

Snapshot of IAASA's financial reporting supervision activities during 2018



This snapshot provides information on the main financial reporting enforcement activities undertaken by IAASA's Financial Reporting Supervision Unit during 2018.

Who we are

Our primary function is to examine the level of compliance of certain companies' annual and half-yearly financial reporting with applicable financial reporting standards (in the main International Financial Reporting Standards (IFRS) and Irish Generally Accepted Accounting Practice (GAAP)).

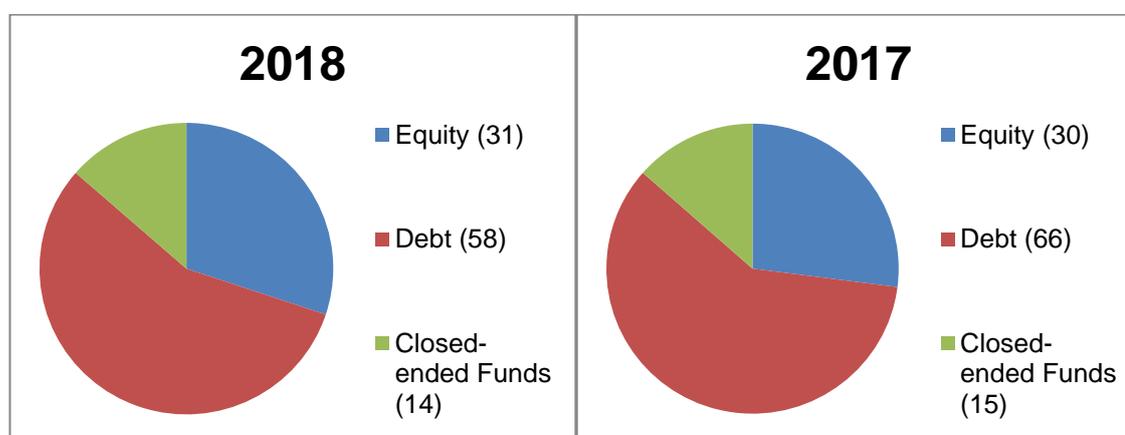
The Financial Reporting Supervision Unit is one of two units within IAASA's Statutory Reporting Quality Unit and operates alongside the Audit Inspection Unit.

Further information regarding IAASA's functions can be accessed on our [website](#).

Who do we review

We have a 'known' financial statement examination constituency of 103 (2017: 111) issuers, made up of:

- 31 (2017: 30) equity issuers;
- 58 (2017: 66) debt issuers; and
- 14 (2017: 15) closed-ended fund issuers.



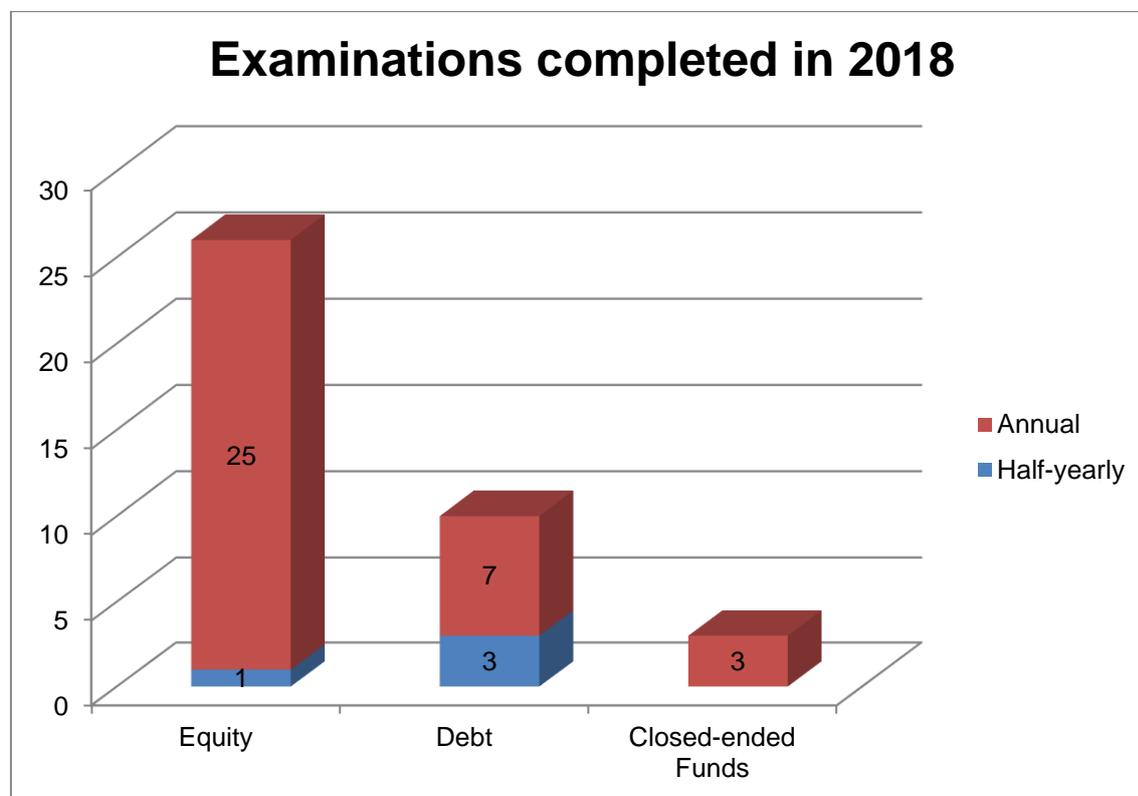
These provisional numbers exclude issuers registered in Ireland and listed on an EU regulated market outside Ireland where the Central Bank of Ireland has not been notified by the issuer that Ireland is that issuer's home Member State.

