

2022

# Annual Report



### **Disclaimer**

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

IAASA reserves the right to take action, or refrain from taking action, which may or may not be in accordance with this document.

# Table of Contents

<b>STRATEGIES AND STRANDS</b>	3
<b>ABOUT US</b>	4
<b>2022 HIGHLIGHTS</b>	5
<b>CHAPTER 1: CHAIRPERSON'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW</b>	6
<b>CHAPTER 2: STANDARDS AND POLICY</b>	11
<b>CHAPTER 3: SUPERVISION OF THE AUDITING AND ACCOUNTING PROFESSION</b>	14
<b>CHAPTER 4: SUPERVISION OF FINANCIAL REPORTING QUALITY</b>	17
<b>CHAPTER 5: SUPERVISION OF PUBLIC-INTEREST ENTITY AUDITS</b>	20
<b>CHAPTER 6: ENFORCEMENT</b>	23
<b>CHAPTER 7: CORPORATE SERVICES</b>	26
<b>CHAPTER 8: ORGANISATIONAL DEVELOPMENT</b>	29
<b>CHAPTER 9: GOVERNANCE AND STRUCTURE</b>	32
<b>2022 FINANCIAL STATEMENTS AND RELATED STATEMENTS</b>	39
Report of the Directors	40
Statement on Internal Control	44
Directors' Responsibilities Statement	46
Comptroller and Auditor General Report for presentation to the Houses of the Oireachtas	47
Statement of Financial Position	50
Statement of Income and Expenditure	51
Statement of Changes in Reserves and Capital Account	52
Statement of Cash Flows	53
Notes to Financial Statements	54
<b>APPENDICES</b>	69
<b>GLOSSARY</b>	80



## 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

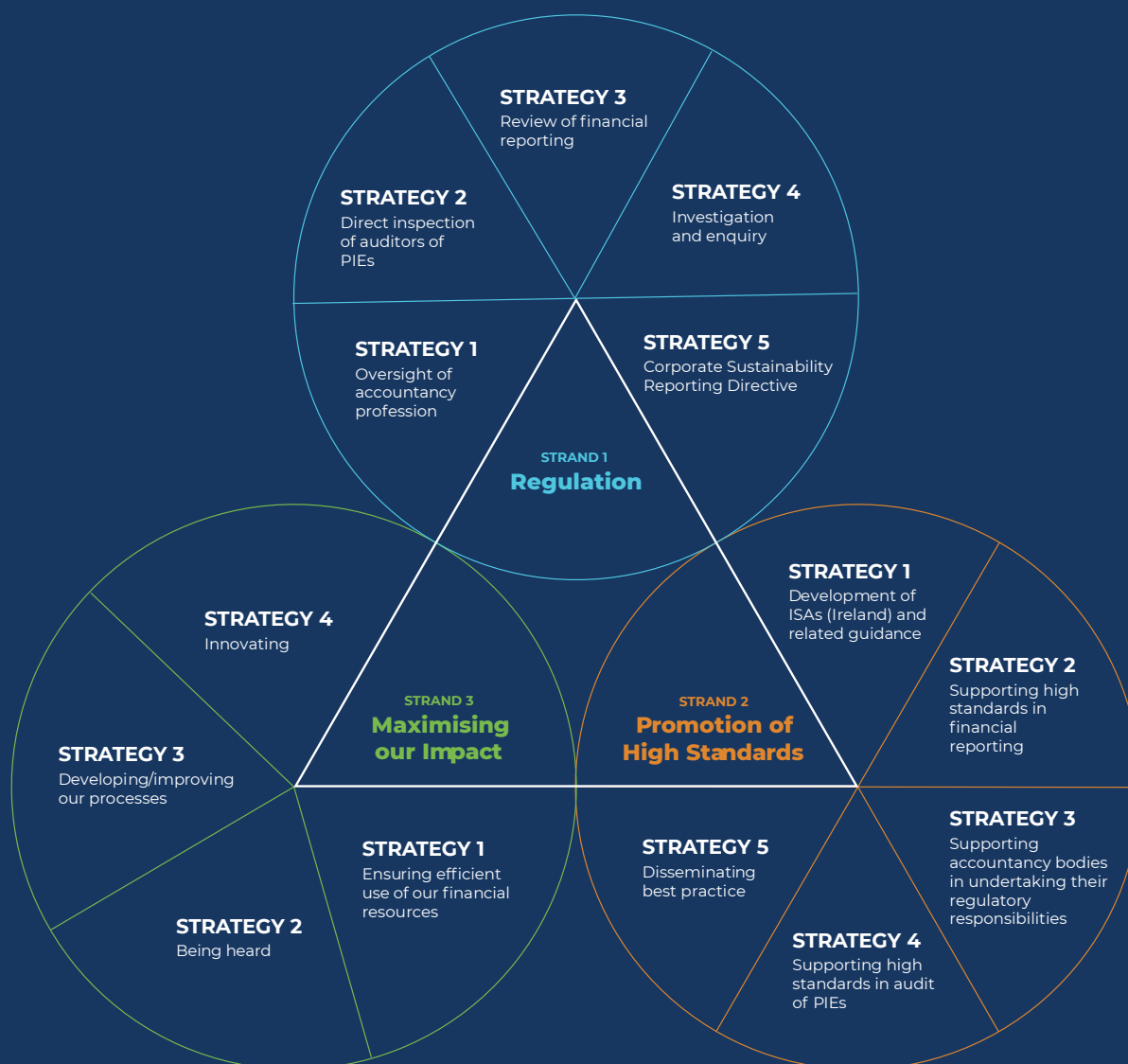
Regulating  
impartially and  
objectively



### Integrity


Being  
trustworthy and  
respectful

# Strands and Strategies





**IAASA ADOPTS  
STANDARDS  
ON AUDITING,  
PROFESSIONAL ETHICS  
AND INTERNAL QUALITY  
CONTROL FOR  
STATUTORY  
AUDITORS**




**6 PRESCRIBED  
ACCOUNTANCY BODIES  
(PABS) SUPERVISED,  
OF WHICH 3 ARE  
ALSO RECOGNISED  
ACCOUNTANCY BODIES  
(RABS))**



**43,321**  
**MEMBERS OF PABS IN  
IRELAND**


**About Us**



**7 PUBLIC INTEREST  
ENTITY (PIE) AUDIT  
FIRMS, AUDITING  
APPROXIMATELY  
544 PIES**



**1,059**  
**STATUTORY  
AUDIT FIRMS IN  
IRELAND**



**97 KNOWN ISSUERS  
UNDER FINANCIAL  
REPORTING EXAMINATION  
CONSTITUENCY,  
COMPRISED OF 23  
EQUITY ISSUERS, 10  
CLOSED ENDED FUND  
ISSUERS AND 64  
DEBT ISSUERS**

# 2022 HIGHLIGHTS

**Developed new IAASA vision and mission**

**Completed 2023-2025 work programme**

**Supervisory visits to three RABs**

**Thematic review on good repute for statutory auditors and statutory audit firms**

**Examination of 35 financial reports**

**Publication of three corrective notices by issuers following IAASA examinations**

**Inspection of seven audit firms and 35 audit files**

**Launched a new standards newsletter providing the latest news about IAASA's auditing and assurance standards projects and produced short information/explainer videos**

**One enforcement settlement agreed**

**Redesigned and launched the IAASA website**



# CHAIRPERSON'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW



# CHAIRPERSON'S STATEMENT



## Introduction

**This is IAASA's ('the Authority') seventeenth Annual Report. It is with pleasure that I submit it to the Minister for Enterprise, Trade and Employment, in accordance with section 928(1) of the Companies Act 2014 ('the Act'). The Chief Executive's Review summarises the principal activities undertaken by the Authority during 2022 to fulfil its mission. The remainder of this Report provides further detail on these activities. In this Statement, I will outline the many strategic actions undertaken by the board and by IAASA in the context of its remit to oversee auditing and accounting in Ireland.**

## Governance

The board's first meeting in 2022 was its last meeting in fully virtual format due to public health restrictions. Board meetings take place in person with an allowance for virtual attendance where a member cannot attend physically. The board undertook its usual performance review but agreed to carry out a more in depth review and analysis in early 2023. I look forward to working with my colleagues on the board in implementing any outcomes arising from that review. During the year the board reviewed a range of operations within IAASA including its blended working policy, its innovation strategy and its supervisory approaches across the areas it regulates. At its away day the board considered the topic of crisis communications as well as its usual oversight of progress by the Authority. The board also had a session at which it discussed the proposals for changes to the Authority's vision and mission (see below).

## Three year work programme

Under section 910 of the Act, the Authority is obliged to prepare and submit to the Minister a work programme every three years. IAASA's last work programme covered the period 2020-2022. During the year the Authority developed and submitted a new programme for 2023-2025. The most significant new element in that programme is addressing the challenges, both regulatory and operational, presented by sustainability. Proposals from the EU have the capacity to impact on every aspect of the Authority's regulatory work, and over the term of the programme legislation will be finalised, enacted and implemented. IAASA will assess what this means for the Authority and work with the Department to ensure it is adequately resourced to undertake its tasks. Other changes from the previous programme include the integration of the Authority's innovation policy, updating to reflect the fact that the enforcement unit is now fully operational, and reference to IAASA's flexible working policy under People as one of the programme's Enablers. The draft programme was issued for public consultation and the board approved the programme at its November meeting.

## Vision and mission

Over the past few years IAASA has revisited its foundation documents, including its schedule of matters reserved

to the board, its values, as well as its work programme approach. During 2022 the board and IAASA staff undertook a review of IAASA's mission, and also considered whether it should also have a vision for the auditing and accounting profession. Through a series of workshops and internal consultations the Authority clarified its own purpose and the board approved the new vision and mission in late 2022. These are now included in all of our publications and provide a clear sense of direction for the Authority in carrying out its statutory remit. Having completed this work, the board will now review the schedule of matters reserved to the board in 2023 once more to ensure it remains appropriate.

## International relationships

The Authority continued to contribute to the improvement of audit quality with its international peers both within the EU (as a member of the CEAOB) and also globally (with IFIAR). This is in line with IAASA's strategy to engage with our global peers, and also provides opportunities for growth and development for IAASA staff.

At European level, Ireland chaired a task force which undertook a review of the European audit regulation and directive. Ultimately the CEAOB delivered a comprehensive submission to the Commission setting out key priorities agreed by national regulators, including an enhanced role and powers for the CEAOB to improve consistency in regulation across Europe, as well as the removal of any barriers to information sharing between regulators, clarification on the role and regulation of audit committees and further support for national regulators to undertake their work. This work was initially undertaken to contribute to the Commission's work in updating European legislation. Regrettably this work is now on hold pending the completion of the substantial work at EU level on implementing sustainability proposals. IAASA will continue to contribute to this work, through its membership of the consultative group that guides the work of the CEAOB as well as the relevant subgroups that practically assist members.

IAASA is a member of the board of IFIAR for a four year term from 2021 to 2025. IFIAR board meetings are a mix of virtual

and in person, and IAASA is also a member of the Audit and Finance Committee. IAASA staff participated in inspection and enforcement workshops in 2022 and we look forward to the resumption of in person workshops in 2023. This engagement is of significant benefit to IAASA in regulating what is a global profession operating in accordance with global standards

## Board changes

Daniel Sinnott, the nominee of the Revenue Commissioners, resigned as a director during the year and was replaced by Sandra Davey. Brendan Sheridan, the nominee of the Central Bank, also resigned during the year and was replaced by Eida Mullins. I would like to thank both Daniel and Brendan for their work on the board and to welcome both Sandra and Eida.

## Concluding remarks

2022 certainly felt like a return to normality for IAASA and those with whom it engages. Across those entities we regulate as well as those we work with to support regulation there were long overdue face to face engagements this year. There is no doubt that the last three years have resulted in significant changes to how we all work together, but at the same time the value of engagement in person has been underlined now that it is taking place once more. There is a balance to be struck and like all other organisations, IAASA will seek to strike the right balance in this regard.

As well as the challenges and burdens that this period has brought, it has also been a spur for innovation, both technical innovation and process innovation. IAASA has developed its own innovation policy supported by a dedicated Organisational Development unit but driven by its people. This has resulted in innovation across both its operational and support activities, and has helped inculcate a culture of openness to change and new thinking within IAASA. The board has reviewed and supports the Authority's innovation policy which allowed it to continue to operate at a high level throughout the last challenging years.

Every year since I became chair of the board of IAASA has brought developments in audit and accounting regulation and in the profile of IAASA. The issuing of auditing standards for Ireland, audit inspection reports, the impact of Brexit, the development of IAASA's role at international level as well as its longstanding roles in overseeing the accountancy profession and reviewing the financial statements of issuers, have underlined the importance of our work. Over the last few years we have created social media channels to augment our communications reach. This is in line with our vision for public trust and confidence in quality audit and accounting. In order to create that



*As well as the challenges and burdens that this period has brought, it has also been a spur for innovation, both technical innovation and process innovation. IAASA has developed its own innovation policy supported by a dedicated Organisational Development unit but driven by its people.*

public trust IAASA needs to be visible in carrying out its work, and effective in communicating the results of that work. Our new vision will provide a compass for IAASA as it continues to develop in the coming years.

I want to acknowledge all of the hard work of my colleagues on the board of IAASA during 2022. We operate in a challenging but respectful manner that allows for meaningful engagement on the matters that are the responsibility of the board. I want to thank the Minister and his colleagues in the Department who have supported the Authority in carrying out its work and with whom we maintain a very positive working relationship, a matter of particular recognition. The Chief Executive and the leadership team who also attend board meetings continue to be held in the highest regard by the board, and we strive to support but also hold them to account throughout the year. I also want to pay tribute to the staff of IAASA who as well as carrying out their work professionally and effectively, were also at the core of innovation, of developing the vision and mission statements and the new work programme, and representing IAASA both within Ireland and internationally. As we look to a sustainable future with all of the challenges and opportunities that this brings, I am confident that IAASA can play its part to the full.

**Martin Sisk**  
Chairperson  
25 April 2023

# CHIEF EXECUTIVE'S REVIEW



## Introduction

**The purpose of this review is to provide an overview of the activities of the Authority in 2022. In 2022 IAASA came to the end of its current three year work programme, and at the year end in accordance with the Act a new programme was prepared and submitted to the Minister. IAASA's annual activities are set out in a business plan which is aligned to the strategies, strands and enablers in the work programme. This ensures that as well as complying with our statutory obligations, IAASA's work reflects the vision and mission of IAASA. The Authority's work in achieving the targets established in the business plan are set out in detail in the main body of this report. The report also identifies illustrations of specific work undertaken to give a fuller sense of what we do. This year we have also given examples of how sustainability has already impacted IAASA, both from a regulatory and an operational perspective. My review provides a brief summary of this work.**

## Key activities

IAASA issues auditing and ethical standards for statutory auditors in Ireland. These are based ultimately on global auditing standards which are issued by the IAASB. The UK regulator the FRC adopts these standards, and it may make amendments. IAASA's policy is to take the standards issued by the FRC and assess their compliance with Irish/EU law and also their appropriateness for the Irish market. Where necessary IAASA amends the standards before issuing them for application in Ireland.

In 2022 IAASA issued six SIRs, standards for auditors acting as reporting accountants on investment circulars. It also consulted on proposals to revise ISA600 on group audits and this work was well advanced at year end. And as part of its awareness raising activities it launched both a newsletter and a series of educational videos (publicised through social media) on topical auditing standards matters.

IAASA supervises certain regulatory activities of all prescribed accountancy bodies (PABs), including those bodies who are recognised for the purposes of allowing their members to apply to join the register of statutory auditors (RABs). The latter are subject to more comprehensive regulation in accordance with EU legislation.

IAASA has a structured approach to how it regulates the activities of accountancy bodies, and in 2022 it undertook a series of regulatory reviews of how these bodies license and approve their members as auditors. Additionally, the Authority undertook a thematic review, both in Ireland and across the EU through CEAOB, of the understanding and implementation of the good reputation requirement for auditors under EU law. And we issued guidelines on how bodies undertake quality assurance of their members. The Authority is currently working on guidelines on approvals and licensing, which it hopes to issue in 2023.

IAASA reviews the corporate reports of certain listed entities and funds under the EU Transparency Directive, and in 2022 it examined 32 annual reports and three half yearly reports. Arising from this regulatory activity, it obtained undertakings from 15 issuers who in total provided 49 undertakings requiring amendments in their reporting in the future. IAASA also has the power to require entities to issue corrective public notices, informing the market where there have been issues with reports that the Authority believes need to be disclosed. Three such notices were issued in 2022. Alternative performance measures (i.e. reporting of performance not in accordance and/or not properly reconciled with performance as measured under financial reporting standards) continue to be a significant area for engagement. However IAASA has also identified issues relating to sustainability and climate change risk, and issued a paper on this amongst a number of papers issued in 2022. At a European level IAASA assisted ESMA in its review of draft European Sustainability Reporting Standards issued by EFRAG.

