



KEY FACTS AND TRENDS IN THE ACCOUNTANCY PROFESSION

October 2019

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Financial Reporting Council

Key Facts and Trends in the Accountancy Profession

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Foreword

This is the seventeenth 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 the following accountancy bodies: the six UK Chartered Accountancy bodies¹, the Association of International Accountants (AIA) ("the accountancy bodies") and the Association of Accounting Technicians (AAT) ("all bodies"). In the sections below, the tables on members show data for the UK and the Republic of Ireland (ROI) combined and 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 all bodies to separate the data. The Irish Auditing and Accounting Supervisory Authority (IAASA) publishes information relating specifically to the ROI accountancy bodies, which can be found at <http://www.iaasa.ie>.

Where appropriate we highlight significant trends and explain possible limitations of the data; however, it is important to note that we do not check the accuracy of the information provided. Where there are notable trends in the data, we follow this up with all bodies and firms to verify that they are content with the information they provided, but we do not include commentary on the possible reasons for any particular trends. We stress that it is often difficult to make comparisons between the different accountancy bodies, or between the audit firms that audit public interest entities (PIEs²), given the differences in the way data is classified and because of different regulatory arrangements.

Diversity at all bodies and audit firms continues to be high on the FRC's agenda. In 2019, the FRC was recognised as a public body. We are required to have due regard to the Public Sector Equality Duty (PSED) which was introduced by the Equality Act 2010 (the Act). The FRC must therefore consider the following objectives in its oversight of all bodies:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic³ and people who do not share it; and
- Foster good relations between people who share protected characteristics and people who do not share it.

Further information can be found in the Diversity sections of this publication.

As always, we are grateful to those that took the time to complete our questionnaire on how we can continue to improve this publication, viewable here: <http://www.smartsurvey.co.uk/s/EYRS5/>

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).

² Regulation 2 of The Statutory Auditors and Third Country Auditors Regulations (SATCAR) 2016 defines Public Interest Entities (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.

³ Protected characteristics under the Equality Act 2010: Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race (*this includes ethnic or national origins, colour or nationality*), Religion or Belief (*including an absence of religion or belief*), Sex, and Sexual Orientation.

Section One – Main Highlights

The Accountancy Bodies 2014 to 2018

Membership of the accountancy bodies continues to grow. The seven bodies in this report have over 365,000 members in the UK and ROI and almost 550,000 members worldwide. The compound annual growth rate from 2014 to 2018 is 2.2% in the UK and ROI and 3.1% worldwide (Figures 1 and 2).

There are over 164,000 students in the UK and ROI and nearly 600,000 worldwide. Student numbers in the UK and ROI increased by 0.2% and by 1.5% worldwide from 2017 to 2018.

There was a decline in the compound annual growth rate for UK and ROI students between 2014 and 2018 (-0.3%) but there was a 2.4% increase worldwide over the same period. Only AIA (-11.9%) and CIMA (-2.0%) experienced a decline in its compound annual growth worldwide 2014-2018 figures (Figures 1 and 2).

The number of audit firms registered with the Recognised Supervisory Bodies⁴ (RSB) continues to decline. The total number of registered audit firms was 5,394 as at 31 December 2018, compared to 5,660 and 6,010 registered firms as at 31 December 2017 and 2016 respectively (Figure 21).

The Public Sector Equality Duty applies to the FRC and any successor body and we are accordingly reporting on the profession's diversity in greater detail. This year we asked all bodies whether they collect data on the nine protected characteristics³ of their members and students and of their workforce.

Figure 9 shows that a high percentage of accountancy bodies collect data on age, race and gender of their members and students. Four of the bodies collect disability data of their students; however, only two of the bodies collect this data of its members. Figure 20 shows that there has been an increase in the number of bodies that collect diversity data of their workforce in respect of age, gender, race/ ethnicity, disability, religion or belief and sexual orientation. All the bodies now have diversity policies/ statements in place.



⁴ To be an RSB, the body must satisfy the recognition criteria as set out in Schedule 10 of the Companies Act 2006. Individuals and audit firms that wish to be appointed as a statutory auditor in the UK must be registered with an RSB. There are four RSBs: ACCA, ICAEW, CAI and ICAS.

The Audit Firms 2017/18

Figure 33 shows the fee income for audit and non-audit services for 30 of the audit firms with Public Interest Entity (PIE) clients for 2018-year ends. Firms are listed in order of fee income from audit, rather than total fee income. Six PIE audit firms chose not to participate in the publication (all data is provided on a voluntary basis to the FRC).

The Big Four firms continued to see an increase (4.7%) in their “total fee income”; however, the rate of growth has fallen compared to 2016/17. Firms outside the Big Four saw a decline in their total fee income (-8.1%) compared to a 2.4% increase in 2016/17 (Figure 36).

Fees for non-audit work to audit clients for Big Four and non-Big Four firms experienced a decline by 8.4% and 2.3% respectively from 2017 to 2018 (Figure 36).

Audit fee income for Big Four firms increased by 1.7% from 2017 to 2018 compared to 5.7% from 2016 to 2017. Audit fee income for audit firms outside the Big Four decreased by 6.3% from 2017 to 2018 compared to a 3.0% increase from 2016 to 2017 (Figure 36).

The average audit fee income per Statutory Auditor/ Responsible Individual (RI) for 2018 for all firms with PIE clients was £1.46m, an increase of £0.16m from 2017 (Figure 37).

For the year ended 31 December 2018, 100% of FTSE 100 companies were audited by the Big Four accountancy firms (Figure 39).

In respect of Diversity at audit firms, this year we have focused on senior management highlighting the percentage of females; black, asian and minority ethnic (BAME); and disabled individuals at each of the 24 PIE audit firms that disclosed this data (Figures 40 to 43).

We extended our request to the PIE audit firms asking whether they collect information on the following diversity indicators of their workforce: age, ethnicity, disability, religion/belief, sexual orientation, marital status, school type attended, first generation to attend university and caring responsibilities. The data and the staff completion rates on each indicator are set out in Figure 45. The firms were also asked whether they have any diversity policies in place (Figure 46).

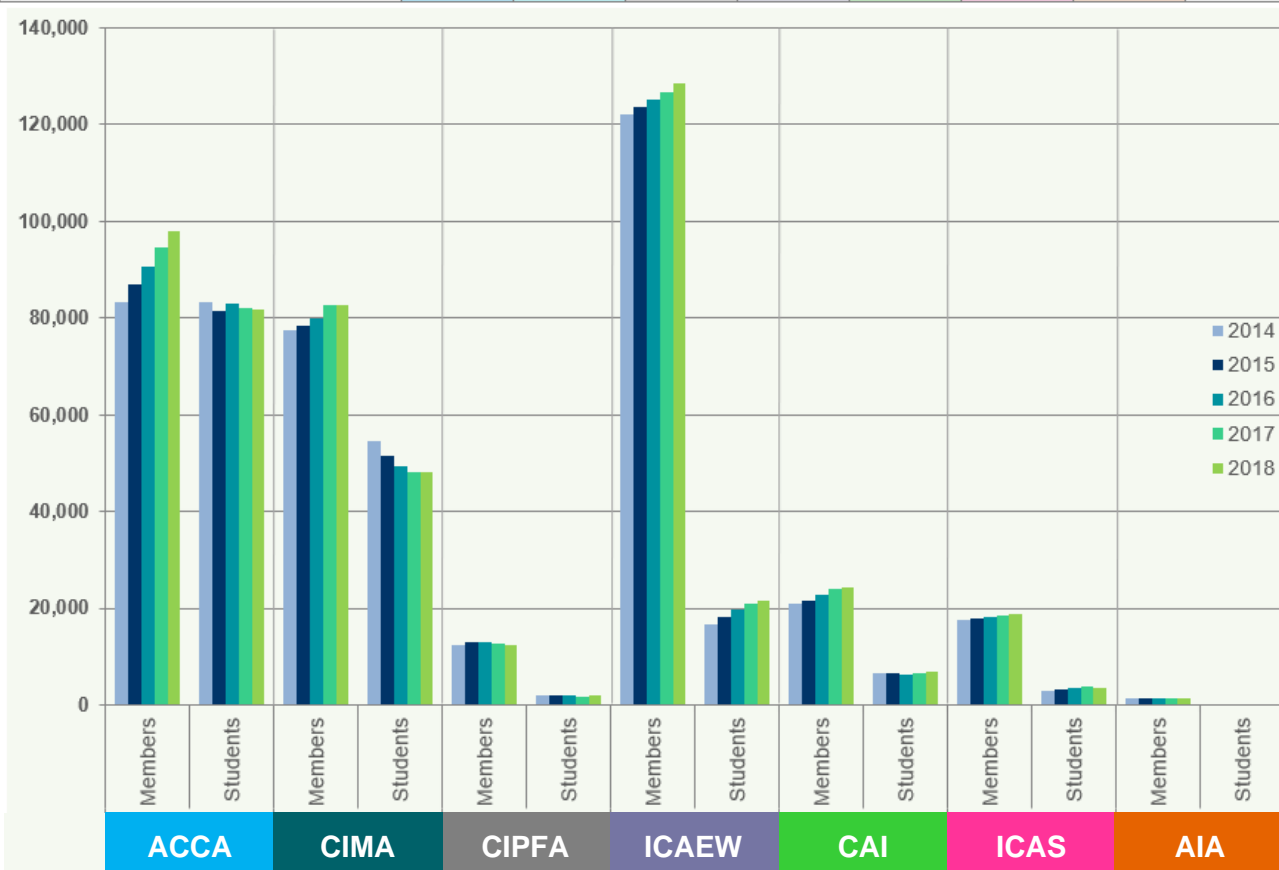
Section Two – Members and Students of the Accountancy Bodies

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 2018.

Figure 1: Members and Students in the UK and ROI

Growth of Members in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2018	98,049	82,762	12,450	128,626	24,275	18,934	1,458	366,554
% growth (17 - 18)	3.6	0.2	-1.4	1.6	1.5	2.2	12.8	1.8
% growth (14 - 18)	17.7	6.7	0.5	5.3	15.7	8.0	-7.4	9.2
% compound annual growth (14 - 18)	4.1	1.6	0.1	1.3	3.7	1.9	-1.9	2.2

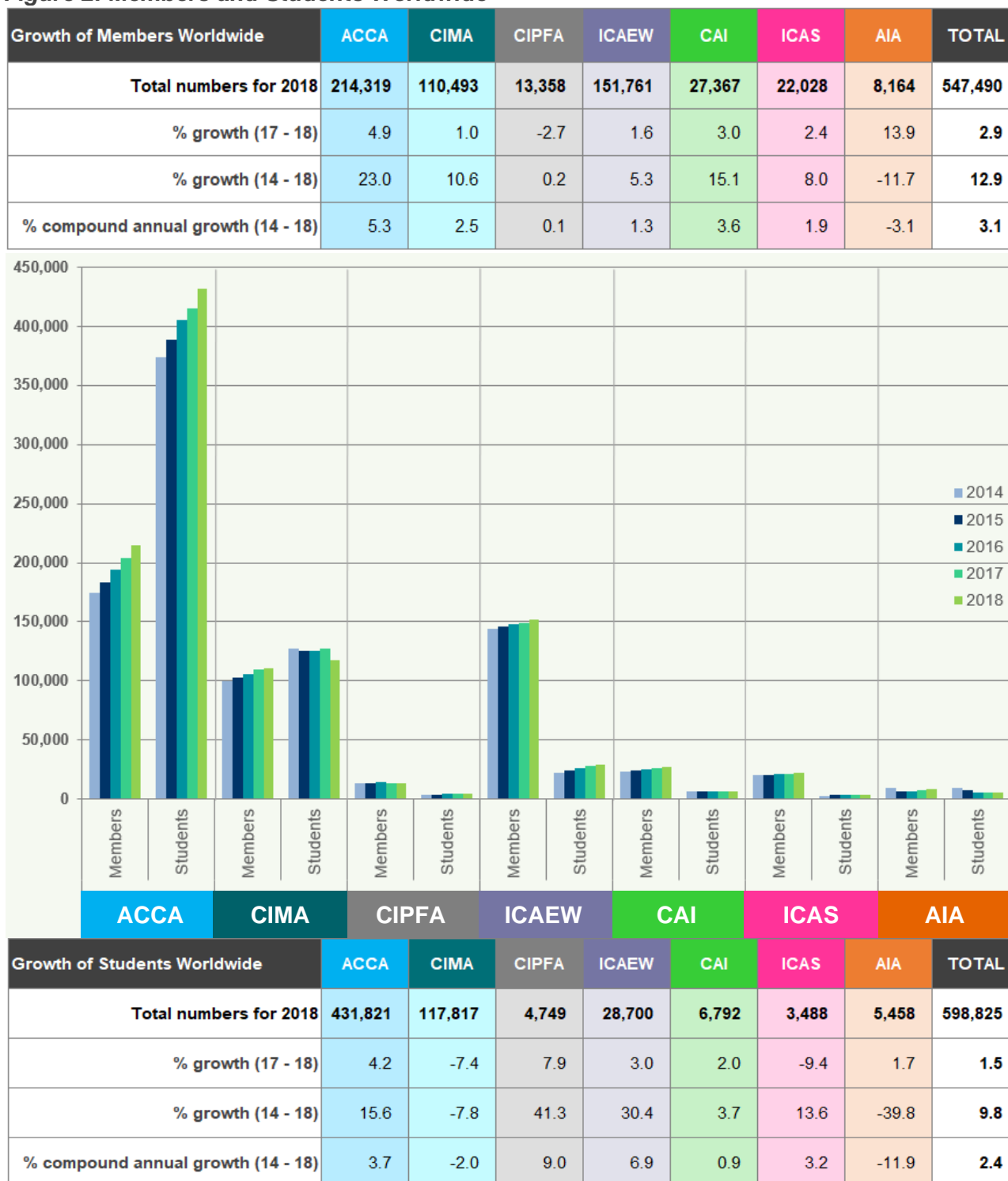


Growth of Students in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2018	81,902	48,329	1,949	21,618	6,789	3,488	135	164,210
% growth (17 - 18)	-0.3	0.1	5.0	3.2	2.0	-9.1	6.3	0.2
% growth (14 - 18)	-1.6	-11.6	-3.3	29.4	3.8	14.1	-50.0	-1.4
% compound annual growth (14 - 18)	-0.4	-3.0	-0.8	6.6	0.9	3.3	-15.9	-0.3

Registered Members and Students Worldwide

Figure 2 shows growth rates and the number of worldwide⁵ members and students, as at 31 December for the five years to 31 December 2018.

Figure 2: Members and Students Worldwide



⁵ 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 Seven⁶ Accountancy Bodies

The total number of members of the seven accountancy bodies in the UK and ROI has continued to grow steadily at a compound annual growth rate of 2.2% for the period 2014 to 2018. Total membership rose by 1.8% from 2017 to 2018 compared with 2.6% from 2016 to 2017 (Figure 1).

Growth rates of membership vary considerably at each of the individual accountancy bodies in the UK and ROI. ICAEW continues to have the largest number of members in this jurisdiction; however, ACCA showed the strongest growth at a compound annual rate of 4.1% between 2014 and 2018. Only AIA has seen a decline in membership over this period.

The total number of students in the UK and ROI has increased by 0.2% from 2017 to 2018 compared with a decrease of 0.4% between 2016 and 2017. ACCA and ICAS have seen a decrease in student numbers between 2017 and 2018 at -0.3% and -9.1% respectively.

The worldwide membership of the accountancy bodies has grown by 2.9% from 2017 to 2018 and at a compound annual growth of 3.1% for the period 2014 to 2018 (Figure 2).

Overall, worldwide student numbers increased by 1.5% from 2017 to 2018 with a compound annual growth of 2.4% between 2014 and 2018.

Qualifications differ across the recognised qualifying bodies (see page 37). Over 70% of the total worldwide student membership are training with ACCA for its qualification.

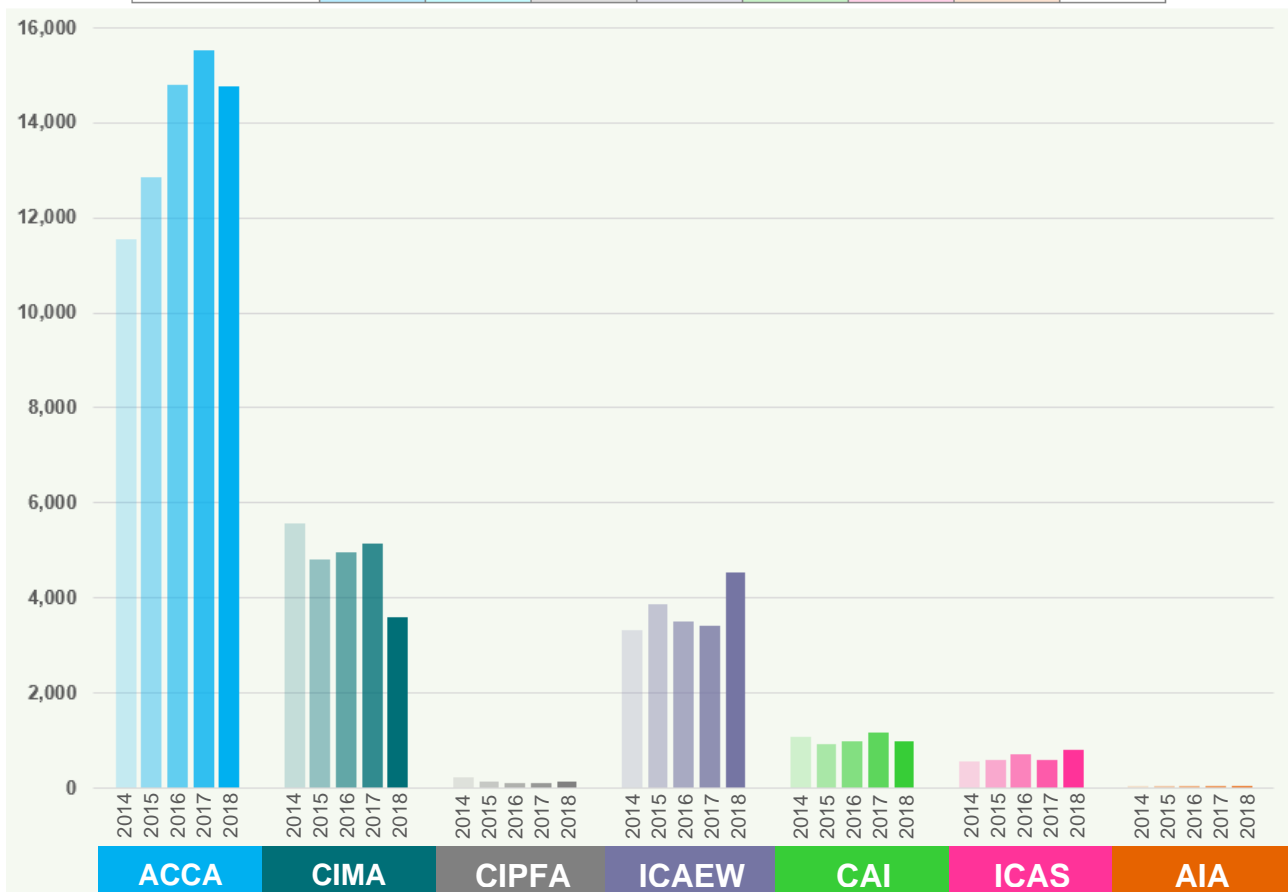
⁶ The statistics for AAT are shown separately on pages 17 and 18.

Students who became Members

Figure 3 shows the number of worldwide students who became members, as at 31 December for each of the years 2014 to 2018.

Figure 3: Students to Members Worldwide 2014 to 2018

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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	990	716	37	25,084
2017	15,533	5,147	112	3,403	1,153	585	12	25,945
2018	14,756	3,598	133	4,525	996	801	5	24,814
% growth (17 - 18)	-5.0	-30.1	18.8	33.0	-13.6	36.9	-58.3	-4.4



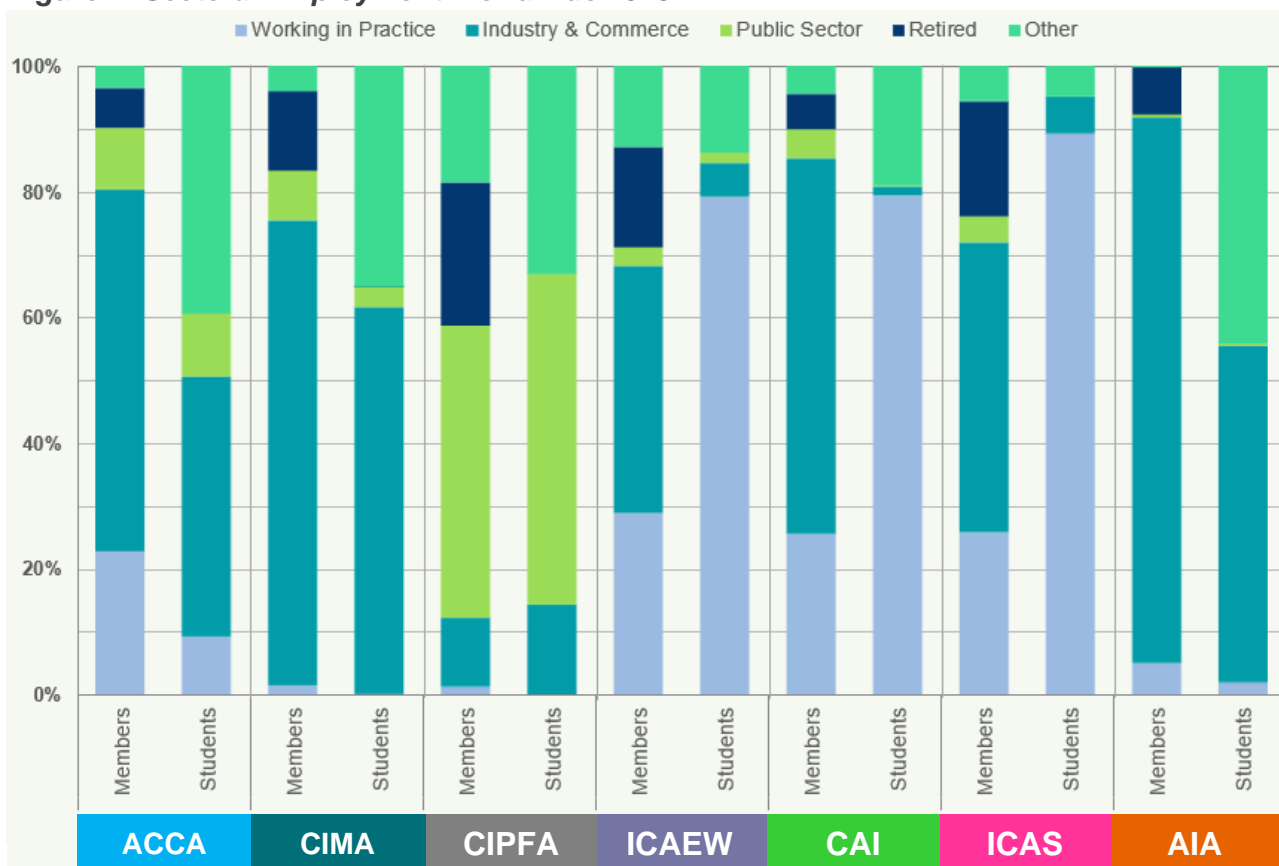
ACCA, CIMA, CAI and AIA have all seen a decline in the number of students becoming members in 2018 compared to 2017. Overall, the total number of students who became members worldwide decreased from 2017 to 2018 by -4.4%. In 2016/17 there was an increase of 3.4%.