Who we reviewed

During 2018, we completed examinations of 39 (2017: 34) financial statements:

- 35 (2017: 32) annual financial reports – 25 equity, 3 closed-ended funds, 7 debt; and
- 4 (2017: 2) half-yearly financial reports – 1 equity, 3 debt.

A further 6 examinations were commenced during 2018 and were ongoing at the year-end.



In addition, we undertook four thematic examinations of the equity issuers falling within IAASA's remit, covering:

- bank covenants;
- corporate income taxes;
- business combinations; and
- revenues disclosures in 2018 half-yearly reports (IFRS 15).

These thematic examinations, while identifying some good practices in issuers' financial reports, also detected deficiencies in financial reporting treatments. As stated in our thematic reports, such instances of apparent non-compliance will be areas of focus in our 2019 examinations.

Our thematic publications are available at <http://www.iaasa.ie/Publications/FRSU>

What we reviewed

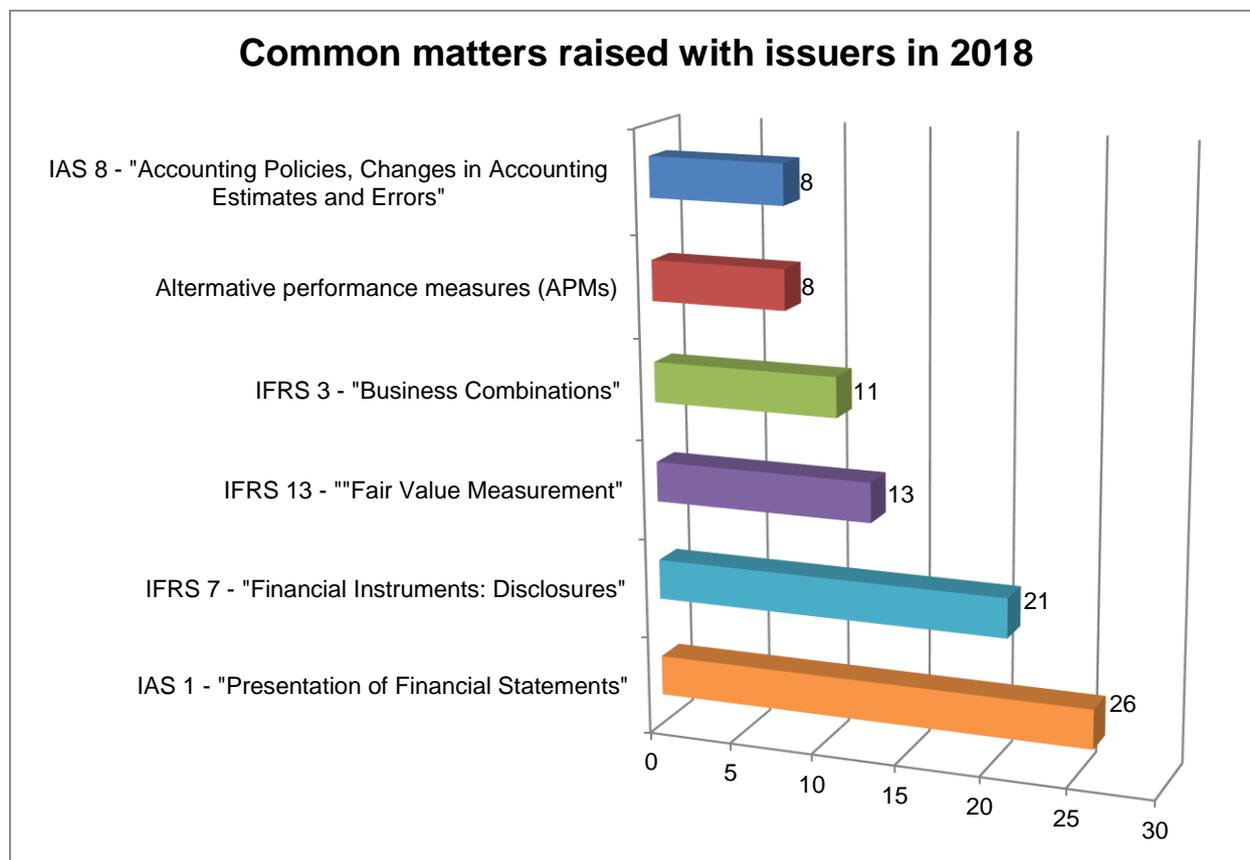
The 39 (2017: 34) examinations completed during 2018 comprised:

- 14 (2017: 7) unlimited scope examinations;
- 7 (2017: 10) focused examinations; and
- 18 (2017: 17) follow-up examinations.

We held face-to-face meetings and/or conference calls with 4 (2017: 6) issuers during the year.

A total of 164 (2017: 101) matters were raised with issuers' directors during 2018.

The more common matters raised with issuers are analysed in the following chart:



The high level of IAS 1 related matters raised indicates continuing issues regarding issuers' presentation of items in their financial statements and is consistent with activities at European accounting enforcer and IASB level.

What our key findings were

A total of 18 (2017: 13) issuers provided 134 (2017: 53) undertakings in respect of future periodic financial reports. During 2018, no (2017: 1) issuer voluntarily re-filed its financial statements following an examination by IAASA.

