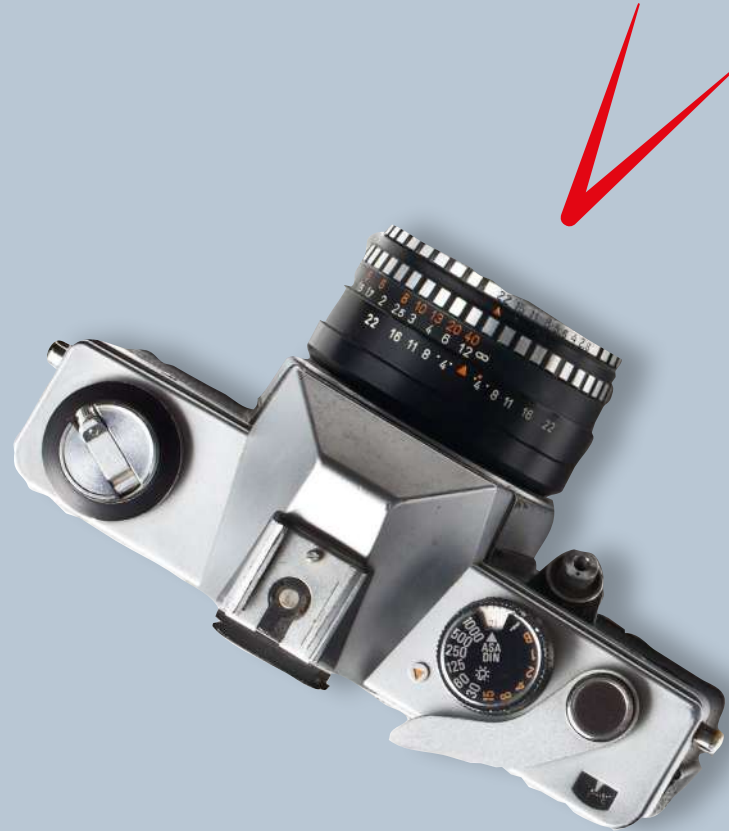




SNAPSHOT OF AUDIT RESULTS

AUDIT MONITORING REPORT 2025



PROFESSIONAL
STANDARDS
DEPARTMENT

Who we are and what we do

ICAEW registers c. 2,000 firms to conduct audit work and plays a significant role monitoring the quality of non-Public Interest Entity (PIE) audit work in the UK. It is the largest UK recognised supervisory body, with responsibilities delegated by the Financial Reporting Council (FRC), the UK Competent Authority.

ICAEW's approach is to work as an improvement regulator, helping members and firms maintain high professional standards and holding them to those standards.

[Access further information about ICAEW's audit monitoring review process](#)

Independent decision-making

The work of ICAEW's Professional Standards' staff is overseen by the Audit Registration Committee (ARC). This committee is independent from staff and comprises of a parity of lay and chartered accountants with a lay chair who has a casting vote. This maintains an important balance of technical insight from the chartered accountant members and public interest insight from the lay members.

ICAEW's governance structure ensures its regulatory and conduct roles are not influenced by its representative functions. View [Appendix 1](#) for more information about the oversight and governance of ICAEW's regulation and conduct activity. A broader overview of our regulatory work is available in the [ICAEW Regulation and Conduct Annual Report: Protecting the public interest](#)

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Audit quality

In 2024 we completed 401 audit monitoring visits, incorporating the review of firms' work on 790 audits. The overall picture of audit quality across the firms we reviewed in 2024 was that 67% of audits were good or generally acceptable. This is lower than results across the firms we reviewed in 2023 when 71% of those audits were good or generally acceptable. However, the figure for audits requiring significant improvement remains lower at 10%. Where audits were found to require significant improvement, this does not necessarily mean that the audit opinion was incorrect.

Overall results do not give the full picture for many reasons, including the highly diverse nature of our audit firms and their audit clients. Except for Big Four firms that we visit annually, it is not possible to make direct year on year comparisons because there is a different population of firms in scope each year.

