
Profile of the Profession **2017**

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.

Table of Contents

1. Chief Executive's introduction	5
2. Prescribed Accountancy Bodies	6
3. Provision of information by the PABs	6
4. Comparability of data	6
5. Definitions used in this document	7
6. Links to the PABs' websites	8

Part A

PAB membership

9

Part E

RABs' authorisation of statutory auditors and audit firms 27

Part B

PAB student population

15

Part F

RABs' quality assurance of statutory audit firms 31

Part C

PABs' award of practising certificates

20

Part G

PABs' activities in continuing education of members 36

Part D

PABs' investigation and disciplinary activities

22

MISSION

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

1. Chief Executive's introduction

I am pleased to present the Irish Auditing and Accounting Supervisory Authority's report, *Profile of the Profession 2017*, 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 CPD 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 is available in IAASA's Annual Audit Programme and Activity Report 2017 and in IAASA's Annual Report 2017 published on our website.

Overall trends

At 31 December 2017:

- there were 38,008 PAB members resident in Ireland, an increase of 5% from 2016;
- the PABs' aggregate student membership resident in Ireland was 16,425 a slight increase on the previous year (16,421);
- 3,463 PAB members located in Ireland were authorised to provide services to members of the public which was equivalent to 3,463 in 2016; and
- the number of registered audit firms located in Ireland stood at 1,291 down from 1,380 in 2016.

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

JULY 2018

2. Prescribed Accountancy Bodies

A Prescribed Accountancy Body, or PAB, is an accountancy body that comes within IAASA's supervisory remit. At 31 December 2017, there were 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.

At 31 December 2017 six of the nine PABs were also Recognised Accountancy Bodies ('RABs'). RABs are permitted to approve their members/member firms and other qualified individuals to practise as statutory auditors/audit firms. The six RABs are ACCA, ICAEW, ICAI, ICAS, CPA and IIPA.

On 1 September 2017, a body of membership transferred from IIPA to CPA. IIPA subsequently sought revocation of its RAB status under the Companies Act 2014, which was approved by the Authority with effect from 16 March 2018. As IIPA is no longer a RAB, it therefore no longer holds the status of being a PAB. Further information regarding each of the 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, the conduct or performance of a member, member firm, student or affiliate, howsoever coming to the attention of the PAB.
‘Complaint (Irish relevant)’	A complaint relating to a member, member firm, student or affiliate located or employed in Ireland or relating to clients based in Ireland
‘Ireland’	the Republic of Ireland
‘Location’	The primary address used for correspondence by the student, member or member firm.
‘PAB’	a Prescribed Accountancy Body that comes within IAASA’s supervisory remit
‘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/director
‘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 Communities (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 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
‘Worldwide’	throughout this document worldwide includes Ireland

6. Links to the PABs' websites

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

Association of Chartered Certified Accountants	www.accaglobal.com
Association of International Accountants	www.aiaworldwide.com
Chartered Institute of Management Accountants	www.cimaglobal.com
Chartered Institute of Public Finance and Accountancy	www.cipfa.org
Institute of Chartered Accountants in England and Wales	www.icaew.com
Institute of Chartered Accountants in Ireland	www.charteredaccountants.ie
Institute of Chartered Accountants of Scotland	www.icas.com
Institute of Certified Public Accountants in Ireland	www.cpaireland.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 2017, 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 2017, there was a 5% increase in Ireland and a 3% increase worldwide in PAB membership. ICAI (almost 48%) had the largest number of members in Ireland (18,204), while ACCA (at 38%) had the largest membership worldwide (204,336).
- Four PABs accounted for almost 98% of PAB members located in Ireland:
 - ICAI (48%);
 - ACCA (29%);
 - CIMA (11%); 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 ACCA members were located in Europe whereas the majority of AIA members were located outside of Europe.
- PAB members resident in Ireland were 43% female and 57% male. However, it is noted that there was a greater rate of growth (6%) in female membership compared to growth in male membership of 4%. Table A.3 shows that, with the exception of CPA, males comprised the majority gender within the PABs.
- While the majority of PAB members resident in Ireland were employed in business (63%), a significant number were also employed in practice (22%). The growth in employment in business was 5% versus 2% in practice.

PART A

PAB membership

Table A.1: Members worldwide – location

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Ireland	36,261	38,008	10,848	437	18,204	73	3,945	12	81	4,348	60
UK	320,070	325,046	83,774	126,117	5,701	18,427	112	-	1,211	77,134	12,570
Other EU Member States	21,727	23,439	14,109	4,626	369	447	45	-	126	3,583	134
Other locations	141,728	149,951	95,605	18,118	2,288	2,554	317	-	5,748	24,350	971
Total members worldwide	519,786	536,444	204,336	149,298	26,562	21,501	4,419	12	7,166	109,415	13,735

