

# Chartered Accountants Regulatory Board

Annual Report 2017

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### Chairman's Statement

I am pleased to present the eleventh Annual Report of the Chartered Accountants Regulatory Board ('CARB'). The 2017 Annual Report differs in structure to those of prior years, reflecting the revised governance framework for the regulatory and disciplinary functions of Chartered Accountants Ireland and the role of the CARB Board. Part one of the Annual Report comprises my own Statement followed by commentary on Board activity during 2017 in the discharge of its remit.

Part two highlights the work of the Professional Standards Department (PSD) of the Institute, responsible for the day to day delivery of the Institute's regulatory and disciplinary functions. Finally, Part three contains further detail on the effectiveness of the Board and the PSD along with information on governance and funding of regulation and discipline.

The CARB Board ('the Board') is established under Principal Bye Law 41 of Chartered Accountants Ireland ('the Institute'). The Board is independently chaired and its membership (currently 10 members) is comprised of a majority of non-members.

Under its Terms of Reference, CARB is responsible for oversight of the fairness, impartiality, rigour, independence and integrity of the regulatory and disciplinary functions of the Institute. Such functions are carried out by the Institute's PSD. Part two of this Report summarises the work and activity of PSD during 2017.

In exercising its responsibilities, CARB acts in the public interest and aims to ensure that PSD in its dealings with all stakeholders;

- applies high standards of integrity and objectivity to its actions and decisions;
- conducts its business in a manner that is open, transparent and courteous;
- operates efficiently and effectively.

### Objectives

In accordance with its Terms of Reference the CARB Board is responsible specifically for oversight and supervision of;

- the monitoring of compliance with regulations issued by the Institute;
- the authorisation and regulation of members, member firms, and affiliates engaged in public practice;
- any other regulatory functions conferred on the Institute, or permitted to be undertaken by law; and the investigation and disciplining of members, member firms, affiliates and students in accordance with the Disciplinary Bye-laws and Regulations.

The Board is also responsible for appointing the membership of various regulatory and disciplinary committees which comprise both accountants and non-accountants. In doing so, the Board has regard to ensuring that such individuals possess the appropriate degree of independence and experience.

The Board interacts independently of the Institute with external oversight bodies or competent authorities. Two key competent authorities in this regard are the Irish Auditing and Accounting Supervisory Authority ('IAASA') and the UK's Financial Reporting Council ('the FRC').

Through participation of its nominees on the Institute's Regulatory Policy Board ('RPB'), the Board contributes to the setting and amendment of the suite of Regulations, Disciplinary Bye-laws and guidance which underpin the Institute's Regulatory and Disciplinary Functions. In this manner, the Board also contributes to the development and formulation of Institute policy concerning regulatory developments, having particular regard to the public interest.

The Board's oversight and supervisory role is exercised in a number of ways.

It receives on a regular basis reports issued by external oversight bodies/competent authorities arising from inspection visits conducted by these bodies to assess the PSD's performance in respect of obligations conferred on the Institute by various legislative provisions in Ireland and the UK and in respect of the Institute's own regulatory requirements. The Board assesses the appropriateness of proposed actions by the PSD to address any requirements or recommendations contained in such reports. In addition, the Board receives status updates on the implementation by PSD of such requirements/recommendations annually.

The Board receives statistics on a quarterly basis which address various performance indicators relating to authorisations, inspections and complaints and discipline.

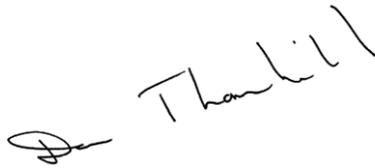
The Board also reviews the annual budget of the PSD with a particular focus on ensuring that PSD is adequately resourced by the Institute.

The Board Activity Report following this Statement provides further detail of the work of the Board during 2017.