In 2024, 90% of the audits we reviewed at Big Four firms were either good or generally acceptable. Only one audit required significant improvement.

79% of the audits we reviewed at firms we categorise as large or medium-sized¹ were either good or generally acceptable, only 5% required significant improvement.

Most of our smaller firms are micro entities and experience the same range of vulnerabilities as any small owner-managed business including the difficulty of recruiting and retaining the right levels of expertise. Small audit firms play a big part in providing access to audit services to many small corporates, local charities and co-operative and community benefit societies across the UK. Their continued presence and success in the audit market is very important, but of course they must maintain audit quality supported by appropriate quality management procedures in order to serve the public interest.

In this report, we outline some of the principal findings from audit monitoring. We will expand on these and other findings in our 2025 series of webinars: [Audit monitoring insights](#).

Quality management: ISQM 1

Firms have invested considerable time and resources to enhance their whole firm procedures, moving to a system of quality management as required by ISQM 1. It is a scalable standard, and we have developed a scaled monitoring approach.

Large and medium-sized firms have been very positive about the opportunity to reassess their internal systems, benefiting from new procedures and controls that have been designed for their own circumstances.

The smallest firms do not necessarily need formal, complex or extensively documented quality management systems. There is a range of guidance and support available from training providers and ICAEW, which we have seen many firms apply successfully to their own circumstances.

¹ Typically those with more than 200 audits, including the Big Four.

90%

of the audits we reviewed at Big Four firms were either good or generally acceptable

Audit quality continued

Having appropriate routines to monitor audit quality will enable a firm to identify emerging quality risks or other weaknesses, then remediate and resolve issues for itself.

Risk monitoring

Work within our audit risk team continues, enabling us to identify proactively emerging risks within our audit firm population. Our primary objective is to check that firms are aware of, and effectively manage, potential risks that they may be taking in their audit portfolio.

Changes to the Audit Regulations in 2025 will require firms to notify ICAEW about the movement of certain audits (for example those that are more complex or likely to be high risk). The requirement will provide richer and more timely information to enhance this important work.

Continuing professional development (CPD) monitoring

Firms continue to report competence and training among the key root causes of poorer quality audit work. The ICAEW CPD Regulations introduced on 1 November 2023 have provided a better structure to help firms address these issues. CPD monitoring, which is separate from audit monitoring, will begin in 2025 and will include audit firms and responsible individuals. Once established, we will share insights and best practice from this work with all ICAEW members and firms, including our registered auditors.

Small and medium-sized enterprise (SME) audits

The FRC is running a year-long campaign in 2025 to help SMEs access audit services and reduce reporting burdens where possible. The initiative in turn aims to improve SME access to capital and to support their growth ambitions.

We review many SME audits each year and recognise the challenges that some firms have in applying the International Standards on Auditing (ISAs) proportionately to simpler audits. We have always recognised that ISAs are scalable in our monitoring approach and conclusions. We greatly welcome the intended re-introduction of a Practice Note to help auditors of SMEs. The previous Practice Note 26, withdrawn by the FRC in 2018, was valued by firms of all sizes.



ICAEW Quality Assurance Department

“Having appropriate routines to monitor audit quality will enable a firm to identify emerging quality risks or other weaknesses, then remediate and resolve issues for itself.”

67%
good or generally
acceptable



Read more

→ [Auditing Accounting Estimates](#)

→ [What good looks like - Audit of accounting estimates](#)

Common weaknesses

Risk assessment

ISA 315 (revised 2020) introduced a range of changes to the previous standard, with a clearer emphasis in some areas such as the understanding of IT systems and controls. IT systems and controls are particularly important in larger businesses and those that are tech-focused. Where there are complex IT systems, the 'understanding' may require more specialist expertise within the audit firm, which is not always recognised. Our more significant concerns include audited entities with complex IT systems where there has been little consideration of these systems by the audit team and application of a predominantly substantive audit approach.