Chart A.1: Share of members located in Ireland

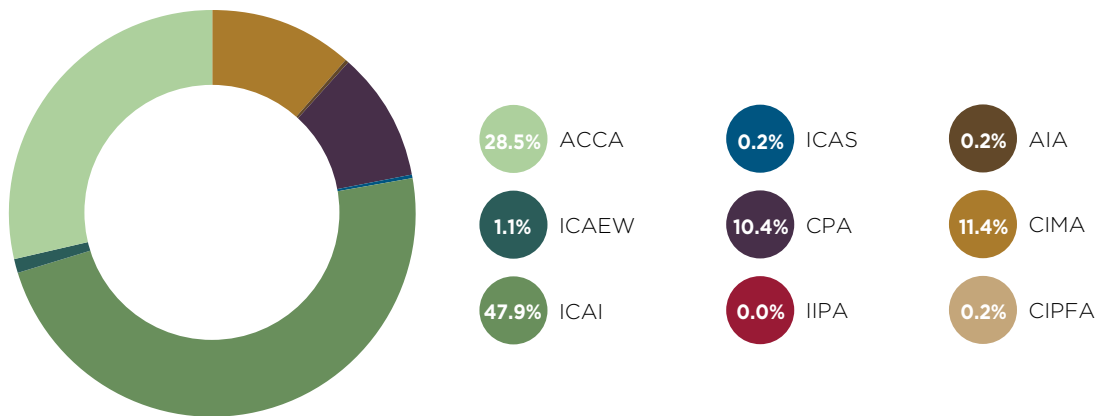


Table A.2: Members in Ireland – movement during the year

			Recognised Accountancy Bodies								
	2016 TOTAL	2017 TOTAL	ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Members in Ireland at 1 January	34,777	36,259	10,362	437	16,953	74	3,754	210	86	4,318	65
During the year:											
ADD: Students admitted as members	1,856	1,804	635	6	990	-	73	-	-	99	1
Members of other 8 PABs admitted as members	13	199	4	-	-	-	192	-	3	-	-
Members of other accountancy bodies admitted as members	13	14	-	-	3	-	1	10	-	-	-
Former members re-admitted on payment of outstanding fees	547	695	579	1	7	-	2	-	-	106	-
Former members re-admitted for other reasons	-	4	-	-	-	-	-	4	-	-	-
LESS: Members excluded for non payment of fees	-770	-945	-717	-2	-12	-	-26	-	-	-183	-5
Members excluded for other reasons	-2	-30	-	-	-4	-	-	-26	-	-	-
Resigned members	-143	-100	-11	-3	-28	-	-31	-11	-8	-7	-1
Deceased members	-69	-49	-4	-1	-31	-1	-8	-	-	-4	-
+ / - Other individuals	39	157	-	-1	326	-	-12	-175	-	19	-
Members in Ireland at 31 December	36,261	38,008	10,848	437	18,204	73	3,945	12	81	4,348	60

Footnote: CIPFA restated its opening balance. 'Other' category includes the movement of members between jurisdictions, re-registrations during the year and the transfer of 175 IIPA members to CPA.

PART A

PAB membership

Table A.3: Members in Ireland – gender profile

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Male	20,905	21,785	5,770	314	10,688	51	1,961	11	77	2,874	39
Female	15,356	16,222	5,078	123	7,516	22	1,984	1	4	1,473	21
Not specified	-	1	-	-	-	-	-	-	-	1	-
Total membership	36,261	38,008	10,848	437	18,204	73	3,945	12	81	4,348	60

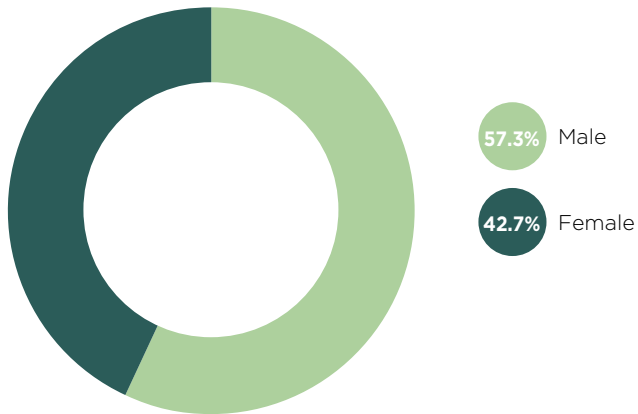
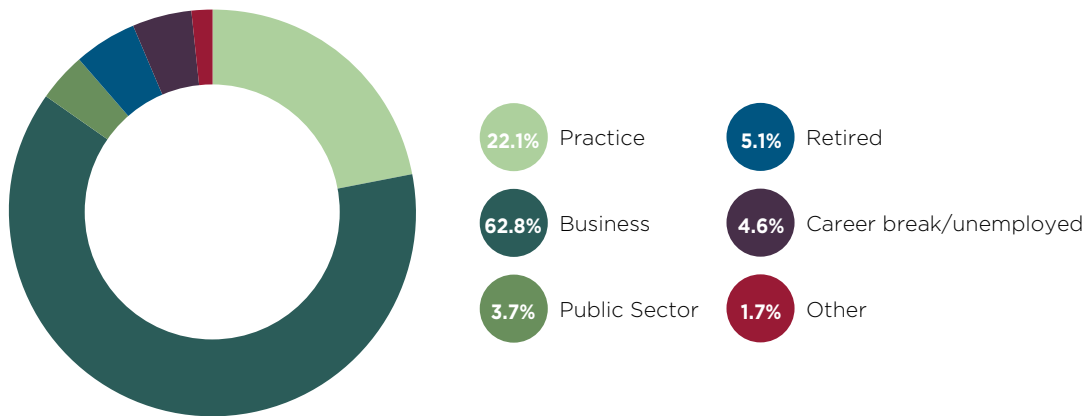
Chart A.2: Members in Ireland – gender profile

Table A.4: Members in Ireland – employment status

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Practice	8,226	8,409	2,184	89	4,743	14	1,293	12	19	54	1
Business	22,753	23,863	7,183	191	11,367	38	1,929	-	31	3,113	11
Public sector	1,792	1,415	788	18	-	8	352	-	3	208	38
Retired	1,655	1,930	277	89	974	9	147	-	28	401	5
On a career break / unemployed *	-	1,763	416	30	985	4	224	-	-	99	5
Other	1,835	628	-	20	135	-	-	-	-	473	-
Total	36,261	38,008	10,848	437	18,204	73	3,945	12	81	4,348	60

Footnote: * breakdown not requested as part of the 2016 Profile of the Profession. ICAI combined business and public sector members. 'Other' includes those working for charities, early retirement, maternity leave or status unknown

Chart A.3: Members in Ireland – employment status



PART A

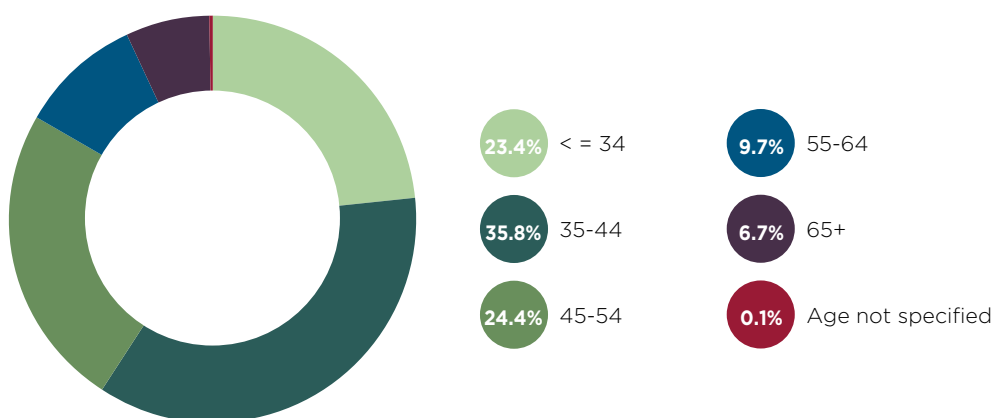
PAB membership

Table A.5: Members in Ireland – age profile

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
< = 34	8,716	8,905	2,116	30	6,010	15	403	-	2	329	-
35 - 44	13,058	13,591	4,587	86	5,837	22	1,511	-	5	1,534	9
45 - 54	8,617	9,266	2,937	148	3,366	13	1,178	9	8	1,582	25
55 - 64	3,469	3,671	800	59	1,665	10	630	3	26	458	20
65+	2,401	2,553	408	114	1,326	13	201	-	40	445	6
Age not specified *	-	22	-	-	-	-	22	-	-	-	-
Total	36,261	38,008	10,848	437	18,204	73	3,945	12	81	4,348	60

