



**Irish Auditing & Accounting Supervisory Authority**

# Financial Reporting Supervision role of IAASA

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# *Disclaimer*

The views expressed are mine and do not necessarily reflect the views of the Board, individual Board members or the staff of IAASA.

# Presentation overview

- Who is IAASA?
- What is IAASA's role under the Transparency Regulations?
- What criteria are used in selecting financial reports for review?
- What is IAASA's approach to issues arising from reviews conducted?
- Findings to date?

# Confidentiality – Section 31

‘No person shall disclose, except in accordance with law, information that –

(a) is obtained in performing the functions or exercising the powers of the Supervisory Authority, and

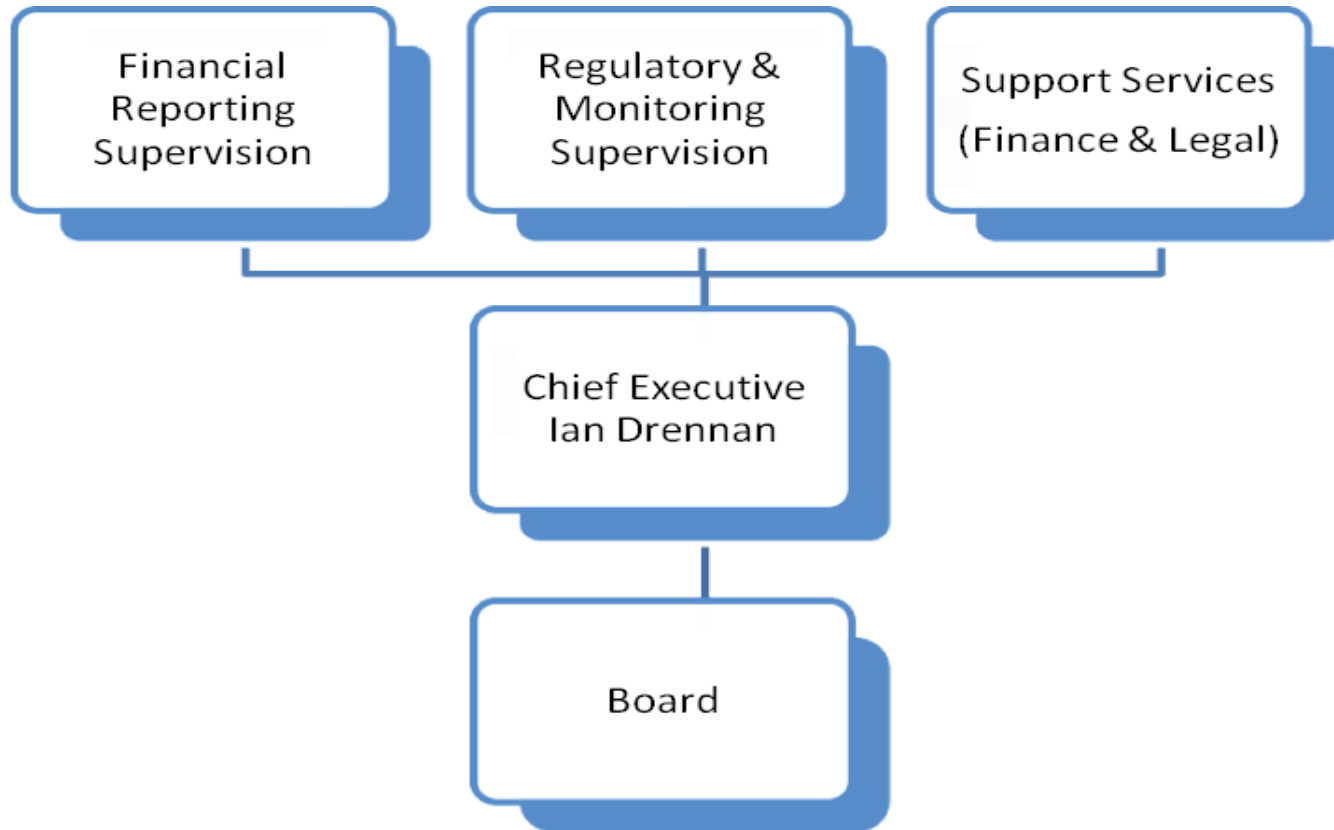
(b) has not otherwise come to the notice of members of the public....’