We also find some cases where firms have made judgements that certain balances or audit assertions are 'low risk' and plan little or no audit work. Where there is insufficient justification of those judgements leading to the 'low risk' assessment, we may have concern about the lack of underlying audit evidence in those areas.

Suggested ICAEW resource:
[Auditing Accounting Estimates](#)

Fraud and error

The risk of management override of controls is an audit risk that must be addressed and cannot be rebutted. Audit risks from fraud and error in general must be assessed without consideration of internal controls – although evidence of a strong control environment can then be mitigation for the fraud risks when planning appropriate audit work.

Some audit firms have embraced technology to assist in their work on journal entries to address the risk of management override. This is an example of how technology can support robust audit work, but the auditor still needs to carefully consider appropriate parameters in the software to identify 'outliers'. We see some cases where firms simply use default settings that may be inappropriate for that particular audited entity.

Estimates and judgements

Estimates and judgements are inherently difficult, so often feature as factors behind weaker audit work. Whether dealing with accounting for a long-term contract, or valuation of an intangible, the auditor must understand the substance of the product or asset behind the numbers, and how the numbers in the financial statements are influenced by changes in assumptions and other uncertainties. Simply completing a checklist will offer limited assistance.

Suggested ICAEW resource:
[What good looks like - Audit of accounting estimates](#)

Experts and service organisations

Experts (whether engaged by management or the auditor itself) assist in areas subject to estimates and judgements. Service organisations may be part of the processes within scope of an audit. For example, as a payroll bureau supporting SMEs, or a third-party administrator conducting the day-to-day activities of a pension scheme.



ICAEW Quality Assurance Department

"[Substantive analytical procedures] can enable the auditor to build a rich understanding of the audited entity's business, and the factors that may contribute to its success, or ultimate failure."

**Read more**

→ [Making sense of sampling and substantive analytical review](#)

→ [Audit sampling and how to improve it](#)

Common weaknesses continued

There are particular audit requirements in each case but, in general, the auditor must gain a sufficient understanding of what the expert or service organisation is doing. The auditor must assess this by gathering appropriate audit evidence.

Good audit quality is seen when audit teams gain good understanding of third parties and service organisations, reviewing details of assumptions applied or controls in place at the third party, and hold discussions with the third party about their work.

Substantive analytical procedures

Substantive analytical procedures – predictive audit testing where assumptions are anchored in evidence-based criteria – are potentially some of the stronger sources of audit evidence. These can enable the auditor to build a rich understanding of the audited entity's business, and the factors that may contribute to its success, or ultimate failure.

However, these audit procedures require experience. Too frequently inexperienced staff will perform this work poorly, using simple comparisons to previous years or apply very generic inflation or similar factors that simply do not provide the quality of audit evidence required.

Suggested ICAEW resource:
[Making sense of sampling and substantive analytical review](#)

Sampling

The removal of so-called sample size 'caps' from commercial audit methodologies in recent years has caused some issues for firms. We would encourage all firms to ensure that they fully understand how their methodology reflects all elements of ISA 530 – which not only include statistical/calculated sample sizes, but also judgemental sampling options. It was never supportable to say 'my sample is calculated as 234 but [methodology] says I only need to pick 50' without further explanation.

Our more significant concerns about sampling will generally be centred around:

- very low, unjustified sample sizes
- reductions in sample size taken for non-existent evidence from substantive analytical procedures and/or operating effectiveness of controls
- a sampling methodology applied where there is no chance of selection from a material sub-set of the population.

Suggested ICAEW resource:
[Audit sampling and how to improve it](#)



ICAEW Quality Assurance Department

"Resource challenges such as a lack of audit staff leading to additional pressure on the RI's capacity are a significant risk to audit quality."



Read more

→ [Ways to enhance root cause analysis](#)

→ [Practising Auditor Competency Framework](#)

Root causes

Responsible individual review and resources

"The cause of this failure was the result of [the RI] personally taking over the conclusion of the audit."