The Authority's inspection of PIE audit firms continued in 2022. Seven audit firms are now directly regulated by IAASA in this manner. IAASA selects a sample of firmwide policies relating to audit quality in accordance with an overall programme agreed with its European peers, and it also reviews a sample of individual PIE audit files to assess audit quality in practice. During the year the Authority reviewed a sample of 35 audit files within those firms. The results of that work indicate a relatively high (by international standards) level of audit quality, with 89% of those being assessed as of a good standard. Nevertheless there were some issues identified in firmwide policies that received the highest severity rating possible. IAASA issues recommendations that must be implemented within twelve months failing which it will open an enforcement case. During 2022 we also welcomed our US colleagues the PCAOB back after a three year hiatus. Certain firms fall to

be regulated by the PCAOB as they audit US listed entities, but such regulation must be carried out in conjunction with IAASA. IAASA also held what is now its annual audit committee briefing in October. We also continued our work across the many subgroups and task forces both at CEAOB and in IFIAR.

On the enforcement front, the Authority remained busy in 2022. One settlement agreement was concluded in relation to failures by a PAB to follow procedures in undertaking an investigation into one of its members. At the year end IAASA was investigating six cases using its powers under section 934 of the Act. This represents the highest number of cases open in the history of the Authority. Most of these it is hoped will result in settlement agreements. IAASA's senior enforcement counsel presented at a number of international fora on the achievements of IAASA as a small regulator in bringing enforcement cases to a successful conclusion.

IAASA's corporate services unit provides a range of support functions to the Authority to allow it to function effectively. IAASA's flexible working policy requires a high quality secure ICT system and investment continued to ensure that this remains the case. The unit also developed policies and procedures to further embed the blended working policy under which the Authority now operates. IAASA launched its new website at the end of the year and the corporate services unit has responsibility for the security and maintenance of the site.

Responsibility for cross-functional activities, innovation and continuous improvement is assigned to the Organisational Development Unit. Developments in 2022 included a new wellbeing strategy and learning and development systems, and further integration of our values into our ongoing work. IAASA also enhanced its social media footprint with new content on LinkedIn and YouTube being developed throughout the Authority. The unit also supported innovation in our regulatory and operational processes, and oversaw the development of the Authority's new vision and mission.

## Concluding remarks

The rest of this report sets out the full range of IAASA activities in 2022. IAASA's remit covers a wide range of regulatory activities, encompassing over 40,000 accountants, seven of the largest audit firms in the country and almost 100 corporate entities. All of this work is undertaken in line with legal imperatives and based on specific risk assessment to uphold quality corporate reporting and an accountable profession. IAASA's new mission is an explicit statement of what has always been at the core of the work of the Authority.

We are now operating in an environment that has significantly changed over the last three years. The imperatives of sustainability will add more uncertainty and challenge to our work. As an organisation IAASA strives to operate at the highest levels of quality to enhance and support Ireland's reputation as a good place to do business. A reliable and effective regulatory environment is widely recognised as one of the key elements in maintaining that reputation. Enterprise and regulation are both international landscapes, where IAASA needs to be a visible and effective presence. IAASA also operates in a highly competitive environment for talent. Our people are highly valued for their expertise but also for their professionalism and capacity to operate at the highest level both at home and abroad. As Chief Executive, one of my key tasks is to build an organisation which allows them to thrive, albeit within the parameters of a state agency with comparatively few staff. One of our achievements of which I am most proud was our ability to attract quality candidates to fill vacancies that arose across the Authority in 2022. IAASA is fortunate to have a team who display our values of independence, excellence and integrity throughout their daily work. They all contribute much more than just their day job and it is down to their enthusiasm and dedication that the culture of innovation and development, both personal and organisational, is now embedded across the Authority. I would also like to express my gratitude to the board of IAASA who carry out a complex task with dedication and rigour. The content of this report underscores in my view the fact that the regulation of the profession remains in a strong and healthy place.

**Kevin Prendergast**  
**Chief Executive**  
**25 April 2023**



## STANDARDS AND POLICY

# Chapter 2: Standards and Policy



## 1. Principal functions

The principal functions of the Standards and Policy Unit are to:

- adopt auditing, ethical and quality control standards for statutory audit in Ireland
- issue such guidance and assurance standards as IAASA deems appropriate
- contribute to the development of IAASA policy on regulatory and other matters

## 2. Significant developments

Following public consultation and engagement with other Irish regulators, IAASA adopted six Standards for Investment Reporting (SIRs) (Ireland) during the year. The new standards are effective for reporting accountant engagements commencing on or after 15 September 2022.

IAASA also updated 21 ISAs (Ireland) to reflect conforming amendments due to ISA (Ireland) 315 (Revised October 2020), Identifying and Assessing the Risks of Material Misstatement.

A full list of the amended standards is set out in Appendix V.

In addition, IAASA consulted on its proposal to revise ISA (Ireland) 600: Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors) and to make related conforming amendments to other standards. IAASA was considering the responses received to the consultation at year end.

To complement consultation and feedback papers relating to auditing and assurance standards issued during the year, IAASA produced short informational videos. They are designed to provide users with an overview of the topics covered and encourage them to engage further by accessing the full documents on IAASA's website.

During 2022, IAASA continued to actively engage with peers, stakeholders and standard setters. Such activities include observing meetings of the FRC's Technical Advisory Group, participating in the CEAOB's International Auditing Standards Subgroup, contributing to the CEAOB's response to consultations issued by the IAASB and IESBA, and issuing its own comment letters where appropriate.

### Stakeholder Engagement

Throughout the year, IAASA used multiple methods to engage with shareholders and publicise developments of relevance to the auditing framework in Ireland, including newsletters and videos, supported by posts on our website and social media channels.

IAASA's standards newsletters are designed to provide news and information about Irish auditing and assurance standards projects in an easy-to-read document. The topics covered included recently adopted standards, open consultations, auditing standards due to take effect and international developments.

IAASA also launched a series of explainer videos and factsheets on significant changes to the auditing framework in Ireland, intended to inform and assist auditors in understanding the implications of those changes. This included a series of five explainer videos on the new suite of quality management standards effective from 15 December 2022.

## 3. Spotlight on sustainability

The EU council and parliament adopted the Corporate Sustainability Reporting Directive (CSRD) at the end of 2022. From 2025, companies coming within the CSRD's remit will be required to obtain assurance on their sustainability information. In Ireland, it is likely that the company's auditor will provide this assurance.

Unlike the auditing framework, which is well established and internationally recognised, there are currently no internationally accepted standards regarding the assurance of sustainability information.

Through its participation in the CEOAB during the year, IAASA took part in discussions with other stakeholders, including the international standard setting boards regarding their proposals to develop sustainability assurance standards and related ethical requirements. IAASA will continue to engage with its European colleagues to address this issue.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Development of ISAs (Ireland) and related guidance</b>  <b>Supporting high standards in audit of PIEs</b>  <b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>➔ Issued six Standards for Investment Reporting (Ireland)</li> <li>➔ Hosted two Technical Advisory Panel meetings</li> <li>➔ Standards section of new website designed &amp; created with users in mind</li> </ul>
<b>Being heard</b>  <b>Innovating</b>	<ul style="list-style-type: none"> <li>➔ Issued two standards newsletters</li> <li>➔ Issued explainer videos and factsheets to highlight significant changes to the Irish auditing framework</li> <li>➔ Issued a consultation relating to revisions to the auditing framework during the year and a consultation relating to adoption of the SIRs (Ireland).</li> <li>➔ Contributed to the development of the CEAOB's responses to audit related consultations issued by the IAASB and IESBA</li> <li>➔ Submitted one IAASA response to an IAASB consultation and one response to an IESBA consultation</li> <li>➔ Response submitted to one EU consultation and one consultation by DETE</li> </ul>



# SUPERVISION OF THE AUDITING AND ACCOUNTING PROFESSION





# Chapter 3: Supervision of the Auditing and Accounting Profession

## 1. Principal functions

The principal functions of the Regulatory and Monitoring Supervision Unit are to:

- supervise the manner in which the PABs regulate their members, including the operation of their investigation and disciplinary processes
- oversee the manner in which the RABs perform the following functions in respect of the statutory auditors and audit firms that they have approved and registered under the Act:
  - approval and registration
  - continuing education
  - quality assurance systems and
  - investigative and administrative disciplinary systems
- cooperate with EU and international counterparts as well as with other national and EU authorities
- advise the Minister on matters relating to the accounting profession

Appendix III sets out the PABs under IAASA remit at 31 December 2022 and reports issued to PABs during 2022.

## 2. Significant developments

In 2022, IAASA undertook three supervisory visits, relating to the licensing of statutory auditors and statutory audit firms and completed a desktop review assessing the mapping of Companies Act 2014 requirements on education of auditors to the syllabi of the RABs.

The Authority also completed two thematic reviews. The first thematic review '[Good reputation for statutory auditors and audit firms](#)' focused on the procedures performed by the RABs to assess whether statutory auditors and audit firms are of good reputation. The second thematic review focused on the initial stages of the complaints handling process across the PABs.

The Authority also issued '[Guidelines for Recognised Accountancy Bodies when performing the Quality Assurance function in respect of Statutory Auditors and Audit Firms](#)' with an effective date of 1 January 2023. The key principles set out in these quality assurance (QA) guidelines are: providing an independent assessment as to whether statutory audits are carried out in accordance with the requirements of the Ethical Standard for Auditors (Ireland) and International Standards on Auditing (Ireland), ensuring that those auditors and audit firms whose performance fails to meet the required standard are subject to timely, proportionate and effective actions and contribute to public confidence in the auditing profession and its regulation.

In addition to the QA guidelines, the Authority issued updated amendments to the '[Guidelines on the matters to be considered by the RABs when granting exemptions from one or more of the subjects in the test of theoretical knowledge for approval as a statutory auditor](#)'. Further, throughout 2022, the Authority liaised with RABs with regard to the implementation of the '[Guidelines for the RABs on the regulation, monitoring and enforcement of continuing education for statutory auditors](#)' which became effective on 1 January 2022.

### Good Reputation for statutory auditors and audit firms

In 2022, the Authority concluded a thematic review of how the RABs define and evidence good reputation in relation to statutory auditors and audit firms, as well as understanding the action taken by RABs where good reputation is compromised. The report was published on IAASA's website and concluded that there was some commonality in some procedures used by RABs although differences were also noted.

The Authority conducted a parallel survey of EU member states. The responses from 20 jurisdictions revealed many differences in the approaches adopted in the different jurisdictions. This report is not published but was presented at a CEAOB plenary meeting in July 2022.

## 3. Spotlight on sustainability

The Authority has been engaging with all PABs throughout the year, discussing drafts of the CSRD legislation and focusing on the likely impacts for the PABs. In particular, discussions were held regarding the requirements for education and approval of sustainability auditors as well as monitoring of sustainability auditors once approved. Existing statutory auditors on 1 January 2024 can be approved as sustainability auditors provided they obtain knowledge of the sustainability reporting standards through continuing education. The Authority will work with the RABs, DETE and the various European forums to consider the specifics regarding design and accreditation of this continuing education, which will be very challenging given that the sustainability reporting standards are due to be finalised in June 2023, giving the RABs a short period of six months to design, deliver and assess this in advance of 1 January 2024.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Oversight of accountancy profession</b>	<ul style="list-style-type: none"> <li>→ Conducted three supervisory visits to RABs</li> <li>→ Completed a desktop review on the Education element of Schedule 19 of the Companies Act</li> <li>→ Considered and recommended 15 sets of constitutional documents for approval</li> <li>→ Considered and approved 12 Third Country Auditor (TCA) renewals, 1 new TCA application and 41 TCA updates to approvals</li> <li>→ Attended 3 CEAOB sub-group committee meetings</li> </ul>
<b>Supporting accountancy bodies in undertaking their regulatory responsibilities</b>	<ul style="list-style-type: none"> <li>→ Held an annual roundtable meeting including presentations from relevant units in IAASA and a presentation from two PABs</li> </ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Issued '<a href="#">Profile of the Profession</a>' which provides statistical data on the accounting and audit profession</li> <li>→ Published a report on 'what RABs consider to be good reputé'</li> <li>→ Presented a report to the CEAOB on what is considered to be good reputé by 20 member states</li> <li>→ Conducted a thematic review on the initial stages of complaints handling by PABs</li> <li>→ Issued regulatory guidelines on RABs' performance of the quality assurance function</li> <li>→ Issued updated guidelines on matters to be considered when providing exemptions from subject requirements in Schedule 19</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Engaged with relevant stakeholders including the Department, CRO and the FRC in relation to supervisory matters</li> <li>→ Presented at a PABs Regulatory Committee's training day, providing an overview of IAASA functions, the RMS supervisory framework, IAASA guidelines and future developments including the CSRD</li> <li>→ Presented at a PAB's membership event</li> </ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"> <li>→ Carried out further refinements to the supervisory approach to the oversight and supervision of PABs</li> </ul>



# SUPERVISION OF FINANCIAL REPORTING QUALITY



# Chapter 4: Supervision of Financial Reporting Quality

## 1. Principal functions

The principal functions of the Financial Reporting Supervision Unit are to:

- examine certain listed entities' annual and half-yearly financial reports and take enforcement actions when instances of non-compliance are detected
- cooperate with EU accounting enforcers
- cooperate in the development of financial reporting standards
- advise the Minister on accounting matters

Appendix VII sets out all issuers within IAASA's accounting enforcement remit.

## 2. Significant developments

In 2022, the Authority examined 35 financial reports, comprising 32 annual financial reports and 3 half-yearly financial reports (see Appendix II). 15 issuers provided 49 undertakings to the Authority to improve reporting in future periods. The most frequent area in which undertakings were provided related to alternative performance measurements (APMs). Other areas resulting in undertakings included climate change risk, and IAS 1 *Presentation of Financial Statements*.

Three issuers published corrective public notices arising from IAASA's examination of their financial reports.

Additionally, in 2022 the Authority published several papers:

- *Climate-related disclosures in financial reports – IAASA information requests*
- *Observations on selected financial reporting issues – years ending on or after 31 December 2022*
- *Snapshot of IAASA's financial reporting enforcement activities in 2021*
- Compendium publication: *Financial reporting decisions*
- Policy Paper: *Publication of information regarding IAASA's financial reporting supervision activities*

The Authority continued its substantial engagement, through the European Securities Markets Authority (ESMA), with its fellow European counterparts, participating in the various task forces and sub-groups associated with accounting enforcement. In 2022, these groups focused on global and European developments in corporate reporting, including the European Single Electronic Format (ESEF), non-financial reporting, and sustainability, climate-change reporting, and providing advice to ESMA on the draft European Sustainability Reporting Standards (ESRSs).

### Contribution to the development of European Sustainability Reporting Standards

The Authority participated in ESMA's advice to the European Financial Reporting Advisory Group (EFRAG) on the draft ESRSs. EFRAG was appointed technical adviser to the European Commission in developing draft ESRSs. At EFRAG's request, ESMA undertook an assessment of the draft ESRSs and the Authority, along with other European accounting enforcers, assisted ESMA in that assessment. In particular, the Authority considered two draft ESRSs – ESRS E3 Water and marine resources, and ESRS E4 *Biodiversity and ecosystems*.

## 3. Spotlight on sustainability

As well as contributing to the development of ESMA's opinion on the ESRSs, the Authority considered sustainability reporting in many of its examinations of financial reports. IAASA brought two cases forward for informal consideration by the EECS sub-group on climate reporting. In each case, the issuer had publicly announced certain climate targets. IAASA challenged the issuers regarding the specific pathways to achieving those climate targets, the uncertainty regarding the ability to achieve the targets, and the accounting for any commitments arising. Each issuer agreed to improve disclosures in future reports.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Review of financial reporting</b>	<ul style="list-style-type: none"> <li>→ Examined 32 annual reports</li> <li>→ Examined three half-yearly reports</li> </ul>
<b>Supporting high standards in financial reporting</b>	<ul style="list-style-type: none"> <li>→ Actively participated in several European forums, sub-groups and task forces, including the Corporate Reporting Standing Committee, the Narrative Reporting Working Group, Climate Change sub-group, and Financial Institutions Task Force</li> <li>→ Participated, with the Department, in the Accounting Regulatory Committee which provides its opinion to the European Commission on proposals adopting IFRSs</li> </ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Published a compendium of financial reporting decisions and a paper on climate-related disclosures</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Published revised Publications Policy Paper</li> <li>→ Made five presentations to audit firms, industry bodies and other stakeholders outlining the Authority's views on accounting enforcement and the application of accounting standards by issuers</li> </ul>
<b>Developing and improving our processes</b>	<ul style="list-style-type: none"> <li>→ Monitored developments in accounting enforcement globally and at a European level, and considered potential impacts on IAASA's policies and procedures</li> <li>→ Undertook a clean sheet review of practices and processes of financial reporting enforcement to ensure that they provide the basis of effective and efficient enforcement</li> </ul>



# SUPERVISION OF PUBLIC-INTEREST ENTITY AUDITS

# Chapter 5: Supervision of Public-Interest Entity Audits



## 1. Principal functions

IAASA's Audit Quality Unit is responsible for the quality assurance review of statutory auditors and audit firms that perform statutory audits of public-interest entities (PIEs) in Ireland.

