



Audit News – Summer 2020

Audit Monitoring – Update

Guidance for auditors - COVID-19

As part of the ICAS commitment to supporting the welfare of our members, students and staff, a hub has been launched for information and resources relating to the impact of the Coronavirus pandemic: <https://www.icas.com/professional-resources/coronavirus>

Specific guidance on audit, accounts and corporate reporting can be found here: <https://www.icas.com/professional-resources/coronavirus/practice/accounts-audit-and-corporate-reporting>

The FRC has provided further guidance for auditors, covering specific audit issues including going concern considerations, gathering audit evidence during lockdown, group audit restrictions; and modified audit opinions - <https://www.frc.org.uk/covid-19-guidance-and-advice>

2020 Audit Monitoring visits

As a result of the COVID-19 pandemic, and related restrictions, ICAS has decided to suspend all face-to-face monitoring activities until later in the year.

We are conscious of the difficulties that everyone is facing within the profession at the moment, however, are also required to ensure that our regulatory responsibilities are undertaken.

Consequently, we will be contacting firms due to receive an Audit Monitoring visit in 2020, to determine the extent to which these visits can be accommodated remotely, with a view to minimizing reviewer time on-site at firm's premises beyond the current lockdown. We will continue to be mindful of government guidance and will update all firms selected for a visit as the year progresses.

Mandatory audit quality course: Keeping Audit on the Right Track

This course aims to educate Audit Compliance Principals (ACPs) and Responsible Individuals (RIs) in developing a strong compliance function and preventing some of the recurring issues identified on audit monitoring visits.

The COVID-19 pandemic, and related restrictions, has resulted in the planned 2019 face to face courses being cancelled.

Given the focus on audit quality, the Authorisation Committee had planned to consider changes to the approach to this course. The pandemic accelerated these considerations and the Committee has approved the following changes to the approach, and the mandatory attendance going forward:

- A video recording of the course will be available on the website. This will be free for members to access any time they wish. This online recording will be split into around 6-10 parts.
- Should members prefer to attend a face to face course, we will still present 3 each year, in Edinburgh, Glasgow and Aberdeen. The cost of attendance will be in line with previous years, and further information can be accessed on [CA Connect](#).
- **The mandatory aspect has been updated. All ACPs and RIs are now required to view the online material, or attend a face to face course, once every 2 years (commencing from 1 September 2020). The Committee considers that the availability of the material will ensure that this mandatory aspect will be more easily adhered to, and that this will maintain the focus on audit quality.**

Guidance on accounting for Government Support measures

ICAS is currently producing guidance for preparers on the accounting required for the COVID-19 Government Business Support Measures. The document will be available to download shortly on icas.com.

The guidance covers the main support packages introduced by the UK Government including the Coronavirus Job Retention Scheme (CJRS), the Self-employed Income Support Scheme (SEISS) and the Coronavirus Business Interruption Loan Scheme (CBILS).

The primary audience is owners and directors of SMEs preparing accounts in accordance with FRS 102, although relevant references are also made to the accounting treatment of some the Government support measures under FRS 105 and International Financial Reporting Standards (IFRS).

The guidance is supplemented by a series of illustrative examples detailing the accounting entries for some of the support measures.

Long Association

The revised Financial Reporting Council (FRC) Ethical Standard 2019 (ES 2019) applies for accounting periods commencing on or after 15 March 2020.

In the revised ES, the FRC has made a subtle but significant change to requirements in relation to long association for non-PIE audit entities.

Where the auditor of a non-PIE / other listed entity has been in position for ten or more years careful consideration needs to be given as to whether it is probable that an objective, reasonable and informed third party would conclude the integrity, objectivity or independence of the firm or covered persons are compromised.

If that consideration determines that these have not been comprised, and that individual is not rotated after ten years, it is necessary that the:

- (a) safeguards, such as those noted in paragraph 3.5 of the ES 2019, are applied; **and**
- (b) the reasoning as to why the individual continues to participate in the engagement is documented, and the facts are communicated to those charged with governance of the entity in accordance with paragraphs 1.54 – 1.62 of the ES.

The “and” as underlined above, replaces what was previously an “or” in the same paragraph of the FRC ES 2016 (para 3.6).

The “or” in the 2016 FRC ES meant that satisfying the conditions of **(b)** in the paragraph above, alone, was deemed sufficient – specifically, as long as the firm communicated the threat with the client formally on an annual basis, the threat would be sufficiently safeguarded.

