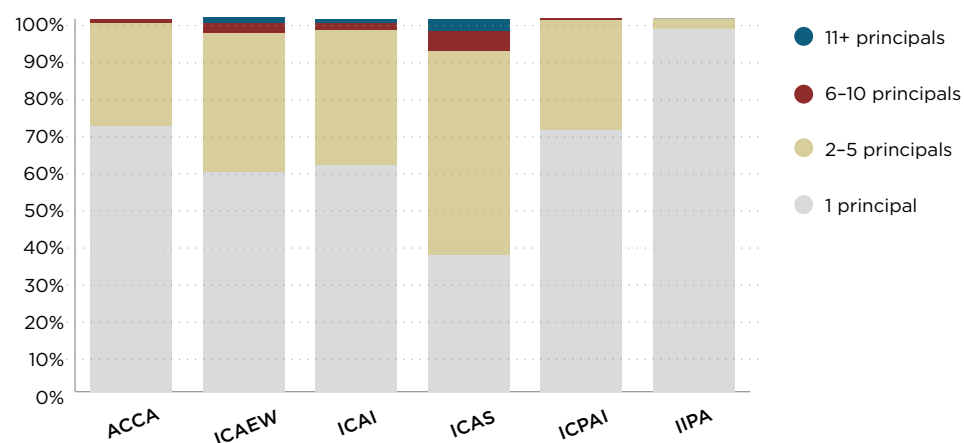
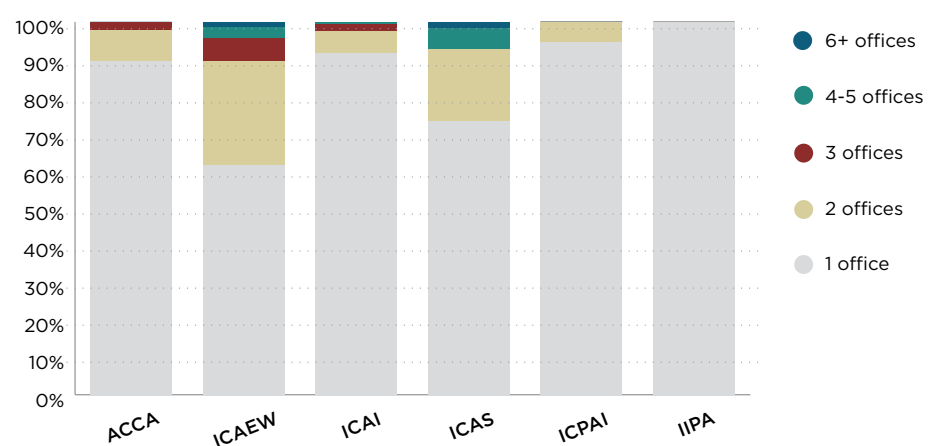
Chart E.1: Comparison of Registered Auditors worldwide by number of principals**Chart E.2:** Comparison of Registered Auditors worldwide by number of offices

Table E.2: Registered Auditors worldwide – movement from 2009–2011

As at 31 December	2009	2010	2011
ACCA	540	540	546
ICAEW	2,545	3,958	3,865
ICAI	985	986	995
ICAS	191	232	232
ICPAI	343	348	362
IIPA	111	107	107
Total	4,715	6,171	6,107