The 2016 Annual Report made reference to the investigations of the CARB appointed Special Investigator, Mr John Purcell, into certain matters pertaining to Anglo Irish Bank. Mr Purcell's findings have been published on the CARB website. The Institute continues to observe the request of the Director of Public Prosecutions that it defer any further proceedings with regard to such matters pending the conclusion of a number of cases currently before the Dublin Circuit Criminal Court. This request has been reaffirmed in early 2018.

During the year, two long serving members of the Board retired. I extend my thanks and appreciation to Dervilla Donnelly and Stephen Kingon for their years of service to the Board and for their valuable contributions, insights and advice.

The Board remains committed to fulfilling its revised responsibilities in a manner which is balanced and proportionate while at the same time having regard to the protection of the public interest. Finally, I would like to express my thanks to the Board, to CARB's many committee members, and to the Institute Executive led by the Director of Professional Standards, Mr Aidan Lambe, for their dedication and professionalism.

A handwritten signature in black ink, appearing to read "Dr Thornhill", written in a cursive style.

**Dr Don Thornhill**  
**Chairman**  
**23 March 2018**

The Board met on four occasions during 2017. In addition, it held a strategy day in October 2017 which included the participation of CARB regulatory and disciplinary committees, the President and CEO of Chartered Accountants Ireland, and the Chairperson of the Institute's Regulatory Policy Board. The Board was also delighted to welcome to its strategy day the CEO of the IAASA and the Director of Professional Oversight from the FRC.

Typically, there are a number of recurring items on the agenda of each Board meeting. These include statistics relating to authorisations, quality assurance matters, and complaints and discipline. During 2017, issues such as General Data Protection Regulation (GDPR), Brexit, and the Companies (Statutory Audits) Bill, 2017 also appeared regularly on Board agendas. The Board also receives reports on meetings held with external oversight bodies and significant issues arising therefrom.

At its March meeting the Board considered the PSD budget for 2017 and, in particular, noted the likelihood of increasing levies from external oversight bodies reflecting a change in the general regulatory landscape. It also discussed its own Terms of Reference and how the Board might fulfil its remit in accordance with these.

The Board approved the draft CARB Annual Report, 2016 and also the Regulatory Plan 2016. A number of appointments to CARB disciplinary committees were also approved.

The June meeting of the Board received and considered a recently finalised report from the FRC on the Institute's compliance with the Delegation Agreement in place between it and the FRC. The Board was pleased to note that the inspection and report concluded that there was no evidence to indicate any material breach of the Institute's obligations under the Delegation Agreement. FRC did, however, make a number of recommendations which PSD has agreed to implement.

The Board was also advised on engagement between the Chairperson and Vice-chairperson of the Board and the Chairperson and CEO of IAASA.

In June, the Board also approved a number of appointments to the Insolvency Licensing Committee, the Quality Assurance Committee and the Disciplinary Appeal Panel.

The October meeting of the Board was preceded the previous afternoon by a Strategy Session. This session included presentations from the chairpersons and executives from CARB's various regulatory and disciplinary committees and followed by interactive Q & A sessions. The Board also heard from the President and CEO of the Institute as well as contributions from the CEO of IAASA and the Director of Professional Oversight at the FRC.

Finally, the Board heard from the Director of CARB/Professional standards on key regulatory challenges faced by the Institute and a proposed work programme for the Board for 2018.

At the October meeting of the Board itself, consideration was given to a joint report from IAASA and the FRC on their joint inspection of the Institute's investigation and disciplinary functions and noted the on-going development on an implementation plan to address recommendations contained therein. The Board also noted a satisfactory outcome from a recent inspection by the UK Insolvency Service.

The Board also discussed further the implementation plan relating to IAASA/FRC recommendations regarding investigation and discipline.

The December meeting of the Board considered the PSD budget for 2018. In this regard, and having also considered regulatory developments during 2017, and requirements of external oversight bodies, the Board continues to monitor the resource needs of the PSD.

The Board anticipates 2018 to be a year of continuing challenge. The enactment of the Companies (Statutory Audits) Bill, 2017 will impose additional regulatory requirements on the Institute. In a similar fashion, the creation in the UK of the Office for Professional Body Anti-money laundering Supervision ('OPBAS') will add further pressure to resources.