The unit has three principal functions:

- carry out inspections of audit firms that conduct statutory audits of PIEs
- cooperate with EU audit oversight bodies
- advise the Minister on auditing matters

## 2. Significant developments

In 2022, IAASA conducted its fifth round of inspections across seven of the PIE audit firms. IAASA inspected four internal control areas in the seven PIE audit firms. The areas inspected were:

- ethics and independence
- acceptance and continuance
- partner evaluation and compensation
- staff evaluation and compensation

Appendix IV sets out the audit firms inspected in 2022 along with the number of files inspected. As part of its fifth round of inspections, IAASA also inspected a sample of 35 audits of PIEs across the seven PIE audit firms. In 2022, 89% of audits of PIEs conducted by the seven PIE firms were assigned a grade of 1 or 2, indicating that audit quality was of a good standard. The remaining audits required improvement. In 2022, across the seven PIE firms, IAASA also raised findings across all areas inspected relating to the internal quality control policies and procedures in place. The severity of the findings raised by IAASA ranged between yellow (minor deficiency) and red (significant deficiency). The [2022 Quality Assurance Review reports](#) in respect of these seven PIE audit firms were published by IAASA in March 2023.

In 2022, seven audit firms conducted statutory audits of PIEs in Ireland (2021: nine). Four of these firms audited 75% (2021: 74%) of the PIEs in Ireland, earning approximately 87% (2021: 89%) of the PIE audit fees.

IAASA cooperates with international audit regulators in order to share knowledge, experience and be consistent in applying recommendations to improve audit quality. IAASA actively participates in both the Committee of European Audit Oversight Bodies (CEAOB) and the International Forum of Independent Audit Regulators (IFIAR). IAASA has agreed to host the 2024 IFIAR inspections workshop and has commenced preparatory work for this event.

At European level, we continue to engage in CEOB and all sub-groups. IAASA's Chief Executive is on the consultative

group of the CEOB, which supports the Chair of the CEOB. IAASA resigned from the role of chairing the Market Monitoring sub-group in 2022 and in place of this IAASA now chairs a task force aimed at identifying and coordinating effective training for inspectors. IAASA also joined a new sustainability reporting technical sub-group which engages with the European Commission regarding the implementation of the upcoming sustainability reporting standards.

In 2022, IAASA facilitated inspections by the Public Company Accounting Oversight Board of two audit firms which fell within the remit of this US regulator.

In line with IAASA's strategy to be heard, IAASA organised and recorded a [briefing for audit committees in October 2022](#). This event was well attended and the briefing included updates from IAASA on topics relevant to audit committee members, including sustainability reporting, digitalisation as well as regulatory updates.

In 2022, IAASA published '[Auditing related party transactions](#)' as part of its inspection insights series, setting out key messages for auditors in auditing related party transactions.

### Hybrid Inspection Approach

2022 also saw IAASA adopt a hybrid inspection approach. The aim of this approach is to combine the advantages and efficiencies afforded by remote working with an on-site presence when such an approach better facilitates the exchange of information with the PIE firms. The hybrid approach facilitates greater flexibility both for the IAASA inspectors and the PIE firms and better reflects the work practices that have evolved in recent years. In person meetings enable an open exchange of information regarding the quality control area or audit file being reviewed. These are supplemented by remote access to documentation, including audit files, video meetings and other online platforms to give better access to IAASA inspectors and reduce the amount of resources required by PIE firms to facilitate an inspection.

## 3. Spotlight on sustainability

IAASA supported the CEOB representatives who worked with in the development of the sustainability reporting standards during the year as well as contributing to the development of the CEOB opinion on those standards. IAASA also engaged through CEOB to discuss specific matters regarding implementation of the legislation including the definition of limited assurance and the auditing standards that will be available setting out the requirements for this work, as well as the timing of those standards.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Direct inspection of auditors of PIEs</b>	<ul style="list-style-type: none"> <li>→ Inspected seven firms</li> <li>→ Inspected 35 audits of PIEs</li> </ul>
<b>Supporting high standards in audit of PIEs</b>	<ul style="list-style-type: none"> <li>→ Volunteered to host 2024 IFIAR inspection workshop</li> <li>→ Participated in the leadership of the inspection subgroup, through its organising committee, and the CEAOB plenary, through its consultative group</li> <li>→ Actively participated in two IFIAR task forces</li> </ul>
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Published seven inspection reports</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Hosted a briefing for audit committees</li> <li>→ Published an insights series on auditing related party transactions</li> <li>→ Published an annual audit programme and activity report</li> <li>→ Presented at training events to communicate key inspection findings</li> </ul>
<b>Developing and improving our processes</b>	<ul style="list-style-type: none"> <li>→ Implemented the Common Audit Inspection Methodology for assessing the internal quality control systems of PIE audit firms</li> <li>→ Developed and continued to refine a suite of working papers for the inspection of individual audits, taking into account the specificities of particular auditing standards as well as relevant matters relating to the entity type or industry</li> </ul>





ENFORCEMENT



# Chapter 6: Enforcement

## 1. Principal functions

The principal functions of the Enforcement Unit are to:

- conduct investigations into suspected irregularities in the conduct of PIE audits
- conduct enquiries into breaches of investigation and disciplinary procedures by PABs, and the RABs' performance of their functions in respect of statutory auditors
- administer sanctions following on from regulatory investigations

## 2. Significant developments

2022 allowed for further development and implementation of the regulations for conducting section 933 enquiries and section 934 investigations. These regulations allow the Authority to take an executive led approach to the initial enquiry and investigation phase, and improved efficiency of the overall enforcement process is evidenced by the number of cases open and closed throughout 2022. A significant number of those cases are closed without the need for the launch of a formal investigation or enquiry.

During the year, the Authority entered into one [settlement agreement](#) in relation to a section 933 enquiry. The Authority launched two investigations under section 934. A number of section 934 investigations were ongoing at the year end. The Authority continued to develop its internal processes and procedures to support the executive led enforcement policy.

On the international front, the Authority's Senior Enforcement Counsel contributed to the work of the CEAOB through membership of the Enforcement Working Group and as a member of the enforcement sub group of IFIAR. Senior Enforcement Counsel has presented and chaired enforcement workshops both for CEAOB and IFIAR.

In addition, IAASA contributed to the work of the Company Law Review Group (CLRG) (the independent advisory body to the Department on company law matters) through membership by IAASA's Senior Enforcement Counsel.

### Section 933 Enquiry

The Authority publicised details of a settlement agreement that it had entered into with a PAB. Examples of matters contained in the settlement agreement related to:

- failure to investigate complaint in accordance with the PAB's byelaws.
- On three separate occasions the complainant provided information concerning the member which the PAB did not act upon. As a result of the PAB failing to comply with their own procedures the member was able to resign from membership consequently an investigation could not be pursued.

The PAB made admissions that it had not investigated matters in accordance with its Bye Laws and was sanctioned accordingly. Having considered the available sanctions under law, the Authority's own sanctions guidance, the Authority censured the PAB requiring the PAB to pay €15,000.

The settlement agreement resulted in the avoidance of further additional costs and administrative burden of an extended enquiry for both the Authority and the PAB.

This settlement process offered both the Authority and the PAB a means of achieving early resolution of the matter. Early settlement is an efficient use of the Authority's resources and provides timely resolution and transparency through the publication of the details of the case. The settlement agreement reflected that non-compliance with the Bye Laws was a serious procedural irregularity and undermined public confidence in the disciplinary process of that PAB.

## 3. Spotlight on sustainability

IAASA conducts investigations on screen, and adopts a mainly paperless approach. Any settlement negotiations are conducted virtually. International engagements are mainly conducted remotely and travel when only deemed necessary.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Investigation and Enquiry</b>	<ul style="list-style-type: none"> <li>→ Drafted and implemented settlement procedures</li> <li>→ Progressed investigations and enquiries</li> <li>→ Achieved appropriate outcomes evidenced by the settlement agreements</li> <li>→ Published outcomes in line with policies</li> <li>→ All correspondence where possible is only sent through electronic format, thus reducing the need to print copious amounts of documents</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Participated in the CEAOB Enforcement Subgroup, including periodic conference calls and presentation at subgroup meeting</li> <li>→ Active participation in IFIAR enforcement subgroup and chairing at international conferences</li> <li>→ Participated in stakeholder roundtable meetings</li> </ul>



# CORPORATE SERVICES

# Chapter 7: Corporate Services



## 1. Principal functions

The principal functions of the Corporate Services Unit are to:

- provide corporate services support to IAASA, including finance, HR, ICT and facilities management
- provide a secretariat to the board and to certain of its committees
- oversee the risk management process for IAASA

## 2. Significant developments

The unit continued to meet both its statutory deadlines and those mandated by the Code of Practice for the Governance of State Bodies throughout the year. Further details of these are included elsewhere in this report, primarily in the Governance & Structure section and the statutory financial statements. As the year progressed, the slow return to normal saw increased demands on the unit with the reintroduction of corporeal events and international travel.

IAASA continued to work remotely for the full year, and the unit ensured that support services, primarily ICT related, functioned efficiently and robustly in a remote setting. The Authority continued its investment in ICT, including a significant server upgrade. This was completed with no loss of service, and the unit carried out successful internal disaster recovery testing following the migration. The unit also developed and implemented IAASA's blended working policy and alternative work location risk assessment procedure. The policy recognises IAASA's staff as its key resource, and a simple ethos that staff should work from wherever is most effective for them and their team.

The year under review also saw the introduction of a staff independence policy and declaration process. The policy, which formalised existing practice, sets out IAASA's approach to protecting the independence of IAASA and ensuring that both it and its staff are protected from allegations of bias, live the Authority's independence value, and comply with relevant legal requirements to remain independent of regulated entities.

Following a tender process, IAASA installed a bespoke accounts package, and parallel running commenced on 1 November 2022. IAASA's 2023 statutory financial statements and ongoing financial reporting will be prepared by this new software. In addition, the software will streamline many of the previously-manual approval processes.

### Website

IAASA relaunched its website in 2022, following a broad consultation process on its purpose. The new site bears little resemblance to its predecessor, which was designed some years ago. The new site has a contemporary layout, and is designed to meet the needs of the Authority's diverse range of users. From an internal perspective, it is considerably easier to maintain and update. The website forms a part of IAASA online communications strategy.

In tandem with this project, the unit developed its own online board members area for the storage and distribution of board papers. The new portal was designed by the corporate services team, and provides secure access for directors to access current and previous board papers. Built using Microsoft SharePoint, directors can now access emails, papers, and remote meetings (where necessary) using a single, multi-factor-authenticated, log in.

## 3. Spotlight on sustainability

IAASA has embraced sustainability through its flexible working practices and hybrid inspection and supervisory visit approach. In collaboration with its stakeholders, the Authority has identified technological solutions that have eliminated unnecessary travel and enabled staff to work from multiple locations in performing their role. IAASA has adopted a policy of remote attendance at all international meetings where possible, unless the Authority's goals demand the inherent benefits of physical attendance. The organisation is now largely paperless, using touch-screen laptops to access a robust and secure ICT infrastructure.

IAASA has adopted a roadmap to achieving the targets set out in the Public Sector Climate Action Mandate, and the Authority is confident that it will meet, if not exceed, the targets therein through actions such as those set out above, and a detailed review of its accommodation needs in the medium term. IAASA also offsets its flight-related carbon emissions by way of payment to the national Climate Action Fund.

## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Disseminating best practice</b>	<ul style="list-style-type: none"> <li>→ Statutory Annual Report approved by board</li> <li>→ Delivered mandated reports to Minister by statutory deadlines</li> <li>→ Developed and implemented a formalised employee independence policy</li> </ul>
<b>Ensuring efficient use of our financial resources</b>	<ul style="list-style-type: none"> <li>→ Programme of Expenditure (budget) adopted by board and approved by Minister</li> <li>→ Successful outcome of review of systems of internal control by internal and external auditors</li> </ul>
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Acted as principal point of contact with journalists and public representatives</li> <li>→ Continued strong and effective relationship with the Department's liaison unit</li> </ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"> <li>→ Ongoing maintenance of and investment in ICT infrastructure, the remote working model</li> <li>→ Installation of and migration to a bespoke accounts package</li> <li>→ Developed and implemented a blended working policy and associated alternative location risk assessment</li> </ul>
<b>Innovating</b>	<ul style="list-style-type: none"> <li>→ Redesigning and relaunching IAASA's website</li> <li>→ Designing and implementing a new approach for directors' access to board material</li> </ul>



# ORGANISATIONAL DEVELOPMENT

# Chapter 8: Organisational Development



## 1. Principal functions

The principal functions of the Organisational Development Unit are to:

- develop and support initiatives that improve the efficiency and effectiveness of the organisation
- manage a social media presence for IAASA
- support a culture for innovation in IAASA
- support IAASA's staff committees to see ideas through to implementation

## 2. Significant developments

Key continuous improvement and innovation projects during 2022 included the redesign of the IAASA website to better meet users' needs, the establishment of a publications team to provide suggestions for enhancing IAASA publications, and the review of IAASA's processes in financial reporting supervision and in enforcement.

In the learning and development space, we conducted a pilot of a learning management system for IAASA's specific learning needs during 2022 and also implemented a learning programme for people managers.

Embedding of our shared organisation values and core behaviours in our processes continued in 2022, including in our goal-setting and personal development system. We also published a series of in-house 'Living our Values' posters to recognise the demonstration of our core values and behaviours by our people in their day-to-day work.

Reflecting IAASA's commitment to wellbeing, we implemented a wellbeing strategy with IAASA's specific context and work characteristics in mind. Our wellbeing ambition is to promote and protect the wellbeing of IAASA's people. It shows the integration of employee wellbeing in our management approaches and our day-to-day practices.

The Authority's social media presence on LinkedIn and YouTube was expanded during 2022, as were the range of formats used to communicate with our stakeholders. IAASA launched a series of short videos on 'What IAASA does' to promote awareness and enhance the public's understanding of IAASA's role.

Five organisational development newsletters issued to staff during 2022, providing information on innovation and problem solving tools, and each team trialled innovation techniques to address current challenges. Authority staff also regularly attended the online programme of events organised by the Department of Public Expenditure & Reform's public service innovation team.

### IAASA vision and mission

The board of IAASA agreed a new vision and mission for IAASA during 2022. The process of development encompassed review of a wide range of peer organisations' visions and missions, employee workshops, leadership team analysis and board consultation.

IAASA's vision (the future that it aspires to) is: public trust and confidence in quality auditing and accounting. Its mission (what IAASA does to work towards this vision) is: upholding quality corporate reporting and an accountable profession.

The new vision and mission set clear direction for IAASA as it undertakes its statutory remit. It also provides stakeholders with a clear sense of the purpose of the Authority.

During the year, and in tandem with the development of the new vision and mission, IAASA finalised a new three year work programme following a public consultation process.

## 3. Spotlight on sustainability

IAASA's facilities and environment committee undertook a number of initiatives during the year to reduce IAASA's environmental impact and promote sustainable approaches. These included initiatives related to reduced printing, increased energy efficiency, provision of office planting, enhanced recycling, as well as the promotion of the SEAI's 'Reduce your Use' campaign.



## 4. Strategies and outcomes arising from business plan

Business plan strategies	Outcomes
<b>Being heard</b>	<ul style="list-style-type: none"> <li>→ Launched an explainer series on 'what IAASA does'</li> <li>→ Maintained an active IAASA presence on LinkedIn and YouTube</li> <li>→ Established a publications team to assist with enhancing IAASA publications</li> </ul>
<b>Developing/improving our processes</b>	<ul style="list-style-type: none"> <li>→ Developed new IAASA vision and mission</li> <li>→ Implemented an employee wellbeing strategy</li> <li>→ Developed a people manager learning programme</li> <li>→ Maintained a staff intranet and an online social network</li> <li>→ Embedded our core values and behaviours in organisation processes</li> </ul>
<b>Innovating</b>	<ul style="list-style-type: none"> <li>→ Piloted a learning management system</li> <li>→ Published five organisational development newsletters, highlighting useful innovation tools and updating on other activities of interest</li> <li>→ Supported a range of staff committee initiatives on wellbeing, the green agenda and publication enhancements</li> </ul>



# GOVERNANCE AND STRUCTURE

## Chapter 9: Governance and Structure

### Legal structure

IAASA is a company limited by guarantee with the following 10 members at 31 December 2022:

- Association of Chartered Certified Accountants\*
- Association of International Accountants\*
- Chartered Institute of Management Accountants\*
- Chartered Institute of Public Finance and Accountancy\*
- Central Bank of Ireland
- Corporate Enforcement Authority
- Institute of Certified Public Accountants in Ireland\*
- Institute of Chartered Accountants in Ireland\*
- Irish Stock Exchange
- Revenue Commissioners

\* Means a PAB

### Organisational structure

#### Overview

By year end, IAASA had 30 (2021:32) staff, structured into seven units as follows:

- **Audit Quality Unit** inspects the quality of audits of PIEs;
- **Financial Reporting Supervision Unit** examines certain entities' financial reports for compliance with the relevant financial reporting framework;
- **Regulatory & Monitoring Supervision Unit** supervises the PABs' regulation of their members;
- **Standards & Policy Unit** is responsible for the adoption of auditing standards and guidance in Ireland;
- **Organisational Development Unit** oversees the implementation of staff-led innovation projects, supports the Authority's various staff-led committees, and manages IAASA's internal communications and social media presence;

- **Enforcement Unit** undertakes the Authority's statutory investigations and enquiries; and
- **Corporate Services Unit** provides finance, administration, HR, ICT and facilities management support to IAASA, and a secretariat to the board and to certain of its committees.