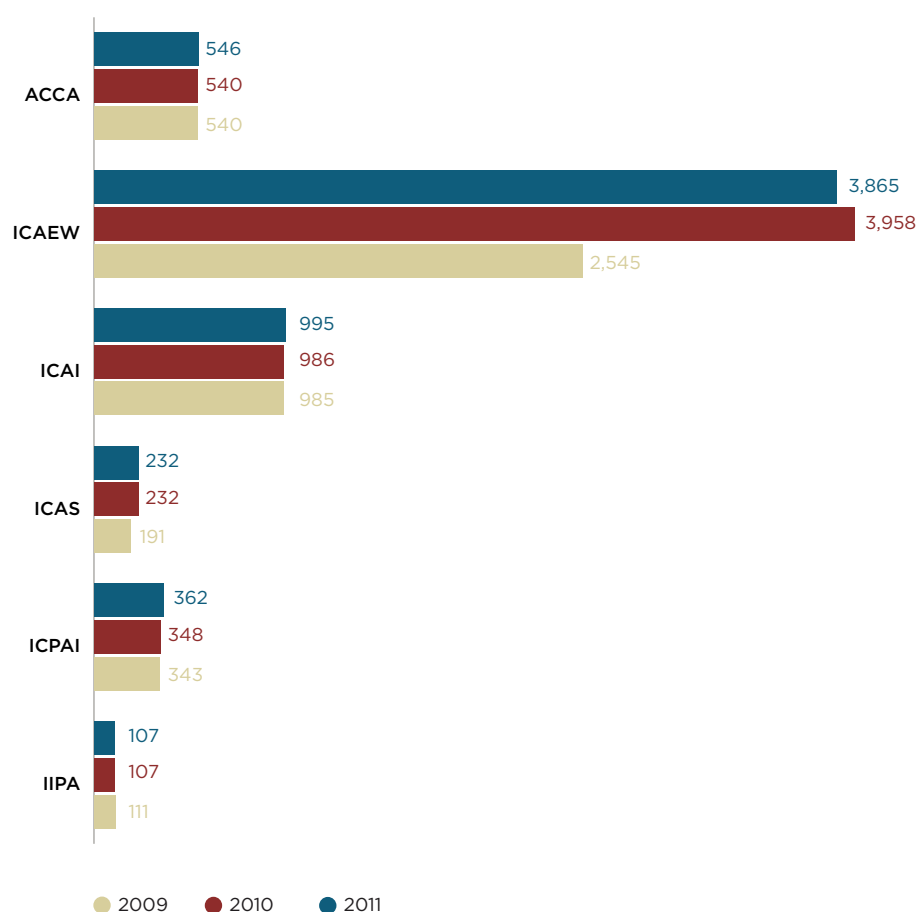
Chart E.3: Registered Auditors worldwide 2009–2011

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

As at 31 December, 2011	TOTAL	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	1,612	361	7	772	3	362	107
Analysis of firms by number of principals:							
1 principal	1,108	254	6	487	3	254	104
2-5 principals	479	104	1	264	-	107	3
6-10 principals	15	3	-	11	-	1	-
11-25 principals	3	-	-	3	-	-	-
26-50 principals	4	-	-	4	-	-	-
50 + principals	3	-	-	3	-	-	-
Analysis of firms by number of offices							
1 office	1,511	333	6	720	3	342	107
2 offices	81	22	1	38	-	20	-
3 offices	16	6	-	10	-	-	-
4-5 offices	3	-	-	3	-	-	-
6-10 offices	1	-	-	1	-	-	-
11+ offices	-	-	-	-	-	-	-

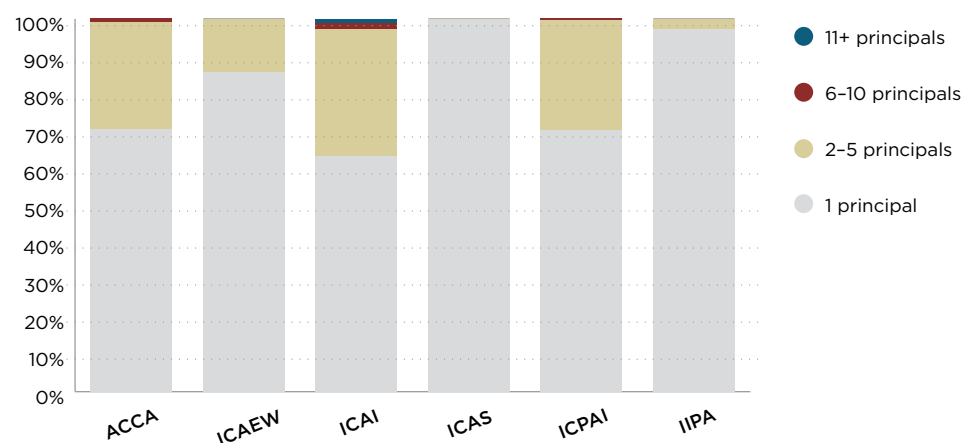
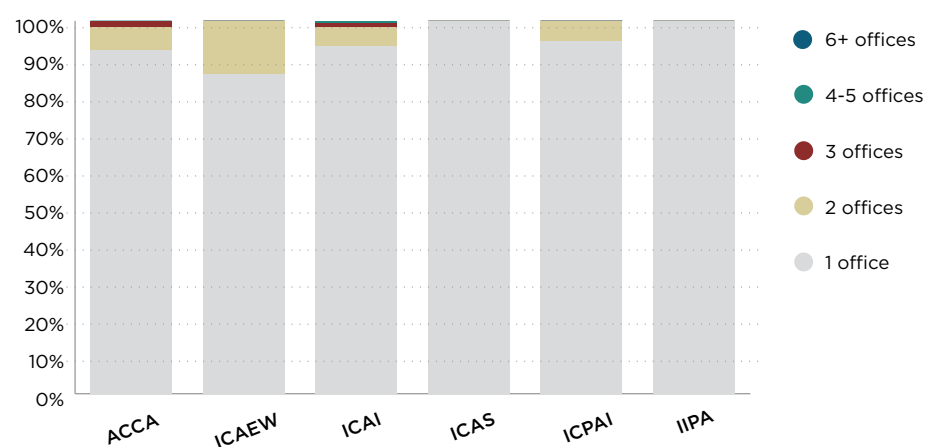
Chart E.4: Comparison of Registered Auditors with offices in Ireland by number of principals**Chart E.5:** Comparison of Registered Auditors with offices in Ireland by number of offices