In a wider context, Brexit and GDPR are issues that will not just impact PSD but the wider operations of the Institute.

### Director's Review

The 2016 Annual Report highlighted the significant changes that had taken place in the regulatory regime governing statutory audit in Ireland and the UK as a result of the transposition in both jurisdictions of the EU Audit Regulation and Directive (ARD). 2017 has been the first full year of operation of these new arrangements. 2017 was also the first full year of the operation of revised arrangements governing the role of the CARB Board and the Institute in respect of the Institute's regulation and disciplinary functions.

With IAASA and the FRC now respectively the Competent Authorities for the supervision and oversight of statutory audit in Ireland and the UK respectively, inevitably there are changes to the relationship between these bodies and the Institute. With such change come fresh challenges and new requirements on the Institute.

Also during 2017, the Irish Government published the Companies (Statutory Audits) Bill, 2017 which, when enacted, will complete Ireland's transposition of the ARD. While enhancing further the role and powers of IAASA in the supervision of statutory audit work, this legislation continues to provide for direct recognition of the Recognised Accountancy Bodies ('RABs).

It is worth noting that this enhanced audit regulatory regime in being established at a time when audit exemption thresholds have again increased during 2017. As at 31 December 2017 the Institute had 810 registered audit firms compared to 844 at the same date in 2016.

As with its engagement with all external regulatory/oversight bodies, the Institute has approached the change in the audit regulatory landscape in a manner which is positive and constructive. As in any year, there have been a number of external reviews and inspections of the Institute's regulatory functions, not just from IAASA and the FRC but also from insolvency oversight bodies in Great Britain and in Northern Ireland. The Institute views such inspections as value adding and seeks to learn from these wherever possible.

Of course, the Institute's regulatory obligations and responsibilities extend beyond statutory audit. The Institute's role as an insolvency regulator continues with details summarised later in this report.

Regulatory policy developments during 2017 have included on-going interaction with the Financial Conduct Authority and the Central Bank of Ireland regarding transposition of the Insurance Distribution Directive.

Also in 2017, the establishment in the UK of OPBAS will likely mean the imposition of new obligations on the Institute and its practitioner members in the months and years ahead.

Throughout 2017, the PSD has participated in a number of groups, including those established by the FRC and by the UK Department for Business, Enterprise, Innovation and Skills, to discuss and assess the implications for financial reporting and auditing in a post-Brexit environment. This poses some significant challenges for the Institute and the profession in the coming years.

There follows in the remainder of this Part a summary of activity within the PSD during 2017. Strategy 2020, the Institute's current strategic plan, identifies as a key challenge and priority for the Institute the maintenance of its role as a regulator of all chartered accountants, so public confidence in the profession is maintained and enhanced. Promotion of high standards of behaviour based on the Institute's core values should be underpinned by appropriately supportive and effective regulations and disciplinary bye-laws. The PSD is committed to the delivery of regulation and discipline that adheres to this principle.

## Professional Standards

The Institute aims to set regulations and bye-law requirements which are straightforward, clear, capable of being complied with and enforced, and which are fair, proportionate and in the public interest.

During 2017 amendments to the suite of standards and regulations within the remit of the PSD have been relatively minor and mostly as a consequence of external factors – changes in legislation and new external regulatory requirements, or responding to requirements or recommendations of external Competent Authorities/Oversight Bodies.

### *Statutory Audit*

Revised Audit Regulations took effect from 1 April 2017. These represent a single set of requirements applicable in Ireland and the UK and reflect amendments resulting from SI 312 of 2016 and the Statutory Audits and Third Country Auditor Regulations 2016 implementing the ARD.

During the year, the Quality Assurance team issued its latest feedback to firms on common issues arising during the course of monitoring visits.

