

2019

Regulatory and  
Monitoring Supervision

# Profile of the Profession



**IAASA**

Irish Auditing & Accounting  
Supervisory Authority

### **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.

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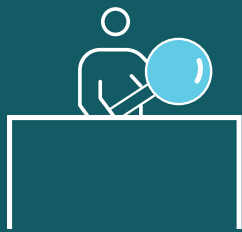
**40,027**

Members of Prescribed  
Accountancy Bodies in Ireland



**16,830**

Students of Prescribed  
Accountancy Bodies in Ireland



**9,657**

Statutory auditors  
approved to audit  
in Ireland



**4,341**

Statutory audit firms  
approved to audit  
in Ireland



**826**

Quality assurance reviews of  
statutory audit firms concluded by  
Recognised Accountancy Bodies



**235**

Complaints relating to  
statutory auditors/audit firms  
received by Recognised  
Accountancy Bodies



**134**

Irish relevant complaints  
received by Prescribed  
Accountancy Bodies

## 1. Chief Executive's introduction

I am pleased to present the Irish Auditing and Accounting Supervisory Authority's report, *Profile of the Profession 2019*, 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 2019 and Annual Report 2019 published on our website.

At 31 December 2019:

- there were 40,027 PAB members located in Ireland, an increase of 4% from 2018 (2018: 38,530). Of these, 61% work in business;
- the PABs' aggregate student membership located in Ireland was 16,830, a small increase of 2% from the previous year (2018: 16,462);
- the number of audit firms approved to audit in Ireland was 4,341 (2018: 4,568) with 1,207 (2018: 1,260) of those located in Ireland; and
- the number of individual statutory auditors approved to audit in Ireland was 9,657 (2018: 10,000) with 1,894 (2018: 1,956) of those individuals located in Ireland.

### 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 2020

## 2. Prescribed Accountancy Bodies

A PAB is an accountancy body that comes within IAASA's supervisory remit. At 31 December 2019, there were eight PABs:

Association of Chartered Certified Accountants	<b>ACCA</b>
Association of International Accountants	<b>AIA</b>
Chartered Institute of Management Accountants	<b>CIMA</b>
Chartered Institute of Public Finance and Accountancy	<b>CIPFA</b>
Institute of Chartered Accountants in England and Wales	<b>ICAEW</b>
Institute of Chartered Accountants in Ireland	<b>ICAI</b>
Institute of Chartered Accountants of Scotland	<b>ICAS</b>
Institute of Certified Public Accountants in Ireland	<b>CPA</b>

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

At 31 December 2019, 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 and audit firms. The five RABs are ACCA, ICAEW, ICAI, ICAS, and CPA.

## 3. Provision of information by the PABs

On an annual basis, the PABs are required to complete a return for the previous calendar year, which:

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

Given the dual purpose of the data contained in the PABs' annual returns, 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.

<b>Body</b>	A PAB or a RAB
<b>Complaint</b>	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
<b>Complaint (Irish relevant)</b>	A complaint relating to a member, member firm, student or affiliate located or employed in Ireland or relating to clients based in Ireland
<b>Ireland</b>	The Republic of Ireland ('ROI')
<b>Location</b>	The primary address used for correspondence by the student, member or member firm
<b>PAB</b>	A Prescribed Accountancy Body that comes within IAASA's supervisory remit, as defined in the Companies Act 2014
<b>Practice monitoring review</b>	A review of the non-audit work of a member in practice
<b>Principal</b>	A partner in a member firm including a sole practitioner/director
<b>Public Interest Entity ('PIE')</b>	A Public Interest Entity ('PIE') is defined in the Companies Act 2014 and includes certain listed entities, credit institutions and insurance undertakings
<b>RAB</b>	A Recognised Accountancy Body permitted to approve its members/member firms and other qualified individuals as statutory auditors/audit firms, as defined in the Companies Act 2014
<b>Relevant legislative requirements</b>	Requirements set out in the Companies Act 2014 (as amended) ('the Act')
<b>Statutory auditor/audit firm</b>	An individual/audit firm that is approved in accordance with relevant legislation to carry out statutory audits in Ireland
<b>Worldwide</b>	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.

ACCA	<a href="http://www.accaglobal.com">www.accaglobal.com</a>
AIA	<a href="http://www.aiaworldwide.com">www.aiaworldwide.com</a>
CIMA	<a href="http://www.cimaglobal.com">www.cimaglobal.com</a>
CIPFA	<a href="http://www.cipfa.org">www.cipfa.org</a>
ICAEW	<a href="http://www.icaew.com">www.icaew.com</a>
ICAI	<a href="http://www.charteredaccountants.ie">www.charteredaccountants.ie</a>
ICAS	<a href="http://www.icas.com">www.icas.com</a>
CPA	<a href="http://www.cpaireland.ie">www.cpaireland.ie</a>



# 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 2019 – 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. Table A.3 shows the movement in Irish membership during the year.

Four PABs accounted for almost 98% of PAB members located in Ireland:

- ICAI (48%);
- ACCA (29%);
- CIMA (11%); and
- CPA (10%).

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 over 10,000 members, representing a 33% increase; and
- Individually, ACCA (45%) and ICAI (42%) have experienced the largest growth in membership numbers; CPA (14%) and CIMA (10%) reported over 10% growth.

## Part A: PAB membership

**Table A.1: Members worldwide – location**

As at 31 December	2018		2019		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Ireland	38,530	7%	40,027	7%	11,775	473	19,180	72	3,974	96	4,402	55
UK	332,096	60%	338,483	60%	89,701	130,455	6,198	19,350	116	1,208	79,255	12,200
Other EU Member States	23,620	4%	23,928	4%	15,966	5,026	421	289	46	148	1,927	105
Other locations	157,725	29%	165,491	29%	106,012	18,577	2,680	2,631	383	7,266	27,033	909
<b>Total members worldwide</b>	<b>551,971</b>	<b>100%</b>	<b>567,929</b>	<b>100%</b>	<b>223,454</b>	<b>154,531</b>	<b>28,479</b>	<b>22,342</b>	<b>4,519</b>	<b>8,718</b>	<b>112,617</b>	<b>13,269</b>

