

2018

Regulatory and
Monitoring Supervision

Profile of the Profession

Disclaimer

Whilst every effort has been made to ensure the accuracy of the information contained in this document, the Irish Auditing & Accounting Supervisory Authority accepts no responsibility or liability howsoever arising from any errors, inaccuracies, or omissions occurring.

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Mission

To contribute to Ireland having a strong regulatory environment in which to do business by supervising and promoting high quality financial reporting, auditing and effective regulation of the accounting profession in the public interest.

1. Chief Executive's introduction

I am pleased to present the Irish Auditing and Accounting Supervisory Authority's report, *Profile of the Profession 2018*, which provides readers with an insight into:

- the Prescribed Accountancy Bodies' ('PABs') membership, student numbers, and public practice profiles;
- the nature and scale of the PABs' regulatory and monitoring activities; and
- the Recognised Accountancy Bodies' ('RABs') auditor population and related audit quality and continuing professional development ('CPD') monitoring activities.

IAASA's role in relation to the accountancy bodies includes supervising the manner in which the PABs regulate their members. It also extends to oversight of the RABs' performance of the regulatory functions assigned to them under legislation in respect of statutory auditors including approval and registration, continuing education, quality assurance and investigation and discipline.

Additional information regarding IAASA's supervision of the PABs and oversight of statutory auditors and audit firms is available in IAASA's Annual Audit Programme and Activity Report 2018 and in IAASA's Annual Report 2018 published on our website.

At 31 December 2018:

- there were 38,530 PAB members resident in Ireland, a slight increase of 1.4% from 2017;
- the PABs' aggregate student membership resident in Ireland was 16,462, a minor increase on the previous year (2017: 16,425);
- the number of audit firms approved/registered to audit in Ireland was 4,568 (2017: 4,745) with 1,260 of those located in Ireland (2017: 1,291); and
- individual statutory auditors approved/registered to audit in Ireland was 10,000 (2017: 9,566) with 1,956 of these individuals located in Ireland (2017: 1,973).

Acknowledgement

I acknowledge the efforts made by the PABs in compiling the information contained in this document and thank them for their co-operation in responding to IAASA's queries.

Kevin Prendergast
Chief Executive

July 2019

2. Prescribed Accountancy Bodies

A Prescribed Accountancy Body ('PAB') is an accountancy body that comes within IAASA's supervisory remit. At 31 December 2018, there were eight PABs:

- ACCA** Association of Chartered Certified Accountants;
- AIA** Association of International Accountants;
- CIMA** Chartered Institute of Management Accountants;
- CIPFA** Chartered Institute of Public Finance & Accountancy;
- CPA** Institute of Certified Public Accountants in Ireland;
- ICAEW** Institute of Chartered Accountants in England and Wales;
- ICAI** Institute of Chartered Accountants in Ireland; and
- ICAS** Institute of Chartered Accountants of Scotland.

Further information regarding each of the PABs is available on their respective websites, links to which can be found at section 6.

By virtue of the revocation of recognition of the Institute of Incorporated Public Accountants ('IIPA') on 16 March 2018, IIPA is no longer a PAB under the Companies Act 2014 (as amended) ('the 2014 Act'). This means that IIPA may no longer authorise individuals or firms as statutory auditors in Ireland or undertake any audit related regulatory functions. As IIPA is no longer a PAB under the Act, it no longer comes under the remit of the Authority.

At 31 December 2018 five of the eight PABs were also RABs. RABs are permitted to approve their members/member firms and other qualified individuals to practise as statutory auditors/audit firms. The five RABs are ACCA, ICAEW, ICAI, ICAS, and CPA.

3. Provision of information by the PABs

At the start of each year, the PABs are required to complete an annual return for the previous year in order to:

- provide IAASA with the information necessary to monitor the PABs' ongoing regulatory activities and to develop supervisory responses as necessary; and
- enable IAASA to provide the public with an insight into the PABs' scale and composition, as well as their principal regulatory activities.

Consequently, IAASA has relied on the PABs to provide the information contained in this document, which was submitted as part of the annual return process. Given the dual purpose of the data contained in the PABs' annual returns, as detailed above, not all of the information gathered by IAASA is included in this document.

4. Comparability of data

In analysing the information presented in this document, it is important to note that there are differences in the structure and operations of the eight PABs. There may also be differences in their interpretation of the information requested. These inherent limitations may cause some difficulties in making comparisons. While IAASA has tried to minimise such differences through the design and regular updating of the annual return templates, care is needed in interpreting the data presented in this document and direct comparison may not be appropriate or meaningful in some cases.

5. Definitions used in this document

The definitions below are used in this document.

Body	A PAB or RAB
Complaint	Any expression of dissatisfaction with audit or accounting related services, the conduct or performance of a member, member firm, student or affiliate, howsoever coming to the attention of the body
Complaint (Irish relevant)	A complaint relating to a member, member firm, student or affiliate located or employed in Ireland or relating to clients based in Ireland
Ireland	The Republic of Ireland ('ROI')
Location	The primary address used for correspondence by the student, member or member firm
PAB	A Prescribed Accountancy Body that comes within IAASA's supervisory remit, as defined in the 2014 Act
Practice monitoring review	A review which covers the work undertaken by a firm/sole trader in practice (other than audit)
Principal	A partner in a member firm including a sole practitioner/director
Public Interest Entity ('PIE')	A Public Interest Entity ('PIE') is defined in the 2014 Act and includes certain listed entities, credit institutions and insurance undertakings
RAB	A Recognised Accountancy Body permitted to approve its members/member firms as statutory auditors/audit firms, as defined by the 2014 Act. RABs are also permitted to approve other qualified individuals
Relevant legislative requirements	Requirements set out in the Companies Act 2014 (as amended) ('the Act')
Statutory auditor/audit firm	An individual/audit firm that is approved in accordance with relevant legislation to carry out statutory audits in Ireland
Worldwide	Throughout this document worldwide includes Ireland

6. Links to the PABs' websites

Further information regarding each of the PABs is available on their respective websites, as set out below.

Association of Chartered Certified Accountants	www.accaglobal.com
Association of International Accountants	www.aiaworldwide.com
Chartered Institute of Management Accountants	www.cimaglobal.com
Chartered Institute of Public Finance and Accountancy	www.cipfa.org
Institute of Chartered Accountants in England and Wales	www.icaew.com
Institute of Chartered Accountants in Ireland	www.charteredaccountants.ie
Institute of Chartered Accountants of Scotland	www.icas.com
Institute of Certified Public Accountants in Ireland	www.cpairland.ie



Part A

PAB membership

Part A: PAB membership

Admission to PAB membership

Admission to membership requires applicants to satisfy various criteria, which typically include:

- 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 standards, including its bye-laws, rules, regulations, code of ethics and conduct.

Members' obligations

In order to retain their membership status, PAB members are required to fulfil certain continuing obligations, including:

- undertaking appropriate CPD to maintain their professional competence; and
- complying on an ongoing basis with the relevant PAB's standards, including its bye-laws, rules, regulations and code of ethics and conduct.

Failure to comply with these requirements may result in a PAB taking disciplinary action against a member. Part D of this document provides additional information regarding the PABs' investigation and disciplinary activities.

Membership at 31 December 2018 – tables and chart

Table A.1 shows the PABs' membership by location throughout the world, whilst table A.2 analyses Irish based members by gender, age and employment status. Comparable figures (totals) for 2017 have been stated, where practical to do so.