Table E.4: Registered Auditors with offices in Ireland – movement from 2009–2011

As at 31 December	2009	2010	2011
ACCA	325	343	361
ICAEW	8	7	7
ICAI	754	754	772
ICAS	1	3	3
ICPAI	343	348	362
IIPA	111	107	107
Total	1,542	1,562	1,612

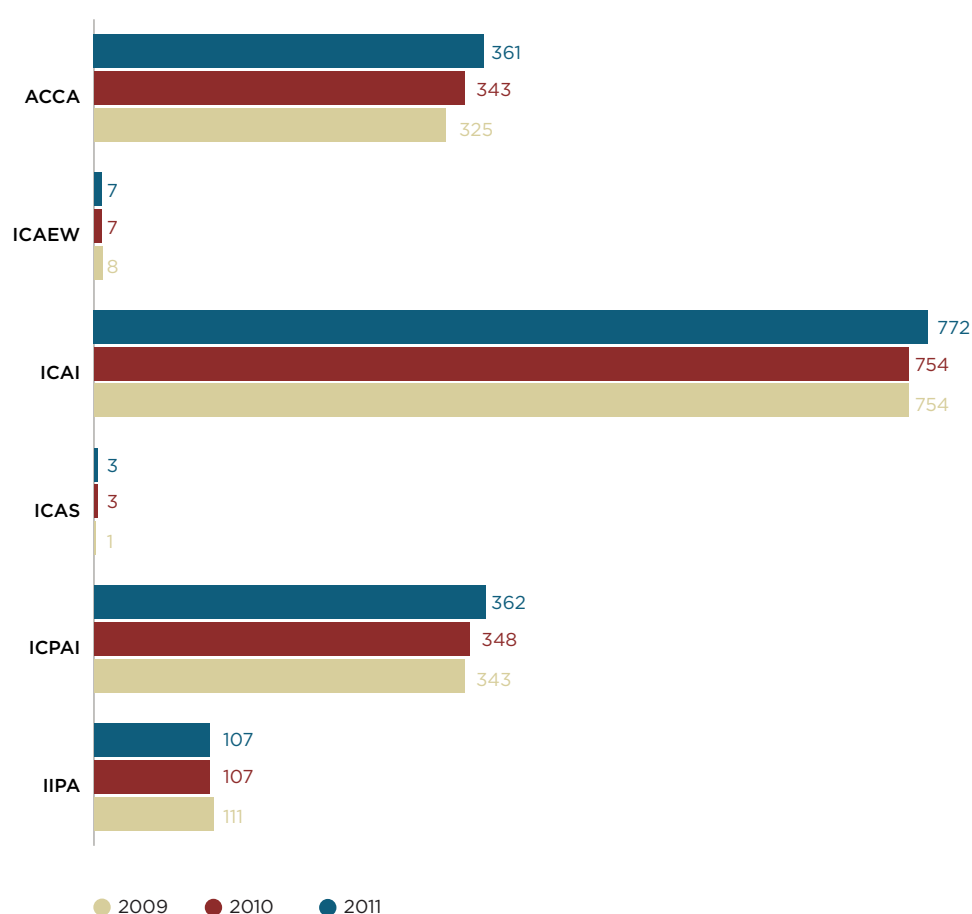
Chart E.6: Registered Auditors with offices in Ireland 2009–2011