Footnote - *breakdown included in the 65+ category in the 2016 Profile of the Profession

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 2017, 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 2% in 2017, whilst the number of students resident in Ireland increased by 0.02% from 16,421 to 16,425.
- As with membership (see Part A), ICAI and CPA students were mainly based in Ireland, with the majority of students in ICAEW and ICAS resident in the UK. The majority of ACCA (74%), AIA (97%), CIMA (57%) and CIPFA (49%) students were resident outside the EU.
- Four bodies accounted for the majority of the student market in Ireland, with 50% of all PAB students in Ireland registered with ACCA, followed by ICAI (33%), CIMA (11%) and CPA (5%). ICAEW, AIA and CIPFA had low student numbers in Ireland and ICAS and IIPA 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 four of the PABs had a majority of male students, ACCA, CIPFA and CPA had a majority of female students in Ireland.
- Business was the sector employing the most students in Ireland at 38% with a further 35% employed in practice.

PART B

PAB student population

Table B.1: Students worldwide – location

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Ireland	16,421	16,425	8,245	4	5,472	-	856	-	2	1,842	4
UK	148,933	147,451	73,879	20,942	1,183	3,837	12	-	125	45,620	1,853
Other EU Member States	35,013	35,221	25,733	1,189	1	7	6	-	38	7,864	383
Other locations	376,640	391,798	306,705	5,731	6	5	75	-	5,200	71,915	2,161
Total students worldwide	577,007	590,895	414,562	27,866	6,662	3,849	949	-	5,365	127,241	4,401

Chart B.1: Share of students located in Ireland

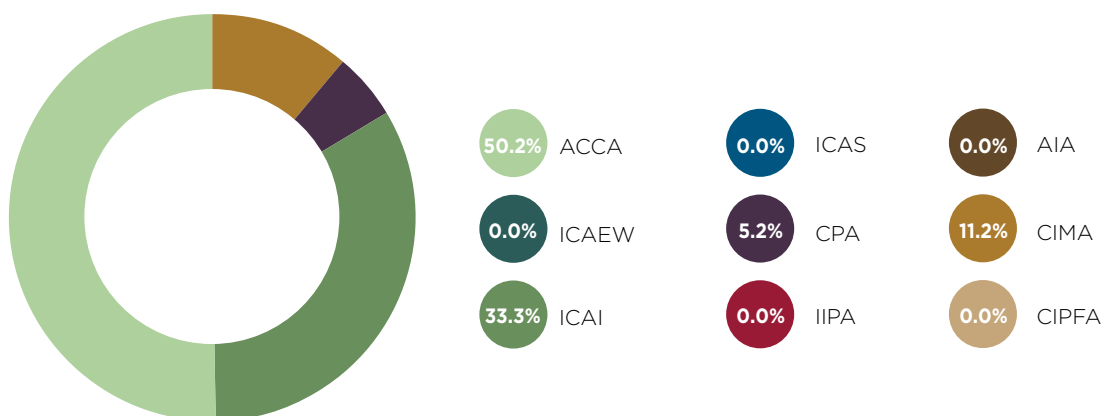


Table B.2: Students in Ireland – movement during the year

	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Students in Ireland at 1 January	16,604	16,421	8,402	5	5,152	-	830	36	1	1,990	5
During the year:											
ADD: New students registered	3,423	3,357	1,400	1	1,358	-	240	-	1	357	-
LESS: Lapsed student registrations	-1,732	-672	-	-1	-37	-	-169	-	-	-465	-
Student registrations cancelled	-197	-1,066	-922	-	-114	-	-	-16	-	-14	-
Students admitted as full members	-1,852	-1,804	-635	-6	-990	-	-73	-	-	-99	-1
+ / - Other individuals	175	189	-	5	103	-	28	-20	-	73	-
Students in Ireland at 31 December	16,421	16,425	8,245	4	5,472	-	856	-	2	1,842	4

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

PART B

*PAB student population***Table B.3:** Students in Ireland – gender profile

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Male	8,434	7,947	3,588	4	2,932	-	373	-	2	1,048	-
Female	7,987	8,456	4,657	-	2,540	-	483	-	-	772	4
Not specified	-	22	-	-	-	-	-	-	-	22	-
Total	16,421	16,425	8,245	4	5,472	-	856	-	2	1,842	4

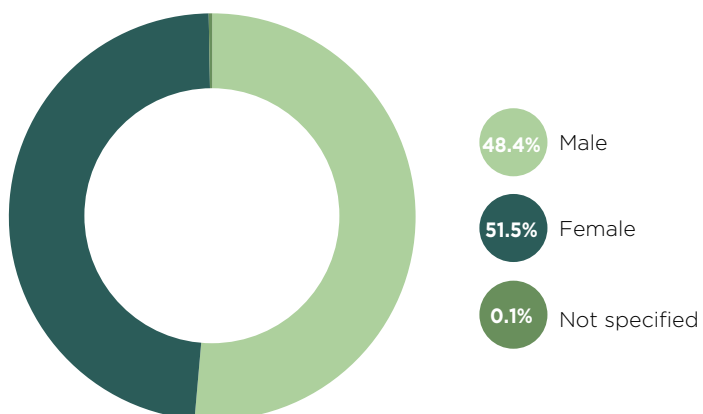
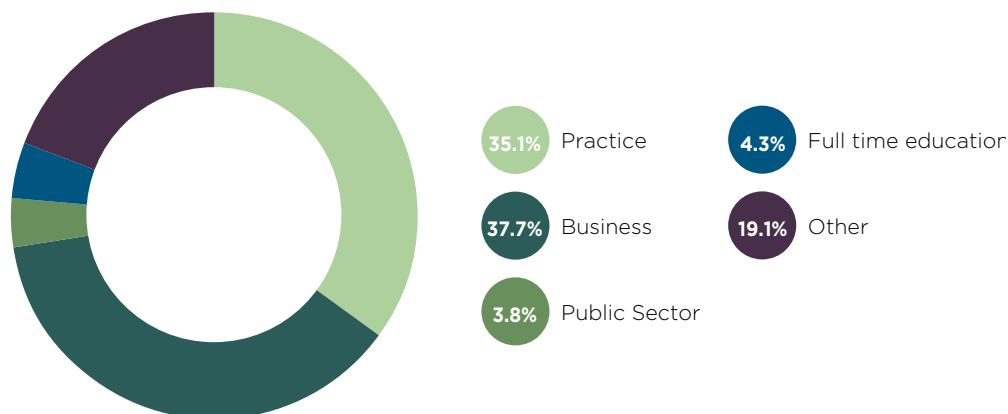
Chart B.2: Students in Ireland – gender profile