- There has been a 3% increase in PAB worldwide membership in the year, although the geographical split by location remains largely unchanged.
- Of the PABs, ACCA continues to have the largest membership worldwide, representing almost 39%. In Ireland, ICAI continue to have the highest membership with almost 48% of members.
- As in prior years, four PABs accounted for almost 98% of PAB members located in Ireland:
 - ICAI (48%);
 - ACCA (29%);
 - CIMA (11%); and
 - CPA (10%).
- The majority gender profile of members in Ireland is male, in contrast to the student profile, where the majority gender profile is female.

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

- PAB members located in Ireland has increased by just under 10,000 members, representing a 35% increase over the 10 year period; and
- Individually, ACCA (47%) and ICAI (44%) have experienced the largest growth in membership numbers; CPA (18%), ICAS (17%) and CIMA (12%) reported over 10% growth.

Part A: PAB membership

Table A.1: Members worldwide – location

As at 31 December	2017		2018		Recognised Accountancy Bodies							
	TOTAL	%	TOTAL	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Ireland	38,008	7%	38,530	7%	11,322	457	18,277	76	3,958	87	4,297	56
UK	325,046	61%	332,096	60%	86,727	128,169	5,998	18,857	115	1,371	78,465	12,394
Other EU Member States	23,439	4%	23,620	4%	15,095	4,812	335	479	44	172	2,574	109
Other locations	149,951	28%	157,725	29%	101,175	18,323	2,757	2,617	365	6,534	25,157	797
Total members worldwide	536,444	100%	551,971	100%	214,319	151,761	27,367	22,029	4,482	8,164	110,493	13,356

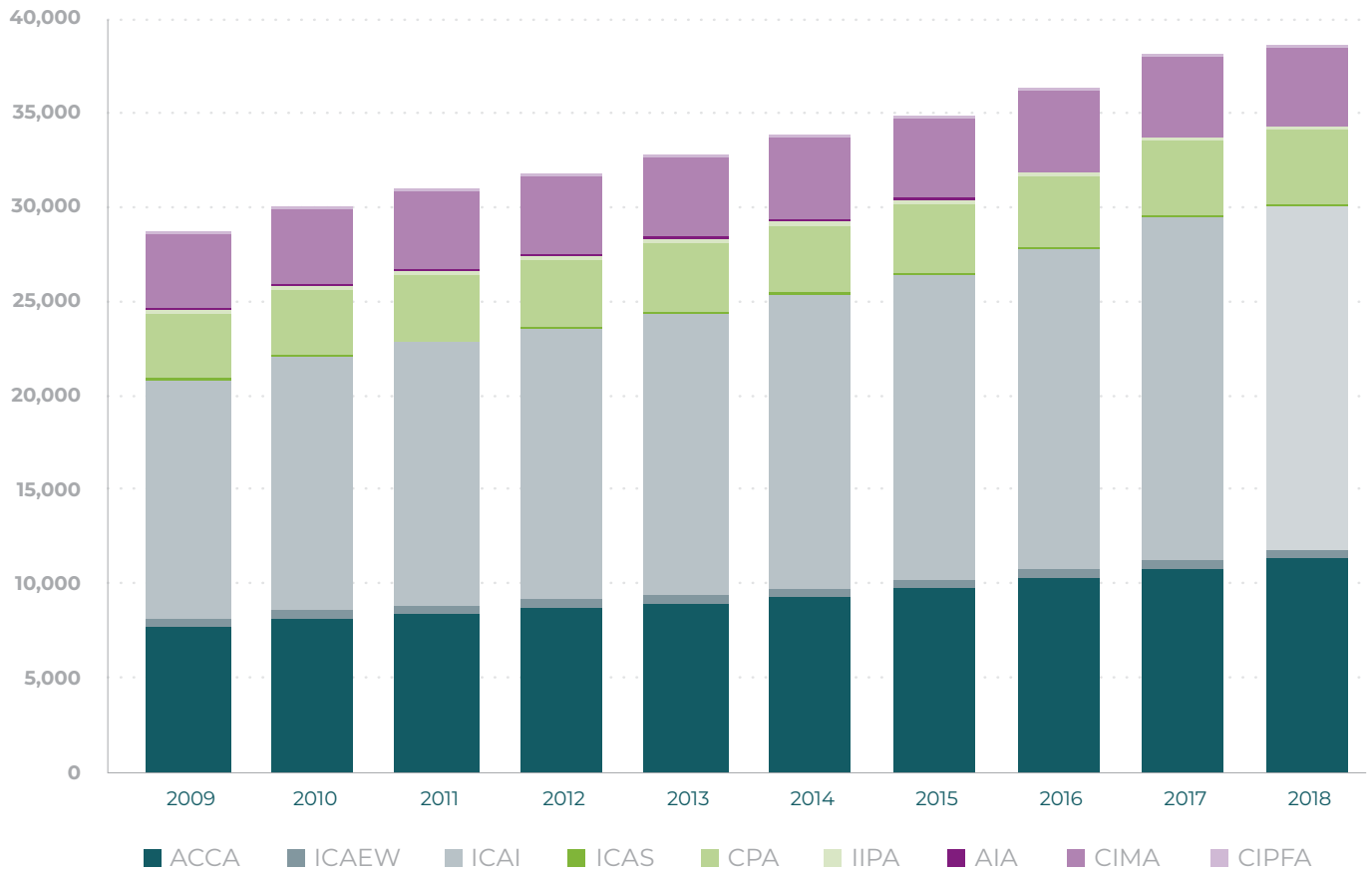
Table A.2: Members in Ireland – analysis

As at 31 December	2017		2018		Recognised Accountancy Bodies							
	TOTAL	%	TOTAL	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Members in Ireland at 31 December	38,008		38,530		11,322	457	18,277	76	3,958	87	4,297	56
<i>Analysis by gender:</i>												
Male	21,785	57%	21,916	57%	5,981	333	10,648	55	1,951	83	2,830	35
Female	16,222	43%	16,613	43%	5,341	124	7,629	21	2,007	4	1,466	21
Not specified	1	0%	1	0%	-	-	-	-	-	-	1	-
	38,008	100%	38,530	100%	11,322	457	18,277	76	3,958	87	4,297	56
<i>Analysis by age:</i>												
< = 34	8,905	23%	8,138	21%	2,043	41	5,414	11	335	1	293	-
35–44	13,591	36%	13,811	36%	4,742	86	6,066	24	1,476	7	1,402	8
45–54	9,266	24%	9,890	26%	3,222	146	3,561	17	1,236	14	1,672	22
55–64	3,671	10%	3,921	10%	903	59	1,750	8	671	23	488	19
65+	2,553	7%	2,749	7%	412	125	1,482	16	223	42	442	7
Not specified	22	0%	21	0%	-	-	4	-	17	-	-	-
	38,008	100%	38,530	100%	11,322	457	18,277	76	3,958	87	4,297	56
<i>Analysis by employment status:</i>												
Practice	8,409	22%	8,952	23%	2,604	97	4,882	15	1,284	19	50	1
Business	23,863	63%	24,075	62%	7,122	199	11,472	41	1,929	33	3,270	9
Public sector *	1,415	4%	1,423	4%	793	19	-	8	362	3	204	34
Retired	1,930	5%	2,125	6%	464	92	970	10	151	32	400	6
On a career break/ unemployed	1,763	4%	1,553	4%	326	26	852	2	232	-	112	3
Other	628	2%	402	1%	13	24	101	-	-	-	261	3
	38,008	100%	38,530	100%	11,322	457	18,277	76	3,958	87	4,297	56

* Footnote: ICAI combine business and public sector members

Part A: PAB membership

Chart A.1: Members in Ireland – 10 year review





Part B

PAB student population

Part B: PAB student population

Student membership

The education and training of students is an important element of the PABs' overall activities. While students are required to comply with the relevant PAB's applicable by-laws, rules and regulations, they:

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

Student population at 31 December 2018 – tables and chart

Table B.1 shows the PABs' student numbers by location throughout the world, whilst table B.2 analyses students in Ireland by gender and employment status. Comparable figures (totals) for 2017 have been stated, where practical to do so.