#### Approved staff complement

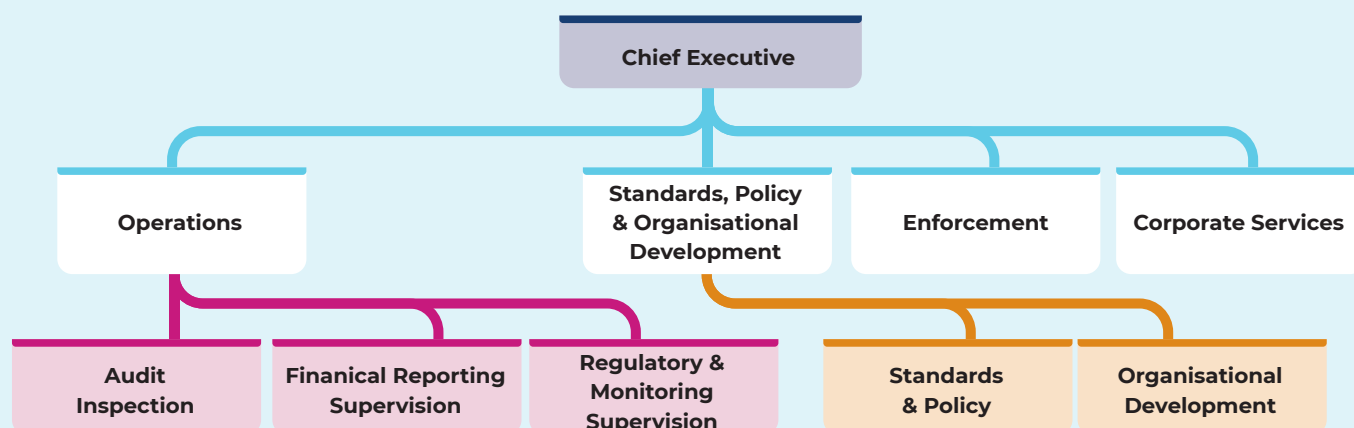
The numbers, grades, and terms and conditions of IAASA's staff are determined by IAASA with the approval of the Minister, given with the consent of the Minister for Public Expenditure and Reform. This means that any amendments to IAASA's approved staff complement require both Ministers' prior approval. IAASA's approved staff complement at year end, and its actual staff complement, are set out below.

#### Approved and actual staff complements at year end

Grade	Approved	Actual
<b>Chief Executive</b>	1	1
<b>Heads of Function</b>	5	3
<b>Senior Managers</b>	6	6
<b>Inspectors and Project Managers</b>	11	9
<b>Executive and Administrative</b>	16	11
<b>Total</b>	<b>39</b>	<b>30</b>

### Organisational chart

IAASA's organisational structure at 31 December 2022 was as set out in the organisation chart below.



## Financial overview

IAASA is mainly funded through a combination of exchequer grant, a statutory levy on the PABs, a statutory levy on the PIE audit firms, and by fees charged for registration services. All funding sources are governed by the provisions of the Act. As a company limited by guarantee, IAASA produces financial statements in accordance with the Companies Act, which are in turn audited by the Comptroller and Auditor General and lodged with the Companies Registration Office.

Total expenditure in 2022 amounted to €4.3m (2021: €4.4m) from a budget of €5.6m (2021: €6.0m). The principal variations from budget were:

- a significant underspend in both travel & subsistence and office expenditure costs due to the impact of COVID-19; and
- savings in consultancy, which is largely a contingency amount to enable the Authority fund statutory investigation and enquiries should the need arise.

## Governance

### Board of directors

IAASA is governed by a board of nine directors, eight of whom are non-executive. These are appointed by the Minister having been nominated by those entities set out below. The remaining director is the Chief Executive, who is appointed by the board.

### Board of directors – nominating bodies

Nominating body	Nominees
Minister	2
PABs (jointly by agreement)	2
Central Bank of Ireland	1
Corporate Enforcement Authority	1
Irish Stock Exchange	1
Revenue Commissioners	1
<b>Total</b>	<b>8</b>

A maximum of three of these eight directors may be members of a PAB.

### Directors' biographies



**Martin Sisk, Chairperson**, has life-long regulatory and business related experience. A qualified solicitor, he started his career in the Revenue Commissioners, served as Registrar of Friendly Societies 1985–2003, Deputy Registrar of Credit Unions 2003–2006, Deputy Head of Consumer Protection Codes 2007–2008 and as Head of the Anti-Money Laundering, Terrorist Finance and Financial Sanctions Unit of the Central Bank 2008–2010. He retired from the Central Bank in July 2010. Martin was elected to the board of Malahide and District Credit Union in December 2010 and continues to be a Director. He has served as a commissioner of the State Examinations Commission since 2017, and as a board member of the National Treatment Purchase Fund since 2021. Martin is a former board member (2011–2021), vice president (2011–2013) and president (2013–2015) of the Irish League of Credit Unions, director and chairperson of VHI Healthcare (2012–2015), and board member of the Health Information & Quality Authority (2015–2020).



**Kevin Prendergast, Chief Executive**, joined IAASA in November 2016 from his role as Head of Enforcement with the Corporate Enforcement Authority, having been employed there since 2005. Prior to that he worked in the Large Cases Division of the Revenue Commissioners and also has several years' experience in the private sector including a number of years working in an audit firm. Kevin is a Fellow of Chartered Accountants Ireland. As well as a holding a Bachelor's Degree and a Masters in Accounting from University College Dublin, he also holds an MSc in Executive Leadership from the University of Ulster.



**Sandra Davey** is a Principal Solicitor in the Revenue Solicitor's Division of the Revenue Commissioners, heading up the Indirect Taxes Team and the Divisional Office. Sandra holds a Masters of Law (LLM) in Criminology and Criminal Justice from the London School of Economics as well as a Bachelor of Laws (LLB) and Bachelor of Corporate Law from the National University of Ireland, Galway. Sandra qualified as a Solicitor in 2010 and after training in criminal defence work, worked in the Chief State Solicitor's Office before commencing her position in Revenue in 2012.



**Clodagh Hegarty** is a Lecturer in Accounting and Course Director at Ulster University Business School, Magee Campus, where she lectures extensively in audit and financial reporting. She holds a Bachelor of Commerce from University of Galway and a Master of Arts in Accounting from Ulster University.

She is currently researching service innovation in small medium accountancy practices as part of her PhD at Ulster University. She is a Fellow of the Association of Chartered Certified Accountants and a Chartered Tax Adviser. She is a past Chair of the ACCA Ireland Committee. Prior to academia, Clodagh spent 15 years' working in practice with EY, Dublin and in general practice in the North West.



**David Hegarty** is a barrister and is Director of Legal & Policy in the Corporate Enforcement Authority. He was called to the Bar in 2006, practising primarily in the area of criminal defence and administrative law. Prior to joining the CEA he was Advisory Counsel in the Office of the Parliamentary Legal Adviser

advising the Houses of the Oireachtas Commission and

Service and parliamentary committees on constitutional, parliamentary and administrative law matters. He has also worked as a legal officer in the European Union Rule of Law Mission in Kosovo (EULEX) and at the Special Tribunal for Lebanon in The Hague, working in Judges' Chambers with international judges trying economic crime, corruption, abuse of public office, war crimes and conspiracy to commit terrorism cases.



**Aisling Kennedy** is a full-time independent non-executive director, serving on the boards of a number of regulated financial service entities in Ireland and the UK. She chairs the Audit Committee at Athora Ireland plc and State Street Fund Services (Ireland) Ltd and is Chair of ECCU

Assurance DAC and MABS Support CLG. Prior to March 2020, she worked at Swiss Re as Head of Pricing – Life & Health – UK, Ireland and Israel. Other prior roles include: Client Director at Mercer Ireland, Director of Professional Affairs at the Society of Actuaries in Ireland and Director – Business Development at VHI. Aisling is a Fellow and former Council Member of the Society of Actuaries in Ireland and an Affiliate of the UK Actuarial Profession.





**Aisling McArdle** is the Group Head of Admissions at Euronext and is responsible for the admission to listing and trading of financial instruments on Euronext markets for Equity, Debt and Funds asset classes. She is also a member of the global Euronext regulation team with regulatory responsibilities

for Euronext Dublin. She joined the Irish Stock Exchange in 2002 and has held a variety of regulatory roles within the company. She became Head of Admissions in January 2021, having previously held the role of Head of Regulation, Dublin & London. Leading a large cross jurisdictional team, Aisling is responsible for the regulatory engagement with issuers and market participants. She participates on the European Corporate Governance Network and is a Licentiate of the Association of Compliance Officers in Ireland.



**Eida Mullins** has worked in financial services for over twenty five years spanning both the public and private sector. In her current role at the Central Bank of Ireland she is Head of Function: Banking, Investment and Payment Firms Policy in the Financial Regulation, Policy & Risk Directorate. She

previously held a number of prudential regulation roles in the Central Bank as Head of Function: Inspections Division and Head of Function: Financial Risk Division in the Prudential Analytics and Inspections Directorate. She has extensive policy experience, most notably in the Single Supervisory Mechanism (SSM)/ECB where she was Head of European Supervisory Policy. During the 2013 Irish Presidency of the Council of Member States she was the lead expert providing advice to the Department of Finance on the negotiations of the Capital Requirements Directive & Regulation. She has been a member of a number of European/International committees, including two European Banking Authority (EBA) Standing Committees and the European Commission Expert Group on Banking Payments & Insurance. Eida's work in the private sector included auditor/examiner in Bank of Ireland Commercial Finance and manager in the Regulatory Advisory Services Unit in KPMG. She holds a Diploma in Business Studies (Banking & Finance) from UCD and Masters in Business Studies (Financial Services) from the Michael Smurfit Graduate School of Business.



**Ronan Nolan** is a Chartered Accountant, and was President of Chartered Accountants Ireland in 2014/2015. He retired as a partner in Deloitte in May 2015 having been a senior advisory partner and chairman of the firm.

The board composition at year end and changes in directors since the last Annual Report are set out in Appendix I.

### Board procedures

The board holds regular meetings and can hold unscheduled meetings should the need arise. Board members receive information sufficiently prior to these meetings to allow them consider and digest it.

The board has put in place a formal schedule of matters reserved specifically to it for decision, which covers the key areas of governance, finance, risk and oversight. Certain matters are delegated to board committees, as outlined below. The board has also put in place a system of formal delegations of authority to the Chief Executive.

Members of the board are nominated as directors of IAASA to act in accordance with the relevant legislation and to act in, and protect and promote, the best interests of IAASA. All board members bring independent judgement to bear on issues dealt with by the board. The board has a formal policy in place for dealing with conflicts of interest that may arise, including disclosure obligations and requirements that directors absent themselves from any discussions or decisions in respect of any such conflicts.

### Governance statement

IAASA operates as a company limited by guarantee under the provisions of the Companies Act 2014. The functions of the board are set out in section 905 of the Act. The board is responsible for ensuring good governance. It performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of IAASA are the responsibility of the Chief Executive with the support and assistance of the leadership team. The Chief Executive and the leadership team must follow the broad strategic direction set by the board, and must ensure that all board members have a clear understanding of the key activities and decisions related to the Authority, and of any significant risks likely to arise. While members of the leadership team routinely attend board meetings, the Chief Executive, who is a director, acts as a direct liaison between the board and executive of IAASA.

### Board responsibilities

The work and responsibilities of the board are set out in the schedule of matters reserved to the board, the code of conduct for board members, and in related board policies. Standing items considered by the board include

- ➔ declaration of conflicts of interests;
- ➔ the report of the Chief Executive, which includes details of the work of the various operational units together with ongoing financial information and management accounts;
- ➔ matters for board decision;

- matters for discussion;
- matters of topical interest;
- risk management;
- reports from committees; and
- the report of the Secretary.

The Authority is required to keep financial records and prepare financial statements in accordance with the Companies Act, as detailed in the financial statements.

The board is responsible for approving the annual plan and budget. Financial information including management accounts detailing actual and budgeted expenditure are considered by the board at each scheduled meeting. The board is responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board considers that the financial statements of IAASA give a true and fair view of the financial performance and the financial position of IAASA at 31 December 2022.

### Board appointment

The Authority operates independently of government and the Minister is statutorily precluded from giving directions to the Authority in the discharge of its functions. Members (other than the Chief Executive) are appointed by the Minister for periods of three to five years. Generally ordinary members are appointed for three year periods, and the Chairperson for five years. The composition of the board at 31 December 2022, and movements since that date, are set out in Appendix I.

The board carried out an external evaluation of its own performance as described in the financial statements.

### Board committees

The board retains the power to establish committees to assist it in discharging its functions and responsibilities. Under the board's schedule of reserved matters, all committees have written terms of reference and report regularly to the board. The audit and risk committee was the only committee in existence in 2022.

### Audit and risk committee

The audit and risk committee (ARC) comprises three non-executive directors:

- Ms Aisling McArdle (Chairperson)
- Mr David Hegarty
- Mr Ronan Nolan

Its terms of reference are set out in its charter, which is available on the Authority's website. The charter sets out specific roles and responsibilities for the ARC, including the review of both the Authority's annual report and its financial

statements before they are considered by the board. Other actions taken by the ARC during 2022 include:

- reviewing the systems of internal control in place in 2021, and making a positive recommendation to the board;
- considering the annual budget for 2023, and recommending its adoption to the board;
- reviewing the Authority's disaster recovery plan, revised on foot of an internal audit review on 2021;
- reviewing IAASA's section 933 and 934 enquiry and investigation procedures, following significant revisions in 2019/2020;
- overseeing the selection process for internal auditors for the 2023 – 2025 period; and
- completing an evaluation of its own performance.

In addition, the ARC considers the full risk register at each meeting, and makes recommendations as appropriate to the chief risk officer and/or board.

### Schedule of attendance, fees and expenses

Details of fees and expenses paid to members are disclosed in the Authority's financial statements, and have been provided to the Minister.

### Key personnel changes

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the board of directors and the Chief Executive, who is also a director. Details of changes in board membership are set out in Appendix I.

### Disclosures required by Code of Practice for the Governance of State Bodies

The board is responsible for ensuring that IAASA has complied with the requirements of the Code of Practice for the Governance of State Bodies (the Code), as published by the Department of Public Expenditure & Reform in August 2016. The following disclosures are required by the Code:

- An analysis of total employee remuneration (including salaries and other benefits, but excluding employer superannuation contributions) for those earning over €60,000 is set out in Note 14 of the Authority's financial statements;
- An analysis of travel and subsistence is set out in Note 16 of the Authority's financial statements;
- An analysis of consultancy expenditure is set out in Note 17 of the Authority's financial statements;
- The Authority did not incur costs under the 'Legal Costs and Settlements' heading in 2022. All legal costs incurred relate to general legal advice; and
- An analysis of hospitality expenditure is set out in Note 18 of the Authority's financial statements.

## Statement of compliance

IAASA is satisfied that it has complied with all of the requirements of the Code, including adherence to the Public Spending Code.

## Other governance and public sector obligations

### Legal and governance obligations as a body established under statute

The board is principally assisted in ensuring IAASA's compliance with its legal and governance obligations by the Secretary & Head of Corporate Services, who is also the Chief Risk Officer. Where applicable, other members of IAASA's staff contribute as required to IAASA's ongoing compliance with its obligations.

### Principal legal requirements

The Authority has identified and taken the necessary steps to ensure it complies with its legal obligations. It has identified its principal legal requirements as follows:

- company law
- health and safety legislation
- employment and related legislation
- tax law, including those provisions relating to certain service providers holding valid tax clearance certificates
- data protection acts
- official languages act
- ethics in public office law and
- the European Communities (Late Payments In Commercial Transactions) Regulations, 2012.

Certain other requirements typically applicable to statutory bodies such as the freedom of information acts, disability acts, the Irish human rights and equality commission act and the Irish sign language act do not apply to IAASA by virtue of it not having been designated for such purposes at this time.

### GDPR

The Authority has a Data Protection Officer who works with the Chief Executive to oversee its ongoing obligations under GDPR.

### Protected disclosures

The Authority complies with the Protected Disclosures Act 2014, and details on how to make such disclosures are available on its website. IAASA's annual return under the Act is included at Appendix VI.

### Gender balance in the board membership

As at 31 December 2022, the board had five (56%) female and four (44%) male members, with no positions vacant. The board therefore, met the Government target of a minimum of 40% representation of each gender in the membership of state boards.

Given the statutory nature of the appointment process, IAASA has limited influence on the gender balance of its membership. The majority of appointments are made by the Minister on the nomination of third parties, and neither the Authority nor the Minister has discretion in this matter. Nevertheless, as directors' terms come to an end, IAASA considers any particular skills or experiences that might be beneficial, and where arising brings these to the Minister's attention. To maintain and support gender balance on the board, IAASA includes gender among these observations.