**Table A.2: Members in Ireland – analysis**

As at 31 December	2018		2019		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
<b>Members in Ireland</b>	38,530		<b>40,027</b>		11,775	473	19,180	72	3,974	96	4,402	55
<i>Analysis by gender:</i>												
Male	21,916	57%	22,699	57%	6,201	346	11,132	53	1,956	85	2,893	33
Female	16,613	43%	17,326	43%	5,574	127	8,048	19	2,018	11	1,507	22
Not specified	1	0%	2	0%	-	-	-	-	-	-	2	-
	<b>38,530</b>	<b>100%</b>	<b>40,027</b>	<b>100%</b>	<b>11,775</b>	<b>473</b>	<b>19,180</b>	<b>72</b>	<b>3,974</b>	<b>96</b>	<b>4,402</b>	<b>55</b>
<i>Analysis by age:</i>												
<= 34	8,138	21%	8,402	21%	2,036	48	5,745	10	277	13	273	-
35 – 44	13,811	36%	14,024	35%	4,826	90	6,320	22	1,448	7	1,307	4
45 – 54	9,890	26%	10,393	26%	3,427	143	3,718	18	1,257	15	1,791	24
55 – 64	3,921	10%	4,297	11%	1,029	67	1,855	8	739	15	563	21
65+	2,749	7%	2,892	7%	457	125	1,538	14	241	43	468	6
Age not specified	21	0%	19	0%	-	-	4	-	12	3	-	-
	<b>38,530</b>	<b>100%</b>	<b>40,027</b>	<b>100%</b>	<b>11,775</b>	<b>473</b>	<b>19,180</b>	<b>72</b>	<b>3,974</b>	<b>96</b>	<b>4,402</b>	<b>55</b>
<i>Analysis by employment status:</i>												
Business	24,075	62%	24,196	61%	7,649	215	10,927	36	1,968	36	3,356	9
Practice	8,952	23%	9,179	23%	2,264	97	5,480	17	1,245	20	55	1
Public sector	1,423	4%	2,536	6%	880	17	909	6	367	7	312	38
Retired	2,125	6%	2,094	5%	321	92	1,009	11	167	33	454	7
On a career break/ unemployed	1,553	4%	1,864	5%	644	26	823	2	227	-	142	-
Other	402	1%	158	0%	17	26	32	-	-	-	83	-
	<b>38,530</b>	<b>100%</b>	<b>40,027</b>	<b>100%</b>	<b>11,775</b>	<b>473</b>	<b>19,180</b>	<b>72</b>	<b>3,974</b>	<b>96</b>	<b>4,402</b>	<b>55</b>