Therefore, under ES 2019, where an audit engagement partner has held that role for a continuous period of ten years, appropriate safeguards (referring to paragraph 3.5 of FRC ES 2019), have to be applied; along with documenting the reasoning as to why the individual continues to participate in the engagement, and the facts are communicated to those charged with governance of the entity.

Paragraph 3.5 sets out that appropriate safeguards may include:

- appointing a partner who has no previous involvement with the entity as the engagement partner;
- removing (‘rotating’) the partners and the other senior members of the engagement team after a pre-determined number of years;
- involving an additional partner, who is not and has not recently been a member of the engagement team, to review the work done by the partners and the other senior members of the engagement team and to advise as necessary;
- arranging an engagement quality control review of the engagement in question.

This is a significant change which will impact a number of our audit firms. While larger firms may be able to cope with safeguarding long association through RI rotation or internal quality control review, this will not be so easy for smaller firms where:

- there may only be one RI
- there is less likely to be a change in audit team composition and/or a change in management of a small client.

Consequently, smaller firms may have to consider whether an appropriate safeguard can be applied following the guidance in para 3.5 of the Standard. This may include instructing an external quality review on such engagements to ensure that the requirements of the ES are met, which will have a cost impact on the audit. Firms are reminded that, where a suitable safeguard cannot be implemented, that the firm must resign from the audit.

Please note that ICAS are continuing to engage with the FRC and other UK RSBs on the impact of this change and will provide further updates and guidance in due course.

Communication of engagement review file grades

The FRC have requested that all RSBs report file gradings to firms to facilitate trend analysis. The FRC considers that reporting each file grading will further clarify the significance and severity of key audit quality issues and will support each firm, and those Responsible Individuals (RIs) in measuring the improvement or deterioration of audit quality over time.

We have recently contacted all firms subject to an audit monitoring visit in 2019, and whose visit process has formally concluded, to advise of file gradings awarded following the review process.

Any firm subject to an audit monitoring visit going forward will be provided, at the finalisation stage of the process, with grades for each file review conducted. These are based on the FRC’s file grading structure:

Grade	Description	Guidance
1	Satisfactory	<ul style="list-style-type: none"> • No concerns regarding the sufficiency and quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed.

		<ul style="list-style-type: none"> • Only limited weaknesses in documentation of audit work. AND • Any concerns in other areas are limited in nature (both individually and collectively).
2A	Generally acceptable but a small number of improvements required	<ul style="list-style-type: none"> • Only limited concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed. AND/OR • Weaknesses in documentation of audit work are restricted to a small number of areas AND/OR • Some concerns, assessed as less than significant (individually and collectively), in other areas.
2B	Some improvement required	<ul style="list-style-type: none"> • Some concerns, assessed as less than significant, regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed. AND/OR • More widespread weaknesses in documentation of audit work. AND/OR • Significant concerns in other areas (individually or collectively).
3	Significant improvements required	<ul style="list-style-type: none"> • Significant concerns regarding the sufficiency or quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed (not limited to the documentation of the underlying thought processes). AND/OR • Very significant concerns in other areas (individually or collectively).

Responsible Individuals and Eligibility Issues

There have been issues raised recently on monitoring visits in relation to the eligibility of individuals signing audit reports.

All audit reports which are signed by an ICAS firm, are required to be signed by an individual who can demonstrate that they have met the necessary criteria and are suitably qualified and experienced to sign such a report.

The individual must not undertake the role of an RI or any activities of an RI until they have received formal notification from ICAS that the RI application has been successful.

The granting of a practising certificate, admission to partnership, becoming an Affiliate or even just writing to ICAS does not automatically approve someone to sign audit reports.

Any principal/partner or employee of an ICAS registered audit firm, who intends to sign an audit report, must first need to ensure that they have applied to ICAS to become a Responsible Individual (RI), as only these individuals are approved by ICAS to sign such reports. This application needs to be approved by ICAS and RIs should only sign audit reports after receiving confirmation of approval from ICAS.

In addition, just because the individual was an RI in their previous firm does not automatically mean that he/she can continue as an RI in their new firm.