### *Insolvency (UK)*

The Institute, in conjunction with the other insolvency supervisory bodies, issued a revised Statement of Insolvency Practice ('SIP') 15, effective from 1 March 2017, on 'Reporting and Providing Information on their Functions to Committees and Commissioners'. The PSD also participated in the work of the Joint Insolvency Committee of the Chartered Institutes to amend its Insolvency Code of Ethics.

### *Investment Business*

A number of minor amendments to the Investment Business Regulations were approved during 2017. These reflected changes to the Central Bank of Ireland's Minimum Competency Arrangements.

In addition, changes to investor compensation arrangements applicable to firms authorised by the Institute (requiring, in future, an annual levy to be paid to the Investor Compensation Company) were also reflected in the Investment Business Regulations.

Both amendments came into effect in early 2018.

### *Engagement & Consultations*

The PSD engages regularly with external parties – regulators, oversight bodies etc. with regards to new or proposed requirements which impact Institute members and/or firms.

Meetings take place on a regular basis with key regulators including IAASA, the Central Bank, the FRC, the Insolvency Service and HM Treasury.

During the year the PSD responded to various consultations including the Companies (Statutory Audits) Bill, 2017, UK proposals regarding transposition of the EU Insurance Distribution Directive. It has also engaged extensively with authorities in Ireland and the UK on amendments to the Anti-Money Laundering supervisory regimes in both jurisdictions.

### *Future Developments*

It is anticipated that many of the regulatory changes alluded to above will be finalised during 2018. These will inevitably impact on existing Institute regulations and requirements, which will likely require further change and amendment.

## Professional Authorisations

The PSD continued to manage the applications for licences, registrations and authorisations and collect the various annual returns.

A summary of the applications processed in the year is shown below.

	Granted 2017	Ceased 2017	Number at year end
<b>Practising Certificates</b>	90	95	2,466
<b>Audit Registration</b>	35	67	810
<b>Investment Business ROI</b>	20	51	516
<b>Designated Professional Body Authorisation UK</b>	2	5	116
<b>Insolvency Licence GB/NI</b>	2	2	44
<b>Insolvency Practising Certificate ROI</b>	5	29	371

### Annual Returns

Various annual returns must be completed by members and firms.

Once these returns are received by the professional authorisation team they are risk assessed. Summary details of the returns assessed in 2017 are included in the table below.

Type of Return	Number Assessed
<b>Firms Annual Returns</b>	1,697
<b>Individual Annual Returns</b>	21,597

## Quality Assurance

All member firms and Insolvency Licence holders are subject to a monitoring visit to assess compliance with the Standards of Professional Conduct.

The PSD is committed to carrying out monitoring visits to firms and members providing services to the public adopting a risk-based approach.

The PSD has a number of statutory responsibilities including:

- Inspecting the work of registered auditors in accordance with the statutory cycles set out in Irish and UK law.
- Inspecting the work of firms authorised for investment business.
- Inspecting the work of Insolvency Licence holders under GB/NI legislation.
- Inspecting for compliance with the anti-money laundering legislation (UK and ROI).

The main priorities for 2017 were:

- Ensuring statutory monitoring obligations were met.
- Implementing a new risk-based non-statutory practice monitoring regime to replace the existing quality review regime.
- Continuing our monitoring regime for ROI Insolvency Practising Certificate holders.
- Continuing to monitor a sample of CPD records.

A summary of the inspections carried out in 2017 is included in the table below.

Inspection Type	Number of Inspections	Inspections in year	Cleared	Satisfactory	Not satisfactory
Audit	84	79		68	11
Non-audit	15	12		8	4
Investment Business ROI	13	12		11	1
AML UK	29	30		27	3
AML ROI	53	48		43	5
Insolvency GB/NI	22	19		16	3
Insolvency ROI	5	5		5	0
CPD Records	271	264		249	15

The PSD remains committed to the improvement of audit quality. In cases where the inspection results are not satisfactory, the Quality Assurance Committee (QAC) may impose restrictions and/or conditions, or can remove a registration/authorisation of an individual or firm. Some firms that receive poor visit ratings cease to be registered as statutory auditors; other firms put in place action plans for improvement with progress monitored by the QAC.

