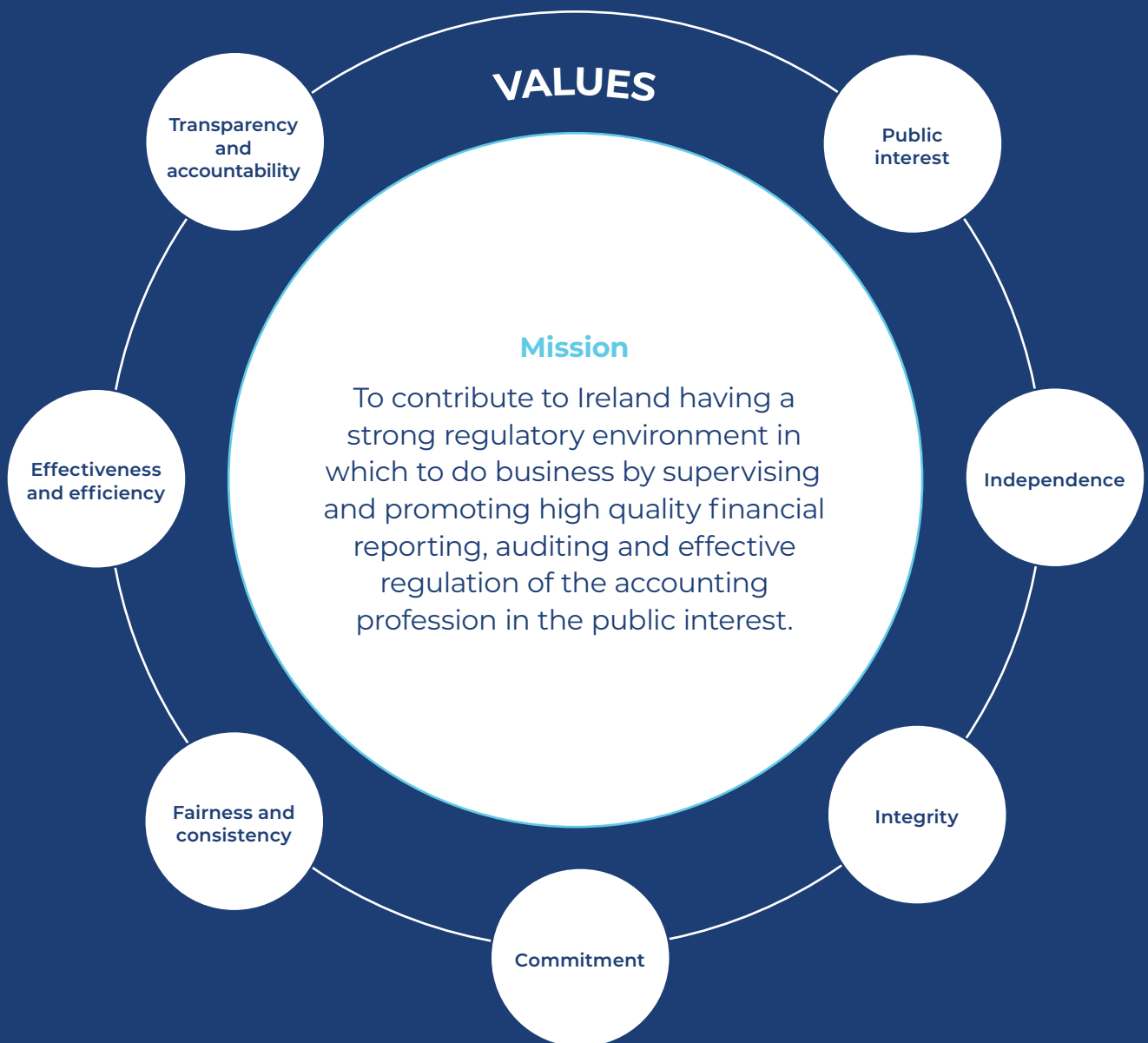


2020

# Annual Report



# Strands and Strategies



## Strand 1: Regulation

Supervision of the Auditing and Accounting Profession  
 Supervision of Financial Reporting Quality  
 Supervision of Audit Quality for PIE Audits  
 Enforcement