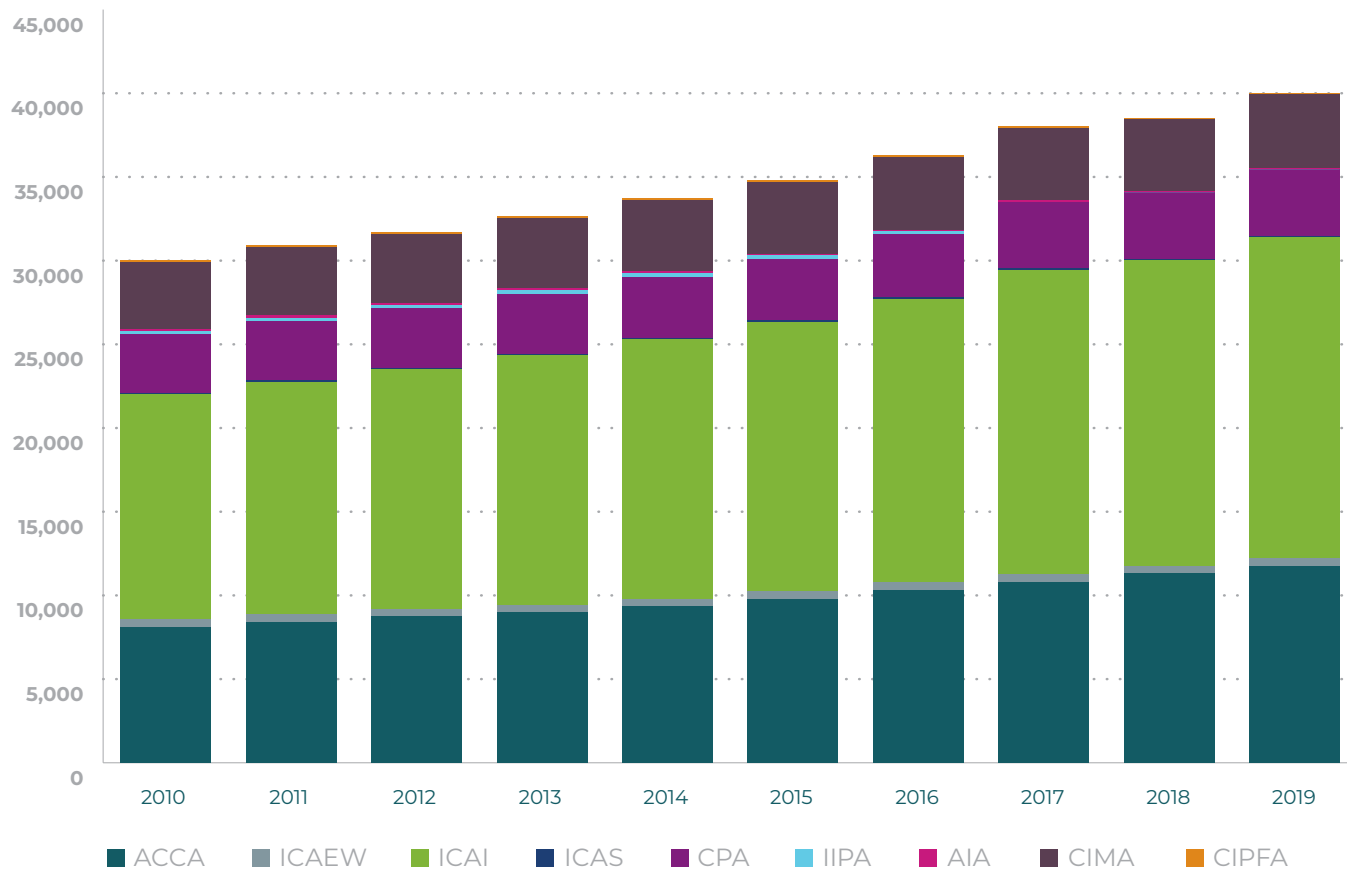
## Part A: PAB membership

**Table A.3: Members in Ireland – movement during the year**

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>Members in Ireland at 1 January</b>	<b>38,008</b>	<b>38,530</b>	<b>11,322</b>	<b>457</b>	<b>18,277</b>	<b>76</b>	<b>3,958</b>	<b>87</b>	<b>4,297</b>	<b>56</b>
Opening balance adjustment	-	(3)	-	-	-	-	-	-	-	(3)
<i>Add:</i>										
Students admitted	1,538	1,736	580	5	1,008	-	69	-	74	-
Members of other 7 PABs admitted	17	12	1	1	-	-	9	1	-	-
Members of other accountancy bodies admitted	21	27	1	-	7	-	8	9	-	2
Former members re-admitted on payment of outstanding fees	748	641	501	1	-	-	2	-	137	-
Former members re-admitted for other reasons	1	4	-	-	4	-	-	-	-	-
<i>Less:</i>										
Members excluded for non-payment of fees	(988)	(862)	(644)	(1)	(12)	-	(81)	-	(124)	-
Members excluded for other reasons	(4)	(5)	-	-	(4)	-	(1)	-	-	-
Resigned members	(134)	(108)	(28)	(1)	(47)	-	(27)	(1)	(3)	(1)
Deceased members	(53)	(57)	(4)	-	(44)	-	(2)	-	(7)	-
Net movement of members between jurisdictions	(617)	112	46	11	(9)	(4)	39	-	28	1
+/- Other individuals	(7)	-	-	-	-	-	-	-	-	-
<b>Members in Ireland at 31 December</b>	<b>38,530</b>	<b>40,027</b>	<b>11,775</b>	<b>473</b>	<b>19,180</b>	<b>72</b>	<b>3,974</b>	<b>96</b>	<b>4,402</b>	<b>55</b>

## 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. Students are required to comply with the relevant PAB's applicable bye-laws, rules and regulations. Students need to complete professional examinations, training and obtain relevant practical experience prior to them applying for membership of a PAB. When a student's application for membership is successful they:

- are granted membership status and can hold themselves out to be PAB members;
- are entitled to use the designatory letters reserved for members of that PAB; and
- can be granted a certificate to provide accounting or auditing services to the public, subject to separate approval.

### Student population at 31 December 2019 – 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. Table B.3 shows the movement of Irish based students during the year.

Four PABs accounted for almost all of Irish students:

- ACCA (50%);
- ICAI (34%);
- CIMA (10%); and
- CPA (5%).

During the year:

- 1,736 PAB students were admitted as members, an increase of 13% from 2018 (2018: 1,538); and
- 3,647 new students were registered in Ireland, an increase of 8% from 2018 (2018: 3,389).

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 2%;
- CPA, CIMA and ACCA have experienced declines of 30%, 25% and 6% respectively in Irish students;
- ICAI experienced a growth in student numbers of 24%;
- ICAEW, CIPFA and AIA continue to have less than five students each in Ireland; and
- In 2019, ICAS registered its first student located in Ireland.



## Part B: PAB student population

**Table B.1: Students worldwide – location**

As at 31 December	2018		2019		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
Ireland	16,462	3%	16,830	3%	8,513	1	5,792	1	822	3	1,695	3
UK	148,619	25%	148,461	25%	71,424	22,841	1,217	3,967	11	132	46,825	2,044
Other EU Member States	34,271	5%	31,912	5%	25,358	1,177	1	16	6	37	4,816	501
Other locations	400,433	67%	407,843	67%	339,891	6,222	1	17	94	5,452	53,713	2,453
<b>Total students worldwide</b>	<b>599,785</b>	<b>100%</b>	<b>605,046</b>	<b>100%</b>	<b>445,186</b>	<b>30,241</b>	<b>7,011</b>	<b>4,001</b>	<b>933</b>	<b>5,624</b>	<b>107,049</b>	<b>5,001</b>

**Table B.2: Students in Ireland – analysis**

As at 31 December	2018		2019		Recognised Accountancy Bodies							
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA	AIA	CIMA	CIPFA
<b>Students in Ireland</b>	<b>16,462</b>		<b>16,830</b>		<b>8,513</b>	<b>1</b>	<b>5,792</b>	<b>1</b>	<b>822</b>	<b>3</b>	<b>1,695</b>	<b>3</b>
<i>Analysis by gender:</i>												
Male	7,883	48%	7,987	48%	3,636	1	3,080	1	337	3	929	-
Female	8,547	52%	8,823	52%	4,877	-	2,712	-	485	-	746	3
Not specified	32	0%	20	0%	-	-	-	-	-	-	20	-
	<b>16,462</b>	<b>100%</b>	<b>16,830</b>	<b>100%</b>	<b>8,513</b>	<b>1</b>	<b>5,792</b>	<b>1</b>	<b>822</b>	<b>3</b>	<b>1,695</b>	<b>3</b>
<i>Analysis by employment status:</i>												
Practice	5,864	36%	5,751	34%	931	1	4,679	1	139	-	-	-
Business	5,993	37%	6,203	37%	4,421	-	56	-	320	3	1,403	-
Public sector	699	4%	760	5%	655	-	23	-	33	-	46	3
In full time education	708	4%	695	4%	584	-	-	-	62	-	49	-
Other	3,198	19%	3,421	20%	1,922	-	1,034	-	268	-	197	-
	<b>16,462</b>	<b>100%</b>	<b>16,830</b>	<b>100%</b>	<b>8,513</b>	<b>1</b>	<b>5,792</b>	<b>1</b>	<b>822</b>	<b>3</b>	<b>1,695</b>	<b>3</b>

