
Profile of the Profession

2016

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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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.

1. Chief Executive's introduction

It is with pleasure that I present the Irish Auditing and Accounting Supervisory Authority's *Profile of the Profession 2016*, the purpose of which is to provide 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 education monitoring activities.

IAASA's role, in relation to the accountancy bodies, includes supervising the manner in which the PABs regulate their members and oversight of the RABs' performance of the regulatory functions assigned to them 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 will be available in Chapter 2 and Chapter 5 respectively of IAASA's Annual Report 2016.

Overall trends

At 31 December 2016:

- there were 36,261 PAB members resident in Ireland, an increase of 4% from 2015;
- the PABs' aggregate student membership resident in Ireland was 16,421 a slight decrease on the previous year (16,604);
- 3,463 PAB members located in Ireland were authorised to provide services to members of the public, up from 3,444 in 2015; and
- the number of registered audit firms located in Ireland stood at 1,381 down from 1,476 in 2015.

Acknowledgement

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

Kevin Prendergast

Chief Executive

May 2017

2. Prescribed Accountancy Bodies

A Prescribed Accountancy Body, or PAB, is an accountancy body that comes within IAASA's supervisory remit. There are currently nine 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;
- **ICAEW** Institute of Chartered Accountants in England and Wales;
- **ICAI** Institute of Chartered Accountants in Ireland;
- **ICAS** Institute of Chartered Accountants of Scotland;
- **CPA** Institute of Certified Public Accountants in Ireland; and
- **IIPA** Institute of Incorporated Public Accountants.

Six of the nine PABs are also Recognised Accountancy Bodies ('RABs'). RABs are permitted to approve their members/member firms to practice as statutory auditors/audit firms. The six RABs are the ACCA, ICAEW, ICAI, ICAS, CPA and the IIPA. Further information regarding each of the nine PABs is available on their respective websites, links to which can be found at section 6.

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 nine 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.

'complaint'	any expression of dissatisfaction with accounting related services, whether communicated to a PAB by a member of the public or otherwise
'Ireland'	the Republic of Ireland
'Irish relevant'	relating to members and students located in Ireland, firms based in Ireland and/or members/firms with clients based in Ireland
'PAB'	a Prescribed Accountancy Body that comes within IAASA's supervisory remit
'Public Interest Entity' ('PIE')	Public Interest Entity ('PIE') as defined in Regulation 4 of S.I. 312 of 2016, which includes certain listed entities, credit institutions and insurance undertakings
'principal'	a partner in a member firm including a sole practitioner
'RAB'	a Recognised Accountancy Body permitted to approve its members/member firms as statutory auditors/firms
'S.I.312 of 2016'	S.I. No. 312 of 2016 European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016 (commenced on 17 June 2016)
'S.I.220 of 2010'	S.I. No. 220 of 2010 European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 (revoked by S.I. 312 of 2016 on 17 June 2016)
'statutory auditor'/'statutory audit firm'	an individual/audit firm that is approved in accordance with S.I. 312 of 2016 to carry out statutory audits

6. Links to the PABs' websites

Further information regarding each of the nine 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.cpaireland.ie
Institute of Incorporated Public Accountants	www.iipa.ie

PART A

PAB Membership

Admission to PAB membership

Admission to PAB 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 and 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 Continuing Professional Development ('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.

PAB Membership - tables and charts

Tables A.1 and A.2 and Chart A.1 show the PABs' membership at 31 December 2016, the location of these members throughout the world and the movement in Irish membership during the year. Tables A.3 to A.5 and Charts A.2 to A.4 analyse Irish based members by gender, employment status and age.

- During 2016, there was a 4% increase in Ireland and a 3% increase worldwide in PAB membership. ICAI (almost 47%) had the largest number of members in Ireland (16,953), while ACCA (at 37%) had the largest membership worldwide (193,976).
- Four PABs accounted for almost 98% of PAB members located in Ireland:
 - ICAI (47%);
 - ACCA (29%);
 - CIMA (12%); and
 - CPA (10%).
- ICAI, CPA and IIPA members were mainly resident in Ireland, with the majority of ICAEW, ICAS, CIMA and CIPFA members resident in the UK. The majority of AIA and ACCA members were resident outside of the EU. Almost 47% of ACCA members were resident in the UK and Ireland.
- PAB members resident in Ireland were 42% female and 58% male. Table A.3 shows that, with the exception of CPA, males comprised the majority gender within the PABs. There was a greater rate of growth of 5.4% in female membership compared to growth in male membership of 3.4%. The student gender statistics in Table B.3 may indicate the likely future trends in membership gender profiles.
- While the majority of PAB members resident in Ireland were employed in industry/business (63%), a significant number were also employed in practice (23%). The growth in employment in industry/business was 5.8% versus 1% in practice.

Table A.1: Members worldwide - location

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Ireland	34,777	36,261	10,362	437	16,953	74	3,754	210	86	4,318	67
UK	313,111	320,070	80,335	124,650	5,743	18,029	103	2	1,292	76,774	13,142
Other EU Member States	20,284	21,727	12,983	5,250	323	508	44	1	191	2,333	94
Other locations	134,110	141,728	90,296	17,201	2,477	2,541	267	4	5,217	22,670	1,055
Total members worldwide	502,282	519,786	193,976	147,538	25,496	21,152	4,168	217	6,786	106,095	14,358

