

Law & Regulation News

Extension of timelines for Companies and I&P Societies to hold Virtual AGMs

The interim period of the Companies (Miscellaneous Provisions) (Covid-19) Act 2020 has been extended to 31st December 2021 following recent Government approval.

The Act makes temporary amendments to the Companies Act 2014 and the Industrial and Provident Societies Act 1893 to address issues arising as a result of Covid-19.

Companies and Industrial and Provident Societies can therefore continue to hold their AGM's virtually up to that date.

Source: www.gov.ie

2020 Profile of the Profession

The Irish Auditing and Accounting Supervisory Authority (IAASA) has published its annual 'Profile of the Profession for 2020', which provides readers with an insight into:

- the Prescribed Accountancy Bodies' ('PABs') membership, student numbers and public practice profiles;
- the nature and scale of the PABs' regulatory and monitoring activities; and
- the Recognised Accountancy Bodies' ('RABs') auditor population and related audit quality and continuing professional development ('CPD') monitoring activities.

IAASA's role in relation to the accountancy bodies includes supervising the manner in which the PABs regulate their members. It also extends to oversight of the RABs' performance of the regulatory functions assigned to them under legislation in respect of statutory auditors, including approval and registration, continuing education, quality assurance and investigation and discipline. Additional information regarding IAASA's supervision of the PABs and oversight of statutory auditors and audit firms is available in IAASA's Annual Audit Programme and Activity Report 2020 and Annual Report 2020 published on their website.

As at 31 December 2020:

- there were 41,229 PAB members located in Ireland, an increase of 3% from 2019 (2019: 40,027). Of these, 60% work in business;
- the PABs' aggregate student membership located in Ireland was 17,212, a small increase of 2% from the previous year (2019: 16,830);
- the number of audit firms approved to audit in Ireland was 1,491 (2019: 4,341) with 1,155 (2019: 1,207) of those located in Ireland. During 2020, both the ICAEW and ICAS required members to make a separate application for Irish Registration where such registration was required, which has resulted in a significant drop in numbers; and
- the number of individual statutory auditors approved to audit in Ireland was 2,576 (2019: 9,657) with 1,851 (2019: 1,894) of

those individuals located in Ireland.

Prescribed Accountancy Body (PAB) Membership

There has been a 2.3% increase in PAB worldwide membership in the year, although the geographical split has remained largely unchanged.

Of the PAB's, ACCA continues to have the largest membership worldwide representing just over 39%. In Ireland, ICAI continue to have the highest membership with almost 49% of members.

As in prior years, four PAB's account for around 99% of PAB members located in Ireland

- ICAI (49%)
- ACCA (29%)
- CIMA (11%)
- CPA (10%)

In Ireland, the majority gender profile of members is male, in contrast to the student profile, where the majority gender profile is female. However, CPA continues to be the only Recognised Accountancy Body (RAB) with a majority female membership at 51%.

Prescribed Accountancy Body Student Population

Total students in Ireland represent 3% of PABs' worldwide students in 2020 and 67% of students continue to be located outside the EU. The total PAB student numbers worldwide have decreased by approximately 2.7% year on year, with the geographical split by location remaining unchanged. ACCA continues to have the most students worldwide, and the most students in Ireland.

As in prior years, four PABs accounted for almost all of Irish students:

- ACCA (50%);
- ICAI (36%);
- CIMA (10%); and
- CPA (4%).

Prescribed Accountancy Body Members Holding Practising Certificates

PAB members worldwide authorised to practice has decreased marginally by approximately 1% from 2019;

there was a modest increase in those authorised to practice in Ireland from 2019.

As in prior years, the vast majority (96%) of those authorised to practise in Ireland and located in Ireland are members of:

- ICAI (53%),
- ACCA (24%), and
- CPA (19%)

The majority (71%) of worldwide PAB members holding practising certificates are members of ICAEW.

Statutory Audit Firms and Statutory Auditors

The number of statutory audit firms located worldwide approved to audit in Ireland has declined by 67%. ICAEW and ICAS account for over 95% of the decline, following the decision of both bodies, noted above, to require members to make a separate application for Irish Registration where such registration was required. Individually the degree of decline varies:

- ACCA (3%);
- ICAEW (99%);
- ICAI (4%);
- ICAS (97%); and
- CPA (7%)

ICAI now account for the largest proportion of both approved statutory audit firms located worldwide and approved to audit in Ireland (48%) and statutory auditors located worldwide approved to audit in Ireland (52%).

Since 2016 the number of statutory audit firms and statutory auditors located in Ireland has declined by 16% and 12% respectively.

The document also reports on PABs' investigation and disciplinary activities, RABs' quality assurance of statutory audit firms and PABs' activities in continuing education of members during 2020. The full document can be downloaded from the IAASA website at www.iaasa.ie.

Source: www.iaasa.ie