



KEY FACTS AND TRENDS IN THE ACCOUNTANCY PROFESSION

JULY 2017

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Financial Reporting Council

Key Facts and Trends in the Accountancy Profession

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Foreword

This is the fifteenth edition of 'Key Facts and Trends in the Accountancy Profession'.

This publication provides statistical information and trends on the members and students in the accountancy profession. Information is obtained from certain accountancy bodies; six of which are the UK Chartered Accountancy bodies¹, the Association of International Accountants (**AIA**) and the Association of Accounting Technicians (**AAT**). In the sections below the tables on members show data for the UK and the Republic of Ireland (ROI), and separately, worldwide data. We include the UK and ROI figures together, partly because members and firms are entitled to practise in both jurisdictions and partly because in some cases it is difficult for the bodies to separate the data. However, the Irish Auditing and Accounting Supervisory Authority (IAASA) publishes certain information relating specifically to the ROI, which is available at <http://www.iaasa.ie>.

Where appropriate we highlight significant trends and explain possible limitations on the data; however, it is important to note that we have not checked the accuracy of the information provided. Where there are notable trends in the data, we follow this up with the bodies but we do not include any commentary on the possible reasons for particular trends. We would also stress that it is often difficult to make comparisons between the different accountancy bodies or between audit firms given the differences in the way data is classified or in the differing regulatory arrangements.

The key trends in 2015/16 are that the number of members and students has increased both in the UK/ ROI and worldwide; the number of audit firms registered with the RSBs continue to decline; and whilst the total fee income of the audit firms which audit Public Interest Entities (**PIEs**) has grown in 2015/16, there has been a decrease in growth rate of audit fee income for the Big Four firms; however, firms outside the Big Four have experienced an increase in growth in both these areas.

We are grateful to those that took the time to complete our questionnaire on how we could improve this publication. We would again welcome comments on Key Facts and Trends in the Accountancy Profession by way of a short questionnaire. We have included an additional question this year in relation to diversity that we would particularly welcome feedback on:
<https://www.surveymonkey.co.uk/r/KeyFactsandTrends2017>.

¹ Association of Chartered Certified Accountants (**ACCA**), Institute of Chartered Accountants in Ireland (**ICAI/ CAI**), Chartered Institute of Public Finance and Accountancy (**CIPFA**), Chartered Institute of Management Accountants (**CIMA**), Institute of Chartered Accountants in England and Wales (**ICAEW**) and Institute of Chartered Accountants of Scotland (**ICAS**).

Section One – Main Highlights

The Accountancy Bodies 2012 – 2016

Membership of the accountancy bodies continues to grow. The seven bodies (excluding AAT) in this report have over 350,000 members in the UK and ROI and over 515,000 members worldwide. The compound annual growth rate from 2012 to 2016 is 2.4% in the UK and ROI and 3.2% worldwide (Figures 1 and 2).

There are over 164,000 students in the UK and ROI and over 576,000 worldwide. Student numbers in the UK and ROI increased by 0.7% and 2.9% worldwide from 2015 to 2016.

Whilst there was a slight decline in the compound annual growth rate between 2012 and 2016 (0.1%), there has been a 3.2% increase worldwide over the same period (Figures 1 and 2).

There continues to be significant differences between the bodies in terms of geographical distribution of membership and student populations and in size, growth rate and age profile.

The number of audit firms registered with the RSBs continues to decline. The overall number of registered audit firms was 6,010 as at the 31 December 2016, a fall of 17% since 31 December 2012 (Figure 19).



The Audit Firms 2015 – 2016

Figure 31 shows the fee income for audit and non-audit services for 37 of the audit firms with PIE clients² for the year ended 2016. Firms are listed in order of fee income from all audit services, rather than total fee income.

The Big Four audit firms experienced increases in growth rates in “total fee income” and “non-audit work to non-audit clients” in 2016; however, there has been a decrease in the rate of growth for “audit fee income” and “non-audit work for audit clients” compared to 2015.

Total fee income for all firms surveyed increased in 2015/16. The increase for the Big Four firms was 7.6% compared with an increase of 4.8% for firms outside the Big Four that are included in our analysis (Figure 34).

Audit fee income for Big Four firms increased by 2.7% in 2015/16 compared to 4.6% in 2014/15, whilst audit fee income for audit firms outside the Big Four increased by 5.4% in 2015/16 compared to 2.7% in 2014/15 (Figure 34).

The average audit fee income per Responsible Individual for 2016 remained the same as in 2015, at £1.23m. (Figure 35).

² Regulation 2 of SATCAR 2016 defines PIEs as entities governed by the law of a member state whose secure transferable securities (equity and debt) are admitted to trading on a regulated market in the EEA; and credit institutions and insurance undertakings.

Section Two – Members and Students of the Accountancy Bodies

Registered Members and Students in UK and ROI

Figure 1 shows growth rates and the number of members and students in the UK and ROI, as at 31 December for the five years to 31 December 2016.

Growth of Members in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2016	90,697	80,007	12,944	125,087	22,696	18,103	1,378	350,912
% growth (15 - 16)	4.5	2.0	-0.1	1.3	4.6	1.4	-7.5	2.4
% growth (12 - 16)	17.4	11.0	-1.5	5.0	16.9	6.9	-14.3	9.8
% compound annual growth (12 - 16)	4.1	2.7	-0.4	1.2	4.0	1.7	-3.8	2.4

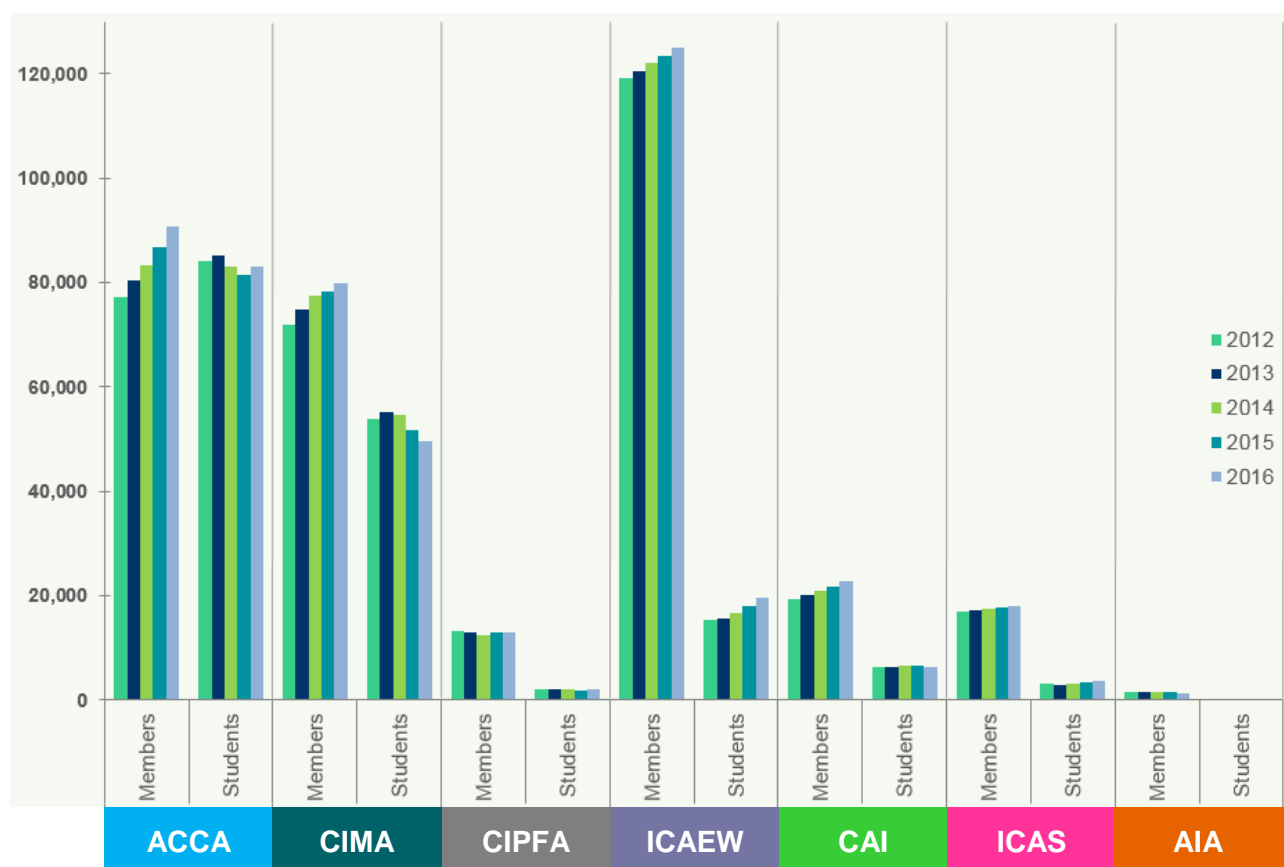


Figure 1

Growth of Students in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2016	82,953	49,529	2,070	19,713	6,330	3,718	168	164,481
% growth (15 - 16)	1.8	-4.2	6.9	8.5	-4.4	11.0	-16.4	0.7
% growth (12 - 16)	-1.3	-8.3	-7.8	28.7	1.0	21.7	-9.2	-0.4
% compound annual growth (12 - 16)	-0.3	-2.1	-2.0	6.5	0.3	5.0	-2.4	-0.1

Registered Members and Students Worldwide

Figure 2 shows growth rates and the number of worldwide³ members and students, as at 31 December for the five years to 31 December 2016.

Growth of Members Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2016	193,976	106,095	14,266	147,538	25,496	21,152	6,786	515,309
% growth (15-16)	5.8	3.1	4.6	1.2	4.1	2.1	0.5	3.5
% growth (12-16)	22.3	15.6	5.4	5.0	16.7	7.2	-15.0	13.5
% compound annual growth (12-16)	5.2	3.7	1.3	1.2	3.9	1.7	-4.0	3.2

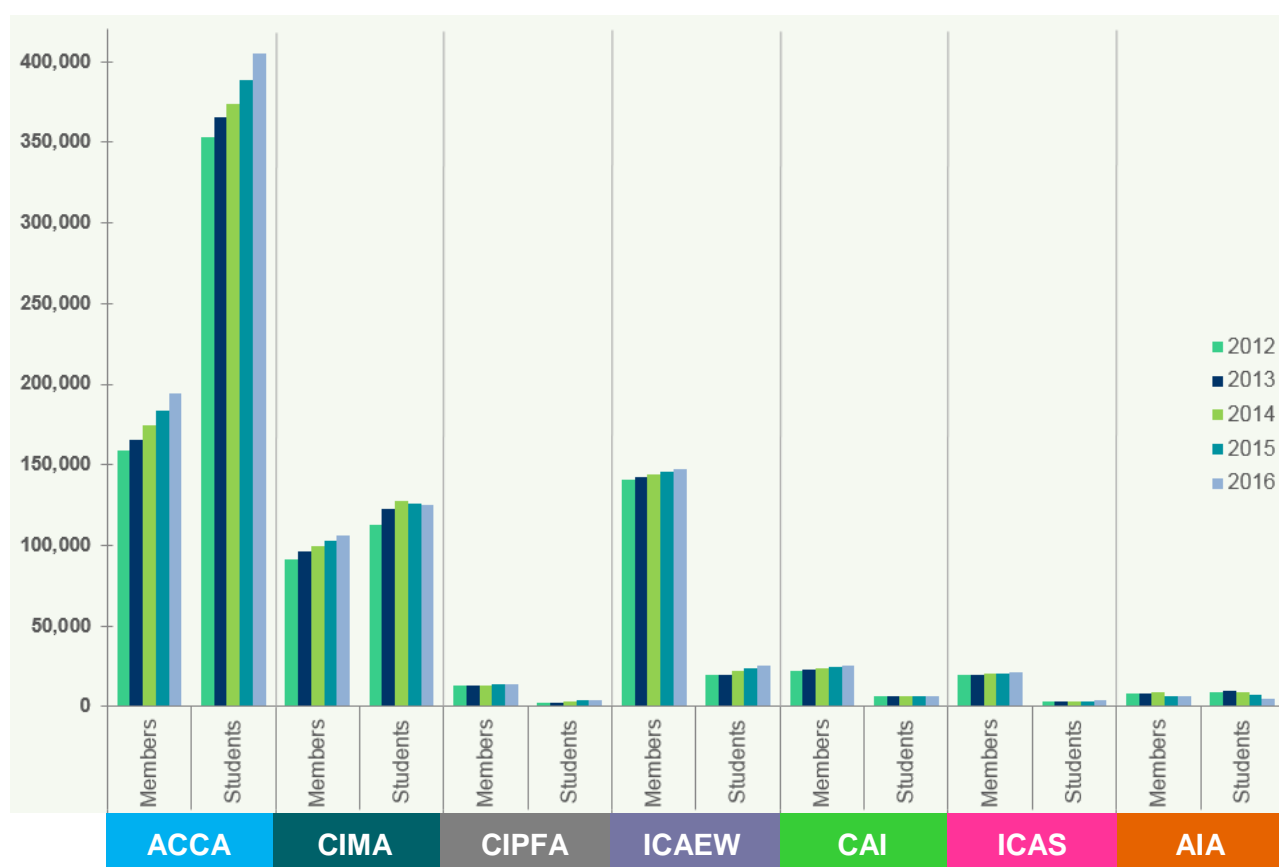


Figure 2

Growth of Students Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2016	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145
% growth (15-16)	4.3	-0.3	12.6	6.9	-4.4	11.0	-29.8	2.9
% growth (12-16)	14.6	11.2	82.1	28.9	0.9	21.1	-41.4	13.6
% compound annual growth (12-16)	3.5	2.7	16.2	6.5	0.2	4.9	-12.5	3.2

³ The location of members and students is based on the registered address supplied to the accountancy bodies and may be either the place of employment or the place of residence.

Analysis of Members and Students of the seven⁴ Accountancy Bodies

The total number of members of the seven accountancy bodies in the UK & ROI has continued to grow steadily at a compound annual growth rate of 2.4% for the period 2012 to 2016. Total membership increased by 2.4% from 2015 to 2016 compared with 2.2% in 2014/15.

There are significant differences in growth rates of membership in the individual bodies in the UK and ROI. ICAEW continues to have the largest number of members; however, ACCA and CAI showed the strongest growth at a compound annual rate (between 2012 and 2016) of 4.1% and 4.0% respectively. Membership numbers of AIA and CIPFA have declined during this period.

Total number of students in the UK and ROI have increased by 0.7% from 2015 to 2016 compared with a decrease of 1.8% in 2014/15. ACCA, CIPFA, ICAEW and ICAS have all seen an increase in student numbers between 2015 and 2016.

The worldwide membership of the accountancy bodies continues to grow at a faster rate than the UK and ROI membership (3.2% compared with 2.4% compound annual growth for the period 2012 to 2016).

There continues to be large differences between the bodies in the numbers and rates of growth in student membership worldwide. ACCA continues to be the largest of the bodies in terms of worldwide student membership.

Overall worldwide student numbers increased by 2.9% from 2015 to 2016 with a compound annual growth of 3.2% between 2012 and 2016.

AIA, CIMA and CAI experienced a decline in worldwide student growth for 2015/16.

⁴The statistics for AAT are shown separately on page 16 and 17.

Students who became Members

Figure 3 shows the number of worldwide students who became members, as at 31 December for the five years to 31 December 2016.

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	10,124	5,736	263	3,475	1,096	765	25	21,484
2013	9,836	5,527	282	3,252	1,100	619	25	20,641
2014	11,541	5,554	221	3,325	1,076	562	34	22,313
2015	12,868	4,814	143	3,855	926	576	39	23,221
2016	14,784	4,958	102	3,497	1,148	716	37	25,242
% growth (15 - 16)	14.9	3.0	-28.7	-9.3	24.0	24.3	-5.1	8.7

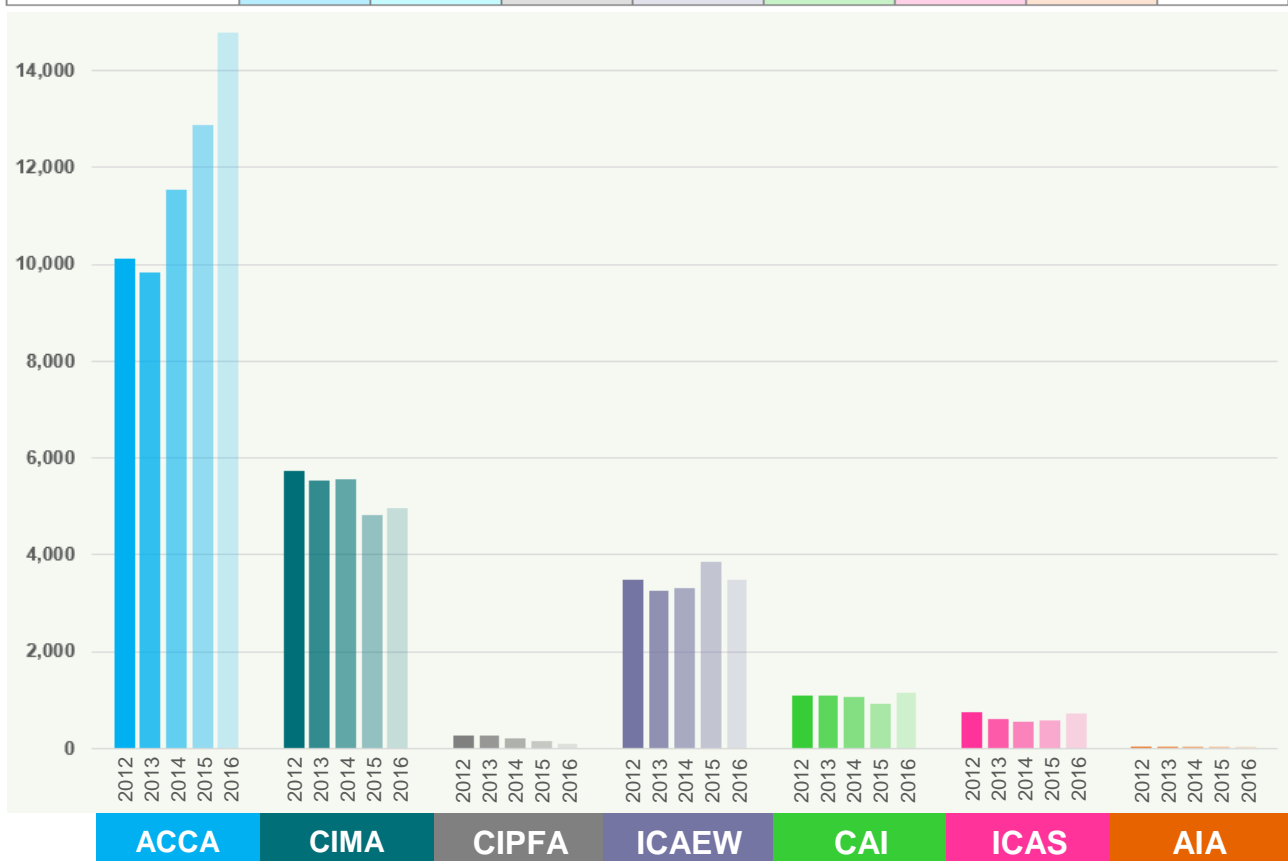


Figure 3

ICAS (24.3%) and CAI (24%) have seen the highest percentage growth in the number of students who became members during 2016.

