



CONSULTATION PAPER

Supplementary Standards and Guidance

10 November 2017

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1. Background

On 31 January 2017, IAASA adopted the Auditing Framework for Ireland and published its component elements, consisting of the International Standards on Auditing (Ireland) and the Ethical Standard for Auditors (Ireland) 2016 (together, 'the Standards'). The Standards are based on the FRC Auditing Framework for the UK, with appropriate amendments for legislative and regulatory requirements in Ireland.

For financial periods beginning before 17 June 2016, the relevant auditing standards are the FRC's 2010 Ethical Standards for Auditors (UK and Ireland) and 2009 Auditing Standards (UK and Ireland). For those periods, the FRC also issued a number of Practice Notes and Bulletins designed to provide additional guidance to auditors, including some developed specifically for the Irish market. Those specifically relating to Irish entities have since been withdrawn by the FRC and to date, have not been issued by IAASA.

In addition to the guidance documents discussed above, the FRC have two additional auditing standards and five Standards on Investment Reporting (SIRs) which have not yet been adopted by IAASA.

In the light of IAASA's objective to promote adherence to high professional standards in the auditing profession, the Authority has determined that it is appropriate to review the Practice Notes and Bulletins relating to Ireland previously issued by the FRC. This is with a view to updating and reissuing those Practice Notes and Bulletins containing guidance with continued relevance to auditors of Irish entities. The Authority is also considering the additional auditing standards and SIRs in order to determine whether it is appropriate to amend and adopt those for use in Ireland.

The purpose of this consultation is to seek the views of stakeholders regarding the Authority's intended policy on additional standards and also its intended policy with regard to guidance documents.

2. Additional Standards

The FRC have two additional auditing standards not currently adopted in Ireland; ISA (UK) 800 – Audits of Financial Statements of Special Purpose Financial Statements and ISA (UK) 805 – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement. Amongst other things, these standards are relevant to reporting requirements applicable to auditors of insurance undertakings under EU Directive 2008/138/EC (the Solvency II Directive). The Authority intends to amend the standards for legislative references as necessary and adopt them as soon as practicable.

The five SIRs relate to work undertaken by auditors when engaged to provide assurance on financial information contained in investment circulars published by issuers on the London and Irish Stock Exchanges. The Authority seeks the views of stakeholders as to whether IAASA should seek to amend and adopt these Standards or similar in the future.

3. Practice Notes and Bulletins

The table set out in Appendix 1 to the Consultation Paper sets out initial indicative views as to the steps to be taken in relation to each Practice Note, Bulletin or supplementary standard relating to Ireland, using three broad categories:

- 1) guidance or standards that have significant relevance to auditors and have recently been updated: IAASA should amend and issue as soon as practicable;
- 2) guidance or standards that have continued relevance to auditors but do not fully reflect all current legal and regulatory requirements: IAASA will commence a project to update and reissue in an appropriate timeframe, which will be determined taking into account the degree

of need to address the topics concerned, the complexity of doing so and the extent of resources needed;

- 3) guidance or standards that are not of continued relevance to auditors generally, IAASA should not adopt or issue at the present time.

4. Matters on which IAASA is consulting

IAASA welcomes views from stakeholders and interested parties on the specific priorities it has identified in relation to adoption and issue of supplementary guidance and standards as set out in Appendix 1 to this paper.

Matter on which views are sought	
1.	Do you agree with IAASA's intention to amend and adopt ISAs (UK) 800 and 805 for use in the Irish market?
2.	Do you believe that IAASA should seek to adopt SIRs for use in the Irish market? If so, other than legislative amendments, are there other amendments you believe are required to be made prior to adoption?
3.	Do you agree with the proposed course of action for each of the guidance documents in issue prior to IAASA adopting the Auditing Framework for Ireland, as set out in the Appendix to this paper? If not, please provide your preferred course of action and reasons in your response.
4.	Are there are other areas in which supplementary standards or guidance would be beneficial to support audit quality?

5. Making your submission

IAASA invites comments on all proposals put forward in this Consultation Paper and, in particular, on the specific matters set out in section 4 above.

Stakeholders and interested parties are invited to provide responses to the above questions by e-mail only to submissions@iaasa.ie no later than **5:30pm on 12 January 2018**.

Any submissions received after this time and any anonymous submissions will not be considered.

Comments are most helpful if they:

- (a) respond directly to the specific question posed;
- (b) provide a clear rationale for the position adopted by the respondent;
- (c) provide supporting evidence underpinning the views expressed/rationale proposed; and
- (d) describe in detail any alternative option(s) you wish IAASA to consider.

While responses may include attachments, such attachments must not be encrypted. All responses from identifiable individuals and organisations received by the deadline will be considered by IAASA.

Depending on the nature and scale of responses, IAASA may publish a feedback statement summarising the content of the responses. Respondents should note that, in the interest of transparency, their responses may be published in full or in part (and may be attributed to the respondent) by IAASA in that feedback statement.

Appendix 1 – Practice Notes and Bulletins

Practice Notes		Issue date	Proposed action by IAASA
PN 27(I)	The audit of credit unions in the Republic of Ireland	May 2016	IAASA intends to adopt as soon as practicable.
PN (UK&I) 26	Guidance on smaller entity audit documentation	Dec 2009	IAASA does not intend to adopt the Practice Note.
PN (UK&I) 23	Special considerations in auditing financial instruments	Jul 2013	IAASA does not intend to adopt the Practice Note.
PN 19(I)	The audit of banks in the Republic of Ireland	Mar 2011	IAASA will commence project to update and reissue in an appropriate timeframe.
PN 15(I)	The audit of occupational pension schemes in Ireland	Feb 2010	IAASA will commence project to update and reissue in an appropriate timeframe.
PN 10(I)	Audit of central government financial statements in the Republic of Ireland	Aug 2011	IAASA does not intend to adopt the Practice Note.

Bulletins		Issue date	Proposed action by IAASA
1(1)	Compendium of Illustrative Auditor's Reports on Irish Financial Statements and subsequently issued supplementary example report	2012	IAASA will commence project to update and reissue in an appropriate timeframe.
2011/1	Developments in Corporate Governance affecting the responsibilities of auditors of companies incorporated in Ireland	2011	IAASA will commence project to update and reissue in an appropriate timeframe.
2008/2	The Auditor's Association with Preliminary Announcements made in accordance with the Requirements of the UK and Irish Listing Rules	2008	IAASA will commence project to update and reissue in an appropriate timeframe.
2007/2	The Duty of Auditors in the Republic of Ireland to report to the Director of Corporate Enforcement	2007	IAASA intends to adopt as soon as practicable.
2006/5	The Combined Code on Corporate Governance: Requirements of Auditors under the Listing Rules of the Financial Services Authority and the Irish Stock Exchange	2006	IAASA will commence project to update and reissue in an appropriate timeframe.
2006/4	Regulatory and legislative background to the application of Standards for Investment Reporting in the Republic of Ireland.		IAASA does not intend to adopt the Bulletins.