A total of 84 audit inspections were carried out in 2017, with 79 finalised during the year (this included reports brought forward from 2016). We select firms for an audit inspection using a risk-based approach subject to inspecting each firm within the statutory cycle, generally at least once every six years.

## Discipline

The Professional Conduct Section within the PSD is responsible for ensuring the proper investigation of complaints against members, member firms, affiliates and students of Chartered Accountants Ireland and taking disciplinary action when there is evidence that their professional performance has fallen short of the reasonable expectations of the public and other stakeholders.

### Overview of Disciplinary Processes

1. **Assessment:** When a complaint is received, it is assessed by the executive to determine whether it concerns a disciplinary matter i.e. whether it is a complaint which can be handled in accordance with the disciplinary process on the basis that it appears to give rise to liability to disciplinary action. A complainant may seek a review of this assessment.
2. **Investigation:** Disciplinary matters (which are not conciliated or otherwise resolved between the member and the complainant) are investigated by a case manager who produces a report in which he/she sets out his/her opinion as to whether there *may be a case to answer*.
3. **Case to answer Decision:** The Head of Professional Conduct (“HoPC”) considers each report and either makes the decision or refers the matter to the Conduct Committee (“CC”). In either case the decision which must be made is whether or not there is a ‘case to answer’ or, put another way, a prima facie case of liability to disciplinary action. Complainants are entitled to have a decision of ‘no case to answer’ reviewed by an independent reviewer (“IR”). If the IR finds that the decision was wrong or unsafe then the final decision is made by an Independent Review Committee. Where the finding is ‘case to answer’ the matter may be dealt with in any of the following ways:
  - a consent order may be offered
  - a decision may be taken to take no further action
  - an unpublished caution may be issued
  - a formal allegation may be referred for hearing by a Disciplinary Tribunal (“DT”).
4. **Hearing by a Disciplinary Tribunal:** A DT determines whether the formal allegation has been proven on the balance of probabilities. Where allegations are found proven, the Tribunal makes whatever orders it considers appropriate in accordance with the Disciplinary Bye-Laws.
5. **Appeal:** Members may appeal a decision of a DT on specified grounds. The Appeal Tribunal (“AT”) may uphold, vary or rescind the DT’s order, it may also substitute its own order or order that the matter be heard de novo by a different DT.
6. **Settlement:** The regulations permit ‘without prejudice’ settlement discussions; where proposed terms of settlement are agreed between the executive and the member, those terms must be scrutinised and approved by the CC/DT or AT, depending on the stage of the process, before the matter can be closed in accordance with the proposed terms.

The main priority within Professional Conduct section of PSD in 2017 has been to continue to operate the disciplinary process in an efficient and effective manner.

At the beginning of 2017 there were 22 complaints under assessment and 188 disciplinary matters at various stages of case handling. Throughout 2017 a total of 91 new complaints were received; 59 of these were deemed to concern disciplinary matters. At the end of 2017 there were 11 complaints under assessment and 140 disciplinary matters at various stages of case handling.

#### Breakdown of decisions made in respect of disciplinary matters

Decision maker	No of decisions	Outcomes
<b>Head of Professional Conduct</b>	42 6 2	No case to answer Cases closed on basis of withdrawal of complaint Cases closed on the basis that matter was resolved between parties
<b>Conduct Committee</b>	31 1 8 4 31	No case to answer Case closed Member RIP Case to answer - caution / sanction imposed Case to answer - no further action Case to answer - referral for hearing by a Disciplinary Tribunal
<b>Independent Reviewers</b>	8 2	No case to answer Case to answer – referred to an Independent Review Committee
<b>Independent Review Committee</b>	2 1	No case to answer Case to answer - referral for hearing by a Disciplinary Tribunal
<b>Disciplinary Tribunal</b>	25	Case proven – sanction imposed
<b>Appeal Tribunal</b>	4	Sanction upheld or varied