CIPFA, ICAEW and AIA have all seen a decline in the number of students becoming members in 2016 compared to 2015.

Sectoral Employment of Members and Students Worldwide

Figure 4 shows the percentages of members and students worldwide of each of the seven accountancy bodies, according to their sectoral employment⁵ at the end of 2016.

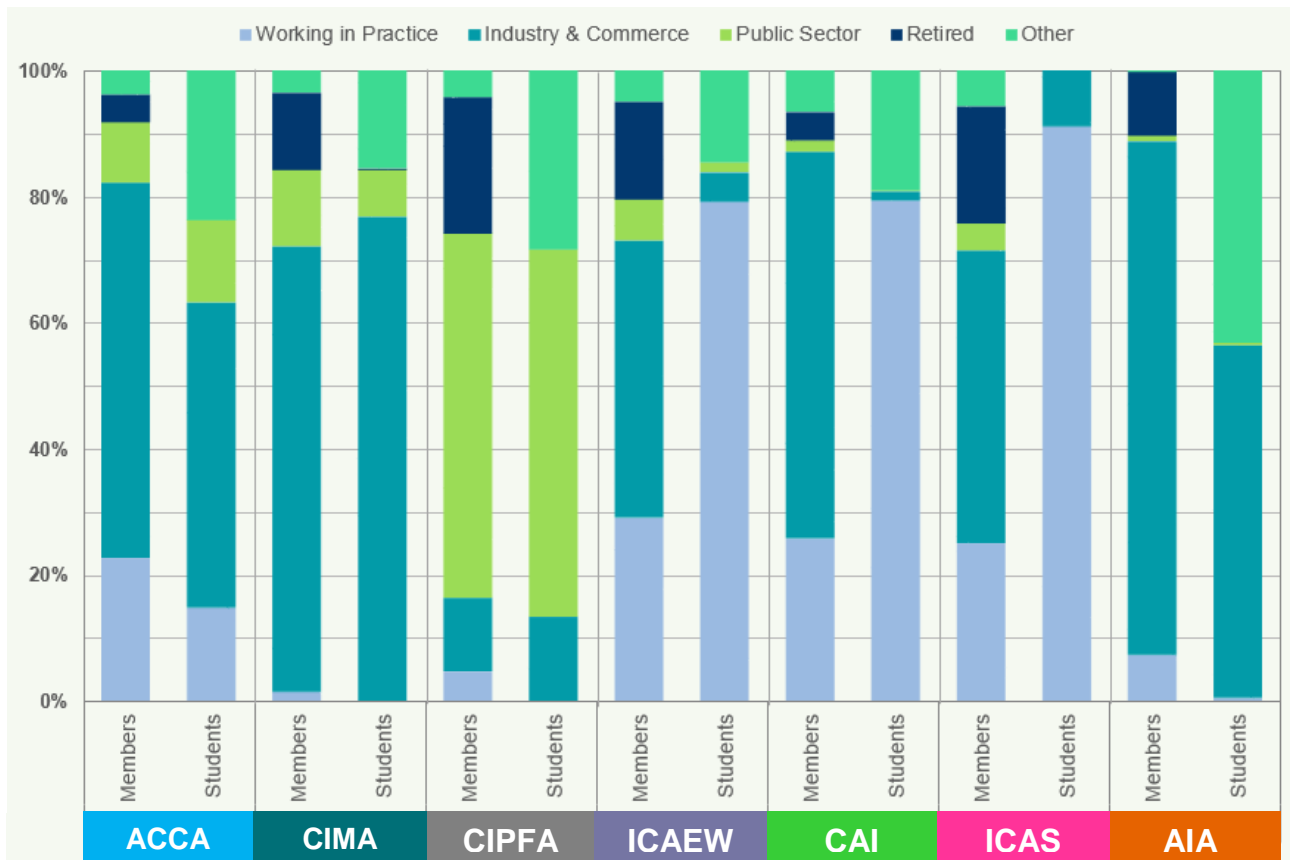


Figure 4

The Industry and Commerce sector employs the highest percentage of members (56%) and students (52%) across the accountancy bodies. ACCA's members and students in this sector make up 59% and 48% of its population.

Over three quarters of students at ICAEW, CAI and ICAS are in practice (i.e. working at an accountancy firm). In contrast 15% of ACCA's students, and 1% or less of CIPFA, CIMA and AIA students, are employed in practice.

Overall 16% of students are employed in practice and 11% in public sector.

⁵ (i) "Other category" for members includes those who are unemployed, taking a career break, undertaking full time study, on maternity leave and any member who are unclassified, for example having not provided the information. In the case of CAI all such members are included in their most recent employment where available. The ICAEW includes members working within the charity sector under "Public Sector". For ICAS, the figure for Industry and Commerce includes students working in the public sector.

(ii) "Other" for students includes those that are not employed, employed in other sectors, those in full time education, independent students for whom no information on their employment is available and those individuals that have passed their final exams and are entitled to membership but have not yet been admitted.

Gender of Members and Students Worldwide

Figures 5 and 6 show the percentage of female members and students⁶ worldwide, as at 31 December for each of the five years to 31 December 2016.

Female Members Worldwide

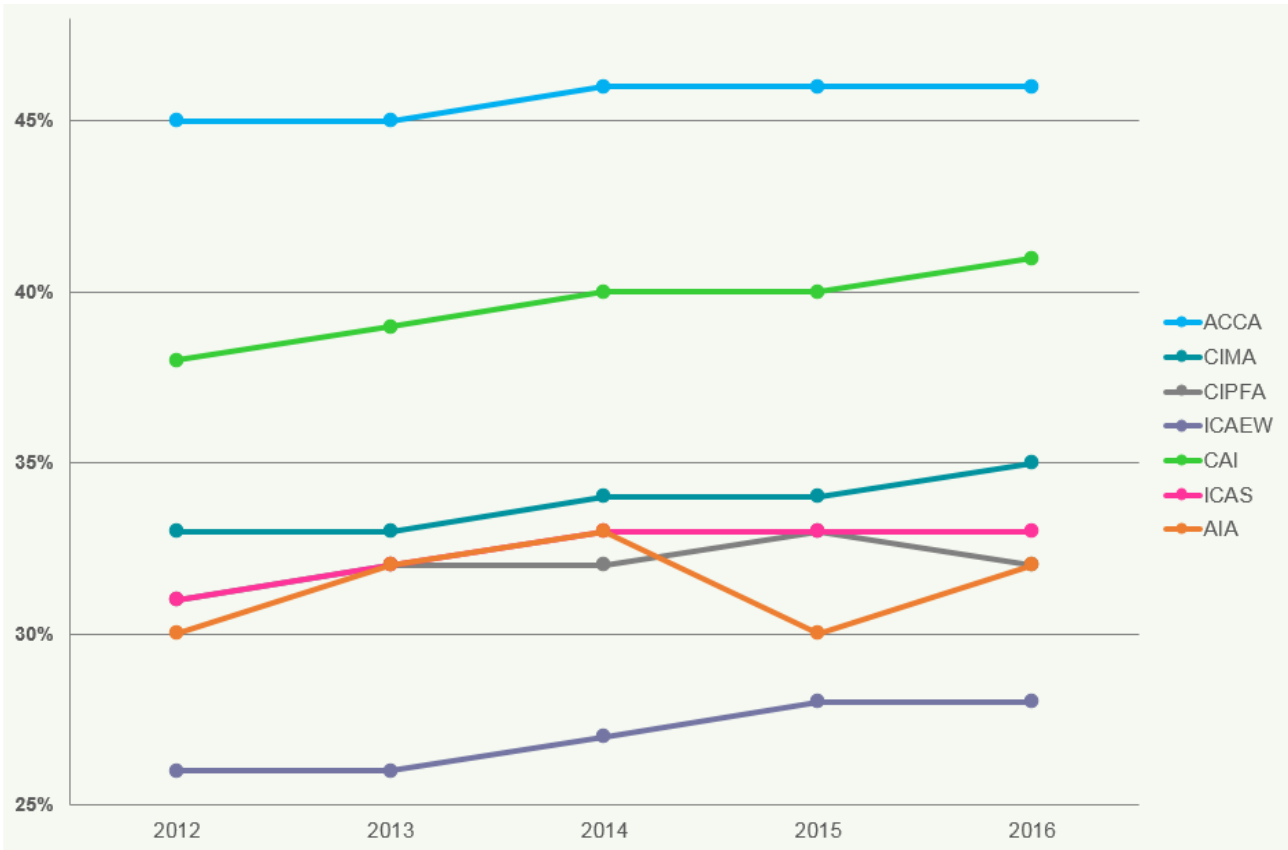


Figure 5

The total percentage of female members and students worldwide has increased between 2012 and 2016.

The average percentage of female members has increased from 33% in 2012 to 35% in 2016.

ACCA has the largest proportion of female members (46%). ICAEW has the lowest percentage of female members (28%).

Female Students Worldwide⁶

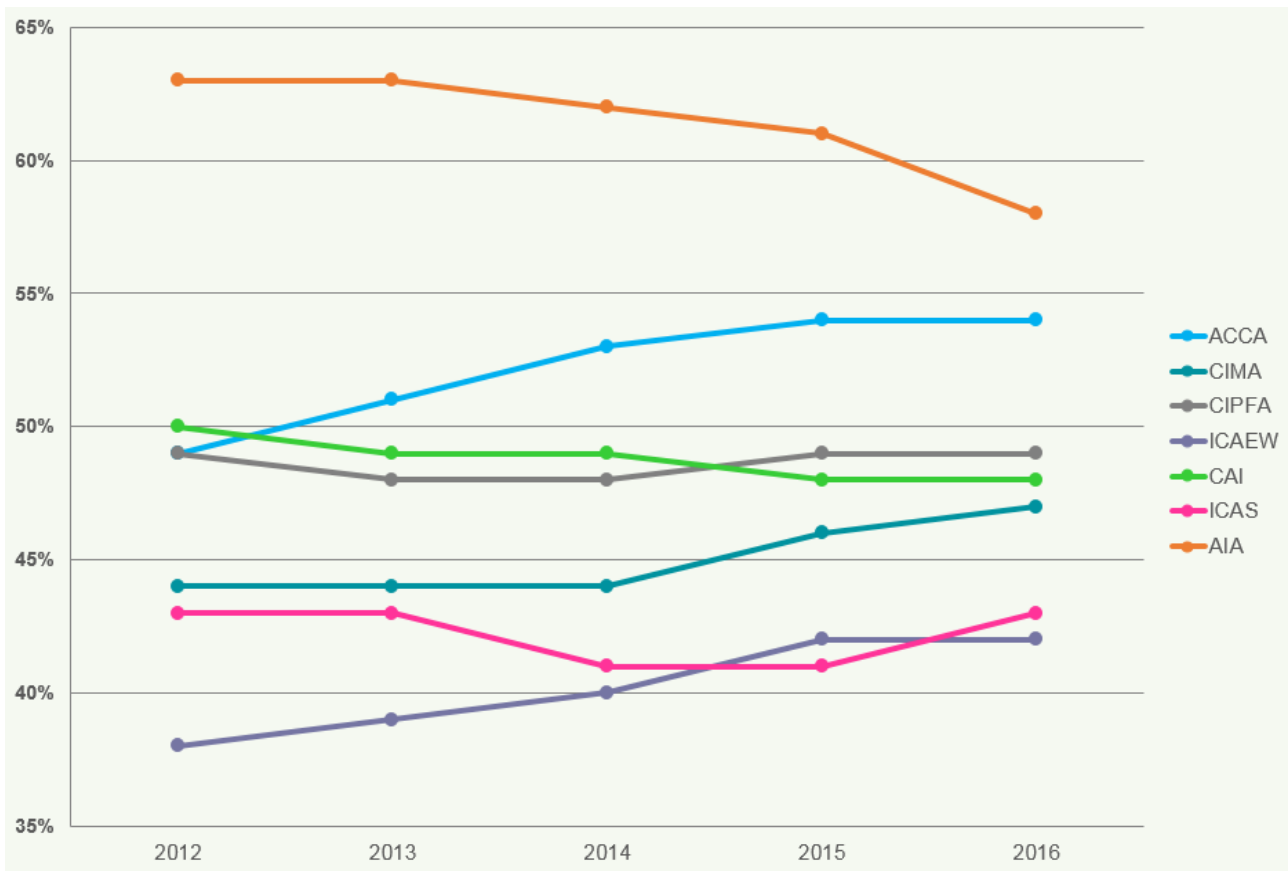


Figure 6

The overall percentage of female students (49%) is significantly higher than the overall percentage of female members (35%).

CIMA and ICAS have seen an increase in female students in 2016 compared to 2015.

AIA has the largest percentage of female students (58%) despite seeing a slight decrease since 2012, when 63% of its student population was female.

⁶ CAI and ICAS figures refer to the proportion of females in the student intake, not in the student body as a whole.

Age of Members and Students Worldwide

Figures 7 and 8 compare the age distribution of members and students⁷, as at 31 December for 2012 and 2016.

Age of Members

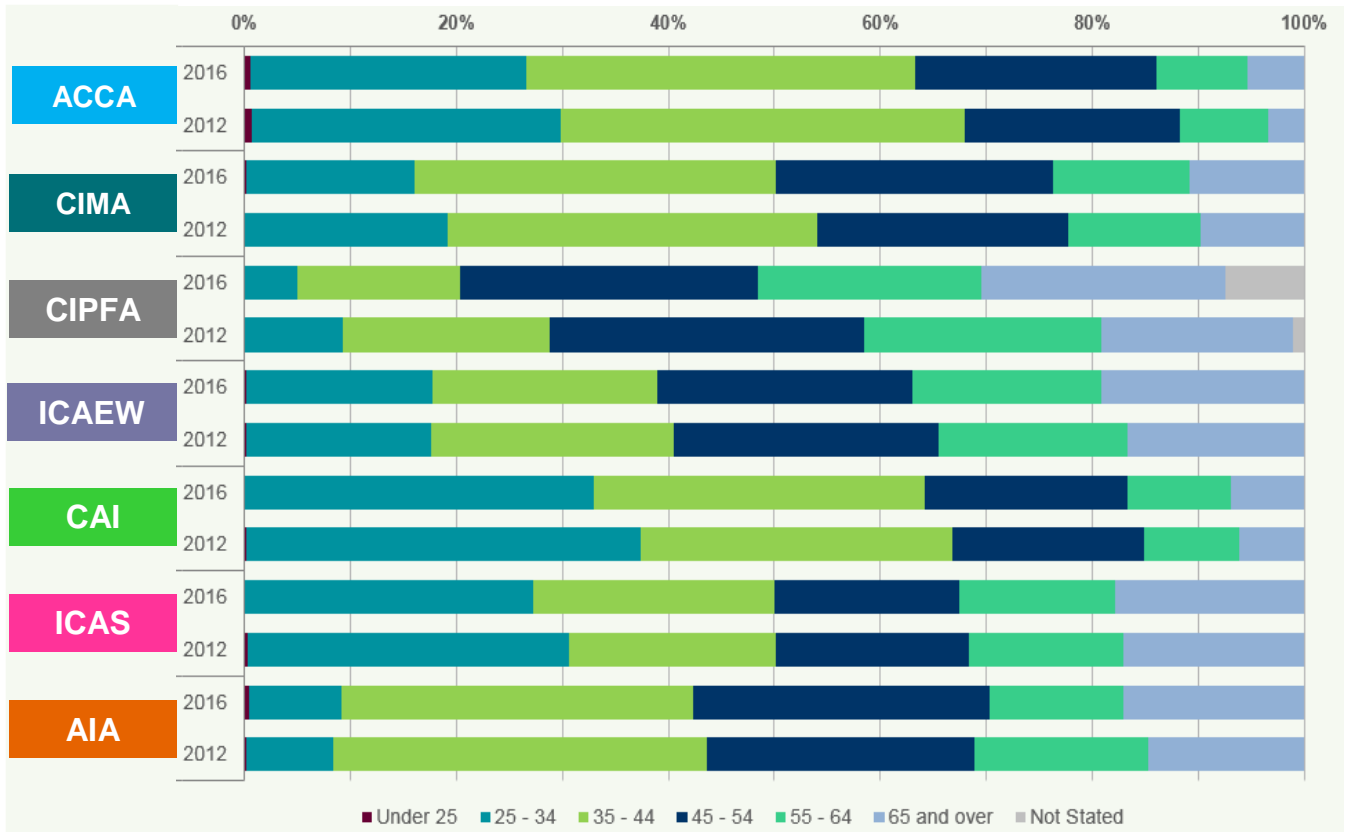


Figure 7

There are significant differences in the age profiles of worldwide members of the seven accountancy bodies. 75% of members are between the ages of 25 and 54 with 52% under the age of 45.

CAI has the largest percentage of members under the age of 34 at 33%.

There has been a slight increase in the number of members aged 65 and over between 2012 and 2016.

⁷ ICAEW figures relate to the age of the student intake, not the ages of all students.