## Strand 2: Promotion of High Standards

Standards and Policy  
 Supervision of the Auditing and Accounting Profession  
 Supervision of Financial Reporting Quality  
 Supervision of Audit Quality for PIE Audits  
 Enforcement  
 Finance and Administration



## Strand 3: Maximising our Impact

Standards and Policy  
 Supervision of the Auditing and Accounting Profession  
 Supervision of Financial Reporting Quality  
 Supervision of Audit Quality for PIE Audits  
 Enforcement  
 Finance and Administration  
 Organisational Development

# About Us



41,229

members of prescribed accountancy bodies (PABs)  
in business and practice



1,155

statutory audit firms in Ireland



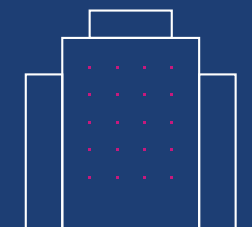
91

known issuers under financial reporting



8

PABs supervised, of which 5 are also recognised  
accountancy bodies (RABs)



8

public interest entity



IAASA adopts standards on auditing, professional  
ethics and internal quality control for statutory  
auditors

# Highlights



## Strand 1: Regulation



8

PIE audit  
firms inspected



4

themed supervisory  
reviews conducted of  
RABs



47

financial reports  
examined



1

enforcement  
settlement  
agreement



## Strand 2: Promotion of High Standards



Revision of the Ethical  
Standard for Auditors  
(Ireland)



5

thematic publications on  
financial reporting and  
auditing



1st

time publication of PIE  
inspection reports



## Strand 3: Maximising our Impact



Audit committee  
breakfast briefing held



4

financial reporting  
publications



Organisational  
development unit  
established



# Chapter 2

Standards and Policy

## Chapter 2: Standards and Policy



### 1. Principal functions

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

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

### 2. Significant developments

IAASA adopted twelve revised International Standards on Auditing (Ireland) during the year. These included ISQC (Ireland) 1 - Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and ISA (Ireland) 315 - Identifying and Assessing the Risks of Material Misstatement. A full list of the revised standards issued during the year is set out in Appendix 5.

A highlight of 2020 was the revision of the Ethical Standard for Auditors (Ireland). The changes to the standard are designed to improve audit quality and enhance public confidence in audit in Ireland. Changes include:

- simplification to assist auditors to better understand the ethical requirements and to lead to a higher level of compliance
- prohibitions on providing recruitment or internal audit services to, or acting as the general counsel of, an audited entity
- a requirement for auditors to report breaches of the Ethical Standard for Auditors (Ireland) on at least an annual basis to IAASA for PIE audits and the relevant RAB for all other audits
- a requirement to report any breaches relating to a specific audit to those charged with governance of the relevant entity

The revised standard is effective for audits of financial statements for periods beginning on or after 15 July 2021, with early adoption permitted.

During 2020, IAASA continued to actively engage with peers, stakeholders and standard setters, including by observing meetings of the FRC's Audit and Assurance Council, contributing to the CEAOB's response to a number of

international consultations on proposed standards, and issuing its own comments on proposed standards where appropriate. The Authority also contributed to the work of the Company Law Review Group (CLRG) (the independent advisory body to the Department on company law matters) through membership by the Chief Executive.

#### Compendium of Illustrative Auditor's Reports

An auditor's report is the key output of a statutory audit and a key objective of an auditor is to clearly express an opinion on the financial statements through that written report. In 2020, IAASA issued the 'Compendium of Illustrative Auditor's Reports' with examples of eight commonly issued auditor's reports. These are auditor's reports on financial statements of a private company, private group, micro company, qualifying partnership, industrial or provident society, a friendly society, and on revised and abridged financial statements.