#### Breakdown of orders made in respect of disciplinary matters

Decision maker	Reprimand	Severe Reprimand	Exclusion	Suspension	Other
Conduct Committee	3	2	None	None	3 unpublished cautions
Independent Reviewers	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Independent Review Committee	None	None	None	None	None
Disciplinary Tribunal	2	14	2	4	1 condition imposed 3 fines and costs only (no non-financial sanction imposed)
Appeal Tribunal	2	2	0	1	1 Member declared ineligible to hold a Practising Certificate

In addition to the non-financial orders detailed above, the various disciplinary bodies ordered the payment of fines and contribution towards the Institute's costs. In 2017 these ranged from €500- €10,000 by way of fines and from €1,000 to €16,870 in respect of costs.

In accordance with the Publication Policy all decisions were published in Accountancy Ireland. In 31 cases the publication included the name of the member or firm. In three cases publication was without name.

In 2017, seven of the 73 'no case to answer' decisions were referred to an Independent Reviewer at the request of the complainant. 10 independent reviews concluded in 2017. In eight cases the original decision was found to be correct and safe. In two cases, one or more matters were referred to an Independent Review Committee to make the final decision.

Decisions were made in three cases by Independent Review Committees in 2017 as detailed above.

## CARB Effectiveness

### Effectiveness of CARB and Professional Standards Department

The Board of CARB is committed to operating effectively in accordance with its Terms of Reference in the oversight and supervision of the performance of the PSD.

In 2017 the key priorities of CARB were;

- Concluding with the Institute discussions on the development and clarification of the independent role of CARB and the role of the Institute;
- Continuing to ensure effective working relationships with oversight bodies, particularly IAASA and the FRC;
- Working with relevant Government Departments and oversight bodies in Ireland and the UK on the implementation of the ARD.

Revisions to the respective roles of CARB and the Institute became effective from October 2016. While this has resulted in certain structural changes, including the change of name to the regulation/discipline department (Professional Standards), CARB and the Institute share the common goal of ensuring the exercise of the Institute's statutory obligations to the highest standards.

CARB engages with the Institute on a number of different levels;

- Regular meetings between CARB/Institute;
- Participation by CARB Board members and other CARB nominees on the Institute's Regulatory Policy Board;
- Attendance by the CARB Chairman at Council meetings of the Institute;
- The Board oversees the engagement of the PSD with other stakeholders which includes;
- Interaction with relevant departments within the Institute (meetings, working parties etc.);
- Member briefings, attendance at Practitioner Networks, speaking at conferences seminars;
- Relevant and current information and guidance on website;
- Regulatory Bulletin;
- Accountancy Ireland articles.

During 2017 the executive has engaged widely with regulators/supervisors including IAASA, the Central Bank of Ireland, relevant Government Departments, the FRC, the Insolvency Service, AML supervisory authorities, as well as other industry bodies with similar functions and responsibilities.

As usual, external inspections were conducted by certain oversight bodies during 2017 – FRC, IAASA, The Insolvency Service (GB/NI). These reports were considered by the Board and also by the Institute.

## Board Governance

### The Board

Established in accordance with the Principal Bye-Laws of the Institute of Chartered Accountants in Ireland ('the Institute'), the Board of CARB is responsible for;

- oversight of the fairness, impartiality, rigour, and independence and integrity of the regulatory and disciplinary responsibilities of the Institute; and
- supervision of the operation of those functions.

Such functions are performed on a day to day basis by the Institute's PSD. Page four of this Report sets out the Board's discharge of its remit during 2017.

As at 31 December 2017 the Board had 10 members, six of whom are not members of any recognised accountancy body. The Board is appointed by an Appointments Committee convened by the Council of the Institute and comprising a nominee from Council, a nominee from the CARB Board and a chairperson not a member of either and nominated by Council.

The Board has procedures in place to ensure that its members, committees and staff act independently and with integrity and that any conflicts of interest are identified and managed. The Board had four formal meetings in 2017 and also a Strategy Day.