Guidance to those applying for RI status

In applying for RI status an individual must demonstrate that they have met the necessary criteria and that they are suitably qualified and experienced to act in this capacity. The following are the considerations that the Authorisation Committee takes into account:

The requirements under the Audit Regulations

Audit Regulation 4.01 states that a firm's audit compliance principal may designate as an RI any of the firm's principals or employees who:

- has an appropriate qualification;
- is competent to conduct audit work; and
- is allowed to sign audit reports in their name on behalf of the firm.

When completing the application to become an RI, each applicant is asked to provide details of their skill set and audit experience in the previous 24 months. If the applicant's recent audit experience is not considered to be sufficient by the Authorisation Committee, there are two courses of action that may be adopted:

- 1) Conditions may be placed on the granting of the RI status, such as:
 - initial assignments as an RI are to be subject to a hot file review, and/or
 - further audit training specified by the Authorisation Committee is undertaken during the forthcoming year.
- 2) The applicant may be asked to withdraw their application and to gain further experience before reapplying. Further experience may be gained by:
 - Attendance at relevant audit training courses; and/or
 - Mentoring with an auditor/RI.

Non-RIs signing audit reports and related integrity issues

Whilst the incidence of significant non-compliance is low, the most serious issues are:

- Non-RIs signing audit reports; and
- Firms demonstrating integrity issues or non-compliance with Committee conditions, or failure to cooperate.

Over the last few years we have identified a number of cases where principals in firms have signed audit reports, when they are not ICAS authorised RIs. The Committee has taken robust action in every case. Examples include:

- A new principal who had RI status in their previous firm and had assumed that this status transferred between firms: you are reminded that RI status is attached to the individual firm's audit licence – the RI is designated as an RI for that firm. This means if an RI moves firm, the new firm needs to apply for RI status for that individual. A number of firms have overlooked this.
- Individuals or firms assuming applications have been submitted/approved: It is the Audit Compliance Principal's ('ACP') responsibility for submitting RI application forms to ICAS, but the RI is responsible too. All RIs are required to provide various competence, experience and fit and proper information with their signed application. RIs should be aware that an application is needed and should check the status of their application with their ACP before acting as RI. You cannot act as an RI until your firm has received written notice of approval by ICAS.

- RI assuming their 'audit qualification' is sufficient: The audit qualification (or PCAQ for ACCA members) only signifies that you received enough audit training to apply for RI status, it does not confer RI status.

Further information on audit registration can be found at <https://www.icas.com/regulation/regulatory-authorisations/audit-registration>

Reporting Ethical Breaches

The 2019 Ethical Standard requires audit firms to report breaches of the standard to the FRC or ICAS as appropriate.

Firms need to be aware of this new requirement and consider how to ensure any breaches are properly and promptly reported.

The revised Financial Reporting Council (FRC) Ethical Standard 2019 applies for accounting periods commencing on or after 15 March 2020.

One of the revisions at paragraph 1.21 now requires audit firms to report breaches of the Ethical Standard **on a biannual basis** to either:

- The FRC (for Public Interest Entity (PIE) audit firms); or
- ICAS as Recognised Supervisory Body (for non-PIE audit firms).

Note that for firms with PIE audits, all breaches must be reported to the FRC whether or not the breach relates to a PIE or non-PIE audit. There is also a responsibility for audit firms to report identified ethical breaches to those charged with governance of the audited entity in a timely manner.

ICAS registered firms (that do not audit PIEs) should make notifications on a biannual basis by email to regulatoryauthorisations@icas.com

Note that an inadvertent breach of the Ethical Standard does not necessarily call into question the firm's ability to give an audit opinion. In order to ensure that the requirements of the Standard are adhered to, firms are advised to:

- a. Establish policies and procedures that require all partners and staff (and other covered persons) to report any breach in a timely manner to the engagement partner or to the Ethics Partner.
- b. Ensure that any matter which has given rise to a breach is addressed as soon as possible.
- c. Ensure that appropriate safeguards are applied and that these are in line with the requirements of the Ethical Standard.
- d. Fully document all actions taken by the firm.

The relevant paragraph, 1.21 of the Standard is as follows:

“Whenever a possible or actual breach of this Ethical Standard, or of policies and procedures established pursuant to the overarching principles and supporting ethical provisions and requirements established in it, is identified, the engagement partner, in the first instance, and

the Ethics Partner, where appropriate, shall assess the implications of the breach, determine whether there are safeguards that can be put in place or other actions that can be taken to address any potential adverse consequences and considers whether there is a need to resign or withdraw from the engagement. The firm shall report all breaches to the Competent Authority on a biannual basis and to those charged with governance of an entity relevant to an engagement, where a breach relates to a specific engagement or engagements in a timely manner.”