### Diversity

The board considered the broader issues of diversity, including gender balance and the recognition of the value of difference, as part of its annual evaluation process. The board comprises a broad mix, from public and private sector, industry and academia. At an organisational level, all levels operate within a 40%/60% gender split, with the exception of administrative grades which currently have a greater female majority. Given the highly specialised nature of its work, IAASA is often seeking to recruit and retain from a small cohort of professionals. Notwithstanding this, IAASA employees come from a broad range of backgrounds and from a number of nationalities.

### Official Languages Act

The Authority has developed a policy to ensure that it meets the requirements of the Act in terms of advertising. With effect from October 2022, all relevant advertising is concluded in both the English and Irish languages, exceeding the Act's minimum requirement of 20%. Only one such advertisement arose during the period to year end.

### Energy use

As stated above, certain statutory requirements typically applicable to state bodies do not apply to IAASA by virtue of it not having been designated for such purposes at this time. These include the requirements of the Sustainable Energy Acts. Notwithstanding, IAASA has elected to report its energy management and performance data to the Sustainable Energy Authority of Ireland (SEAI) on an annual basis from 2022.

IAASA is located in one office location, and has no motor vehicles or other area of energy usage. The Authority's consumption comprises of:

- space heating via natural-gas-fuelled radiators, which are controlled by the landlord on a shared services basis; and
- air conditioning, hot water, lighting and office equipment, which are electric and directly controlled by the Authority.

The provisional 2022 data shows that IAASA'S energy usage since the baseline year (2009) has increased by 4%, despite a doubling of accommodation size and a three-fold increase in staff numbers.





2022 FINANCIAL  
STATEMENTS  
AND RELATED  
STATEMENTS

# Report of the Directors

## Introduction

The directors are pleased to submit to the seventeenth annual general meeting of the Irish Auditing and Accounting Supervisory Authority ('IAASA') the financial statements for the year ended 31 December 2022, together with the report of the directors, which has been prepared pursuant to the provisions of section 325 of the Companies Act 2014 ('the 2014 Act').

## Principal activities

IAASA operates as a company limited by guarantee and is the independent statutory body in Ireland responsible for the:

- (a) examination and enforcement of certain listed entities' periodic financial reporting;
- (b) oversight of the recognised accountancy bodies' functions in respect of statutory auditors and supervision of the regulatory functions of the prescribed accountancy bodies ('PABs');
- (c) adoption of standards on auditing, professional ethics and internal quality control; and
- (d) the inspection and promotion of improvements in the quality of auditing of public interest entities.

IAASA is also designated as the competent authority for the registration and quality assurance of certain third country auditors and audit entities. The company does not trade for the acquisition of gain by its members.

## Business overview

An overview of IAASA's activities and future developments is given in the annual report.

## Financial position

The assets and liabilities and financial position of the company are set out in detail in the financial statements on pages 11 to 24.

## Risk and uncertainties

The directors confirm that, as required by the Code of Practice for the Governance of State Bodies ('the Code'), a risk management policy and procedures have been developed and adopted for the purpose of facilitating the identification, quantification and management of the key business risks facing IAASA.

## Accounting records

To ensure that adequate accounting records are maintained in accordance with the requirements of sections 281 to 286 of the 2014 Act, IAASA has employed an appropriately qualified Head of Finance and provides sufficient resources to the finance function. The accounting records are located at IAASA's registered office at Willow House, Millennium Park, Naas, Co. Kildare.

## Provision of relevant audit information

In accordance with section 330(1) of the 2014 Act, the directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the auditor is aware of that information. Insofar as they are aware, there is no relevant audit information of which the auditor is unaware.

## Events after the end of the reporting period

No events have occurred subsequent to the reporting date which would require disclosure in the financial statements.

## Auditor

IAASA's auditor, the Comptroller & Auditor General, remains in office in accordance with the provisions of section 927(2) of the 2014 Act.

## Governance

IAASA was established under the Companies (Auditing & Accounting) Act 2003 ('the 2003 Act'), and operates as a company limited by guarantee under the provisions of the 2014 Act. The functions of the board are set out in section 905 of the 2014 Act. The board is statutorily independent in the performance of its functions and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of IAASA are the responsibility of the Chief Executive with the support and assistance of the senior leadership team ('SLT'). The Chief Executive and the SLT must follow the broad strategic direction set by the board, and must ensure that all board members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. While members of the SLT routinely attend board meetings, the Chief Executive, who is a director, acts as a direct liaison between the board and management of IAASA.

## Board responsibilities

The work and responsibilities of the board are set out in a schedule of matters reserved to the board, the code of conduct for board members, and in related board policies. Standing items considered by the board include:

- declaration of conflicts of interests;
- the report of the Chief Executive, which includes details of the work of the various operational units together with ongoing financial information and management accounts;
- matters for decision;
- matters for discussion;
- risk management;

- reports from committees; and
- the report of the Secretary.

Section 927 of the 2014 Act requires IAASA to keep, in such form as may be approved by the Minister for Enterprise, Trade & Employment ('the Minister'), given with consent of the Minister for Public Expenditure, NDP Delivery & Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the board of IAASA is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with section 927 of the 2014 Act, and as a company limited by guarantee, section 281 of the 2014 Act. The maintenance and integrity of the corporate and financial information on the IAASA's website is the responsibility of the board.

The board is responsible for approving the annual plan and budget. The board approved the annual budget for 2022 at its meeting on 13 September 2021. Financial information including management accounts detailing actual and budgeted expenditure were considered by the board at each meeting in 2022. Ongoing evaluation of operational issues also occurred at each meeting. The Authority's three year work programme 2020 - 2022 was approved by the board on 5 November 2019.

The board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board considers that the financial statements of IAASA give a true and fair view of the financial performance and the financial position of IAASA at 31 December 2022.

## Board responsibilities

IAASA is governed by a board of nine directors, eight of whom are non-executive and appointed by the Minister having been nominated by entities specified in the 2014 Act. The remaining director is the Chief Executive, who is appointed by the board. The 2014 Act specifies that the Authority operates independently of government and the Minister is statutorily precluded from giving directions to the Authority in the discharge of its functions. The 2014 Act provides that members may be appointed for a period of three to five years. Generally members are appointed for three year periods, and the Chairperson for five years. The composition of the board at 31 December 2022, and movements since that date, are set out below:

## Composition of board at 31 December 2022

Board member	Occupation	Nominating body	Date first appointed
Martin Sisk (Chairperson)	Solicitor and former regulator	Minister	21 December 2016
Sandra Davey	Principal officer	Revenue Commissioners	26 May 2022
Clodagh Hegarty*	Lecturer	PABs	30 May 2020
David Hegarty	Head of legal & policy	Corporate Enforcement Authority	3 January 2020
Aisling Kennedy	Director	Minister	10 December 2020
Aisling McArdle	Head of regulation, Euronext Dublin	ISE	29 August 2019
Eida Mullins	Head of function: banking, investment & payment firms policy	Central Bank	16 September 2022
Ronan Nolan*	Chartered accountant	PABs	30 May 2020
Kevin Prendergast*	Chief Executive	Ex-officio	14 November 2016

\* Denotes membership of a PAB

## Details of appointments/reappointments to the board from 1 January 2022 to the reporting date

Director	Date appointed	Nominating body	Reason for vacancy	Term expires/expired
Sandra Davey	26 May 2022	Revenue Commissioners	Resignation of Daniel Sinnott	2 Jan 2024
Eida Mullins	16 September 2022	Central Bank	Resignation of Brendan Sheridan	2 Jan 2024

\* Denotes membership of a PAB

The board commenced a process of external evaluation of its own 2022 performance in early January 2023. This process included an external evaluation supported by detailed questionnaire, individual director interview and documentation review, and followed by a facilitated discussion at its 14 March 2023 meeting.

The board may establish committees to assist it in discharging its functions and responsibilities. All committees have written terms of reference and report regularly to the board. The audit & risk committee ('ARC') was the only committee in place during the year. The ARC comprises three non-executive directors and its terms of reference are set out in the Charter of the Audit & Risk Committee, available of the Authority's website. The charter sets out specific roles and responsibilities for the ARC. ARC membership at 31 December 2022 comprised Aisling McArdle (chairperson), David Hegarty and Ronan Nolan.

## Schedule of attendance, fees and expenses

Details of fees and expenses paid to members are disclosed in the Authority's financial statements, and have been provided to the Minister.

## Composition of board at 31 December 2022

	Board	ARC	Fees (€)	Expenses (€)
	Meetings attended/meetings eligible to attend		Note 1	Note 2
Martin Sisk (Chairperson)	8/8		€11,970	€99
Kevin Prendergast (Chief Executive)	8/8		-	Note 3
Sandra Davey	5/5		-	€258
Clodagh Hegarty	7/8		€7,695	€99
David Hegarty	7/8	4/4	-	-
Aisling Kennedy	6/8		€7,695	€99
Aisling McArdle	6/8	4/4	€7,695	€99
Eida Mullins	3/3		-	€273
Ronan Nolan	8/8	4/4	€7,695	€99
Brendan Sheridan	4/5		-	€143
Daniel Sinnott	1/2		-	-

Note 1: Members who are public servants, including the Chief Executive, are not eligible to receive fees.

Note 2: In addition to the expenses set out in this Table, IAASA incurred costs of €30,418 in respect of evaluation, training, room hire and incidental expenditure related to board activities.

Note 3: Expenses paid to the Chief Executive, an *ex-officio* director/board member, are excluded from this table on the basis that they are incurred by him pursuant to his role as Chief Executive rather than as a board member. In any event, any expenses paid to the Chief Executive are publicly disclosed in IAASA's financial statements.

## Key personnel changes

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the board of directors and the Chief Executive, who is also a director. Changes in board membership in the period are set out above.

## Disclosures required by the Code

The board is responsible for ensuring that IAASA has complied with the requirements of the Code as published by the Department of Public Expenditure, NDP Delivery & Reform. The following disclosures are required by the Code:

### Employee short-term benefits breakdown

An analysis of total employee remuneration (including salaries and other benefits, but excluding holiday pay accruals and employer superannuation contributions) for those earning over €60,000 is set out in note 14 of the financial statements.

### Consultancy costs

An analysis of consultancy expenditure is set out in note 17 of the financial statements,

### Legal costs and settlements

There were no legal settlements in the year [2021: nil]. Legal costs incurred relate to general legal advice.

### Travel and subsistence expenditure

An analysis of travel and subsistence expenditure is set out in note 16 of the financial statements.

### Hospitality expenditure

An analysis of hospitality expenditure is set out in note 18 of the financial statements.

### Statement of compliance

IAASA has complied with the requirements of the Code as published by the Department of Public Expenditure, NDP Delivery & Reform.

Approved and authorised for issue by the board of directors and signed on its behalf:

**Martin Sisk**  
**Chairperson**  
**14 June 2023**

**Kevin Prendergast**  
**Chief Executive**  
**14 June 2023**

# Statement on Internal Control

## Scope of responsibility

On behalf of the Irish Auditing & Accounting Supervisory Authority, I acknowledge the board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies.

## Purpose of the system of internal control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure, NDP Delivery & Reform, has been in place in IAASA for the year ended 31 December 2022 and up to the date of approval of the financial statements.

## Capacity to handle risk

IAASA has an Audit and Risk Committee comprising three board members, one of whom is the Chair. In accordance with section 907(2A) of the 2014 Act, all board members are knowledgeable in areas relevant to the conduct of statutory audit. The ARC met four times in 2022.

IAASA has also appointed CrowleysDFK as internal auditors for the period 2020-2022, who are adequately resourced to conduct a programme of work agreed with the ARC.

IAASA has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within IAASA's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

## Risk and control framework

IAASA has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing IAASA and these have been identified, evaluated and graded according to their significance. The register

is reviewed and updated by the ARC on at each meeting. Moderate and significant risks are also reported to the board, where risk management remains a standing agenda item. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. I confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior leadership;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets.

## Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the board, where relevant, in a timely way. I confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- responsibility for financial management has been assigned to the Head of Corporate Services, a professional accountant; and
- there are regular reviews by the Chief Executive and board of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

## Procurement

I confirm that IAASA has procedures in place to ensure compliance with current procurement rules and guidelines.

## Review of effectiveness

I confirm that IAASA has procedures to monitor the effectiveness of its risk management and control procedures. IAASA's monitoring and review of the effectiveness of the system of internal control is informed by

the work of the internal and external auditors, the Audit and Risk Committee which oversees their work, and the senior leadership within IAASA responsible for the development and maintenance of the internal control framework.

I confirm that the board conducted an annual review of the effectiveness of the internal controls for 2022 internal controls for 2022, finalised at its meeting of 18 April 2023.

Signed on behalf of the board:

**Martin Sisk**  
**Chairperson**  
**14 June 2023**

# Directors' Responsibilities Statement

IAASA performs its functions and exercises its powers through a company limited by guarantee, designated for that purpose in accordance with the 2014 Act.

Company law requires the directors to prepare financial statements and the report of the directors for each financial year which give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of its surplus or deficit for that period and otherwise comply with the 2014 Act. In preparing those financial statements, which are prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Ireland*, the directors are required to:

- select suitable accounting policies in accordance with Irish generally accepted accounting practices and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with appropriate accounting standards, identify these standards, and note the effect and the reason for any material departure from those standards; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that IAASA will continue in operation.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the 2014 Act and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Section 927(1) of the 2014 Act further provides that IAASA '*... shall keep records of, and prepare all proper and usual accounts of –*

- (a)** *all income received by it, including records of the sources of that income,*
- (b)** *all expenditure incurred by it, and*
- (c)** *its assets and liabilities'.*

Approved and authorised for issue by the board of directors on and signed on its behalf:

**Martin Sisk**  
Chairperson  
14 June 2023

**Kevin Prendergast**  
Chief Executive  
14 June 2023





## **Ard Reachtaire Cuntas agus Ciste** **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

### **Irish Auditing and Accounting Supervisory Authority**

#### **Opinion on the financial statements**

I have audited the financial statements of the Irish Auditing and Accounting Supervisory Authority for the year ended 31 December 2022 as required under the provisions of section 927 of the Companies Act 2014. The financial statements comprise the statement of financial position, the statement of income and expenditure, the statement of changes in reserves and capital account, the statement of cash flows and the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- give a true and fair view of the assets, liabilities and financial position of the Authority at 31 December 2022 and of its income and expenditure for 2022
- have been properly prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*, and
- have been properly prepared in accordance with the Companies Act 2014.

#### ***Basis of opinion***

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### ***Conclusions related to going concern***

The directors have prepared the financial statements on a going concern basis. As described in the appendix to this report, I conclude on

- the appropriateness of the use of the going concern basis of accounting by the directors and
- whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

I have nothing to report in that regard.

#### **Opinion on matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, I report that in my opinion

- the information given in the report of the directors is consistent with the financial statements, and
- the report of the directors has been prepared in accordance with the Companies Act 2014.

I have obtained all the information and explanations that I consider necessary for the purposes of my audit.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

The Companies Act 2014 also requires me to report if, in my opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. I have nothing to report in that regard.