ICAEW firm

The role of the RI, and their experience in review of the results of the audit work and financial statements is of course critical to a successful audit. However, most RIs need strong support from an audit team in order to perform their role effectively. Resource challenges such as a lack of audit staff leading to additional pressure on the RI's capacity are a significant risk to audit quality.

Suggested ICAEW resource:
[Ways to enhance root cause analysis](#)

Competence and training

"There were some instances, where the cause of the weaknesses was down to lack of understanding of aspects of accounting standards or auditing techniques."

ICAEW firm

Competence and training have been identified by firms as a root cause of poor audit work consistently since we started requiring root cause analysis in 2020.

This is not simply a lack of hours spent on audit update courses, but a much broader challenge:

- How well do staff (and sometimes even the RI) *understand* what they are doing?
- What does that asset, liability or reserve in the financial statements really represent?
- Are some just ticking a checklist, agreeing a number to the previous year's accounts, or copying what was done in last year's file?

Meaningful engagement with training organisations, with a combination of file reviews and tailored audit training courses for the firm linked to the results of those file reviews, is a good first step for firms that are experiencing shortfalls in the competence of their audit teams. Many successful smaller audit firms have worked closely with one or more of the training organisations in this way for many years.

Suggested ICAEW resource:
[Practising Auditor Competency Framework](#)

Ways of working and other challenges

"Prior to the pandemic none of our audit staff worked remotely, whereas currently staff maintain a mixture of some office days and some remote working days. As a result of this a lot more audit work and reviewing of work has been done on screen as opposed to the more manual approach we have traditionally followed."

ICAEW firm

Ways of working for both audit staff and those at their clients have changed. The reality for many small audit firms is that even today they are still dealing with the fallout from the exceptional circumstances caused by the coronavirus pandemic.

Ethical standards

Independence and objectivity are fundamental expectations on auditors. Smaller firms frequently need to address threats to independence from non-audit services and aspects of long association. Generally, we see the application of suitable safeguards that balance auditor independence with the support that smaller audit clients frequently require.

Serious independence threats are not common but during 2024, as in previous years, we saw cases of:

- individuals within firms, or connected entities acting as:
 - company secretary to audit clients
 - trustee for a trust with a material interest in an audit client
- non-audit services provided on a contingent fee basis (normally linked to capital allowances or similar work)
- business or personal relationships that represent insurmountable threats to independence.

The committee will normally refer serious independence threats for further investigation or offer a regulatory penalty.

Suggested ICAEW resource:
[Webinar recording: Revised Ethical Standard 2024](#)



ICAEW firm

“The reviewer raised a number of very valid and constructive points and recommendations during her visit and we were very impressed by the quality of her file reviews in the relatively short period she had to review them. Also, some very helpful firm-wide recommendations.”



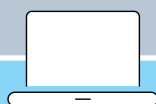
Further information

→ [Webinar recording: Revised Ethical Standard 2024](#)



ICAEW Quality Assurance Department

"Ineligibility for audit registration is the second most common reason that firms are reported to the Audit Registration Committee."

**Read more**

- [Audit Regulations and Guidance](#)
- [Eligibility considerations when making changes to your firm structure](#)
- [Eligibility case studies - stay alert to these common pitfalls](#)
- [Check and monitor your firm's audit eligibility](#)

Eligibility

Ineligibility for audit registration is the second most common reason that firms are reported to the Audit Registration Committee, second only to significant audit quality issues. The requirements vary according to the legal structure of a firm but in general all firms should ensure they monitor:

- control (by either those with an appropriate qualification, or another registered auditor); and
- principals in the firm (all either members of a recognised supervisory body, or ICAEW audit affiliates).

It is essential that all firms are familiar with the detailed requirements for the legal structure of their firm as set out in Section 2 of the [Audit Regulations and Guidance](#).

In particular, firms should be aware of, and have reviewed, the changes to the Audit Regulations regarding audit firm control that took place in October 2024.

Any changes must be notified to ICAEW within 10 business days via our standing data forms and not via the annual return.