Prior to 2017, CAI reported only on the number of students who became members in ROI. The 2017 and 2018 figures show the number of students to members worldwide.

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 employment⁷ as at 31 December 2018.

Figure 4: Sectoral Employment Worldwide 2018



The Industry and Commerce sector employs the highest percentage of members (55%) and students (43%) across the accountancy bodies. CIMA's and AIA's members in this sector make up 74% and 87% respectively of their population.

Over three quarters of students at ICAEW, CAI and ICAS are in practice (i.e. working at an accountancy firm). In contrast 2% or less of CIMA, CIPFA and AIA students are employed in practice.

Overall, 12% of students are employed in practice and 8% in public sector.

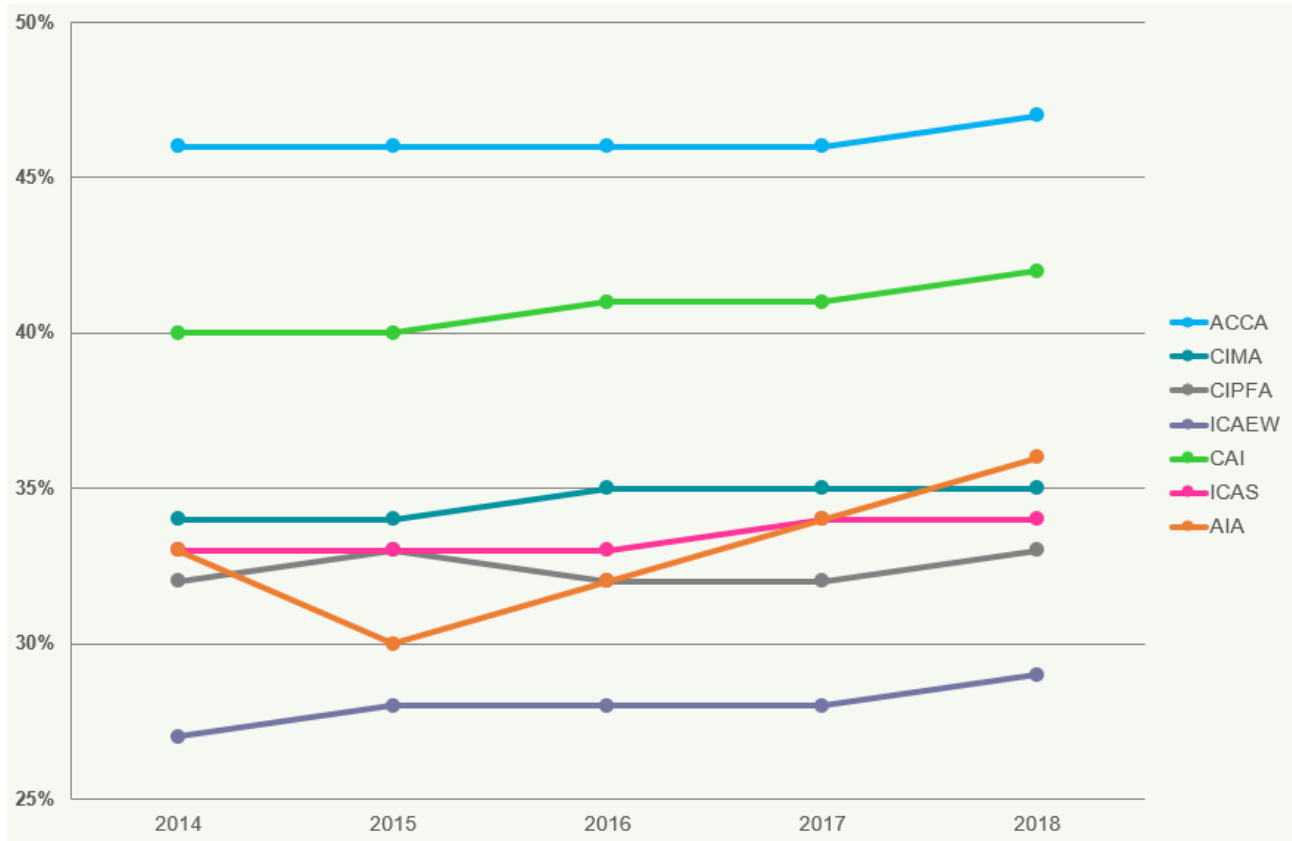
⁷ (i) "Other category" for members includes those who are unemployed, taking a career break, undertaking full time study, on maternity leave and any member who are unclassified, for example having not provided the information. In the case of CAI all such members are included in their most recent employment 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 students worldwide respectively, as at 31 December for each of the years 2014 to 2018.

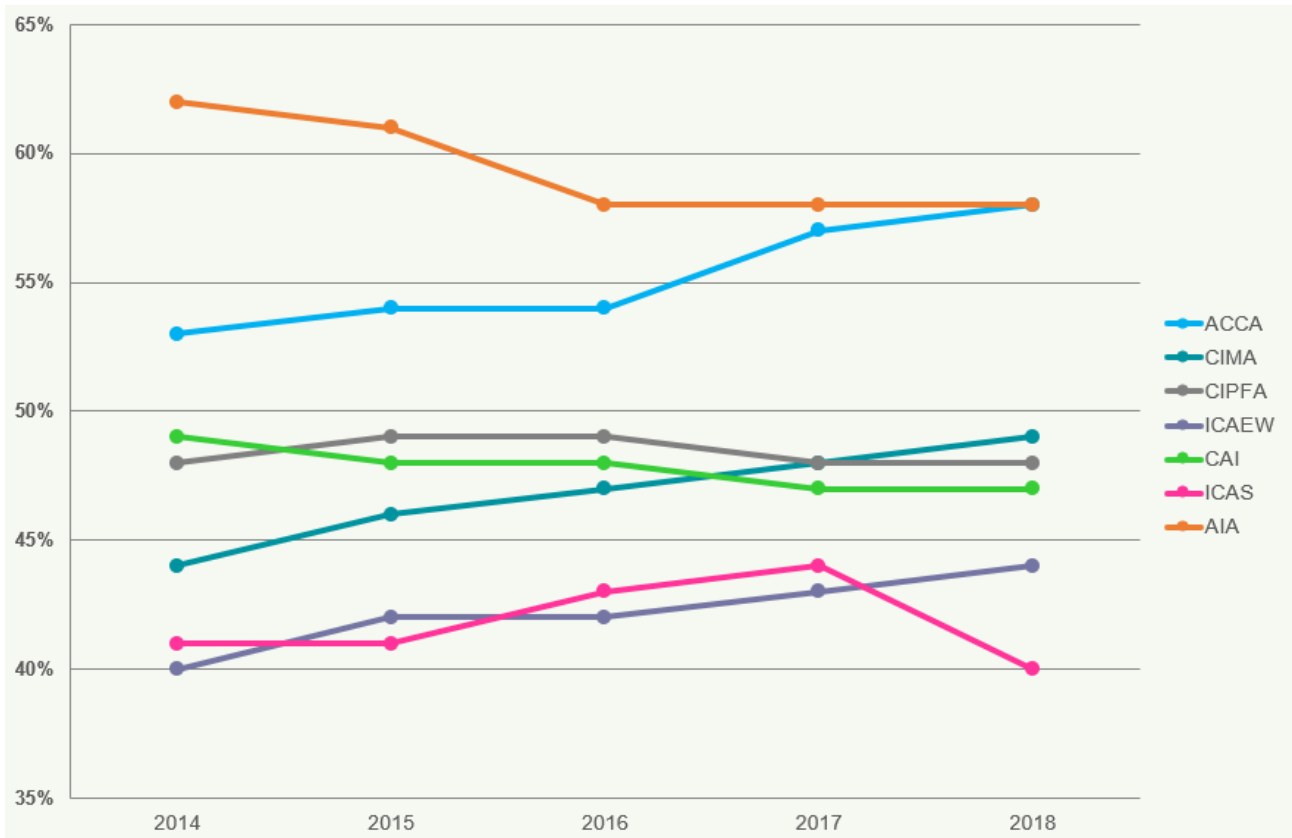
Figure 5: Female Members Worldwide 2014 to 2018



The average percentage of female members has increased from 35% in 2014 to 37% in 2018.

Since 2014, all of the accountancy bodies have increased their percentage of female members worldwide, with AIA experiencing the largest increase of 3% in this period. ACCA continue to have the highest female percentage (members) of all the accountancy bodies since we began collating this information.

Figure 6: Female Students Worldwide 2014 to 2018



The overall percentage of female students (49%) is greater than the overall percentage of female members (37%).

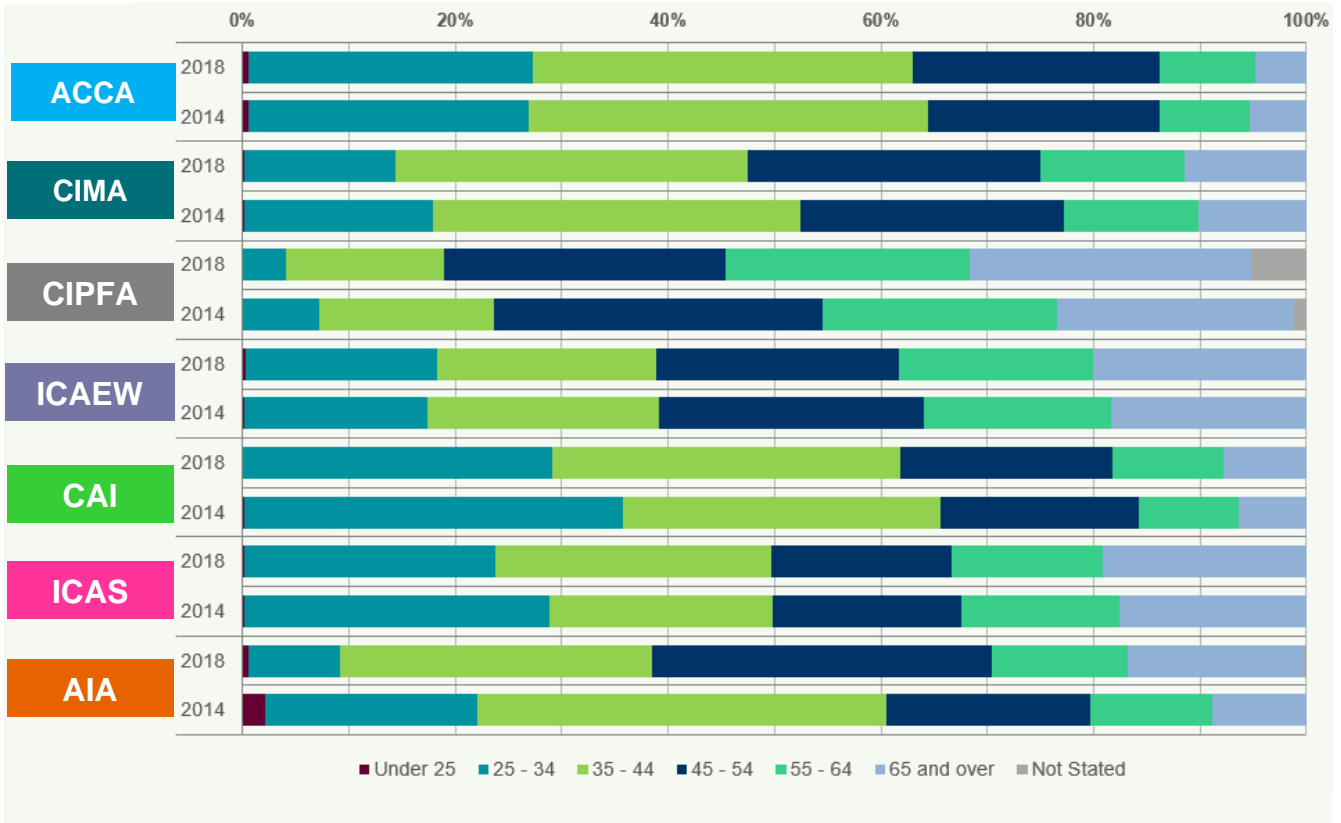
ACCA and AIA have the largest percentage of female students in 2018, both 58%.

For 2017 and 2018, CAI and ICAS figures refer only to the proportion of females in the student intake, not of the total student population.

Members and Students Worldwide

Figures 7 and 8 compare the age distribution of members and students, as at 31 December 2014 and 2018.

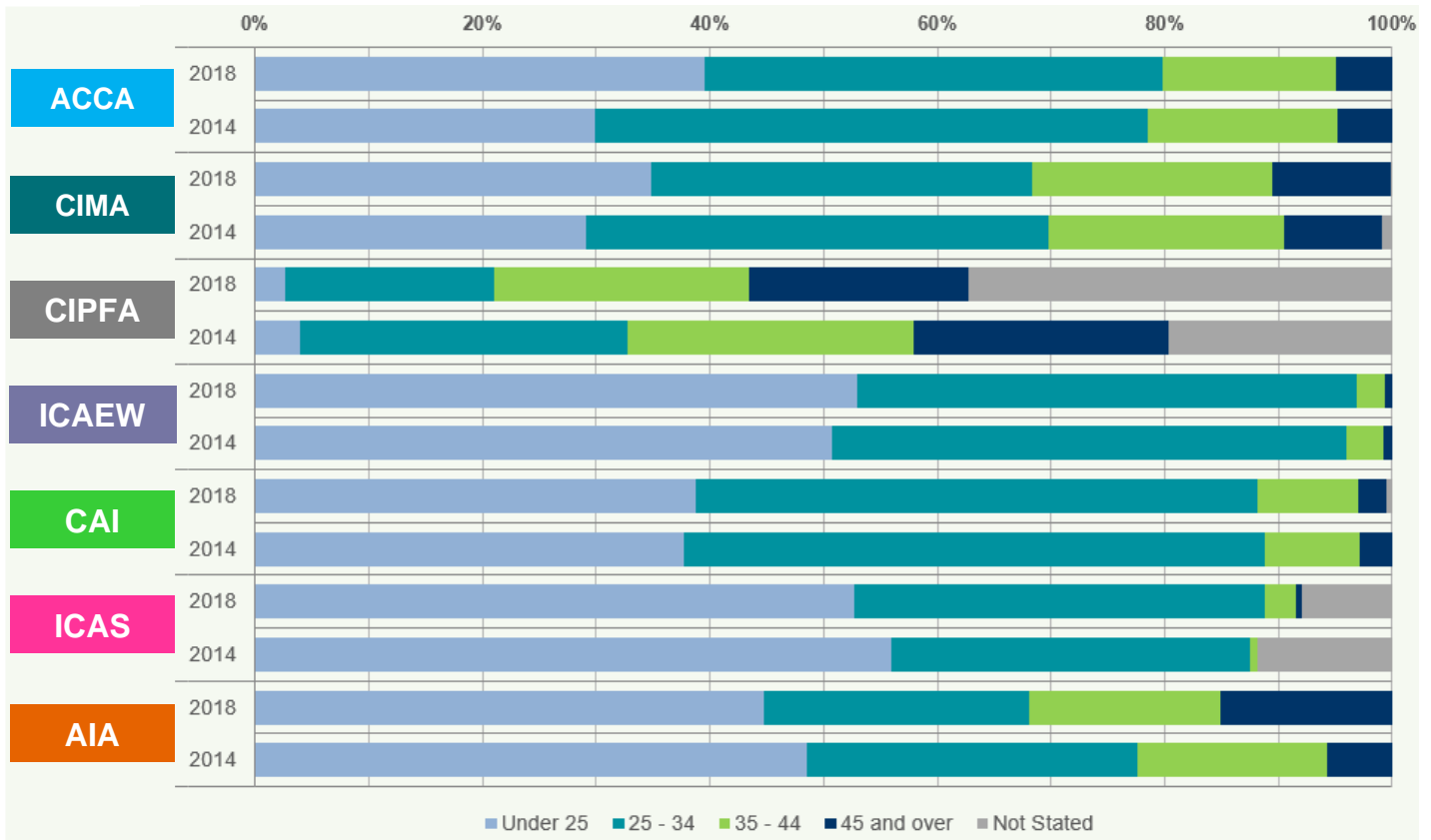
Figure 7: Age of Members Worldwide 2014 and 2018



There are significant differences in the age profiles of worldwide members of the seven accountancy bodies in 2018. ACCA and CAI have the highest proportion of members aged under 35, 28% and 29% respectively, whilst CIPFA have the largest percentage of members aged 55 and over at 49%.

Most members are aged between 35 to 44 for 2018, accounting for 30% of the total population.

Figure 8: Age of Students Worldwide⁸ 2014 and 2018



In 2018, 39% of students from the seven accountancy bodies were under the age of 25 compared with 31% in 2014.

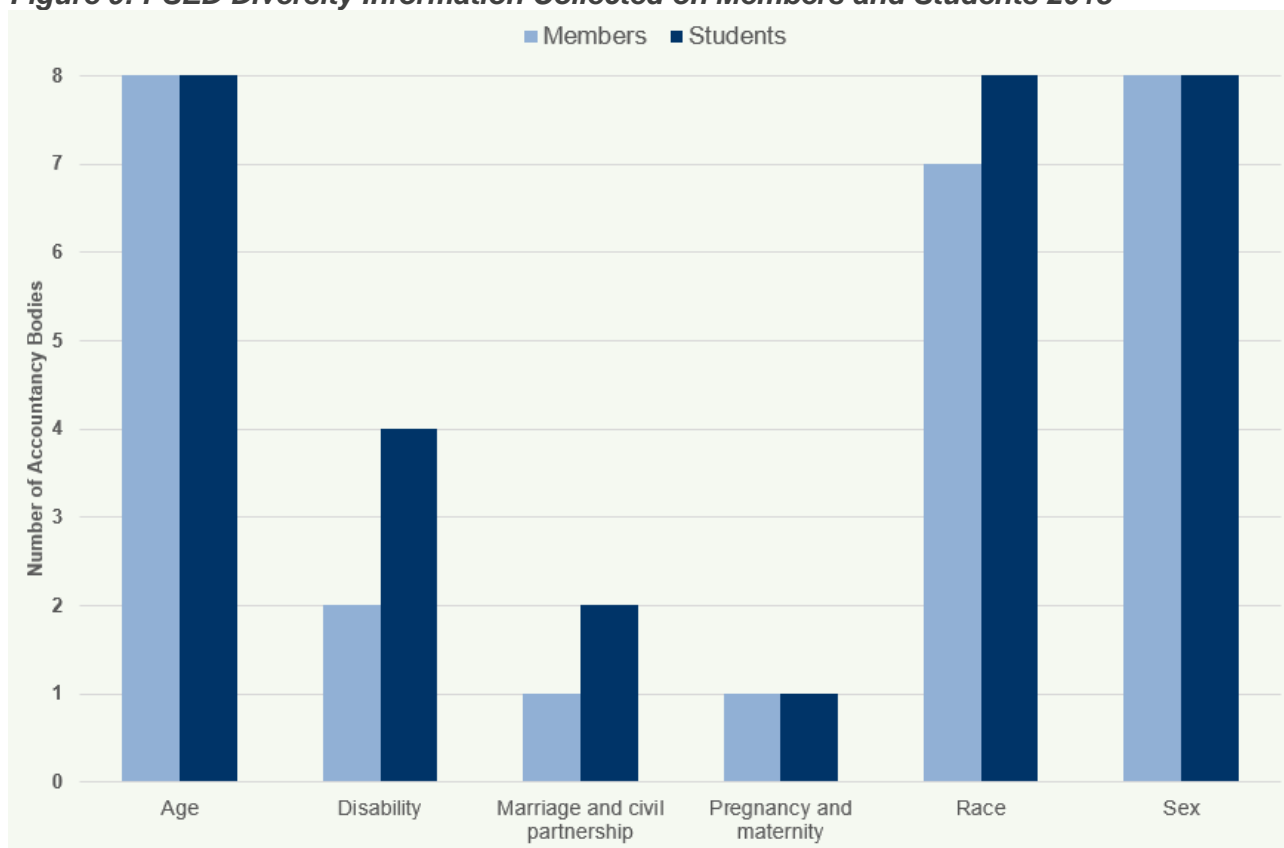
ICAEW, CAI and ICAS have the highest percentage of students aged 34 or under at 97%, 88% and 89% respectively in 2018. In comparison, CIPFA have the largest proportion of students aged 35 and over at 42%.

⁸ ICAEW figures relate to the age of the student intake, not the ages of all students.

Diversity Information on Members and Students under the Public Sector Equality Duty

We asked all bodies, whether they collect data on the protected characteristics recognised under the Equality Act 2010. Figure 9 shows the number of professional bodies that collect these characteristics on their respective members and students.