Table B.4: Students in Ireland – employment status

As at 31 December	2016 TOTAL	2017 TOTAL	Recognised Accountancy Bodies								
			ACCA	ICAEW	ICAI	ICAS	CPA	IIPA	AIA	CIMA	CIPFA
Practice	5,446	5,762	1,239	4	4,369	-	149	-	1	-	-
Business	6,812	6,192	4,512	-	91	-	453	-	1	1,135	-
Public sector	714	626	530	-	7	-	42	-	-	45	2
In full-time education	597	711	623	-	-	-	60	-	-	28	-
Other	2,852	3,134	1,341	-	1,005	-	152	-	-	634	2
Total	16,421	16,425	8,245	4	5,472	-	856	-	2	1,842	4

Footnote: 'Other' includes those that did not provide details

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 practise (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—tables and chart

Table C.1 and Chart C.1 detail 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. Furthermore, Table C.1 details the number of practice monitoring reviews of members located in Ireland and worldwide. Practice monitoring reviews vary across PABs but can include a review of services provided by the practice, client engagement, anti-money laundering, data security, professional indemnity insurance and investment business. Further details are available on the PABs' individual websites.

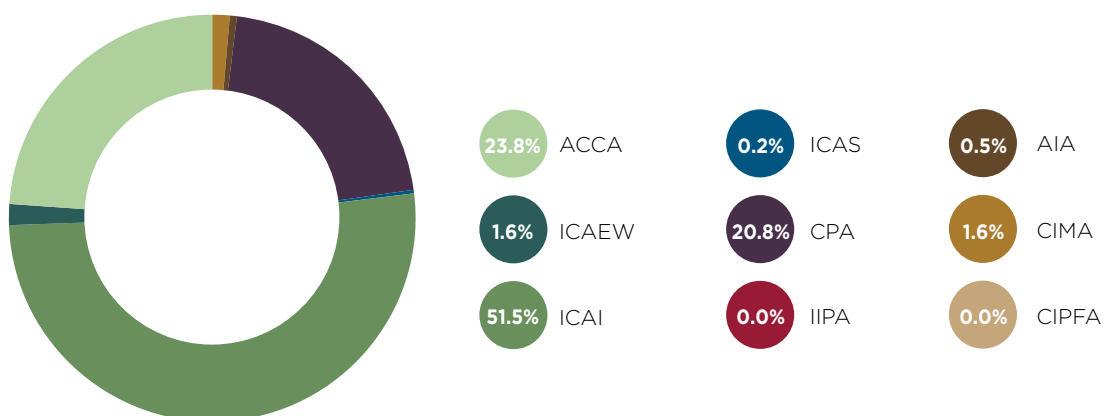
- There were 3,463 members located in Ireland authorised to engage in public practice at 31 December 2017 and similar to 2016, three bodies accounted for the majority of the population:
 - ICAI (51%);
 - ACCA (24%); and
 - CPA (21%).
- There were 30,318 PAB members located worldwide authorised to practise in Ireland (30,302 in 2016), 72% of which were ICAEW members.
- There were 277 practice monitoring reviews undertaken of members located in Ireland.
- The increase in practising certificates in CPA is due to the transfer of a body of members from IIPA to CPA in September 2017.

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

	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Members with practising certificates at 1 January	3,463	801	55	1,787	5	598	139	17	61	-
During the year:										
Add: Members who were granted a new practising certificate	135	41	3	64	1	22	1	3	-	-
Less: Members who did not renew their practising certificate	-98	-8	-4	-69	-	-3	-10	-1	-3	-
Practising certificates withdrawn by the PAB	-8	-5	-	-3	-	-	-	-	-	-
Practising certificates surrendered by the member *	-30	-5	-	-	-	-23	-	-	-2	-
+ / - Other	1	-	-	5	-	126	-130	-	-	-
Practising certificates at 31 December (members located in Ireland)	3,463	824	54	1,784	6	720	-	19	56	-
Practising certificates at 31 December (members worldwide)	30,318	1,482	21,797	2,466	1,709	722	-	414	1,728	-
Practice monitoring reviews (of members located in Ireland) undertaken in 2017	277	33	2	83	-	67	-	17	75	-
Practice monitoring reviews (of members worldwide) undertaken in 2017	4,603	281	2,270	150	182	67	-	79	1,574	-

Footnote: 'Other' includes transfer of members from IIPA to CPA. The number of visits in CIMA exceeded the number of members as some members were subject to two forms of review

Chart C.1: Share of members with practising certificates located in Ireland



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 cases where the initial investigation concludes that there appears to be a case against a member/member firm, the complaint will be processed through a formal disciplinary process that can include investigation, disciplinary and appeals systems. 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.

PABs' investigation and disciplinary activities – tables

Tables D.1 to D.4 provide information on the number of complaints received by the PABs during 2017, along with details of cases closed, the nature of new complaints, the outcome of closed complaints and sanctions imposed. The tables are presented for both Irish relevant and statutory auditors/audit firms. Irish relevant relates to all members and students located in Ireland or with clients based in Ireland whereas 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 159 (160 in 2016) new Irish relevant complaint cases arose during 2017. There were 201 (187 in 2016) such cases open at the beginning of the year with 207 closed by the PABs during 2017 (156 during 2016).
- In relation to statutory auditors, Table D.1 shows that 185 (162 in 2016) new statutory auditor complaint cases arose during 2017. There were 255 (228 in 2016) such cases open at the beginning of the year with 192 closed by the RABs during 2017 (166 during 2016).
- The time taken to process complaints varied across the PABs with the processing of Irish relevant ranging from 4 months to 12 months and statutory auditor/audit firms from 4 months to 21 months.
- Tables D.2 shows the nature of new complaints that are Irish relevant and relating to statutory auditors/audit firms. The nature of these complaints vary and may relate to audit or non-audit work. The majority of new complaints arose under the categories of poor work/unsatisfactory professional service/conduct, breach of code of ethics, other audit related matters or breach of Institute/Association rules or regulations.
- Table D.3 shows the outcome of closed complaints in relation to Irish relevant and statutory auditor/audit firm complaints. Table D.4 show the sanctions imposed, the most common sanction for both Irish relevant and statutory auditors was the imposition of a monetary penalty. Other common sanctions included that the member be reprimanded or severely reprimanded.