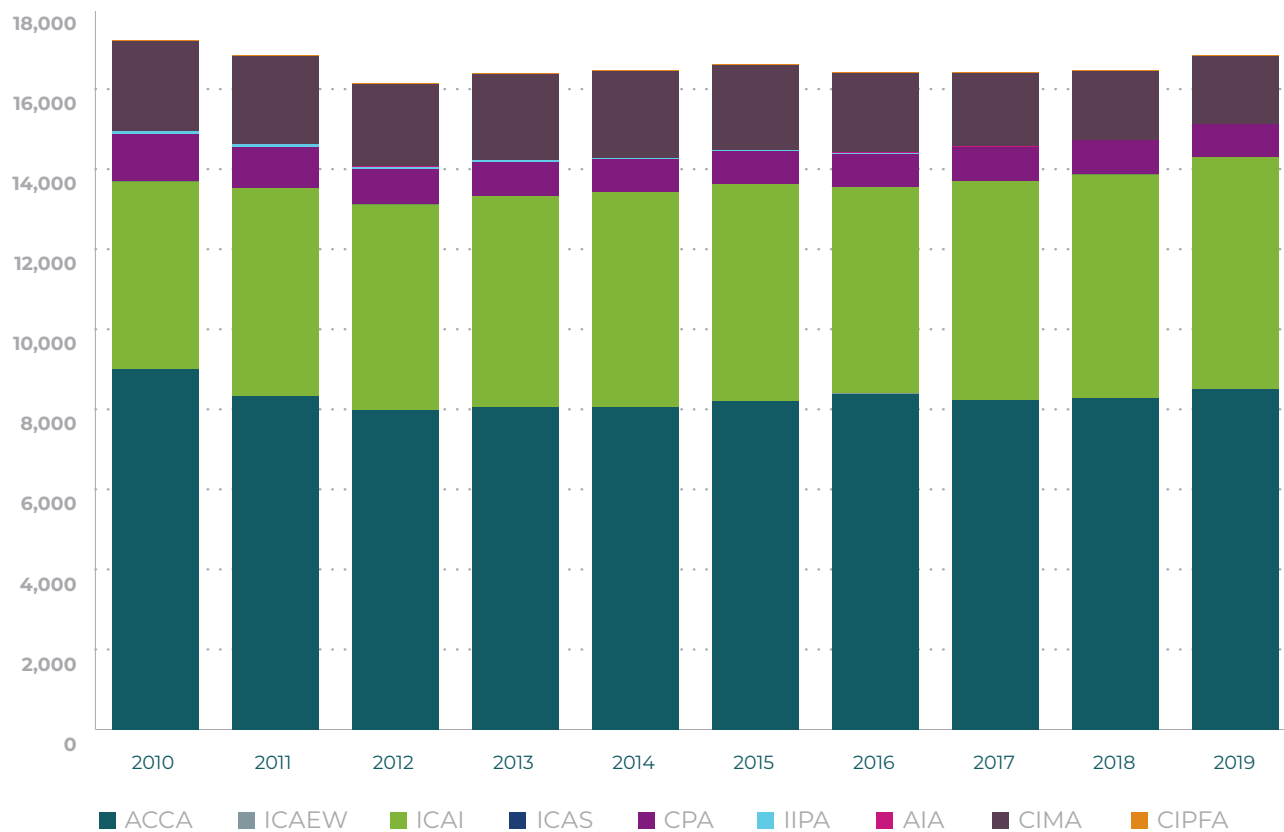
## Part B: PAB student population

**Table B.3: Students in Ireland - movement during the year**

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>Students in Ireland at 1 January</b>	<b>16,425</b>	<b>16,462</b>	<b>8,306</b>	<b>1</b>	<b>5,572</b>	<b>-</b>	<b>863</b>	<b>2</b>	<b>1,714</b>	<b>4</b>
Opening balance adjustment	5	-	-	-	-	-	-	-	-	-
<i>Add:</i>										
New students registered	3,389	3,647	1,516	-	1,507	1	213	1	409	-
<i>Less:</i>										
Lapsed student registrations	(906)	(766)	-	-	(162)	-	(185)	-	(418)	(1)
Student registrations cancelled	(989)	(901)	(764)	-	(120)	-	-	-	(17)	-
Students admitted as full members	(1,538)	(1,736)	(580)	(5)	(1,008)	-	(69)	-	(74)	-
Net movement of students between jurisdictions	3	18	35	5	(13)	-	-	-	(9)	-
+/- Other	73	106	-	-	16	-	-	-	90	-
<b>Students in Ireland at 31 December</b>	<b>16,462</b>	<b>16,830</b>	<b>8,513</b>	<b>1</b>	<b>5,792</b>	<b>1</b>	<b>822</b>	<b>3</b>	<b>1,695</b>	<b>3</b>

## 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 may grant practising certificates to members who wish to be principals in a firm and engage in public practice, i.e. to offer accounting related services to the public. Practising certificates do not permit the member to provide services in reserved areas such as audit or investment business, for which additional authorisation is 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.

The PABs have additional requirements for awarding practising certificates, which 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.

### 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 and professional indemnity insurance. Further details are available on the PABs' individual websites.

### Practising certificates at 31 December 2019 – table

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 concluded in the year. Practice monitoring reviews referred to in the table relate to reviews of the non-statutory audit work of members in practice. Practice monitoring reviews concluded as part of quality assurance reviews of statutory audit firms are reported in section F of this report.

As in prior years:

- the vast majority (96%) of those authorised to practise in Ireland and located in Ireland are members of ICAI (53%), ACCA (23%) and CPA (20%); and
- the majority (71%) of worldwide PAB members holding practising certificates are members of ICAEW.

## Part C: PABs' practising certificates

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

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>Worldwide:</b>										
Practising certificates at 31 December	29,950	29,491	1,308	21,039	2,506	1,689	685	423	1,841	-
Practice monitoring reviews concluded in the year	2,430	2,702	19	2,171	12	88	1	16	395	-
<b>Ireland:</b>										
Practising certificates at 31 December	3,431	3,435	796	52	1,818	7	683	20	59	-
Practice monitoring reviews concluded in the year	54	25	7	-	8	2	1	-	7	-



# Part D

PABs' investigation  
and disciplinary activities

## Part D: PABs' investigation and disciplinary activities

### PABs' 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. Processes 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 2019 – 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 2017 to 2019.

- Overall, there has been a reduction of 16% 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 increased from 24% in 2017 to 32% in 2019.
- ICAI, the PAB with the most members in Ireland, continued to receive and close the most complaints in the period.

Table D.4 provides a 3 year summary, by RAB, of the movement in statutory auditor/audit firm complaints, from 2017 to 2019.

- Overall, there has been a 27% increase in the number of new complaints received in the period.
- ICAEW, the RAB with the most statutory auditors approved to audit in Ireland, continued to receive and close the most complaints in the period.

Tables D.2 and D.5 show the nature of new complaints received in the year that progressed through the PABs' disciplinary processes. 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, other breaches of bodies' rules or regulations, or delays/failure to respond and/or cooperate with the PAB.



## Part D: PABs' investigation and disciplinary activities

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.
- There are no statutory auditor suspensions or revocations reported under sanctions imposed. A number of suspensions and revocations of statutory auditors are reported in table F.2 under regulatory action resulting from quality assurance reviews.