A copy of the FRC Ethical Standard 2019 can be downloaded from <https://www.frc.org.uk/auditors/audit-assurance/standards-and-guidance/current-ethical-standards>

Provision of Non-Audit Services – Implementation of an IT system

As a result of the COVID-19 pandemic, and related restrictions, a significant number of firms are working remotely and have had client requests to recommend or provide cloud-based accounting systems and solutions.

We have received a number of queries in relation to whether an audit firm would be able to undertake non-audit work for a private company audit client that involves moving accounting data from their former accounting system to a new one and whether this amounts to ‘implementation of an IT system’.

A key issue here is that the new Ethical Standard (ES 2019 applicable for periods commencing on or after 15 March 2020) excludes the following section which was in the 2016 version of the Standard:

“5.65 - The provision and installation of information technology services associated with a standard ‘off the shelf accounting package’ (including basic set-up procedures to make the package operate on the entity’s existing platform and peripherals, setting up the chart of accounts and the entry of standard data such as the entity’s product names and prices) is unlikely to create a level of threat to the integrity, objectivity and independence of the firm and covered persons that cannot be addressed through applying appropriate safeguards.”

Instead, the key section of ES 2019 is paragraph 5.50 as follows:

“The firm shall not design, provide or implement information technology systems for an entity relevant to an engagement where:

- (a) the systems concerned would be important to any significant part of the accounting or financial management system or to the production of the financial statements audited by the firm, or of other subject matter information or subject matter of the engagement in the case of an other public interest assurance engagement, and the persons conducting the engagement would place significant reliance upon them as part of the engagement;*
- or*
- (b) where the firm is undertaking an engagement, for the purposes of the information technology services, the firm would undertake part of the role of management.”*

It is clear that providing this service will result in a number of potential risks/threats, including a management threat and self-review threat. Whether the threat can be safeguarded or reduced to an acceptable level will depend on the specific circumstances of the client and the scope of the service being provided.

Following paragraph 5.50(a) above, the design and creation of either part or all of the financial reporting system would result in a threat which could not be reduced to a sufficient level.

The most common situation, however, is in relation to an audit client moving from an old accounting system into a new off-the-shelf accounting package, including where the audit firm is asked to:

- arrange for the purchase of the package on behalf of the client, in particular where the firm is an agent of that particular software provider; and/or
- assist in the installation of that software at the client's premises; and/or
- transfer data from the old system into the new one.

While there is a question over whether this constitutes implementation of a system (the system is designed and provided / supported by the software company). Following the logic of the 2016 ES in installing an off-the-shelf accounting software package (see above), the firm may conclude that this is solely the mechanical transfer of data from system to system rather than the design, provision and implementation of a system which the firm will then audit.

Where transferring data might be viewed as a mechanical exercise with little professional judgement and hence not therefore within scope of "implementation", the firm should ensure that any management threat can be appropriately safeguarded.

In terms of mitigating this management threat there may be a question over:

- Whether the system was chosen and provided by the audit firm (provision and implementation) which a reasonable and informed 3rd party may consider inappropriate;
- The point in the financial year when the transfer is completed – at the start of the financial year this may be less involved than partway through a year which could require recreating part of a control system which would subsequently be audited by the firm;
- Who (the client or the firm) decides where to post the data in the new system (or whether this can be justified as a 'like for like' posting between nominal codes);
- Whether original entry work is being performed – for example recreation of a sales and purchase ledger from invoices or orders. Again, this will be more of an issue if the transfer is mid-year rather than at the start of the financial year.

In terms of safeguards, the standard suggests that the work is performed by members of staff not involved in the audit; and that an independent review of the engagement is completed in line with paragraph 5.49 of the standard.

Reporting Matters of Material Significance to Charity Regulators

UK Charity Regulators have updated their joint guidance on Matters of Material Significance reportable by auditors and independent examiners

Any person appointed as an independent examiner or auditor for a charity has a duty to report matters of material significance to their respective charity regulator.