Chart A.1: Share of members located in Ireland

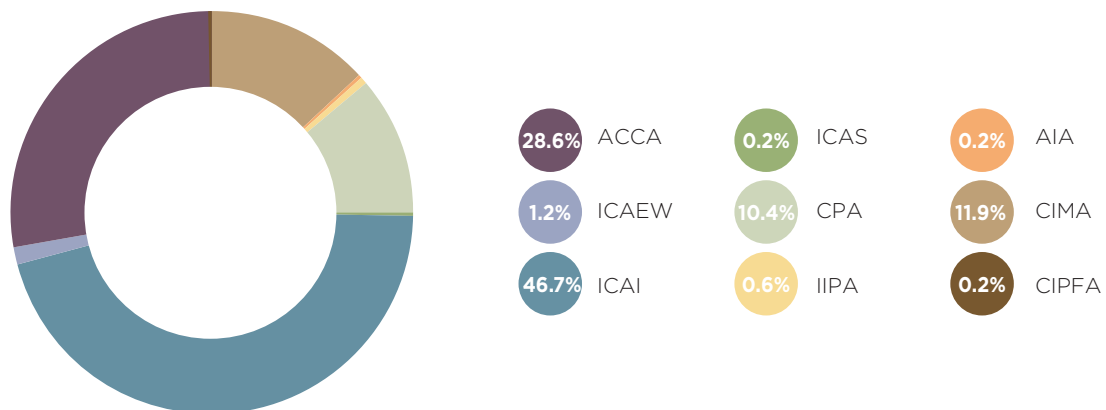


Table A.2: Members in Ireland - movement during the year

Year to 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Members in Ireland at 1 January	33,706	34,777	9,811	438	16,119	71	3,684	218	100	4,268	68
During the Year:											
ADD: Students admitted as members	1,575	1,856	664	3	990	-	72	4	-	123	-
Members of other 8 PABs admitted as members	12	13	2	3	-	-	5	-	2	-	1
Members of other bodies admitted as members	12	13	1	-	5	-	5	-	1	-	1
Other individuals admitted as members	-	2	-	-	-	-	-	-	2	-	-
Former members re-admitted to membership on payment of outstanding fees	539	547	382	-	24	-	1	-	-	140	-
Former members re-admitted to membership for other reasons	3	-	-	-	-	-	-	-	-	-	-
LESS: Members excluded from membership for non payment of fees	(845)	(770)	(483)	(5)	(60)	-	-	(3)	(16)	(202)	(1)
Members excluded from membership for other reasons	(2)	(2)	-	-	-	-	-	(2)	-	-	-
Members resigning from membership	(122)	(143)	(11)	(2)	(78)	-	(39)	(6)	(1)	(6)	-
Members deceased	(37)	(69)	(4)	(2)	(44)	(1)	(5)	(1)	(2)	(10)	-
Other	(64)	37	-	2	(3)	4	31	-	-	5	(2)
Members in Ireland at 31 December	34,777	36,261	10,362	437	16,953	74	3,754	210	86	4,318	67

Footnote: 'Other' generally arises due to movement of members between jurisdictions during the year.

Table A.3: Members in Ireland - gender profile

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Female	14,562	15,356	4,834	120	6,922	20	1,948	31	3	1,454	24
Male	20,215	20,905	5,528	317	10,031	54	1,806	179	83	2,864	43
Total membership	34,777	36,261	10,362	437	16,953	74	3,754	210	86	4,318	67

Chart A.2: Members in Ireland - gender profile

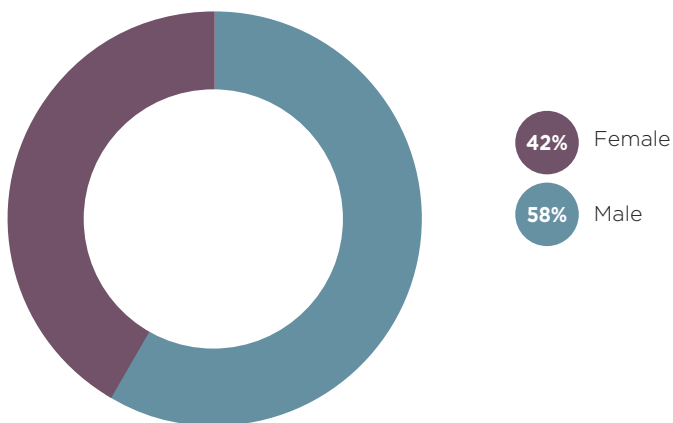


Table A.4: Members in Ireland - employment status

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Practice	8,148	8,226	2,103	91	4,548	15	1,188	171	17	93	-
Industry/Business	21,509	22,753	6,849	199	10,000	39	1,884	31	39	3,698	14
Public Sector	1,741	1,792	742	30	476	8	343	1	3	154	35
Retired	1,456	1,655	261	86	762	10	129	5	24	373	5
Other	1,923	1,835	407	31	1,167	2	210	2	3	-	13
Total	34,777	36,261	10,362	437	16,953	74	3,754	210	86	4,318	67

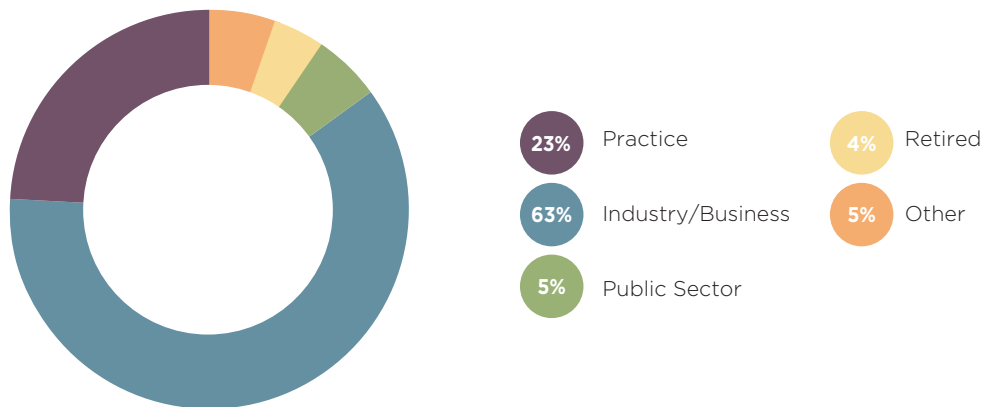
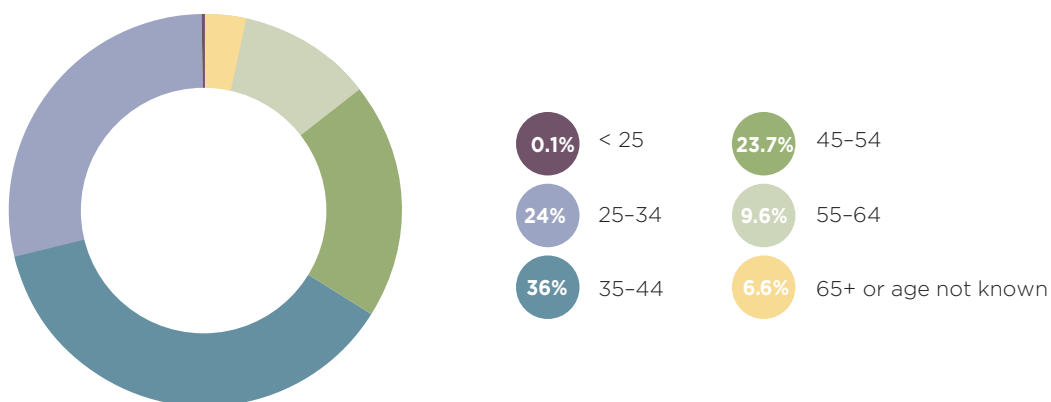
Chart A.3: Members in Ireland - employment status