**Table D.1: Irish relevant complaints - 3 year review**

	Year	Total	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
New complaints received	2019	134	34	-	85	-	13	-	-	2	-
	2018	130	29	-	86	-	14	-	-	1	-
	2017	159	40	-	90	-	24	5	-	-	-
Complaints closed	2019	150	32	-	104	-	12	-	-	2	-
	2018	129	40	-	67	-	22	-	-	-	-
	2017	207	43	-	121	-	22	20	-	1	-
Complaints closed with adverse findings	2019	48	8	-	34	-	5	-	-	1	-
	2018	44	10	-	24	-	10	-	-	-	-
	2017	50	7	-	31	-	9	3	-	-	-
Average time taken to close a complaint (in months)	2019		6	N/A	26	N/A	6	N/A	N/A	10	N/A
	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

## Part D: PABs' investigation and disciplinary activities

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

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>Complaints received related to:</b>										
Breach of code of ethics	41	39	-	-	34	-	3	-	2	-
Other breaches of PAB rules or regulations	22	26	12	-	14	-	-	-	-	-
Delay/failure to respond and/or cooperate with Body	20	21	4	-	17	-	-	-	-	-
Poor work or unsatisfactory professional service or conduct	30	16	1	-	10	-	5	-	-	-
Other	8	14	1	-	10	-	3	-	-	-
Matters relating to insolvency work or conduct of a liquidation	11	7	-	-	6	-	1	-	-	-
Other audit related matters	9	5	4	-	1	-	-	N/A	N/A	N/A
Carrying out audit work while not authorised	3	3	1	-	1	-	1	N/A	N/A	N/A
Carrying on public practice while not authorised	10	2	2	-	-	-	-	-	-	-
Criminal conviction	2	1	1	-	-	-	-	-	-	-
Other breaches of company law/restriction or disqualification as a director	5	-	-	-	-	-	-	-	-	-
Failure to satisfy a judgement debt or other insolvency event	4	-	-	-	-	-	-	-	-	-

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

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>Sanctions imposed were:</b>										
Monetary sanction (including fine or costs)	42	33	8	-	19	-	5	-	1	-
Publication	41	32	7	-	20	-	5	-	-	-
Admonishments/cautions, reprimands and/or severe reprimands	41	28	6	-	16	-	5	-	1	-
Member expelled	3	9	2	-	7	-	-	-	-	-
Member temporarily suspended	1	1	-	-	-	-	1	-	-	-
Registration, other than audit, temporarily suspended	-	1	-	-	-	-	1	-	-	-
Other	-	1	-	-	-	-	1	-	-	-
Statutory auditor/audit firm temporarily suspended	-	-	-	-	-	-	-	N/A	N/A	N/A
Statutory auditor/audit firm expelled/ registration revoked	-	-	-	-	-	-	-	N/A	N/A	N/A
Registration, other than audit, revoked	-	-	-	-	-	-	-	-	-	-

## 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	2019	235	28	137	53	7	10	0
	2018	187	16	104	50	9	8	0
	2017	185	29	73	57	4	17	5
Complaints closed	2019	216	24	111	64	10	7	0
	2018	156	21	74	40	5	16	0
	2017	192	39	59	59	6	16	13
Complaints closed with adverse findings	2019	58	7	30	15	3	3	0
	2018	49	7	21	12	1	8	0
	2017	40	6	15	8	3	7	1
Average time taken to close a complaint (in months)	2019		4	12	22	4	8	N/A
	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 received that progressed through the PABs' disciplinary processes

	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
<b>Complaints received related to:</b>							
Poor work or unsatisfactory professional service or conduct	84	118	2	99	9	4	4
Breach of code of ethics	41	57	-	25	27	4	1
Other breaches of PAB rules or regulations	16	20	16	-	1	3	-
Other	6	13	2	2	6	-	3
Carrying out audit work while not authorised	9	12	-	8	-	3	1
Other audit related matters	15	8	5	-	3	-	-
Delay/failure to respond and/or cooperate with Body	7	7	-	3	3	1	-
Other breaches of company law/restriction or disqualification as a director	5	3	-	-	-	3	-
Matters relating to insolvency work or conduct of a liquidation	4	3	-	-	2	-	1
Carrying on public practice while not authorised	1	-	-	-	-	-	-
Criminal conviction	-	-	-	-	-	-	-
Failure to satisfy a judgement debt or other insolvency event	-	-	-	-	-	-	-

## Part D: PABs' investigation and disciplinary activities

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

	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
<b>Sanctions imposed were:</b>							
Monetary sanction (including fine or costs)	48	52	7	30	9	3	3
Publication	46	51	7	29	9	3	3
Admonishments/cautions, reprimands and/or severe reprimands	46	48	6	30	6	3	3
Member expelled	3	1	1	-	-	-	-
Other	-	1	-	-	-	-	1
Statutory auditor/audit firm temporarily suspended	-	-	-	-	-	-	-
Member temporarily suspended	-	-	-	-	-	-	-
Registration, other than audit, temporarily suspended	-	-	-	-	-	-	-
Statutory auditor/audit firm expelled/ registration revoked	-	-	-	-	-	-	-
Registration, other than audit, revoked	-	-	-	-	-	-	-



# Part E

RABs' approval of statutory audit firms and statutory auditors

## Part E: RABs' approval of statutory audit firms and statutory auditors

### Criteria for audit approval

If a member/member firm of a RAB or other qualified individual satisfies the relevant company law requirements and any additional criteria set by a RAB, they may obtain approval from that RAB to carry out statutory audits. Such company law and RAB criteria usually include:

- good repute;
- an audit qualification;
- sufficient and appropriate audit experience;
- holding sufficient professional indemnity insurance cover;
- putting in place practice continuity arrangements, in the event of incapacity or death; and
- undertaking relevant CPD.

### RABs' approval of statutory audit firms and statutory auditors at 31 December 2019 – 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 2 years. In that period:

- The number of statutory audit firms worldwide has declined by 5%. Individually, the degree of decline varies:
  - ACCA (3%);
  - ICAEW (5%);
  - ICAI (4%);
  - ICAS (3%); and
  - CPA (7%)\*.
- ICAEW continue to account for the largest proportion of approved statutory audit firms and statutory auditors located worldwide, whilst ICAI continue to 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 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 2015.

- Statutory audit firms located in Ireland have also declined by 18% in the period. Individually, the degree of decline varies across the RABs concerned:
  - ACCA (11%);
  - ICAEW (50%);
  - ICAI (19%); and
  - CPA (5%)\*.

## Part E: RABs' approval of statutory audit firms and statutory auditors

- Statutory auditors located in Ireland have declined by 15% in the period. Again, individually, the degree of decline varies across the RABs concerned:
  - ACCA (11%);
  - ICAEW (50%);
  - ICAI (13%); and
  - CPA (5%)\*.