Attendance at board meetings may be summarised as follows:

Name	Board meetings attended
Don Thornhill	4 of 4
Anne Maher	4 of 4
Dervilla Donnelly <sup>1</sup>	0 of 1
Stephen Kingon <sup>23</sup>	3 of 3
Donal de Buitléir	3 of 4
Pat McArdle	4 of 4
Jennifer Cullinane <sup>3</sup>	4 of 4
Gerry McGinn	3 of 4
Paul O'Connor <sup>3</sup>	3 of 4
Eric Bell <sup>3</sup>	4 of 4
Maeve Carton <sup>3</sup>	4 of 4
Frank O'Riordan	4 of 4

Each Board member receives an honorarium of €3,125 per meeting attended.  
The Chairman receives an honorarium of €25,000 per annum.

The Board and committees are supported by a full time executive, headed by a Director, who are employees of the Institute. The Director reports to the Board on policy and strategic issues, operational matters and performance against strategic objectives. The Director is responsible for staff recruitment, performance management and ensuring the policies agreed by the Board and the decisions of its committees are carried out effectively and efficiently. The Board monitors the resource requirements of PSD on an on-going basis.

### Retirements and Appointments

In accordance with the CARB Terms of Reference, the following members resigned during 2017 and were not eligible for reappointment:

- (i). Dervilla Donnelly pursuant to para 10 of the CARB's Terms of Reference resignation took effect from 6 May 2017;
- (ii). Stephen Kingon pursuant to para 10 of the CARB's Terms of Reference resignation took effect on 14 October 2017.

<sup>1</sup> Dervilla Donnelly retired on 6 May 2017.

<sup>2</sup> Stephen Kingon retired on 14 October 2017

<sup>3</sup> Member of a Recognised Professional Body

## The Committees

The Board is responsible for appointing members of the committees<sup>4</sup> established in accordance with regulations made by Council under Principal Bye-Law 41 and also for appointing members to the disciplinary bodies<sup>5</sup> as defined in the Disciplinary Bye-Laws.

Details of the Committees are included in Appendix B.

## The Executive

In order to efficiently and effectively deliver its functions and achieve its objectives, the PSD has an executive team of 28 people (as at 31 December 2017). The executive team operates under the Director and management team. The Director and the management team are committed to working with the Board to deliver its goals and objectives and to ensure its vision is achieved.

Click on each of the following for full details of the [Committees](#) and [Executive](#).

## Oversight

The Institute is a recognised professional body under the relevant Companies Acts in the Republic of Ireland, Great Britain and Northern Ireland, the Financial Services and Markets Act, 2000 in the UK, the Investment Intermediaries Act, 1995 in the Republic of Ireland, and under insolvency law in Great Britain and Northern Ireland. It also has specific responsibilities under anti-money laundering legislation in both jurisdictions.

Standards of Professional Conduct and the manner in which the Institute ensures compliance with the Standards is subject to independent oversight by the following statutory bodies and agencies.

• The Financial Conduct Authority	<a href="http://www.fca.org.uk">www.fca.org.uk</a>
• The Irish Auditing and Accounting Supervisory Authority	<a href="http://www.iaasa.ie">www.iaasa.ie</a>
• The Central Bank	<a href="http://www.centralbank.ie">www.centralbank.ie</a>
• The Financial Reporting Council	<a href="http://www.frc.org.uk">www.frc.org.uk</a>
• The Insolvency Service (GB) (DBEIS)	<a href="https://www.gov.uk/government/organisations/insolvency-service">https://www.gov.uk/government/organisations/insolvency-service</a>
• The Insolvency Service (NI) (DfE)	<a href="https://www.economy-ni.gov.uk/topics/insolvency-service/introduction-insolvency-service">https://www.economy-ni.gov.uk/topics/insolvency-service/introduction-insolvency-service</a>
• HM Treasury (UK)	<a href="https://www.gov.uk/government/organisations/hm-treasury">https://www.gov.uk/government/organisations/hm-treasury</a>
• Department of Justice and Equality	<a href="https://www.justice.ie/">https://www.justice.ie/</a>
• Department of Business, Enterprise and Innovation	<a href="https://dbei.gov.ie/en/">https://dbei.gov.ie/en/</a>

<sup>4</sup> Currently the Quality Assurance Ctte, Insolvency Licensing Ctte, Quality Assurance Review Ctte and Quality Assurance Appeal Ctte.