- Total students in Ireland represent 2.7% of PABs' worldwide students in 2018 and over 66% of students continue to be located outside the EU.
- There has been a minor increase of 1.5% in PAB student numbers worldwide in the year, with the geographical split by location remaining largely unchanged.
- ACCA continues to have the most students worldwide, and the most students in Ireland.
- As in prior years, four PABs accounted for almost all of Irish students:
 - ACCA (50%);
 - ICAI (34%);
 - CIMA (10%); and
 - CPA (5%).
- The majority gender profile of students in Ireland is female, in contrast to the membership profile, where the majority gender profile is male.

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

- PAB students located in Ireland decreased by 12%;
- CPA, CIMA and ACCA have experienced declines of 38%, 28% and 13% respectively in Irish students;
- ICAI is the only PAB to have experienced a growth in student numbers in Ireland (9%);
- ICAEW, CIPFA and AIA continue to have less than five students each in Ireland; and
- ICAS has never had any registered student located in Ireland.

Part B: PAB student population

Table B.1: Students worldwide – location

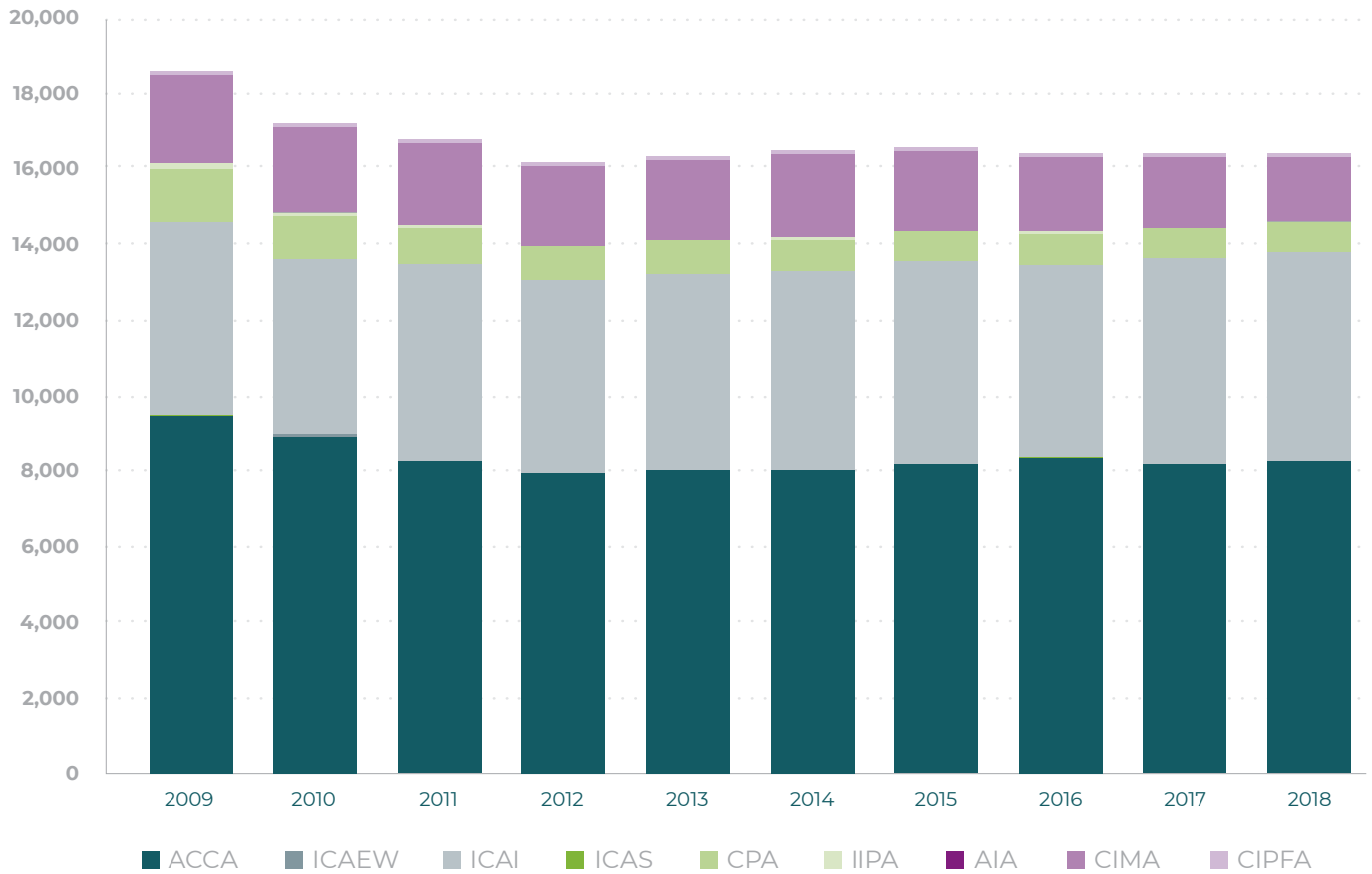
As at 31 December	2017		2018		Recognised Accountancy Bodies							
	TOTAL	%	TOTAL	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Ireland	16,425	3%	16,462	3%	8,306	1	5,572	-	863	2	1,714	4
UK	147,451	25%	148,619	25%	73,596	21,617	1,217	3,488	9	132	46,615	1,945
Other EU Member States	35,221	6%	34,271	5%	25,847	1,186	-	-	6	34	6,757	441
Other locations	391,798	66%	400,433	67%	324,072	5,896	3	-	83	5,289	62,731	2,359
Total students worldwide	590,895	100%	599,785	100%	431,821	28,700	6,792	3,488	961	5,457	117,817	4,749

Table B.2: Students in Ireland – analysis

As at 31 December	2017		2018		Recognised Accountancy Bodies							
	TOTAL	%	TOTAL	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Students in Ireland at 31 December	16,425		16,462		8,306	1	5,572	-	863	2	1,714	4
<i>Analysis by gender:</i>												
Male	7,947	48%	7,883	48%	3,568	1	2,977	-	377	2	957	1
Female	8,456	52%	8,547	52%	4,738	-	2,595	-	486	-	725	3
Not specified	22	0%	32	0%	-	-	-	-	-	-	32	-
	16,425	100%	16,462	100%	8,306	1	5,572	-	863	2	1,714	4
<i>Analysis by employment status:</i>												
Practice	5,762	35%	5,864	36%	1,231	1	4,493	-	138	1	-	-
Business	6,192	38%	5,993	37%	4,351	-	62	-	456	1	1,122	1
Public sector	626	4%	699	4%	608	-	16	-	42	-	31	2
In full time education	711	4%	708	4%	668	-	-	-	23	-	17	-
Other	3,134	19%	3,198	19%	1,448	-	1,001	-	204	-	544	1
	16,425	100%	16,462	100%	8,306	1	5,572	-	863	2	1,714	4

Part B: PAB student population

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





Part C

PABs' practising certificates

Part C: PABs' practising certificates

Criteria for the awarding of practising certificates

The PABs impose additional requirements on their members who wish to be principals in a firm and engage in public practice, i.e. to offer accounting related services to the public. These additional requirements generally include:

- obtaining a minimum level of post membership experience;
- holding professional indemnity insurance cover;
- putting in place practice continuity arrangements, in the event of incapacity or death, where client money is held; and
- undertaking CPD in areas of relevance to their practice.