Table A.5: Members in Ireland - age profile

As at 31 December	Recognised Accountancy Bodies										
	2015 TOTAL	2016 TOTAL	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
< 25	47	24	4	-	12	-	7	-	-	1	-
25 - 34	9,218	8,692	2,191	32	5,713	19	357	13	4	362	1
35 - 44	12,572	13,058	4,403	95	5,356	16	1,454	51	6	1,669	8
45 - 54	7,572	8,617	2,634	140	3,124	15	1,156	55	8	1,453	32
55 - 64	3,187	3,469	744	65	1,547	13	596	44	28	412	20
65+ or age not known	2,181	2,401	386	105	1,201	11	184	47	40	421	6
Total	34,777	36,261	10,362	437	16,953	74	3,754	210	86	4,318	67

Chart A.4: Members in Ireland - age profile



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 bye-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.

PAB Student population - tables and charts

Tables B.1 and B.2 and Chart B.1 outline the PABs' student numbers at 31 December 2016, the location of these students and the movements of Irish based students during the year. Tables B.3 and B.4 and Charts B.2 and B.3 analyse students in Ireland by gender and employment status.

- The PABs' worldwide student numbers rose by 3% in 2016, whilst the number of students resident in Ireland decreased by 1% from 16,604 to 16,421.

- As with membership (see Part A), ICAI, CPA and IIPA students were mainly based in Ireland, with the majority of students in ICAEW, ICAS and CIPFA resident in the UK. The majority of ACCA (73%), AIA (96%) and CIMA (54%) students were resident outside the EU.
- Four bodies accounted for the majority of the student market in Ireland, with 51% of all PAB students in Ireland registered with ACCA, followed by ICAI (31%), CIMA (12%) and CPA (5%). ICAEW, IIPA, AIA and CIPFA had low student numbers in Ireland and ICAS did not have any students located in Ireland.
- In contrast to the membership statistics (see Part A), just over 51% of students resident in Ireland were female. Whilst five of the PABs had a majority of male students, ACCA, CIPFA and CPA had a majority of female students in Ireland.
- Industry/Business was the sector employing the most students in Ireland at 41% with a further 33% employed in practice.

Table B.1: Students worldwide - location

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Ireland	16,604	16,421	8,402	5	5,152	-	830	36	1	1,990	5
UK	148,539	148,933	74,551	19,708	1,178	3,718	11	1	167	47,539	2,060
Other EU Member States	33,252	35,013	25,664	1,111	1	4	8	-	38	7,882	305
Other locations	362,320	376,640	296,759	4,998	3	13	92	-	5,037	67,969	1,769
Total students worldwide	560,715	577,007	405,376	25,822	6,334	3,735	941	37	5,243	125,380	4,139

Chart B.1: Share of students located in Ireland

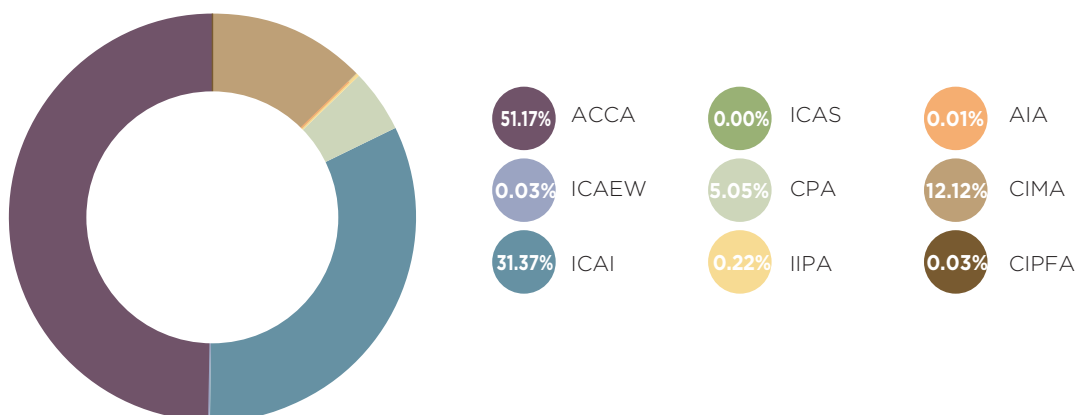


Table B.2: Students in Ireland - movement during the year

Year to 31 December	Recognised Accountancy Bodies										
	2015 TOTAL	2016 TOTAL	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Students in Ireland at 1 January	16,473	16,604	8,218	4	5,426	-	800	40	3	2,110	3
During the year:											
ADD: New students registered	3,265	3,423	1,645	2	1,190	-	215	-	-	369	2
LESS: Lapsed student registrations	(1,369)	(1,732)	(755)	(1)	(401)	-	(113)	-	(2)	(460)	-
Student registrations cancelled	(212)	(197)	(42)	-	(122)	-	-	-	-	(33)	-
Students admitted as full members	(1,575)	(1,852)	(664)	(3)	(990)	-	(72)	-	-	(123)	-
Other	22	175	-	3	49	-	-	(4)	-	127	-
Students in Ireland at 31 December	16,604	16,421	8,402	5	5,152	-	830	36	1	1,990	5

Footnote: 'Other' category mainly arises due to movement of students between jurisdictions or re-registrations during the year.