Age of Students

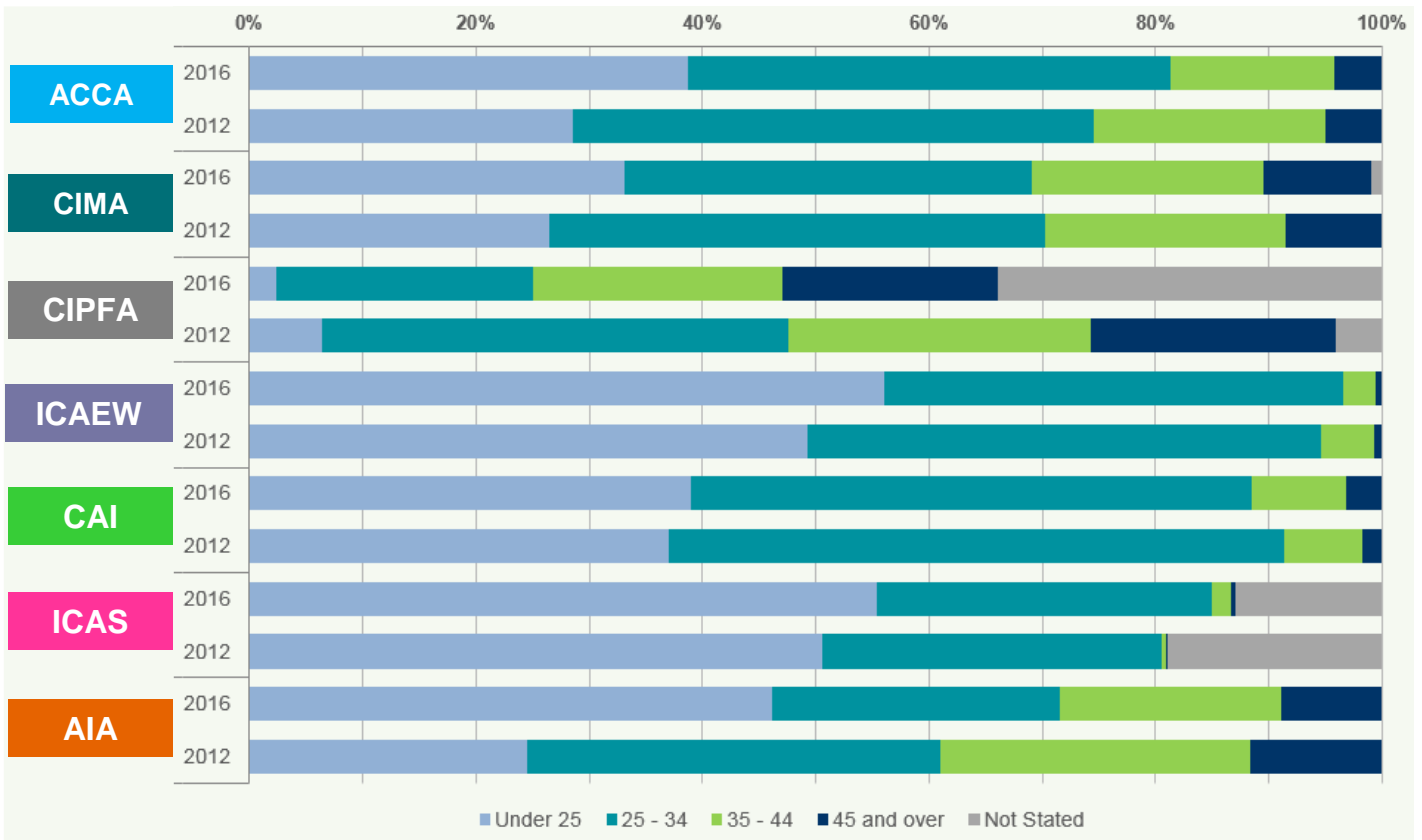


Figure 8

ICAEW, CAI and ICAS have the highest percentage of students aged 34 or under at 97%, 89% and 85%, respectively.

In 2016, 38% of students from the seven accountancy bodies were under the age of 25 compared with 29% in 2012.

Location of Students

Figure 9 shows the location⁸ (UK and ROI, and the rest of the world) of students of the accountancy bodies as at 31 December 2016.

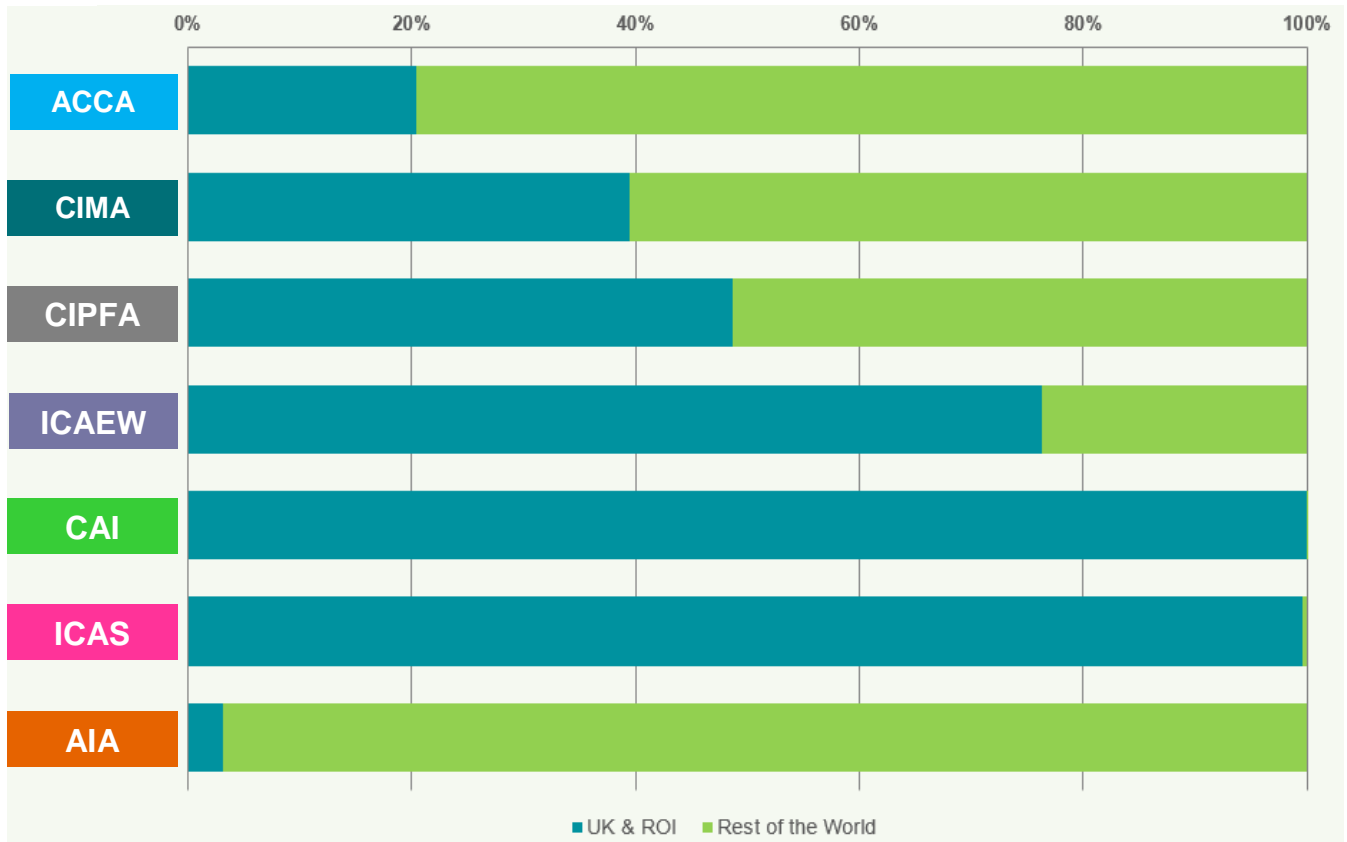


Figure 9

CAI and ICAS have a very low percentage of students based outside of the UK and ROI.

In contrast, 80% of ACCA and 97% of AIA students are based outside the UK and ROI.

⁸ The location of students is based on the registered address supplied to the accountancy body and may be either their place of employment or their place of residence.

Profile of Students Worldwide of the Accountancy Bodies

Figure 10 sets out on a worldwide basis the length of time that individuals have been registered as students with these accountancy bodies.

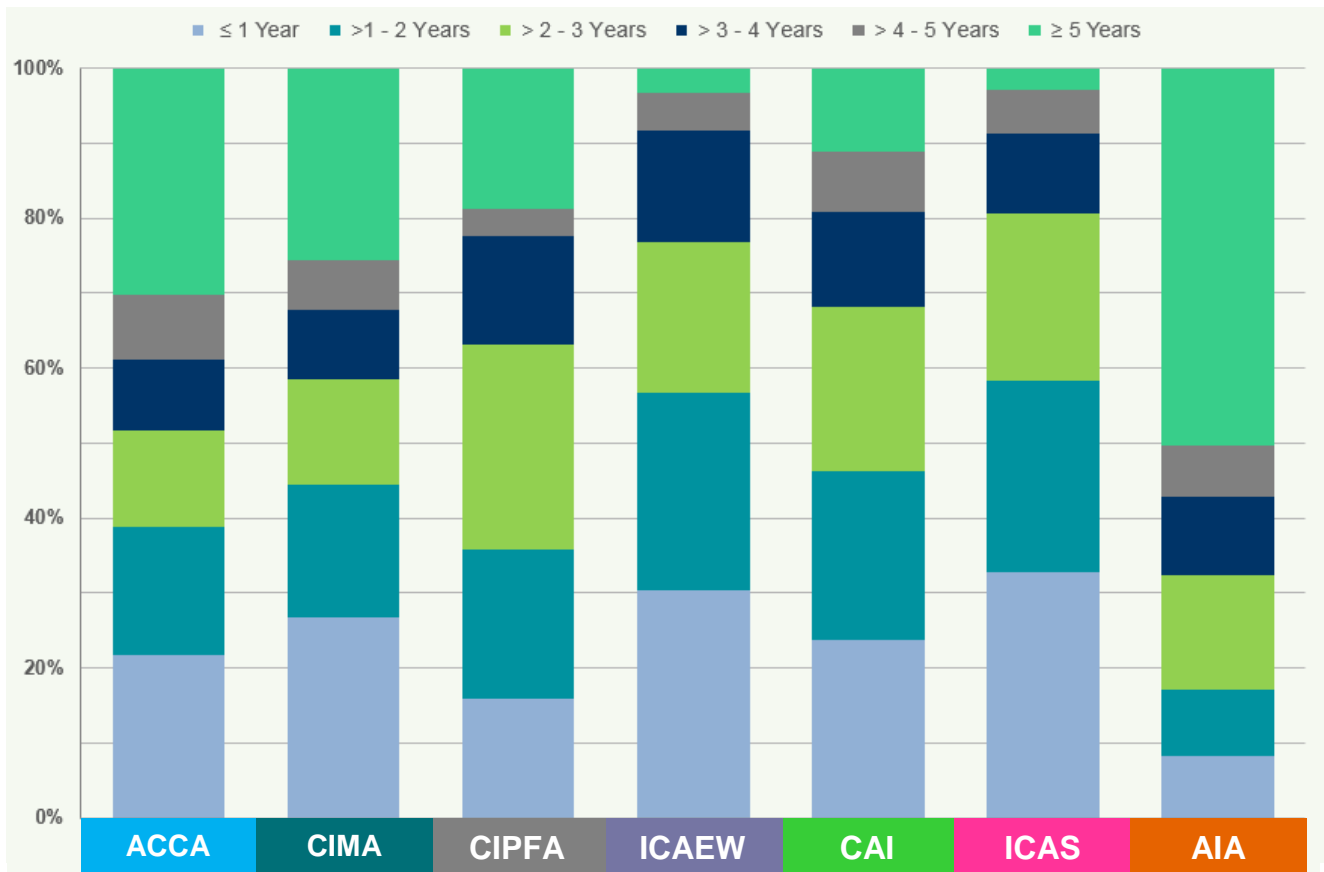


Figure 10

Figure 10 must be read with caution as there is no common basis between the accountancy bodies for determining the length of time between registering as a student and achieving the requirements for membership.

Students at ACCA, CIMA, and AIA do not typically undertake intensive study and generally take longer to complete the requirements for membership compared to students of the other accountancy bodies.

A high percentage of ICAEW and ICAS students complete their training in 4 years or less with only 8% and 9% respectively, of students as at 31 December 2016 being registered for more than 4 years.

Graduate Entrants to Training

Figure 11 shows the percentages of students worldwide of each accountancy body who, at the time of registration as students, were (i) graduates of any discipline and, of those, (ii) graduates who held a “relevant degree”⁹.

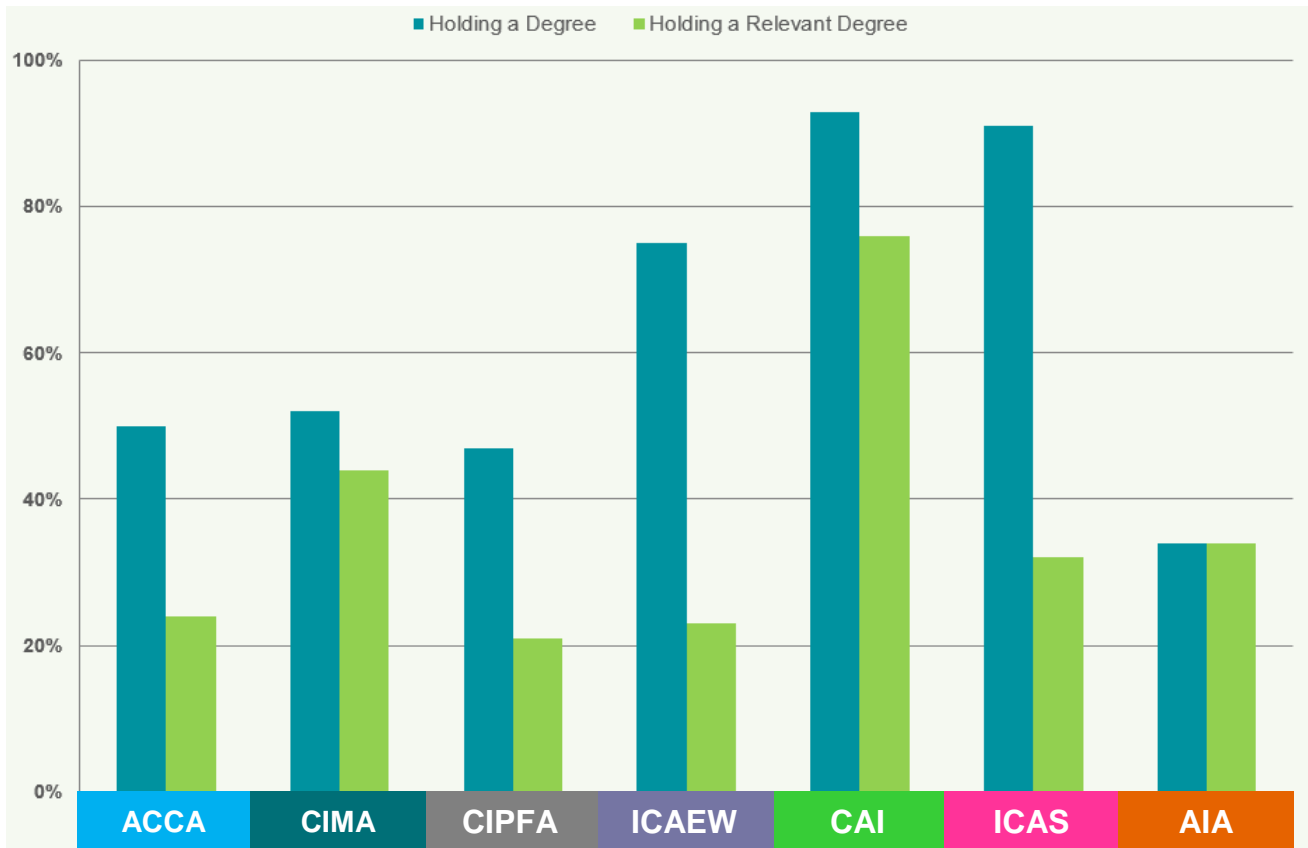


Figure 11

Comparisons of the percentage of students holding “relevant degrees” are difficult to draw, because the accountancy bodies use different definitions of a “relevant degree”.

The accountancy bodies do not require entrants to training to hold a university degree. The accountancy bodies offer a range of entry routes which vary between the bodies.

⁹ The accountancy bodies’ definitions of a “relevant degree” are as follows:

- ACCA – Accountancy, Finance, Accountancy and Finance
- CIMA – Accountancy, Business Studies, Business Administration and Finance
- CIPFA – Accountancy
- ICAEW – Accountancy, Finance, Accounting & Finance
- CAI – Accounting, Business, Finance
- ICAS – Accountancy, where Accountancy is a major component of the overall degree
- AIA – Accountancy, Accounting, Business, Finance, Accounting & Finance

The Association of Accounting Technicians (AAT)

Members & Students in the UK and ROI and Worldwide

The AAT is an entry level qualification for some of the chartered accountancy bodies included in this publication. Figure 12 shows the number of AAT members and students and percentage growth rate from 2014 to 2016.

	Members		Students	
	UK & ROI	Worldwide	UK & ROI	Worldwide
2014	48,027	49,871	71,436	77,703
2015	47,997	49,795	74,498	79,565
2016	47,670	49,196	79,267	84,357
% growth (14 - 16)	-0.7	-1.4	11.0	8.6

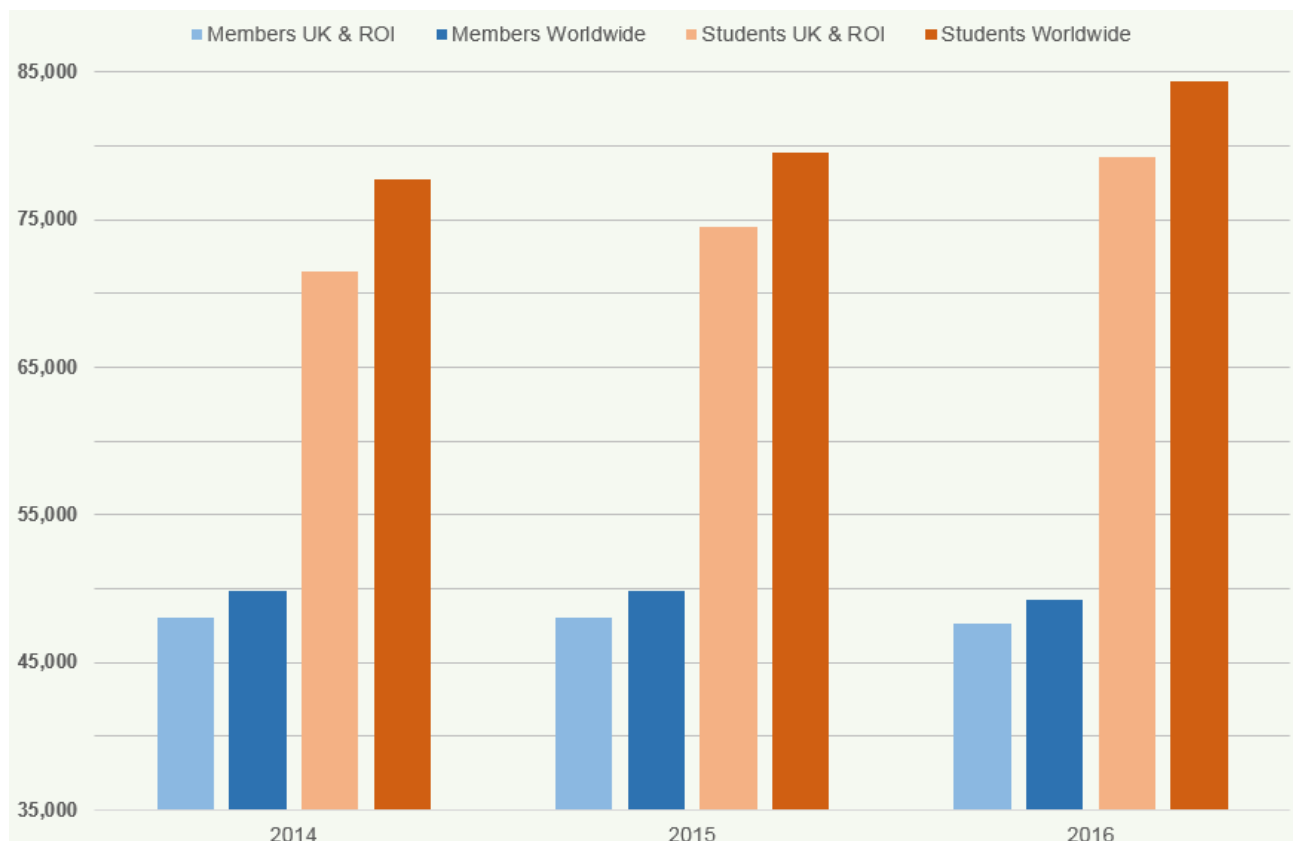


Figure 12

From 2014 to 2016, the number of members in the UK & ROI and worldwide fell by 0.7% and 1.4% respectively.