Figure 9: PSED Diversity Information Collected on Members and Students 2018



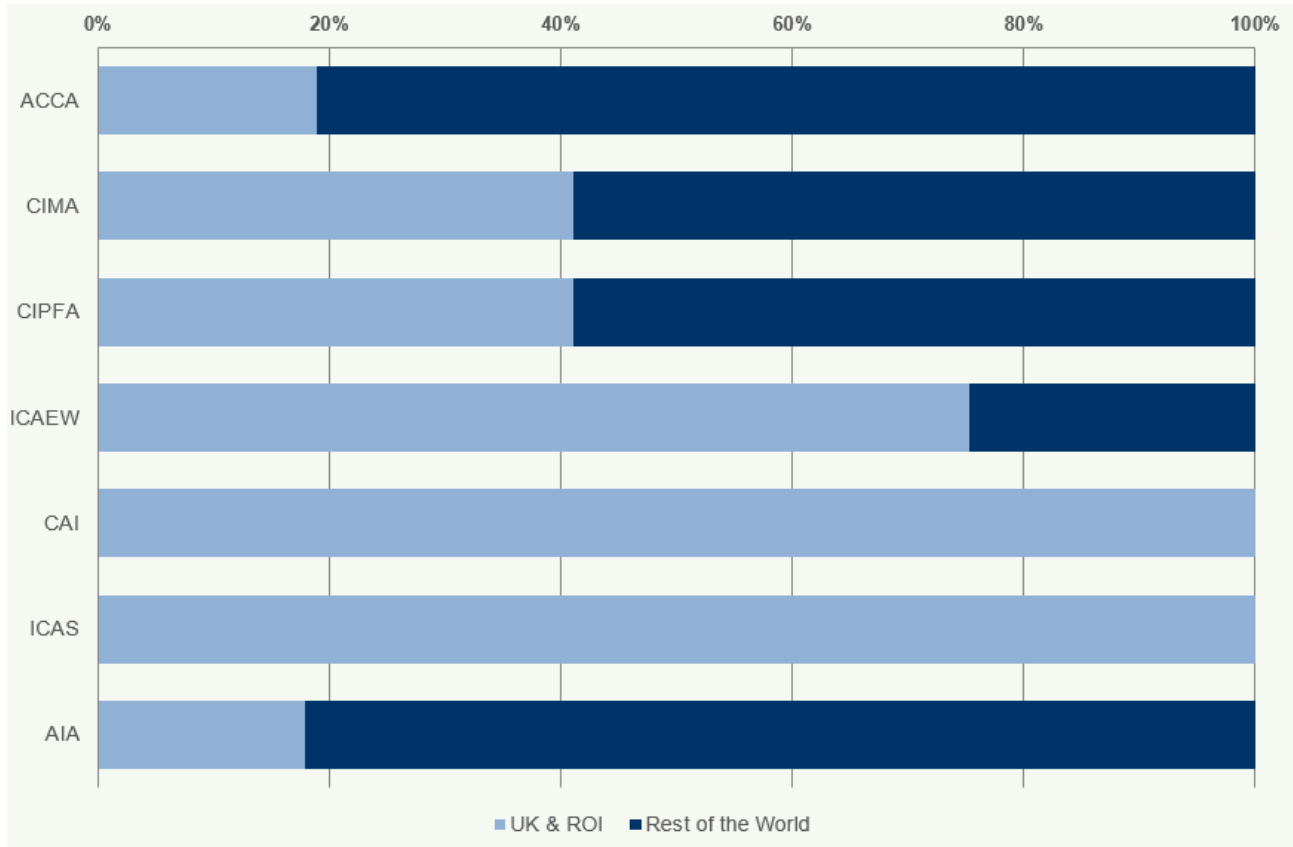
Six of the nine protected characteristics asked of all bodies are currently being used to record members' and students' data. The other three indicators (Religion/Belief, Sexual Orientation and Gender reassignment) are not currently being recorded.

Two of the bodies that collate information on Race stated that they capture data for both the ethnicity and nationality of their members and students.

Location of Students

Figure 10 shows the location⁹ (UK and ROI, and the rest of the world) of students of the accountancy bodies as at 31 December 2018.

Figure 10: Location of Students 2018



81% of ACCA and 82% of AIA students are based outside the UK and ROI. In contrast, ICAS and CAI have a low percentage of students based outside of the UK and ROI.

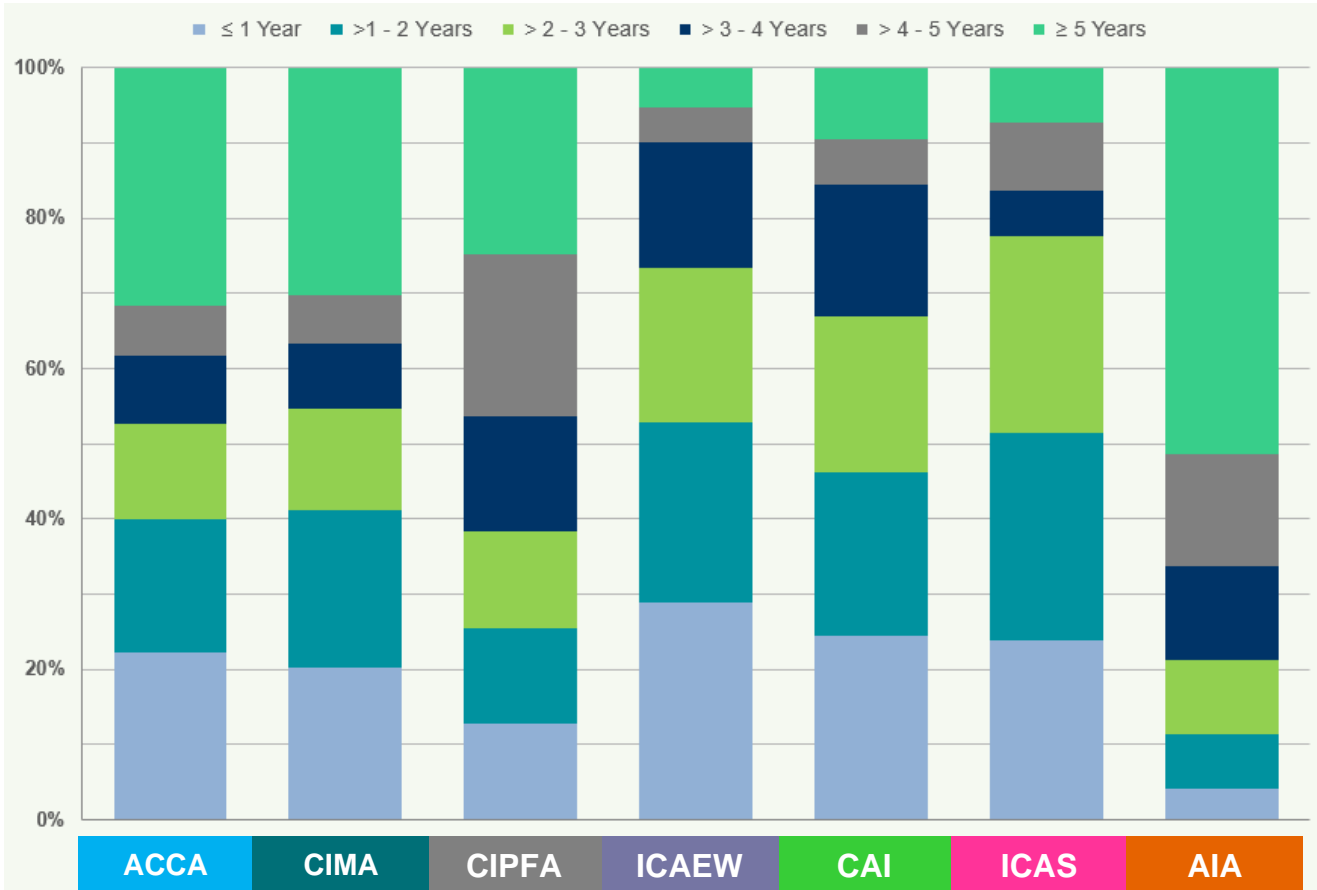
28% of all students from the accountancy bodies study in the UK and ROI.

⁹ 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 11 sets out on a worldwide basis the length of time¹⁰ that individuals have been registered as students with these accountancy bodies.

Figure 11: Profile of Students Worldwide 2018



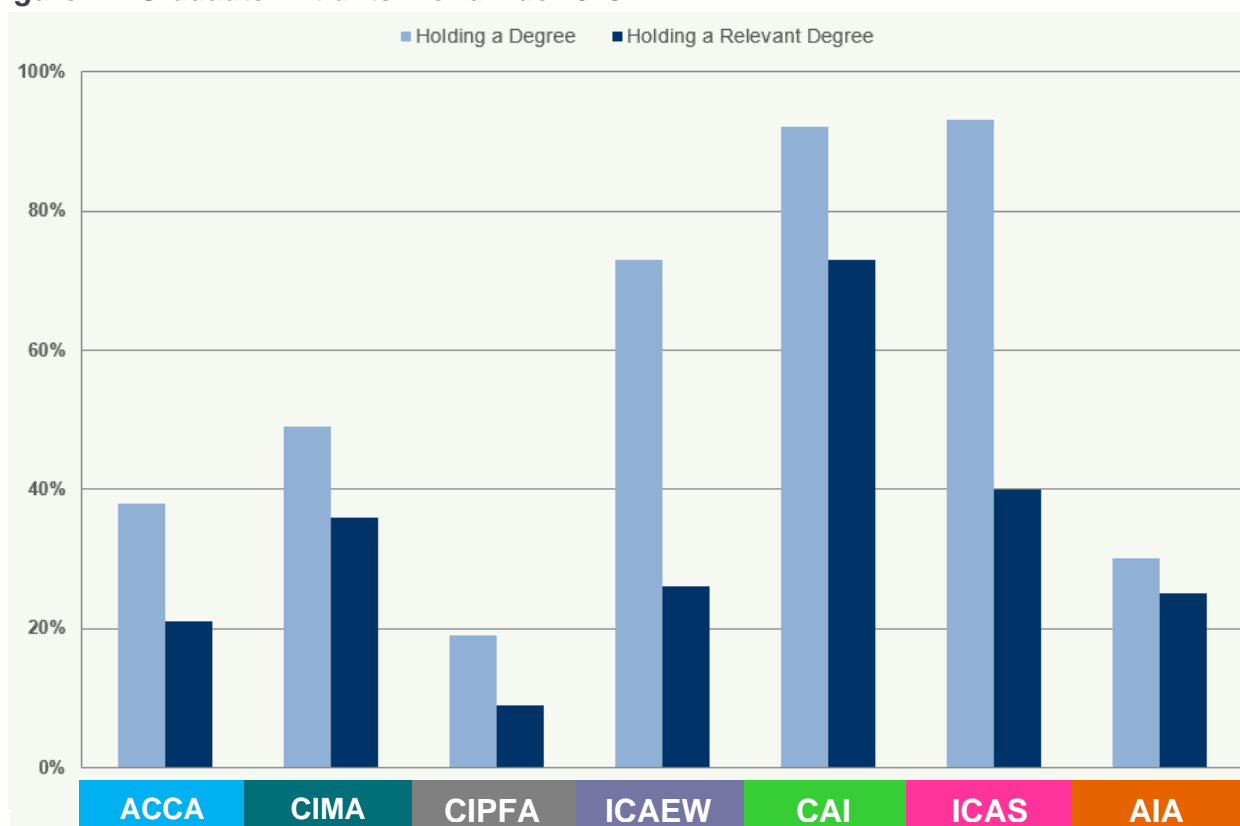
A high percentage of ICAEW, CAI and ICAS students complete their training in 4 years or less, with 10%, 16% and 16% respectively of their students being registered for more than 4 years as at 31 December 2018.

¹⁰ 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. It is therefore difficult to draw comparisons across the accountancy bodies as they offer different types of qualifications.

Graduate Entrants to Training

Figure 12 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”¹¹.

Figure 12: Graduate Entrants Worldwide 2018



The accountancy bodies do not require entrants to hold a university degree and offer a range of entry routes.

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

ACCA, ICAEW, CAI, ICAS, CIPFA and CIMA also have apprenticeship schemes intended for non-graduates/ school leavers as an entry route into the accountancy profession.

¹¹ The accountancy bodies’ definitions of a “relevant degree” are as follows:

- ACCA – Accounting, or Finance.
- CIMA – Accountancy, Business Studies, or Business Administration & Finance.
- CIPFA – Accountancy.
- ICAEW – Accountancy, Accounting, Finance, Accountancy & Finance, or Accounting & Finance.
- CAI – Accounting, Business, or Finance.
- ICAS – Accountancy.
- AIA – Accountancy, Accounting, Business, Finance, or Business & Finance.

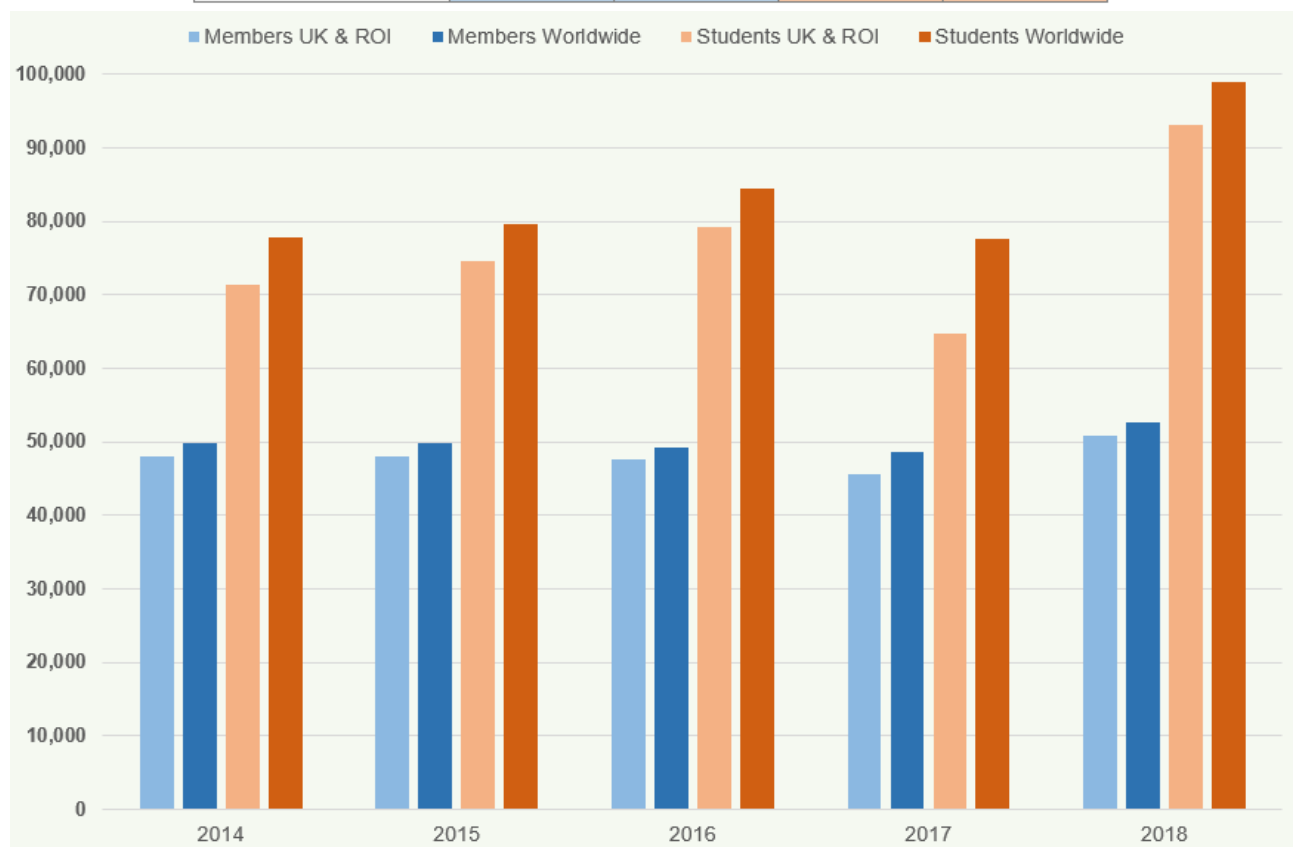
The Association of Accounting Technicians (AAT)

Members and Students in the UK and ROI and Worldwide

AAT is used as an entry level qualification by some of the chartered accountancy bodies included in this publication. Figure 13 shows the number of AAT members and students and percentage growth rate from 2014 to 2018.

Figure 13: AAT Members and Students 2014 to 2018

	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
2017	45,537	48,580	64,777	77,649
2018	50,745	52,584	93,068	98,897
% growth (17 - 18)	11.4	8.2	43.7	27.4
% growth (14 - 18)	5.7	5.4	30.3	27.3



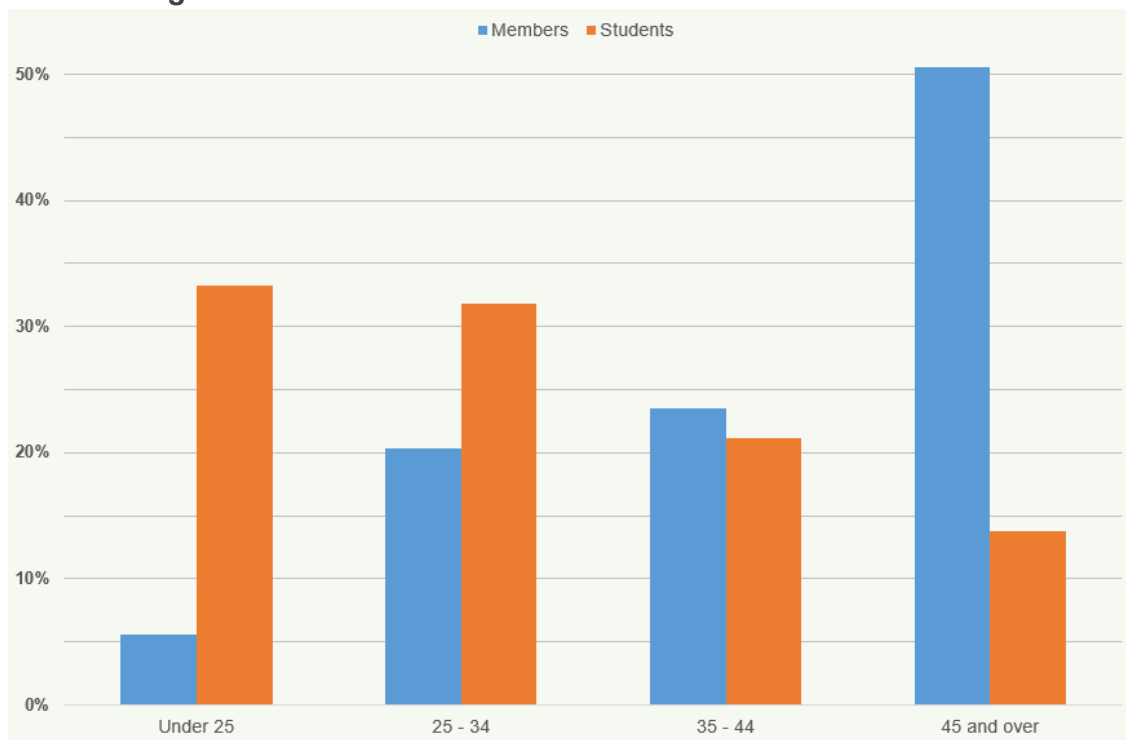
The number of members in the UK and ROI and worldwide both rose by 11.4% and 8.2% between 2017 and 2018 respectively, due to the 2018 figures now including affiliate members.

The number of students also increased by 43.7% in the UK and ROI and by 27.4% worldwide as the 2018 figures now includes the number of students undertaking AAT's short qualification.

Age Distribution of Members and Students

Figure 14 indicates the age distribution of members and students for 2018.

Figure 14: AAT Age of Members and Students Worldwide 2018



The highest percentage of members (51%) are aged 45 and over while the highest percentage of students (33%) are under the age of 25.

Resource Information

Figure 15: AAT Resource Information 2014 to 2018

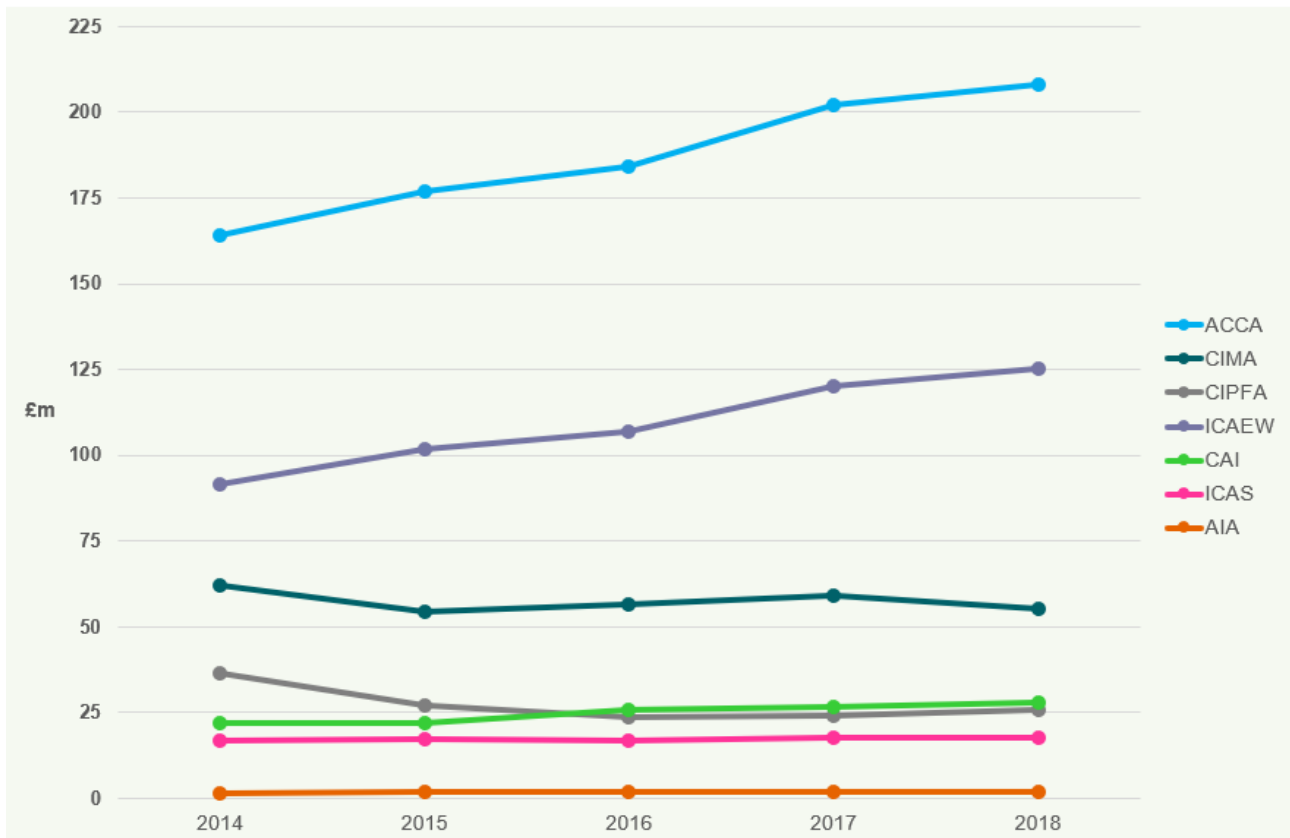
£m	2014	2015	2016	2017	2018
Fees & Subscriptions	13.21	14.42	15.60	16.10	15.97
Education & Exam Fees	11.11	11.31	11.65	12.26	12.25
Regulation & Discipline	0.01	0.02	0.03	0.03	0.05
Commercial Activities	0.33	0.33	0.53	0.44	0.56
Other (Including Investment Income)	1.06	1.03	1.16	1.13	1.30
Total Income	25.72	27.11	28.97	29.96	30.13
Number of Staff	218	235	249	256	261

Section Three – Resource Information on the Accountancy Bodies

Section Three – Resource Income of the Seven Accountancy Bodies

Figures 16 and 17 show the income and average income per member/student of the accountancy bodies on a worldwide basis from 2014 to 2018^{12 & 13}.

