

December 2022

POLICY PAPER

Publication of information regarding IAASA's financial reporting supervision activities

(Revised December 2022)

Vision



Public trust and confidence in quality auditing and accounting

Mission

Upholding quality corporate reporting and an accountable profession



Our Values



Excellence

Striving to be the best we can be



Independence

Regulating impartially and objectively



Integrity

Being trustworthy and respectful

Disclaimer

The Irish Auditing & Accounting Supervisory Authority accepts no liability and disclaims all responsibility for the consequences of anyone acting or refraining from acting on the information contained in this document or for any decision based on it

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

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1. Introduction

A principal function of the Irish Auditing and Accounting Supervision Authority (IAASA) is to examine certain listed entities' annual and half-yearly financial reports and take enforcement actions when instances of non-compliance with the relevant reporting framework are detected.

In line with its mission of upholding quality corporate reporting an accountable profession and with its strategy as set out in its [Work Programme 2023 – 2025](#)¹, IAASA publishes information on the outcomes of its financial reporting supervision activities.

2. Aim of this Paper

The purpose of this Paper is two-fold:

- to set out IAASA's policy on the publication of the outcomes of its financial reporting examination activities, and
- to set out the nature and extent of information to be published.

It is intended that this Publications Policy Paper be reviewed periodically and at least once every five years.

3. Publications

IAASA will publish the outcome of its financial reporting enforcement by publication of the below:

- significant financial reporting decisions [Section 4 below],
- list of examinations undertaken [Section 5 below],
- corrective public notices by issuers [Section 6 below],
- an annual *Observations* paper [Section 7 below], and
- thematic publications [Section 8 below].

4. Significant financial reporting decisions

Proposed publication	Purpose	Frequency
IAASA's policy is to publish significant financial reporting decisions.	To inform stakeholders of the outcome of examinations and to provide preparers, auditors	Ad hoc – shortly after conclusion

¹ *Strategy 3 – Review of financial reporting*

The Authority will support high standards in financial reporting by entities under its remit. This will be achieved through

- *Review of annual and half-yearly reports of issuers*
- *engagement where necessary with issuers to seek explanations for accounting treatments*
- *Seeking undertakings where appropriate to ensure future quality in financial reporting*
- *Seeking withdrawal and reissuing where appropriate in cases of significant non-compliance*
- *Publishing the outcome of the Authority's work in line with its publications policy'*

Proposed publication	Purpose	Frequency
<p>A financial reporting decision – including instances where the financial reporting treatment applied by the issuer is accepted by IAASA – may be categorised as “significant” if IAASA considers it will promote high quality financial reporting. Some factors which are considered include, but are not limited to, whether the decision:</p> <ul style="list-style-type: none"> (a) refers to financial reporting matters with technical merit, (b) has been discussed at the European Enforcers Coordination Sessions (EECS)² as an emerging issue, (c) has been submitted to the EECS Decisions Database, (d) may be of interest to other European accounting enforcers, (e) indicates a risk of significantly different financial reporting treatments being applied by issuers, (f) is likely to have a significant impact on other Irish or European issuers, and (g) is taken on the basis of a provision not covered by a specific financial reporting standard. <p>The weighting applied to any or all these factors will depend on the particular circumstances of each case.</p> <p>The information proposed to be published in respect of each examination comprises:</p> <ul style="list-style-type: none"> (a) issuer name, (b) report type – annual or half-yearly, (c) reporting date, (d) financial reporting framework adopted – IFRS, Irish GAAP, other, (e) financial reporting standard(s) involved, (f) outline of the financial reporting treatment applied by the issuer, outline of decision 	<p>and users of financial reports with information as to the application of financial reporting standards.</p>	<p>of the examination.</p>

² The European Securities and Markets Authority (ESMA) organises the European Enforcers Coordination Sessions, a forum of 38 European enforcers from all European Economic Area (EEA) countries with responsibilities in the area of enforcement of financial information

Proposed publication	Purpose	Frequency
<p>made by IAASA and the rationale for the decision, and</p> <p>(g) outline of the corrective actions, if any, undertaken or to be undertaken by the issuer on foot of the decision made by IAASA.</p>		

In line with IAASA's values, at the conclusion of the examination, IAASA will provide the proposed wording of the finding to the issuer in advance of publication, providing an opportunity to highlight any factual errors.

In those rare circumstances where IAASA forms the view that publication of a particular financial reporting decision could seriously jeopardise the financial markets or cause disproportionate damage to the parties involved, it will take necessary steps to ensure that such consequences do not arise. Such steps may include omitting the name of the issuer concerned, redacting certain information from the publication, or refraining from publishing the decision.

5. List of examinations

Proposed publication	Purpose	Frequency
<p>IAASA's policy is to publish a list of examinations undertaken each year, a summary of engagement and the outcome of those examinations.</p> <p>The information to be published in respect of each examination comprises:</p> <p>(a) issuer name,</p> <p>(b) report type – annual or half-yearly,</p> <p>(c) reporting date,</p> <p>(d) nature of examination performed – unlimited interactive, unlimited desk-top, focused interactive, focused desk-top, or follow-up,</p> <p>(e) a summary of the engagement, if applicable, and</p> <p>(f) a summary of the outcome of the examination.</p>	<p>To inform stakeholders as to the nature and level of examinations performed by the Authority.</p>	Annually.

6. Corrective public notice

Proposed publication	Purpose	Frequency
Where, consequent on engagement with IAASA, an issuer publishes a corrective public notice, IAASA will publish a notification on its website highlighting that corrective public notice. The notification on the website will include a link to where that corrective public notice may be accessed.	To inform stakeholders of the publication of the corrective public notice by the issuer.	Ad hoc – immediately after publication of the corrective public notice by the issuer.

7. *Observations* paper

Proposed publication	Purpose	Frequency
IAASA will publish an annual paper <i>Observations on Selected Financial Reporting Issues</i> . Matters included in the <i>Observations</i> paper may result from the financial reporting matters identified during IAASA's examination of annual and half-yearly financial reports.	To assist management, audit committees and directors in the preparation and approval of high-quality financial reports by offering observations on selected financial reporting issues to coincide with the preparation of issuers' financial statements. The paper also sets out some matters which will be the focus of IAASA's examinations when examining issuers' financial reports.	Annually.

8. Thematic publications

Proposed publications	Purpose	Frequency
<p>IAASA undertakes other activities, including those of a desk-top nature and without specific issuer engagement, that focus on a particular financial reporting subject.</p> <p>IAASA may determine it is useful to issue information to support issuers in relation to specific financial reporting topics.</p> <p>Where a thematic involves a review of financial statements, the names of all issuers included in such thematic examinations and details of the overall findings may be published.</p>	<p>To:</p> <ul style="list-style-type: none"> (a) to identify and describe common practice, (b) highlight instances of good practice, (c) provide recommendations which, if applied, will enhance users' understanding of the performance, financial position and cash flows and enable improved comparability across issuers, and (d) provide information to issuers and other stakeholders on emerging and topical financial reporting matters. <p>IAASA will draw attention to the financial reporting requirements applying in a particular circumstance and thereby aid management, audit committees and directors in the preparation and approval of high-quality financial reports to ensure compliance with the specific requirements of financial reporting standards.</p>	Ad hoc.



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