However, the number of students have increased in the UK and ROI by 11% and worldwide by 8.6%, over the same period.

Age Distribution of Members and Students

Figure 13 indicates the age distribution of members and students for 2016.

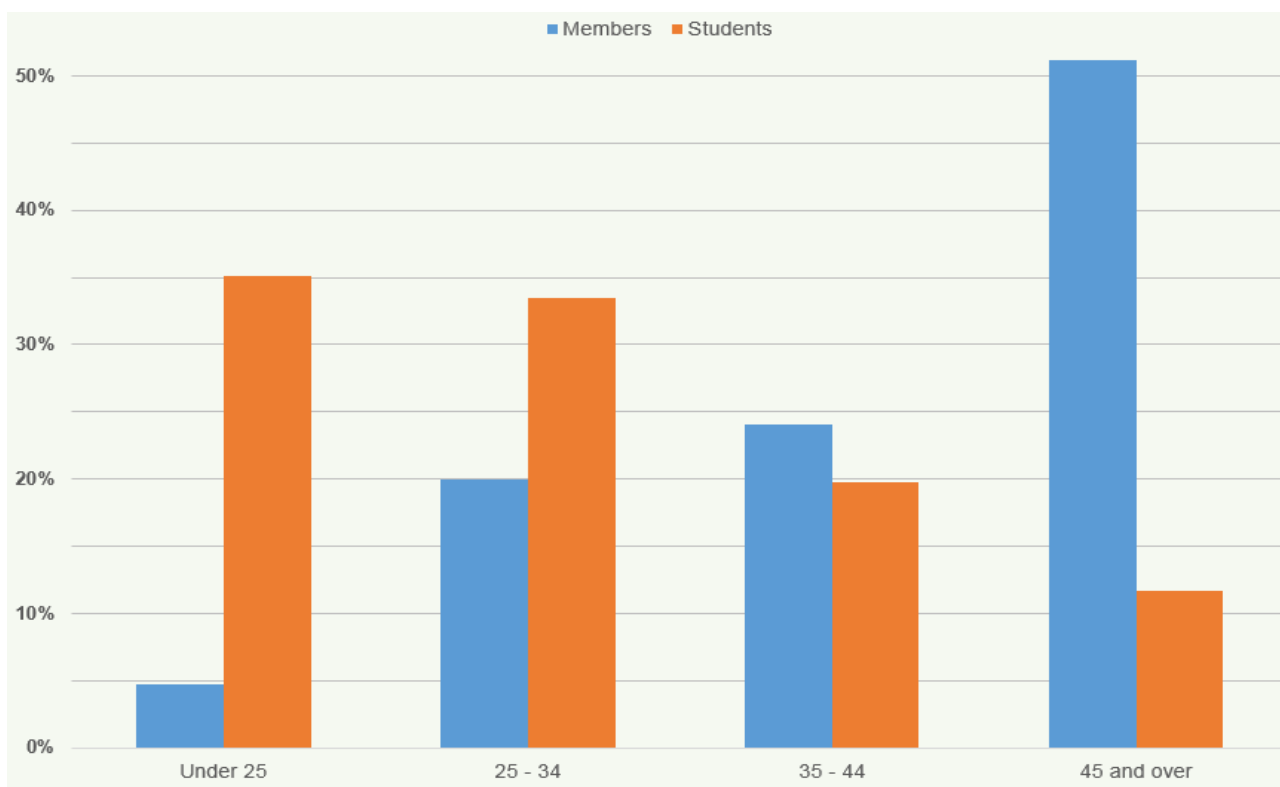


Figure 13

Resource Information

£m	2014	2015	2016
Fees & Subscriptions	13.21	14.42	15.60
Education & Exam Fees	11.11	11.31	11.65
Regulation & Discipline	0.01	0.02	0.03
Commercial Activities	0.33	0.33	0.53
Other (Including Investment Income)	1.06	1.03	1.16
Total Income	25.72	27.11	28.97
Number of Staff	218	235	249

Figure 14

Between 2015 and 2016 all income sources experienced increases, resulting in a 6.9% growth of AAT's overall income.

Section Three – Resource Information on the Accountancy Bodies

Income of the seven Accountancy Bodies

Figures 15 and 16 show the income and average income per member/student of the accountancy bodies on a worldwide basis, from 2012 to 2016.

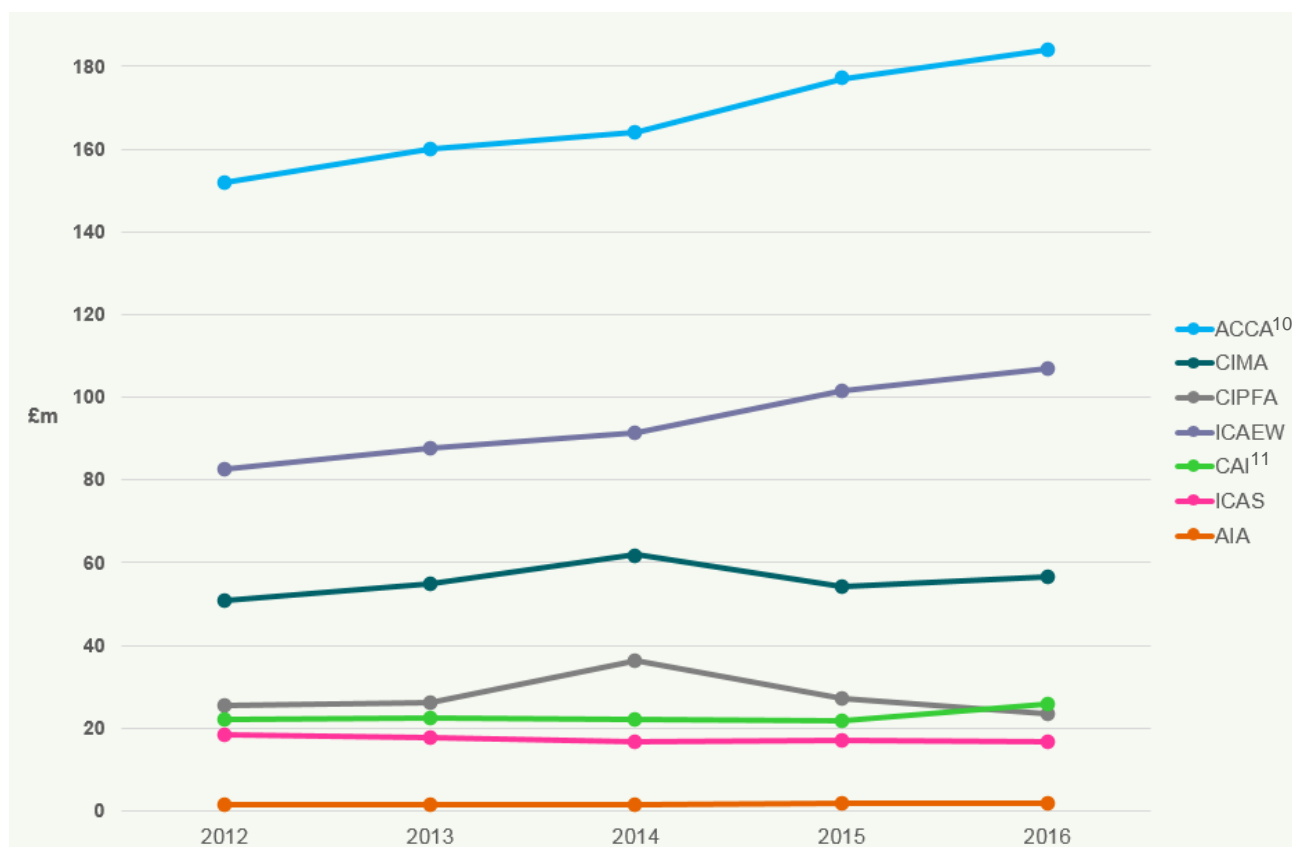


Figure 15

CAI has the largest income growth rate (18.3%) for 2015/16; however, ACCA and ICAEW continue to record the highest income of the seven accountancy bodies.

Overall there has been a steady increase of income for the seven accountancy bodies between 2012 and 2016, with average compound growth rate of 4.2%.

In 2014 CIPFA's income included the one off impact of the sale of three London properties.

¹⁰ The ACCA's figures are for the year to 31 March. ACCA's figures to 31 March 2017 are provisional.

¹¹ CAI income has been converted from euros at the year-end rate. As at 31 December 2016 the rate was €1.175.

Average Income per Member and Student

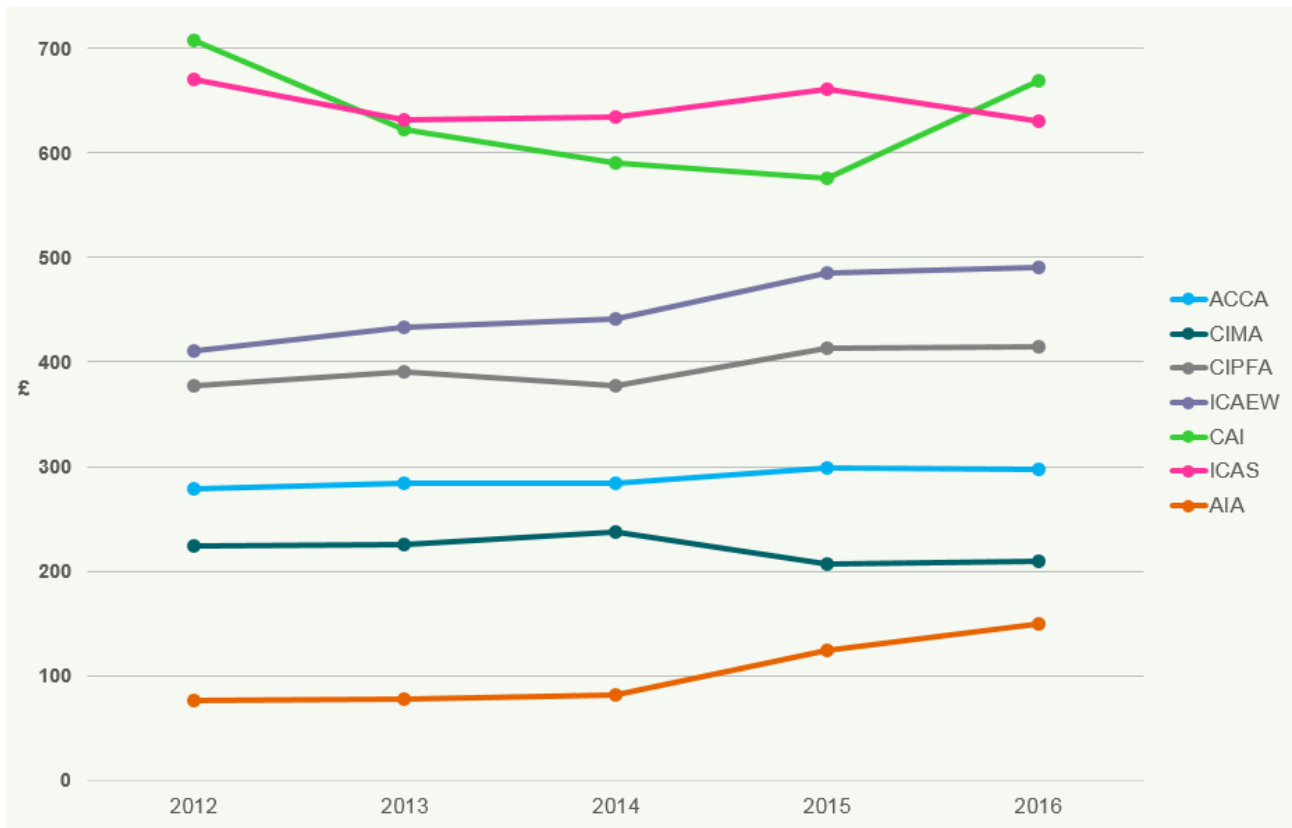


Figure 16

The notable increase in average income for CAI between 2015 and 2016 is as a result of the exchange rates applied (£1.36 in 2015 and £1.175 in 2016).

The average income per member and student is calculated from the income of accountancy body, excluding Commercial Activities and Other from Figure 17.

Breakdown of Income

Figure 17 provides an analysis of the streams of income by the seven accountancy bodies for 2016.

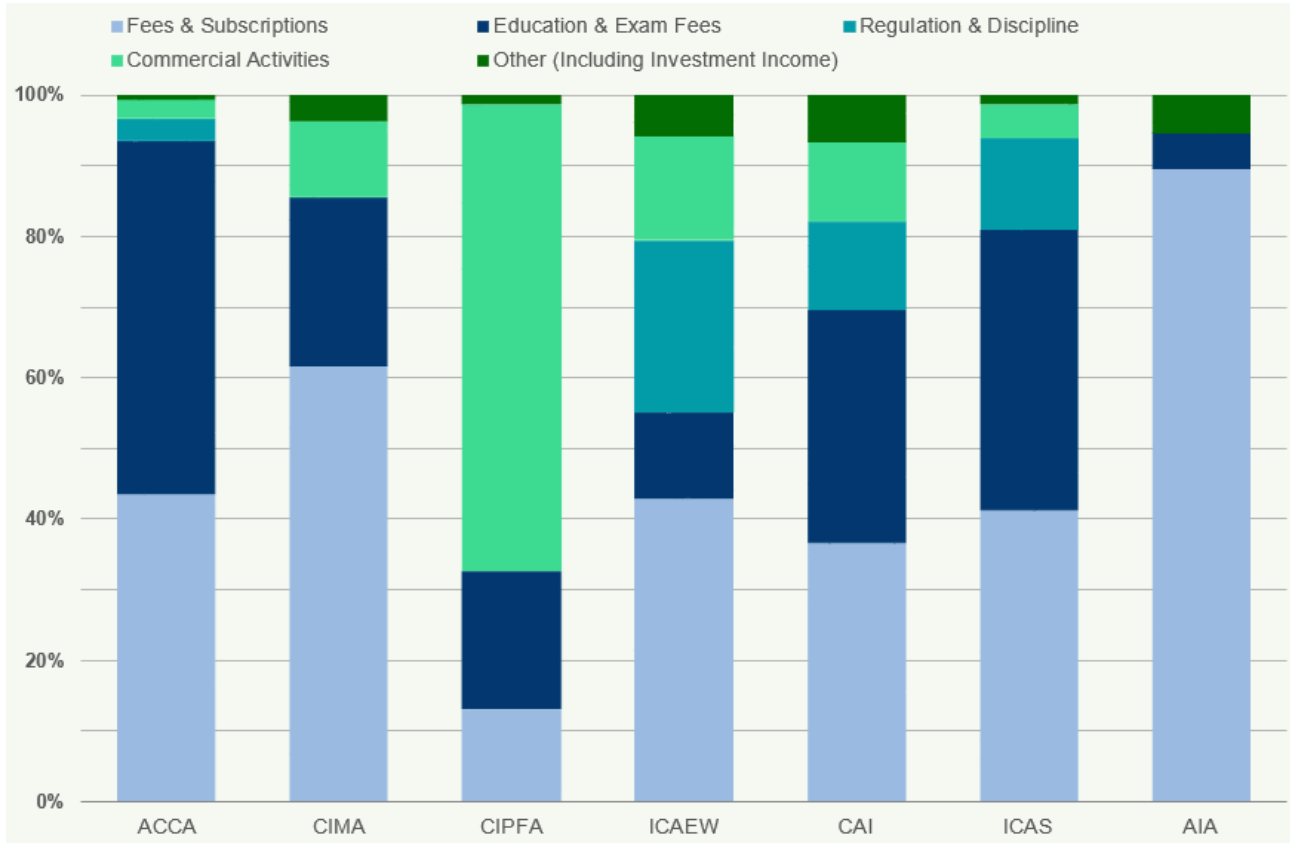


Figure 17

Fees and subscriptions taken together with education and exam fees from members and students are typically the main sources of income for each of the bodies other than CIPFA.

Fees and subscriptions make up the vast majority of AIA's income (89%). CIPFA's income mainly comes from Commercial Activities¹² (66%).

¹² CIPFA derives significant income from its trading subsidiary which has been included within the commercial activities category. The activities of the trading subsidiary include consultancy, events, publications and training.

Staffing of the Accountancy Bodies

Figure 18 shows the number of staff¹³ (full time equivalent) employed worldwide by the seven accountancy bodies, from 2012 to 2016.

Staffing of the Seven Chartered Accountancy Bodies	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	1,061	415	228	652	134	140	25	2,655
2013	1,098	420	237	646	134	137	26	2,698
2014	1,137	454	256	667	140	138	26	2,818
2015	1,199	459	274	693	147	142	26	2,940
2016	1,272	458	275	724	149	143	26	3,047
% growth (15-16)	6.1	-0.2	0.4	4.5	1.4	0.7	0.0	3.6
% growth (12-16)	19.9	10.4	20.6	11.0	11.2	2.1	4.0	14.8
% compound annual growth (12-16)	4.6	2.5	4.8	2.7	2.7	0.5	1.0	3.5

Figure 18

The total number of staff employed by the bodies has increased by 14.8% in the period 2012 to 2016.

The total number of staff employed by the bodies increased by 3.6% compared to 2015.

¹³ The staffing number for CIPFA for 2014 is not comparable with previous years or with the other bodies as they have provided an average number of staff for 2014.

Section Four – Oversight of Audit Regulation

Recognised Supervisory Bodies (RSBs)

Under the new Audit Regulation Directive (**ARD**) the FRC has ultimate responsibility for statutory audit in the UK. Since its implementation in June 2016, the responsibility for regulation has moved from the RSBs under FRC oversight, to the FRC itself as Competent Authority. The RSBs now carry out their regulatory functions (**Regulatory Tasks**) under legally binding delegation agreements with the FRC. The conditions for performance of these Regulatory Tasks have been agreed with each of the bodies in respect of their members in the following areas:

- the application of the FRC’s criteria for the purpose of determining whether persons are eligible for appointment as statutory auditors, the registration of such persons, keeping the register and making it available for inspection (**Registration**);
- procedures for maintaining the competence of such persons (**Continuing Professional Development**);
- monitoring of statutory auditors and audit work except where retained by the FRC (**Audit Monitoring**); and
- investigations and imposing and enforcing sanctions in relation to breaches of relevant requirements by statutory auditors except where retained by the FRC (**Enforcement**).