Table D.1: Summary of complaints - Irish relevant and statutory auditors/audit firms

	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish Relevant										
Complaints open at 1 January	201	36	-	135	-	14	15	-	1	-
ADD: New complaints arising during the year	159	40	-	90	-	24	5	-	-	-
LESS: complaints closed during the year by:										
- Staff	-95	-32	-	-56	-	-6	-	-	-1	-
- Investigation / Complaints Committee or Assessor	-64	-5	-	-40	-	-8	-11	-	-	-
- Disciplinary Committee	-31	-3	-	-20	-	-8	-	-	-	-
- Appeals Committee	-9	-3	-	-4	-	-	-2	-	-	-
- Other	-8	-	-	-1	-	-	-7	-	-	-
Complaints closed	-207	-43	-	-121	-	-22	-20	-	-1	-
Complaints open at 31 December	153	33	-	104	-	16	-	-	-	-
Average time taken to close a complaint (in months)	10	4	-	10	-	12	12	-	12	-
Statutory auditors/audit firms										
Complaints open at 1 January	255	36	99	96	3	13	8			
ADD: New complaints arising during the year	185	29	73	57	4	17	5			
LESS: complaints closed during the year by:										
- Staff	-96	-24	-37	-31	-	-4	-			
- Investigation / Complaints Committee or Assessor	-68	-10	-19	-22	-6	-5	-6			
- Disciplinary Committee	-18	-5	-2	-4	-	-7	-			
- Appeals Committee	-1	-	-1	-	-	-	-			
- Other	-9	-	-	-2	-	-	-7			
Complaints closed	-192	-39	-59	-59	-6	-16	-13			
Complaints open at 31 December	248	26	113	94	1	14	-			
Average time taken to close a complaint (in months)	12	5	21	13	8	14	12			

Footnote: CPA restated its opening balance due to a change in member status. ICAEW and ICAI restated opening balances to include complaints under assessment

PART D

*PABs' investigation and disciplinary activities***Table D.2:** Summary of new complaints – Irish relevant and statutory auditors/ audit firms

	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish Relevant										
Poor work or unsatisfactory professional service or conduct	44	3	-	34	-	5	2	-	-	-
Breach of code of ethics	39	-	-	36	-	3	-	-	-	-
Other audit related matters	28	6	-	14	-	7	1	-	-	-
Carrying on public practice or audit while not authorised	15	8	-	5	-	2	-	-	-	-
Other breaches of company law / restriction or disqualification as a director	3	-	-	3	-	-	-	-	-	-
Other breaches of Institute / Association Rules or Regulations	30	19	-	8	-	1	2	-	-	-
Delay / failure to respond and / or cooperate with Institute or Association	15	-	-	15	-	-	-	-	-	-
Matters relating to insolvency work or conduct of a liquidation	12	-	-	12	-	-	-	-	-	-
Criminal conviction	-	-	-	-	-	-	-	-	-	-
Failure to satisfy a judgement debt or other insolvency event	5	1	-	2	-	2	-	-	-	-
Other	13	3	-	6	-	4	-	-	-	-
Statutory auditor/audit firm										
Poor work or unsatisfactory professional service or conduct	90	3	52	24	4	5	2			
Breach of code of ethics	31	-	4	26	-	1	-			
Other audit related matters	30	5	6	12	4	2	1			
Carrying on public practice or audit while not authorised	4	3	-	1	-	-	-			
Other breaches of company law / restriction or disqualification as a director	9	-	8	1	-	-	-			
Other breaches of Institute / Association Rules or Regulations	21	16	-	2	-	1	2			
Delay / failure to respond and / or cooperate with Institute or Association	8	-	3	5	-	-	-			
Matters relating to insolvency work or conduct of a liquidation	4	-	-	4	-	-	-			
Criminal conviction	1	1	-	-	-	-	-			
Failure to satisfy a judgement debt or other insolvency event	3	-	-	2	-	1	-			
Other	10	1	-	5	-	4	-			

Footnote: 'Other' includes complaints relating to taxation, failure to respond, breaches of previous disciplinary orders, discipline by another body

Table D.3: Outcome of closed complaints – Irish relevant and statutory auditors / audit firms

	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish relevant										
Adverse finding was made	50	7	-	31	-	9	3	-	-	-
No case to answer found	67	9	-	50	-	7	1	-	-	-
Out of scope	41	7	-	32	-	1	-	-	1	-
Closed by conciliation	10	3	-	2	-	-	5	-	-	-
Closed by member resignation	5	-	-	-	-	5	-	-	-	-
Closed by rest on file	21	17	-	-	-	-	4	-	-	-
Closed by 'other'	13	-	-	6	-	-	7	-	-	-
Total number of complaints closed in 2017	207	43	-	121	-	22	20	-	1	-
Where an adverse finding was made:										
- Decision published with name	34	7	-	26	-	1	-	-	-	-
- Decision published without name	8	-	-	2	-	6	-	-	-	-
- Decision not published	8	-	-	3	-	2	3	-	-	-
Statutory auditors/audit firms										
Adverse finding was made	40	6	15	8	3	7	1			
No case to answer found	61	15	16	20	3	6	1			
Out of scope	58	5	28	25	-	-	-			
Closed by conciliation	4	3	-	1	-	-	-			
Closed by member resignation	3	-	-	-	-	3	-			
Closed by rest on file	14	10	-	-	-	-	4			
Closed by 'other'	12	-	-	5	-	-	7			
Total number of complaints closed in 2017	192	39	59	59	6	16	13			
Where an adverse finding was made:										
- Decision published with name	29	6	14	6	2	1	-			
- Decision published without name	7	-	-	1	-	6	-			
- Decision not published	4	-	1	1	1	-	1			