Certain exemptions provided for in law

# Irish Auditing and Accounting Supervisory Authority (IAASA)

Financial Reporting Supervision Unit is part of IAASA so who are IAASA and what are its functions .....

# IAASA organisational chart



# Principal Functions of Financial Reporting Supervision Unit

- To examine whether the financial reports of issuers whose Home Member State is Ireland under the Transparency Regulations complies with the relevant reporting framework
  - Liaising with other countries' financial reporting monitoring bodies
- Co-operating in the development of accounting standards and practice notes
- Assisting the Board to discharge its functions as an advisor to the Minister on accounting related matters

# The Transparency Directive (TD)

- Central Bank is the central administrative competent authority
- IAASA is the independent designated competent authority for carrying out functions under Article 24(4)(h) of the TD, i.e.

*“..to examine that information referred to in this Directive is drawn up in accordance with the relevant reporting framework and take appropriate measures in case of discovered infringements.”*

# Who does it apply to and to which financial reports?

- Applies to all issuers with securities (debt and equity) admitted to trading on an EU regulated market i.e.
  - Shares
  - Bonds or other forms of securitised debt
  - Derivative securities
  - Units issued by closed-ended investment funds
- Applies for accounting periods commencing on or after 20 January 2007

# Issuers whose Home Member State is Ireland

Effectively means -

- issuers of shares and debt securities denomination <€1k listed in regulated EU market with registered office in Ireland;
- issuers of shares and debt securities denomination <€1k - that are registered outside EU - that are required to file an annual information document with the Financial Regulator; and
- issuers of debt securities - denomination per unit > €1k who have chosen Ireland as their home Member State from among the Member States in which they have their registered office and those Member States where their securities are listed on a regulated market

# TD- summary of periodic information requirements

	<b>What must be included?</b>	<b>Publication deadline</b>
<b>Annuals</b>	<ul style="list-style-type: none"> <li>➤ Audited financial statements</li> <li>➤ Management report</li> <li>➤ Audit report</li> <li>➤ Responsibility statement</li> </ul>	<b>4</b> months after y/e
<b>Half Yearly reports</b>	<ul style="list-style-type: none"> <li>➤ Condensed financial statements</li> <li>➤ Interim management report</li> <li>➤ Audit report <i>or</i> review report <i>or</i> negative statement</li> <li>➤ Responsibility statement</li> </ul>	<b>2</b> months after p/e
<b>Interim management statements</b>	<ul style="list-style-type: none"> <li>➤ Explain material events and transactions and their impact on issuer's financial position</li> <li>➤ General description issuer's financial position and performance</li> </ul>	<b>10</b> weeks after the beginning and 6 weeks before end of relevant six month period

# Methodology for selection of entity for review

## Criteria for selection will include

- Risk of material misstatement in the financial statements
- Potential impact on users of financial statements in the event of material misstatement
- Supplemented with random selection of F/S for review

# Approach towards issues arising

- Review issues addressed, in the first instance, through correspondence with issuers with request to respond to same
- Further correspondence where clarification or elaboration is required
- Where relevant/applicable, further action determined having regard to seriousness of issues arising and directors' responses to matters arising
- Issues being posted to EECS database will also inform IAASA's review activity/focus and IAASA decision may be posted to EECS database.
- Hasn't been necessary to invoke powers as yet

# IAASA's statutory powers

- Minimum requirements as per TD (and more) including power to
  - require auditors and issuers to provide information and documents
  - require an issuer to disclose the required information
  - make public the fact that an issuer is failing to comply with its obligation
  - carry out on-site inspections

# Other EU Member States' financial reporting monitoring bodies

- IAASA an active participant in EECS (European Enforcement Co-ordination Sessions) – sub committee of CESR
  - monthly plenary meetings
  - Member of Agenda Group
  - Member of Enforcement Methodology Group
- EECS – Forum for discussing and co-ordinating “enforcement” decisions in EU/EEA
- Publication of decisions from database – see [www.iaasa.ie](http://www.iaasa.ie)
- CESR/EECS liaising with various parties on matters of mutual interest

# Findings to date

- Half-yearly financial reports – IAASA publication
- Annual financial reports – reviews ongoing

# Further Information

- Further information may be obtained from:

**Web: [www.iaasa.ie](http://www.iaasa.ie) or [www.iaasa.eu](http://www.iaasa.eu)**

**Tel: +353 (0)45 983600**

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