Table B.3: Students in Ireland - gender profile

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Female	8,483	8,434	4,702	-	2,396	-	468	16	-	848	4
Male	8,121	7,987	3,700	5	2,756	-	362	20	1	1,142	1
Total	16,604	16,421	8,402	5	5,152	-	830	36	1	1,990	5

Chart B.2: Students in Ireland - gender profile

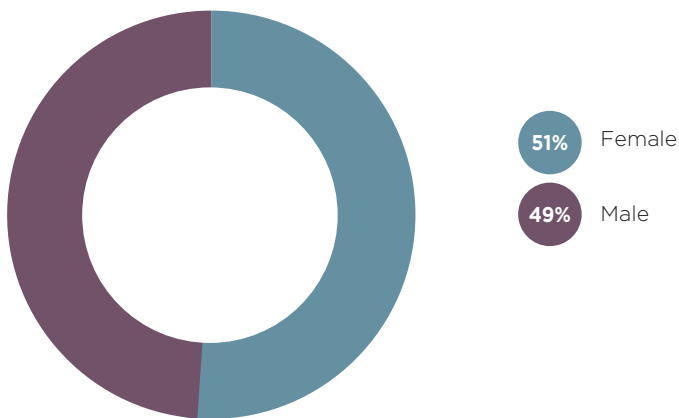
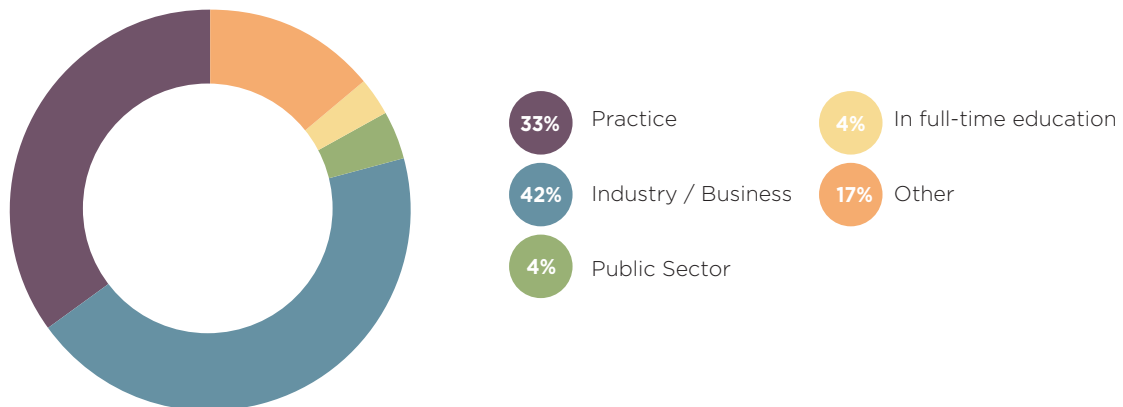


Table B.4: Students in Ireland - employment status

As at 31 December	2015 TOTAL	2016 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Practice	5,722	5,446	1,155	3	4,143	-	132	12	1	-	-
Industry/Business	7,346	6,812	4,841	1	86	-	557	18	-	1,309	-
Public Sector	703	714	603	-	14	-	37	-	-	58	2
In full-time education	557	597	524	-	-	-	73	-	-	-	-
Other	2,276	2,852	1,279	1	909	-	31	6	-	623	3
Total	16,604	16,421	8,402	5	5,152	-	830	36	1	1,990	5

Chart B.3: Students in Ireland - employment status

PART C

PABs' award of 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 normally include:

- obtaining a minimum level of post-membership experience;
- holding professional indemnity insurance cover;
- putting in place practice continuity arrangements whereby, in the event that a member ceases to practice (for example, in the case of illness or death), clients will have continuity of service; 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. Members and member firms are generally required by the PABs to renew their practising authorisation each year. 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.

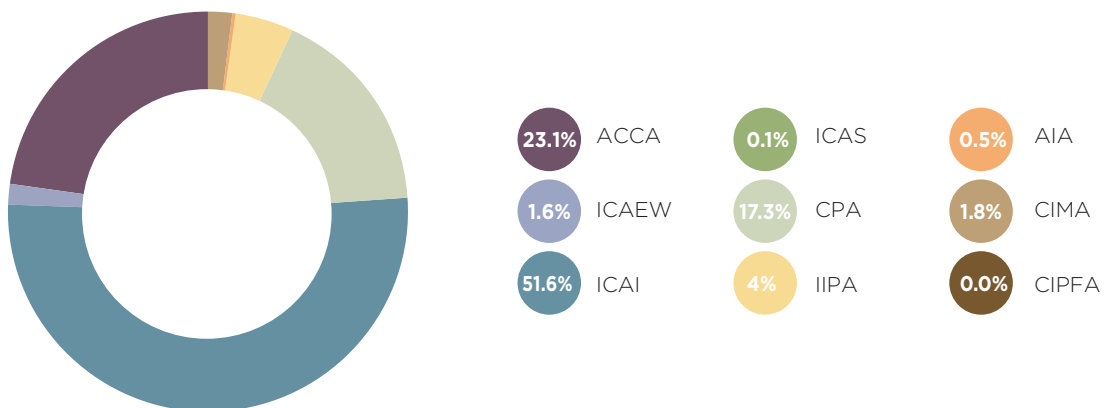
PABs' award of practising certificates – table and chart

Table C.1 details the number of PAB members in Ireland with practising certificates along with movements during the year and the total number of PAB members worldwide authorised to practise in Ireland. Chart C.1 illustrates each PAB's share of members with practising certificates in Ireland.

- There were 3,463 PAB members located in Ireland authorised to engage in public practice at 31 December 2016 and similar to 2015, three bodies accounted for the majority of the population:
 - ICAI (52%);
 - ACCA (23%); and
 - CPA (17%).
- There were 30,302 PAB members located worldwide authorised to practise in Ireland (30,173 in 2015), 73% of which were ICAEW members.

Table C.1: Members with practising certificates located in Ireland - movement during the year

Year to 31 December	Recognised Accountancy Bodies										
	2015 TOTAL	2016 TOTAL	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Members with practising certificates at 1 January	3,441	3,444	796	53	1,782	5	596	141	13	58	-
During the year:											
Add: Members who were granted a new practising certificate	165	161	51	4	76	-	16	4	5	5	-
Less: Members who did not renew their practising certificate	(143)	(124)	(36)	(2)	(65)	-	(14)	(4)	(1)	(2)	-
Less: Practising certificates withdrawn by the Institute/Association	(15)	(16)	(10)	-	(4)	-	-	(2)	-	-	-
Other	(4)	(2)	-	-	(2)	-	-	-	-	-	-
Practising certificates at 31 December (members located in Ireland)	3,444	3,463	801	55	1,787	5	598	139	17	61	-
Practising certificates at 31 December (members worldwide)	30,173	30,302	1,441	22,194	2,474	1,723	600	139	17	1,714	-

Chart C.1: Share of members with practising certificates located in Ireland at 31 December 2016

PART D

PABs' investigation and disciplinary activities

PABs' investigation and disciplinary processes

The PABs are responsible for the investigation of complaints against 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 that case, a complaint progresses through the PAB's disciplinary process.