The guidance, which explains what the matters of material significance are, provides some further explanation of each of these matters and has been updated as at April 2020 to provide further examples and clarity on:

- The timing of when to report;
- Considerations where non audit work is undertaken by the external auditor; and
- The requirement to report when the charity trustees have already reported the matter(s).

In addition, the COVID-19 situation has been reflected within guidance, which confirms that, in times of national emergency, unless the legal duty to report is relaxed by Government, the auditor or examiner must still report matters of material significance.

Where a modified opinion, an emphasis of matter, or a matter identified by the independent examiner is **solely** due to the exceptional circumstances of the national emergency affecting the conduct of the audit or the independent examination then this is not considered to be reportable as a matter of material significance to the charity regulator. This is because remedying this situation is not in the power of the auditor or examiner, the preparer of the charity's accounts, or the charity regulator.

Examples of such exceptional circumstances are provided as follows:

- travel restrictions preventing the auditor or examiner from verifying the existence of physical assets such as stock;
- access restrictions preventing the auditor or examiner from reviewing accounting records and / or from obtaining the assurances required;
- limitations of scope are identified due to the control measures imposed to deal with a national emergency.

The updated guidance is published by the Office of the Scottish Charity Regulator (OSCR) in conjunction with the Charity Commission for England and Wales (CCEW) and Charity Commission for Northern Ireland (CCNE) – and can be found at www.oscr.org.uk/news/matters-of-material-significance-guidance-updated/

COVID-19: Guidance on pension scheme financial reports and audit

ICAS, ICAEW and PRAG have published new joint guidance on pension scheme reports and financial statements, and related matters in the context of the COVID-19 pandemic

The guide is intended to support pension scheme auditors navigate the additional challenges they are likely to experience as a result of the COVID-19 pandemic.

Pension scheme trustees and accounts preparers will also find the guidance helpful.

<https://www.icas.com/professional-resources/coronavirus/latest-updates/covid-19-guidance-on-pension-scheme-financial-reports-and-audit>

The guide is relevant to private sector occupational defined benefit (DB) and defined contribution (DC) trust-based pension schemes in the UK, including hybrid schemes and DC master trusts, applying Financial reports of pension schemes: A statement of recommended practice (the Pensions SORP), published by the Pensions Research Accountants Group (PRAG).

Pension schemes and their auditors should continue to apply existing standards and guidance and keep up to date with new COVID-19 related announcements and guidance from the Financial Reporting Council (FRC) and The Pensions Regulator (TPR).

To date TPR has announced easements in its approach towards the duties of trustees in certain areas, including obtaining audited financial statements and producing chair's statements. However, these easements do not currently apply to periods ending on or after 31 December 2019.

The guide covers a wide range of topics including:

- responsibilities for reporting to TPR
- the impact of the COVID-19 pandemic on the control environment of pension schemes
- the trustees' report and the chair's statement
- going concern and the trustees' assessment of going concern
- accounting for scheme investments
- events after the end of the reporting period

- audit issues
- the auditor's statement about contributions.

Responsibilities for reporting to TPR

There is no relaxation of trustees' responsibilities under the notifiable events regime and those running DC master trusts must continue to comply with their significant and triggering events duties.

In relation to the duties of trustees and scheme advisers to report matters of material significance, these should be viewed in light of TPR announcements regarding easements.

The impact of the COVID-19 pandemic on the control environment of pension schemes

The pension scheme annual reports, including financial statements, will be impacted by changes in the control environment in which schemes operate; the extent of the impact of the COVID-19 pandemic on the control environment of a scheme will depend on its reporting period end date.

For example, a scheme with a period end date of 31 December 2019 may not have experienced any COVID-19-related impacts on its control environment in the period to that date. However, it may have done subsequently, and this may be relevant to elements of its annual report, including the financial statements.

The trustees' report and the chair's statement

Trustees should reflect on the impact of COVID-19 from a governance perspective on the content of their trustees' report and other narrative elements of the annual report, such the Chair's statement.

The going concern basis of preparation and the trustees' assessment of going concern

Consideration of going concern in the preparation of pension scheme financial statements requires greater focus due to COVID-19.

The trustees are responsible for undertaking the going concern assessment and the assessment must meet the requirements of both the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Pensions SORP.

The specific circumstances which need to exist for pension scheme financial statements not to be prepared on a going concern basis remain unchanged. However, it is likely that more schemes may need to disclose a material uncertainty relating to going concern due to the impact of the COVID-19 pandemic.