Figure 16: Income Worldwide 2014 to 2018



Since 2014 ACCA and ICAEW have experienced a continuous increase in their income, recording the highest income of the seven accountancy bodies at £209m and £125m respectively in 2018.

CIMA and CIPFA have seen a decrease in their income between 2014 and 2018, down 2.7% and 8% respectively.

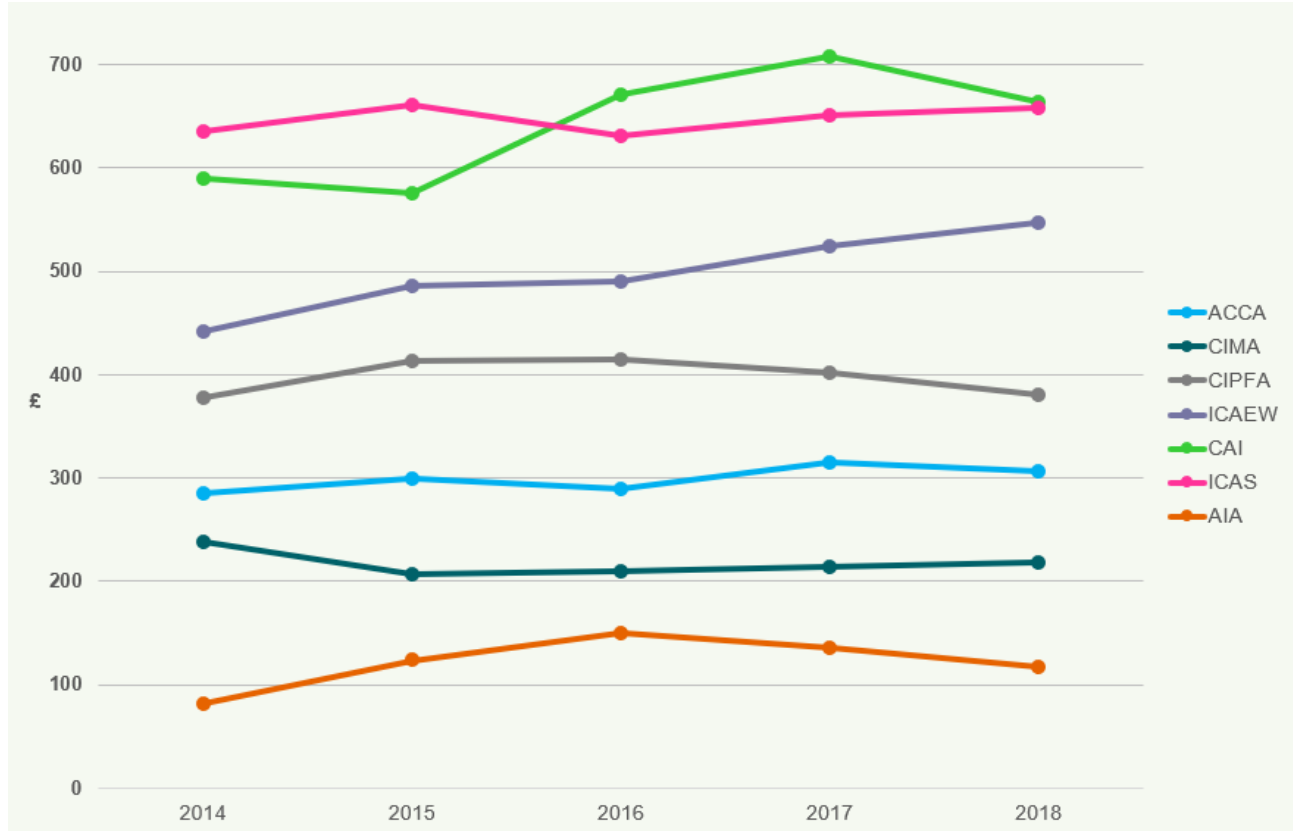
¹² CAI's figures are provisional, pending approval.

¹³ CAI's income has been converted from euros at the year-end rate. As at 31 December 2018 the rate was €1.115.

Average Income Per Body from Members and Students

The average income per member and student is calculated by dividing the income of each accountancy body, excluding “Commercial Activities” and “Other” (Figure 18), by its total worldwide population of members and students.

Figure 17: Average Income from Members and Students Worldwide 2014 to 2018



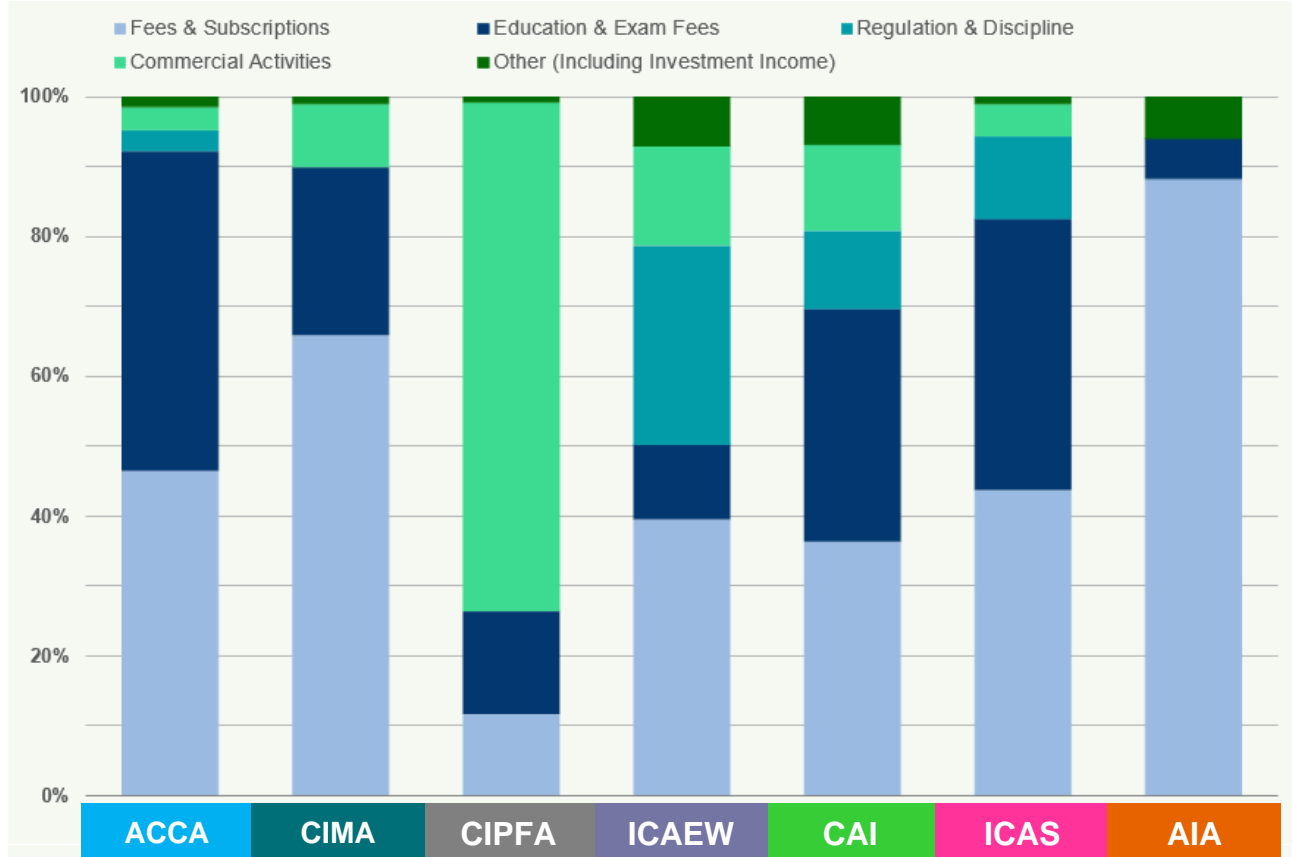
CAI and ICAS have the highest average income per member and student in 2018.

The fluctuation in CAI's income since 2015 is as a result of the exchange rates applied (€1.287 in 2014, €1.362 in 2015, €1.175 in 2016, €1.127 in 2017 and €1.115 in 2018).

Breakdown of Income

Figure 18 provides an analysis of the streams of income by the accountancy bodies for 2018.

Figure 18: Breakdown of Income 2018



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

Fees and subscriptions make up almost all of AIA's income (88%). CIPFA's income mainly comes from Commercial Activities¹⁴ (73%).

¹⁴ 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 19 shows the number of staff (full time equivalent) employed worldwide by the seven accountancy bodies from 2014 to 2018.

Figure 19: Staffing 2014 to 2018

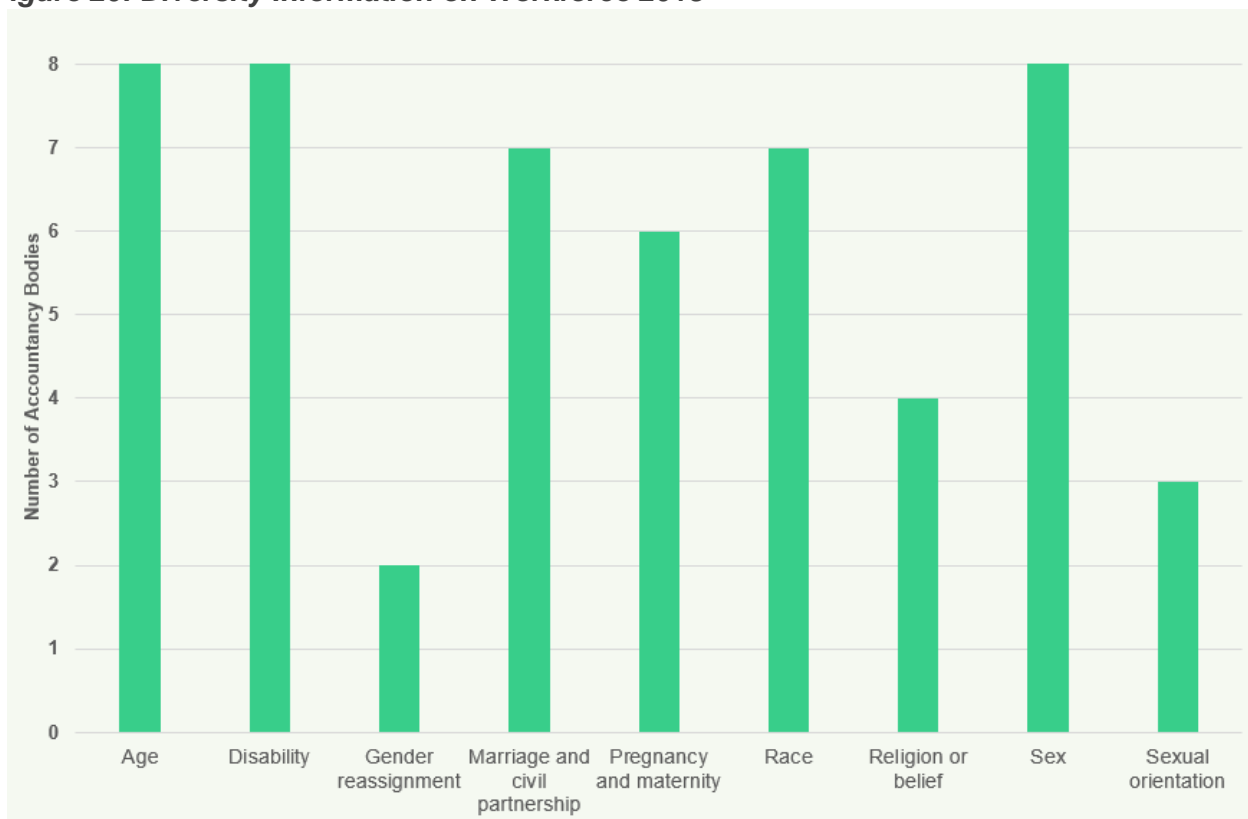
Staffing of the Seven Chartered Accountancy Bodies	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2014	1,137	454	256	667	140	138	26	2,818
2015	1,199	459	274	693	147	142	26	2,940
2016	1,272	458	275	724	149	143	26	3,047
2017	1,358	198	259	706	149	154	25	2,849
2018	1,362	190	216	741	150	161	23	2,843
% growth (17 - 18)	0.3	-4.0	-16.6	5.0	0.7	4.5	-8.0	-6.5
% growth (14 - 18)	19.8	-58.1	-15.6	11.1	7.1	16.7	-11.5	5.6
% compound annual growth (14 - 18)	4.6	-19.6	-4.2	2.7	1.7	3.9	-3.0	1.4

In 2017 CIMA amalgamated with the American Institute of Certified Public Accountants (AICPA), to create a new Association. UK and US staff of CIMA are now employed by the Association rather than CIMA which is reflected in its % reduction between 2014 and 2018.

Diversity Information on Workforce under the Public Sector Equality Duty (PSED)

In the 2017/18 publication we reported on the following indicators: age, gender, ethnicity, disability, religion/ belief and sexual orientation. This year, we amended our questionnaire in line with the PSED and asked all bodies whether they collect diversity information on the protected characteristics listed in the Equality Act 2010. Figure 20 shows the number of bodies that collect this diversity information on their workforce.

Figure 20: Diversity Information on Workforce 2018



All eight bodies now collect age, disability and sex data of their workforce. In the 2018 publication only four of the eight bodies collected this data.

Seven of the eight bodies capture information on both Marriage and Race characteristics of their workforce, with an average completion rate of nearly 70%.

In 2018, all the bodies confirmed that they have a Diversity policy and/or statement in place. The policies cover a range of issues, such as equality, inclusion and social mobility for both their workforces and external stakeholders. The policies also extend to deal with bullying and harassment in the workplace.

All the policies are aimed at improving awareness of diversity and ensuring that no employee or applicant for employment will be treated less favourably than another because they have a protected characteristic.

There is no requirement for employees to disclose their diversity status to their employer. Diversity indicators in the workforce are collected on a voluntary basis.

Section Four – Oversight of Audit Regulation

Recognised Supervisory Bodies (RSBs⁴)

Under the Statutory Audit and Third Country Auditor Regulations (SATCAR) 2016¹⁵ the FRC is the designated Competent Authority for statutory audit in the UK. SATCAR 2016 sets out the responsibilities of the Competent Authority and permits the FRC to delegate some of the tasks required to fulfil its responsibilities. The FRC retains the task of monitoring the quality of audits for PIEs and undertaking enforcement actions against members of the RSBs where there are public interest considerations. These are the “Retained tasks”¹⁶.

The FRC delegates statutory tasks for the regulation of auditors of non-public interest entities to the RSBs, through delegation agreements. The FRC oversees the fulfilment of the “Delegated Tasks”, which include provisions for:

- **Registration:** The application of the FRC’s criteria for determining whether persons are eligible for appointment as statutory auditors, the registration of such persons, keeping the register¹⁷ and making it available for inspection;
- **Continuing Professional Development:** Procedures for maintaining the competence of statutory auditors;
- **Audit Monitoring:** Monitoring of statutory auditors and the quality of audit work; and
- **Enforcement:** Except for categories retained by the FRC, investigations and imposing and enforcing sanctions in relation to breaches of relevant requirements by statutory auditors.

The FRC also exercises delegated statutory functions under Part 42 of the Companies Act 2006 for the recognition, supervision and de-recognition of RSBs. The FRC reports annually to the Secretary of State (SoS) on the discharge of these functions¹⁸.

¹⁵ 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 by SATCAR 2016.

¹⁶ 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.

¹⁷ The RSBs keep 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 Auditors and Audit Firms in the UK and ROI. It is possible to perform searches by RSB, Firm, Location and/or Individual.

¹⁸ This is included as an appendix to the FRC’s Annual Report and Accounts which can be found at www.frc.org.uk/

Number of Firms Registered with the RSBs

Figure 21 shows the number of registered audit firms for each RSB split by the number of principals¹⁹ at each firm, for each of the three years²⁰ to 31 December 2018.

Figure 21: Total Registered Firms by Number of Principals 2016 to 2018

Number of Principals per Firm	ACCA	ICAEW	CAI	ICAS	TOTAL
1	1,064	1,058	388	48	2,558
2 - 6	549	1,513	367	105	2,534
7 - 10	10	135	13	11	169
11 -50	4	90	12	6	112
50+	0	16	3	2	21
Total as at 31.12.18	1,627	2,812	783	172	5,394
Total as at 31.12.17	1,719	2,948	810	183	5,660
Total as at 31.12.16	1,856	3,121	844	189	6,010

The number of audit 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 (6,010), 5.8% in 2016/17 (5,660) and 4.7% in 2017/18 (5,394).

There has been a decline in 2018 compared to 2017 at each of the RSBs in both the number of registered audit firms that are sole practitioners (2,558 from 2,733 respectively) and firms with 2 - 6 Principals (2,534 from 2,618 respectively).

¹⁹ Principals are partners or members of an LLP. Principals in firms may hold their position individually (sole practitioner) or share the responsibilities of serving as principals with other employees.

²⁰ The 2016 figures for ACCA include the number of audit firms registered with the Association of Authorised Public Accountants (AAPA), a subsidiary of ACCA. AAPA was granted RSB status until 31 December 2016. The 2017 figures included former AAPA firms that are now ACCA firms. The 2018 figures relate to ACCA firms only.

Statutory Audit Firms

Figure 22 details the number of registrations by firms split by New Applications, Referred to Committee, Voluntarily Surrendered²¹ or Withdrawn received by the RSBs in 2016, 2017 and 2018.

- **New Applications:** applications submitted to become a registered statutory audit firm;
- **Referred to a Committee:** applications referred to a committee to make a decision;
- **Voluntarily withdrawn:** where a registered statutory audit firm no longer wants to carry out statutory audit work; and
- **Withdrawn by the RSB:** where an RSB's Committee deems a firm unable to carry out statutory audits to the standard required.

Figure 22: Firm Registrations 2016 to 2018

		New Applications	Referred to Committee	Voluntarily Surrendered	Withdrawn by the RSB
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
2017	ACCA	66	0	195	8
	ICAEW	80	0	249	4
	CAI	35	2	67	2
	ICAS	4	0	7	0
TOTAL		185	2	518	14
2018	ACCA	82	0	168	6
	ICAEW	84	0	219	1
	CAI	35	2	60	2
	ICAS	7	1	17	1
TOTAL		208	3	464	10

Although there was a 20% decrease in New Applications between 2016 and 2017, the RSBs have seen a 12.4% increase from 2017 to 2018. There was also a 7.5% decline in number of audit firms that have voluntarily surrendered their audit registration between 2016 and 2018.

²¹ The ACCA figures for the number of registrations voluntarily surrendered in 2017 included 21 former AAPA firms.

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

The FRC's Audit Quality Review team (AQR) monitors the quality of the audits of retained audits and the policies and procedures which underpin audit quality at UK audit firms that perform the audits of these entities. The remainder of audit monitoring is conducted by the RSBs.

Figure 23 below details the number of reviews of audits conducted by the AQR during the years ended 31 March 2017 to 31 March 2019^{22, 23 & 24}. More information on work performed by the AQR team can be found in the FRC's Developments in Audit Report at www.frc.org.uk

Figure 23: AQR Monitoring 2016/17 to 2018/19

Inspection Category	Audit Reviews 2016/17	Audit Reviews 2017/18	Audit Reviews 2018/19
Deloitte LLP	23	25	25
EY LLP	17	18	18
KPMG LLP/ KPMG Audit Plc	23	24	29
PricewaterhouseCoopers LLP	27	28	26
Big Four firms	90	95	98
BDO LLP	8	8	8
BSG Valentine	1	-	0
Grant Thornton UK LLP	8	8	8
Mazars LLP	-	4	5
Moore Stephens LLP	1	5	3
RSM UK Audit LLP	3	-	0
UHY Hacker Young	-	2	0
Beever and Struthers	-	-	2
Crowe U.K. LLP	-	-	2
Haysmacintyre	-	-	2
Scott-Moncrieff	-	-	1
PKF Littlejohn	-	3	0
	111	125	129
Crown Dependency (CD) audit firms	5	-	5
	116	125	134
Third Country Auditors	6	3	5
Private sector audits	122	128	139
National Audit Office (NAO)	6	7	7
Local Audit	12	10	14
Public Sector audits	18	17	21
Total audits inspected	140	145	160

²² Crown Dependencies (CD) – Guernsey, Isle of Man and Jersey have delegated power and responsibility for monitoring the performance of audits of major Market Traded Companies (MTCs) to the FRC. An MTC is a company incorporated in one of the CDs with issued securities admitted to trading on a regulated market in the EU. In addition to AQR's monitoring of CD audit firms, a further 7, 8 and 11 audits were inspected at the major audit firms in 2018/19, 2017/18 and 2016/17 respectively.