## **Report of the C&AG (continued)**

### **Report on information other than the financial statements, and on other matters**

The directors have presented certain other information with the financial statements. This comprises the annual report, the report of the directors, the statement on internal control and the directors' responsibilities statement. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Georgina O Mahony**  
**For and on behalf of the**  
**Comptroller and Auditor General**  
**15 June 2023**

## Appendix to the report

### Responsibilities of the Directors

As detailed in the directors' report, the directors are responsible for

- the preparation of annual financial statements in the form prescribed under the Companies Act 2014
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 927 of the Companies Act 2014 to audit the financial statements of the Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the company to cease being a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify there are material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

# Statement of Financial Position

as at 31 December 2022

	Note	2022 €	2021 €
<b>Non-current assets</b>			
Property, plant & equipment	4	53,337	44,382
		53,337	44,382
<b>Current assets</b>			
Inventory		1,743	2,371
Receivables	5	229,621	152,258
PIE audit firm levy income due	10	-	31,657
Cash & cash equivalents	6	1,898,344	1,410,554
		2,129,708	1,596,840
<b>Creditors: Amounts falling due within 1 year</b>			
Payables	7	288,514	348,432
Deferred rent incentive	8	6,710	6,710
Finance lease obligations	9	-	1,033
Excess PAB levy income	10	598,147	477,006
Excess PIE audit firm levy income	10	336,607	-
Excess Departmental Grant Income	10	271,089	141,968
		1,501,067	975,149
<b>Net current assets</b>		628,641	621,691
<b>Amounts falling due after 1 year</b>			
Deferred rent incentive	8	12,047	18,758
		12,047	18,758
<b>Net assets before retirement benefits</b>		<b>669,931</b>	<b>647,315</b>
<b>Retirement benefits</b>			
Retirement benefit Liability	11	(4,800,000)	(9,687,000)
Deferred exchequer retirement benefit funding	11	4,800,000	9,687,000
<b>Net assets after retirement benefits</b>		<b>669,931</b>	<b>647,315</b>
<b>Reserves</b>			
Income reserve		-	-
Capital account	12	53,337	44,382
Reserve fund		616,594	602,933
<b>Members' funds</b>		<b>669,931</b>	<b>647,315</b>

Approved and authorised for issue by the board of directors and signed on its behalf:

**Martin Sisk**  
Chairperson  
14 June 2023

**Kevin Prendergast**  
Chief Executive  
14 June 2023

# Statement of Income and expenditure

## for the year ended 31 December 2022

	Note	2022 €	2021 €
Revenue	13	4,285,077	4,411,785
Administrative expenses			
Staff costs	14	3,403,640	3,402,130
Directors' fees	15	42,750	42,750
Accommodation		301,960	523,297
Travel & subsistence	16	26,809	1,576
Legal and professional services	17	71,871	100,128
Office expenditure	18	101,974	46,133
Information technology		90,191	82,383
Professional development		130,201	122,368
Insurance		36,462	33,894
Auditor's remuneration	19	17,800	16,500
Depreciation		34,885	31,927
Total administrative expenses		4,258,543	4,403,086
Surplus of income over admin expenses before finance costs		<b>26,534</b>	<b>8,699</b>
Finance costs		3,918	3,046
Surplus of income over admin expenses after finance costs		22,616	5,653
Finance income	20	-	8
Surplus for the year		<b>22,616</b>	<b>5,661</b>
<b>Other comprehensive income</b>			
Experience (losses) on pension scheme liabilities		464,000	(548,000)
Changes in assumptions		5,409,000	(68,000)
Adjustment to deferred exchequer pension funding		(5,873,000)	616,000
Total recognised surplus for the year		<b>22,616</b>	<b>5,661</b>

Approved and authorised for issue by the board of directors and signed on its behalf:

**Martin Sisk**  
Chairperson  
14 June 2023

**Kevin Prendergast**  
Chief Executive  
14 June 2023

# Statement of Changes in Reserves and Capital Account

for the year ended 31 December 2022

	Income Reserve €	Capital Account €	Reserve Fund €	NET ASSETS €
<b>Balance – 1 January 2021</b>	-	<b>48,770</b>	<b>592,884</b>	<b>641,654</b>
Surplus for the year	5,661	-	-	5,661
Transfer from Income & Expenditure Account:				
Income applied to capitalised asset acquisitions	(27,539)	27,539	-	-
Less: Amortisation applied in line with asset depreciation	31,927	(31,927)	-	-
Income receivable on reserve fund monies	451	-	(451)	-
Fine income - s.934	(10,500)	-	10,500	-
Actuarial (loss) on pension liabilities	(1,550,000)	-	-	(1,550,000)
Adjustments to deferred exchequer pension funding	1,550,000	-	-	1,550,000
<b>Balance – 31 December 2021 / 1 January 2022</b>	-	<b>44,382</b>	<b>602,933</b>	<b>647,315</b>
Surplus for the year	22,616	-	-	22,616
Transfer from Income & Expenditure Account:				
Income applied to capitalised asset acquisitions	(43,840)	43,840	-	-
Less: Amortisation applied in line with asset depreciation	34,885	(34,885)	-	-
Income receivable on reserve fund monies (negative interest)	1,339	-	(1,339)	-
Fine income - s.934	(15,000)	-	15,000	-
Actuarial gain on pension liabilities	4,887,000	-	-	4,887,000
Adjustments to deferred exchequer pension funding	(4,887,000)	-	-	(4,887,000)
<b>Balance – 31 December 2022</b>	-	<b>53,337</b>	<b>616,594</b>	<b>669,931</b>

Approved and authorised for issue by the board of directors and signed on its behalf:

**Martin Sisk**  
Chairperson  
14 June 2023

**Kevin Prendergast**  
Chief Executive  
14 June 2023

# Statement of Cash Flows

for the year ended 31 December 2022

	Note	2022 €	2021 €
Net Cash inflow/(outflow) from operating activities	21	531,630	(584,087)
Cash flows from financing activities			
Interest received		-	8
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(43,840)	(27,539)
<b>Increase/(Decrease) in cash &amp; cash equivalents in year</b>		<b>487,790</b>	<b>(611,618)</b>
<b>Reconciliation of net cash flow to movements in net funds</b>			
Increase/(Decrease) in net funds in year	22	487,790	(611,618)
Net funds at 1 January		1,410,554	2,022,172
Net funds at 31 December		<b>1,898,344</b>	<b>1,410,554</b>

Approved and authorised for issue by the board of directors and signed on its behalf:

**Martin Sisk**  
Chairperson  
14 June 2023

**Kevin Prendergast**  
Chief Executive  
14 June 2023

# Notes to Financial Statements

## 1 Basis of Preparation

These financial statements have been prepared under the historic cost convention in accordance with applicable legislation and with FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Ireland* issued by Financial Reporting Council in the UK for use in Ireland.

As the company does not trade for the acquisition of gain by its members, the directors have determined that a Statement of Income & Expenditure disclosing the surplus or shortfall for the year rather than a Profit & Loss account is appropriate as provided for in Section 291(5) of the 2014 Act. Similarly, the Statement of Financial Position provides all information that would otherwise be disclosed in the Balance Sheet.

In accordance with FRS 102, these Financial Statements comprise the Statement of Financial Position, Statement of Income & Expenditure, Statement of Changes in Reserves & Capital Account, Statement of Cash Flows, and Notes to the Financial Statements.

## 2 Accounting policies applied

### 2.1 Non-current Assets - depreciation

Non-current assets are stated in the Statement of Financial Position at cost less accumulated depreciation. Depreciation is charged to the Statement of Income & Expenditure on a straight line basis, with the charge being calculated over assets' expected useful lives.

### 2.2 Inventory

Stocks on hand at period end represent stocks of information technology consumables and office consumables and are stated at the lower of cost and net realisable value.

### 2.3 Revenue recognition

IAASA receives income from a number of sources to meet expenditure incurred in the conduct of its functions. In general terms, any amounts received which are in excess or fall short of the expenditure incurred are recognised as a creditor or debtor respectively. Section 921(1) of the 2014 Act provides that excess amounts reduce the amount payable for the following financial period. The basis of the funding and the accounting policy in relation to income recognition are set out below.

Levy Income		
Source of income	Purpose	Recognition policy
<b>Exchequer (via the Department)</b>	Exchequer funds 40% of IAASA's net expenditure in the financial period not funded from the other sources listed below.	Recognised in line with expenditure incurred in the performance of the function in the financial period.
<b>Prescribed Accountancy Bodies</b>	PABs fund 60% of IAASA's net expenditure in the financial period not funded from the other sources listed below.	Amounts received in excess of that amount are recognised as a creditor.
<b>Public Interest Entity ('PIE') audit firms</b>	PIE audit firms fund costs associated with the inspection of the quality of audits of PIEs	
<b>Exchequer (via the Department)</b>	Exchequer funds costs in relation to its functions under the Transparency Directive Regulations	
<b>Recognised Accountancy Bodies ('RABs')</b>	RABs (PABs authorised to recognise auditors) fund costs associated with the adoption of Auditing Standards for use in Ireland	
<b>Exchequer (via the Department)</b>	The Reserve Fund is primarily used to defray costs relating to section 933 statutory enquiries. Levies where arising are charged to the Exchequer and PABs respectively in a 40:60 ratio under section 919 of the 2014 Act	Recognised on date of approval by the Minister.



Non-levy Income		
Source of income	Purpose	Recognition policy
<b>Fine income</b>	Income arising from fines imposed by IAASA on foot of statutory enquiries and investigations under sections 933 and 934 of the 2014 Act respectively is lodged to the Reserve Fund, and can be used solely to defray enquiry or investigation costs relating to the same section.	Recognised on date of settlement (if settled) or of High Court approval
<b>Recoupment of investigation costs</b>	Depending on the type of breach, investigations under section 934 of the 2014 Act are funded by either the subject of the investigation (the 'specified person'), or the RAB of which the specified person is a member.	Recognised on date of settlement (if settled) or of High Court approval
<b>Third country audit entity fees</b>	This income is used to offset costs associated with processing registration requests from non-EU auditors for recognition in Ireland.	Recognised when registered. Registration fees in excess of €40,000 must be returned to the Department.

## 2.4 Key management personnel

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the board of directors and the Chief Executive, who is also a director.

## 2.5 Single Public Sector Pension Scheme

IAASA operates the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' contributions are paid over to the Department of Public Expenditure & Reform.

# 3 Critical accounting judgements and estimates

## 3.1 Retirement benefits

The position regarding IAASA's superannuation schemes is as set out in Note 11. Section 28.10(a) of FRS 102 defines Defined Contribution schemes as "post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and

prior periods. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurer, together with investment returns arising from the contributions". All other schemes are to be treated as Defined Benefit schemes.

In substance, the directors consider that the obligation to pay retirement benefits remains with IAASA, but that the Exchequer has committed to providing IAASA with sufficient funds to settle any such obligations on IAASA's behalf as they fall due, provided IAASA pays over employees' and the employer's contributions at rates specified by the Minister for Public Expenditure & Reform. Notwithstanding that the Exchequer has confirmed that it will bear all liabilities arising to IAASA employees (and their spouses, civil partners and children) in return for a fixed contribution, the directors remain of the view that the contractual obligation remains between the Authority and its employees. Consequently, the directors continue to account for the schemes as Defined Benefit schemes. Accordingly, the financial statements recognise both a Retirement Benefit Obligation and a Deferred Exchequer Retirement Benefit Funding receivable.

## 4 Non-current assets

	IT Equipment	Office Equipment	Furniture & Fittings	Total
Rate of Depreciation	33.33% €	20% €	12.5% €	€
<b>Cost</b>				
At 1 January 2022	166,765	64,606	88,341	319,712
Additions	34,324	9,337	179	43,840
Disposals	-	(8,487)	-	(8,487)
At 31 December 2022	<b>201,089</b>	<b>65,456</b>	<b>88,520</b>	<b>355,065</b>
<b>Accumulated Depreciation</b>				
At 1 January 2022	154,875	50,675	69,780	275,330
Charge for year	18,505	6,695	9,685	34,885
Disposals	-	(8,487)	-	(8,487)
At 31 December 2022	<b>173,380</b>	<b>48,883</b>	<b>79,465</b>	<b>301,728</b>
<b>NET BOOK VALUE</b>				
At 1 January 2022	11,890	13,931	18,561	44,382
At 31 December 2022	<b>27,709</b>	<b>16,573</b>	<b>9,055</b>	<b>53,337</b>

	IT Equipment	Office Equipment	Furniture & Fittings	Total
Rate of Depreciation	33.33% €	20% €	12.5% €	€
<b>Cost</b>				
At 1 January 2021	153,094	50,738	88,341	292,173
Additions	13,671	13,868	-	27,539
Disposals	-	-	-	-
At 31 December 2021	<b>166,765</b>	<b>64,606</b>	<b>88,341</b>	<b>319,712</b>
<b>Accumulated Depreciation</b>				
At 1 January 2021	138,988	44,168	60,247	243,403
Charge for year	15,887	6,507	9,533	31,927
Disposals	-	-	-	-
At 31 December 2021	<b>154,875</b>	<b>50,675</b>	<b>69,780</b>	<b>275,330</b>
<b>NET BOOK VALUE</b>				
At 1 January 2021	14,106	6,570	28,094	48,770
At 31 December 2021	<b>11,890</b>	<b>13,931</b>	<b>18,561</b>	<b>44,382</b>

## 5 Receivables

	2022 €	2021 €
PIE Audit Firm Debtors*	57,381	-
PAB Debtors*	3,710	-
Other	168,530	152,258
	<b>229,621</b>	<b>152,258</b>

\* In order to reduce cash balances in 2021 and the consequential exposure to negative interest, the Authority deferred collection of a portion of the PAB and PIE Audit Firms' respective levies to 2022. These amounts are detailed in Note 10.2.

## 6 Cash and cash equivalents

	2022 €	2021 €
Bank - notice deposit (Reserve)	302,033	303,372
Bank - notice deposit (Non-Reserve)	717,127	720,377
Bank - current	879,140	386,761
Cash on Hand	44	44
<b>Total cash &amp; cash equivalents</b>	<b>1,898,344</b>	<b>1,410,554</b>

## 7 Payables

	2022 €	2021 €
Pay and pay-related	152,805	176,425
Office of the Revenue Commissioners	1,444	3,901
Legal and professional services	43,317	41,326
PIE Audit Firm creditors*	53,349	-
PAB creditors*	21,098	-
Other	16,501	126,780
	<b>288,514</b>	<b>348,432</b>

\* In order to reduce cash balances in 2021 and the consequential exposure to negative interest, the Authority deferred collection of a portion of the PAB and PIE Audit Firms' respective levies to 2022. These amounts are detailed in Note 10.2.

## 8 Lease of accommodation, deferred rent incentive

Rents due under leases are paid to the lessor by the Office of Public Works ('OPW') and are recouped by the OPW from IAASA on a quarterly basis by agreement. Rents are charged to the Statement of Income & Expenditure in the year to which they relate.

Under the lease agreement concluded in 2005 in respect of the second floor, Willow House, Millennium Park, Naas, IAASA benefited from a rent free period at the commencement of this lease. The value of the incentive has been spread across the life of the lease. This treatment has resulted in a charge of €27,652 in the financial statements at the date of incorporation and a corresponding deferred rent incentive, which will be released to the Statement of Income & Expenditure over the period of the lease.

Under the lease agreement concluded in 2016 in respect of the first floor, Willow House, IAASA benefited from a further six month rent free period from the commencement of this lease to 14 March 2017. The value of the incentive will be spread across the life of the lease, i.e., to 14 September 2025. This treatment has resulted in a charge of €40,630 in the financial statements and a corresponding deferred rent incentive, which will be released to the Statement of Income & Expenditure over the period of the lease.

The value of these incentives at 31 December to be released to the Statement of Income & Expenditure:

	2022		2021	
	First Floor €	Second Floor €	First Floor €	Second Floor €
- within one year	5,258	1,452	5,258	1,452
- in two to five years	9,079	2,968	14,338	4,420
- in more than five years	-	-	-	-
	<b>14,337</b>	<b>4,420</b>	<b>19,596</b>	<b>5,872</b>

## 9 Finance Costs

IAASA acquired office equipment in July 2017 by way of finance lease. The period of the lease is 60 months, and total payments of €10,317 will be made in this period. At the end of the lease period, ownership of assets (with a cash value of €8,250 in July 2017) will pass to IAASA. The value of the financial obligation accruing to IAASA as at 31 December:

	2022 €	2021 €
- within one year	-	1,033
- in two to five years	-	-
- in more than five years	-	-
	<b>-</b>	<b>1,033</b>

## 10 Exchequer Grant Debtor/PAB Levy Carry Forward

As outlined in Note 2, income is received from a number of sources. The amounts recognised together with year end balances are set out below.

### 10.1 Calculation of Net Expenditure

Net Expenditure for the year	2022 €	2021 as restated €
Gross Expenditure per Statement of Income & Expenditure	4,258,543	4,403,086
Adjust for:		
Unamortised amount of income used for capital acquisitions	8,955	(4,388)
Finance costs	3,918	3,046
Expenditure related to the Reserve Fund (Note 2.3)	(1,339)	(453)
	4,270,077	4,401,291
Less:		
Non-reserve fund interest receivable	-	6
Income from third country audit entity registration	62,947	53,478
<b>Net Expenditure for the year</b>	<b>4,207,130</b>	<b>4,347,807</b>
Net expenditure attributable to the Exchequer		
i. Transparency Directive (100%) (Note 2.3)	787,357	
ii. Excess income from Third Country Audit Entities (Note 2.3)	(22,947)	
iii. Obligations under the 2014 Act (40% of balance)	447,474	1,211,884
Net expenditure attributable to the PABs		
i. Audit Standards Adoption (100%) (Note 2.3)	404,642	
ii. Obligations under the 2014 Act (60% of balance)	671,211	1,075,853
Net expenditure attributable to the PIE Audit Firms		
	1,919,393	1,943,045
	<b>4,207,130</b>	<b>4,339,720</b>

### 10.2 Calculation of Grant Debtor / Levy Carry Forward

	Exchequer	PABs	PIE Audit Firms	Total
Opening balance 1 January 2022	(141,968)	(477,006)	31,657	(587,317)
<b>Income for specified purposes</b>				
Adoption of audit standards		404,642		404,642
Inspection of PIEs			1,919,393	1,919,393
Transparency Directive	787,357			787,357
Nex Expenditure	424,527	671,211		1,095,738
<b>Income recognised in I&amp;E (Note 13)</b>	<b>1,211,884</b>	<b>1,075,853</b>	<b>1,919,393</b>	<b>4,207,130</b>
Amounts receivable in 2022	(1,341,005)	(964,278)	(1,998,045)	(4,303,328)
Amounts receivable in 2021, deferred to 2022*	-	(232,716)	(289,612)	(522,328)
<b>Movement 2022</b>	<b>(129,121)</b>	<b>(121,141)</b>	<b>(368,264)</b>	<b>(618,526)</b>
<b>Balance carried forward 31 December 2022</b>	<b>(271,089)</b>	<b>(598,147)</b>	<b>(336,607)</b>	<b>(1,205,843)</b>

\* In order to reduce cash balances in 2021 and the consequential exposure to negative interest, the Authority deferred collection of a portion of the PAB and PIE Audit Firms' respective levies to 2022.