As each PAB's investigation and disciplinary procedures are tailored to its specific requirements, the manner in which complaints are processed varies. For example, not all of the PABs' processes and procedures provide for certain outcomes such as settlement, caution or consent order.

PABs' investigation and disciplinary activities – tables

Tables D.1 to D.6 provide information on the number of complaints received by the PABs during 2016, along with details of cases closed, the outcome of complaint cases, sanctions imposed and the nature of complaints. The tables are presented for both Irish relevant and statutory auditors. Irish relevant relates to all members and students located in Ireland or with clients based in Ireland and statutory auditors relates to statutory auditors approved to audit in Ireland irrespective of their location or the location of their client.

- Table D.1 shows that 160 (164 in 2015) new Irish relevant complaint cases arose during 2016. There were 187 (157 in 2015) such cases open at the beginning of the year with 156 closed by the PABs during 2016 (135 during 2015).
- In relation to statutory auditors, Table D.2 shows that 162 (151 in 2015) new statutory auditor complaint cases arose during 2016. There were 228 (226 in 2015) such cases open at the beginning of the year with 166 closed by the PABs during 2016 (151 during 2015).
- The average time taken to process Irish relevant complaint cases was 14 months and 13 months in the case of statutory auditor/audit firms. The average time taken to process complaints varied across the PABs with the processing of Irish relevant ranging from 6 months to 26 months and statutory auditor/audit firms from 8 months to almost 17 months.
- Tables D.3 to D.4 show that almost 59% of Irish relevant complaints and 46% of statutory auditor/audit firm cases were concluded due to no adverse finding being made.
- Where an adverse finding was made, the most common sanction (as per Table D.5) for both Irish relevant (32) and statutory auditors (64) was the imposition of a monetary penalty. Other common sanctions included the imposition of a reprimand or a caution/ rest on file/ admonishment.
- Table D.6 sets out the nature of matters which gave rise to complaints. Poor work or unsatisfactory professional service or conduct was the most frequent complaint type across both Irish relevant and statutory auditor/audit firms. Other common complaints related to a breach of the code of ethics or other audit related matters.

Table D.1: Summary of complaints - Irish relevant

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies								
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Complaints outstanding at 1 January 2016	187	38	-	122	-	17	8	1	1	-
ADD: New cases arising during the year	160	39	-	87	-	16	17	-	1	-
LESS: Cases closed during the year by:										
- Conciliation	(3)	(3)	-	-	-	-	-	-	-	-
- Secretary/Staff	(80)	(25)	-	(44)	-	(8)	(2)	(1)	-	-
- Assessor	(1)	(1)	-	-	-	-	-	-	-	-
- Investigation/Complaints Committee	(42)	-	-	(32)	-	(4)	(6)	-	-	-
- Disciplinary Committee	(16)	(8)	-	(3)	-	(2)	(2)	-	(1)	-
- Appeal Committee	(12)	(2)	-	(5)	-	(5)	-	-	-	-
- Other	(2)	(2)	-	-	-	-	-	-	-	-
Cases closed	(156)	(41)	-	(84)	-	(19)	(10)	(1)	(1)	-
Complaints outstanding at 31 December 2016	191	36	-	125	-	14	15	-	1	-

Footnote: AIA's opening figure has been adjusted by 1 to rectify an error in their 2015 closing figure.

Table D.2: Summary of complaints - statutory auditors/audit firms

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Complaints outstanding at 1 January 2016	228	48	77	86	-	14	3
ADD: New cases arising during the year	162	34	64	34	6	13	11
LESS: Cases closed during the year by:							
- Conciliation	(5)	(5)	-	-	-	-	-
- Secretary/Staff	(62)	(23)	(23)	(7)	(2)	(6)	(1)
- Assessor	(2)	(2)	-	-	-	-	-
- Investigation/Complaints Committee	(67)	-	(32)	(26)	(1)	(3)	(5)
- Disciplinary Committee	(21)	(12)	(8)	(1)	-	-	-
- Appeal Committee	(7)	(2)	(1)	-	-	(4)	-
- Other	(2)	(2)	-	-	-	-	-
Cases closed	(166)	(46)	(64)	(34)	(3)	(13)	(6)
Complaints outstanding at 31 December 2016	224	36	77	86	3	14	8

Footnote: ICAI's opening figure has been adjusted by 2 to rectify an error in their 2015 closing figure.

Table D.3: Summary of outcome of complaints closed - Irish relevant

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies								
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
An adverse finding was made, and sanctions or other penalties imposed	39	10	-	19	-	6	2	1	1	-
An adverse finding was made, but no sanctions or other penalties imposed	18	13	-	4	-	-	1	-	-	-
An adverse finding was not made	92	14	-	61	-	11	6	-	-	-
Concluded by conciliation	3	3	-	-	-	-	-	-	-	-
Closed due to resignation of member or other	4	1	-	-	-	2	1	-	-	-
Total	156	41	-	84	-	19	10	1	1	-
Where adverse finding was published										
Publication of sanctions included the member's name	27	10	-	13	-	3	-	-	1	-
Publication of sanctions did not include the member's name	8	-	-	5	-	3	-	-	-	-
Total	35	10	-	18	-	6	-	-	1	-
Average time to conclude a complaint from receipt to Discipline (months approx)										
	14	11	0	14	0	11	14	6	26	0

Footnote: In some cases the average time taken to conclude a complaint is the average time taken for all complaints concluded by the body (not just Irish relevant).