However, the FRC cannot by law delegate the Regulatory Tasks of audit monitoring and enforcement pertaining to public interest entities (**PIEs**¹⁴).

The FRC also continues to exercise its delegated statutory functions for the recognition, supervision and de-recognition under Part 42 Companies Act 2006 (as amended) of those accountancy bodies responsible for supervising the work of statutory auditors (RSBs) or offering an audit qualification (RQBs). There are four accountancy bodies recognised as RSBs¹⁵. The FRC revoked the recognition of the AAPA as a supervisory body for audit with effect from 31 December 2016. AAPA members continue to hold an appropriate audit qualification but in order to continue to practising as statutory auditors, they will have to be registered with another RSB.

The bodies have a ‘Register of Statutory Auditors’ (maintained by ICAS) which can be found at: <http://www.auditregister.org.uk/Forms/Default.aspx> .

This Register contains information on Statutory Auditors¹⁶ and Audit Firms¹⁷ in the UK and ROI. It is possible to perform searches by RSB, Firm, Location or Individual:

- RSB - holds contact details for all RSBs and details of firms registered by them;
- Firm - shows details of Audit Registered Firms, who registers them and the individuals linked to them;
- Location - shows the full address of the registered firm, the RSBs and the individual details; and
- Individual - shows the names of those individuals eligible for appointment as a Statutory Auditor.

¹⁴ Audit monitoring of PIE audits is retained by the FRC. In addition, by agreement with the RSBs, audit monitoring in respect of AIM and ISDX listed entities with a market capitalisation of €200m or more and Lloyd’s syndicates is retained by the FRC. The same retention criteria applies for Enforcement cases.

¹⁵ ACCA, ICAEW, ICAI and ICAS.

¹⁶ A Statutory Auditor is a person approved to carry out the audit of annual accounts or consolidated accounts.

¹⁷ An Audit Firm is a firm that is approved to carry out Statutory Audits.

Number of Firms Registered with the RSBs

Figure 19 details the number of registered audit firms for each of the RSBs split by the number of principals at each firm, as at 31 December for each of the three years to 31 December 2016.

Number of Principals per Firm	ACCA	ICAEW	CAI	ICAS	TOTAL
1	1,232	1,239	423	56	2,950
2 - 6	605	1,631	395	116	2,747
7 - 10	14	142	14	7	177
11 -50	5	93	9	8	115
50+	0	16	3	2	21
Total as at 31.12.16	1,856	3,121	844	189	6,010
Total as at 31.12.15	1,982	3,256	894	199	6,331
Total as at 31.12.14	2,062	3,435	930	208	6,635

Figure 19

The number of firms registered to carry out statutory audit work in the UK and ROI continues to fall. The number of registered audit firms fell by 5.1% in 2015/16 compared to 4.6% in 2014/15.

There continues to be a decline in the number of registered firms that are sole practitioners. Between 2003 and 2016 there has been a continuous decline in sole practitioners by almost 37%.

Statutory Audit Firm Applications to RSBs

Figure 20 details the number of applications by firms split by New, Refused, Voluntarily Surrendered or Withdrawn by the RSBs, as at 31 December for each of the three years to 31 December 2016.

Applications		New	Refused	Voluntarily Surrendered	Withdrawn by the RSB
2014	ACCA	76	0	183	9
	ICAEW	172	2	315	19
	CAI	55	2	95	2
	ICAS	1	0	16	0
TOTAL		304	4	609	30
2015	ACCA	69	0	120	21
	ICAEW	125	0	301	3
	CAI	31	2	66	1
	ICAS	5	0	14	0
TOTAL		230	2	501	25
2016	ACCA	76	0	189	12
	ICAEW	81	0	213	3
	CAI	40	0	83	7
	ICAS	7	0	17	0
TOTAL		204	0	502	22

Figure 20

There has been a 33% decline in “New” applications between 2014 and 2016.

Monitoring of Registered Audit Firms by the FRC's Audit Quality Review Team

The FRC's Audit Quality Review¹⁸ team (AQR), monitors the quality of the audits of PIEs and the policies and procedures supporting audit quality at the audit firms in the UK which perform the audits of these entities. The remainder of audit monitoring is conducted by the RSBs.

Figure 21 below gives details of the number of reviews of audits conducted by the AQR during the years ended 31 March 2015 to 31 March 2017.

Inspection Category	Audit Reviews 2014/15	Audit Reviews 2015/16	Audit Reviews 2016/17
Deloitte LLP	20	22	23
EY LLP	16	20	17
KPMG LLP/ KPMG Audit Plc	20	22	23
PricewaterhouseCoopers LLP	22	25	27
Big Four firms	78	89	90
BDO LLP	8	8	8
BSG Valentine	-	-	1
Crowe Clark Whitehill LLP	5	-	-
Grant Thornton UK LLP	8	8	8
Mazars LLP	5	1	-
Moore Stephens LLP	-	-	1
RSM UK Audit LLP	-	1	3
Joint audit adjustment	-1	-	-
	103	107	111
Crown Dependency audit firms ¹⁹	2	6	5
	105	113	116
Third Country Auditors	4	6	6
Private sector audits	109	119	122
National Audit Office	6	6	6
Local Audit	11	12	12
Public Sector audits	17	18	18
Total audits inspected	126	137	140

Figure 21

¹⁸ For more information on work performed by the AQR team, please see the FRC's Developments in Audit Report at www.frc.org.uk

¹⁹ This total relates to Crown Dependency companies audited by stand-alone Crown Dependency firms. A further 11, 7 and 7 audits were inspected at the major audit firms in 2016/17, 2015/16 and 2014/15 respectively.

Monitoring of Registered Audit Firms by RSBs

Figure 22 below gives details of the number of monitoring visits conducted by the RSBs during the years ended 31 December 2014 to 31 December 2016, and the proportion of registered audit firms that were visited during these years. There is a statutory requirement that the RSBs should monitor the activities undertaken by each registered audit firm at least once every six years.

		ACCA	ICAEW	CAI	ICAS	TOTAL
2014	No	398	656	224	39	1,317
	%	19.0	19.1	24.1	18.8	19.8
2015	No	505	645	244	38	1,432
	%	25.2	19.8	27.3	19.1	22.6
2016	No	362	584	142	40	1,128
	%	19.5	18.7	16.8	21.2	18.8

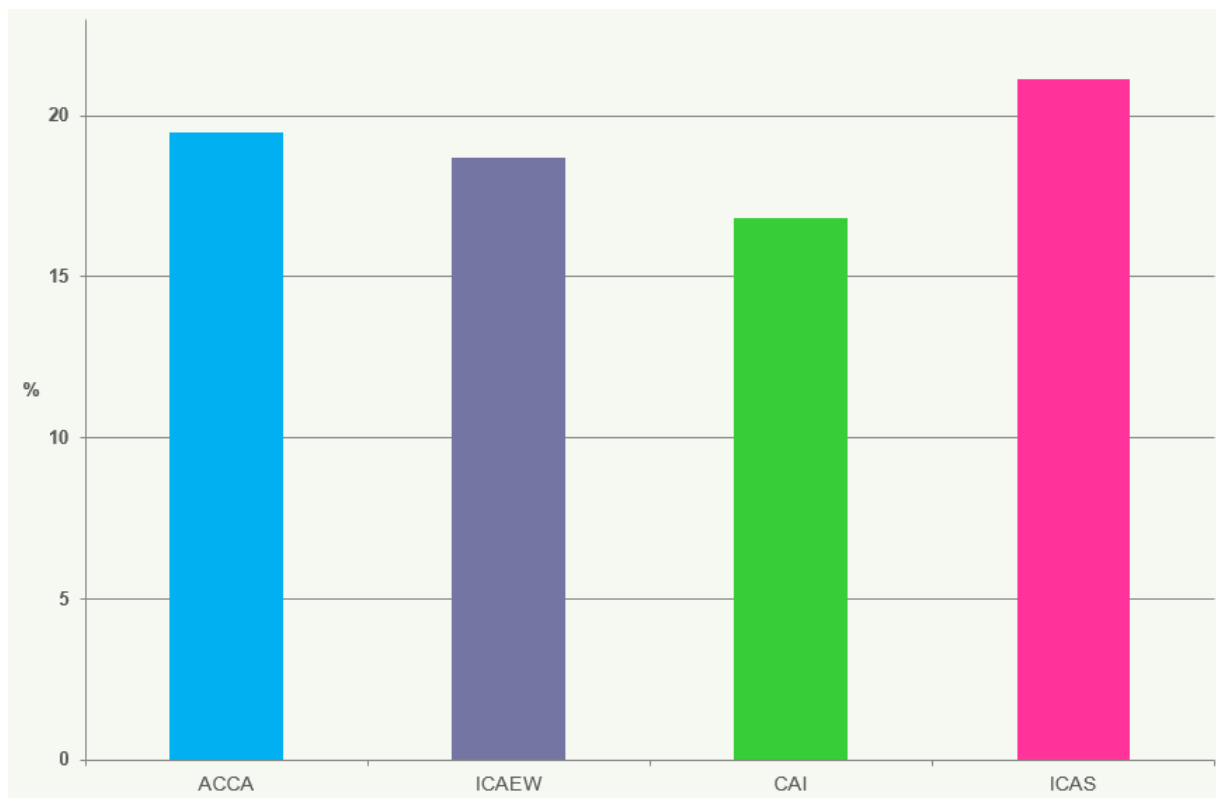


Figure 22

Reasons for Monitoring Visits to Registered Audit Firms by RSBs

Figure 23 shows the reasons for the monitoring visits to registered audit firms by the RSBs during the years ended 31 December 2014 to 31 December 2016.

		ACCA	ICAEW	CAI	ICAS	TOTAL
Requested by the registration/licensing committee	2014	39	17	1	0	57
	2015	37	9	11	0	57
	2016	7	7	0	0	14
Specifically selected due to heightened risk	2014	107	24	9	17	157
	2015	154	16	0	14	184
	2016	102	41	2	9	154
Cyclical Visits ²⁰	2014	252	565	211	19	1,047
	2015	314	583	224	22	1,143
	2016	253	502	140	29	924
Firms with Public Interest Entities visited without AQR involvement ²¹	2014	0	39	3	3	45
	2015	0	33	9	1	43
	2016	0	30	0	1	31
Firms with Public Interest Entities visited with AQR involvement ²²	2014	0	11	0	0	11
	2015	0	4	0	1	5
	2016	0	4	0	1	5

Figure 23

From 17 June 2016 the firms which audit PIEs are subject to review by the FRC's AQR team. Prior to this date, different arrangements applied in which the RSBs were responsible for the monitoring of some of these smaller firms²¹.

In 2014/15 CAI deployed additional resources to increase the number of visits undertaken in order to meet the Statutory Audit Directive requirement to visit all firms in a six year period.

The numbers for ACCA and ICAS have been reclassified from previous years to reflect visits being conducted earlier than the six year cycle²⁰. For ACCA firms visited on a four year cycle previously included as "Cyclical visits" have been reclassified as 'heightened risk' whereas ICAS has reclassified its figures under "Cyclical visits" from "Requested by Committee".

20 The FRC has changed the categories of the above table for 2016/17 to better reflect the types of visits performed by the RSBs. The term "Cyclical Visits" denotes visits which take place within the frequency stated in Schedule 10 of the Companies Act 2006 (as amended).

21 Prior to June 2016, the bodies visited firms which had public interest entities. These inspections were delegated to the bodies by the FRC.

22 This excluded direct inspections by the FRC.

Gradings of Monitoring Visits to Registered Audit Firms by RSBs

Figures 24 to 27 show the grades for the audit monitoring visits and audit file reviews conducted by ACCA, ICAEW, ICAI and ICAS during the years ended 31 December 2014 to 2016.

The RSBs continue to have different systems of grading the quality of firms and audit files reviewed. Outlined below are the definitions used for the overall grades for the visits as a whole and in the monitoring process itself.

In respect of “file grading” ICAEW, ICAI and ICAS use the following terms:

- 1 (Satisfactory):** No concerns regarding the sufficiency and quality of audit evidence or the appropriateness of significant audit judgments in the areas reviewed; only limited weakness in documentation of audit work; and any concerns in other areas are limited in nature (both individually and collectively). *Note: files with non-compliance with audit regulations cannot be graded ‘1’ although there may be ‘minor’ matters.*
- 2A (Generally Acceptable):** 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 (Improvement Required):** 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 significant concerns in other areas (individually or collectively).
- 3 (Significant Improvements Required):** 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).

ACCA apply a different system of grading from the other RSBs in respect of audit files reviews. ACCA’s definitions are as follows:

- A Outcomes:** the audit work appears appropriate in scope and extent with no significant deficiencies, forming a reasonable basis for the audit opinion.
- B Outcomes:** minor deficiencies were noted in the audit work but these do not result in a significant risk of any material misstatements remaining undetected and the audit opinion is adequately supported by the work recorded.
- C Outcomes:** there is serious non-compliance with applicable standards and/or deficiencies in the audit evidence recorded such that there is a significant risk that any material misstatements would remain undetected.

Where the bodies carry out specific reviews of audit files they use the following grading “ungraded/ limited/ restricted reviews” to distinguish these reviews from full audit file reviews. The percentage in the file grading tables below for each of the bodies is calculate on the basis of files actually graded.

In relation to “firm grading” we have outlined below under each of the bodies the definition used for each grade applied during a review.

The monitoring results for any one year cannot usually be directly compared with the results of previous years. This is because the mix of firms selected each year is likely to vary between firms deemed as higher risk, and those randomly selected to meet the six year monitoring cycle.

Particular care is needed in interpreting the percentage of “D” outcomes at each body, especially given that the sample of firms inspected in any year will often include a disproportionate number of weaker firms selected due to higher risk.

It should also be noted that outcomes reported below include a number of visits to audit-registered firms that had no audit clients.

Association of Chartered Certified Accountants (ACCA)

Firm Gradings		2014	2015	2016	File Gradings		2014	2015	2016
A & B Outcomes	No	284	363	273	A Outcomes	No	65	73	43
	%	71	72	76		%	9	7	7
C+ Outcomes	No	32	43	38	B Outcomes	No	447	638	395
	%	8	9	10		%	62	61	69
C- Outcomes	No	8	21	4	C Outcomes	No	214	331	136
	%	2	4	1		%	29	32	24
D Outcomes	No	74	78	47	Ungraded/ Limited/ Restricted Review	No	0	0	0
	%	19	15	13					

Figure 24

ACCA Firm Grading

Good (A)/ Satisfactory (B)

Those firms graded ‘A’ are judged to comply with Auditing Standards, ACCA’s Global Practising Regulations (GPRs) and the Code of Ethics and Conduct (CEC) and the Ethical Standards for Auditors (ESA) issued by the FRC. Those firms graded ‘B’ are judged as complying with the GPRs, CEC and the ESA and 50% or more of its audit files inspected complying substantially with relevant auditing standards.

Unsatisfactory and improvements required (C+)/ Unsatisfactory and significant improvements required (C-)

Those firms graded ‘C+’ are judged as complying with the GPRs, CEC and ESA but its quality controls over audit work are not effective and the majority of the firm’s audit files inspected do not comply with relevant auditing standards.

Those firms graded ‘C-’ are judged as not complying with the GPRs, CEC and ESA and/ or its audit work does not comply with relevant auditing standards.

Firms that are graded A to C - continue to be eligible for audit registration.

Regulatory action required (D)

When a firm's work is considered very poor or if a firm has a second or subsequent unsatisfactory visit and there are no mitigating factors the visit is graded 'D', which indicates that regulatory action is required and will usually result in a referral to a regulatory assessor or the Admissions and Licensing Committee (ALC). Regulatory action in this context includes ACCA referring the findings of a monitoring visit to the Assessment Department to consider whether disciplinary action is appropriate. 'D' outcomes do not always result from an inadequate standard of audit work but could be for failure to meet the eligibility requirements for holding a firm's auditing certificate; they may also indicate a referral to the Assessment Department for other regulation breaches such as non-compliance with client money rules or with the terms of a regulatory order.

Institute of Chartered Accountants in England & Wales (ICAEW)

Firm Gradings		2014	2015	2016	File Gradings		2014	2015	2016
A & B Outcomes	No	416	420	365	1 Outcomes	No	216	284	301
	%	63	68	62		%	19	25	31
C Outcomes	No	115	83	107	2A Outcomes	No	590	566	441
	%	18	14	18		%	52	50	45
D Outcomes	No	69	48	37	2B Outcomes	No	229	196	165
	%	11	8	6		%	20	17	17
N Outcomes	No	56	64	83	3 Outcomes	No	107	81	74
	%	9	10	14		%	9	7	8
				Ungraded/ Limited/ Restricted Review		No	193	159	142

Figure 25

ICAEW Firm Grading

Firms graded 'A' are those where there are no instances of non-compliance with the Institute's audit regulations and no follow-up action is required. Firms graded 'B' are those with evidence of non-compliance with the Audit Regulations, but where the Quality Assurance Directorate (QAD) is confident that the firm's responses, as set out in closing meeting notes, adequately address all the issues and no follow-up action is required.

Firms graded 'C' are those where there are instances of non-compliance with the Audit Regulations and where the QAD considers that there is some doubt about the actions proposed or the firm's competence, resources or commitment, but have concluded that there is no need for the Audit Registration Committee (ARC) to impose further conditions or restrictions.

Firms graded 'D' are those where there are instances of non-compliance with the Audit Regulations that need to be referred to the ARC for possible further action. An 'N' grade is used for any circumstances that cannot be graded in accordance with the criteria set out above; for example, when a firm wishes to continue with registration but has no audit clients and no audit work has been reviewed; or the firm has applied to withdraw from registration and QAD proposes acceptance. This rating is also applied to 'Year 2' visits to large firms where no audit files are reviewed.

Chartered Accountants Ireland (CAI)

Firm Gradings		2014	2015	2016	File Gradings		2014	2015	2016
A & B Outcomes	No	130	130	106	1 Outcomes	No	122	130	58
	%	53	49	67		%	27	26	22
C Outcomes	No	35	22	10	2A Outcomes	No	156	191	115
	%	14	8	6		%	35	38	44
D Outcomes	No	81	114	42	2B Outcomes	No	82	111	66
	%	33	43	27		%	18	22	25
					3 Outcomes	No	85	66	21
						%	19	13	8
					Ungraded/ Limited/ Restricted Review	No	166	173	36

Figure 26

CAI Firm Grading

Firms graded 'A' are those where no instances of non-compliance have been recorded. Firms graded 'B' are those where the firm has the ability and commitment to address the issues identified during the visit. No follow up action is required based on the understanding that the firm will act upon its undertakings.