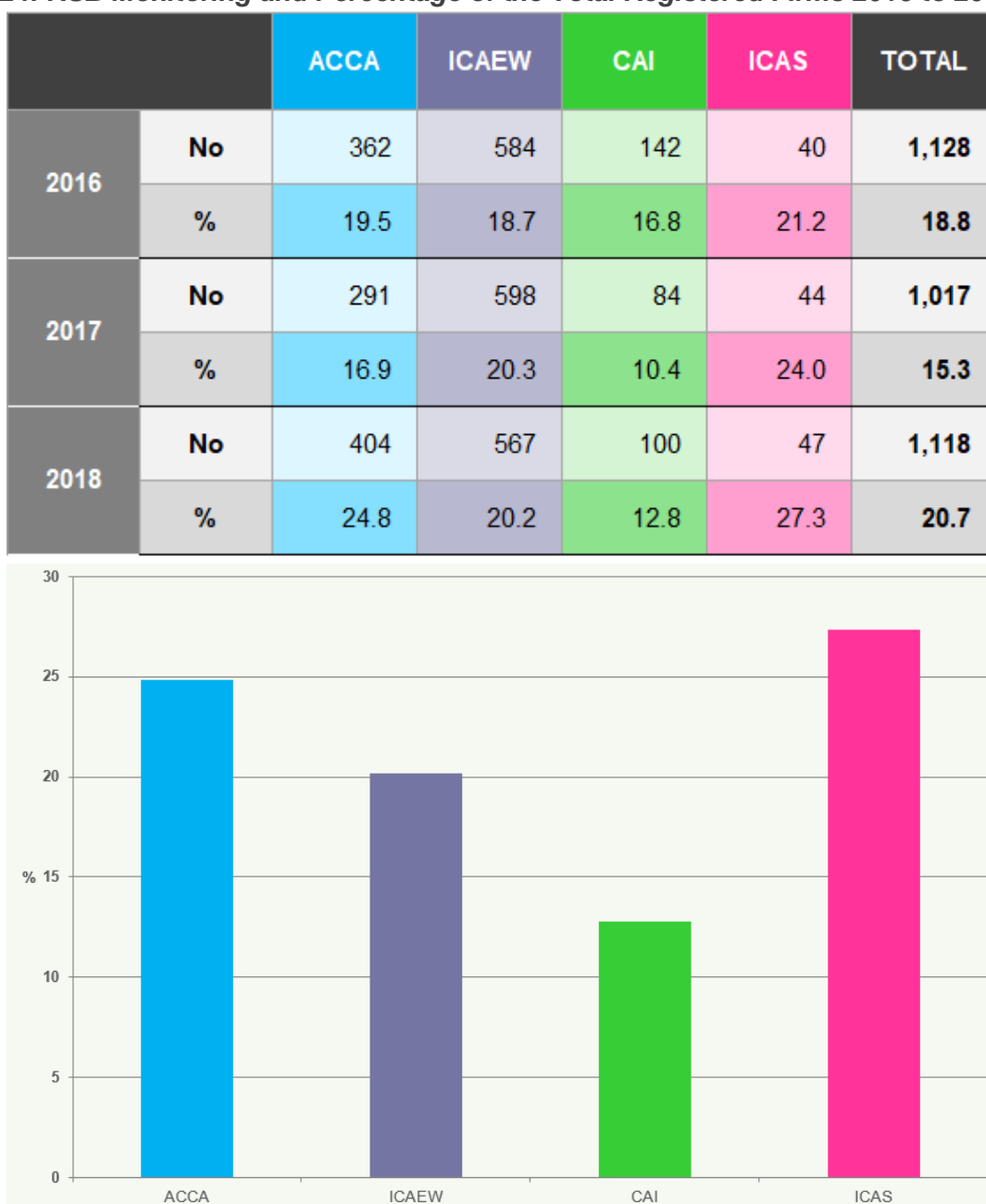
²³ NAO – The FRC as the Independent Supervisor of the Comptroller and Auditors General carries out monitoring of Companies Act audit work conducted by the National Audit Office (NAO). The FRC carries out this function under delegation of The Statutory Auditors (Amendment of Companies Act 2006 and Delegation of Functions) Order 2012.

²⁴ Local Audit – As the SoS has delegated powers and responsibilities to the FRC in respect of Local Audit and by virtue of Schedule 5 of the Local Audit and Accountability Act 2014, the FRC is required to report annually on the discharge of its duties. ICAEW and ICAS carry out inspections of firms which audit local public bodies.

Monitoring of Registered Audit Firms by RSBs

Figure 24 shows the number of monitoring visits conducted by the RSBs during the years ending 31 December 2016 to 31 December 2018²⁵ and the number of monitoring visits conducted as a percentage of the total number of registered audit firms at each RSB. There is a statutory requirement that the RSBs should monitor the activities undertaken by each registered audit firm at least once every six years²⁶.

Figure 24: RSB Monitoring and Percentage of the Total Registered Firms 2016 to 2018



²⁵ ACCA 2018 figure includes 136 desktop reviews undertaken instead of onsite monitoring reviews.

²⁶ Audit firms that have only audited entities subject to the small companies' regime in any of the previous five years should be inspected at least every ten years. A risk-based approach to inspections is agreed with the FRC if the audit firm has not carried out a statutory audit in any of the previous five years.

Reasons for Monitoring Visits to Registered Audit Firms by RSBs

Figure 25 shows the reasons for the monitoring visits to registered audit firms by the RSBs during the years ended 31 December 2016 to 31 December 2018²⁷ & ²⁸.

Figure 25: Monitoring Visit Reason 2016 to 2018

		ACCA	ICAEW	CAI	ICAS	TOTAL
Requested by the registration/licensing committee	2016	7	7	0	0	14
	2017	7	3	6	0	16
	2018	15	2	21	2	40
Specifically selected due to heightened risk	2016	102	41	2	9	154
	2017	96	253 ²⁷	0	23	372
	2018	108	215	9	31	363
Cyclical Visits	2016	253	502	140	29	924
	2017	188	342	78	21	629
	2018	281	350	70	13	714
Firms with Public Interest Entities visited without AQR involvement	2016	0	30	0	1	31
	2017	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A
Firms with Public Interest Entities visited with AQR involvement	2016	0	4	0	1	5
	2017	0	0	0	0	0
	2018	0	0	0	1	1

Since 17 June 2016, audit firms which audited PIEs are now subject to review by the FRC's AQR team. Prior to this date, different arrangements applied where the RSBs were responsible for the monitoring of some of these firms. The RSBs have no involvement in the monitoring of PIE audits, although they may rely on AQR's whole firm procedures when monitoring non-PIE audits at those audit firms.

²⁷ From 2017 for C rated firms (see Grading of Monitoring Visits below) that had to submit evidence of improved audit quality after their previous visit, ICAEW started to transition revisiting these firms after 3-4 years. This replaced and enhanced the previous approach of conducting a mid-cycle desk top review for such cases.

²⁸ The FRC has changed the categories of the above table in 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).

Gradings of Monitoring Visits to Registered Audit Firms by RSBs

Figures 26 to 29 show the grades for the audit monitoring visits to the firms and full audit file reviews conducted by ACCA, ICAEW, CAI and ICAS during the years ended 31 December 2016 to 2018.

The RSBs continue to have different systems for grading the quality of firms and full audit files reviewed.

- **File grading:** ICAEW, CAI and ICAS use the same definitions for grading full audit files. ACCA's definitions are set out below. The percentage of audit files provided in the tables for each of the RSBs is calculated on the basis of the number of files actually graded.
- **Firm grading:** This grade is given following a review by an RSB's inspection unit. The grades and definitions used are set out below.
- **Other types of file review:** Ungraded, limited and/or restricted are classifications for reviews conducted but not graded. An ungraded review is when a firm has no audit clients in a particular year. A limited and/or restricted review is a brief review of a specific risk or aspects noted from a previous visit.

File Grading

ICAEW, CAI and ICAS:

- | | |
|--|--|
| 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). <i>Note: files with non-compliance with audit regulations cannot be graded '1' although there may be 'minor' matters.</i> |
| 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:

ACCA uses the following initial grade assessment in determining the overall outcome on audit work.

- | | |
|--------------------|--|
| 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.

Summary of monitoring results by Body

Each year a mixture of firms are selected for review. This selection is comprised of firms randomly selected to meet the six-year monitoring cycle and those deemed at high risk of poorer audit quality. Since the firm selection changes each year, monitoring results are not directly comparable year on year.

Further, the sample of firms monitored each year will often include a disproportionate number of weaker firms selected due to the targeted selection of firms deemed to be high risk. This needs to be taken into account when interpreting the percentage of D outcomes at each body. (D outcomes are defined below).

Outcomes reported in the below tables include a number of visits to audit registered firms that have no audit clients. These reviews are done on a desktop basis.

Association of Chartered Certified Accountants (ACCA)

Figure 26: ACCA Gradings 2016 to 2018

Firm Gradings		2016	2017	2018	File Gradings		2016	2017	2018
A & B Outcomes	No	273	205	289	A Outcomes	No	43	28	32
	%	76	71	71		%	7	4	5
C+ Outcomes	No	38	38	60	B Outcomes	No	395	482	436
	%	10	13	15		%	69	72	72
C Outcomes	No	4	7	11	C Outcomes	No	136	160	141
	%	1	2	3		%	24	24	23
D Outcomes	No	47	41	44	Ungraded/ Limited/ Restricted Review	No	0	0	0
	%	13	14	11					

Firm Grading (ACCA)

A Outcomes: (Good) The firm complies 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 Financial Reporting Council.

B Outcomes: (Satisfactory) The firm is eligible for audit registration; it complies with the GPRs, CEC and the ESA and 50% or more of its audit files inspected, including all significant audits, comply substantially with relevant auditing standards.

C+ Outcomes: (Unsatisfactory and improvements required) The firm is eligible for audit registration and it complies with the GPRs, CEC and ESA but its quality controls over audit work are not effective and either the majority of the firm’s audit files, or the significant audit files, inspected do not comply with relevant auditing standards.

C Outcomes: (Unsatisfactory and significant improvements required) The firm is eligible for audit registration but it does not comply with the GPRs, CEC and ESA and/or its audit work does not comply with relevant auditing standards.

D Outcomes: (Regulatory action required) 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)

Figure 27: ICAEW Gradings 2016 to 2018

Firm Gradings		2016	2017	2018	File Gradings		2016	2017	2018
A & B Outcomes	No	365	363	333	1 Outcomes	No	301	256	252
	%	62	59	56		%	31	25	25
C Outcomes	No	107	93	116	2A Outcomes	No	441	522	505
	%	18	16	20		%	45	51	49
D Outcomes	No	37	61	59	2B Outcomes	No	165	157	166
	%	6	10	10		%	17	15	16
N Outcomes	No	83	94	85	3 Outcomes	No	74	84	102
	%	14	16	14		%	8	8	10
					Ungraded/ Limited/ Restricted Review	No	142	161	174

Firm Grading (ICAEW)

A Outcomes: Where there are no instances of non-compliance with the Audit Regulations and no matters requiring follow-up action.

B Outcomes: Where there are some instances of non-compliance with the Audit Regulations. ICAEW's Quality Assurance Department (QAD) are confident that the firm has the commitment and ability to correct the issue(s) and the firm's responses address the matters raised without the need for follow-up action.

C Outcomes: Where there are instances of non-compliance and follow-up action is required:

- Submit information – Additional details or evidence of the firm's actions previously agreed is required to demonstrate its commitment and ability to correct the issue.
- Accept withdrawal – non-compliance that would require a follow-up action if the firm had not proposed to withdraw from the audit registration (*No need for a report to Audit Registration Committee (ARC)*).
- Release from conditions and/or restrictions – Some or no instances of non-compliance and confidence that previous conditions and restrictions can be lifted.

D Outcomes: Where instances of non-compliance are likely to be serious or extensive and require a detailed report to ARC which can include three potential outcomes:

- Impose conditions and/or restrictions - non-compliance is likely to be serious or extensive and/or the firm's responses may be inadequate and/or raise doubts about the firm's ability/willingness to make the improvements.
- Withdrawal – reserved for the most serious situations when the firm's audit registration should be withdrawn.
- Committee consideration – to provide information to the committee when no conditions or restrictions have been proposed but the committee are required to consider the results of the visit.

N Outcomes Is used for visits where no statutory audit work has been reviewed. For example, a firm continues with audit registration but has no audit clients and no audit work has been reviewed; or a firm's withdrawal application is under consideration by QAD. This rating is also applied to 'Year 2' visits to large firms where no audit files are reviewed.

Chartered Accountants Ireland (CAI)

Figure 28: CAI Gradings 2016 to 2018

Firm Gradings		2016	2017	2018	File Gradings		2016	2017	2018
A & B Outcomes	No	106	46	57	1 Outcomes	No	58	32	49
	%	67	58	62		%	22	25	28
C Outcomes	No	10	8	11	2A Outcomes	No	115	33	70
	%	6	10	12		%	44	26	40
D Outcomes	No	42	25	24	2B Outcomes	No	66	47	40
	%	27	32	26		%	25	37	23
					3 Outcomes	No	21	15	16
						%	8	12	9
					Ungraded/ Limited/ Restricted Review	No	36	13	32

Firm Grading (CAI)

A Outcomes: Where no instances of breaches have been recorded.

B Outcomes: Where breaches were noted, and the firm are deemed to have the ability (competence and resources) to address the issue(s) within the stated timescales.

There will generally be no matters to follow up on firms graded A and/or B.

C Outcomes: Where breaches have been noted and the firm has undertaken actions to address the issues raised. In such instances, the firm is required to provide a written undertaking to cover the volunteered actions. Quality Assurance Committee (QAC) will not impose conditions or restrictions; however, there is a need for further confirmation/follow up.

D Outcomes: Where breaches or issues have been identified, which require consideration by the Head of Quality Assurance and by the QAC. There are four classes of D reports: D1, D2, D3 reports are determined by the seriousness of the regulatory action, while D4 reports provides information to QAC.

Institute of Chartered Accountants of Scotland (ICAS)

Figure 29: ICAS Gradings 2016 to 2018

Firm Gradings		2016	2017	2018	File Gradings		2016	2017	2018
A & B Outcomes	No	21	22	21	1 Outcomes	No	7	3	8
	%	53	50	45		%	6	4	6
C Outcomes	No	13	17	23	2A Outcomes	No	76	53	73
	%	32	39	49		%	67	66	59
D Outcomes	No	2	5	3	2B Outcomes	No	19	14	29
	%	5	11	6		%	17	18	24
N Outcomes	No	4	0	0	3 Outcomes	No	11	10	13
	%	10	0	0		%	10	13	11
				Ungraded/ Limited/ Restricted Review		No	21	21	51

Firm Grading (ICAS)

Since June 2016, ICAS 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 Authorisation Committee with the C- and D reports going to the Authorisation Committee (a quorum of at least 1 Public Interest Member and 2 Chartered Accountants).

A Outcomes: Where no issues have been identified and no follow-up action is needed.

B Outcomes: 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.

C Outcomes: 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.

D Outcomes: Where the standard of compliance is such that the Authorisation Committee (AC) needs to consider appropriate follow-up action, such as imposition of conditions and restrictions or withdrawal of registration.

Complaints about Auditors

Figure 30 shows the number of audit related complaints received by the RSBs from 2016 to 2018²⁹ to show (i) number of new complaints, (ii) number of cases passed to the FRC Enforcement Division (iii) number of cases referred to the committee³⁰, (iv) number of cases closed in the year and (v) average time taken to close a case³¹.

Figure 30: Complaints 2016 to 2018

		ACCA	ICAEW	CAI	ICAS	TOTAL
Number of New Complaints	2016	32	64	5	6	107
	2017	11	61	5	4	81
	2018	8	131	7	9	155
Number of Cases referred to the FRC	2016	0	0	0	0	0
	2017	0	0	0	0	0
	2018	0	0	0	0	0
Number of Cases passed to the Committee	2016	17	41	13	5	76
	2017	12	19	9	3	43
	2018	8	14	7	4	33
Number of Cases closed in the year	2016	38	64	13	4	119
	2017	13	31	11	6	61
	2018	14	76	5	6	101
Average time taken to close a Case (in months)	2016	3.8	17	3.4	4.0	
	2017	3.7	21	Nil	7.5	
	2018	3.7	15	Nil	4.2	

The definition of the average time taken to close a case differs across the accountancy bodies. Some record their data having regard to cases that are opened and closed within a particular year, while other bodies take the total length for a case to be concluded.

²⁹ The number of New Complaints for ICAEW in 2017 has been amended; Figure 30 reflects this change.

³⁰ Cases referred to the Committee relate to: ACCA's Disciplinary Committee, Consent Orders Committee and Tribunal; ICAEW's Investigations Committee and referred to the Disciplinary Committee; CAI's Conduct Committee, Disciplinary Committee and Appeals Committee; and ICAS' Investigation Committee.

³¹ ACCA – The KPI relates to all complaints closed in the reporting year (not specifically audit cases). It is measured from the date allocated to an investigations officer to the date an investigation is concluded (minus external deferral periods).

ICAEW – The KPI is measured by the total number of months it takes in total for a case to close.

ICAS – The KPI is measured by the number of cases opened and closed in a calendar year.

CAI – In previous years this figure has been provided in respect of cases which were opened and closed in the reporting year. In 2017 there were no cases closed which were also opened in the same year.

Recognised Qualifying Bodies (RQBs)

The FRC also exercises delegated statutory functions under Part 42 of the Companies Act 2006 for the recognition, supervision and de-recognition of those accountancy bodies responsible for offering the audit qualification (RQBs) in line with the requirements of Schedule 11 of the Act. There are five bodies³² in the UK recognised to offer the audit qualification. 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. The FRC reports annually to the SoS on the discharge of these functions¹⁸.

Figure 31 shows the number of students registered with each RQB as at 31 December 2016 to 2018. It also shows the number of members who were awarded the audit qualification³³ and the number of students following the audit route or eligible for the audit qualification³⁴.

Figure 31: RQB Students and Members 2016 to 2018

		ACCA	ICAEW	CAI	ICAS	AIA
Number of students in the UK and ROI	2016	82,953	19,713	6,330	3,718	168
	2017	82,124	20,946	6,655	3,837	127
	2018	81,902	21,618	6,789	3,488	135
Number of students following the audit route or eligible for the audit qualification	2016	N/A	16,372	5,028	N/A	4
	2017	N/A	17,224	5,348	N/A	4
	2018	N/A	17,831	4,440	N/A	3
The number of members who were awarded the audit qualification	2016	84	885	442	652	0
	2017	116	859	352	412	0
	2018	86	1,343	811	18 ³³	0
The number of members who hold the audit qualification	2016	3,213	107,403	7,445	11,439	9
	2017	3,109	106,605	7,797	11,709	9
	2018	3,052	105,766	8,608	11,327	9

Many members do not apply for the audit qualification until they wish to be able to sign audit reports. Although there has been an increase in the number withdrawing their audit registration due to their clients falling below the audit exemption threshold; the number of students awarded the audit qualification in 2018 has increased.

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 their initial qualification.

³² ACCA, AIA, ICAEW, CAI and ICAS.

³³ The discrepancy in ICAS' data is due to the implementation of a new membership database (2018 = 18).

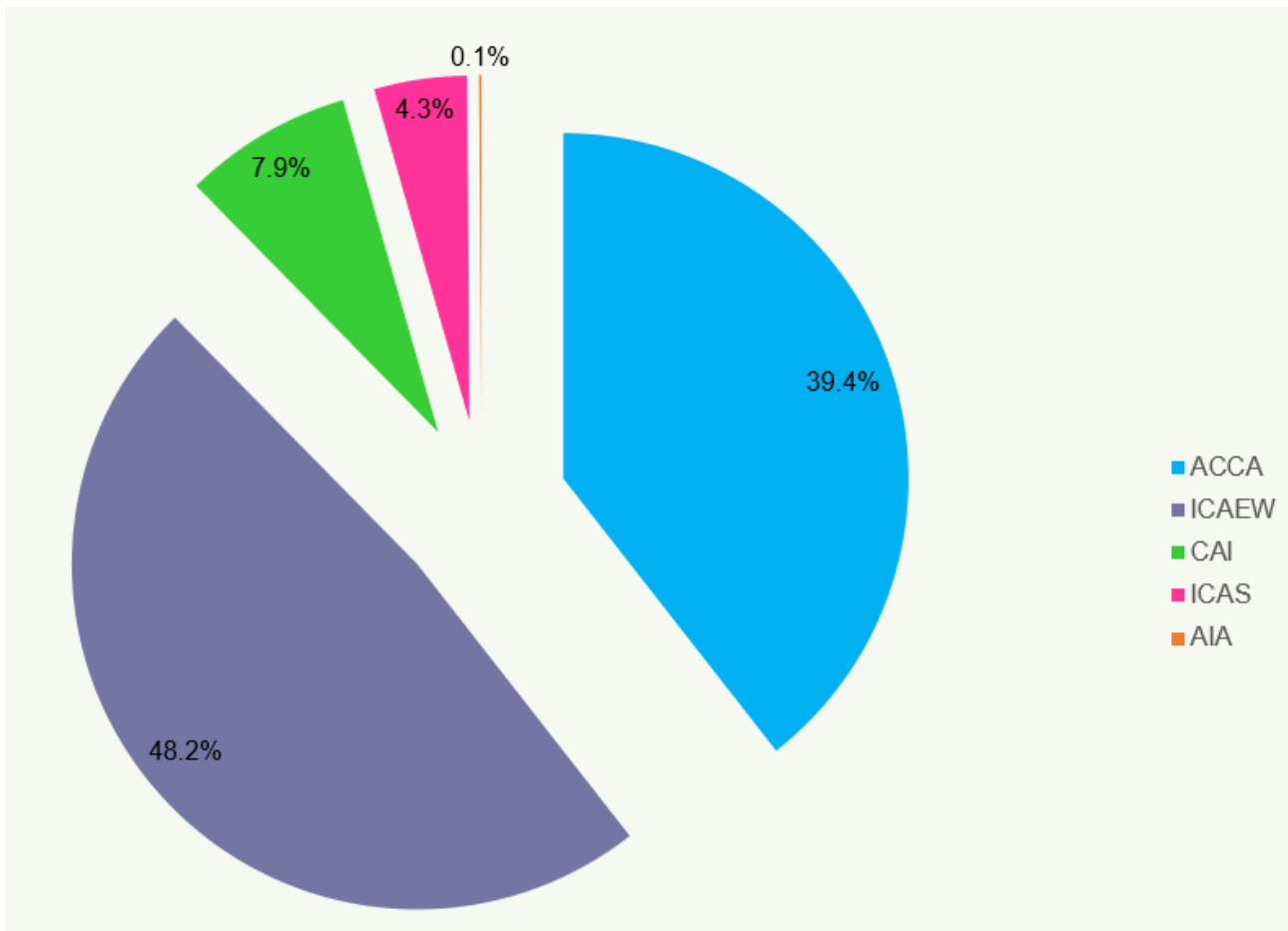
³⁴ Where N/A is stated the information is not collected by the relevant body.