Members or member firms who satisfy the specified criteria are granted a practising certificate, although they are not permitted to provide services in reserved areas such as audit or investment business, for which additional authorisations are required. An employee of a practising member or member firm is not usually required to hold a practising certificate, unless he/she is providing services to the public in an individual capacity.

Practice monitoring reviews

Practice monitoring reviews vary across the PABs but can often include a review of services provided by the practice, client engagement, anti-money laundering, data security, professional indemnity insurance and investment business. Further details are available on the PABs' individual websites.

Practising certificates at 31 December 2018 – table and chart

Table C.1 details the number of members, located worldwide and in Ireland, that are authorised to practise in Ireland and the number of practice monitoring reviews thereof concluded in the year.

- PAB members worldwide authorised to practise in Ireland has decreased marginally by 1.2% from 2017; those located in Ireland has also decreased marginally by 0.9% from 2017.
- As in prior years, the vast majority (97%) of those authorised to practise in Ireland and located in Ireland are members of ICAI (53%), ACCA (23%), and CPA (21%), and the majority (72%) of worldwide PAB members holding practising certificates are members of ICAEW.

Chart C.1 graphically represents PAB members with practising certificates in Ireland at 31 December 2018.

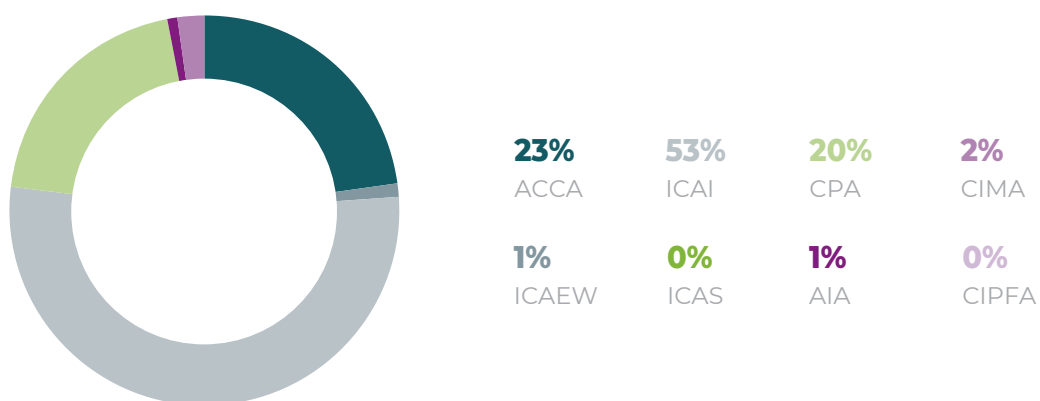
Part C: PABs' practising certificates

Table C.1: Practising certificates and practice monitoring reviews – worldwide and located in Ireland

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA			
Worldwide:										
Practising certificates at 31 December	30,318	29,950	1,446	21,428	2,487	1,715	697	415	1,762	-
Practice monitoring reviews concluded in the year *	4,603	2,430	29	2,034	8	161	8	19	171	-
Ireland:										
Practising certificates at 31 December	3,463	3,431	793	52	1,811	7	695	19	54	-
Practice monitoring reviews concluded in the year *	277	54	22	5	8	-	8	-	11	-

* Footnote: the 2018 figures include practice monitoring reviews, whereas the 2017 figures included reviews concluded as part of quality assurance

Chart C.1: Members with PC in Ireland at 31 December 2018





Part D

PABs' investigation
and disciplinary activities

Part D: PABs' investigation and disciplinary activities

PAB investigation and disciplinary processes

PABs are responsible for the investigation of complaints about their members/member firms and are required to process them in accordance with their investigation and disciplinary procedures, which are approved by IAASA. When a member of the public makes a complaint to a PAB, or relevant information comes to a PAB's attention concerning the conduct or competence of a member/member firm, the PAB will assess the complaint and may investigate further.

In cases where the initial investigation concludes that there appears to be a case against a member/member firm, the complaint will be processed through a formal disciplinary process that can include investigation, disciplinary and appeals systems through various committee structures. As each PAB's investigation and disciplinary procedures are tailored to its specific requirements, the manner in which complaints are processed varies across each PAB. Further details are available on the PABs' individual websites.

Investigation and disciplinary activities 2018 – tables

Tables D.1 to D.3 relate to Irish relevant complaints received by the PABs in respect of members, member firms, students or affiliates located or employed in Ireland, or relating to clients based in Ireland. Tables D.4 to D.6 relate to statutory auditor/audit firm complaints received by the RABs in respect of statutory auditors/audit firms approved to audit in Ireland irrespective of their location or the location of their clients.

- Table D.1 provides a 3 year summary, by PAB, of the movement in Irish relevant complaints, from 2016 to 2018.
 - Overall, there has been a reduction of 19% in the number of new complaints received in the period.
 - ICAEW, ICAS, AIA and CIPFA did not receive any Irish relevant complaints in the period.
 - Of the complaints closed, those with adverse findings have decreased over the three year period.
- Table D.4 provides a 3 year summary, by RAB, of the movement of statutory auditor/audit firm complaints, from 2016 to 2018.
 - Overall, there has been a 15% increase in the number of new complaints received in the period.
 - Of the complaints closed, those with adverse findings has decreased over the three year period.
- Tables D.2 and D.5 show the nature of new complaints received in the year that progressed through the PABs' disciplinary system. Complaints can relate to one or more matters.
 - The nature of new complaints varies, with the majority relating to breaches of the bodies' codes of ethics, poor work or unsatisfactory professional service or conduct, or other breaches of bodies' rules or regulations.
- Tables D.3 and D.6 show the sanctions imposed on those complaints closed in the year with adverse findings. More than one sanction can be imposed on the member/member firm by the body.
 - The range of sanctions imposed also varies, with the most common sanctions being monetary sanctions (including fines or costs), publication and admonishments/cautions, reprimands and/or severe reprimands.

Part D: PABs' investigation and disciplinary activities

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

	Year	TOTAL	Recognised Accountancy Bodies							AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA				
New complaints received	2018	130	29	-	86	-	14	-	-	1	-	
	2017	159	40	-	90	-	24	5	-	-	-	
	2016	160	39	-	87	-	16	17	-	1	-	
Complaints closed	2018	129	40	-	67	-	22	-	-	-	-	
	2017	207	43	-	121	-	22	20	-	1	-	
	2016	156	41	-	84	-	19	10	1	1	-	
Complaints closed with adverse findings	2018	44	10	-	24	-	10	-	-	-	-	
	2017	50	7	-	31	-	9	3	-	-	-	
	2016	57	23	-	23	-	6	3	1	1	-	
Average time taken to close a complaint (in months)	2018		4	N/A	15	N/A	9	N/A	N/A	N/A	N/A	
	2017		4	N/A	10	N/A	12	12	N/A	12	N/A	

Table D.2: Details of Irish relevant complaints that progressed through the PABs' disciplinary system

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies							AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA					
Complaints received in 2018 related to:												
Poor work or unsatisfactory professional service or conduct	44	30	1	-	24	-	4	-	-	1	-	
Breach of code of ethics	39	41	-	-	37	-	4	-	-	-	-	
Other audit related matters *	28	9	4	-	4	-	1	N/A	N/A	N/A		
Carrying on public practice while not authorised	15	10	7	-	2	-	1	-	-	-		
Carrying out audit work while not authorised		3	2	-	-	-	1	N/A	N/A	N/A		
Other breaches of company law/restriction or disqualification as a director	3	5	-	-	3	-	2	-	-	-		
Other breaches of Body rules or regulations	30	22	7	-	15	-	-	-	-	-		
Delay/failure to respond and/or co-operate with Body	15	20	1	-	19	-	-	-	-	-		
Matters relating to insolvency work or conduct of a liquidation	12	11	-	-	9	-	2	-	-	-		
Criminal conviction	-	2	2	-	-	-	-	-	-	-		
Failure to satisfy a judgement debt or other insolvency event	5	4	-	-	2	-	2	-	-	-		
Other **	13	8	-	-	8	-	-	-	-	-		