Footnote: 'Other' includes opened in error, deceased and transfer to another RAB

PART D

PABs' investigation and disciplinary activities

Table D.4: Outcome of sanctions imposed –Irish relevant and statutory auditors/ audit firms

	2017 TOTAL	Recognised Accountancy Bodies						AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA			
Irish relevant										
Monetary sanction including fine or costs	45	6	-	28	-	8	3	-	-	-
Reprimand was imposed	27	2	-	18	-	7	-	-	-	-
Severe reprimand was imposed	2	2	-	-	-	-	-	-	-	-
Admonishment / caution	1	-	-	1	-	-	-	-	-	-
Member was expelled	4	2	-	2	-	-	-	-	-	-
Member was suspended	5	-	-	5	-	-	-	-	-	-
Audit registration was revoked or suspended	1	-	-	-	-	1	-	-	-	-
Registration, other than audit, was revoked or suspended	1	-	-	1	-	-	-	-	-	-
QA visit ordered	-	-	-	-	-	-	-	-	-	-
Compensation ordered	-	-	-	-	-	-	-	-	-	-
Other *	5	-	-	-	-	4	1	-	-	-
Statutory auditors/audit firms										
Monetary sanction including fine or costs	38	6	15	7	2	7	1			
Reprimand was imposed	18	1	2	7	2	6	-			
Severe reprimand was imposed	12	3	9	-	-	-	-			
Admonishment / caution	1	-	1	-	-	-	-			
Member was expelled	4	1	3	-	-	-	-			
Member was suspended	-	-	-	-	-	-	-			
Audit registration was revoked or suspended	1	-	-	-	-	1	-			
Registration, other than audit, was revoked or suspended	-	-	-	-	-	-	-			
QA visit ordered	-	-	-	-	-	-	-			
Compensation ordered	-	-	-	-	-	-	-			
Other *	5	-	-	-	-	4	1			

Footnote: 'Other' includes an order preventing application for a practising certificate, a hot file review condition and orders requiring the provision of information/files.

PART E

RABs' authorisation of statutory auditors and audit firms

Criteria for audit authorisation

While the RABs are authorised to approve their members/member firms and other qualified individuals 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 (individual or firm) of a RAB satisfies the relevant company law requirements and any additional criteria set by a RAB, they may obtain approval and registration from that RAB to audit. Such company law and RAB criteria usually 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.
- At 31 December 2017, 1,291 statutory audit firms with offices in Ireland were approved by the RABs to offer auditing services in Ireland, a reduction of almost 7% from 2016 (1,381).
 - The majority (59%) 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.
 - 9 firms located in Ireland had PIE audit clients, all of which were granted approval by ICAI.
 - In total, there were 4,745 (5,031 in 2016) 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 2017, a total of 9,566 statutory auditors located worldwide were approved to audit in Ireland with 1,973 of these located in Ireland. ICAEW account for almost 69% of approved statutory auditors located worldwide, approved to audit in Ireland, while ICAI account for almost 57% of statutory auditors approved to audit in Ireland whom are located in Ireland.

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

Tables E.1 to E.3 and Charts E.1 and E.2 provide information in respect of the members and member firms approved by the 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.

PART E

RABs' authorisation of statutory auditors and audit firms

Table E.1: Statutory audit firms with offices in Ireland – movement during year

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms (with offices in Ireland) registered to audit in Ireland at 1 January	1,380	312	4	649	-	339	76
During the year:							
Add: new applications for audit registration approved	59	16	-	27	-	16	-
Less: Audit registrations withdrawn / not renewed following a request from the firm	-141	-36	-1	-63	-	-33	-8
Audit registrations withdrawn / suspended following disciplinary / regulatory action taken by the Institute / Association	-7	-3	-	-2	-	-2	-
+ / - Other *	-	-	-	-	-	68	-68
Total statutory audit firms (with offices in Ireland) registered to audit in Ireland at 31 December 2017	1,291	289	3	611	-	388	-
Total statutory audit firms (with offices in Ireland) registered to audit in Ireland at 31 December 2016	1,380	312	4	649	-	339	76
Total statutory audit firms (with offices in Ireland) registered to audit in Ireland at 31 December 2015	1,476	336	6	691	-	362	81
Total statutory audit firms (with offices in Ireland) registered to audit in Ireland at 31 December 2014	1,542	347	6	726	-	372	91
Statutory audit firms (worldwide) registered to audit in Ireland at 31 December 2017	4,745	416	2,948	810	183	388	-

Footnote: CPA restated its opening balance. 'Other' comprises the transfer of a body of membership from IIPA to CPA at 1 September 2017.

Chart E.1: Share of statutory audit firms located in Ireland

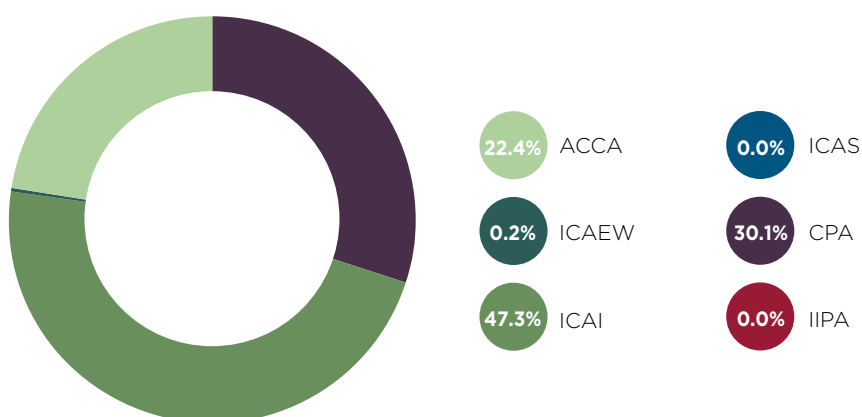


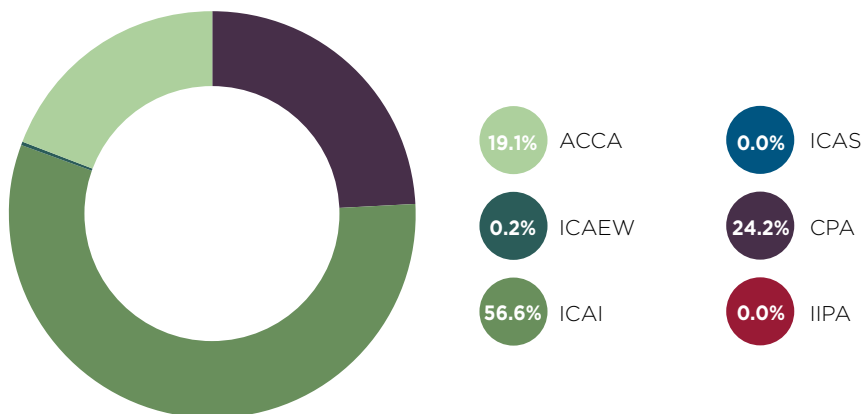
Table E.2: Analysis of statutory audit firms with offices in Ireland – movement during the year