**Table E.1: Statutory audit firms - 2 year review**

	Year	Total	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Statutory audit firms <b>[located worldwide]</b> approved to audit in Ireland at 31 December	2019	4,341	418	2,662	750	167	344
	2018	4,568	430	2,812	783	172	371
Statutory audit firms <b>[with offices in Ireland]</b> approved to audit in Ireland at 31 December	2019	1,207	298	3	562	-	344
	2018	1,260	290	3	596	-	371

**Table E.2: Statutory auditors - 2 year review**

	Year	Total	Recognised Accountancy Bodies				
			ACCA	ICAEW	ICAI	ICAS	CPA
Statutory auditors <b>[located worldwide]</b> approved to audit in Ireland at 31 December	2019	9,657	578	6,793	1,360	491	435
	2018	10,000	591	7,021	1,412	526	450
Statutory auditors <b>[located in Ireland]</b> approved to audit in Ireland at 31 December	2019	1,894	388	3	1,068	-	435
	2018	1,956	388	3	1,115	-	450

\* Footnote: A number of statutory audit firms and statutory auditors transferred from the Institute of Incorporated Public Accountants ('IIPA') to CPA at 1 September 2017

## Part E: RABs' approval of statutory audit firms and statutory auditors

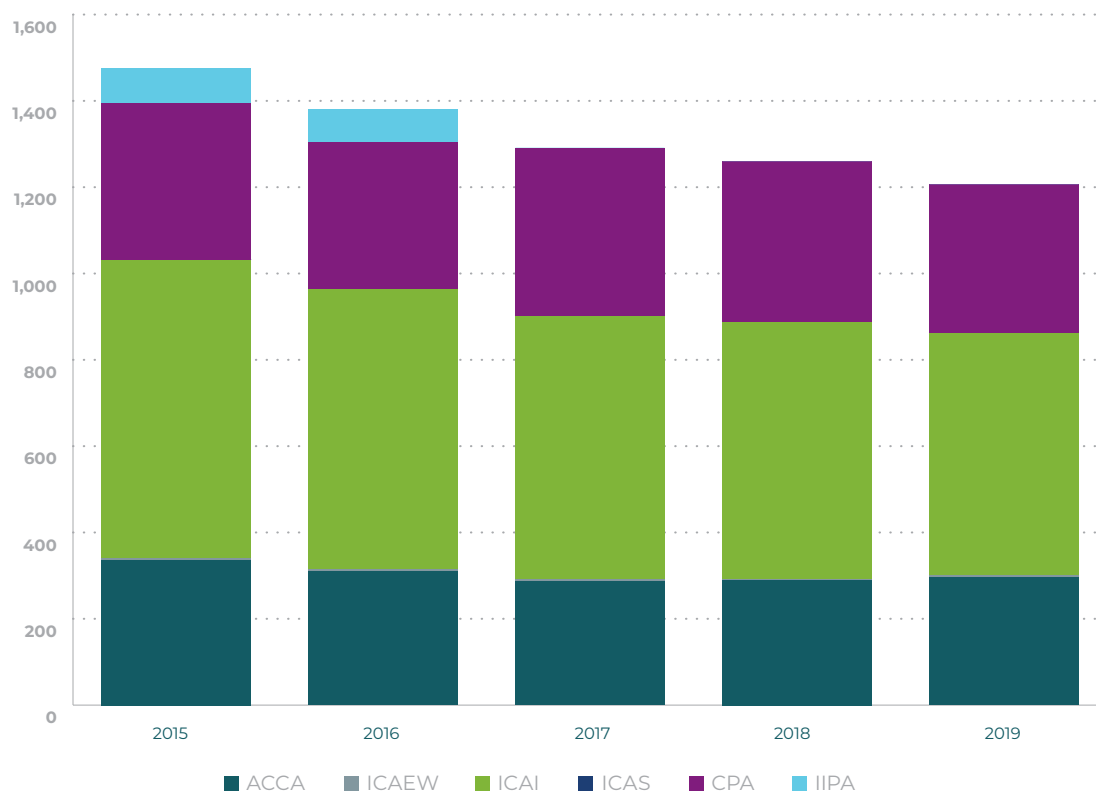
**Table E.3:** Analysis of statutory audit firms with offices in Ireland

As at 31 December	2018		2019		Recognised Accountancy Bodies				
	Total	%	Total	%	ACCA	ICAEW	ICAI	ICAS	CPA
<b>Statutory audit firms with offices in Ireland</b>	<b>1,260</b>		<b>1,207</b>		<b>298</b>	<b>3</b>	<b>562</b>	<b>-</b>	<b>344</b>
<i>Analysis by number of principals:</i>									
1 principal	739	58.7%	718	59.5%	200	3	286	-	229
2 - 5 principals	489	38.8%	459	38.0%	96	-	251	-	112
6 - 10 principals	19	1.5%	17	1.4%	2	-	12	-	3
11 - 49 principals	13	1.0%	11	0.9%	-	-	11	-	-
50+ principals	-	0.0%	2	0.2%	-	-	2	-	-
	<b>1,260</b>	<b>100.0%</b>	<b>1,207</b>	<b>100.0%</b>	<b>298</b>	<b>3</b>	<b>562</b>	<b>-</b>	<b>344</b>
<i>Analysis by number of PIE clients:</i>									
No PIE clients	1,251	99.4%	1,199	99.4%	298	3	554	-	344
1 - 5 PIE clients	3	0.2%	2	0.2%	-	-	2	-	-
6 - 10 PIE clients	-	0.0%	-	0.0%	-	-	-	-	-
11 - 49 PIE clients	3	0.2%	3	0.2%	-	-	3	-	-
50+ PIE clients	3	0.2%	3	0.2%	-	-	3	-	-
	<b>1,260</b>	<b>100.0%</b>	<b>1,207</b>	<b>100.0%</b>	<b>298</b>	<b>3</b>	<b>562</b>	<b>-</b>	<b>344</b>

