

SNAPSHOT OF IAASA'S FINANCIAL REPORTING SUPERVISION ACTIVITIES IN 2019

This snapshot provides an overview of some of the more significant financial reporting enforcement activities undertaken by IAASA's financial reporting supervision team in 2019.

Who we are

The major role of IAASA's Financial Reporting Supervision Unit is to examine the level of compliance of certain entities' annual and half-yearly financial reports with applicable financial reporting standards (in the main International Financial Reporting Standards (IFRS) and Irish Generally Accepted Accounting Practice (GAAP)).

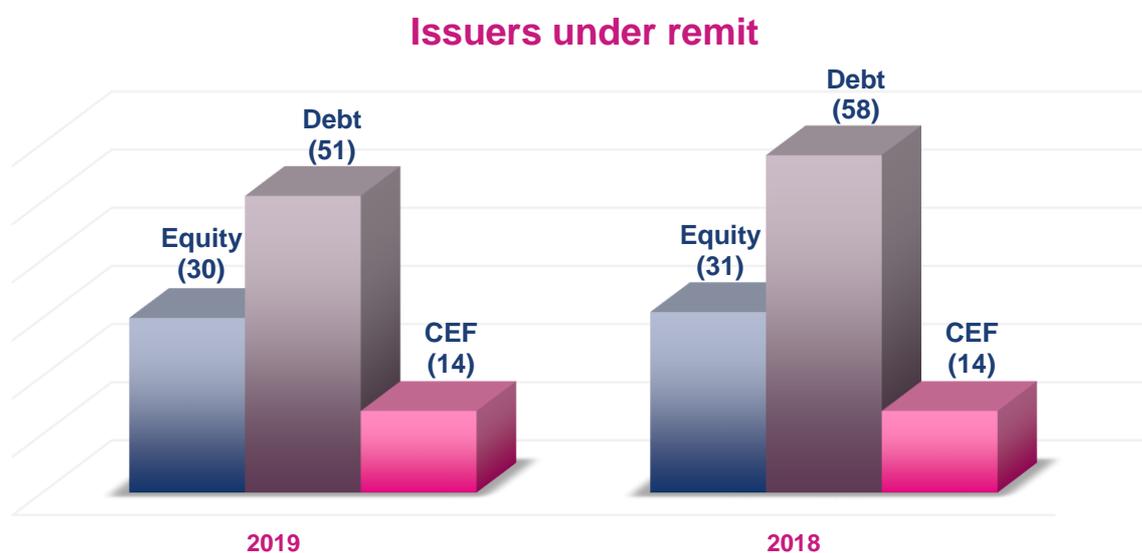
IAASA's financial reporting supervision team work in tandem with the audit inspection team and both teams work co-operatively within the Statutory Reporting Quality Unit of IAASA.

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

The entities we examine

IAASA has a known financial statement examination constituency of 95 (2018: 103) issuers, made up of:

- 30 (2018: 31) equity issuers;
- 51 (2018: 58) debt issuers; and
- 14 (2018: 14) closed-ended fund (CEF) issuers.



These provisional numbers exclude entities 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.

The population falling within our financial reporting examination remit (as provided to us by the Central Bank of Ireland) changes from time to time and is listed on IAASA's [website](#).

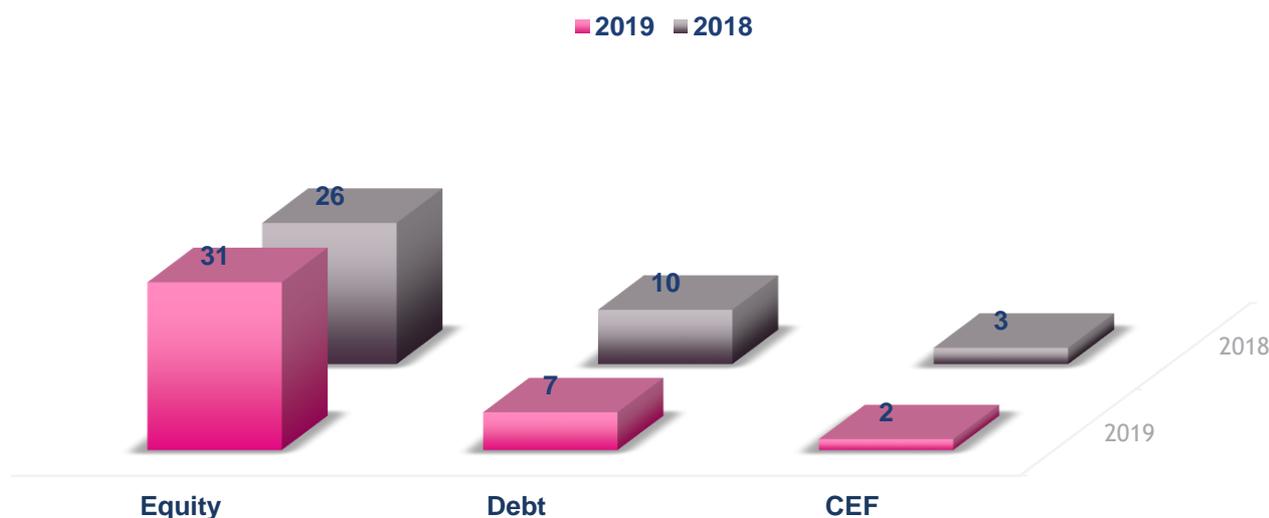
The financial statements we examined in 2019