Firms graded 'C' are required to give a written undertaking to cover the actions they must take. In view of the actions volunteered, there is no need for Quality Assurance Committee (QAC) to impose any conditions or restrictions; however, there is a need for further confirmation/follow up during future visits. A, B and C reports are not generally considered by QAC unless there is a specific matter requiring the Committee's attention.

Firms graded 'D' are those where significant issues have been identified, which will always require follow-up action and will be considered by the Head of Quality Assurance and by the QAC.

Institute of Chartered Accountants of Scotland (ICAS)

Firm Gradings		2014	2015	2016	File Gradings		2014	2015	2016
A & B Outcomes	No	21	28	21	1 Outcomes	No	25	18	7
	%	54	73	53		%	23	19	6
C+ Outcomes (Previously C2)	No	11	3	11	2A Outcomes	No	62	61	76
	%	28	8	27		%	56	64	67
C- Outcomes (Previously C1)	No	5	4	2	2B Outcomes	No	15	11	19
	%	13	11	5		%	14	11	17
D Outcomes	No	2	3	2	3 Outcomes	No	8	6	11
	%	5	8	5		%	7	6	10
N Outcomes	No	0	0	4	Ungraded/ Limited/ Restricted Review	No	50	43	21
	%	0	0	10					

Figure 27

ICAS Firm Grading

From June 2016, ICAS has amended its firm grading approach for all regulatory functions including audit. The following amendments have been made from previous years:

Pre June 2016	Post June 2016
A	A
B	B
C2	C+
C1	C-
D3/D2/D1	D

Under the delegation agreement 'A' and 'B' graded monitoring reports are cleared by ICAS staff with C+ reports being dealt with by a Nominated Committee Member ("NCM") outside of main committee with the C- and D reports going to the full Committee.

Those firms graded 'A' are those where no issues have been identified and no follow-up action is needed. Firms graded 'B' are those where some regulatory issues were identified; however, these issues have been addressed adequately by the firm's closing meeting responses and no further action is required. Firms graded 'C' are those where there are regulatory issues and there is a need for the firm to submit evidence of action taken in a restricted area. The 'C' grading is now split into a 'C-' or 'C+' grading with 'C-' being more serious, where one or more of the issues identified are considered to be pervasive; whereas 'C+' is where findings are specific to particular individuals or files and do not indicate systemic problems. Firms graded 'D' are those where the standard of compliance is such that the Audit Registration Committee (ARC) needs to consider appropriate follow-up action, such as imposition of conditions and restrictions or withdrawal of registration.

In general, the monitoring results of 2016 are not directly comparable with those of previous years, as the nature of the monitoring process is such that, in order to visit every firm in a six year cycle, the individual firms visited in one year will be completely different from the firms visited in another year and the outcomes will vary accordingly.

Complaints about Auditors

Figure 28 shows the number of audit related complaints received by the RSBs from 2014 to 2016 to show (i) number of new cases, (ii) number of cases passed to the FRC Enforcement Division (iii) number of cases referred to the committee²³, (iv) number of cases closed in the year and (v) average time taken to close a case.

		ACCA	ICAEW	CAI	ICAS	TOTAL
Number of New Complaints	2014	32	64	22	3	121
	2015	61	43	13	3	120
	2016	32	64	5	6	107
Number of Cases referred to the FRC	2014	0	0	0	0	0
	2015	0	0	0	0	0
	2016	0	0	0	0	0
Number of Cases passed to the Committee	2014	27	56	21	1	105
	2015	14	29	13	1	57
	2016	17	41	13	5	76
Number of Cases closed in the year	2014	32	86	25	2	145
	2015	60	46	12	4	122
	2016	38	64	13	4	119
Average time taken to close a Case (in months)	2014	5.0	13	3.6	2.9	
	2015	5.1	15	5.7	5.0	
	2016	3.8	17	3.4	4.0	

Figure 28

²³ Cases referred to the Committee relate to: A) the Disciplinary Committee for the ACCA; B) Cases considered by the Investigations Committee and referred to the Disciplinary Committee for the ICAEW; C) the Complaints Committee, Disciplinary Committee and Appeals Committee for the CAI; and D) the Investigation Committee at ICAS.

Recognised Qualifying Bodies (RQBs)

There are six bodies²⁴ in the UK recognised to offer the audit qualification in line with the requirements of Schedule 11 to the Companies Act 2006. RQBs must have rules and arrangements in place to register students and track their progress, administer examinations and ensure that appropriate training is given to students in an approved environment.

Figure 29 shows the number of students registered with each RQB²⁵ as at 31 December 2014 to 2016. It shows the number of members who were awarded the audit qualification and the number of students following the audit route or eligible for the audit qualification²⁶.

		ACCA	ICAEW	CAI	ICAS	AIA
Number of students in the UK and ROI	2014	83,198	16,711	6,539	3,058	270
	2015	81,460	18,165	6,623	3,350	201
	2016	82,953	19,713	6,330	3,718	168
Number of students following the audit route or eligible for the audit qualification	2014	N/A	13,972	4,964	N/A	6
	2015	N/A	15,058	5,168	N/A	5
	2016	N/A	16,372	5,028	N/A	4
The number of members who were awarded the audit qualification	2014	90	247	546	315	0
	2015	92	1,115	579	32	0
	2016	84	885	442	652	0
The number of members who hold the audit qualification	2014	3,494	118,940	6,424	11,265	12
	2015	3,383	108,526	7,003	11,297	11
	2016	3,213	107,403	7,445	11,439	9

Figure 29

Many members do not apply for the audit qualification until they wish to be able to sign audit reports. In addition, due to the rise in the audit threshold and the reduction in the availability of audit work, fewer students are able to meet the practical training requirements to be awarded this qualification.

The audit qualifications of some members may be counted twice; firstly by the body awarding the qualification and then again if they become a member of another body while retaining the initial qualification.

²⁴ ACCA, AIA, CIPFA, ICAEW, CAI and ICAS (CIPFA's RQB status continues to be in abeyance for statutory audit; however, CIPFA continue to be recognised separately as an RQB for LAAA purposes).

²⁵ Due to CIPFA's RQB status being in abeyance, it has not provided the figures and we have therefore removed CIPFA from this table.

²⁶ Where N/A is stated the information is not collected by the relevant body.

Approved Training Offices

Figure 30 below shows the total number of approved training offices²⁷ in the UK and ROI over the period 2013 to 2016.

		ACCA	ICAEW	CAI	ICAS	AIA
No of approved Training Offices in the UK & ROI	2014	4,131	3,363	800	149	11
	2015	3,921	3,595	724	171	11
	2016	3,829	3,841	727	172	10

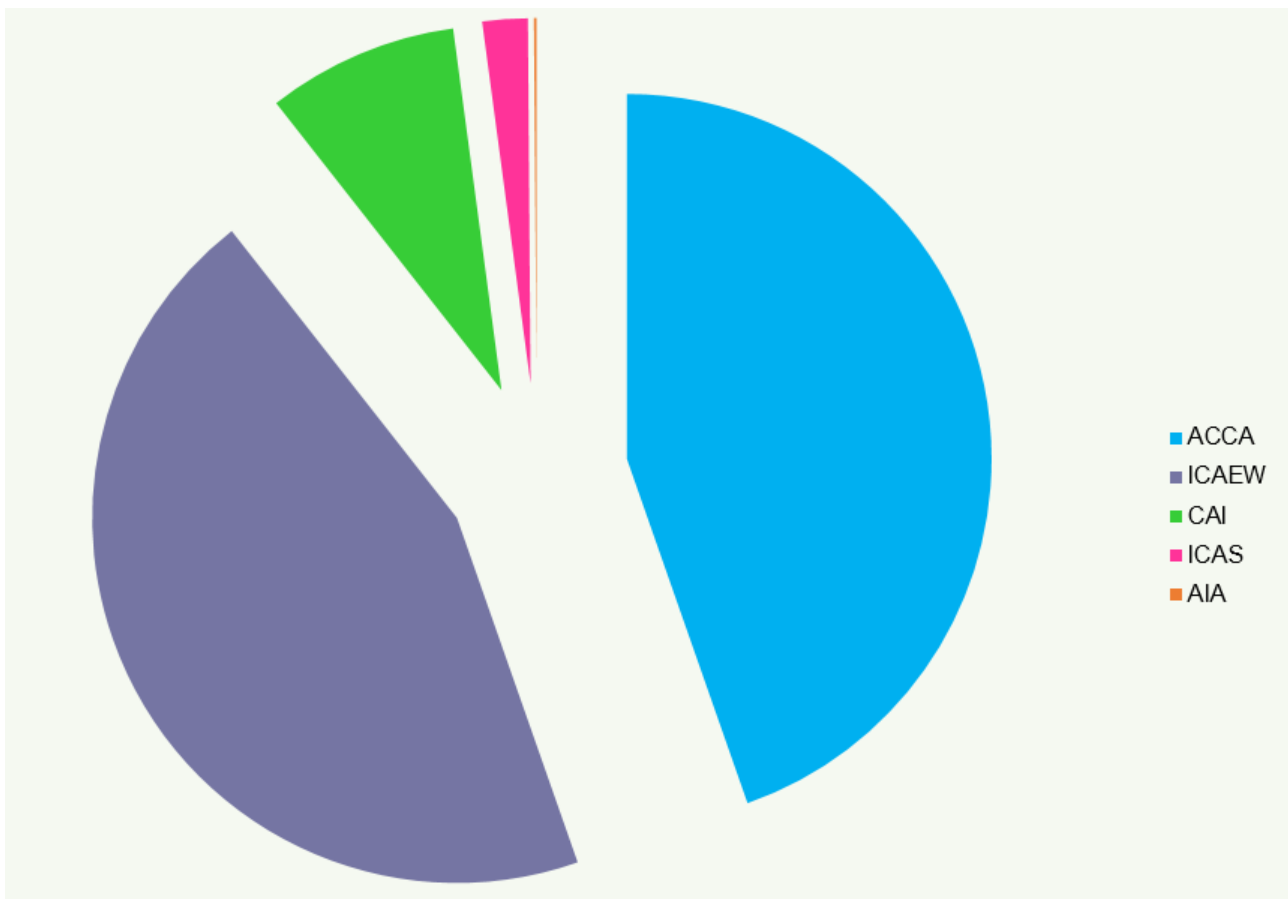


Figure 30

²⁷ ICAS figures include a number of group authorisations. ICAS treats group authorisations as one office.

Section Five – Audit Firms

This section covers Audit Firms with Public Interest Entity clients.

Since 17 June 2016, the FRC as Competent Authority has ultimate responsibility for the performance and oversight of the audit regulation tasks mandated by EU Regulation 537/2014 and EU Directive 2006/43/EC as amended and as implemented by SATCAR 2016. The FRC cannot by law delegate the Regulatory Tasks of audit monitoring and enforcement pertaining to public interest entities.

The information in this section has been provided on a voluntary basis and we would like to thank all the firms who responded to our requests. Some of this information is publicly available (for example those firms which are LLPs must file accounts at Companies House which meet the statutory requirements).

Figure 31 shows the fee income for audit and non-audit services for the 37 audit firms with PIE audit clients who responded to our request for the year ended 2016. Firms are listed in order of fee income from audit, rather than total fee income but it should not be seen as a league table. Not all accountancy firms have PIE audit clients so firms without PIE audit clients are not approached to provide this information. It is therefore possible that there are firms not included in the tables that have a higher audit fee income than some of those that are shown. Further, we have not included accountancy firms that are not registered as statutory auditors.

Figure 36 shows 32 firms which audit companies listed on FTSE 100, FTSE 250, other regulated markets and AIM.

Care is needed if making detailed comparisons between firms using the information in Figure 31. Some firms do not analyse their fee income in this manner and have made an informed estimate of the figures. In addition, firms may classify their audit and non-audit income in slightly different ways. Figures 32 and 33 analyse the detailed fee income from Figure 31 for the Big Four firms and for many of the audit firms outside of the Big Four respectively²⁸.

The percentage of total fee income derived from audit work has been relatively constant for the Big Four firms, but has been steadily falling for all other audit firms over the last few years.

From 2014 to 2016, the percentage of fee income derived from non-audit clients has remained fairly consistent for the Big Four and the other audit firms alike.

²⁸ Information on fee income by audit for earlier years can be found in previous editions of Key Facts and Trends in the Accountancy Profession, available at www.frc.org.uk - [Key Facts and Trends](#)

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2016
(By fee income from audit)

UK Firm Name	UK Structure	Year End	No. of Principals ²⁹	% of Female Principals	No. of Audit Principals	No. of Responsible Individuals ³⁰	No. of PIE Audit Clients	Fee Income: Audit ³¹ (£m)	Fee Income: Non-Audit Work ³¹ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³²
PricewaterhouseCoopers	LLP	30-Jun-16	926	17%	202	385	325	659	384	1,905	2,948
KPMG	LLP	30-Sep-16	592	15%	138	269	539	488	243	1,337	2,068
Deloitte ³³	LLP	31-May-16	729	15%	150	243	338	430	212	2,064	2,706
EY	LLP	01-Jul-16	690	19%	117	194	215	395	275	1,480	2,150
BDO	LLP	30-Jun-16	244	15%	96	128	81	143	102	191	436
Grant Thornton UK	LLP	30-Jun-16	186	15%	64	109	71	132	57	345	534
RSM	LLP	31-Mar-16	328	18%	100	132	16	69	44	179	292
Mazars	LLP	31-Aug-16	138	14%	51	55	35	45	19	96	160
Crowe Clark Whitehill	LLP	31-Mar-16	72	22%	38	40	9	27	9	29	65
Moore Stephens	LLP	01-May-16	86	14%	35	44	23	23	11	72	106
Nexia Smith & Williamson Audit	Limited Company	30-Apr-16	123	20%	26	23	3	13	0	55	68
Kingston Smith	LLP	30-Apr-16	58	26%	40	40	1	12	8	17	37

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2016
(By fee income from audit)

UK Firm Name	UK Structure	Year End	No. of Principals ²⁹	% of Female Principals	No. of Audit Principals	No. of Responsible Individuals ³⁰	No. of PIE Audit Clients	Fee Income: Audit ³¹ (£m)	Fee Income: Non-Audit Work ³¹ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³²
Haysmacintyre	Partnership	31-Mar-16	29	28%	23	23	5	12	5	6	24
Haines Watts Group	Group of Partnerships	31-Mar-16	145	12%	76	84	1	11	8	50	69
Saffery Champness	Partnership	31-Mar-16	65	20%	38	38	3	11	8	33	52
UHY Hacker Young	Network of firms	30-Apr-16	89	11%	51	52	7	11	7	24	42
PKF Littlejohn	LLP	31-May-16	38	13%	23	23	8	9	3	5	17
Scott Moncrieff	Partnership	30-Apr-16	19	37%	8	10	3	6	2	4	12
Rees Pollock	Partnership	31-Mar-16	6	17%	6	6	2	5	1	2	8
PKF Francis Clark	LLP	31-Mar-16	49	12%	16	17	1	4	N/A	N/A	32
Barber Harrison & Platt	LLP	31-Dec-16	18	22%	10	11	1	4	1	8	13
Beever and Struthers	Partnership	30-Sep-16	22	32%	11	13	6	4	1	5	10
Gerald Edelman	Partnership	31-Mar-16	13	0%	5	5	1	4	2	3	9

Figure 31

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2016
(By fee income from audit)

UK Firm Name	UK Structure	Year End	No. of Principals ²⁹	% of Female Principals	No. of Audit Principals	No. of Responsible Individuals ³⁰	No. of PIE Audit Clients	Fee Income: Audit ³¹ (£m)	Fee Income: Non-Audit Work ³¹ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³²
Hazlewoods	LLP	30-Apr-16	22	14%	9	12	3	3	2	15	20
James Cowper	LLP	30-Apr-16	13	23%	8	8	8	3	2	9	14
Shipleys	LLP	30-Apr-16	13	15%	11	11	2	3	1	7	11
Carter Backer Winter	LLP	31-Mar-16	18	0%	8	11	1	2	0	10	12
French Duncan	LLP	30-Apr-16	18	28%	7	7	2	2	N/A	N/A	10
BSG Valentine	Partnership	30-Sep-16	12	0%	3	3	1	1	0	5	6
Brown Butler	Partnership	31-Oct-16	5	0%	4	5	1	1	0.5	3	4
Begbies	Partnership	31-Mar-16	7	14%	6	7	1	1	0	3	4
Watson Buckle	Limited Company	31-Dec-16	5	20%	4	4	1	0.7	0.4	1.4	2.4
Moore Stephens Bath	Partnership	01-May-16	4	0%	3	3	5	0.5	0.2	1.3	2
F. W. Smith, Riches & Co.	Partnership	31-Mar-16	4	25%	3	3	1	0.4	0.3	1.1	1.8
Ritsons	Partnership	31-Oct-16	7	29%	7	7	1	0.1	0	2.6	2.8

Figure 31

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2016
(By fee income from audit)

UK Firm Name	UK Structure	Year End	No. of Principals ²⁹	% of Female Principals	No. of Audit Principals	No. of Responsible Individuals ³⁰	No. of PIE Audit Clients	Fee Income: Audit ³¹ (£m)	Fee Income: Non-Audit Work ³¹ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³²
SRG	LLP	31-Mar-16	5	0%	4	5	1	0.1	0.1	1.3	1.5
KSI (WA)	Sole Trader	31-Dec-16	1	0%	1	1	1	0.1	0	0	0.1

Figure 31

²⁹ Principals are partners or members of an LLP

³⁰ RIs are those individuals who are able to sign audit reports and include Audit Principals and Employees.

³¹ The definition used of 'audit-services' and 'non-audit services' is set out in paragraph 5.8 of the FRC's 'Ethical Standard 5' – June 2016

³² Figures used for the fee income splits have been rounded to the nearest decimal, accordingly total fee income is calculated on this basis.

³³ Deloitte LLP figures for 2016 relate to practising activities in the UK, Channel Islands and Isle of Man only.