## 11 Retirement Benefits

### 11.1 Overview

Section 926(1) of the 2014 Act provides that IAASA may only establish a superannuation scheme with the approval of the Minister, given with the consent of the Minister for Public Expenditure & Reform ('the Ministers'). IAASA prepared and submitted proposals to the Ministers in respect of employees and employees' spouses, civil partners & children (based upon the civil service defined benefit 'Model Schemes'). The schemes, which were submitted pursuant to the corresponding provision of the 2003 Act, were approved by the Ministers on 29 November 2010 and 5 December 2012 respectively. The schemes are based on the civil service 'model' schemes as described on the [www.cspensions.gov.ie](http://www.cspensions.gov.ie) website. Benefits under these schemes are based on the members' final salary.

Employees who joined the public service since 1 January 2013 are members of the Single Scheme (as set out in Note 2.5). This is a defined benefit scheme, with benefits based on career-average earnings.

In summary, the arrangements for all schemes are that:

- i. IAASA employees' scheme contributions are paid to the Department;
- ii. IAASA pays an employer contribution to the Department, the rate of which is set by the Minister for Public Expenditure & Reform. The rate applicable in 2022 was 25% [2021: 25%], capped at a maximum of three times the employee contribution for members of the Single Scheme;
- iii. in return for the payment to it of the employees' and employer's contributions, the Department has committed that any benefits due to IAASA employees, and/or their spouses, civil partners and children will be met in full by the Exchequer as they fall due.

Scheme liabilities represented by the present value of future payments earned by IAASA staff to date are measured on an actuarial basis using the projected unit method. Pension costs reflect benefits earned by IAASA staff in the period and are shown net of employee pension contributions, which are retained by the Department. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Funding amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Income & Expenditure for the year in which they occur and a corresponding adjustment is recognised to the balance for Deferred Exchequer Retirement Benefit Funding.

Employer contributions, which are charged at a rate imposed by the Minister for Public Expenditure & Reform and retained by the Exchequer, are charged or credited to the Statement of Income & Expenditure to the extent that they exceed or fall short of pension costs respectively as described above.

### 11.2 Actuarial valuation

IAASA has commissioned an actuarial valuation of accrued liabilities at the balance sheet date, and the cost of benefits (service cost) accrued during the year. This valuation, which was based on the Projected Unit method, is premised on the following assumptions:

	At 31-12-2022	At 31-12-2021
Rate of increase in salaries	3.25%	3.00%
Rate of increase in pensions in payment	2.75%	2.50%
Discount rate	4.30%	1.30%
Inflation assumption	2.25%	2.00%
Life expectancy at age 70:		
Current pensioners - male	17.5 years	17.4 years
Current pensioners - female	19.5 years	19.8 years
Future pensioners - male	18.9 years	18.8 years
Future pensioners - female	21.5 years	21.4 years

Based on the above, the present value of liabilities at the balance sheet date is €4,800,000 [2021: €9,687,000], and the service cost (calculated on the foregoing assumptions) for the year is €672,000 [2021: €679,000]. A number of IAASA's staff who have accumulated service elsewhere in the public service have not to date exercised the option to transfer said service to IAASA.

### 11.3 Analysis of total pension costs charged to Statement of Income & Expenditure

	2022	2021
	€	€
Total employer contribution	483,570	493,832
*Current service cost	889,000	877,000
Interest cost	137,000	65,000
Adjustment to deferred Exchequer pension funding	(1,026,000)	(942,000)
<b>Total charged to Statement of Income &amp; Expenditure</b>	<b>483,570</b>	<b>493,832</b>

\*Employee contributions totalling €217,456 [2021: €197,587] have been included in the calculation of the current service cost.

### 11.4 Movement in net pension liability

	2022	2021
	€	€
Net Pension Liability at 1 January	9,687,000	8,137,000
Current Service Cost	889,000	877,000
Interest Cost	137,000	65,000
Experience (gains)/losses on scheme liabilities	(464,000)	548,000
Changes in assumptions	(5,409,000)	68,000
Benefits paid in the year (rounded)	(40,000)	(8,000)
<b>Net Pension Liability at 31 December</b>	<b>4,800,000</b>	<b>9,687,000</b>

### 11.5 History of scheme liabilities and experience (gains)/losses

	2022	2021	2020	2019	2018
	€	€	€	€	€
Scheme liability	4,800,000	9,687,000	8,137,000	5,266,000	3,829,000
Experience (gains) on scheme liabilities	(464,000)	548,000	257,000	313,000	279,000
Changes in assumptions	(5,409,000)	68,000	1,915,000	507,000	(261,000)

## 12 Capital account

The capital account represents the unamortised value of income used for capital purposes (i.e. asset acquisitions).

## 13 Revenue

### 13.1 Approved Programme of Expenditure

IAASA's Programme of Expenditure for the year, as approved by the Minister under section 911(1) of the 2014 Act, was €5,609,000 [2021: €6,007,000] as laid out below. This includes exchequer funding (via the Department's vote 32, subhead C12) to a maximum of €836,000 [2021: €982,000] made available during the year in respect of IAASA's functions under the Transparency Directive. The audit inspections and audit standards adoption functions were funded by PIE audit firms and RABs respectively.

	Exchequer	PABs	PIE Audit Firms	Total
	€	€	€	€
Recurrent expenditure	843,000	1,265,000		2,108,000
Approved allocation in respect of audit standards adoption		409,000		409,000
Approved allocation in respect of audit investigation activities			2,256,000	2,256,000
Approved allocation in respect of Transparency Directive activities	836,000			836,000
<b>Total</b>	<b>1,679,000</b>	<b>1,674,000</b>	<b>2,256,000</b>	<b>5,609,000</b>

The foregoing amounts totalling €5,609,000 were used as a basis for billing the respective funders in 2022, less amounts due to these funders at the start of the year totalling €587,317. Net expenditure for the year amounted to €4,207,130. Further analyses of these amounts are disclosed in Note 10, including the balance due to funders at year end of €1,205,843.

### 13.2 Analysis of income

	2022	2021
<i>Recurrent income under the 2014 Act</i>	€	€
Exchequer grant income: vote 32, subhead C12	424,527	486,205
PABs' levies	671,211	749,525
<i>Income in respect of Transparency Directive Activity</i>		
Exchequer grant income: vote 32, subhead C12	787,357	772,279
<i>Income in respect of audit standards adoption</i>		
RABs' levies	404,642	396,753
<i>Income in respect of audit inspection activities</i>		
PIE Audit Firms	1,919,393	1,943,045
<b>Total income from funders</b>	<b>4,207,130</b>	<b>4,347,807</b>
<i>Reserve fund income</i>		
Amounts receivable in respect of fines (section 934)	15,000	10,500
<i>Income in respect of third country audit entity registration</i>		
Registration fees received from third country audit entities	62,947	53,478
	<b>4,285,077</b>	<b>4,411,785</b>



## 14 Staff Costs

	2022	2021
	€	€
Salaries	2,644,431	2,627,715
Employer PRSI Contributions	275,639	280,583
Employer Retirement Benefit Contributions	483,570	493,832
	<b>3,403,640</b>	<b>3,402,130</b>

The average number of employees during the year was 30 [2021: 30]. IAASA's complement of full time staff at 31 December 2022 was 30 [2021: 31]. IAASA employees are paid on the basis of salary scales analogous with civil service grades. These salaries represent total pay and IAASA does not pay overtime or similar allowances.

In accordance with Department of Public Expenditure & Reform requirements, an analysis of total employee remuneration based on their paypoint at 31 December for those earning over €60,000 is set out below:

	2022	2021
€60,000 to €69,999	2	3
€70,000 to €79,999	3	1
€80,000 to €89,999	-	1
€90,000 to €99,999	5	6
€100,000 to €109,999	2	9
€110,000 to €119,999	9	3
€120,000 to €129,999	2	-
€130,000 to €159,999	-	-
€160,000 to €169,999	-	1
€170,000 to €179,999	1	-
	<b>24</b>	<b>23</b>

## 15 Board fees and expenses

Fees are payable to board members at a rate specified from time to time by the Minister for Public Expenditure & Reform. In accordance with Department of Public Expenditure & Reform regulations and the Code, fees are not payable to certain board members who are also public servants.

	2022	2021
	€	€
Martin Sisk	11,970	11,970
Clodagh Hegarty	7,695	7,695
Aisling Kennedy	7,695	7,695
Aisling McArdle	7,695	7,695
Ronan Nolan	7,695	7,695
	<b>42,750</b>	<b>42,750</b>

In addition, a total of €31,587 [2021: €20,530] was incurred by board members during the year in furtherance of their duties. This includes €19,065 [2021: €1,353] expended on board evaluation, included in Note 17. These amounts include both expenses paid directly to board members and those incurred by IAASA on their behalf. Expenses paid to or incurred on behalf of the Chief Executive, who is also a board member, totalled 9,774 [2021: €2,934], as detailed in Note 25.

## 16 Travel & subsistence

	2022	2021
	€	€
National	12,840	1,576
International	13,969	-
	<b>26,809</b>	<b>1,576</b>

These amounts include travel and subsistence paid to board members. The total paid to board members (excluding the Chief Executive) for national travel and subsistence in 2022 is €476 [2021: Nil] and for international travel and subsistence in 2022 is Nil [2021: Nil]

International travel costs include a carbon offset charge of €147 [2021: nil] payable to the Department of the Environment, Climate and Communications.

## 17 Consultancy, legal and professional services

	2022	2021
	€	€
<i>Consultancy</i>		
Legal Advice - General	14,919	11,974
PR Services	307	358
Recruitment Services	-	150
GDPR/Data Access Requests	30	-
	<b>15,256</b>	<b>12,482</b>
<i>Professional Services</i>		
Internal audit & actuarial services	17,509	27,604
Translation services	3,258	3,525
Board training & evaluation	19,065	1,353
Employee wellbeing programs	1,242	1,133
Branding & design services	14,231	8,057
Website design	11,808	-
Architectural and associated works	(11,199)	24,140
HR Support	701	21,834
	<b>56,615</b>	<b>87,646</b>
<b>Total</b>	<b>71,871</b>	<b>100,128</b>

All consultancy costs are business-as-usual costs.

## 18 Office expenditure – entertainment/hospitality

The following amounts are included in office expenditure totalling €101,974 [2021: €46,113].

	2022	2021
<i>Internal</i>	€	€
Meals/beverages	3,537	1,314
Flowers/gifts	311	334
<i>External</i>		
Meals/beverages	17	167
Flowers/gifts	270	200
	<b>4,135</b>	<b>2,014</b>

## 19 Auditor's remuneration

	2022	2021
	€	€
Audit of company financial statements	<b>17,800</b>	<b>16,500</b>

The Office of the Comptroller & Auditor General does not provide non-audit services to IAASA and no services other than statutory audit services were provided by the Comptroller & Auditor General during the year.

## 20 Finance income - analysis of interest receivable

Notice deposit accounts	Reserve Fund	Non-Reserve	TOTAL	2021
	€	€		
Gross interest receivable	-	-	-	13
DIRT	-	-	-	(5)
Net interest receivable	-	-	-	<b>8</b>

## 21 Reconciliation of surplus for the year to net cash from operating activities

	2022	2021
	€	€
Surplus for the year	22,616	5,661
Non Operating Items:		
Less: Finance income	-	(8)
Add:	22,616	5,653
(Decrease)/Increase in payables	(134,365)	109,418
Increase/(Decrease) in excess PABs levy income	138,529	(180,512)
Increase in excess departmental grant income	129,121	20,189
Increase/(Decrease) in excess PIE levy income	364,232	(748,834)
(Increase)/Decrease in receivables	(16,272)	186,839
Decrease/(Increase) in inventory	628	(106)
Decrease in deferred finance lease costs	-	113
(Decrease) in finance lease obligations	(1,033)	(2,063)
(Decrease) in deferred rent incentive	(6,711)	(6,711)
Depreciation	34,885	31,927
	<b>509,014</b>	<b>(589,740)</b>
Net cash inflow/(outflow) from operating activities	<b>531,630</b>	<b>(584,087)</b>

## 22 Analysis of changes in net funds

	Cash at bank & on hand	Cash on fixed term deposit (non-Reserve)	Cash on fixed term deposit (Reserve)	TOTAL
	€	€	€	€
Balance at 1 January 2022	386,805	720,377	303,372	1,410,554
Cash flow for year	492,379	(3,250)	(1,339)	487,790
Balance at 31 December 2022	<b>879,184</b>	<b>717,127</b>	<b>302,033</b>	<b>1,898,344</b>

## 23 Taxation

IAASA is a non-commercial state-sponsored body for tax purposes and, accordingly, income and capital gains arising, if any, are not liable to income tax or capital gains tax respectively. IAASA is not, however, exempt from Deposit Interest Retention Tax.

## 24 Financial commitments

### 24.1 Capital commitments

There are no capital commitments as at 31 December 2022.

### 24.2 Rental commitments

IAASA's premises are leased on behalf of the State by the OPW. IAASA in turn rents the premises from the OPW, but has provided no undertakings in this regard. Given that IAASA is not a party to the lease, it has no rental commitments in the coming twelve months. Rental commitments under the lease in the coming twelve months, which are payable by the OPW, will be €258,582 [2021: €258,582]

## 25 Chief Executive's salary and expenses

Mr Kevin Prendergast was appointed as Chief Executive on 14 November 2016. His remuneration is detailed below. The amount is approved by the Minister with the consent of the Minister for Public Expenditure & Reform. The Chief Executive was not entitled to receive a board fee. Mr Prendergast remains a member of the Civil Service Pension Scheme. The foregoing represents the Chief Executive's total remuneration package for the period.

	2022	2021
	€	€
Gross salary	170,673	163,660
	<b>170,673</b>	<b>163,660</b>

The Chief Executive is an ex-officio director of the company. Expenses incurred directly by the Chief Executive in the performance of his duties and/or by IAASA on behalf of the Chief Executive are disclosed hereunder.

	2022	2021
	€	€
Professional memberships	2,189	1,482
Travel & subsistence, incl. air fares	5,944	255
Mobile phone costs	788	292
Training	-	240
Incidentals	952	666
	<b>9,873</b>	<b>2,935</b>

## 26 Related party transactions

### 26.1 Directors

Details of all payments made to IAASA non-executive directors and the Chief Executive are set out in notes 15 and 25 respectively. There were no other transactions with directors during the year [2021: nil], and no balances outstanding at the reporting date [balance at 31 December 2021: nil].

### 26.2 Key management personnel

The responsibility for planning, directing and controlling the activities of IAASA rests exclusively with the board of directors and the Chief Executive, who is also a director. As alluded to above, all payments made to these key management personnel are set out in notes 15 and 25 respectively.

### 26.3 Other related parties

There were no other related party transactions during 2022 or 2021 and there were no amounts outstanding at either year end.

## 27 Board members – disclosure of transactions

In accordance with the Code, IAASA has in place a code of business conduct for board members. The code of business conduct includes guidance in relation to the disclosure of interests by board members and these procedures have been adhered to by the board during the year covered by these financial statements. During the year under review, there were no financial transactions with directors other than the payment of board fees and expenses detailed in note 15. There were no occasions whereby a board member disclosed a financial interest during 2022.