The compendium was developed with a working group and advice from IAASA's Technical Advisory Panel, along with technical input from several audit firms. It is intended to provide a useful reference tool for auditors. It illustrates, for the benefit of auditors, how the requirements of the relevant auditing standards can be applied in drafting auditor's reports for Irish entities.

Of course, auditors should tailor the audit report to the specific reporting circumstances, and other approaches may be adopted provided that the form and content of the report meets the requirements of the relevant auditing standards and legislation.

IAASA anticipates that this guidance will be useful to auditors as well as enhancing consistency and clarity for the benefit of users of financial statements.

### 3. COVID-19 impact

Given the nature of its activities, the Standards and Policy Unit's work stream substantially maintained its activities despite the onset of the pandemic. However, recognising the challenges for many stakeholders in dealing with the pandemic, IAASA kept deadlines under review and extended the deadlines on consultation responses where appropriate. In addition, the proposed effective date of the revisions to the Ethical Standard for Auditors (Ireland) and ISAs (Ireland) was deferred from October 2020 to July 2021 in response to feedback received to the public consultation about the challenging working environment for audit firms due to COVID-19.

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

Business plan strategies	Outcomes
<b>Development of ISAs (Ireland) and related guidance</b>	<ul style="list-style-type: none"><li>• Adopted twelve revised International Standards on Auditing (Ireland), a revised Ethical Standard for Auditors (Ireland) and revised Glossary of Terms</li></ul>
<b>Supporting high standards in audit of PIEs</b>	<ul style="list-style-type: none"><li>• Issued the 'Compendium of Illustrative Auditor's Reports' for non-listed entities</li></ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"><li>• Hosted three Technical Advisory Panel meetings during the year. Also, two working groups provided support on the development of guidance and standards</li><li>• Monitored developments in international and UK auditing standards, including through attendance as an observer at meetings of the FRC's Audit and Assurance Council and participation in the CEAOB International Auditing Standards Subgroup</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>• Issued two consultations relating to revisions to the auditing framework during the year. Prior to issuing the consultations, IAASA engaged with the Technical Advisory Panel and, where relevant, other regulatory bodies</li><li>• Participated in the CEAOB International Auditing Standards Subgroup, including periodic conference calls and the annual meetings with the international standard setting boards (IAASB and IESBA)</li><li>• Contributed to the development of the CEAOB's responses to audit related consultations issued by the IAASB, IESBA and EU Commission</li><li>• Submitted one IAASA response to an IAASB consultation and two responses to IESBA consultations</li></ul>





# Chapter 3

Supervision of the Auditing  
and Accounting Profession

## Chapter 3: Supervision of the Auditing and Accounting Profession



### 1. Principal functions

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

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

### 2. Significant developments

In 2020, the Authority continuously engaged with the relevant stakeholders to understand the impact of Brexit on the current and future processes of the eight PABs (see Appendix 3 for a list of the PABs). Given that a number of the PABs operate extensively in both Ireland and the UK, the requirement to distinguish between the two jurisdictions is becoming increasingly important.

The Authority undertook four supervisory visits in 2020, two related to quality assurance, one related to investigation and disciplinary procedures and one related to licensing (see Appendix 3 for a list of reports issued). Additionally, the Authority redesigned the approach to the regulation of the PABs, focusing on aligning resources to the legislative functions to aim for the most efficient regulatory approach.

The Authority also continued work on developing guidelines on a number of topics, including continuing education and investigation and disciplinary functions.

#### IAASA guidelines

The Authority continued work on the development of IAASA guidelines during 2020. Under the Act, the Authority has the power to issue guidelines to PABs, which effectively set standards for how the bodies carry out the regulatory activities that fall within the remit of the Authority's functions.

The guidelines are based on international best practice within the relevant areas. Prior to finalisation, the Authority seeks and considers the views of the PABs.

Following the effective date of the guidelines, IAASA ensures that the constitutional documents of the bodies comply with the guidelines and tests compliance with the guidelines through themed supervisory reviews.