Table E.5: Registered Auditors worldwide – movement during the year

Year to 31 December, 2011	TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Audit registrations at 1 January, 2011	6,171	540	3,958	986	232	348	107
During the year:							
ADD: New applications for audit registration accepted	415	53	235	72	10	41	4
LESS: Audit registrations withdrawn/not renewed following a request from the Registered Auditor	(450)	(46)	(308)	(62)	(9)	(22)	(3)
Audit registrations withdrawn /suspended as a result of disciplinary or other regulatory action taken by the Institute/Association	(28)	(1)	(20)	(1)	(1)	(4)	(1)
Other	(1)	-	-	-	-	(1)	-
Registered Auditors at 31 December, 2011	6,107	546	3,865	995	232	362	107

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

Year to 31 December, 2011	TOTAL	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Audit registrations at 1 January, 2011	1,562	343	7	754	3	348	107
During the year:							
ADD: New applications for audit registration accepted	139	35	-	59	-	41	4
LESS: Audit registrations withdrawn/not renewed following a request from the Registered Auditor	(82)	(17)	-	(40)	-	(22)	(3)
Audit registrations withdrawn/suspended as a result of disciplinary or other regulatory action taken by the Institute/Association	(6)	-	-	(1)	-	(4)	(1)
Other	(1)	-	-	-	-	(1)	-
Registered Auditors at 31 December, 2011	1,612	361	7	772	3	362	107

Part F: RABs' monitoring of Registered Auditors

Responsibility for monitoring of Registered Auditors

Under current legislative arrangements, 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 six 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.

RABs' monitoring systems

Currently, all of the RABs have arrangements in place for monitoring their members/member firms. In the case of several RABs, this regime extends beyond audit into other areas of members' or member firms' activities such as 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.

Scope of quality assurance reviews

The scope of quality assurance reviews of 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.

Review cycles

Each of the RABs seeks to perform quality assurance reviews of members or member firms by reference to pre-determined 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 (e.g. credit unions, solicitors etc) would generally tend to be reviewed more frequently than members/member firms not having such clients).

RAB's monitoring of Registered Auditors – Tables and Charts

It should be noted that variations may occur in the statistics provided in Table F.1 (relating to the number of reviews completed) and Table F.3 (regarding the grades awarded) due to timing differences between the date of completion of a quality assurance review and the date the grade is awarded.

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

Year to 31 December, 2011	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of quality assurance reviews open at 1 January, 2011	7	76	21	1	-	2
Add: Quality assurance reviews carried out during 2011	115	716	22	56	62	17
Less: Quality assurance reviews concluded during 2011	(111)	(716)	(35)	(57)	(55)	(17)
Quality assurance reviews open at 31 December, 2011	11	76	8	-	7	2

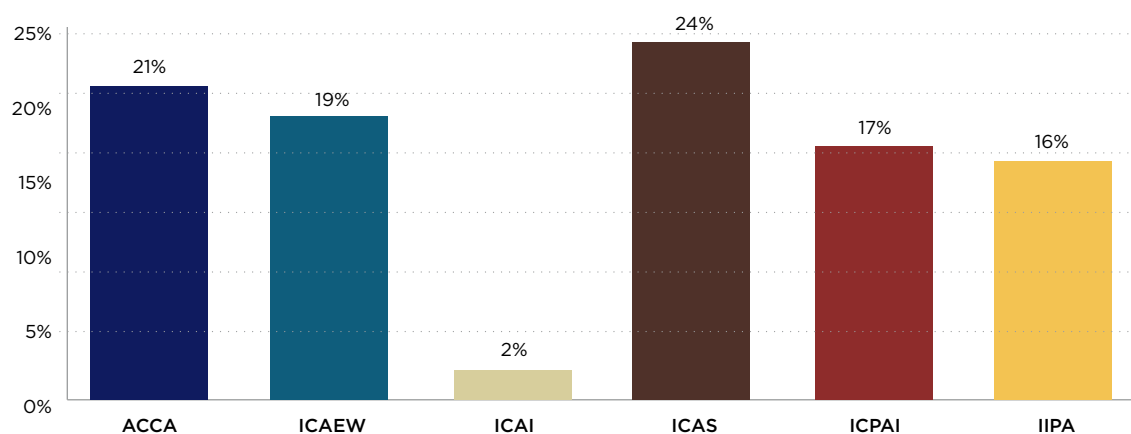
Chart F.1: % of on-site visits by total number of Registered Auditors