During 2019, IAASA completed examinations of 40 (2018: 39) financial statements:

- 38 (2018: 35) annual financial reports – 29 equity (2018: 25), 2 closed-ended funds (2018: 3), 7 debt (2018: 7); and
- 2 (2018: 4) half-yearly financial reports – 2 equity (2018: Equity 1 and Debt 3)

A further 9 (2018: 6) examinations were commenced during 2019 and were on-going at the year-end.

Examinations completed during the year



In addition, IAASA undertook a desktop review of equity entities' application of IFRS 16 *Leases* in their 2019 half-yearly financial reports.

Types of examinations undertaken

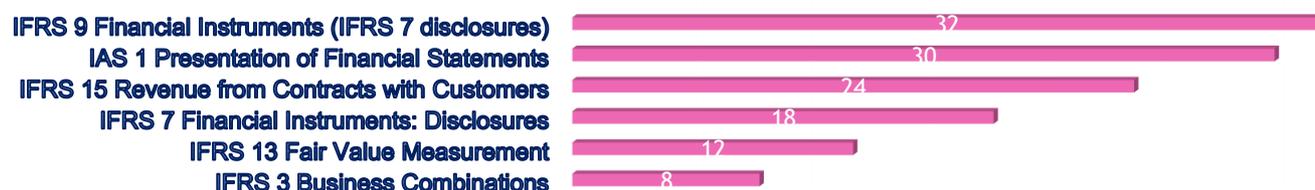
The 40 (2018: 39) examinations completed during 2019 comprised:

- 8 (2018: 14) unlimited scope examinations;
- 18 (2018: 7) focused examinations; and
- 14 (2018: 18) follow-up examinations.

Face-to-face meetings and/or conference calls were held with 9 issuers during the year.

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

Matters raised with issuers in 2019



The results of matters raised with issuers during 2019 reflect the fact that IFRS 9 and IFRS 15 are new standards impacting many issuers for the first time and there are new judgements being applied by many issuers (i.e. measurement, recognition and/or new disclosures). The new standards are European common enforcement priorities, therefore, enforcers are required to include these topics in examinations where relevant. The high level of IAS 1 related matters raised indicates continuing concerns regarding a range of matters including for example: (a) entities' presentation of items in their financial statements; (b) boilerplate disclosures in some note disclosures; and (c) disclosures surrounding initial application of new accounting standards. The level of IFRS 13 related matters is reflective of the judgments exercised by management in measuring fair values. This pattern is consistent with activities at European accounting enforcer level.

What our key findings were

A total of 21 issuers provided 89 undertakings in respect of future periodic financial reports. During 2019, 1 issuer voluntarily re-filed its interim financial statements following engagement with IAASA.

Analysis of undertakings received from issuers during 2019	Number of undertakings
Alternative Performance Measures ('APMs')	20
IAS 1 <i>Presentation of Financial Statements</i>	16
IFRS 9 <i>Financial Instruments</i> (IFRS 7 disclosures linked to the implementation of IFRS 9)	9
IFRS 15 <i>Revenue From Contracts with Customers</i>	9
IFRS 7 <i>Financial Instruments: Disclosures</i>	9
IFRS 13 <i>Fair Value Measurement</i>	6
Other	20

The financial reporting decisions we published

During the year, the outcome of 10 (2018: 14) financial reporting decisions were published to IAASA's website. The Authority will continue to publish financial reporting decisions meeting the criteria for publication during 2020.

The Papers we published during 2019

In line with IAASA's strategy of supporting high standards in financial reporting and disseminating best practice, IAASA continued to publish various documents related to financial reporting:

Document	Month	Link
Observations document	September 2019	<u>Observations on selected financial reporting issues entities' financial years ending on or after 31 December 2019</u>
Financial reporting decisions	September 2019	<u>Financial Reporting Decisions</u>
Desk top examination	October 2019	<u>Transition to IFRS 16 Leases – review of 2019 half-yearly disclosures</u>
Information Notes	September 2019	<u>Information Note: Liquidity analysis in annual and half-yearly financial reports</u>
	June 2019	<u>Information Note: Some key areas of focus for 2019 half-yearly reports</u>
	April 2019	<u>Information Note: Requirement to disclose disaggregated revenue</u>
	April 2019	<u>Information Note: Requirement to disclose dividends proposed</u>
Snapshot	January 2019	<u>Snapshot of IAASA's financial reporting enforcement activities in 2018</u>

Other activities we undertook

Details of other activities undertaken in 2019 by IAASA (e.g. engagement at local, UK, European and international level and advice to the Minister) will be included in IAASA's 2019 Annual Report to be published later in 2020.

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

DISCLAIMER

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Pending completion of IAASA's 2019 Annual Report, the statistics and related information contained in this document are provisional and may be subject to change.