### 3. COVID-19 impact

The Regulatory and Monitoring Supervision team carried out regular physical meetings and supervisory reviews to PABs prior to COVID-19. This activity has continued uninterrupted by moving the meetings and supervisory reviews onto virtual platforms. The PABs have all engaged well with this change and indeed, there have been benefits to both sides.

COVID-19 had, and continues to have, a significant impact on the PABs in a number of areas. In relation to examinations, some bodies had to cancel or postpone examinations in 2020 while work was carried out to move the examinations onto an online system. In relation to the RABs' quality assurance inspections, this activity has mainly converted to remote inspections. However, there have been a number of instances where planned inspections have not taken place due to individuals being unwell or unable to provide remote access. Also, in the area of investigation and disciplinary procedures, most PABs' rules envisaged physical meetings/hearings as part of the process. Some PABs have been able to convert to online systems, while for others work is ongoing to make the required amendments to allow this to happen.

## Chapter 3: Supervision of the Auditing and Accounting Profession

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

Business plan strategies	Outcomes
Oversight of accountancy profession	<ul style="list-style-type: none"><li>• Carried out four supervisory reviews</li><li>• Carried out continuous monitoring reviews in all PABs</li><li>• Approved 48 constitutional documents</li></ul>
Supporting accountancy bodies in undertaking their regulatory responsibilities	<ul style="list-style-type: none"><li>• Engaged regularly with all PABs</li></ul>
Disseminating best practice	<ul style="list-style-type: none"><li>• Developed and consulted on guidelines for continuous professional development and the investigation and disciplinary function</li><li>• Issued 'Profile of the Profession' to provide statistical data on the profession</li></ul>
Being heard	<ul style="list-style-type: none"><li>• Engaged with relevant stakeholders in relation to Brexit</li></ul>
Developing/improving our processes	<ul style="list-style-type: none"><li>• Reviewed the approach to supervising the PABs effectively</li></ul>



# Chapter 4

Supervision of Financial  
Reporting Quality

## Chapter 4: Supervision of Financial Reporting Quality



### 1. Principal functions

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

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

### 2. Significant developments

In 2020, the Authority examined 47 financial reports, comprising 44 annual financial reports and three half-yearly financial reports (see Appendix 2). 21 issuers provided 82 undertakings to the Authority to improve reporting in future periods. The most frequent area in which undertakings were provided related to alternative performance measures – this is an area that consistently results in high levels of issues being raised across Europe. Other areas resulting in undertakings include accounting for leases, financial instruments, fair value measurement, revenue and impairments.

Additionally, the Authority published the results of thematic reviews in relation to accounting for leases and disclosure of operating segments. An information note on reporting the impact of COVID-19 was also published.

The Authority engaged heavily with its European counterparts, participating in the various task forces and subgroups associated with accounting enforcement. During 2020, the attention of these groups was focused on COVID-19 and future developments in corporate reporting, including the European Single Electronic Format and non-financial reporting.

### Reporting on the impact of COVID-19

The Authority carried out a desktop examination of a number of issuers' disclosures in relation to COVID-19 in their 2020 half-yearly financial reports. The findings from that desktop examination were published in an Information Note 'Reporting the Impact of COVID-19'.

The messages contained in that Information Note continue to be of significant importance for those preparing and approving financial statements as the pandemic continues.

The Authority noted instances of boilerplate references to the pandemic and instances where entities remained silent or vague in explaining key judgments. The Authority strongly recommends that entities avoid boilerplate references and provide sufficient entity specific information to allow users to understand the judgments made in the financial statements.

Areas meriting particular scrutiny include expected credit losses (in corporate entities as well as financial institutions), disclosure of government assistance, hedge ineffectiveness, liquidity and management reports.

### 3. COVID-19 impact

The Financial Reporting Supervision team had been office-based with largely electronic communications and, therefore, activities were minimally impacted by the requirement for employees to work from home.