As at 31 December	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Total as at 31 December	1,291	289	3	611	-	388	-
<i>Analysis by number of principals:</i>							
1 principal	768	189	3	315	-	261	-
2 - 5 principals	494	97	-	273	-	124	-
6 - 10 principals	18	3	-	12	-	3	-
11 - 49 principals	11	-	-	11	-	-	-
50+ principals	-	-	-	-	-	-	-
	1,291	289	3	611	-	388	-
<i>Analysis by number of offices:</i>							
1 office	1,199	265	3	562	-	369	-
2 offices	66	18	-	34	-	14	-
3 offices	17	4	-	8	-	5	-
4+ offices	9	2	-	7	-	-	-
	1,291	289	3	611	-	388	-
<i>Analysis by number of PIE clients:</i>							
No PIE clients	1,282	289	3	602	-	388	-
1 - 5 PIE clients	1	-	-	1	-	-	-
6 - 10 PIE clients	1	-	-	1	-	-	-
11 - 49 PIE clients	3	-	-	3	-	-	-
50+ PIE clients	4	-	-	4	-	-	-
	1,291	289	3	611	-	388	-

Table E.3: Statutory auditors located in Ireland – movement during the year

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory auditors (located in Ireland) registered to audit in Ireland at 1 January	2,078	399	5	1,164	-	423	87
During the year:							
Add: new applications for audit registration approved	68	18	-	38	-	11	1
Less: audit registrations withdrawn / not renewed at the request of the individual / firm	-165	-38	-2	-83	-	-32	-10
Audit registrations withdrawn / suspended following disciplinary / regulatory action taken by the Institute / Association	-7	-3	-	-2	-	-2	-
+ / - Other	-1	-	-	-	-	77	-78
Total statutory auditors (located in Ireland) registered to audit in Ireland at 31 December	1,973	376	3	1,117	-	477	-
Statutory auditors (worldwide) registered to audit in Ireland at 31 December	9,566	556	6,572	1,430	531	477	-

Footnote: CPA and ICAI restated opening balances

Chart E.2: Share of statutory auditors located in Ireland

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 2017.

Under S.I. 312 of 2016, RABs are required to undertake a quality assurance review of each statutory audit firm on the basis of an analysis of risk and at least once every six years.

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

Tables F.1 to F.4 and Chart F.1 provide a summary of the RABs' quality assurance activities during 2017. The summary includes an overview of quality assurance reviews undertaken to meet legislative requirements, movement in quality assurance visits, analysis of reviews concluded in 2017, the outcome of quality assurance reviews completed in 2017 and regulatory action resulting from quality assurance reviews concluded in 2017.

- A total of 197 quality assurance reviews were completed for audit firms located in Ireland during 2017. The RABs concluded an aggregate total of 915 (down from 936 in 2016) quality assurance reviews of statutory audit firms approved to carry out Irish statutory audits during 2017.
- Table F.1 shows the number of quality assurance reviews required to be completed by the RABs to meet the legislative requirements set out in S.I. 312. There were 458 quality assurance reviews required to be completed during 2017 and it is noted almost 89% were completed. As outlined in Table F.1, 86 visits were not completed with reasons provided such as the firm was no longer registered at the visit date to the visit being completed late or after the year-end.
- Table F.2 outlines the reasons for quality assurance visits with 46% due to meet legislative requirements and almost 34% visits accelerated for heightened risk.
- Chart F.1 highlights the percentage of visits completed as a percentage of audit firms registered to audit in Ireland.
- Table F.3 shows the outcomes of the quality assurance reviews. Of the reviews concluded by the RABs in 2017, 65% were awarded a grade of 'good with limited improvements required', 22% were awarded 'acceptable overall with improvements required' and 13% were awarded an 'unacceptable' grade.
- Table F.4 details the regulatory action taken by the RABs during 2017 following quality assurance reviews. From the 915 reviews concluded, 15% had regulatory actions imposed. During 2017, the three most common regulatory actions were:
 - to have a hot file review restriction
 - cold file review of clients files imposed
 - required not to undertake file reviews for other firms

Table F.1: Overview of legislative quality assurance requirements of statutory audit firms registered to audit in Ireland

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms registered to audit in Ireland at 1 January	5,030	461	3,121	844	189	339	76
Of those firms, number of QA reviews required to meet the SI 312 six year limit requirement in 2017	492	47	370	7	21	36	11
Number of QA reviews completed in 2017 that met SI 312 limit requirements in 2017	-406	-30	-327	-2	-21	-19	-7
Difference	86	17	43	5	-	17	4
Reasons for difference:							
Review not required (firm no longer registered by QA review due date)	34	3	23	2	-	6	-
Review postponed / cancelled	9	1	1	3	-	2	2
Review commenced and completed late	24	8	13	-	-	3	-
Review commenced and not completed in 2017	8	-	2	-	-	6	-
Other	11	5	4	-	-	-	2

Table F.2: Analysis of quality assurance reviews of statutory audit firms registered to audit in Ireland

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Statutory audit firms registered to audit in Ireland at 1 January	5,030	461	3,121	844	189	339	76
Completion of a review open at 1 January	30	6	-	4	5	12	3
Completion of a review to meet SI 312 requirements in the year	416	40	327	2	21	19	7
Accelerated due to 1st time registration	43	7	15	-	4	17	-
Accelerated / re-review for heightened risk	303	36	238	-	17	12	-
Accelerated / early review on foot of a recommendation / referral, or order, from a Regulatory Committee	12	4	3	5	-	-	-
Other *	98	1	15	68	-	8	6
Total quality assurance reviews completed in 2017	902	94	598	79	47	68	16
Quality assurance reviews (of statutory audit firms with offices in Ireland) completed in 2017	197	64	2	47	-	68	16

Footnote: 'Other' includes early visits for ICAI and includes late visits for ICAEW. ICAEW's statistics in this table are based on reviews started.