Table D.4: Summary of outcome of complaints closed - statutory auditors/audit firms

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
An adverse finding was made, and sanctions or other penalties imposed	69	14	36	13	-	4	2
An adverse finding was made, but no sanctions or other penalties imposed	15	10	2	2	-	-	1
An adverse finding was not made	77	18	26	19	3	9	2
Concluded by conciliation	3	3	-	-	-	-	-
Closed due to resignation of member or other	2	1	-	-	-	-	1
Total	166	46	64	34	3	13	6
Where adverse finding was published							
Publication of sanctions included the member's name	59	14	35	7	-	3	-
Publication of sanctions did not include the member's name	6	-	-	5	-	1	-
Total	65	14	35	12	-	4	-
Average time to conclude a complaint from receipt to Discipline (months approx)	13	12	17	14	8	13	14

Table D.5: Analysis of sanctions imposed - Irish relevant and statutory auditors/audit firms

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish relevant										
Monetary sanction was imposed incl. fine or costs	32	10	-	17	-	4	-	-	1	-
Reprimand was imposed	22	4	-	14	-	4	-	-	-	-
Case ordered to rest on file/ caution/ admonishment	19	15	-	1	-	2	1	-	-	-
Consent order was accepted (with sanctions)	12	-	-	10	-	-	2	-	-	-
Member was expelled	9	4	-	4	-	-	-	1	-	-
Member was suspended	1	-	-	-	-	-	-	-	1	-
Quality Assurance visit was ordered	3	-	-	-	-	3	-	-	-	-
Compensation ordered	2	2	-	-	-	-	-	-	-	-
Audit registration was revoked or suspended	3	-	-	-	-	1	2	-	-	-
Statutory auditor/audit firms										
Monetary sanction was imposed incl. fine or costs	64	13	36	12	-	3	-	-	-	-
Reprimand was imposed	34	7	12	12	-	3	-	-	-	-
Consent order was accepted (with sanctions)	38	-	25	11	-	-	2	-	-	-
Case ordered to rest on file/ caution/admonishment	16	12	1	1	-	1	1	-	-	-
Member was expelled	7	5	2	-	-	-	-	-	-	-
Quality Assurance visit was ordered	3	-	-	-	-	3	-	-	-	-
Compensation ordered	2	2	-	-	-	-	-	-	-	-
Audit registration was revoked or suspended	3	-	-	-	-	1	2	-	-	-

Table D.6: Nature of complaints most frequently received - Irish relevant and statutory auditors/audit firms

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish relevant										
Poor work or unsatisfactory professional service or conduct	54	17	-	25	-	1	10	-	1	-
Breach of code of ethics	36	-	-	35	-	1	-	-	-	-
Other audit related matters	20	6	-	7	-	7	-	-	-	-
Carrying on public practice or audit while not authorised (other than execution of audit report while not approved)	13	8	-	4	-	1	-	-	-	-
Other breaches of company law/restriction or disqualification as a director	11	-	-	7	-	1	3	-	-	-
Other breaches of Institute/Association Rules or Regulations (such as in relation to professional indemnity insurance)	11	-	-	-	-	2	9	-	-	-
Delay/failure to respond and/or cooperate with Institute/Association or an external party	10	1	-	7	-	2	-	-	-	-
Matters relating to insolvency work or conduct of a liquidation	9	-	-	9	-	-	-	-	-	-
Criminal conviction	8	5	-	2	-	-	1	-	-	-
Failure to satisfy judgement debt or other insolvency event	8	2	-	4	-	2	-	-	-	-
Statutory auditor/audit firms										
Poor work or unsatisfactory professional service or conduct	91	24	40	19	6	1	1			
Breach of code of ethics	27	-	-	26	-	1	-			
Other audit related matters	27	4	8	8	-	7	-			
Carrying on public practice or audit while not authorised (other than execution of audit report while not approved)	4	2	-	2	-	-	-			
Other breaches of company law/restriction or disqualification as a director	10	-	2	6	-	-	2			
Other breaches of Institute/Association Rules or Regulations (such as in relation to professional indemnity insurance)	12	-	2	-	-	2	8			
Professional appointment related	11	-	10	1	-	-	-			
Matters relating to insolvency work or conduct of a liquidation	5	2	-	3	-	-	-			
Failure to satisfy judgement debt or other insolvency event	4	2	-	1	-	1	-			

PART E

RABs' authorisation of statutory auditors and audit firms

Criteria for audit authorisation

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

- 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 continuity arrangements whereby, in the event of cessation of an audit practice (for example, in the case of illness or death), clients will have continuity of service; and
- undertaking relevant CPD.

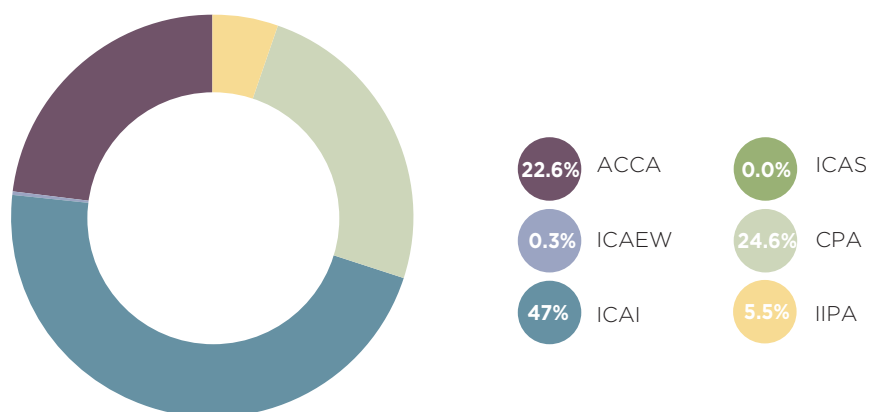
RABs' authorisation of statutory auditors and audit firms - tables and chart

The tables E.1 and E.2 and chart E.1 provide information in respect of the members and member firms approved by the six RABs to perform statutory audits in Ireland along with details of the movement in the number of statutory audit firms based in Ireland during the year.

- At 31 December 2016, 1,381 statutory audit firms with offices in Ireland were approved by the RABs to offer auditing services in Ireland, a reduction of 6.4% from 2015 (1,476).
- The majority (67%) of statutory audit firms with offices in Ireland operate as firms with only one audit principal. These may be sole traders and may or may not employ staff. A significant majority (93%) of statutory audit firms with offices in Ireland operate from one office only.
- 10 firms located in Ireland had PIE audit clients, of which 9 were granted approval by ICAI.
- In total, there were 5,031 (5,272 in 2015) firms authorised as statutory audit firms in Ireland. ACCA authorises its UK based firms that wish to provide audit services to Irish clients as statutory audit firms in Ireland and three of the RABs who approve member firms in both Ireland and the UK (ICAEW, ICAI and ICAS) generally approve their member firms to perform statutory audits in both jurisdictions.
- At the end of 2016, a total of 10,591 statutory auditors located worldwide were approved to audit in Ireland with 2,093 of these located in Ireland. ICAEW accounted for 70% of approved statutory auditors located worldwide while ICAI accounted for 56% of statutory auditors approved to audit in Ireland and located in Ireland.