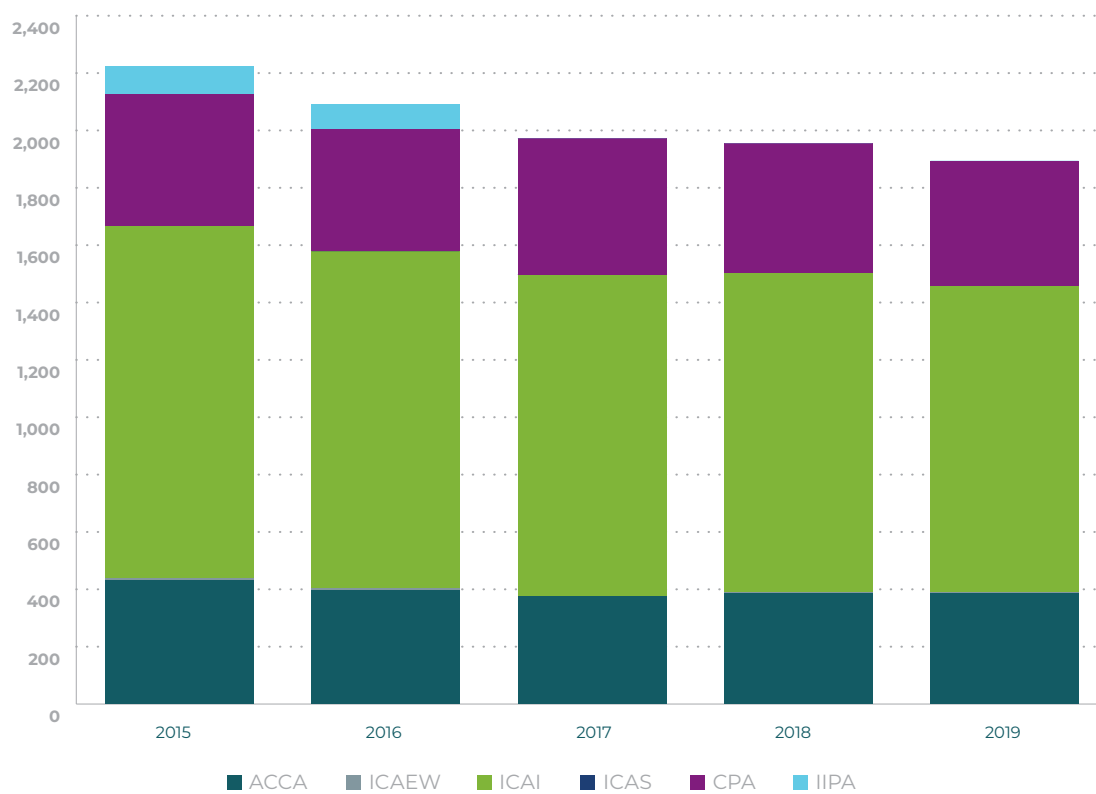


## Part E: RABs' approval of statutory audit firms and statutory auditors

**Chart E.1: Statutory audit firms located in Ireland 2015 to 2019**



**Chart E.2: Statutory auditors located in Ireland 2015 to 2019**





# Part F

RABs' quality assurance  
of statutory audit

## Part F: RABs' quality assurance of statutory audit

### Responsibility for quality assurance of statutory audit

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 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 are available in IAASA's Annual Audit Programme and Activity Report 2019.

### Legislative requirements

The 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 2019 – 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 resulting from quality assurance reviews concluded in the period.

- Reviews to meet legislative requirements accounted for 56% of the quality assurance reviews concluded in the year (2018: 52%); 22% were accelerated reviews/re-reviews for heightened risk (2018: 30%).
- Of the reviews concluded in the year:
  - 64% were categorised as 'good with limited improvements required' (2018: 61%);
  - 21% were 'acceptable overall with improvements required' (2018: 23%); and
  - 15% were 'unacceptable with significant improvements required' (2018: 16%).
- 18% of the quality assurance reviews concluded in the year resulted in regulatory action (2018: 17%). In 2019, the three most common regulatory actions imposed by the RABs were to:
  - impose a restriction on undertaking file reviews for other firms;
  - impose a cold file review of clients' files; and
  - impose monetary penalties.

Table F.3 provides an overview of quality assurance reviews undertaken by the RABs to meet legislative requirements.

- 510 quality assurance reviews were required to be concluded during 2019 (2018: 504); of these 87% met legislative requirements (2018: 87%). The majority of remaining quality assurance reviews were concluded late or concluded after the year end.

Chart F.1 graphically represents the target number of quality assurance reviews required to meet legislative requirements over the year, those that met that target and those that did not.

## Part F: RABs' quality assurance of statutory audit

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

	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
Statutory audit firms worldwide approved to audit in Ireland at 1 January	4,745	4,568	430	2,812	783	172	371
<b>Quality assurance reviews thereof concluded in the year</b>	<b>901</b>	<b>826</b>	<b>87</b>	<b>496</b>	<b>113</b>	<b>35</b>	<b>95</b>
<i>Analysis by reason for review</i>							
Review to meet legislative requirements	466	462	28	296	60	16	62
Accelerated/re-review for heightened risk	274	181	40	116	4	6	15
Conclusion of a review open at 1 January	108	100	10	58	17	8	7
Accelerated/early review on foot of a recommendation/referral, or order, from a Regulatory Committee	13	41	4	9	23	3	2
Accelerated due to 1st time registration	25	30	5	17	3	1	4
Other	15	12	-	-	6	1	5
	<b>901</b>	<b>826</b>	<b>87</b>	<b>496</b>	<b>113</b>	<b>35</b>	<b>95</b>
<i>Analysis by type of review</i>							
Onsite	827	770	75	462	108	35	90
Desktop	74	56	12	34	5	-	5
	<b>901</b>	<b>826</b>	<b>87</b>	<b>496</b>	<b>113</b>	<b>35</b>	<b>95</b>
<i>Analysis by outcome of the review</i>							
Good with limited improvements required	551	530	2	365	70	13	80
Acceptable overall with improvements required	204	172	59	88	10	15	-
Unacceptable with significant improvements required	146	124	26	43	33	7	15
	<b>901</b>	<b>826</b>	<b>87</b>	<b>496</b>	<b>113</b>	<b>35</b>	<b>95</b>