International engagement normally involves several physical meetings per year. All of these meetings took place virtually, albeit with shorter agendas than usual recognising the constraints of virtual platforms. It was notable that for some technical discussions, the virtual environment has proven beneficial.

COVID-19 continues to have a significant impact on many issuers, both positive and negative. As noted in the case study above, the key requirement is for issuers to ensure that estimates and judgments are well explained in light of the increased uncertainties facing all entities currently.

## Chapter 4: Supervision of Financial Reporting Quality

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

Business plan strategies	Outcomes
Review of financial reporting	<ul style="list-style-type: none"><li>• Examined 44 annual reports</li><li>• Examined three half-yearly reports</li></ul>
Supporting high standards in financial reporting	<ul style="list-style-type: none"><li>• Actively participated in European forums, including the Corporate Reporting Steering Committee ('CRSC') and various sub-groups and task forces</li><li>• Contributed to the standard setting process through observing at FRC's Corporate Reporting Council</li></ul>
Disseminating best practice	<ul style="list-style-type: none"><li>• Published 10 financial reporting decisions</li></ul>
Being heard	<ul style="list-style-type: none"><li>• Published two thematic reports and an Information Note</li><li>• Made presentations to a number of profession and business stakeholder groups</li></ul>
Developing and improving our processes	<ul style="list-style-type: none"><li>• Monitored developments in accounting enforcement globally and considered potential impact on IAASA's system of examination of financial reporting</li></ul>



# Chapter 5

Supervision of Audit Quality  
for PIE Audits

## Chapter 5: Supervision of Audit Quality for PIE Audits



### 1. Principal functions

The principal functions of the Audit Quality Unit are to:

- undertake quality assurance of statutory audit of public interest entities;
- cooperate with EU audit oversight bodies;
- advise the Minister on auditing matters; and
- register and undertake quality assurance of third country auditors and audit entities.

### 2. Significant developments

There were eight PIE audit firms in Ireland in 2020 (2019: nine). Four of these firms audited 76% (2019: 80%) of the PIEs in Ireland, earning approximately 90% (2019: 94%) of the PIE audit fees. One audit firm, auditing one PIE, is based in the UK and was therefore, reviewed by the Financial Reporting Council ('FRC') in 2020.

In early 2020, the Authority published the reports on the inspection of each firm in 2019. This was the first time that such reports were published in Ireland. Publication of inspection reports is generally recognised as best practice in regulation and is the aim for many regulators. However, Ireland is among the first regulators to do so. This is consistent with the Authority's stated intention to be heard and to innovate. The 2020 reports disclosed that 71% of audits of PIEs inspected were assigned a grade of 2 or higher, indicating that audit quality is of a good standard. For the 17% of audits inspected that were assigned a grade of 3, there are more substantial issues. The remaining 13% of audits that were assigned a grade of 4 require significant improvement. All of the audits graded 4 were within one audit firm.

During 2020, the Authority inspected eight firms and 25 audits (see Appendix 4). The inspections covered aspects of firm-wide controls for seven of the firms. In the case of one firm, only audits were inspected as the firm ceased to be a PIE auditor in the period. The results of these inspections are expected to be published in March 2021.

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

improvements in audit quality. IAASA actively participates in both CEAOB and IFIAR. IAASA has representatives on all CEAOB subgroups as well as a number of task forces and colleges. During 2020 the Chief Executive joined the consultative group of the CEAOB, which oversees its administration. IAASA's position as Chair of the Market Monitoring Subgroup expired during 2020 and the Irish Chair was successfully reappointed for a second term.

In line with the Authority's intention to be heard, an audit committee event was held in September 2020. The event ran virtually and was well attended on the day and in the recordings subsequently made available publicly. The intention of the event was to gain insight from auditors and audit committees about the increasing role of an audit committee in producing reliable, meaningful information for investors.

#### Public inspection reports

The inspection reports published last year set out the results of IAASA's inspections of each of the PIE audit firms. The reports detail the recommendations issued to improve the firms' systems of quality control as well as a summary of the results of the individual audit inspections.