Analysis of Big Four Fee Income (2014 – 2016)

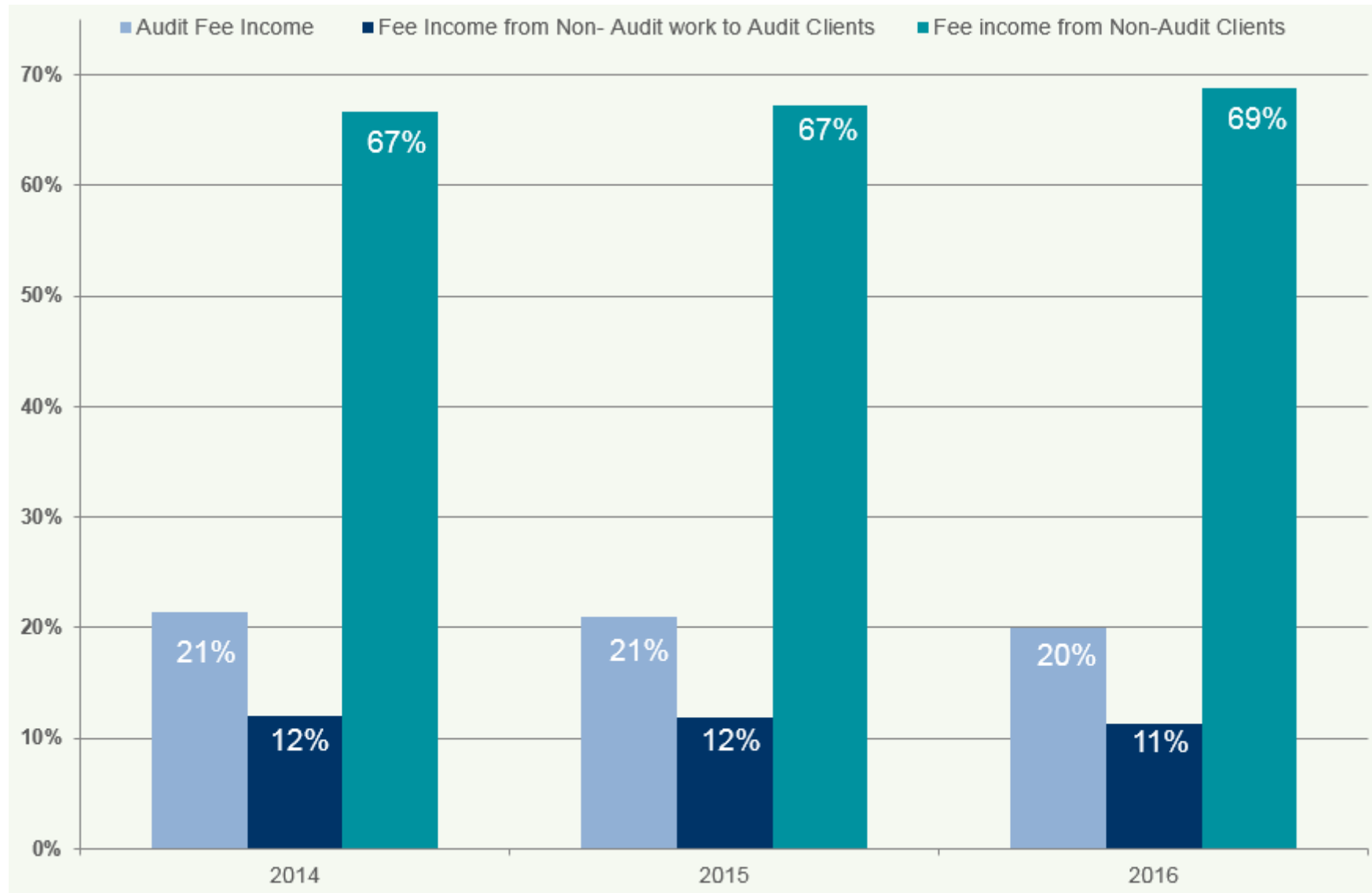


Figure 32

Analysis of Fee Income (2014 – 2016) of audit firms with PIE audit clients outside of the Big Four

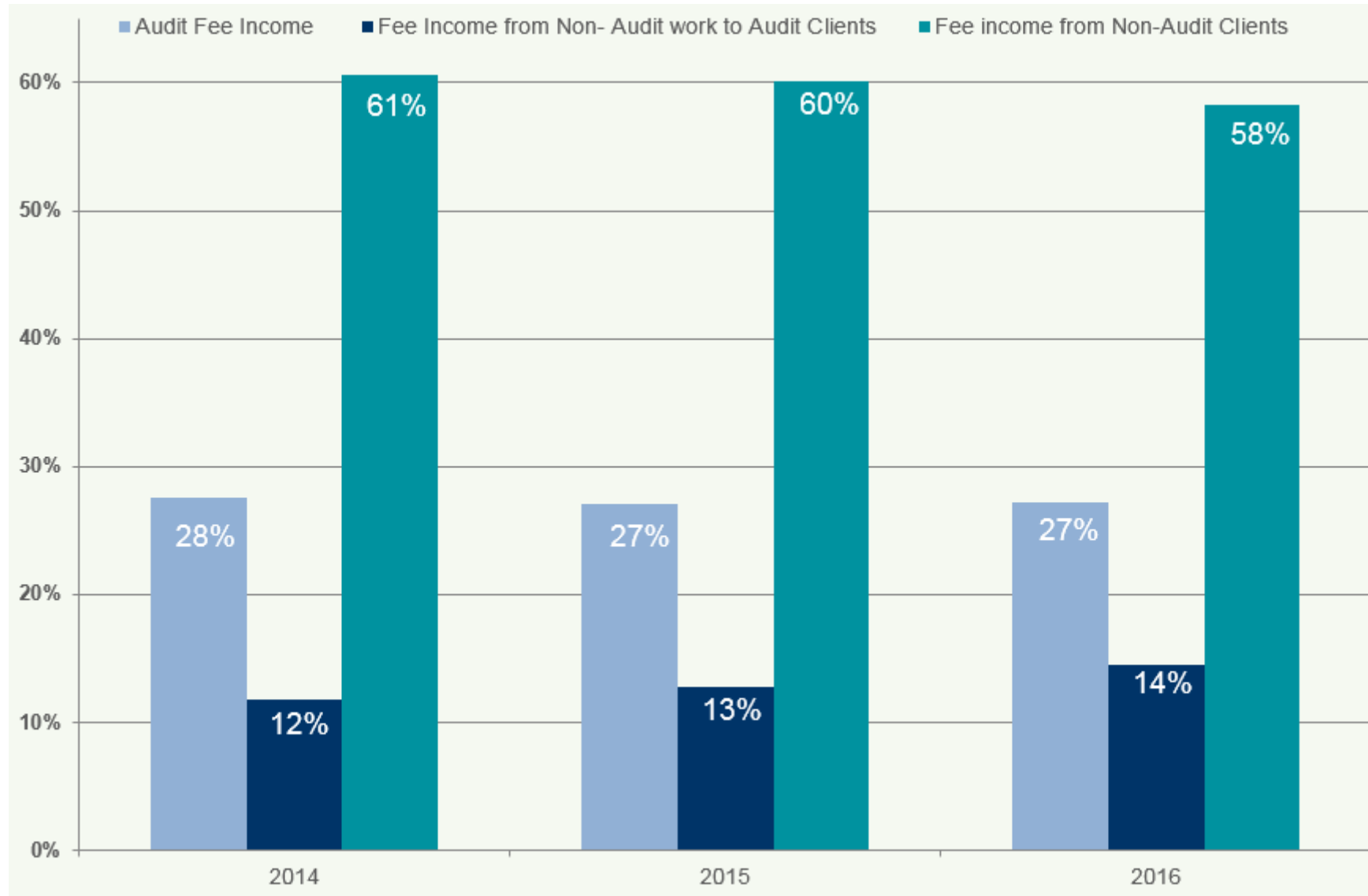


Figure 33

Growth of Fee Income

Figure 34³⁴ shows the percentage growth rate of fee income for each of the years from 2014/15 to 2015/16 for audit firms with PIE clients, split between (i) the Big Four audit firms and audit firms outside of the Big Four and (ii) between audit and non-audit income.

To ensure consistency in the table below, we have included income figures for firms that have submitted data for all three years for both audit and non-audit income³⁵.

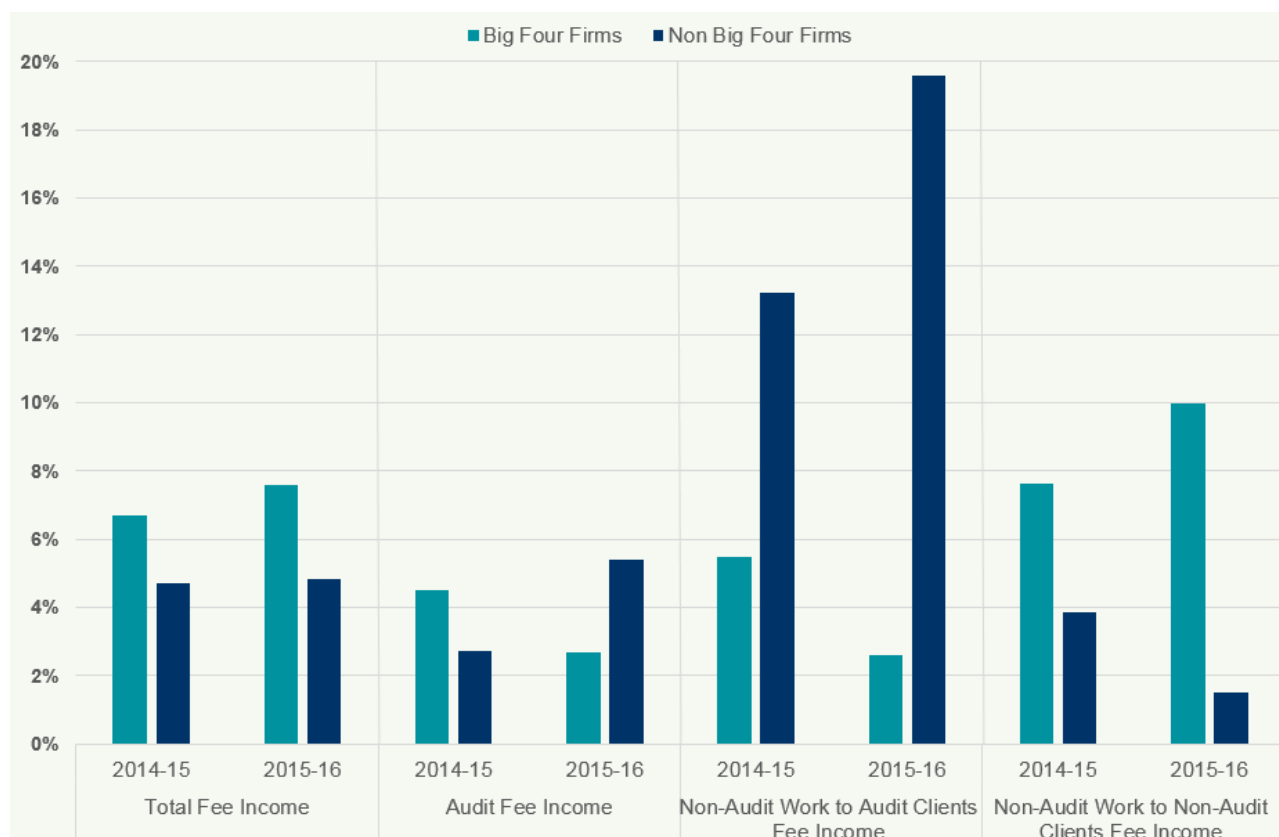


Figure 34

In 2015/16, the Big Four experienced an improved growth rate for total fee income; however, there was a fall in growth rate in respect of audit fee income (2.7%) in 2015/16 compared with 4.6% in 2014/15. In contrast, the firms outside the Big Four have seen increased growth rates for both total fee income and audit fee income in 2015/16.

Non-audit work to audit clients' fee income continued to see greatest percentage increases for audit firms outside the Big Four (19.5%) in 2015/16, compared to (13.2%) in 2014/15, whilst the Big Four experienced a slower growth rate in this area (2.6%) in 2015/16 compared with (5.5%) in 2014/15.

³⁴ This information is based on the information provided to the FRC and which is shown in the detailed tables on fee income of audit firms with PIE clients (Figure 31).

³⁵ The data will be different in some cases from that published in earlier editions of Key Facts and Trends in the Accountancy Profession, due to figures being restated for previous years by the firms and the different population of firms.

Audit Fee Income per Responsible Individual (RI)

Figure 35³⁶ illustrates audit fee generated per RI³⁷ for 2014 to 2016 (inclusive). This information is split between the Big Four firms and the audit firms outside the Big Four.

Audit Fee Income Per RI (£m)	2014	2015	2016
Big Four firms	1.88	1.92	1.81
Average of all firms with PIE clients	1.13	1.23	1.23
Non Big Four firms	0.50	0.54	0.59

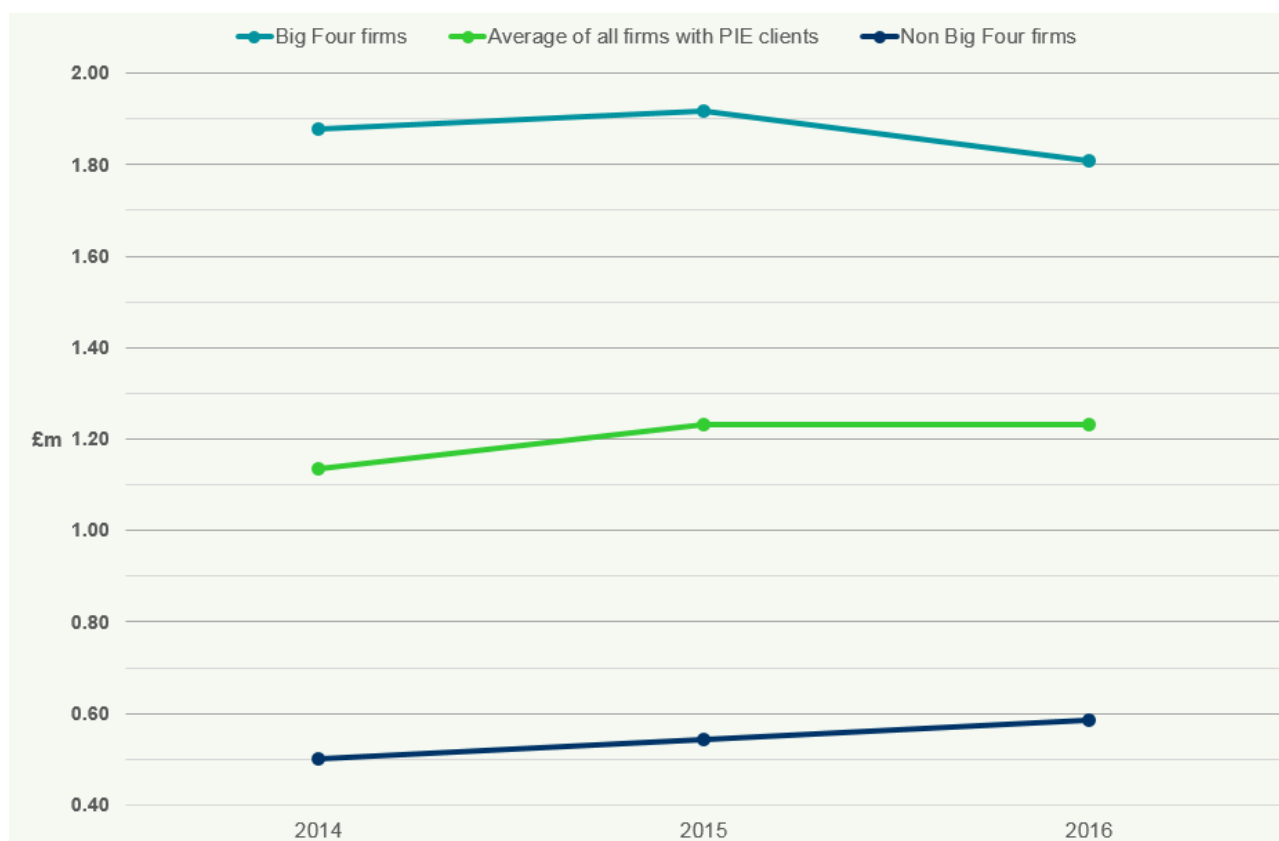


Figure 35

Overall, the average fee income of all firms has remained the same despite the Big Four firms experiencing a decline in fee income per RI.

Since 2013 fee income for RIs of the non-Big Four has continued to steadily increase.

³⁶ The historic information in this table has been updated as a result of changes in a number of submissions made by some of the PIE audit firms outside the Big Four.

³⁷ RIs have been awarded the recognised professional qualification in audit and hold a practising certificate. An RI can sign an audit report on behalf of his/her firm.

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2016
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

UK Firm Name	UK Structure	Year End	No. of FTSE 100 Audit Clients ³⁸	No. of FTSE 250 Audit Clients ³⁸	Total No. of Other Clients listed on Regulated Markets ³⁸	No. of AIM Audit Clients ³⁸
PricewaterhouseCoopers	LLP	30-Jun-16	33	81	109	78
KPMG ³⁹	LLP	30-Sep-16	24	57	125	80
Deloitte	LLP	31-May-16	23	58	89	47
EY	LLP	01-Jul-16	15	49	96	44
BDO	LLP	30-Jun-16	1	4	52	120
Grant Thornton UK	LLP	30-Jun-16	0	4	47	109
RSM	LLP	31-Mar-16	0	0	11	64
Crowe Clark Whitehill	LLP	31-Mar-16	0	0	8	40
James Cowper	LLP	30-Apr-16	0	0	8	4
Moore Stephens	LLP	01-May-16	0	0	5	21
UHY Hacker Young	Network of firms	30-Apr-16	0	0	3	20
Haysmacintyre	Partnership	31-Mar-16	0	0	3	13
Hazlewoods	LLP	30-Apr-16	0	0	3	4

Figure 36

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2016
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

UK Firm Name	UK Structure	Year End	No. of FTSE 100 Audit Clients ³⁸	No. of FTSE 250 Audit Clients ³⁸	Total No. of Other Clients listed on Regulated Markets ³⁸	No. of AIM Audit Clients ³⁸
Saffery Champness	Partnership	31-Mar-16	0	0	3	4
Scott Moncrieff	Partnership	30-Apr-16	0	0	3	0
Shipleys	LLP	30-Apr-16	0	0	2	5
PKF Littlejohn	LLP	31-May-16	0	0	1	18
Mazars	LLP	31-Aug-16	0	0	1	16
Kingston Smith	LLP	30-Apr-16	0	0	1	6
Rees Pollock	Partnership	31-Mar-16	0	0	1	4
BSG Valentine	Partnership	30-Sep-16	0	0	1	1
Begbies	Partnership	31-Mar-16	0	0	1	0
Carter Backer Winter	LLP	31-Mar-16	0	0	1	0
F. W. Smith, Riches & Co.	Partnership	31-Mar-16	0	0	1	0
French Duncan	LLP	30-Apr-16	0	0	1	0

Figure 36

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2016
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

UK Firm Name	UK Structure	Year End	No. of FTSE 100 Audit Clients ³⁸	No. of FTSE 250 Audit Clients ³⁸	Total No. of Other Clients listed on Regulated Markets ³⁸	No. of AIM Audit Clients ³⁸
KSI (WA)	Sole Trader	31-Dec-16	0	0	1	0
SRG	LLP	31-Mar-16	0	0	1	0
Nexia Smith & Williamson Audit	Limited Company	30-Apr-16	0	0	0	26
PKF Francis Clark	LLP	31-Mar-16	0	0	0	2
Haines Watts Group	Group of Partnerships	31-Mar-16	0	0	0	1
Moore Stephens Bath	Partnership	01-May-16	0	0	0	1
Wilkins Kennedy	LLP	30-Apr-16	0	0	0	1

Figure 36

³⁸ The number of clients reported relates to entities whether incorporated in the UK or elsewhere that are audit clients of the UK firm. The figures for 'Other clients listed on Regulated Markets' include clients which have equity listed on one or more regulated markets.