## Part F: RABs' quality assurance of statutory audit

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

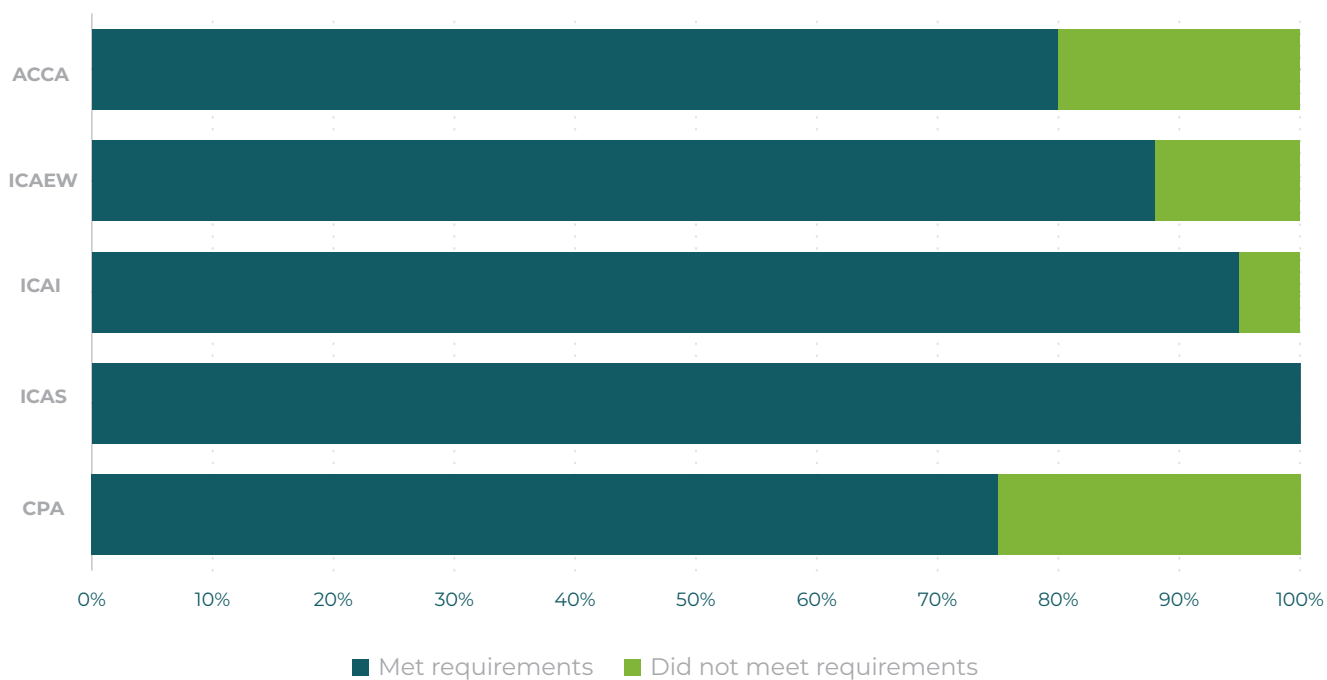
	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
Quality assurance reviews concluded in the year	901	826	87	496	113	35	95
<b>Quality assurance reviews concluded in the year that resulted in regulatory action</b>	<b>153</b>	<b>145</b>	<b>17</b>	<b>51</b>	<b>34</b>	<b>22</b>	<b>21</b>
<i>Regulatory action taken</i>							
Required not to undertake file review for other firms	48	60	-	26	33	1	-
Cold file review of clients files imposed	66	58	-	21	21	16	-
Monetary penalties imposed	50	52	-	27	22	3	-
Requirement for a follow up on-site review	51	40	-	28	1	2	9
Hot file review restriction	45	39	-	19	14	3	3
Required to submit further documentation/ information or clarification	51	37	-	7	22	2	6
Other conditions/restrictions imposed	23	32	-	13	19	-	-
Directed not to accept further audit appointments	30	30	-	16	13	1	-
Directed to address CPD/training matters	36	29	-	9	17	3	-
Voluntarily surrendered audit registration as a result of findings	15	21	8	6	4	-	3
External compliance review	14	19	-	5	13	1	-
Referred to the investigation & disciplinary process	8	17	2	12	-	3	-
Audit registration withdrawn as a result of findings	3	5	-	3	1	1	-
Audit registration suspended as a result of findings	-	3	2	1	-	-	-

## Part F: RABs' quality assurance of statutory audit

**Table F.3:** Overview of legislative requirements

	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
Statutory audit firms approved to audit in Ireland at 1 January	4,745	4,568	430	2,812	783	172	371
<b>Of those, number of quality assurance reviews required to be concluded in the year</b>	<b>504</b>	<b>510</b>	<b>30</b>	<b>335</b>	<b>60</b>	<b>16</b>	<b>69</b>
Quality assurance reviews concluded in the year that met legislative requirements	436	445	24	296	57	16	52
Quality assurance reviews which did not meet legislative requirements in the year	68	65	6	39	3	-	17
<i>Reason for not meeting legislative requirements</i>							
Review concluded late	45	40	6	20	3	-	11
Review not concluded	17	13	-	9	-	-	4
Other	6	12	-	10	-	-	2
	<b>68</b>	<b>65</b>	<b>6</b>	<b>39</b>	<b>3</b>	<b>-</b>	<b>17</b>

**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. 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 Act sets out further CPD standards for statutory auditors, to ensure that statutory auditors maintain their competence at a sufficient level. The 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.

Figures relating to the monitoring of CPD across the PABs may not be comparable, 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 2019 – tables

Table G.1 provides details on the PABs' monitoring of compliance with CPD requirements in 2019, 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, 98% of members located in Ireland were compliant with CPD requirements; 99% 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 5% from 2018. The majority of reviews continue to be carried out onsite, as part of quality assurance reviews to statutory audit firms.
- In the cases where no regulatory action was taken, the members concerned were required to make good the shortfall within a specified period of time.



## Part G: PABs' activities in continuing education of members

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

	2018	2019	Recognised Accountancy Bodies					AIA	CIMA	CIPFA
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA			
<b>CPD records reviewed in the year</b>	<b>1,771</b>	<b>1,873</b>	<b>483</b>	<b>2</b>	<b>301</b>	<b>5</b>	<b>979</b>	<b>41</b>	<b>62</b>	<b>-</b>
<i>Analysed by:</i>										
Desktop review (risk based)	323	320	141	-	50	3	79	21	26	-
Desktop review (random)	459	389	102	2	120	-	109	20	36	-
Onsite review	193	341	92	-	131	-	118	-	-	-
Other monitoring activities	796	823	148	-	-	2	673	-	-	-
	<b>1,771</b>	<b>1,873</b>	<b>483</b>	<b>2</b>	<b>301</b>	<b>5</b>	<b>979</b>	<b>41</b>	<b>62</b>	<b>-</b>
CPD records found to be non-compliant with CPD requirements after follow-up action has been taken	64	33	9	-	5	-	-	6	13	-
Of those, number that were subject to regulatory action	2	18	-	-	5	-	-	-	13	-
Of those, number that were subject to disciplinary action	-	-	-	-	-	-	-	-	-	-

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

	2018	2019	Recognised Accountancy Bodies				
	Total	Total	ACCA	ICAEW	ICAI	ICAS	CPA
<b>CPD records reviewed in the year</b>	<b>2,329</b>	<b>2,218</b>	<b>219</b>	<b>1,114</b>	<b>196</b>	<b>87</b>	<b>602</b>
<i>Analysed by:</i>							
Desktop review (risk based)	92	169	67	35	34	-	33
Desktop review (random)	24	20	1	16	3	-	-
Onsite review	1,319	1,171	119	685	159	87	121
Other monitoring activities	894	858	32	378	-	-	448
	<b>2,329</b>	<b>2,218</b>	<b>219</b>	<b>1,114</b>	<b>196</b>	<b>87</b>	<b>602</b>
CPD records found to be non-compliant with CPD requirements after follow-up action has been taken	43	19	12	-	4	3	-
Of those, number that were subject to regulatory action	20	19	12	-	4	3	-
Of those, number that were subject to disciplinary action	-	-	-	-	-	-	-



**IAASA**

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