* Footnote: 'other audit related matters' includes: internal investigation and disciplinary referrals following quality assurance visits; matters relating to audit reports; and failures to notify the Companies Registration Office and IAASA of auditor resignation

** Footnote: 'other' includes: acting without authority; client money/fraud/dishonesty; and matters relating to taxation

Part D: PABs' investigation and disciplinary activities

Table D.3: Details of sanctions imposed in respect of Irish relevant complaints

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA			
Sanctions imposed in 2018 were:										
Admonishments/cautions, reprimands and/or severe reprimands	30	41	8	-	24	-	9	-	-	-
Publication	42	41	10	-	22	-	9	-	-	-
Statutory auditor/audit firm temporarily suspended		-	-	-	-	-	-	N/A	N/A	N/A
Member temporarily suspended		1	-	-	1	-	-	-	-	-
Registration, other than audit, temporarily suspended		-	-	-	-	-	-	-	-	-
Statutory auditor/audit firm expelled/ registration revoked	11	-	-	-	-	-	-	N/A	N/A	N/A
Member expelled		3	2	-	1	-	-	-	-	-
Registration, other than audit, revoked		-	-	-	-	-	-	-	-	-
Monetary sanctions (including fines or costs)	45	42	10	-	22	-	10	-	-	-
Other	5	-	-	-	-	-	-	-	-	-

Part D: PABs' investigation and disciplinary activities

Table D.4: Complaints relating to statutory auditors/audit firms – 3 year review

	Year	TOTAL	Recognised Accountancy Bodies					
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
New complaints received	2018	187	16	104	50	9	8	-
	2017	185	29	73	57	4	17	5
	2016	162	34	64	34	6	13	11
Complaints closed	2018	156	21	74	40	5	16	-
	2017	192	39	59	59	6	16	13
	2016	166	46	64	34	3	13	6
Complaints closed with adverse findings	2018	49	7	21	12	1	8	-
	2017	40	6	15	8	3	7	1
	2016	84	24	38	15	-	4	3
Average time taken to close a complaint (in months)	2018		5	15	17	4	9	N/A
	2017		5	21	13	8	14	12

Table D.5: Details of statutory auditor/audit firm complaints that progress through the PABs' disciplinary systems

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies					
			ACCA	ICAEW	ICAI	ICAS	CPA	
Complaints received in 2018 related to:								
Poor work or unsatisfactory professional service or conduct	90	84	1	73	8	-	2	
Breach of code of ethics	31	41	-	11	28	-	2	
Other audit related matters	30	15	3	-	2	9	1	
Carrying on public practice while not authorised	4	1	1	-	-	-	-	
Carrying out audit work while not authorised		9	-	9	-	-	-	
Other breaches of company law/restriction or disqualification as a director	9	5	-	3	1	-	1	
Other breaches of Body rules or regulations	21	16	9	6	1	-	-	
Delay/failure to respond and/or co-operate with Body	8	7	-	2	5	-	-	
Matters relating to insolvency work or conduct of a liquidation	4	4	-	-	2	-	2	
Criminal conviction	1	-	-	-	-	-	-	
Failure to satisfy a judgement debt or other insolvency event	3	-	-	-	-	-	-	
Other *	10	6	-	-	6	-	-	

* Footnote: 'other' includes: acting without authority; client money/fraud/dishonestly; and matters relating to taxation

Part D: PABs' investigation and disciplinary activities

Table D.6: Details of sanctions imposed in respect of statutory auditor/audit firm complaints

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Sanctions imposed in 2018 were:							
Admonishments/cautions, reprimands and/or severe reprimands	31	46	4	21	12	1	8
Publication	36	46	7	19	11	1	8
Statutory auditor/audit firm temporarily suspended		-	-	-	-	-	-
Member temporarily suspended		-	-	-	-	-	-
Registration, other than audit, temporarily suspended	5	-	-	-	-	-	-
Statutory auditor/audit firm expelled/ registration revoked		-	-	-	-	-	-
Member expelled		3	3	-	-	-	-
Registration, other than audit, revoked		-	-	-	-	-	-
Monetary sanctions (including fines or costs)	38	48	7	21	11	1	8
Other	5	-	-	-	-	-	-



Part E

RABs' authorisation of statutory
audit firms and statutory auditors

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

Criteria for audit authorisation

While the RABs are authorised to approve their member firms, members, and other qualified individuals, as statutory audit firms or statutory auditors, membership of a RAB (firm or individual) does not automatically entitle a member to provide audit services. Rather, if a member of a RAB satisfies the relevant company law requirements and any additional criteria set by a RAB, they may obtain approval and registration from that RAB to audit. Such company law and RAB criteria usually includes:

- good repute;
- an audit qualification for any individual who proposes to sign an audit report;
- sufficient and appropriate audit experience;
- holding sufficient professional indemnity insurance cover;
- putting in place practice continuity arrangements, in the event of incapacity or death, where client money is held; and
- undertaking relevant CPD.

RABs' authorisation of statutory audit firms and statutory auditors at 31 December 2018 – tables and charts

Tables E.1 and E.2 set out statutory audit firms and statutory auditors, approved by the RABs to perform statutory audits in Ireland, located worldwide and in Ireland, over the past 5 years. In that period:

- The number of statutory audit firms worldwide has declined by 17%. Individually, the degree of decline varies:
 - ACCA (↓13%);
 - ICAEW (↓18%);
 - ICAI (↓16%);
 - ICAS (↓17%); and
 - CPA (↓0.3%)*
- Year on year, ICAEW account for the largest proportion of approved statutory audit firms and statutory auditors located worldwide, whilst ICAI account for the largest proportion located in Ireland.

Table E.3 analyses statutory audit firms located in Ireland by the number of principals employed in the firm, by the number of offices, and by the number of PIE clients.

Charts E.1 and E.2 graphically represent, by RAB, the movement in statutory audit firms and statutory auditors located in Ireland since 2014.

- Statutory audit firms located in Ireland has declined by 18% in the period. Individually, the degree of decline varies across the RABs concerned:
 - ACCA (↓16%);
 - ICAEW (↓50%);
 - ICAI (↓18%); and
 - CPA (↓0.2%)*
- Statutory auditors located in Ireland has declined by 15% in the period. Again, individually, the degree of decline varies across the RABs concerned:
 - ACCA (↓13%);
 - ICAEW (↓50%);
 - ICAI (↓11%); and
 - CPA (↓6%)*

* Footnote: A number of statutory audit firms and statutory auditors transferred from IIPA to CPA at 1 September 2017

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

Table E.1: Statutory audit firms – 5 year review

	Year	TOTAL	Recognised Accountancy Bodies					
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms [located worldwide] approved to audit in Ireland at 31 December	2018	4,568	430	2,812	783	172	371	-
	2017	4,745	416	2,948	810	183	388	-
	2016	5,031	461	3,121	844	189	340	76
	2015	5,272	480	3,256	894	199	362	81
	2014	5,529	493	3,435	930	208	372	91
Statutory audit firms [with offices in Ireland] approved to audit in Ireland at 31 December	2018	1,260	290	3	596	-	371	-
	2017	1,291	289	3	611	-	388	-
	2016	1,381	312	4	649	-	340	76
	2015	1,476	336	6	691	-	362	81
	2014	1,542	347	6	726	-	372	91