Table E.1: Analysis of statutory audit firms with offices in Ireland

As at 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Whether audit registration is by member or by firm		Firm	Firm	Firm	Firm	Firm	Both
Total number of statutory audit firms with offices in Ireland at 31 December	1,381	312	4	649	-	340	76
<i>Analysis of audit firms with offices in Ireland by number of principals who are statutory auditors:</i>							
1 principal	926	249	4	338	-	268	67
2 - 5 principals	431	62	-	289	-	71	9
6 - 10 principals	13	1	-	11	-	1	-
11 + principals	11	-	-	11	-	-	-
<i>Analysis of audit firms with offices in Ireland by number of offices:</i>							
1 office	1,285	285	4	597	-	324	75
2 offices	70	21	-	37	-	11	1
3 offices	17	4	-	8	-	5	-
4 + offices	9	2	-	7	-	-	-
<i>Analysis of audit firms with offices in Ireland by number of PIE Clients:</i>							
No PIE clients	1,371	311	4	640	-	340	76
1-5 PIE clients	2	1	-	1	-	-	-
6-10 PIE clients	2	-	-	2	-	-	-
11+ PIE clients	6	-	-	6	-	-	-
Total number of statutory audit firms located worldwide approved to audit in Ireland	5,031	461	3,121	844	189	340	76
Individual statutory auditors located in Ireland	2,093	399	5	1,175	-	427	87
Individual statutory auditors located worldwide	10,591	602	7,439	1,481	555	427	87

Chart E.1: Share of statutory audit firms located in Ireland**Table E.2:** Statutory audit firms with offices in Ireland - movement during the year

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms at 1 January 2016	1,476	336	6	691	-	362	81
During the year:							
ADD: New applications for audit registration accepted	62	6	-	31	-	22	3
LESS: Audit registrations withdrawn/not renewed following a request from the statutory auditor	(142)	(27)	(2)	(68)	-	(43)	(2)
Audit registrations withdrawn/suspended as a result of disciplinary or other regulatory action taken by the RAB	(11)	(3)	-	(5)	-	(1)	(2)
Other	(4)	-	-	-	-	-	(4)
Statutory audit firms at 31 December 2016	1,381	312	4	649	-	340	76

PART F

RABs' quality assurance of statutory audit firms

Responsibility for quality assurance of statutory audit firms

Under legislation, the six RABs must operate a system of quality assurance in relation to their members/member firms. IAASA's role includes oversight of the RABs' performance of the regulatory functions assigned to them in respect of statutory auditors including quality assurance systems. Further details of this oversight are outlined in IAASA's Annual Report 2016.

With effect from 20 May 2010, S.I. 220 of 2010 required the RABs to undertake a quality assurance review of each statutory audit firm at least once every six years or, where they have at least one PIE client, at least once every 3 years. On 17 June 2016, S.I. 312 of 2016 was commenced which revoked S.I. 220 of 2010. However, with the exception of the audits of PIEs, which are now subject to review by IAASA, this requirement has been continued in S.I. 312 of 2016.

As six years have passed since the requirement became effective in May 2010, a desktop review of the RABs' compliance with the quality assurance inspection cycle was undertaken to May 2016. The results will be outlined in Chapter 2 of the Annual Report.

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

The tables F.1 to F.5 and chart F.1 provide a summary of the RABs' quality assurance activities during 2016, including an analysis of the number of quality assurance on-site visits undertaken, progress against the statutory review cycle, regulatory actions and visit outcomes.

- A total of 311 on-site quality assurance reviews were concluded for audit firms located in Ireland during 2016, which represents 23% of all statutory audit firms located in Ireland. The RABs concluded an aggregate total of 936 (down from 1,083 in 2015) on-site quality

assurance reviews of statutory audit firms approved to carry out Irish statutory audits during 2016. In addition, 102 desktop reviews were carried out mainly due to the fact that the audit firm did not have any audit appointments in the year or as part of a follow-up process.

- Chart F.1 shows the number of on-site visits as a percentage of registered firms by RAB, which ranges from 17% to 26%.
- Table F.2 shows that of the 705 quality assurance reviews planned by the RABs to meet legislative requirements during 2016, 97% were completed ranging from 82% to 100%. As a proportion of the total quality assurance reviews to be completed within 6 years (5,031) 14% were completed in 2016, ranging from 4% to 19%. Additional quality assurance visits took place for a variety of reasons including those carried out early, accelerated visits and those carried out during the year but no longer holding audit registration at year end.
- Table F.4 shows the regulatory actions by the RABs during 2016 following quality assurance reviews. Further documentation, information or clarification was requested following 126 reviews. Regulatory actions are imposed following both on-site reviews and desktop reviews. The three most common regulatory actions during 2016 were:
 - to have a desktop/cold file review of client files (78);
 - to be subject to an external compliance review (76); and
 - not to undertake file reviews of other firms (59).
- The outcomes of the quality assurance on-site reviews are set out in Table F.5. Of the reviews concluded by the RABs in 2016, almost 70% were awarded a grade of 'good with limited improvements required', 15% were awarded 'acceptable overall' grades and 15% were awarded an 'unacceptable' grade.

Table F.1: Statutory audit firms - quality assurance on-site reviews

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Quality assurance on-site reviews open at 1 January 2016	189	29	105	23	-	25	7
ADD: Quality assurance on-site reviews carried out	882	69	542	138	38	73	22
LESS: Quality assurance on-site reviews concluded	(936)	(93)	(550)	(154)	(33)	(86)	(20)
Quality assurance on-site reviews open at 31 December 2016	135	5	97	7	5	12	9
Quality assurance on-site reviews concluded of firms located in Ireland	311	76	-	129	-	86	20