<sup>5</sup> Currently the Conduct Ctte, Disciplinary Panel, Appeal Panel, Individual Tribunals, Convenor, Deputy Convenor, and Independent Reviewers

## Financial Results

### Financial Information 2017

	Regulation	Discipline	Total	Regulation	Discipline	Total
	2017	2017	2017	2016	2016	2016
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Funding:</b>						
<b>Total income</b>	3,460	147	3,607	3,842	55	3,897
<b>Costs:</b>						
<b>Total costs ( excl. public concern case costs)</b>	(3,132)	(1,245)	(4,377)	(3,532)	(1,156)	(4,688)
<b>Surplus / (Deficit) before public concern case costs</b>	328	(1,098)	(770)	310	(1,101)	(791)
<b>Public concern case costs</b>		(211)	(211)		(300)	(300)
<b>Surplus / (Deficit) after public concern case costs</b>	328	(1,309)	(981)	310	(1,401)	(1,091)

The costs of regulation and discipline are funded by the Institute and included in the Consolidated Financial Statements of Chartered Accountants Ireland for the year ended 31 December 2017.

The policy of the Institute is that the costs of discipline (not funded by fines and other disciplinary charges) are funded by a charge against members generally and collected by the Institute. All other expenditure is funded by invoices issued directly by the Institute to practising members and firms.

Committee	Summary of Functions
<i>Governance</i>	
Institute Appointments Committee	Ensure that there is a formal procedure for the appointment of new, appropriately experienced and qualified, members to the Board.
<i>Policy</i>	
Regulatory Policy Board	Develop, amend and approve the professional standards on behalf of the Council of the Institute.

#### Compliance Committees

Committee	Summary of Functions
Quality Assurance Committee	Deliver professional authorisation and monitoring functions
Insolvency Licensing Committee	Deliver professional authorisation and monitoring functions in relation to insolvency practitioners in GB/NI
Quality Assurance Review Committee	Hear reviews of decisions of the Quality Assurance Committee and the Insolvency Licensing Committee
Quality Assurance Appeal Committee	Hear appeals against decisions of the Quality Assurance Review Committee
Conduct Committee	Investigate complaints against members, member firms, affiliates and students and determine if there are prima facie cases of misconduct.
Disciplinary Panel	Hear cases referred by the Conduct Committee.
Appeal Panel	Hear appeals against decisions of Disciplinary Tribunals.

<sup>6</sup> Details of the members of the committees are available on the [www.carb.ie](http://www.carb.ie) or [here](#).

**Appendix C**  
**Terms Used: Abbreviations**

ARD	EU Audit Regulation and Directive
CARB	Chartered Accountants Regulatory Board
Central Bank Ireland	Formerly: Financial Regulator – Irish Financial Services Regulatory Authority
CPD	Continuing Professional Development
DBEIS	Department of Business, Energy and Industrial Strategy(UK)
DBEI	Department of Business, Enterprise and Innovation (RoI)
DfE	Department for Economy(NI)
FRC	Financial Reporting Council
FCA	Financial Conduct Authority
IAASA	Irish Auditing and Accounting Supervisory Authority
ICAEW	Institute of Chartered Accountants in England and Wales
The Institute	Chartered Accountants Ireland
ICAS	Institute of Chartered Accountants of Scotland
OPBAS	Office for Professional Body Anti-Money Laundering Supervision
QAC	Quality Assurance Committee
QARC	Quality Assurance Review Committee