## 28 Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 14 June 2023



# APPENDICES

# Appendix I

## Board membership at year end and changes in composition since the last annual report

### Composition of board at 31 December 2022

Board member	Occupation	Nominating body	Date appointed
<b>Martin Sisk (Chairperson)</b>	Solicitor and former regulator	Minister	21 December 2016
<b>Sandra Davey</b>	Principal Officer	Revenue Commissioners	26 May 2022
<b>Clodagh Hegarty*</b>	Lecturer	PABs	30 May 2020
<b>David Hegarty</b>	Director of Legal & Policy, CEA	Corporate Enforcement Authority	3 January 2020
<b>Aisling Kennedy</b>	Director	Minister	10 December 2020
<b>Aisling McArdle</b>	Head of Regulation, Euronext Dublin	Irish Stock Exchange	29 August 2019
<b>Eida Mullins</b>	Head of Function: Banking, Investment & Payment Firms Policy	Central Bank	16 September 2022
<b>Ronan Nolan*</b>	Chartered Accountant	PABs	30 May 2020
<b>Kevin Prendergast*</b>	Chief Executive	Ex-officio	14 November 2016

### Details of appointments and reappointments to the board during the year

Director	Date appointed/ reappointed	Nominating body	Reason for vacancy	Term expires
<b>Sandra Davey</b>	26 May 2022	Revenue Commissioners	Resignation of Daniel Sinnott	2 January 2024
<b>Eida Mullins</b>	16 September 2022	Central Bank	Resignation of Brendan Sheridan	2 January 2024

### Details of resignations from the board during the year (other than by expiration of Warrant of Appointment)

Director	Date appointed/ reappointed	Date of resignation	Nominating body
<b>Brendan Sheridan*</b>	3 January 2021	5 August 2022	Central Bank
<b>Daniel Sinnott</b>	3 January 2021	14 March 2022	Revenue Commissioners

\* denotes member of PAB



## Appendix II

### Issuers' reports examined by the Financial Reporting Supervision Unit during 2022

#### Equity issuers examined in 2022

Issuer	Report type	Examination type	Reporting date
AIB Group plc	Annual	Unlimited scope	31-Dec-21
CRH plc	Annual	Focused	31-Dec-21
Dalata Hotel Group plc	Annual	Follow up	31-Dec-21
Diageo Plc	Annual	Focused	30-Jun-21
Diageo Plc	Annual	Follow up	30-Jun-22
Flutter Entertainment plc	Annual	Follow up	31-Dec-21
Flutter Entertainment plc	Annual	Focused	31-Dec-21
Glanbia Group plc	Annual	Follow up	01-Jan-22
Glanbia Group plc	Annual	Focused	01-Jan-22
Glenveagh Properties plc	Annual	Focused	31-Dec-21
Hammerson plc	Annual	Follow up	31-Dec-21
Hostelworld Group plc	Annual	Unlimited scope	31-Dec-21
Irish Continental Group plc (ICG)	Annual	Follow up	31-Dec-21
Irish Continental Group plc (ICG)	Annual	Unlimited scope	31-Dec-21
Irish Residential Properties REIT plc	Annual	Unlimited scope	31-Dec-21
Kenmare Resources plc	Annual	Follow up	31-Dec-21
Kerry Group plc	Annual	Follow up	31-Dec-21
Kerry Group plc	Annual	Focused	Multiple
Kingspan Group plc	Annual	Follow up	31-Dec-21
Kingspan Group plc	Half-yearly	Focused	30-Jun-22
Linde plc	Half-yearly	Focused	30-Jun-22
Ryanair Holdings plc	Annual	Focused	31-Mar-21
Ryanair Holdings plc	Annual	Follow up	31-Mar-22
Tullow Oil Plc	Annual	Follow up	31-Dec-21

## Closed-ended fund issuers examined in 2022

Issuer	Report type	Examination type	Reporting date
Crown Global Secondaries IV plc	Annual	Unlimited scope	31-Dec-20
Crown Global Secondaries IV plc	Annual	Follow up	31-Dec-21
Crown Global Secondaries IV plc	Half-yearly	Follow up	30-Jun-22

## Debt issuers examined in 2022

Issuer	Report type	Examination type	Reporting date
Astute Capital plc	Annual	Follow up	31-Mar-21
Astute Capital plc	Annual	Follow up	31-Mar-22
DB ETC plc	Annual	Unlimited scope	31-Dec-20
DB ETC plc	Annual	Follow up	31-Dec-21
Investec Bank plc	Annual	Unlimited scope	31-Mar-21
Investec Bank plc	Annual	Focused	31-Mar-22
Wisdomtree Foreign Exchange Ltd.	Annual	Follow up	31-Dec-21
Wisdomtree Metal Securities Ltd.	Annual	Unlimited scope	31-Dec-21

## Appendix III

### PABs under IAASA remit at 31 December 2022 and reports issued to PABs during 2022

#### PABs under IAASA remit

PAB	NAME	RAB
ACCA	Association of Chartered Certified Accountants	✓
AIA	Association of International Accountants	
CIMA	Chartered Institute of Management Accountants	
CIPFA	Chartered Institute of Public Finance and Accountancy	
CPA	Institute of Certified Public Accountants	✓
ICAI	Institute of Chartered Accountants in Ireland	✓

#### Reports issued to PABs during 2022

PAB	REGULATORY FUNCTION REVIEWED
ACCA	Good Repute
CPA	Good Repute
ICAI	Good Repute

## Appendix IV

### Audit firms inspected in 2022

PIE AUDITORS	NUMBER OF FILE INSPECTIONS
BDO	3
Deloitte	6
EY	6
Grant Thornton	4
KPMG	6
Mazars	4
PricewaterhouseCoopers	6

# Appendix V

## Publications issued by IAASA during 2022

### Corporate and general publications

- [Annual Report 2021](#)
- [Annual Audit Programme and Activity Report \(AAPA\) 2021](#)
- [Explainer video and related factsheets – Setting Auditing Standards in Ireland](#)
- [Explainer video and related factsheets - Financial Reporting Supervision in Ireland](#)

### Audit inspection

- [Quality assurance review reports for PIE firms](#)
- [Key messages for auditing related party transactions](#)

### Auditing Framework

- [Two standards newsletters issued in February and October, providing the latest news and information about IAASA's auditing and assurance standards projects](#)
- [Series of videos and factsheets on the new suite of Quality Management Standards in Ireland](#)
- [Comment letter relating to the IAASB's Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities](#)
- [Comment letter relating to the IESBA's Proposed Technology-related Revisions to the Code](#)
- [ISA \(Ireland\) 200 \(Updated October 2022\): Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing \(Ireland\)](#)
- [ISA \(Ireland\) 210 \(Updated October 2022\): Agreeing the Terms of Audit Engagements](#)
- [ISA \(Ireland\) 230 \(Updated October 2022\): Audit Documentation](#)
- [ISA \(Ireland\) 240 \(Updated October 2022\): The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements](#)
- [ISA \(Ireland\) 250 Section A \(Updated October 2022\): Consideration of Laws and Regulations in an Audit of Financial Statements](#)
- [ISA \(Ireland\) 260 \(Updated October 2022\): Communication with Those Charged with Governance](#)
- [ISA \(Ireland\) 265 \(Updated October 2022\): Communicating Deficiencies in Internal Control to Those Charged with Governance and Management](#)
- [ISA \(Ireland\) 300 \(Updated October 2022\): Planning an Audit of Financial Statements](#)
- [ISA \(Ireland\) 315 \(Updated October 2022\): Identifying and Assessing the Risks of Material Misstatement and related video](#)
- [ISA \(Ireland\) 330 \(Updated October 2022\): The Auditor's Responses to Assessed Risks](#)
- [ISA \(Ireland\) 402 \(Updated October 2022\): Audit Considerations Relating to an Entity Using a Service Organisation](#)
- [ISA \(Ireland\) 500 \(Updated October 2022\): Audit Evidence](#)
- [ISA \(Ireland\) 501 \(Updated October 2022\): Audit Evidence—Specific Considerations for Selected Items](#)
- [ISA \(Ireland\) 530 \(Updated October 2022\): Audit Sampling](#)
- [ISA \(Ireland\) 540 \(Updated October 2022\): Auditing Accounting Estimates and Related Disclosures](#)
- [ISA \(Ireland\) 550 \(Updated October 2022\): Related Parties](#)
- [ISA \(Ireland\) 600 \(Updated October 2022\): Special Considerations—Audits of Group Financial Statements \(Including the Work of Component Auditors\)](#)
- [ISA \(Ireland\) 610 \(Updated October 2022\): Using the Work of Internal Auditors](#)
- [ISA \(Ireland\) 620 \(Updated October 2022\): Using the Work of an Auditor's Expert](#)
- [ISA \(Ireland\) 701 \(Updated October 2022\): Communicating Key Audit Matters in the Independent Auditor's Report](#)
- [ISA \(Ireland\) 720 \(Updated October 2022\): The Auditor's Responsibilities Relating to Other Information](#)
- [Consultation paper - proposal to revise ISA \(Ireland\) 600: Special Considerations – Audits of Group Financial Statements \(including the Work of Component Auditors\) and related conforming amendments to other standards](#)

## Assurance Standards

- [SIR \(Ireland\) 1000: Investment Reporting Standards Applicable to all Engagements in Connection with an Investment Circular](#)
- [SIR \(Ireland\) 2000: Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information](#)
- [SIR \(Ireland\) 3000: Investment Reporting Standards Applicable to Public Reporting Engagements on Profit Forecasts](#)
- [SIR \(Ireland\) 4000: Investment Reporting Standards Applicable to Public Reporting Engagements on Pro Forma Financial Information](#)
- [SIR \(Ireland\) 5000: Investment Reporting Standards Applicable to Public Reporting Engagements on Financial Information Reconciliations under the Listing Rules](#)
- [SIR \(Ireland\) 6000: Investment Reporting Standards Applicable to Public Reporting Engagements on Quantified Financial Benefits Statements](#)
- [Consultation paper and video - Proposal to adopt Standards for Investment Reporting \(Ireland\)](#)
- [Exposure draft - SIR \(Ireland\) 1000: Investment Reporting Standards Applicable to all Engagements in Connection with an Investment Circular](#)
- [Exposure draft - SIR \(Ireland\) 2000: Investment Reporting Standards Applicable to Public Reporting Engagements on Historical Financial Information](#)
- [Exposure draft - SIR \(Ireland\) 3000: Investment Reporting Standards Applicable to Public Reporting Engagements on Profit Forecasts](#)
- [Exposure draft - SIR \(Ireland\) 4000: Investment Reporting Standards Applicable to Public Reporting Engagements on Pro Forma Financial Information](#)
- [Exposure draft - SIR \(Ireland\) 5000: Investment Reporting Standards Applicable to Public Reporting Engagements on Financial Information Reconciliations under the Listing Rules](#)
- [Exposure draft - SIR \(Ireland\) 6000: Investment Reporting Standards Applicable to Public Reporting Engagements on Quantified Financial Benefits Statements](#)
- [Feedback paper - Adoption of the Standards for Investment Reporting \(Ireland\)](#)

## Enforcement

- [Settlement: CPA Ireland, March 2022 \(Published 26 June 2022\)](#)

## Financial Reporting Supervision

- [Climate-related disclosures in financial reports – IAASA information requests](#)
- [Observations on selected financial reporting issues – years ending on or after 31 December 2022](#)
- [Information Note: Applying IFRS 9 Financial Instruments – expected credit losses](#)
- [Snapshot of IAASA's financial reporting enforcement activities in 2021](#)
- [Compendium publication: Financial reporting decisions](#)
- [Policy Paper: Publication of information regarding IAASA's financial reporting supervision activities](#)

## Regulatory and Monitoring Supervision

- [Profile of the Profession 2021](#)
- [Good reputation for statutory auditors and audit firms](#)
- [Guidelines for the Recognised Accountancy Bodies when performing the Quality Assurance function in respect of Statutory Auditors and Audit Firms](#)
- [Updated Guidelines on matters to be considered by the RABs when granting exemptions from one or more of the subjects in the test of theoretical knowledge for approval as an auditor](#)

# Appendix VI

## Protected disclosures report 2022

Section 22 of the Protected Disclosures Act 2014 requires the publication of a report each year relating to the number of protected disclosures made in the preceding year. It also requires the publication of information about any actions taken in response to protected disclosures made.

No protected disclosure was received by the Irish Auditing and Accounting Supervisory Authority in the year ended 31 December 2022.

# Appendix VII

## Issuers within IAASA's accounting enforcement remit

The issuers falling within IAASA's accounting enforcement remit as advised by the Central Bank of Ireland (CBI) to the Authority at 30 November 2022 (the most recent such list provided by CBI) were:

### Equity issuers

1. AIB Group plc
2. Bank of Cyprus Holdings Public Limited Company
3. Bank of Ireland Group plc
4. CRH plc
5. Cairn Homes plc
6. Dalata Hotel Group plc
7. Diageo plc
8. FBD Holdings plc
9. Flutter Entertainment plc
10. Glanbia plc
11. Glenveagh Properties plc
12. Hammerson plc
13. Hostelworld Group plc
14. Irish Continental Group plc
15. Irish Residential Properties REIT plc
16. Kenmare Resources plc
17. Kerry Group plc
18. Kingspan Group plc
19. Linde plc
20. Molten Ventures plc
21. Permanent TSB Group Holdings plc
22. Ryanair Holdings plc
23. Smurfit Kappa Group plc

### Closed-ended fund issuers

1. Aberdeen Private Equity Global Fund of Funds plc
2. Crown Asia-Pacific Private Equity II plc
3. Crown Asia-Pacific Private Equity III plc
4. Crown Asia-Pacific Private Equity IV plc
5. Crown Co-Investment Opportunities plc
6. Crown Co-Investment Opportunities II plc
7. Crown Global Secondaries III plc
8. Crown Global Secondaries IV plc
9. Crown Global Secondaries V Feeder plc
10. Trimaran Fund II (Cayman) Limited



**Debt issuers**

1. AerCap Global Aviation Trust
2. Allied Irish Banks plc
3. Amethyst Structured Finance plc
4. Amundi Physical Metals plc
5. Argentum Capital SA
6. Astute Capital plc
7. Bankinter International Notes sàrl
8. Barclays Bank Public Limited Company
9. Barclays Bank Ireland Public Limited Company
10. BBVA Global Markets BV
11. Beechwood Structured Finance plc
12. Benbulbin Capital plc
13. Brokercreditservice Structured Products plc
14. CRH America Inc
15. DB ETC plc
16. DBinvestor Solutions plc
17. Delamare Finance plc
18. Dignity Finance plc
19. Eirles One dac
20. Eirles Three dac
21. Eperon Finance plc
22. Espaccio Securities plc
23. Freshwater Finance plc
24. Gold Bullion Securities Limited
25. Greenstreet Structured Financial Products plc
26. Haitong Investment Ireland plc
27. Invesco Physical Markets plc
28. Investec Bank plc
29. Ipanema Capital plc
30. Ishares Physical Metals plc
31. Italian Wine Brands SPA
32. Juturna (European Loan Conduit No. 16) plc
33. Konstanz Finance Limited
34. Land Securities Capital Markets plc
35. Leverage Shares plc
36. Lunar Funding V plc
37. Magellan Mortgages No. 3 plc
38. MBA Community Loans plc
39. Minerva Lending plc
40. Nimrod Capital plc
41. Opal Financial Products plc
42. Petra Diamonds US\$ Treasury plc
43. Profile Finance plc
44. Recolte Securities plc
45. Royal Bank of Canada
46. Santander International Products plc
47. Santander UK plc
48. Silverstate Financial Investments plc
49. The Governor and Company of the Bank of Ireland
50. Vermillion Protective Bond Portfolio plc
51. Vespucci Structured Financial Products plc
52. Vigado Capital plc
53. Voyce Investments plc
54. Wal-Mart Stores Inc
55. Waterford Capital Investments plc
56. Waves Financial Investments plc
57. Willow No. 2 Ireland plc
58. Wisdomtree Commodity Securities Limited
59. Wisdomtree Foreign Exchange Limited
60. Wisdomtree Hedged Commodity Securities Limited
61. Wisdomtree Hedged Metal Securities Limited
62. Wisdomtree Metal Securities Limited
63. Wisdomtree Multi Asset Issuer plc
64. Xtrackers ETC plc

# GLOSSARY

<b>ARC</b>	IAASA Audit and Risk Committee
<b>ACCA</b>	Association of Chartered Certified Accountants
<b>Act, the</b>	Companies Act 2014
<b>AIA</b>	Association of International Accountants
<b>Authority, the</b>	Irish Auditing and Accounting Supervisory Authority
<b>CEA</b>	Corporate Enforcement Authority
<b>CEAOB</b>	Committee of European Auditing Oversight Bodies
<b>Central Bank</b>	Central Bank of Ireland
<b>Charter, the</b>	Charter of the IAASA ARC
<b>CIMA</b>	Chartered Institute of Management Accountants
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy
<b>CLRG</b>	Company Law Review Group
<b>Code, the</b>	Code of Practice for the Governance of State Bodies
<b>CPA</b>	Institute of Certified Public Accountants in Ireland
<b>Department, the</b>	The Department of Enterprise, Trade & Employment
<b>EU</b>	European Union
<b>FRC</b>	Financial Reporting Council in the UK
<b>GDPR</b>	General Data Protection Regulation
<b>IAASA</b>	The Irish Auditing and Accounting Supervisory Authority
<b>IAASB</b>	International Auditing and Assurance Standards Board
<b>IAS</b>	International Accounting Standard
<b>ICAEW</b>	Institute of Chartered Accountants in England and Wales
<b>ICAI</b>	Institute of Chartered Accountants in Ireland
<b>ICAS</b>	Institute of Chartered Accountants of Scotland
<b>IESBA</b>	International Ethics Standards Board for Accountants

<b>IFIAR</b>	International Forum of Independent Audit Regulators
<b>ISAs</b>	International Standards on Auditing
<b>ISG</b>	CEAOB Inspection Subgroup
<b>Issuer</b>	An entity coming within IAASA's remit under the Transparency (Directive 2004/109/EC) Regulations, 2007
<b>ISQM</b>	International Standard on Quality Management
<b>ISRE</b>	International Standard on Review Engagements
<b>LSRA</b>	Legal Services Regulatory Authority
<b>Minister, the</b>	Minister for Enterprise, Trade & Employment
<b>PAB</b>	Prescribed accountancy body
<b>PIE</b>	Public Interest Entity - entities with securities listed on a regulated market, credit institutions, and insurance undertakings
<b>RAB</b>	Recognised accountancy body
<b>Relevant financial reporting framework</b>	The body of financial reporting standards, legislation, codes and rules with which issuers are required to comply in preparing their annual and half-yearly financial report
<b>SIC</b>	System of internal control

## Notes

[illegible]

[illegible]

[illegible]





**Irish Auditing & Accounting Supervisory Authority**

Willow House, Millennium Park, Naas  
W91 C6KT, Co Kildare, Ireland

**Phone:** +353 (0) 45 983 600

**Email:** [info@iaasa.ie](mailto:info@iaasa.ie)