13 of these 134 undertakings (2017: 12 of the 53 undertakings) related to issuers' use of alternative performance measures.

The financial reporting decisions we published

During the year, we published the outcome of 14 (2017: 21) financial reporting decisions. We will continue to publish financial reporting decisions in 2019.

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The Papers we published during 2018

Publications by IAASA during 2018 were:

Document	Month	Link
Observations document	September 2018	<i>Observations on selected financial reporting issues issuers' financial years ending on or after 31 December 2018</i>
Financial reporting decisions	November 2018	<i>Financial Reporting Decisions</i>
	June 2018	<i>Financial Reporting Decisions</i>
	February 2018	<i>Financial Reporting Decisions</i>
Thematics	December 2018	<i>IFRS 15 Revenue from Contracts with Customers – thematic review of disclosures in 2018 half-yearly financial reports</i>
	November 2018	<i>IFRS 3 Business Combinations – Thematic Review</i>
	October 2018	<i>Information Note: Corporate Income Tax Reporting by Irish Issuers</i>
	October 2018	<i>Bank Covenants – Thematic Review</i>
Snapshot	January 2018	<i>Snapshot of IAASA's financial reporting enforcement activities in 2017</i>

Other activities we undertook

Details of other activities undertaken in 2018 by us (e.g. engagement at local, UK, European and international level and advice to the Minister) will be included in IAASA's 2018 Annual Report to be published later in 2019.

Information regarding IAASA's financial reporting activities can be accessed on our web site at: <https://www.iaasa.ie/>

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.

Pending completion of IAASA's 2018 Annual Report, the statistics and related information contained in this document are provisional and may be subject to change.