Table E.2: Statutory auditors – 5 year review

	Year	TOTAL	Recognised Accountancy Bodies					
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory auditors [located worldwide] approved to audit in Ireland at 31 December	2018	10,000	591	7,021	1,412	526	450	-
	2017	9,566	556	6,572	1,430	531	477	-
	2016	10,591	602	7,439	1,481	555	427	87
	2015	9,997	635	6,691	1,546	569	459	97
	2014	10,264	646	6,862	1,573	600	481	102
Statutory auditors [located in Ireland] approved to audit in Ireland at 31 December	2018	1,956	388	3	1,115	-	450	-
	2017	1,973	376	3	1,117	-	477	-
	2016	2,093	399	5	1,175	-	427	87
	2015	2,225	434	6	1,229	-	459	97
	2014	2,290	445	6	1,256	-	481	102

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

Table E.3: Analysis of statutory audit firms with offices in Ireland

As at 31 December	2017		2018		Recognised Accountancy Bodies				
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA
Total as at 31 December	1,291	100.0%	1,260	100.0%	290	3	596	-	371
<i>Analysis by number of principals:</i>									
1 principal	768	59.5%	739	58.7%	189	3	306	-	241
2-5 principals	494	38.2%	489	38.8%	98	-	264	-	127
6-10 principals	18	1.4%	19	1.5%	3	-	13	-	3
11-49 principals	11	0.9%	13	1.0%	-	-	13	-	-
50+ principals	-	0.0%	-	0.0%	-	-	-	-	-
	1,291	100.0%	1,260	100.0%	290	3	596	-	371
<i>Analysis by number of offices:</i>									
1 office	1,199	92.9%	1,160	92.0%	262	2	545	-	351
2 offices	66	5.1%	75	6.0%	23	1	35	-	16
3 offices	17	1.3%	16	1.3%	3	-	9	-	4
4+ offices	9	0.7%	9	0.7%	2	-	7	-	-
	1,291	100.0%	1,260	100.0%	290	3	596	-	371
<i>Analysis by number of PIE clients:</i>									
No PIE clients	1,282	99.3%	1,251	99.4%	290	3	587	-	371
1-5 PIE clients	1	0.1%	3	0.2%	-	-	3	-	-
6-10 PIE clients	1	0.1%	-	0.0%	-	-	-	-	-
11-49 PIE clients	3	0.2%	3	0.2%	-	-	3	-	-
50+ PIE clients	4	0.3%	3	0.2%	-	-	3	-	-
	1,291	100.0%	1,260	100.0%	290	3	596	-	371

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

Chart E.1: Statutory audit firms located in Ireland 2014 to 2018

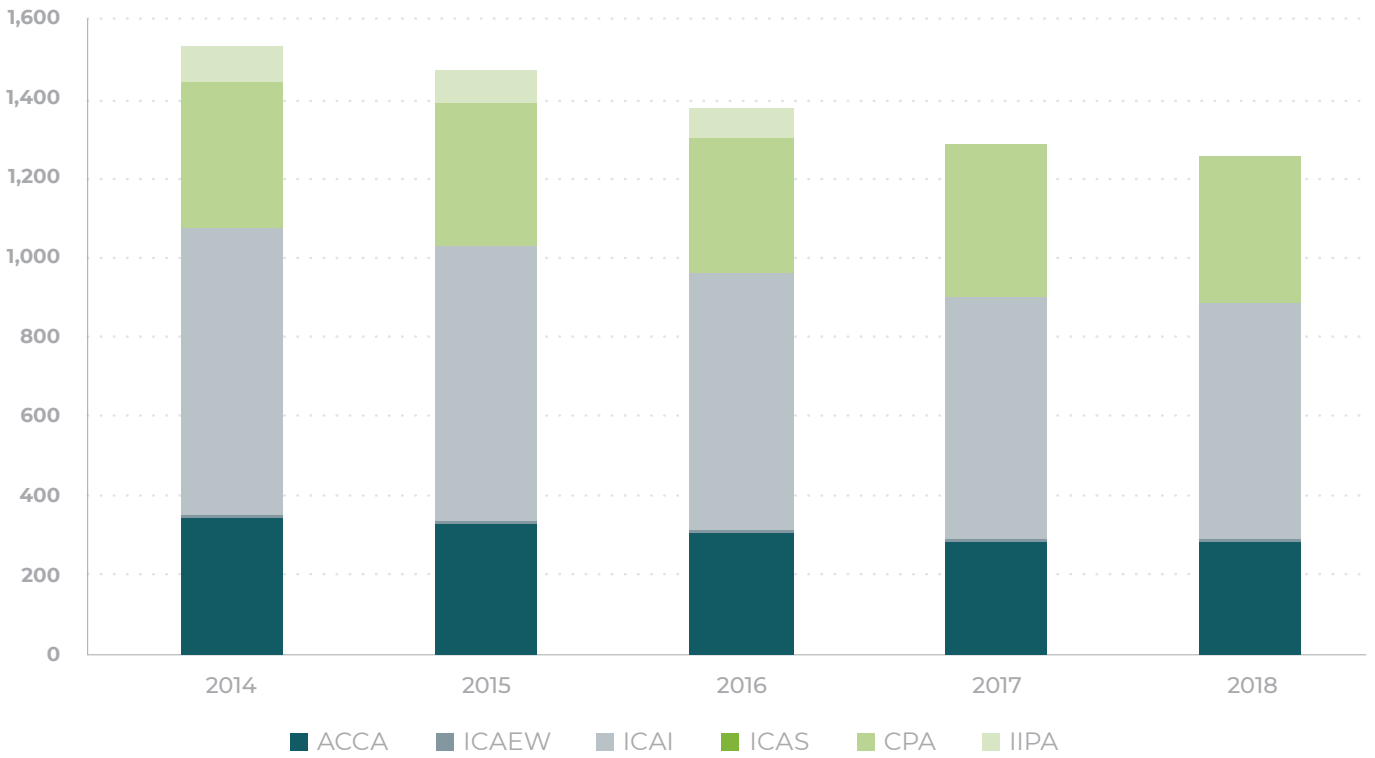
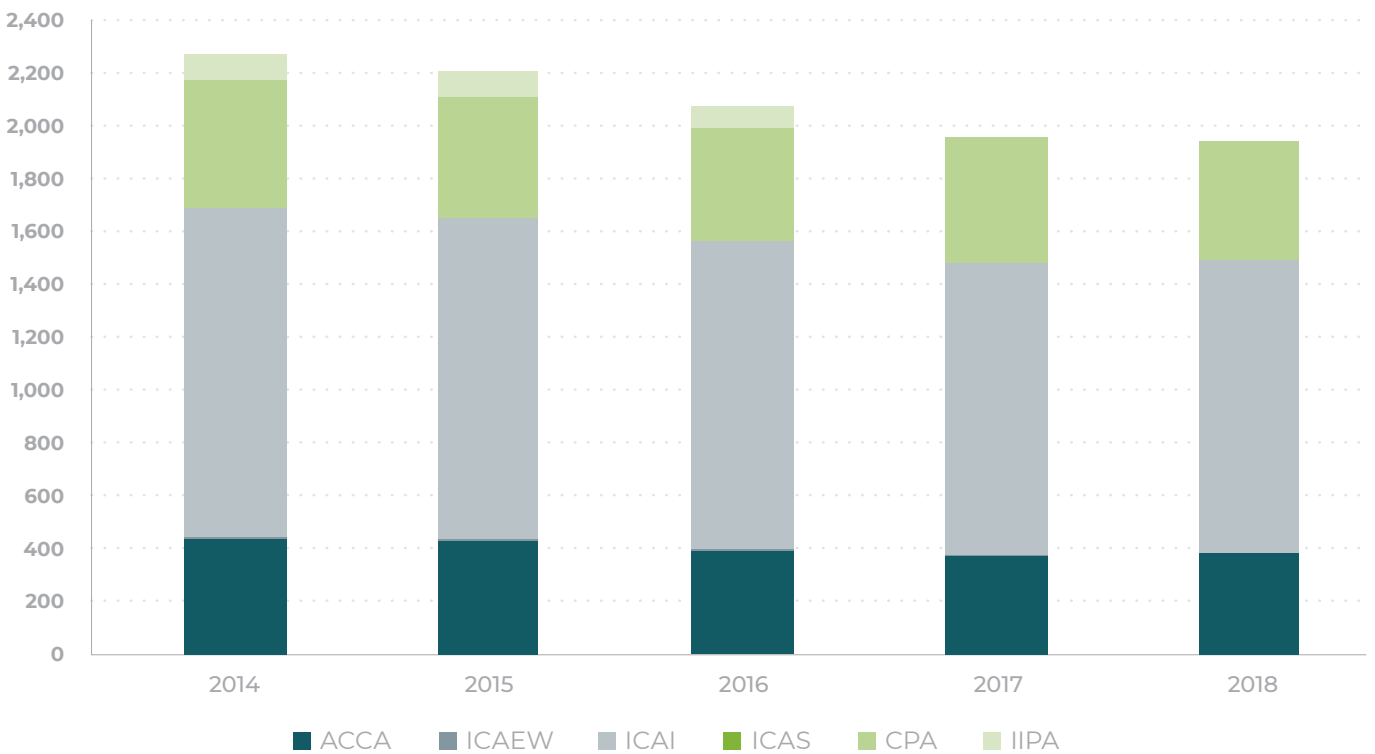