Table F.2: Quality assurance on-site visits during 2011

Year to 31 December, 2011	ACCA	ICAEW	ICAI	ICAS	ICPAI	IIPA
Number of expected quality assurance on-site visits to be undertaken in 2011	173	710	30	50	82	21
Number of visits actually undertaken in 2011	115	716	22	56	62	17
Analysis of the reasons for each visit:						
Number of members/firms selected for a visit as part of normal cycle (randomly/routinely)	59	628	-	-	48	11
Number of members/firms specifically selected and visited due to heightened risk (excluding early follow-ups)	-	59	1	54	-	5
Number of members/firms visited following a referral from a committee	14	29	2	-	1	-
Number visited as re-review/early follow-up	42	-	2	2	13	2
Other reason	-	-	17	-	-	-
Analysis of members/firms visited by size:						
1 principal	80	429	15	26	46	16
2-5 principals	35	233	7	26	16	1
6-10 principals	-	27	-	2	-	-
11-25 principals	-	6	-	2	-	-
26-50 principals	-	3	-	-	-	-
50+ principals	-	18	-	-	-	-

Table F.3: Registered Auditors – outcome of quality assurance visits – grades

	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 2011.

Visit reason	A/B	C+	C-	D	Total
New/routine	29	9	5	16	59
Early follow-up (4 years)	14	3	1	11	29
Early follow-up (2 years)	7	1	-	4	12
Investigative Committee ordered visit	3	-	-	8	11
Total	53¹	13	6	39²	111

¹ 7 of these firms had no audit clients

² 1 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.	85
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.	300
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.	149
D4:	No conditions or restrictions are proposed but the committee may wish to impose regulatory penalties or refer to investigations.	16
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.	19
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.	23
D1:	The 'Quality Assurance Directorate' recommends that the firm's audit registration should be withdrawn.	13
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.	111
Total		716

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.	12
C:	Instances of non-compliance noted and the firm has undertaken to take actions that address the issues raised, and follow-up is required.	9
D3:	Conditions or restrictions to be imposed, but loss of registration or authorisation not being proposed.	8
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.	3
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.	2
Total		35

Note 4: ICAS grades awarded

Grade		No.
A:	No instance of non-compliance with the Institute's Audit Regulations.	2
B:	Some areas of non-compliance, but they have been adequately addressed by the firm's closing meeting responses.	25
C2:	Some instances of non-compliance in relation to one area and follow-up action is required.	15
C1:	Some instances of non-compliance in relation to more than one area and follow-up actions required.	6
D3:	Findings requiring follow-up actions such as imposition of conditions and restrictions.	6
D2:	Committee to consider withdrawing audit registration or to impose serious conditions and restrictions.	1
D1:	Proposing withdrawal of audit registration.	1
Total		56

Note 5: ICPAI grades awarded

Type of review	A	B	C	D	No Grade	Total
Normal review	21	16	11	-	-	48
Re-review	2	9	1	-	1	13
Committee referral	1	-	-	-	-	1
Total	24	25	12	-	1	62

*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.	-
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.	11
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.	2
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.	-
No Grade:	Awaiting the report.	2
Total		18

Table F.4: Registered Auditors – outcome of quality assurance visits – RABs' actions

Year to 31 December, 2011	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	-	14	-	1	-	-
Number who have had their audit registration suspended as a result of the findings of a quality assurance review	1	-	2	1	-	-
Number referred to an investigations & disciplinary process	4	22	-	1	-	-
Number who have had a follow up on site visit imposed	26	4	1	1	9	-
Number who have cold file reviews imposed	-	13	10	18	-	-
Number who have had monetary penalties imposed	-	27	9	3	-	-
Number who have had a desk-top review of client files imposed	-	-	-	-	23	-
Number directed to address CPD/training matters	-	14	8	2	-	-
Number directed not to accept further audit appointments	-	27	-	2	-	-
Number directed to resign from a client	-	-	-	-	-	-
Number of other conditions/restrictions	30	150	38	4	-	2