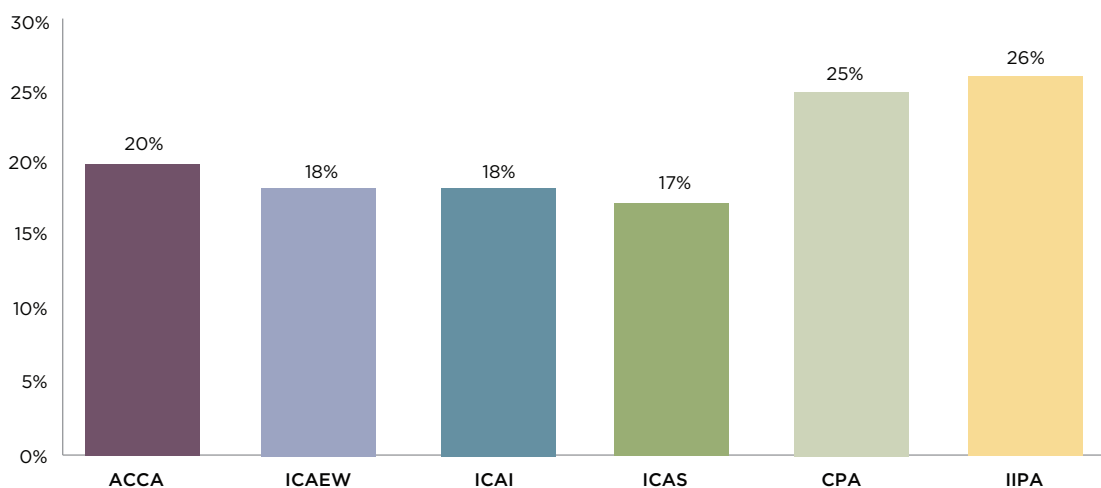
Chart E.1: Proportion of on-site visits concluded during 2016 by total number of statutory audit firms worldwide

Table F.2: Legislative quality assurance cycles - statutory audit firms with non PIE clients

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms with non PIE clients							
Statutory audit firms at 31 December 2016	5,031	461	3,121	844	189	340	76
Six Year Cycle - progress during 2016							
Number of these statutory audit firms where a quality assurance review was required during 2016 to meet legislative requirements	705	22	473	103	29	68	10
Number which took place	(685)	(18)	(473)	(92)	(29)	(64)	(9)
Difference between planned and actual reviews	20	4	-	11	-	4	1

Footnote: Quality Assurance is required under Regulation 109(1)(h) of S.I. 312 of 2016 and Regulation 84(1)(h) of S.I. 220 of 2010. Since 17 June 2016, when S.I. 312 of 2016 was commenced and which revoked S.I. 220 of 2010, the quality assurance of statutory audit firms with PIE clients is now subject to review by IAASA (on a three year cycle). The quality assurance of statutory audit firms with non PIE clients continues to be the responsibility of the RABs (on a six year cycle) including the non PIE clients of PIE statutory audit firms.

Table F.3: Quality assurance reviews - analysis of reasons

Year to 31 December 2016	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Expected quality assurance on-site visits to be undertaken	86	550	160	40	113	27
On site reviews actually undertaken	69	542	138	38	73	22
Desktop reviews undertaken	22	42	4	2	32	-
Analysis of the reasons for each visit:						
Part of normal cycle (randomly/routinely)	35	494	136	31	66	18
Due to heightened risk (excluding early follow-ups)	-	41	-	9	-	8
Following a referral from a committee	4	7	-	-	-	-
Re-review/early follow-up	30	-	2	-	7	1

Table F.4: Statutory audit firms - regulatory actions from quality assurance reviews

Year to 31 December 2016	Recognised Accountancy Bodies					
	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Audit registration withdrawn as a result of the findings	5	1	4	-	-	-
Audit registration suspended as a result of the findings	-	-	4	-	-	-
Voluntarily surrendered their audit registration as a result of the findings	4	2	2	-	6	2
Referred to the investigations & disciplinary process	3	7	-	-	5	-
Sanction included publication	8	11	1	-	-	-
Requirement for a follow up review	7	-	2	2	6	-
Hot file review restriction	7	8	16	4	-	3
Desktop/cold file review of client files imposed	-	14	34	14	15	1
Monetary penalties imposed	-	12	19	-	-	-
Directed to address CPD/training matters	-	10	20	2	15	2
Directed not to accept further audit appointments	-	7	14	-	-	-
Required to submit further documentation/ information or clarification	-	8	18	-	86	14
Required not to undertake file review for other firms	-	17	42	-	-	-
Subject to external compliance review	-	5	67	4	-	-
Required to submit results of internal compliance review	-	-	-	-	3	-
Conditions/restrictions imposed other than those listed above	-	53	-	-	-	-

Table F.5: Statutory audit firms - on-site quality assurance reviews grades awarded

Concluded in year to 31 December 2016	Recognised Accountancy Bodies						
	TOTAL	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Good with limited improvements required	652	56	407	102	21	60	6
Acceptable overall with improvements required	141	5	106	10	10	-	10
Unacceptable with significant improvements required	143	32	37	42	2	26	4
Total	936	93	550	154	33	86	20

PART G

RABs' activities in continuing education of statutory auditors

Requirement for Continuing Professional Development (CPD) of statutory auditors

Under legislation, the RABs are required to attach a condition to persons granted approval as statutory auditors requiring them to take part in appropriate programmes of continuing education in order to maintain their theoretical knowledge, professional skills and values at a sufficiently high level, in particular, in relation to auditing. It also requires each RAB to have adequate standards requiring auditors to comply and to institute adequate arrangements for the effective monitoring and enforcement of compliance.

In general RABs will request annual confirmation from statutory auditors of compliance with CPD requirements. In addition, RABs carry out CPD compliance monitoring activities on a sample of members each year.

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

RABs' activities in continuing education of statutory auditors – table

Table G.1 provides information on the monitoring by RABs of compliance by statutory auditors with CPD requirements.

- A total of 2,207 compliance reviews were carried out during 2016, the majority of which were carried out as part of quality assurance visits to statutory auditors with others being assessed using risk based or random desktop reviews or using other monitoring activities.
- A total of 17 CPD records were found to be unsatisfactory and regulatory/disciplinary action was instigated against 4 statutory auditors for non compliance with CPD requirements.

Table G.1: Monitoring of continuing education of statutory auditors

Year to 31 December 2016	TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Risk-based desktop review of CPD records	211	55	46	75	2	33	-
Other desktop review of CPD records	93	5	-	-	-	2	86
On-site review of CPD records as part of quality assurance reviews	1,495	43	1,158	94	69	109	22
Other CPD-related monitoring activities	408	-	408	-	-	-	-
Total	2,207	103	1,612	169	71	144	108
CPD records found to be unsatisfactory	17	2	-	11	2	-	2
Regulatory/disciplinary action instigated due to non-compliance with CPD requirements	4	-	-	2	2	-	-



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