Chart E.2: Statutory auditors located in Ireland 2014 to 2018





Part F

RABs' quality assurance
of statutory audit firms

Part F: RABs' quality assurance of statutory audit firms

Responsibility for quality assurance of statutory audit firms

Once a member of a RAB is approved as a statutory auditor, it is important that the quality of the member's audit work is monitored. Where a RAB's monitoring programme identifies deficiencies the RAB must ensure that appropriate and timely remedial action is undertaken. The 2014 Act confers a statutory responsibility on the RABs to operate a system of quality assurance of statutory audits.

IAASA's role includes oversight of the RABs' performance of the regulatory functions assigned to them under legislation in respect of statutory auditors, including quality assurance systems, further details of which are available in IAASA's Annual Audit Programme and Activity Report 2018.

Legislative requirements

The 2014 Act requires the RABs to undertake a quality assurance review of each statutory audit firm on the basis of an analysis of risk, but at least once every six years.

RABs' quality assurance of statutory audit firms 2018 – tables and chart

Table F.1 provides an analysis of the quality assurance reviews concluded in the year, it sets out the reason for the review, the type undertaken and the outcome. Table F.2 illustrates the regulatory action taken by the RABs on reviews concluded in the period that resulted in regulatory action.

- Although there was a 6% decrease in the number of statutory audit firms approved to audit in Ireland from 2017, there was only a 1.5% decrease in the number of quality assurance reviews concluded in the year. As with prior years, the vast majority of reviews continue to be carried out onsite.

- The necessity to meet legislative requirements accounted for 52% of the quality assurance reviews concluded in the year (2017: 48%); 30% were accelerated reviews/re-reviews for heightened risk (2017: 31%).
 - Of the reviews concluded in the year, 61% were categorised as 'good with limited improvements required' (2017: 65%), 23% were 'acceptable overall with improvements required' (2017: 22%), and 16% were 'unacceptable with significant improvements required' (2017: 13%).
- 17% of the quality assurance reviews concluded in the year resulted in regulatory action (2017: 15%). In 2018, the three most common regulatory actions imposed by the RABs were to:
 - impose a cold file review of clients' files;
 - require firms to submit further documentation/information or clarifications; and
 - schedule follow-up onsite reviews.

Table F.3 and chart F.1 provide an overview of quality assurance reviews undertaken by the RABs to meet legislative requirements.

- 504 quality assurance reviews were required to be concluded during 2018 (2017: 458); of these 87% met legislative requirements (2017: 89%). The remaining quality assurance reviews were either concluded late; or concluded after the year end; or were not concluded as a result of audit firm de-registration.
- Chart F.1 graphically represents the target number of quality assurance reviews required to meet legislative requirements in 2018, those that met target and those that did not.

Part F: RABs' quality assurance of statutory audit firms

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

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Statutory audit firms worldwide approved to audit in Ireland at 1 January	5,030	4,745	416	2,948	810	183	388
Quality assurance reviews thereof concluded in the year	915	901	100	593	92	41	75
<i>Analysis by reason for review</i>							
Conclusion of a review open at 1 January	30	108	11	84	9	2	2
Conclusion of a review to meet legislative requirements in the year	440	466	47	312	60	12	35
Accelerated due to 1st time registration	53	25	7	12	2	3	1
Accelerated/re-review for heightened risk	281	274	33	179	19	22	21
Accelerated/early review on foot of a recommendation/referral, or order, from a Regulatory Committee	13	13	2	6	2	1	2
Other	98	15	-	-	-	1	14
	915	901	100	593	92	41	75
<i>Analysis by type of review</i>							
Onsite	856	827	83	558	84	41	61
Desktop	59	74	17	35	8	-	14
	915	901	100	593	92	41	75
<i>Analysis by outcome of the review</i>							
Good with limited improvements required	596	551	9	418	57	17	50
Acceptable overall with improvements required	198	204	64	116	11	13	-
Unacceptable with significant improvements required	121	146	27	59	24	11	25
	915	901	100	593	92	41	75

Part F: RABs' quality assurance of statutory audit firms

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

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Quality assurance reviews concluded in the year	915	901	100	593	92	41	75
Quality assurance reviews concluded in the year that resulted in regulatory action	137	153	7	64	33	24	25
<i>Regulatory action taken</i>							
Audit registration suspended as a result of findings	1	-	-	-	-	-	-
Audit registration withdrawn as a result of findings	5	3	2	-	-	1	-
Voluntary surrendered audit registration as a result of findings	9	15	1	5	4	1	4
Referred to the investigation & disciplinary process	9	8	1	4	-	2	1
Requirement for a follow up on-site review	44	51	4	25	9	2	11
Hot file review restriction	67	45	3	26	10	4	2
Cold file review of clients files imposed	59	66	-	28	19	19	-
Directed to address CPD/training matters	35	36	-	17	15	4	-
Directed not to accept further audit appointments	29	30	2	18	9	1	-
Required to submit further documentation/information or clarification	32	51	-	31	15	5	-
Required not to undertake file review for other firms	46	48	-	20	27	1	-
Monetary penalties imposed	31	50	-	28	21	1	-
External compliance review	22	14	-	2	11	1	-
Other conditions/restrictions imposed *	4	23	-	16	-	-	7

* Footnote: 'other conditions/restrictions imposed' includes: hot file reviews; new audit clients notifications to the registration committee; and desktop reviews of audit files