The purpose of publishing these reports is to provide information to the market about the quality of audits in these firms. The intended users of the public reports include audit committees of public interest entities as well as all users of audited financial statements.

The information contained in the reports may provide useful information to audit committees to aid them in assessing the current statutory auditors of their entities. The reports also contain information which may be useful in appointing a new audit firm through a tender process.

The reports will continue to be published annually.

### 3. COVID-19 impact

AQU typically inspects firms by physically attending their offices. Since mid-March 2020, this has not been possible. All inspection activity was completed as planned however with inspectors working remotely. All firms engaged well with IAASA to find solutions to make the relevant information accessible remotely and meetings were held as usual using various video calling software tools.

In terms of international engagement, which normally involves several physical meetings per year, many of these meetings took place virtually, albeit with shorter agendas than usual given the difficulties with coordinating time-zones and recognising the constraints of virtual platforms.



## Chapter 5: Supervision of Audit Quality for PIE Audits

COVID-19 had, and continues to have, a very significant impact on auditors, both in terms of their ability to carry out typical audit tasks as well as presenting new challenges. In many cases, audit firms are reporting relative ease of obtaining information and engaging with audit clients, albeit audits are taking longer. However, significant challenges are arising with matters such as physical inventory counts, accounting estimates and going concern. In particular, accounting estimates and going concern rely heavily on forecasts which are particularly difficult in the current, unprecedented, environment.

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

Business plan strategies	Outcomes
<b>Direct inspection of auditors of PIEs</b>	<ul style="list-style-type: none"><li>• Inspected 8 firms</li><li>• Inspected 25 individual audits</li></ul>
<b>Supporting high standards in audit of PIEs</b>	<ul style="list-style-type: none"><li>• Engaged regularly with all PIE audit firms</li><li>• Chaired the CEAOB Market Monitoring Subgroup</li><li>• Actively participated in all CEAOB subgroups and a number of task forces. IAASA also participates in the leadership of the inspection subgroup, through its organising committee, and the CEAOB plenary, through its consultative group</li></ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"><li>• Published eight inspection reports</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>• Published two thematic reports</li><li>• Hosted an audit committee breakfast briefing</li><li>• Published two articles in professional magazines</li></ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"><li>• Implemented the Common Audit Inspection Methodology (CAIM) for assessing the internal quality control systems of PIE audit firms</li><li>• Developed and continued to refine a suite of working papers for the inspection of individual audits, taking into account the specificities of particular auditing standards as well as relevant matters relating to the entity type or industry</li></ul>



# Chapter 6

Enforcement

## Chapter 6: Enforcement



### 1. Principal functions

The principal functions of the Enforcement Unit are to:

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

### 2. Significant developments

2020 was the first year for IAASA to implement the new regulations for conducting section 933 enquiries and section 934 investigations. These new regulations allow the Authority to take an Executive led approach to the initial enquiry and investigation phase, and should improve the efficiency of the overall enforcement process. During the year, one settlement agreement was finalised, the last open investigation under the Authority's pre-existing investigation procedures. As part of the Authority's ordinary procedures, a number of cases were referred to the Enforcement Unit for consideration. Most of these are closed without the need for the launch of a formal investigation. During the year, the Authority launched one enquiry under section 933 and two investigations under section 934. All three are open at the year end.

Supporting its new approach to enforcement, the Authority also issued a consultation paper on sanctions guidance, and has continued to develop its internal processes and procedures to support the new enforcement policy.

The Authority's Senior Enforcement Counsel contributed to the work of the CEAOB through membership of the Enforcement Working Group.

#### Section 934 investigation

Two connected cases were referred to an investigation committee in 2020. These matters had been considered under the old regulations where a preliminary investigation committee (PIC) considered that there was a prima facie case (a case to answer) and that the cases were to be sent to a full investigation committee. The parties indicated a willingness to enter into a settlement agreement with IAASA.