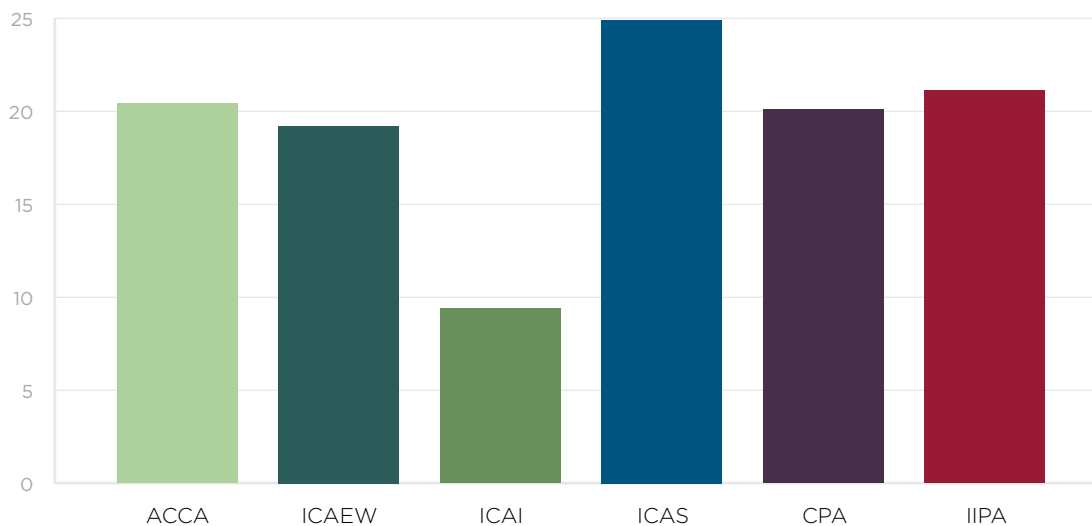
Chart F.1: Proportion of quality assurance reviews completed as a percentage of firms registered to audit in Ireland

Table F.3: Outcomes of quality assurance reviews concluded in 2017

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Good with limited improvements required	596	5	457	54	23	56	1
Acceptable overall with improvements required	198	62	93	14	18	-	11
Unacceptable with significant improvements required	121	27	61	11	6	12	4
Total quality assurance reviews completed in 2017	915	94	611	79	47	68	16
Quality assurance reviews completed by an 'on-site' review	856	88	570	72	45	68	13
Quality assurance reviews completed by a 'desktop' review	59	6	41	7	2	-	3

Table F.4: Regulatory action resulting from quality assurance reviews concluded

	2017 TOTAL	Recognised Accountancy Bodies					
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA
Quality assurance reviews that were concluded in 2017 of statutory audit firms registered to audit in Ireland, that resulted in regulatory action	137	14	57	28	24	14	-
<i>Analysis thereof:</i>							
Audit registration suspended as a result of findings	1	-	-	1	-	-	-
Audit registration withdrawn as a result of findings	5	4	1	-	-	-	-
Voluntary surrendered audit registration as a result of findings	9	4	2	1	-	2	-
Referred to the investigation & disciplinary (I&D) process	9	4	3	-	1	1	-
Requirement for a follow up on-site review	44	3	28	-	4	9	-
Hot file review restriction	67	3	47	12	5	-	-
Cold file review of clients files imposed	59	-	22	18	19	-	-
Directed to address CPD / training matters	35	1	11	20	3	-	-
Directed not to accept further audit appointments	29	-	18	9	2	-	-
Required to submit further documentation / information	32	-	20	7	5	-	-
Required not to undertake file review for other firms	46	-	25	21	-	-	-
Monetary penalties imposed	31	-	13	18	-	-	-
External compliance review	22	-	4	15	3	-	-
Other conditions / restrictions imposed	4	-	1	-	1	2	-

PART G

PABs' activities in continuing education of members

Requirement for Continuing Professional Development (CPD)

PABs require members to comply with their Institute/Association's CPD requirements. In general, PABs will request annual confirmation from members of compliance with CPD requirements. PABs carry out CPD compliance monitoring activities on a sample of members each year on a risk and random based assessment. It is difficult to compare figures across PABs for the monitoring of CPD as the period under review varies in line with the individual PABs' annual return submission date.

Failure to comply with CPD 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.

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.

- Table G.1 provides information on the monitoring by PABs of compliance by members and statutory auditors with CPD requirements.
- A total of 11,663 reviews were carried out on members' compliance with CPD requirements. These reviews were carried out mainly by way of desktop reviews and onsite reviews.
- A total of 2,535 compliance reviews of CPD requirements were carried out on statutory auditors during 2017, 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.

Table G.1: Monitoring of continuing education of members & members in practice and statutory auditors

	2017 Total	Recognised Accountancy Bodies							AIA	CIMA	CIPFA
		ACCA	ICAEW	ICAI	ICAS	CPA	IIPA				
Members and members in practice											
Risk- based desktop review of CPD records	3,508	2,382	-	106	549	110	-	361	-	-	
Random desktop review of CPD records	3,723	1,976	600	165	-	77	-	-	905	-	
Onsite review of CPD records	3,583	not available	3,327	151	-	59	-	46	-	-	
Other monitoring activities of CPD records	849	267	-	-	-	582	-	-	-	-	
Total	11,663	4,625	3,927	422	549	828	-	407	905	-	
CPD records found to be unsatisfactory	124	55	-	21	-	32	-	-	16	-	
Number of instances where disciplinary / regulatory action was taken due to non compliance with CPD requirements	31	-	-	4	-	27	-	-	-	-	
Statutory auditors											
Risk- based desktop review of CPD records	142	80	-	58	2	2	-				
Random desktop review of CPD records	53	2	18	2	-	31	-				
Onsite review of CPD records as part of quality assurance reviews	1,562	55	1,266	115	72	54	-				
Other monitoring activities of CPD records	778	377	-	-	-	401	-				
Total	2,535	514	1,284	175	74	488	-				
CPD records found to be unsatisfactory	23	7	-	13	3	-	-				
Number of instances where disciplinary / regulatory action was taken due to non compliance with CPD requirements	9	-	-	6	3	-	-				



IAASA

Irish Auditing & Accounting
Supervisory Authority

Willow House, Millennium Park, Naas, Co Kildare, Ireland

Tel: +353 (0) 45 983 600 | **Fax:** +353 (0) 45 983 601 | www.iaasa.ie