³⁹ Includes both KPMG LLP and KPMG Audit Plc.

Concentration of Listed Companies' Audits⁴⁰

Figure 37 illustrates the percentage of the number of audits of UK listed (equity and debt) companies undertaken by the Big Four firms⁴¹, the next five firms⁴² (based on the number of listed audit clients) and other audit firms for period 2012 to 2016.

For the purposes of Figure 37, where a listed company is audited by a firm from the Crown Dependencies it has been given the same classification as its UK counterparts.

	Big Four Firms (%)					Next Five Firms (%)					Other Firms (%)				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
FTSE 100	99.0	98.0	98.0	98.0	99.0	1.0	2.0	2.0	2.0	1.0	0.0	0.0	0.0	0.0	0.0
FTSE 250	94.4	96.0	96.8	96.8	96.4	5.6	4.0	3.2	3.2	3.6	0.0	0.0	0.0	0.0	0.0
Other UK Main Market	66.3	68.1	69.7	71.1	74.8	24.8	23.7	21.4	21.5	18.4	8.9	8.2	8.9	7.4	6.8
All Main Market	78.3	78.8	79.9	83.2	81.0	16.5	16.0	14.5	11.0	13.3	5.2	5.2	5.6	5.8	5.7

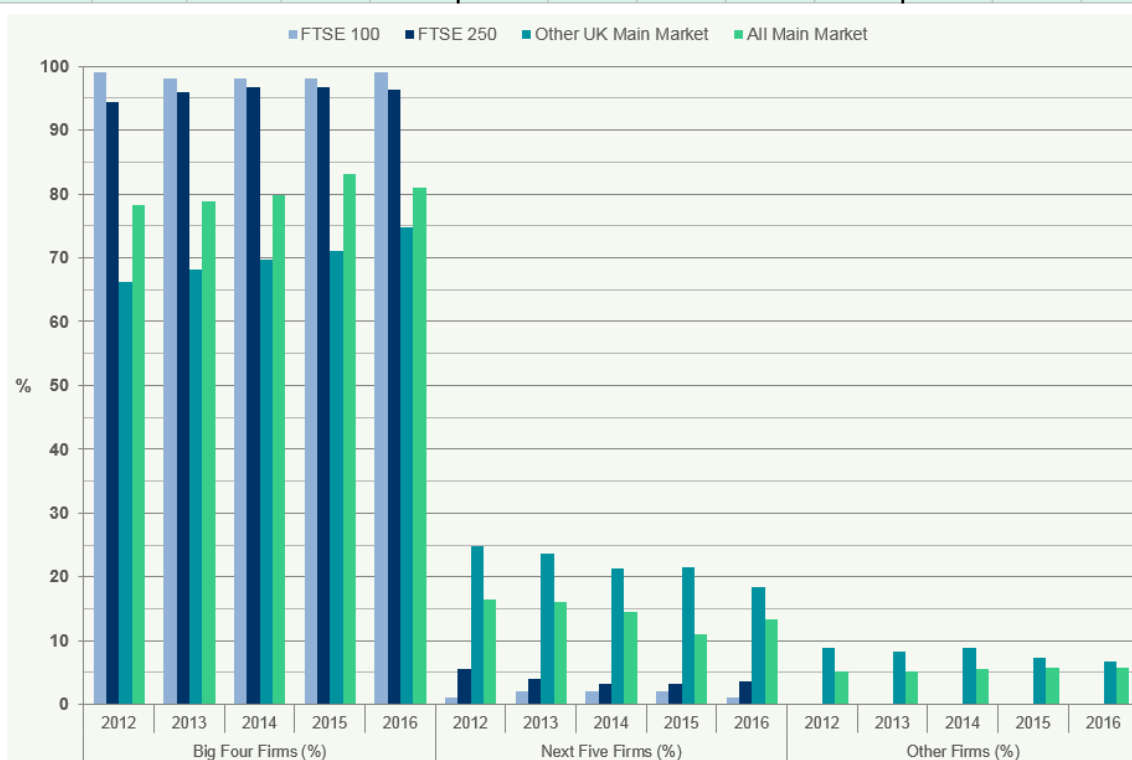


Figure 37

Source: Audit Quality Review team

There has been an increase in Other UK Main Market and All Main Market companies being audited by the Big Four audit firms in 2016.

⁴⁰ Includes International Main Market Companies.

⁴¹ Includes Big Four network firm offices whether located in the UK or elsewhere.

⁴² The data for 2012 is for the next six firms. All other years are for the next five firms. The data for previous years in this section has not been restated so is not entirely comparable.

Section Six – Data tables of the charts

Registered Members and Students in the UK and the ROI

Figure 1

Number of Members in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	77,269	72,053	13,140	119,179	19,414	16,933	1,607	319,595
2013	80,442	74,926	12,929	120,513	20,173	17,217	1,510	327,710
2014	83,339	77,551	12,393	122,167	20,990	17,538	1,574	335,552
2015	86,828	78,402	12,957	123,541	21,699	17,852	1,489	342,768
2016	90,697	80,007	12,944	125,087	22,696	18,103	1,378	350,912
% growth (15 - 16)	4.5	2.0	-0.1	1.3	4.6	1.4	-7.5	2.4
% growth (12 - 16)	17.4	11.0	-1.5	5.0	16.9	6.9	-14.3	9.8
% compound annual growth (12 - 16)	4.1	2.7	-0.4	1.2	4.0	1.7	-3.8	2.4

Number of Students in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	84,058	54,010	2,244	15,321	6,265	3,056	185	165,139
2013	85,259	55,295	2,058	15,553	6,431	2,978	285	167,859
2014	83,198	54,684	2,015	16,711	6,539	3,058	270	166,475
2015	81,460	51,677	1,937	18,165	6,623	3,350	201	163,413
2016	82,953	49,529	2,070	19,713	6,330	3,718	168	164,481
% growth (15 - 16)	1.8	-4.2	6.9	8.5	-4.4	11.0	-16.4	0.7
% growth (12 - 16)	-1.3	-8.3	-7.8	28.7	1.0	21.7	-9.2	-0.4
% compound annual growth (12 - 16)	-0.3	-2.1	-2.0	6.5	0.3	5.0	-2.4	-0.1

Registered Members and Students Worldwide

Figure 2

Number of Members Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	158,574	91,744	13,541	140,573	21,844	19,739	7,983	453,998
2013	165,625	95,925	13,328	142,334	22,828	20,109	8,545	468,694
2014	174,227	99,942	13,327	144,167	23,778	20,401	9,250	485,092
2015	183,386	102,942	13,640	145,746	24,496	20,709	6,755	497,674
2016	193,976	106,095	14,266	147,538	25,496	21,152	6,786	515,309
% growth (15 - 16)	5.8	3.1	4.6	1.2	4.1	2.1	0.5	3.5
% growth (12 - 16)	22.3	15.6	5.4	5.0	16.7	7.2	-15.0	13.5
% compound annual growth (12-16)	5.2	3.7	1.3	1.2	3.9	1.7	-4.0	3.2

Number of Students Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	353,589	112,727	2,336	20,037	6,276	3,083	8,952	507,000
2013	365,488	122,394	2,550	20,121	6,440	2,989	9,607	529,589
2014	373,668	127,813	3,362	22,001	6,548	3,071	9,064	545,527
2015	388,636	125,763	3,779	24,149	6,627	3,366	7,474	559,794
2016	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145
% growth (15 - 16)	4.3	-0.3	12.6	6.9	-4.4	11.0	-29.8	2.9
% growth (12 - 16)	14.6	11.2	82.1	28.9	0.9	21.1	-41.4	13.6
% compound annual growth (12 - 16)	3.5	2.7	16.2	6.5	0.2	4.9	-12.5	3.2

Sectoral Employment of Members and Students Worldwide 2016

Figure 4

No. of members	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Working in Practice	44,510	1,610	694	43,101	6,586	5,324	498	102,323
Industry & Commerce	114,782	74,861	1,650	64,781	15,628	9,780	5,525	287,007
Public Sector	18,809	13,064	8,237	9,489	478	961	56	51,094
Retired	8,386	12,824	3,059	22,989	1,124	3,910	684	52,976
Other	7,489	3,736	626	7,178	1,680	1,177	23	21,909
TOTAL	193,976	106,095	14,266	147,538	25,496	21,152	6,786	515,309

No. of students	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Public Practice	60,807	181	0	20,406	5,021	3,400	34	89,849
Industry & Commerce	195,796	96,088	574	1,257	96	335	2,922	297,068
Public Sector	52,699	9,538	2,475	429	11	0	33	65,185
Retired	0	30	0	0	0	0	0	30
Other	96,074	19,543	1,205	3,730	1,206	0	2,255	124,013
TOTAL	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145

Gender of Members Worldwide

Figure 5

% Female Members Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	45%	33%	31%	26%	38%	31%	30%	33%
2013	45%	33%	32%	26%	39%	32%	32%	34%
2014	46%	34%	32%	27%	40%	33%	33%	35%
2015	46%	34%	33%	28%	40%	33%	30%	35%
2016	46%	35%	32%	28%	41%	33%	32%	35%

Gender of Students Worldwide

Figure 6

% Female Students Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	49%	44%	49%	38%	50%	43%	63%	48%
2013	51%	44%	48%	39%	49%	43%	63%	48%
2014	53%	44%	48%	40%	49%	41%	62%	48%
2015	54%	46%	49%	42%	48%	41%	61%	49%
2016	54%	47%	49%	42%	48%	43%	58%	49%

Age of Members Worldwide

Figure 7

2016	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	998	130	0	251	16	17	29	1,441
25 - 34	50,585	16,882	710	25,948	8,389	5,750	588	108,852
35 - 44	71,243	36,187	2,200	31,185	7,976	4,816	2,253	155,860
45 - 54	43,976	27,713	3,997	35,540	4,876	3,681	1,904	121,687
55 - 64	16,791	13,754	3,003	26,282	2,483	3,106	855	66,274
65 and over	10,383	11,411	3,291	28,332	1,756	3,782	1,157	60,112
Not Stated	0	18	1,065	0	0	0	0	1,083
TOTAL	193,976	106,095	14,266	147,538	25,496	21,152	6,786	515,309

2012	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	1,081	87	6	204	32	69	13	1,492
25 - 34	46,159	17,543	1,256	24,494	8,139	5,985	651	104,227
35 - 44	60,515	31,897	2,640	32,262	6,432	3,837	2,822	140,405
45 - 54	32,168	21,832	4,021	35,014	3,934	3,593	2,016	102,578
55 - 64	13,323	11,354	3,021	25,140	1,977	2,886	1,307	59,008
65 and over	5,328	9,031	2,460	23,459	1,330	3,369	1,174	46,151
Not Stated	0	0	137	0	0	0	0	137
TOTAL	158,574	91,744	13,404	140,573	21,844	19,739	7,983	453,861

Age of Students Worldwide

Figure 8

2016	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	157,193	41,560	102	14,475	2,466	2,067	2,423	220,286
25 - 34	172,387	45,082	966	10,460	3,141	1,106	1,327	234,469
35 - 44	58,806	25,674	933	726	525	63	1,028	87,755
45 and over	16,990	11,881	808	161	195	15	466	30,516
Not Stated	0	1,183	1,445	0	7	484	0	3,119
TOTAL	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145

2012	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	100,850	29,895	151	9,877	2,325	1,558	2,198	146,854
25 - 34	162,905	49,350	962	9,089	3,409	924	3,260	229,899
35 - 44	72,252	23,891	623	918	436	15	2,450	100,585
45 and over	17,582	9,591	506	153	106	1	1,044	28,983
Not Stated	0	0	94	0	0	585	0	679
TOTAL	353,589	112,727	2,336	20,037	6,276	3,083	8,952	507,000

Location of Students 2016

Figure 9

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
UK & ROI	82,953	49,529	2,070	19,713	6,330	3,718	168	164,481
Rest of the World	322,423	75,851	2,184	6,109	4	17	5,076	411,664
TOTAL	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145

Profile of Students Worldwide of the Accountancy Bodies 2016

Figure 10

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
≤ 1 Year	87,871	33,604	675	7,840	1,505	1,225	438	133,158
>1 - 2 Years	69,233	22,131	845	6,804	1,425	950	463	101,851
> 2 - 3 Years	52,738	17,580	1,165	5,180	1,391	840	798	79,692
> 3 - 4 Years	37,828	11,668	621	3,841	794	396	551	55,699
> 4 - 5 Years	34,897	8,273	149	1,294	515	215	355	45,698
≥ 5 Years	122,809	32,124	799	863	704	109	2,639	160,047
TOTAL	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145

Graduate Entrants to Training 2016

Figure 11

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA
Holding a Degree	50%	52%	47%	75%	93%	91%	34%
Holding a Relevant Degree	24%	44%	21%	23%	76%	32%	34%

AAT Age Distribution of Members and Students 2016

Figure 13

	Members		Students	
	No.	%	No.	%
Under 25	2,323	5%	29,618	35%
25 - 34	9,835	20%	28,201	33%
35 - 44	11,862	24%	16,700	20%
45 and over	25,152	51%	9,833	12%
Not Stated	24	0%	5	0%
TOTAL	49,196	100%	84,357	100%

Income of the seven Accountancy Bodies

Figure 15

£m	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	152.0	50.9	25.5	82.7	22.1	18.4	1.5	353.1
2013	160.0	54.8	26.1	87.6	22.3	17.8	1.5	370.1
2014	164.0	61.9	36.3	91.5	22.0	16.7	1.6	394.0
2015	177.0	54.2	27.1	101.6	21.9	17.2	1.9	400.9
2016	184.0	56.6	23.6	107.0	25.9	16.7	1.9	415.6

Average Income per Member and Student

Figure 16

£	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2012	279	224	378	410	708	670	77	309
2013	284	226	390	433	622	632	77	312
2014	285	238	377	442	590	635	82	314
2015	299	206	413	486	575	660	124	325
2016	297	210	415	490	669	631	150	328
% growth (12 - 16)	6.4	-6.3	9.7	19.5	-5.4	-5.9	94.9	6.1

Breakdown of Income 2016

Figure 17

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Fees & Subscriptions	80.0	34.9	3.1	46.0	9.5	6.9	1.7	182.1
Education & Exam Fees	92.0	13.5	4.6	13.0	8.5	6.6	0.1	138.3
Regulation & Discipline	6.0	0.0	0.0	26.0	3.3	2.2	0.0	37.5
Commercial Activities	5.0	6.2	15.6	16.0	2.9	0.8	0.0	46.5
Other (Including Investment Income)	1.0	2.0	0.3	6.0	1.7	0.2	0.1	11.3
TOTAL	184.0	56.6	23.6	107.0	25.9	16.7	1.9	415.7

Growth of Fee Income

Figure 34

Growth Rate %		2014-15	2015-16
Total Fee Income	Big Four Firms	6.7	7.6
	Non Big Four Firms	4.7	4.8
Audit Fee Income	Big Four Firms	4.6	2.7
	Non Big Four Firms	2.7	5.4
Non-Audit Work to Audit Clients Fee Income	Big Four Firms	5.5	2.6
	Non Big Four Firms	13.2	19.6
Non-Audit Work to Non-Audit Clients Fee Income	Big Four Firms	7.6	10.0
	Non Big Four Firms	3.9	1.5

Section Seven – Glossary

This glossary provides definitions of many of the acronyms, abbreviations and some key terms used within the Key Facts and Trends publication:

AAPA	Association of Authorised Public Accountants
AAT	The Association of Accounting Technicians
ACCA	Association of Chartered Certified Accountants
AIA	Association of International Accountants
AIM	The Alternative Investment Market is the London Stock Exchange's global market for smaller and growing companies
ALC	Admissions and Licensing Committee (ACCA term)
ARD	Audit Regulation Directive
AQR	Audit Quality Review – part of the FRC
ARC	Audit Registration Committee (ICAEW & ICAS term)
Audit Qualification	Is the qualification that is provided by an RQB to its members
Audit Services	Audit services are: <ul style="list-style-type: none">• Reporting required by law or regulation to be provided by the auditor;• Reviews of interim financial information;• Reporting on regulatory returns;• Reporting to a regulator on client assets;• Reporting on government grants;• Reporting on internal financial controls when required by law or regulation;• Extended audit work that is authorised by those charged with governance performed on financial information and/or financial controls where this work is integrated with the audit work and is performed on the same principal terms and conditions.
Big Four	The four largest audit firms in the UK: PricewaterhouseCoopers; KPMG; Deloitte; and EY.
CAI	Chartered Accountants Ireland
CEC	Code of Ethics and Conduct (ACCA term)
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance and Accountancy
CPD	Continuing Professional Development
Crown Dependencies	A territory that is under the sovereignty of the British Crown but does not form part of the UK.
FRC	Financial Reporting Council
FTSE 100	An index composed of the 100 largest companies listed on the London Stock Exchange (LSE)
FTSE 250	An index containing the 101st to the 350th largest companies by market capitalisation on the London Stock Exchange (LSE)
GPRs	Global Practising Regulations (ACCA term)
IAASA	Irish Auditing and Accounting Supervisory Authority
ICAEW	Institute of Chartered Accountants in England and Wales
ICAS	Institute of Chartered Accountants of Scotland
LSE	London Stock Exchange

LSE Main Market Non –audit services	<p>International market for the admission and trading of equity, debt and other securities.</p> <p>‘Non-audit services’ comprise any engagement in which an audit firm provides professional services to:</p> <ul style="list-style-type: none"> • An audited entity; • An audited entity’s affiliates; or • Another entity in respect of the audited entity; • Other than the audit of financial statements of the audited entity.
Principals PIEs	<p>Partners or members of an LLP</p> <p>A new definition of Public Interest Entities came into force from 17 June 2016. The new definition includes entities governed by the law of a member state whose transferable securities (equity and debt) are admitted to trading on a regulated market in the EEA, credit institutions and insurance undertakings</p>
QAC	Quality Assurance Committee (CAI term)
QAD	Quality Assurance Directorate (ICAEW term)
RI	Responsible Individuals have been awarded the recognised professional qualification in audit and hold a practising certificate. An RI can sign an audit report on behalf of his/her firm
ROI	Republic of Ireland
RQB	Recognised Qualifying Bodies – there are six bodies in the UK recognised to offer the audit qualification in line with the requirements of Schedule 11 to the Companies Act 2006
RSB	Recognised Supervisory Bodies – these bodies can register and supervise audit firms in accordance with the requirements of Schedule 10 to the Companies Act 2006
UK	United Kingdom
UK GAAP	Generally Accepted Accounting Practice in the UK
UK Regulated Market	An organised trading venue that operates under Title III of MiFID
Year End	An accounting procedure undertaken at the end of the year to close out business from the previous year and carry forward balances from the previous year

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