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

The parties made admissions to a number of contraventions to auditing standards and were sanctioned accordingly. The settlement agreement resulted in the avoidance of further additional costs and administrative burden of an extended investigation for both the Authority and the specified person.

The firm was fined €40,500 in respect of contraventions of an auditing standard. The audit partner was suspended from audit practice for a period of one year and he was further fined €22,500 and another member of the audit team was severely reprimanded and fined €9,000. A contribution of €50,000 towards costs was agreed.

### 3. COVID-19 impact

The Authority's Enforcement Unit was able to substantially maintain its activities despite the onset of the pandemic. However, given the challenges in dealing with or having access to documents, deadlines were longer than would normally be expected and deadlines were extended where appropriate. The commencement of the new Enforcement procedures, and the reduction in the requirement for committees, contributed significantly to the Authority's capacity to continue its work without undue delay.

## Chapter 6: Enforcement

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

Business plan strategies	Outcomes
Investigation and Enquiry	<ul style="list-style-type: none"><li>• Developed and implemented policies. In particular, sanctions guidance was issued for consultation</li><li>• Drafted and implemented settlement procedures</li><li>• Progressed investigations and enquiries</li><li>• Achieved appropriate outcomes evidenced by the settlement agreements</li><li>• Published outcomes in line with policies</li></ul>
Being heard	<ul style="list-style-type: none"><li>• Issued consultation on sanctions guidance</li><li>• Participated in the CEAOB Enforcement Subgroup, including periodic conference calls</li><li>• Published user friendly and easily understood enforcement documents</li><li>• Participated in stakeholder roundtable meetings</li></ul>



# Chapter 7

Finance and Administration

## Chapter 7: Finance and Administration



### 1. Principal functions

The principal functions of the Finance and Administration Unit are to:

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

### 2. Significant developments

The unit met its statutory deadlines throughout 2020 despite the impact of the pandemic. These included IAASA's statutory financial statements and company returns, and the requirements of the Code of Practice for the Governance of State Bodies. Further details of these are included elsewhere in this report, primarily in the Governance and Structure section.

The move to remote working brought considerable challenges to the unit, particularly in the areas of ICT and financial controls. Prudent investment in recent years together with a pragmatic and flexible approach allowed the unit facilitate a seamless transition to remote working for all staff from an ICT perspective. The unit adapted its financial control procedures to provide an entirely on-line payments process for all payments, while maintaining a robust control environment.

Provision of legal services was added to the unit's responsibilities in 2020. In addition to day-to-day advice, the unit supported the development of policies arising from remote inspection activities, and those arising from Brexit. The unit carried out considerable work on data protection policies and procedures. It also undertook a review of a number of board policies, such as conflict of interest, gifts and hospitality, committee constitution and induction programmes for directors and for ARC members.

### 3. COVID-19 impact

Considerable work was undertaken to ensure all staff could work remotely during the pandemic. In addition, the unit ensured that its offices were safe and appropriately prepared to allow for access for essential purposes during periods of lockdown at level 3 or less. IAASA's ICT and Facilities Executive, part of the unit, acts as COVID-19 Lead Worker Representative.

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

Business plan strategies	Outcomes
<b>Disseminating best practice</b>	<ul style="list-style-type: none"><li>• Statutory Annual Report and AAPA Reports approved by board</li><li>• Delivered mandated reports to Minister by statutory deadlines</li></ul>
<b>Ensuring efficient use of our financial resources</b>	<ul style="list-style-type: none"><li>• Programme of Expenditure (budget) adopted by board and approved by Minister</li><li>• Successful outcome of review of systems of internal control by internal and external auditors</li><li>• Significant adaptation of financial procedures to maintain robust financial control in the paperless, remotely-managed system</li><li>• Developed a three year internal audit plan, approved by the ARC</li></ul>
<b>Being heard</b>	<ul style="list-style-type: none"><li>• Acted as principal point of contact with journalists and public representatives</li><li>• Continued strong and effective relationship with the Department's liaison unit</li></ul>
<b>Developing/improving processes</b>	<ul style="list-style-type: none"><li>• Ongoing maintenance of and investment in ICT infrastructure, providing for a seamless transition to a remote working model</li><li>• Reviewed and updated where appropriate all GDPR processes and documentation</li><li>• Provided in-house legal advisory support around remote inspection and Brexit-related issues</li></ul>
<b>Innovating</b>	<ul style="list-style-type: none"><li>• Implemented a paperless system for staff expense claims</li><li>• Significant adaptation of payment processes due to COVID-19</li></ul>