Approved Training Offices

Figure 32 shows the total number of approved training offices³⁵ in the UK and ROI over the period 2016 to 2018. The pie chart represents the 2018 data in percentages by each body.

Figure 32: UK and ROI Training Offices 2016 to 2018 and Proportion of Total Training Offices per Body 2018

		ACCA	ICAEW	CAI	ICAS	AIA
Number of approved Training Offices in the UK & ROI	2016	3,829	3,841	727	172	10
	2017	3,641	4,052	718	195	10
	2018	3,576	4,372	718	394	10



³⁵ 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 PIE² clients. 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 PIEs.

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 Limited Liability Partnerships (LLPs) must file accounts at Companies House which meet the statutory requirements).

Figure 33 shows the fee income for audit and non-audit services for the 30 audit firms with PIE audit clients who responded to our request for the year ended 2018. Firms are listed in order of their audit fee income, rather than total fee income, this is not a league table. Not all accountancy firms have PIE audit clients, therefore firms without PIE audit clients are not approached to provide information for this publication. It is therefore possible that there are firms not included in this publication that have a higher audit fee income than those that are listed in the tables below.

Care is needed if making detailed comparisons between firms using the information in Figure 33, as some firms do not analyse their fee income this way 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 34 and 35 analyse the detailed fee income from Figure 33 for the Big Four firms and for many of the audit firms outside of the Big Four respectively³⁶.

Figure 36 shows the percentage growth of fee income for firms with PIE clients for 2016/17 and 2017/18, while figure 37 focuses on the audit fee income per responsible individual.

Figure 38 shows those audit firms which audit companies listed on FTSE 100, FTSE 250, other regulated markets and AIM as at each firm's financial year-end for 2018. Figure 39 looks at the concentration of listed companies, split between the Big Four, the next five firms and a select number of audit firms that carry out statutory audits as at 31 December for the past five years.

In relation to diversity we asked the firms to provide additional information to build upon last year's data. We asked whether information was captured on the following eight diversity indicators: ethnicity, disability, religion/belief, sexual orientation, marital status, school type attended, first generation to attend university and caring responsibilities (Figure 45). We also requested data on gender, BAME³⁷ and disability in respect of senior management³⁸ at the PIE audit firms (Figures 40 to 43). A separate analysis of "age" can be found at Figure 44 which aggregates all the firms' workforce. Of the firms asked, approximately three quarters have diversity policies in place, with some firms having set diversity targets for their staff, boards and committees (Figure 46).

³⁶ 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](#)

³⁷ Black, Asian and Minority Ethnic (used to refer to members of non-white communities in the UK).

³⁸ Those employed as Managers, Directors and Partners at the audit firms.

Figure 33: UK Fee Income of Audit Firms with PIE Audit Clients 2018 (By Fee Income from Audit)

UK Firm Name	UK Structure	No of Principals ³⁹	No of Audit Principals	No of RIs ⁴⁰	No of PIE Audit Clients	Fee Income: Audit ⁴¹ (£m)	Fee Income: Non-Audit Work ⁴² to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m)
PricewaterhouseCoopers	LLP	915	186	348	474	673	273	2,164	3,110
KPMG	LLP	603	138	290	493	572	216	1,550	2,338
EY UK	LLP	698	115	206	247	458	255	1,699	2,412
Deloitte ⁴³	LLP	722	92	219	338	417	186	2,488	3,091
BDO	LLP	259	85	130	108	165	90	214	469
Grant Thornton UK	LLP	189	57	95	58	133	53	305	491
RSM UK	LLP	337	100	131	17	73	40	201	314
Mazars	LLP	134	48	53	34	47	19	115	181
Crowe U.K.	LLP	86	43	44	5	30	11	38	79

³⁹ Principals are partners or member of an LLP.

⁴⁰ Statutory Auditors/ Responsible Individuals (RIs) are those individuals who are registered to sign audit reports and can include Audit Principals and Employees.

⁴¹ Figures used for the fee income splits have been rounded to the nearest decimal, accordingly the total fee income is calculated on this basis.

⁴² Paragraph 5.8 of the FRC's Revised Ethical Standard (June 2016) defines 'non-audit services' as comprising of any engagement in which a firm, or a member of its network, provides professional services to (1) an audited entity; (2) an audited entity's affiliates; or (3) another entity, where the subject matter of the engagement includes the audited entity and/or its significant affiliates, other than the audit of financial statements of the audited entity.

⁴³ Deloitte LLP figures for 2018 relate to practising activities in the UK, Channel Islands and Isle of Man only.

Figure 33: UK Fee Income of Audit Firms with PIE Audit Clients 2018 (By Fee Income from Audit)

UK Firm Name	UK Structure	No of Principals ³⁹	No of Audit Principals	No of RIs ⁴⁰	No of PIE Audit Clients	Fee Income: Audit ⁴¹ (£m)	Fee Income: Non-Audit Work ⁴² to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m)
Moore Stephens	Partnership	84	35	38	23	26	10	99	134
Saffery Champness	LLP	72	42	42	5	15	9	39	63
Haysmacintyre	Partnership	34	26	26	8	15	6	8	29
Haines Watts Group	Partnerships, LLPs and Limited Companies	150	66	73	1	11	11	62	84
Johnston Carmichael	LLP	56	14	11	1	8	5	33	46
UHY Hacker Young Group	LLP	43	17	17	12	7	3	8	18
Beever and Struthers	Partnership	21	12	13	9	5	1	5	11
Gerald Edelman	Partnership	16	7	7	1	5	3	3	11
Hazlewoods	LLP	27	11	14	5	4	3	20	27
BHP	LLP	27	13	14	2	4	1	12	17
James Cowper Kreston	LLP	20	9	10	4	3	3	10	16
French Duncan	LLP	16	4	4	1	2	N/A	N/A	12

Figure 33: UK Fee Income of Audit Firms with PIE Audit Clients 2018 (By Fee Income from Audit)

UK Firm Name	UK Structure	No of Principals ³⁹	No of Audit Principals	No of RIs ⁴⁰	No of PIE Audit Clients	Fee Income: Audit ⁴¹ (£m)	Fee Income: Non-Audit Work ⁴² to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m)
BSG Valentine (UK)	LLP	12	4	4	1	2	0	5	7
Carter Backer Winter	LLP	21	10	11	1	1	1	12	14
Begbies	Partnership	10	9	9	1	1	0	4	5
Watson Buckle	Limited Company	5	3	3	1	1	0	2	3
Edwards	Limited Company	4	4	4	1	1	0	1	2
F. W. Smith, Riches & Co.	Partnership	4	3	3	1	1	0	1	2
SBM Associates	Limited Company	2	2	2	1	0.2	0	0.4	0.6
Greenwich & Co UK	Sole Trader	1	1	1	3	0.1	0	0	0.1
Hope Jones	Partnership	2	2	2	1	0	0	0.4	0.4

Since the ARD came into effect, the maximum non-audit fees that a statutory auditor of a PIE can bill in any one year is 70% of the average of the audit fees billed over the last three-year period to the PIE, its parent and its subsidiaries.

Figure 34: Proportion of Total Fee Income for the Big Four firms 2016 to 2018

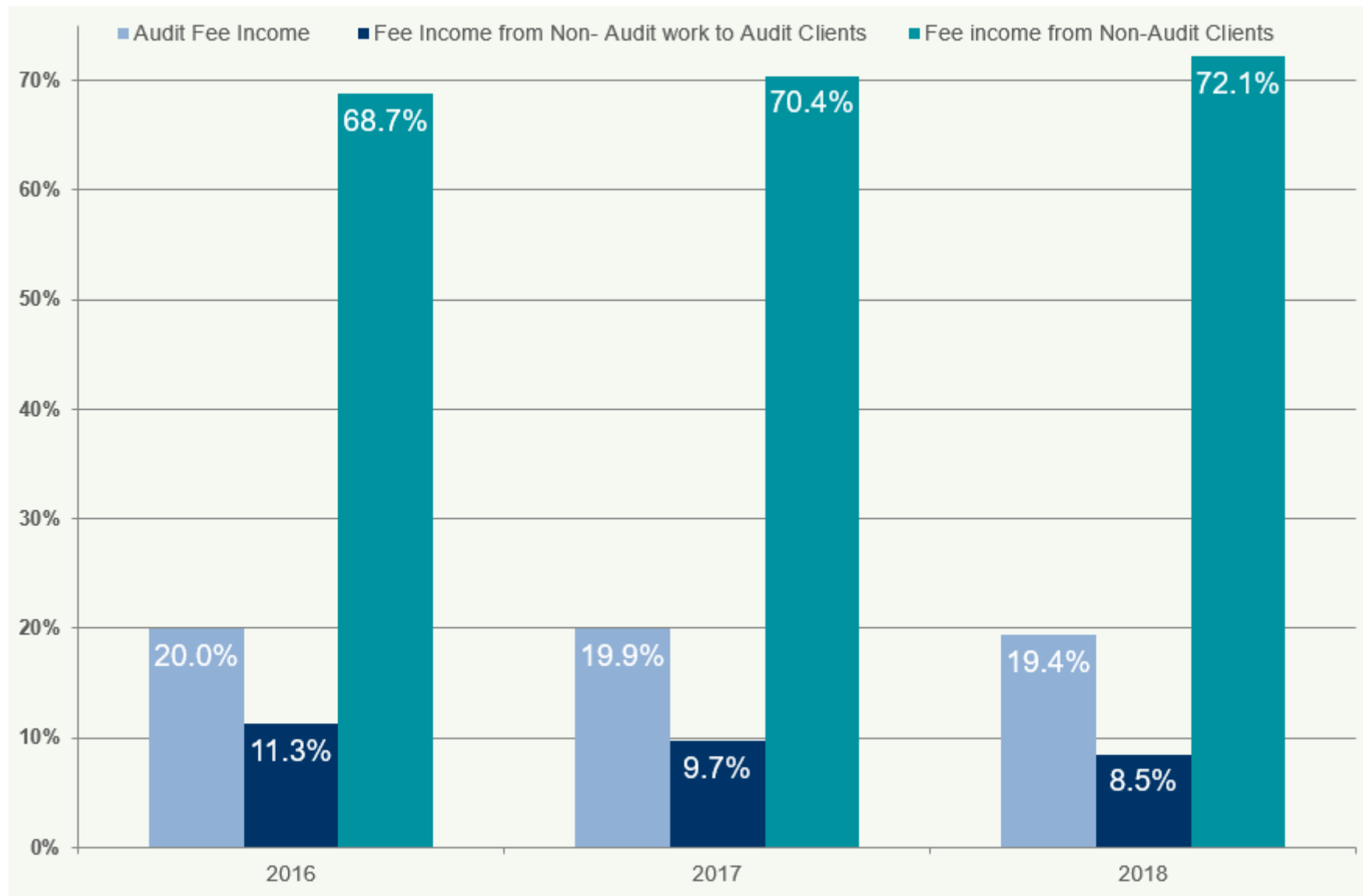
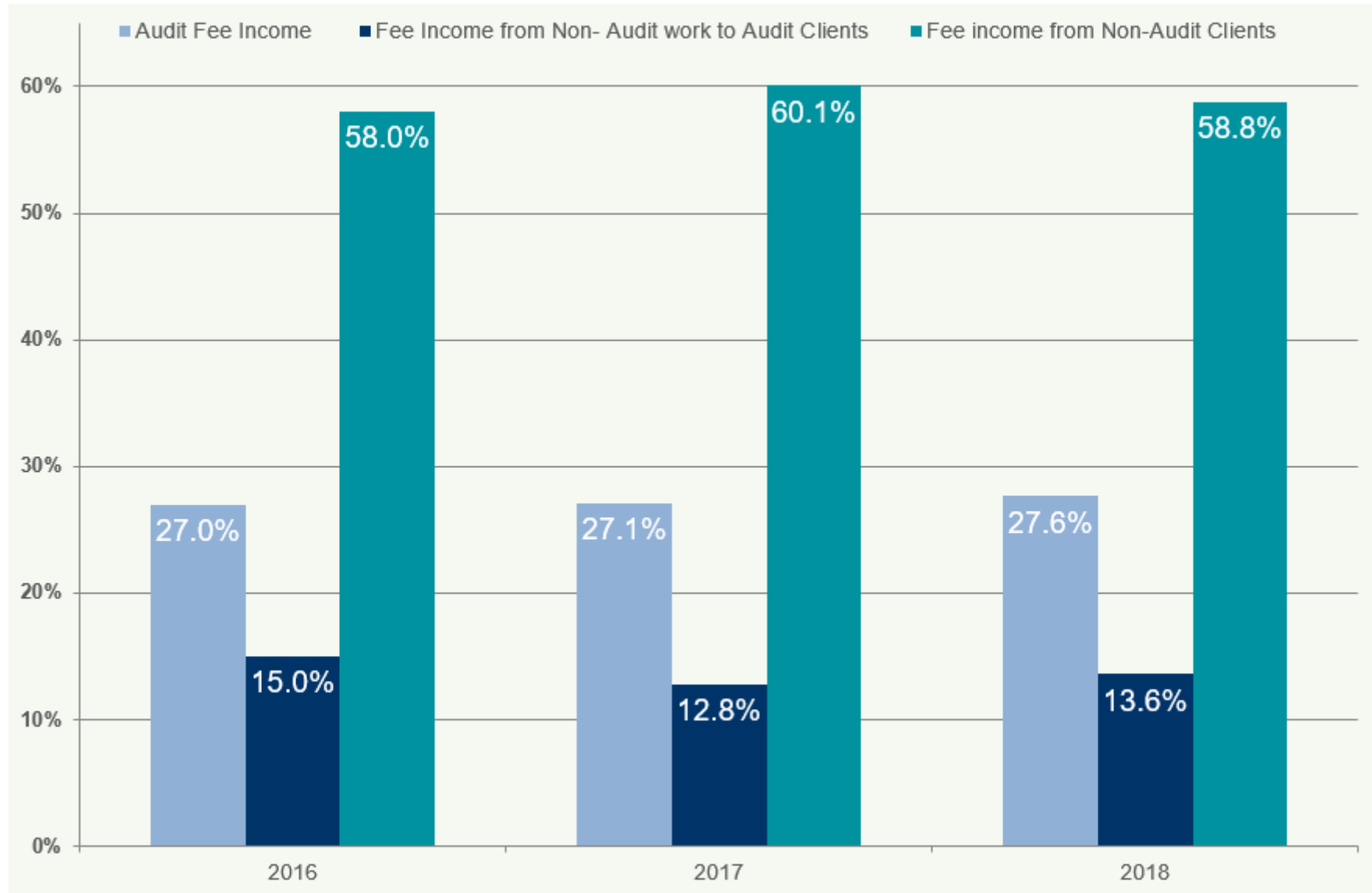


Figure 35: Proportion of Total Fee Income for Audit Firms with PIE Audit Clients Outside of the Big Four firms 2016 to 2018

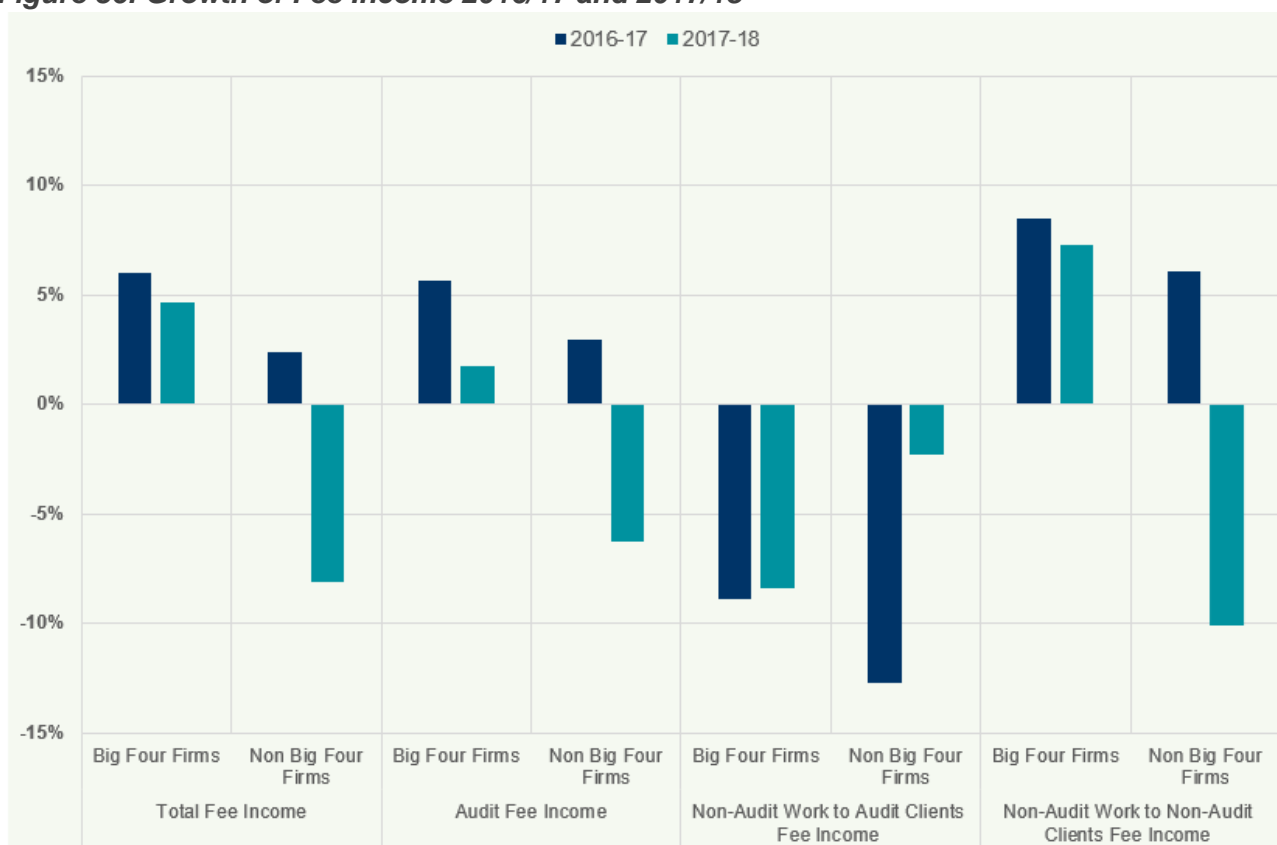


Growth of Fee Income

Figure 36⁴⁴ shows the percentage growth rate of fee income for each of the years from 2016/17 to 2017-18 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.

Audit firm population changes year-on-year based on those firms with PIE clients⁴⁵.

Figure 36: Growth of Fee Income 2016/17 and 2017/18



In 2017/18, there was a decline in the growth rate of total fee income for all firms with PIE clients. Audit fee income increased less for the Big Four (1.7%) in 2017/18 compared with 2016-17 (5.7%).

Non-audit work to audit clients fee income fell by 8.4% and 2.3% for Big Four firms and Non-Big Four firms respectively.

Non-Big Four firms' fee income for non-audit work to non-audit clients has decreased by 10.1% in 2017/18 compared to an increase by 6.1% for 2016/17.

⁴⁴ 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 33).

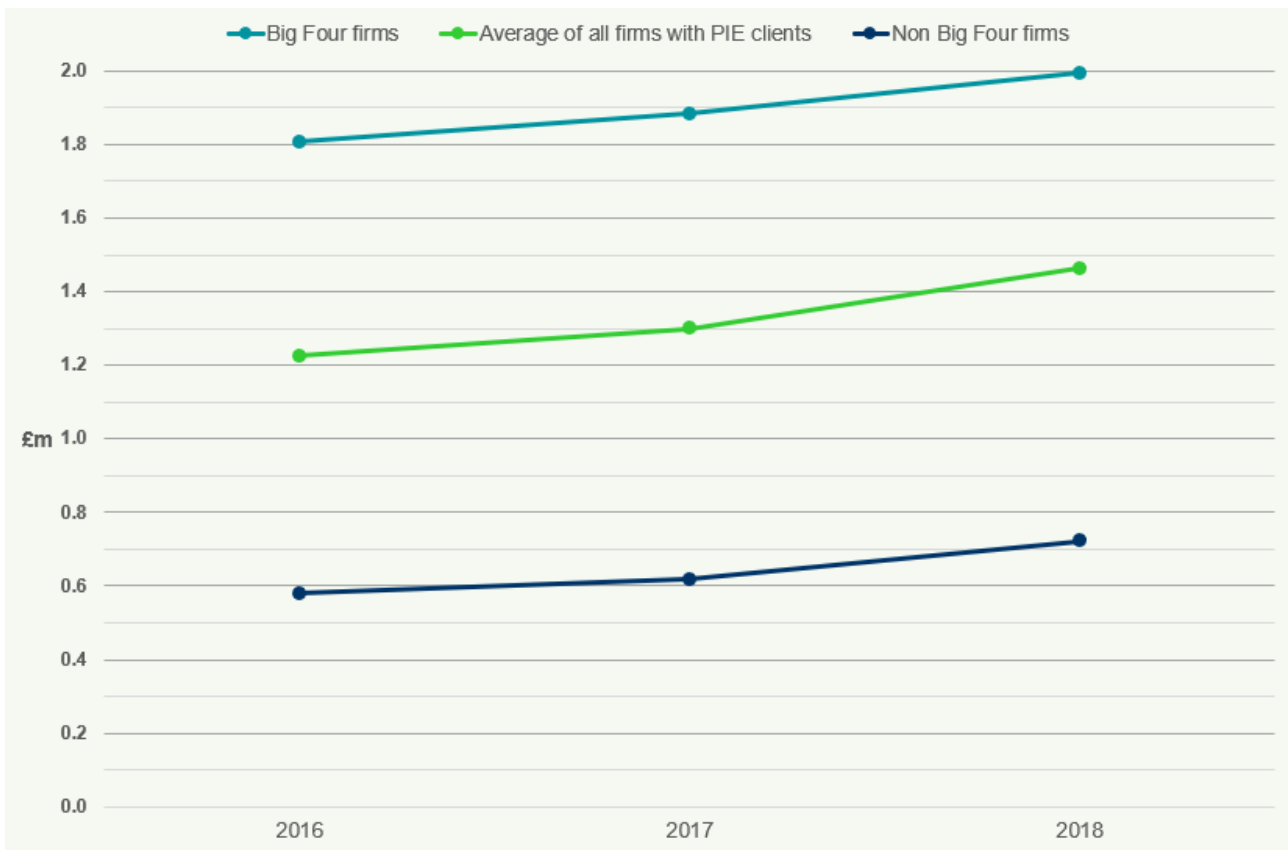
⁴⁵ The data displayed in 2017 Key Facts and Trends of the Accountancy Profession has been amended; Figure 36 reflects this change.