Accounting for scheme investments

Financial instruments, including investments, must be held at fair value in the scheme's statement of net assets.

There are indications that obtaining asset valuations for periods ending on or after 31 March 2020 will be challenging for some asset classes; for example, illiquid assets such as commercial property or private equity investments.

Where reliable valuations cannot be obtained, trustees and the scheme's auditor should be discussing the implications for the scheme's financial statements early in the production process. In these circumstances, the auditor may need to consider alternative audit procedures.

Trading conditions at the reporting date need to be considered to ensure that investments are disclosed appropriately as level 1, 2 or 3. For example, where market data is not available for investments normally classified (and disclosed) as level 2, it may be appropriate to re-categorise these at the reporting date as level 3.

A narrative disclosure should be included to explain the reason for any change in level from the previous year.

The trustees will need to review the nature and extent of risks arising from financial instruments and update the scheme's fair value hierarchy investment risk disclosures, for example, to:

- Emphasise their commitment to taking a long-term rather than short-term approach to the scheme's investment strategy.
- Refer to circumstances where de-risking elements in the scheme's investment strategy have mitigated falls in the value of certain assets.
- Report on any change in approach to investment risk as a consequence of the COVID-19 pandemic.

Events after the end of the reporting period

For pension schemes with accounting periods ending on 31 December 2019, the COVID-19 pandemic in 2020 is likely to be a non-adjusting event.

For subsequent reporting dates, schemes will need to judge how much of the impact of the COVID-19 pandemic should be considered to arise from non-adjusting events. This will be highly dependent on the reporting date, and the specific circumstances of the scheme.

For a pension scheme, a non-adjusting event after the end of the reporting period could be:

- The significant decline in the value of investments.
- The reduction or suspension of deficit recovery contributions or contributions for future service.
- A delay beyond the statutory deadline for completing the triennial actuarial valuation and agreeing a schedule of contributions and, where applicable, a recovery plan based on that valuation.
- The insolvency of the sponsoring employer.

Audit issues

Auditors should be considering the impact of the COVID-19 pandemic on all aspects of the audit and communicating with pension scheme trustees about these as appropriate. The guide highlights some of the key issues scheme auditors will likely need to address in respect of:

- strategies and plans
- materiality in planning and performing the audit
- internal controls, assessing risks of material misstatement and accounting estimates
- written representations
- going concern, including the application of the September 2019 revision of ISA 570 (UK)
- using the work of an auditor's expert
- subsequent events
- the auditor's report, including the auditor's opinion
- audit firms' own risk management arrangements over signing auditor's reports
- the auditor's statement about contributions.

Fundamental to the audit is the requirement to obtain sufficient appropriate audit evidence in order to complete the audit, form an opinion on the financial statements and issue an auditor's report. Audit evidence, and the documentation of that evidence, is therefore a theme throughout the 'Audit issues' section of the guide.

In addition to applying the ISAs (UK), pension scheme auditors should continue to refer to Practice Note 15 (revised): The Audit of Occupational Pension Schemes in the UK (November 2017) (PN15) as authoritative guidance.

The auditor's statement about contributions

In undertaking work in relation to the auditor's statement about contributions, the auditor will need to know whether contributions to the scheme have been impacted by:

- the reduction or suspension of deficit recovery contributions or future contributions (DB only)
- changes in pensionable earnings
- the furloughing of employees under the UK government's Coronavirus Job Retention Scheme.

Sufficient appropriate audit evidence about contributions to the scheme should be gathered as part of any audit work on the fund account.

Where contributions have not been paid in accordance with the schedule of contributions, or, in the case of a DC scheme the scheme's payment schedule, during the reporting period, the auditor will need to consider the implications for their statement and whether in the course of their work they have identified any matters of material significance to report to TPR.

The Guide should be read in conjunction with the most up-to-date guidance from TPR, the FRC and others relevant to the preparation of scheme annual reports and financial statements and audit.

IAASA Publishes its 2019 Annual Audit Programme and Activity Report

IAASA has published its [2019 Annual Audit Programme and Activity Report](#). This report provides a summary of the activities performed by IAASA during 2019 to oversee the audit profession in Ireland. In particular, it outlines the outcome of its quality assurance review of auditors of public-interest entities as well as its oversight of the recognised accountancy bodies who supervise auditors of other Irish entities.