# Chapter 8

Organisational Development

## Chapter 8: Organisational Development



### 1. Principal functions

The principal functions of the organisational development unit are to:

- develop a supportive culture for innovation in IAASA;
- enhance internal and external communications, through use of relevant media; and
- support IAASA's staff committees to see ideas through to implementation.

### 2. Significant developments

In December 2019, IAASA signed the Declaration on Public Service Innovation. In essence, this means that IAASA committed to build a culture of innovation in the organisation. In parallel, staff took part in an innovation hackathon to generate ideas for innovating. To deliver on that commitment and on the ideas proposed, in 2020 IAASA established the organisational development unit. Its key objective is to develop a supportive culture for, and provide momentum to, the innovation agenda.

A range of hackathon initiatives were progressed during the year, along with the issue of a quarterly innovation newsletter for staff and the provision of relevant staff training. Other activities include the development of a staff intranet with useful content on innovation tools and techniques, the establishment of an IAASA social media presence on LinkedIn and the establishment of an external HR support function, development of a HR work plan and the initiation of several HR initiatives.

#### Public service innovation week

In October 2020, the public service hosted its second 'public service innovation week'. This is a week where public service organisations are asked to put a spotlight on innovation in their own workplace. The public service innovation team also developed a programme of online events throughout that week.

During innovation week, IAASA employees took part in training workshops on the topic of 'regulating root cause'. The aim of these workshops was to increase awareness of innovation skills and approaches in day to day work as well as to develop solutions to key issues.

The Authority also published innovation-focused intranet pages to provide further information about problem-solving tools and techniques, created an innovation-themed quiz and promoted the programme of events organised by the Department of Public Expenditure and Reform's public service innovation team. IAASA staff attended several of those webinars.

### 3. COVID-19 impact

Since March 2020, all IAASA staff have been working from home. This means that all projects have been delivered through virtual collaboration. Video conferencing was used to work together day to day as well as introducing an online social networking tool to encourage and maintain our informal interactions. IAASA's wellbeing team put a focus on staying connected and prioritising employee wellbeing. It surveyed staff to assess their needs and provided access to wellbeing resources and support, both internal and external. A number of innovation projects, including in particular, the development of a staff intranet were also key to mitigating the communication and connection impacts of the pandemic.



## Chapter 8: Organisational Development

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

Business plan strategies	Outcomes
Being heard	<ul style="list-style-type: none"><li>• Developed a policy of plain professional English for written communications</li><li>• Revised branding templates and style guide</li><li>• Provided training for staff on effective report writing</li><li>• Established an IAASA LinkedIn presence</li></ul>
Developing/improving our processes	<ul style="list-style-type: none"><li>• Developed a HR work plan and initiated a range of HR-related projects</li><li>• Provided training for staff on a range of organisation-wide areas including problem definition and problem-solving, report writing, and people management</li><li>• Introduced a staff intranet and an online social network</li></ul>
Innovating	<ul style="list-style-type: none"><li>• Published a quarterly innovation newsletter</li><li>• Developed innovation webpages for the intranet with tools and techniques to support innovation in the organisation</li><li>• Supported a range of staff committee initiatives on wellbeing, learning and development and the green agenda</li><li>• Held an innovation sprint workshop on the theme of 'regulating root cause'</li><li>• Participated at the public service innovation network online events</li></ul>