Audit Fee Income per Responsible Individual (RI)

Figure 37 illustrates audit fee generated per RI⁴⁶ for 2016 to 2018. This information is split between the Big Four firms and the audit firms outside the Big Four.

Figure 37: Audit Fee Income per RI 2016 to 2018

Audit Fee Income Per RI (£m)	2016	2017	2018
Big Four firms	1.81	1.88	1.99
Average of all firms with PIE clients	1.23	1.30	1.46
Non Big Four firms	0.58	0.62	0.72



There has been a continual increase in the average income per RI for all firms since 2004, when we began our data collation for the Key Facts and Trends in the Accountancy Profession publication.

⁴⁶ Statutory Auditors/ 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 their firm.

Figure 38: Concentration of Listed Companies' Audits 2018
(By Number of Listed Clients⁴⁷ – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and the Alternative Investment Market (AIM))

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴⁷	No of FTSE 250 Audit Client ⁴⁷	Total No of Other Clients listed on Regulated Markets ⁴⁷	No of AIM Audit Clients ⁴⁷
PricewaterhouseCoopers	LLP	30 Jun	30	63	94	77
Deloitte	LLP	31 May	25	64	126	46
KPMG ⁴⁸	LLP	30 Sep	23	61	133	79
EY UK	LLP	29 Jun	15	39	87	30
BDO ⁴⁹	LLP	30 Jun	1	4	113	126
Grant Thornton UK	LLP	30 Jun	0	4	26	104
RSM	LLP	31 Mar	0	0	11	54
Crowe U.K.	LLP	31 Mar	0	0	9	40
Haysmacintyre	Partnership	31 Mar	0	0	6	14
Hazlewoods	LLP	30 Apr	0	0	5	3

⁴⁷ 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. Given client information is reported as at each audit firm's year end, there are slight discrepancies in the total figures for the FTSE 100 (94) and FTSE 250 (235) audit clients.

⁴⁸ Includes both KPMG LLP and KPMG Audit Plc.

⁴⁹ Figure 38 relates to 30 June year end. Figure 39 provides data as at 31 December 2018.

Figure 38: Concentration of Listed Companies' Audits 2018
 (By Number of Listed Clients⁴⁷ – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and the Alternative Investment Market (AIM))

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴⁷	No of FTSE 250 Audit Client ⁴⁷	Total No of Other Clients listed on Regulated Markets ⁴⁷	No of AIM Audit Clients ⁴⁷
Saffery Champness	LLP	31 Mar	0	0	5	6
James Cowper Kreston	LLP	30 Apr	0	0	4	6
Moore Stephens	Partnership	30 Apr	0	0	3	21
Mazars	LLP	31 Aug	0	0	3	16
Greenwich & Co UK	Sole Trader	30 Jun	0	0	3	1
Haines Watts Group	Group of Partnerships, LLPs and Limited Companies	31 Mar	0	0	1	1
Begbies	Partnership	31 Mar	0	0	1	0
Carter Backer Winter	LLP	31 Mar	0	0	1	0
F. W. Smith, Riches & Co.	Partnership	31 Mar	0	0	1	0
French Duncan	LLP	30 Apr	0	0	1	0
Gerald Edelman	Partnership	31 Mar	0	0	1	0

Figure 38: Concentration of Listed Companies' Audits 2018
 (By Number of Listed Clients⁴⁷ – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and the Alternative Investment Market (AIM))

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴⁷	No of FTSE 250 Audit Client ⁴⁷	Total No of Other Clients listed on Regulated Markets ⁴⁷	No of AIM Audit Clients ⁴⁷
SBM Associates	Limited Company	30 Sep	0	0	1	0
Nexia Smith & Williamson Audit	Limited Company	30 Apr	0	0	0	21
UHY Hacker Young	LLP	30 Apr	0	0	0	11
Johnston Carmichael	LLP	31 May	0	0	0	2
BSG Valentine (UK)	LLP	30 Sep	0	0	0	1

99% of the FTSE 100 audit clients were conducted by the Big Four audit firms in 2017/18. Both BDO and Grant Thornton have four FTSE 250 audit clients.

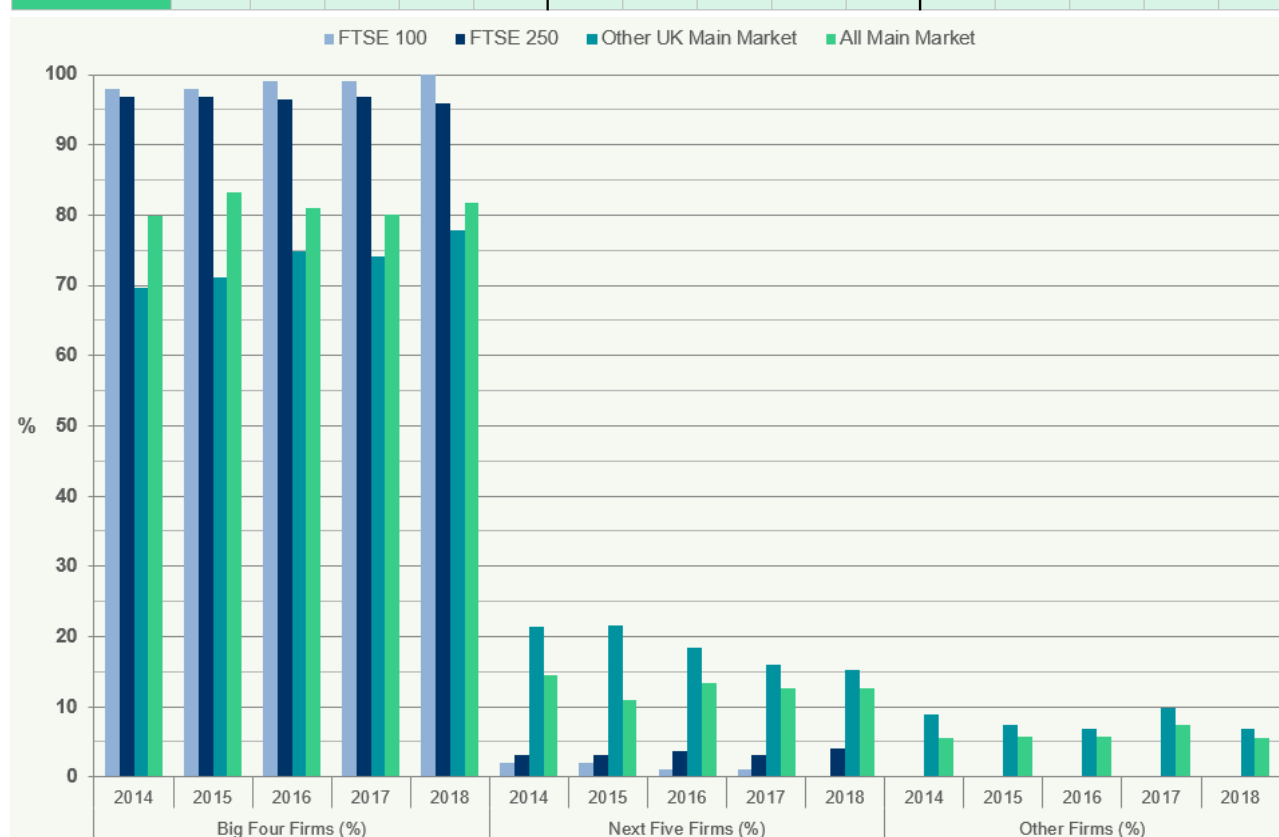
Concentration of Listed Companies' Audits⁵⁰

Figure 39 illustrates the percentage of the number of audits of UK listed (equity and debt) companies undertaken by the Big Four firms⁵¹, the next five firms (based on the number of listed audit clients) and other audit firms (22), as at 31 December for each of the years 2014 to 2018.

For the purposes of Figure 39, where a listed company is audited by an audit firm from the Crown Dependencies it has been given the same classification as its UK counterparts.

Figure 39: Listed Companies' Audits Concentrations 2014 to 2018

	Big Four Firms (%)					Next Five Firms (%)					Other Firms (%)				
	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
FTSE 100	98.0	98.0	99.0	99.0	100.0	2.0	2.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
FTSE 250	96.8	96.8	96.4	96.8	96.0	3.2	3.2	3.6	3.2	4.0	0.0	0.0	0.0	0.0	0.0
Other UK Main Market	69.7	71.1	74.8	74.2	77.8	21.4	21.5	18.4	16.0	15.3	8.9	7.4	6.8	9.8	6.9
All Main Market	79.9	83.2	81.0	80.0	81.8	14.5	11.0	13.3	12.6	12.7	5.6	5.8	5.7	7.4	5.5



There has been an increase in All Main Market companies being audited by the Big Four and Next Five audit firms in 2018.

⁵⁰ Includes International Main Market Companies.

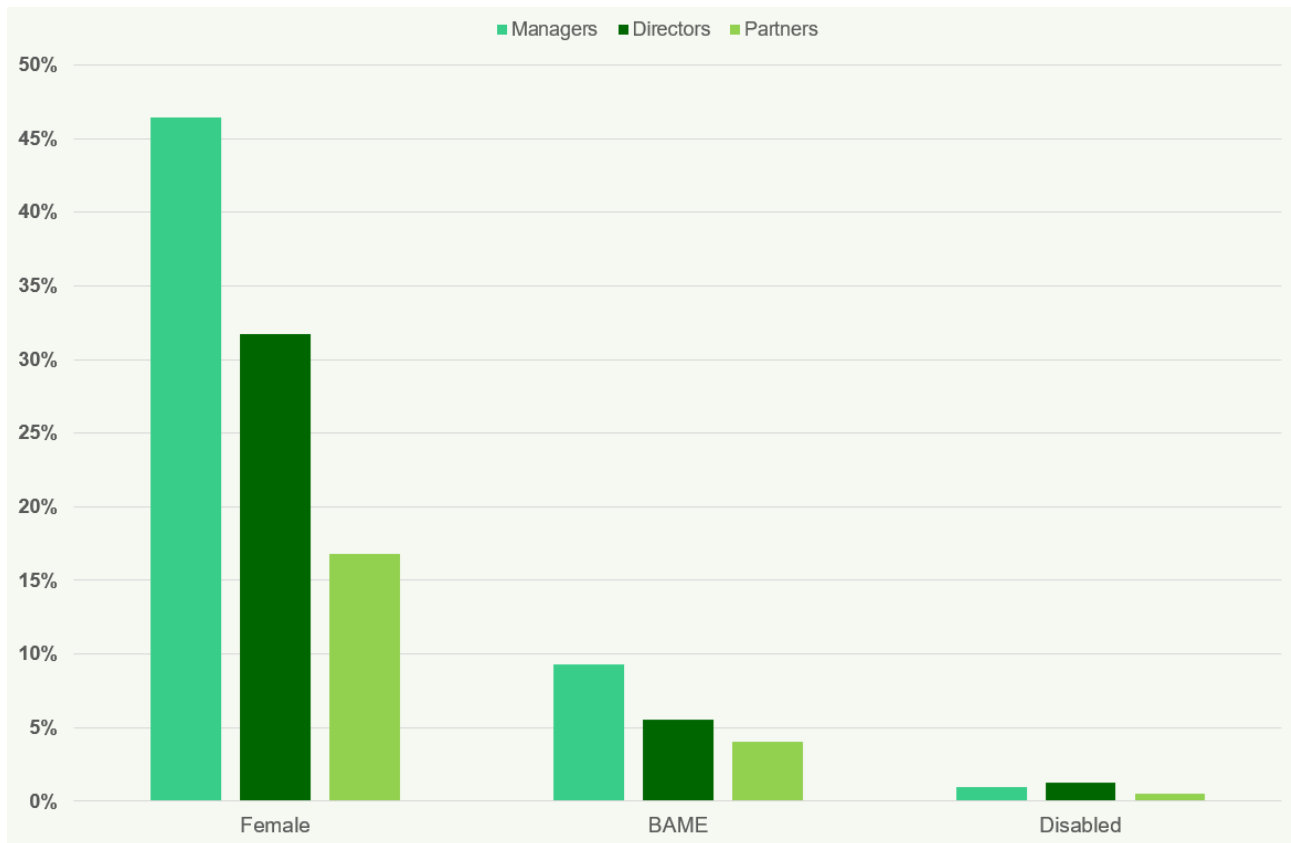
⁵¹ Includes Big Four network firm offices whether located in the UK or elsewhere.

Diversity at PIE Audit Firms' Senior Management³⁸

Figure 40 displays the percentage of female, BAME³⁷ and those individuals who have a disability across three levels of seniority at PIE audit firms; managers, directors and partners.

Figures 41, 42 and 43 further breaks down this information across different sizes of audit firms: firms with under 200 employees; firms with between 200 to 2,000 employees; and firms with over 2,000 employees.

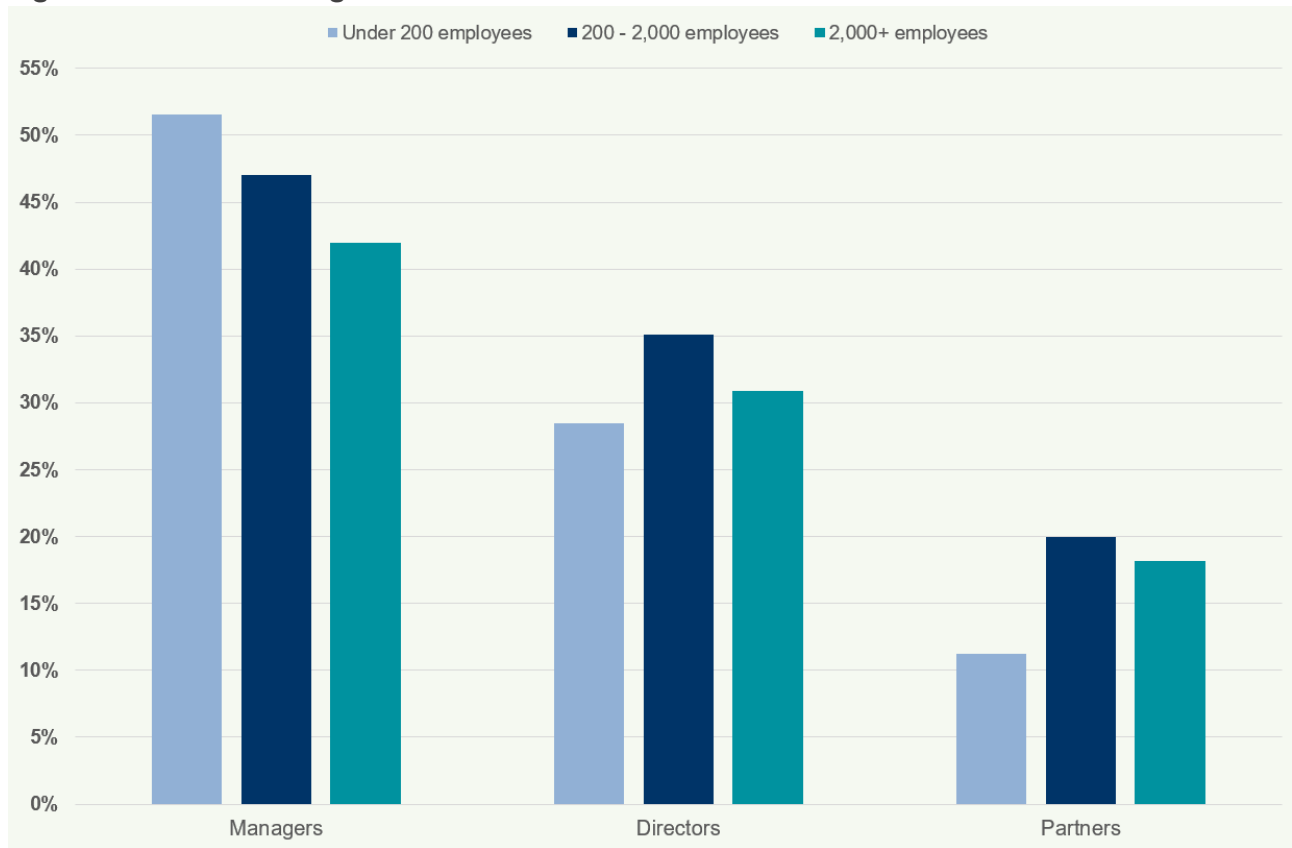
Figure 40: Senior Management Diversity 2018



24 PIE audit firms provided diversity information on their senior management, with 22 PIE audit firms collecting data in respect of BAME and disability (Figures 42 and 43).

The percentages for partners was the lowest amongst the senior management levels across each of the three diversity indicators.

Figure 41: Senior Management 2018 – Female

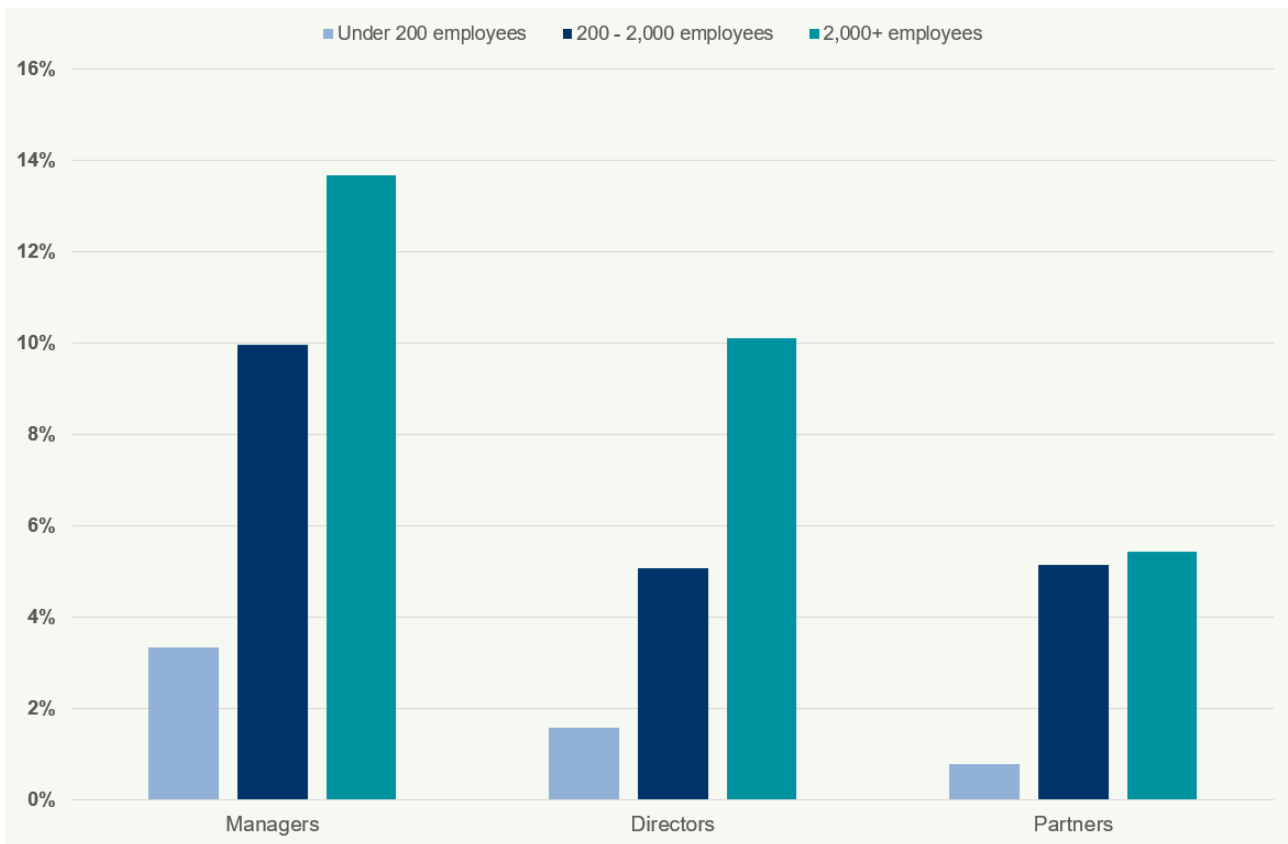


All 24 firms collect information on the number of females in senior management. The percentage of females at firms with under 200 employees was highest at manager level (52%). There was a significant decrease at director (28%) and partner levels (11%).

Firms with between 200 and 2,000 employees had the highest percentage of females at director and partner level, at 35% and 20% respectively.

For all three ranges of employees at firms, the percentage of females was lowest at partner level.