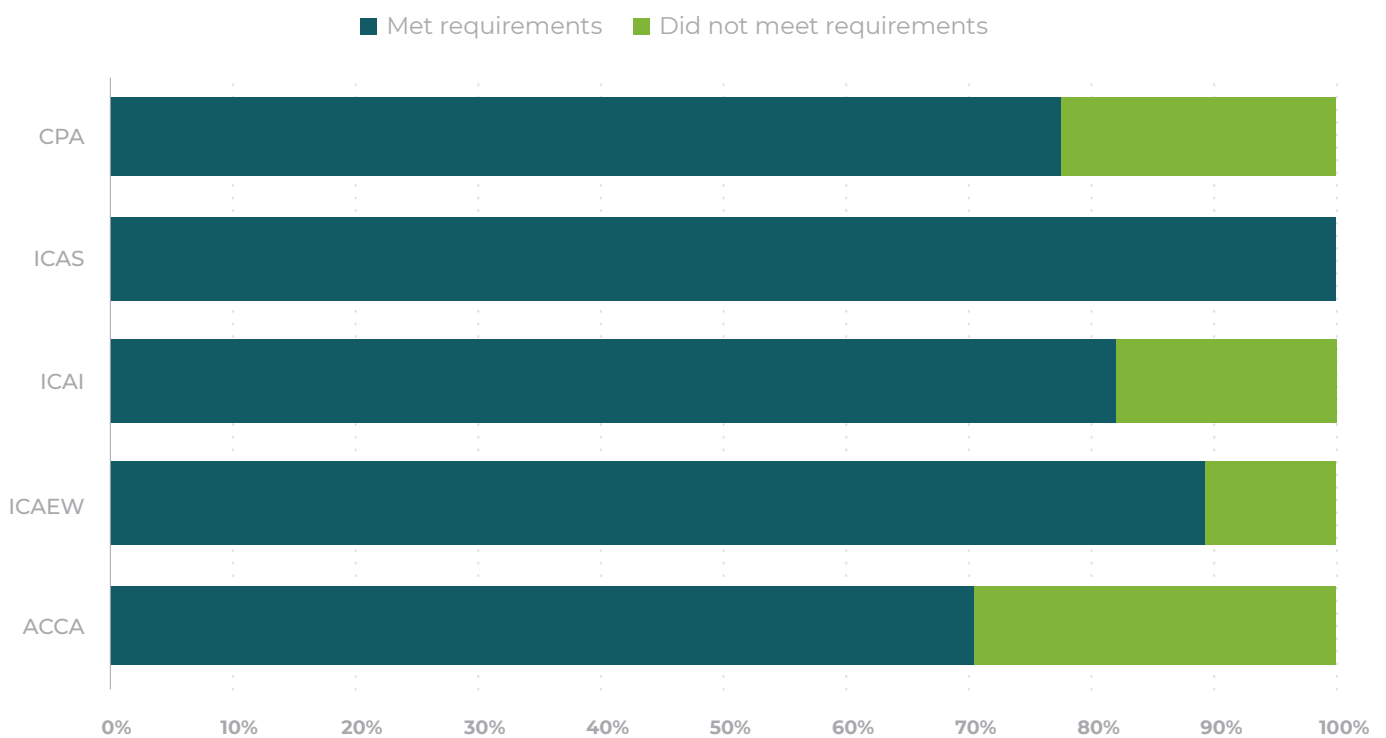
Part F: RABs' quality assurance of statutory audit firms

Table F.3: Overview of legislative requirements

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Statutory audit firms approved to audit in Ireland at 1 January	5,030	4,745	416	2,948	810	183	388
Of those firms, no. of quality assurance reviews required to be concluded in the year	458	504	34	349	73	12	36
Those quality assurance reviews concluded in the year that met the 6 year cycle requirements	406	436	24	312	60	12	28
Quality assurance reviews which did not meet the 6 year cycle requirements in the year	52	68	10	37	13	-	8
<i>Reason for not meeting 6 year cycle requirements</i>							
Review concluded late	24	45	10	27	-	-	8
Review not concluded	8	17	-	4	13	-	-
Other*	20	6	-	6	-	-	-
	52	68	10	37	13	-	8

* Footnote: 'other' includes: quality assurance reviews on hold as firms were considering audit de-registration, these were subsequently all de-registered

Chart F.1: Quality assurance reviews – legislative requirements





Part G

PABs' activities in continuing
education of members

Part G: PABs' activities in continuing education of members

Requirement for continuing professional development

PABs require their members to comply with continuing professional development ('CPD') requirements, as set out in their standards, bye-laws, rules and regulations. In general, PABs will request annual confirmation of compliance with CPD requirements from their members. PABs carry out CPD compliance monitoring activities on a sample of members each year. This review of members is based on both a risk and random based selection and is conducted through both onsite and desktop reviews.

The 2014 Act sets out further CPD standards for statutory auditors, to ensure that statutory auditors maintain their competence at a sufficient level. The 2014 Act requires statutory auditors to complete sufficient continuing education to maintain their theoretical knowledge and skills at an appropriate level, particularly in relation to audit.

Where a PAB/RAB identifies that the CPD completed by a member/statutory auditor is insufficient, they may require the member/statutory auditor to take remedial action. In more serious cases, they may take regulatory or disciplinary action against the member/statutory auditor. Part D of this document provides additional information regarding the PABs' investigation and disciplinary activities.

It is difficult to compare the figures relating to the monitoring of CPD across the PABs, as the PABs have varying CPD periods and varying dates for confirmation of compliance. Further details are available on the PABs' individual websites.

CPD monitoring activities 2018 – tables

Table G.1 provides details on the PABs' monitoring of compliance with CPD requirements in 2018, by their members located in Ireland. Table G.2 provides details on the RABs' monitoring of compliance with CPD requirements, by their statutory auditors approved to audit in Ireland, irrespective of their location.

- Of the records reviewed, and in some cases further to follow up action, 96% of members located in Ireland were compliant with CPD requirements; 98% of statutory auditors approved to audit in Ireland were found to be compliant.
- The number of statutory auditors' CPD records reviewed in the year decreased by 8% from 2017. The majority of reviews continue to be carried out onsite, as part of quality assurance visits to statutory audit firms.
- Regulatory action was taken in 3% of cases by the PABs and in 47% of cases relating to statutory auditors by the RABs. In the cases where no regulatory action was taken, the members/statutory auditors concerned were either scheduled for an early follow-up review, automatically included in the following year's selection for review, or required to make good the shortfall within a specific period of time.

Part G: PABs' activities in continuing education of members

Table G.1: Monitoring of CPD of members in Ireland

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA			
CPD records reviewed in the year	1,370	1,771	407	3	255	-	935	19	152	-
<i>Analysed by:</i>										
Desktop review of CPD records (risk based)	301	323	129	-	69	-	106	19	-	-
Desktop review of CPD records (random)	334	459	93	-	134	-	80	-	152	-
Onsite review of CPD records	143	193	75	3	52	-	63	-	-	-
Other monitoring activities of CPD records	592	796	110	-	-	-	686	-	-	-
	1,370	1,771	407	3	255	-	935	19	152	-
CPD records found to be non-compliant with CPD requirements after follow-up action has been taken	51	64	10	-	14	-	14	-	26	-
Of the above, how many were subject to regulatory action	29	2	-	-	2	-	-	-	-	-

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

	2017 TOTAL	2018 TOTAL	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
CPD records reviewed in the year	2,535	2,329	196	1,269	211	127	526
<i>Analysed by:</i>							
Desktop review of CPD records (risk based)	142	92	20	-	48	-	24
Desktop review of CPD records (random)	53	24	-	24	-	-	-
Onsite review of CPD records	1,562	1,319	98	880	155	127	59
Other monitoring activities of CPD records *	778	894	78	365	8	-	443
	2,535	2,329	196	1,269	211	127	526
CPD records found to be non-compliant with CPD requirements after follow-up action has been taken	23	43	14	17	8	3	1
Of the above, how many were subject to regulatory action	9	20	-	17	-	3	-

* Footnote: includes: reviewing CPD records as part of monitoring visits to approved employer firms; offsite desktop reviews; and reviewing CPD compliance as part of the annual renewal of practising certificates and statutory auditor status



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