Figure 42: Senior Management 2018 – BAME

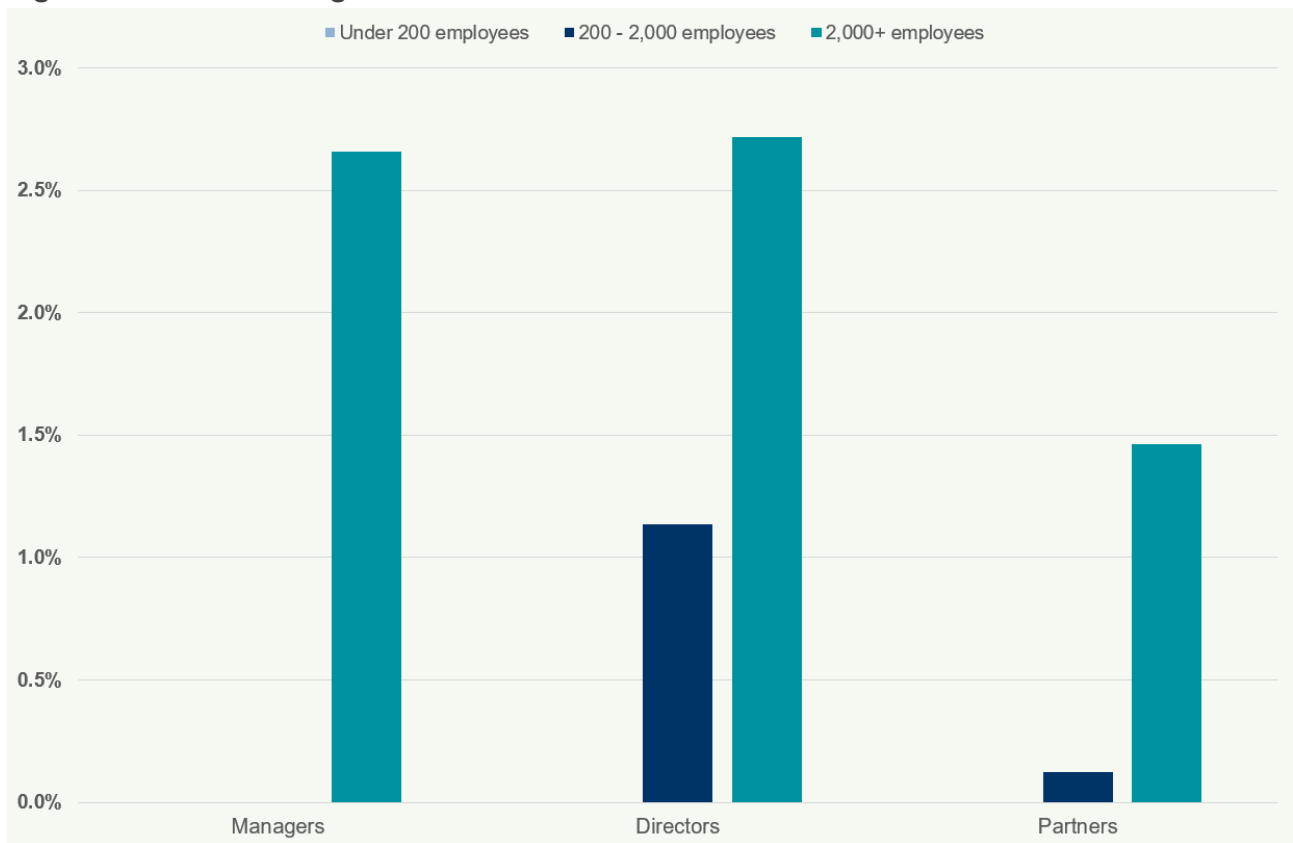


Firms with over 2,000 employees had the highest percentages of BAME individuals at all levels of senior management, at 13.7%, 10.1% and 5.4% respectively.

According to the Office for National Statistics⁵², 12.1% of the UK workforce was identified as BAME as at December 2018.

⁵² Viewable at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork>

Figure 43: Senior Management 2018 – Disabled

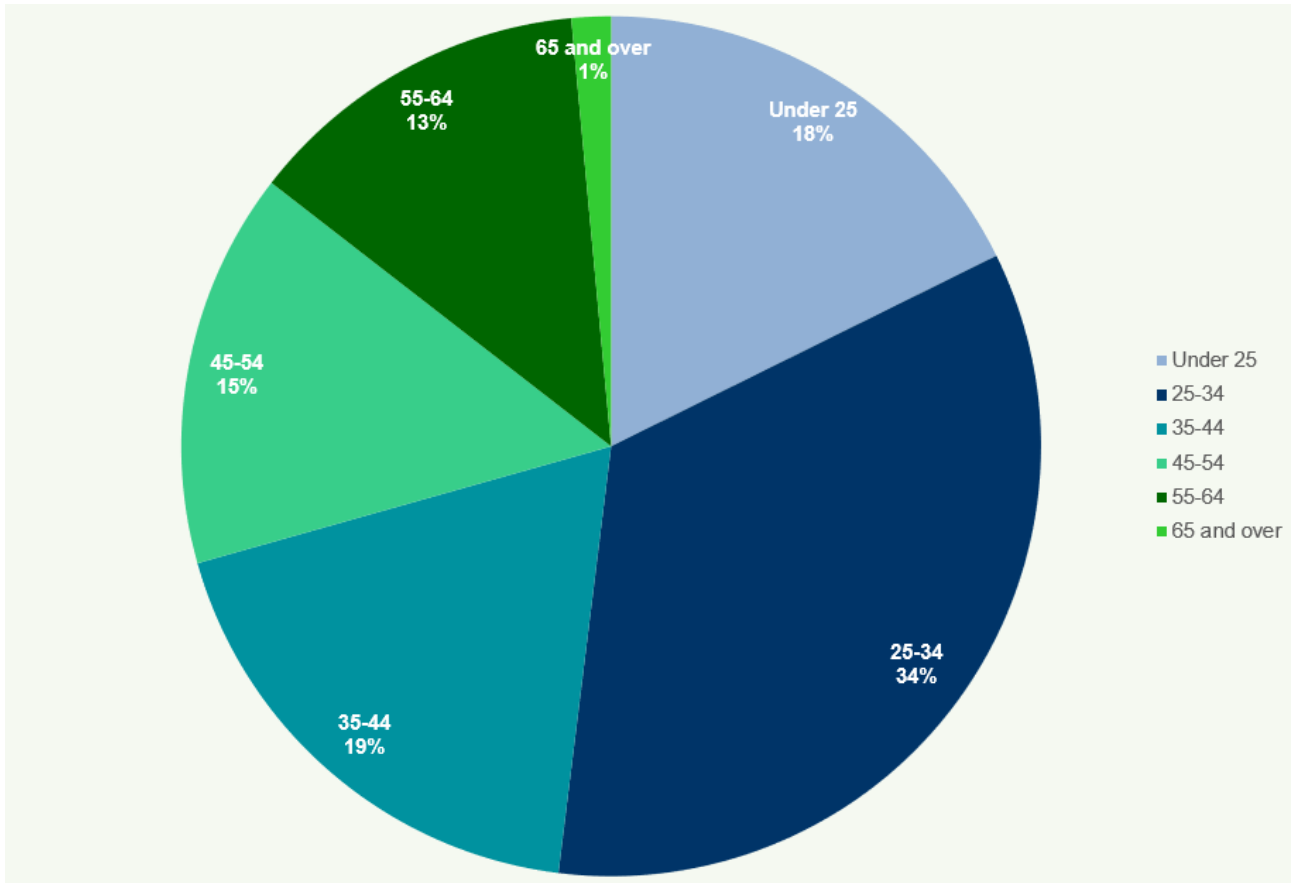


Overall declarations relating to disability are low, with an average of 0.9% of all senior managers disclosing this information. PIE audit firms with over 2,000 employees had the largest number of disability declarations.

Age of Workforce at the Audit Firms

Figure 44 shows the number of staff at audit firms in 2018 split into six age categories.

Figure 44: Workforce Ages 2018



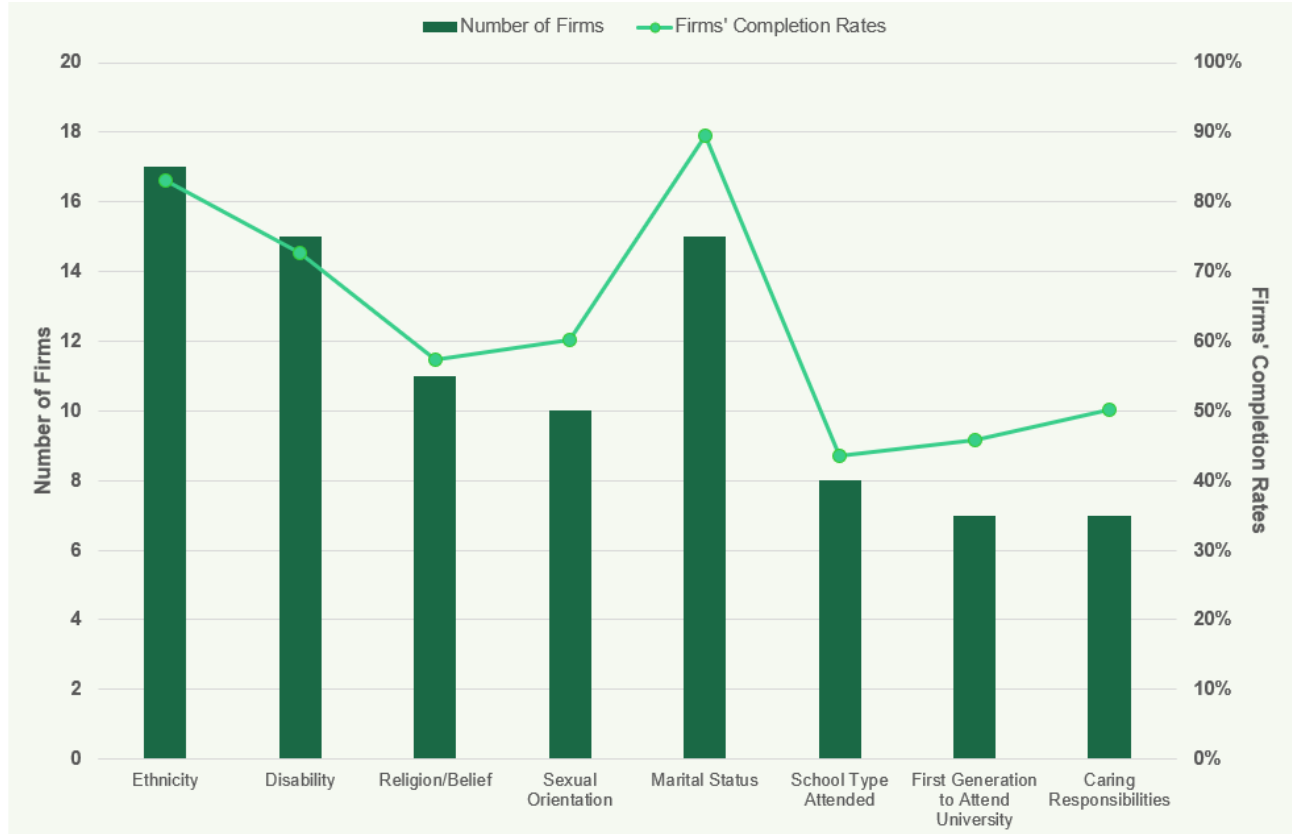
Of the 30 PIE audit firms took part in this publication, 24 firms collect data on the ages of their workforce. The majority of staff employed at audit firms are aged between 25 and 34 on average (34%).

On average, less than 1% of staff chose not to provide this information.

Diversity Information Collected by the PIE Audit Firms (Workforce)

Figure 45 shows the number of audit firms that collect diversity information on their staff (illustrated via the bar chart), and for those that do, the average completion rate⁵³ of the relevant diversity indicator (represented via the line graph).

Figure 45: Diversity Information on Workforce 2018



20 firms reported they collect at least one of the above diversity indicators.

Ethnicity is the highest collected diversity indicator (17 firms), whilst Marital Status has the highest rate of completion of all the indicators (90%).

⁵³ Completion rates refer to the percentage of staff in a firm who completed a diversity questionnaire.

PIE Audit Firms with a Diversity Policy

Figure 46 shows the number of audit firms asked whether they have a diversity policy (shown by the bar chart), and the percentage of firms that confirmed to having such a policy in place (illustrated via the line graph) from 2017 to 2018.

Figure 46: Diversity Policies 2017 and 2018



In 2018, over 75% of the 30 audit firms questioned have a diversity policy. In 2017, 64% of the 35 firms had diversity policies.

The information received from the firms in respect of their policies include several variants of diversity such as social mobility, equal opportunity and respect and inclusion policies.

Section Six – Data Tables of the Charts (Total Figures and Percentages)

The following tables provide additional data as at 31 December 2014 to 31 December 2018, which are used to create the tables and graphs in this publication.

Figure 1: Members and Students in the UK and ROI

Number of Members in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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
2017	94,622	82,587	12,630	126,560	23,905	18,528	1,292	360,124
2018	98,049	82,762	12,450	128,626	24,275	18,934	1,458	366,554
% growth (17 - 18)	3.6	0.2	-1.4	1.6	1.5	2.2	12.8	1.8
% growth (14 - 18)	17.7	6.7	0.5	5.3	15.7	8.0	-7.4	9.2
% compound annual growth (14 - 18)	4.1	1.6	0.1	1.3	3.7	1.9	-1.9	2.2

Number of Students in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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
2017	82,124	48,263	1,857	20,946	6,655	3,837	127	163,809
2018	81,902	48,329	1,949	21,618	6,789	3,488	135	164,210
% growth (17 - 18)	-0.3	0.1	5.0	3.2	2.0	-9.1	6.3	0.2
% growth (14 - 18)	-1.6	-11.6	-3.3	29.4	3.8	14.1	-50.0	-1.4
% compound annual growth (14 - 18)	-0.4	-3.0	-0.8	6.6	0.9	3.3	-15.9	-0.3

Figure 2: Members and Students Worldwide

Number of Members Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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
2017	204,336	109,415	13,735	149,298	26,562	21,503	7,166	532,015
2018	214,319	110,493	13,358	151,761	27,367	22,028	8,164	547,490
% growth (17 - 18)	4.9	1.0	-2.7	1.6	3.0	2.4	13.9	2.9
% growth (14 - 18)	23.0	10.6	0.2	5.3	15.1	8.0	-11.7	12.9
% compound annual growth (14 - 18)	5.3	2.5	0.1	1.3	3.6	1.9	-3.1	3.1

Number of Students Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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
2017	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946
2018	431,821	117,817	4,749	28,700	6,792	3,488	5,458	598,825
% growth (17 - 18)	4.2	-7.4	7.9	3.0	2.0	-9.4	1.7	1.5
% growth (14 - 18)	15.6	-7.8	41.3	30.4	3.7	13.6	-39.8	9.8
% compound annual growth (14 - 18)	3.7	-2.0	9.0	6.9	0.9	3.2	-11.9	2.4

Figure 4: Sectoral Employment Worldwide 2018

No. of members	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Working in Practice	48,688	1,731	178	43,781	7,023	5,692	416	107,509
Industry & Commerce	123,217	81,569	1,455	59,553	16,269	10,124	7,070	299,257
Public Sector	21,056	8,743	6,216	4,580	1,290	931	50	42,866
Retired	13,715	14,074	3,020	24,107	1,528	4,033	607	61,084
Other	7,643	4,376	2,489	19,740	1,257	1,248	21	36,774
TOTAL	214,319	110,493	13,358	151,761	27,367	22,028	8,164	547,490

No. of students	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Working in Practice	40,505	154	0	22,740	5,393	3,108	107	72,007
Industry & Commerce	178,640	72,343	687	1,490	92	207	2,921	256,380
Public Sector	42,827	3,845	2,489	489	20	0	28	49,698
Retired	0	73	0	0	0	0	0	73
Other	169,849	41,402	1,573	3,981	1,287	173	2,402	220,667
TOTAL	431,821	117,817	4,749	28,700	6,792	3,488	5,458	598,825

Figure 5: Female Members Worldwide 2014 to 2018

% Female Members Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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%
2017	46%	35%	32%	28%	41%	34%	34%	36%
2018	47%	35%	33%	29%	42%	34%	36%	37%

Figure 6: Female Students Worldwide 2014 to 2018

% Female Students Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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%
2017	57%	48%	48%	43%	47%	44%	58%	49%
2018	58%	49%	48%	44%	47%	40%	58%	49%

Figure 7: Age of Members Worldwide 2014 and 2018⁵⁴

2014	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	940	117	0	175	42	38	198	1,510
25 - 34	45,924	17,743	959	24,851	8,461	5,852	1,845	105,635
35 - 44	65,468	34,589	2,194	31,481	7,102	4,284	3,550	148,668
45 - 54	37,729	24,739	4,111	35,734	4,439	3,613	1,779	112,144
55 - 64	14,915	12,571	2,930	25,528	2,221	3,030	1,064	62,259
65 and over	9,251	10,156	2,986	26,398	1,513	3,584	814	54,702
Not Stated	0	27	147	0	0	0	0	174
TOTAL	174,227	99,915	13,180	144,167	23,778	20,401	9,250	484,918

2018	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	1,157	148	0	403	≤ 3	25	47	1,781
25 - 34	57,246	15,740	542	27,390	7,947	5,210	704	114,779
35 - 44	76,507	36,536	1,986	31,225	8,979	5,713	2,393	163,339
45 - 54	49,832	30,447	3,533	34,562	5,436	3,729	2,608	130,147
55 - 64	19,261	14,951	3,070	27,640	2,870	3,145	1,044	71,981
65 and over	10,316	12,631	3,532	30,541	2,128	4,206	1,349	64,703
Not Stated	0	40	695	0	6	0	19	760
TOTAL	214,319	110,493	13,358	151,761	27,367	22,028	8,164	547,490

⁵⁴ In compliance with the General Data Protection Regulation (GDPR), statistics in relation to 3 individuals or less are expressed as "≤ 3" to mitigate the risk of those individuals being identified.

Figure 8: Age of Students Worldwide 2014 and 2018

2014	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	111,708	37,212	133	11,160	2,471	1,717	4,399	168,800
25 - 34	181,573	51,983	966	9,964	3,343	968	2,629	251,426
35 - 44	62,266	26,464	849	702	548	22	1,516	92,367
45 and over	18,121	10,952	754	175	184	≤ 3	520	30,707
Not Stated	0	1,202	660	0	≤ 3	363	0	2,227
TOTAL	373,668	127,813	3,362	22,001	6,548	3,071	9,064	545,527

2018	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	170,686	41,040	125	15,211	2,636	1,839	2,443	233,980
25 - 34	173,679	39,460	871	12,596	3,348	1,257	1,271	232,482
35 - 44	66,045	24,910	1,066	724	603	99	917	94,364
45 and over	21,411	12,199	919	169	167	17	827	35,709
Not Stated	0	208	1,768	0	38	276	0	2,290
TOTAL	431,821	117,817	4,749	28,700	6,792	3,488	5,458	598,825

Figure 10: Location of Students 2018

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
UK & ROI	81,902	48,329	1,949	21,618	6,789	3,488	1,458	165,533
Rest of the World	349,919	69,488	2,800	7,082	≤ 3	0	6,706	435,998
TOTAL	431,821	117,817	4,749	28,700	6,792	3,488	8,164	601,531

Figure 11: Profile of Students Worldwide 2018

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
≤ 1 Year	96,170	23,727	610	8,312	1,657	833	220	131,529
>1 - 2 Years	76,333	24,657	594	6,837	1,476	961	401	111,259
> 2 - 3 Years	54,826	16,054	621	5,935	1,414	914	539	80,303
> 3 - 4 Years	38,800	10,137	719	4,745	1,189	210	676	56,476
> 4 - 5 Years	28,657	7,702	1,027	1,347	409	316	822	40,280
≥ 5 Years	137,035	35,540	1,178	1,524	647	254	2,800	178,978
TOTAL	431,821	117,817	4,749	28,700	6,792	3,488	5,458	598,825

Figure 12: Graduate Entrants Worldwide 2018

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA
Holding a Degree	38%	49%	19%	73%	92%	93%	30%
Holding a Relevant Degree	21%	36%	9%	26%	73%	40%	25%

Figure 14: AAT Age of Members and Students Worldwide 2018

	Members		Students	
	No.	%	No.	%
Under 25	2,958	6%	32,870	33%
25 - 34	10,713	20%	31,431	32%
35 - 44	12,341	23%	20,937	21%
45 and over	26,571	51%	13,655	14%
Not Stated	≤ 3	0%	4	0%
TOTAL	52,584	100%	98,897	100%

Figure 16: Income Worldwide 2014 to 2018

£m	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
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
2017	202.0	58.9	24.1	120.0	26.8	17.5	1.8	451.1
2018	208.8	55.4	26.0	125.4	28.1	17.8	1.7	463.2

Figure 17: Average Income from Members and Students Worldwide 2014 to 2018

£	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2014	285	238	377	442	590	635	82	314
2015	299	206	413	486	575	660	124	325
2016	290	210	415	490	671	631	150	324
2017	315	214	403	525	707	651	136	345
2018	307	218	381	547	664	658	117	345
% growth (14 - 18)	7.9	-8.2	0.9	23.8	12.5	3.7	43.4	9.6

Figure 18: Breakdown of Income 2018

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Fees & Subscriptions	97.1	36.5	3.1	49.6	10.2	7.8	1.5	205.8
Education & Exam Fees	95.3	13.3	3.8	13.6	9.3	6.9	0.1	142.3
Regulation & Discipline	6.1	0.0	0.0	35.5	3.1	2.1	0.0	46.8
Commercial Activities	7.2	5.0	18.9	18.1	3.5	0.8	0.0	53.5
Other (Including Investment Income)	3.1	0.6	0.2	8.6	1.9	0.2	0.1	14.7
TOTAL	208.8	55.4	26.0	125.4	28.1	17.8	1.7	463.2

Figure 36: Growth of Fee Income 2016/17 and 2017/18

Growth Rate %		2016-17	2017-18
Total Fee Income	Big Four Firms	6.0%	4.7%
	Non Big Four Firms	2.4%	-8.1%
Audit Fee Income	Big Four Firms	5.7%	1.7%
	Non Big Four Firms	3.0%	-6.3%
Non-Audit Work to Audit Clients Fee Income	Big Four Firms	-8.9%	-8.4%
	Non Big Four Firms	-12.7%	-2.3%
Non-Audit Work to Non-Audit Clients Fee Income	Big Four Firms	8.5%	7.3%
	Non Big Four Firms	6.1%	-10.1%

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 team – part of the FRC
ARC	Audit Registration Committee (ICAEW term)
Audit - Qualification	Is the qualification that is provided by an RQB to its members
Audit Services	<p>Audit services are:</p> <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; and • 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 (PwC); KPMG; Deloitte; and EY.
ICAI/CAI	Institute of 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	International market for the admission and trading of equity, debt and other securities.
Non –audit services	<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>
PSED	Public Sector Equality Duty introduced by the Equality Act 2010. The duty covers age, disability, sex, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief and sexual orientation.
QAC	Quality Assurance Committee (CAI term)
QAD	Quality Assurance Directorate (ICAEW term)
RI	Responsible Individuals/ statutory auditor 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 five 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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