[Eligibility considerations when making changes to your firm structure](#)

[Eligibility case studies - stay alert to these common pitfalls](#)

[Check and monitor your firm's audit eligibility](#)

The 'family' audit firm

Every year we find at least one small audit firm that has appointed a family member as a principal in the firm. Typically, there is no intention that the family member has an active role in client work. However, this results in the firm being ineligible for audit registration because all directors, LLP members or partners are principals for the purposes of the Audit Regulations (as well as other relevant ICAEW regulations).



ICAEW firm

"The reviewer provided helpful insights into our continuing quality management process including methods of ensuring our ISQM 1 risk assessment process had provided as complete as possible coverage of the potential risks."

Focus on audit quality in smaller firms

Case study: **An audit specialist firm**

A firm with:

4 RIs

35 audit staff

8 managers

about 180 audit clients

It was connected to a larger non-audit practice.

It sourced audit training from various sources including training organisations, ICAEW and a Big Four firm. The RIs kept comprehensive training records including consideration of International Education Standard (IES) 8. All audit staff received regular performance appraisals.

The firm implemented ISQM 1 with some assistance from an external consultant. Its monitoring

activities include internal cold file reviews. These reviews were not graded as the firm considered that grading would not be beneficial to the atmosphere and culture of quality that the RIs are trying to encourage.

We reviewed four audit files, including aspects of work on a small listed entity. We concluded that all of the audit work we reviewed was good.

Case study: **Audit out of focus**

A firm with:

2 RIs

1 audit staff

4 small audits

Each of the RIs and staff sourced their audit training independently, and there were few records of any training undertaken in recent years.

The firm had not implemented ISQM 1. We saw some evidence of the firm's review of whole-firm procedures but no evidence of cold file reviews since 2020.

Both audit files we reviewed needed improvement, and one needed significant improvement. There were a wide range of

weaknesses in the files, and the firm did not identify root causes beyond the need to document and understand aspects of the audits better.

As a result, the committee placed a condition on the firm's audit registration requiring external hot file reviews on all audits until further notice. It placed additional conditions requiring information about the firm's subsequent implementation of ISQM 1 and its audit training for the following year.

1,996

Number of audit firms

Focus on audit quality in smaller firms continued

Case study: **Success with a very small audit portfolio**

A firm with:

2 RIs

3 audit clients

1 qualified member of staff

2 trainees

It had implemented ISQM 1 using documentation from a training provider. The firm supplemented regular internal cold file reviews with periodic external hot file reviews from a second training provider. It sourced audit training

courses from a third training provider, and the RIs carefully monitored staff attendance at these courses.

We reviewed two audit files and concluded that both were good.

Case study: **Sole practice**

A firm with:

1 RI

2 audit staff

The firm had worked on up to 5 audits in recent years although this had reduced to 2 at the time of our visit.

The firm had used documentation from a training provider to implement ISQM 1 and there had been two external cold file reviews about six months before our visit. The firm sourced its audit training from a training organisation and both the RI and staff kept very detailed training records using a template developed within the firm.

We reviewed one audit and aspects of work on a second audit, concluding that all of the audit work we reviewed was good.

Focus on audit quality in smaller firms continued

Case study: Imbalance between growth and resources

A sole practice with:

9 members of staff

13 audits

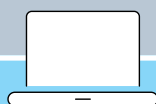
1 small listed entity from which the firm had recently resigned. It had started to use some subcontracted audit staff from an overseas firm.

The firm's policy was to engage a training organisation to conduct cold file reviews, although there had been a significant gap of more than two years in these reviews since our previous audit monitoring visit. Audit training consisted of a combination of reading and external webinars, but again very little CPD had been undertaken between 2021 and 2024. Despite taking on the listed client, there was no evidence of training to cover IFRS or relevant listing rules.

We concluded that both audit files we reviewed needed improvement, and the listed file needed significant improvement.

The firm provided thoughtful responses and showed good insight through its root cause analysis. It acknowledged that it had over-estimated the reliance that could be taken on subcontractors' work and that it had faced technical challenges in maintaining a shared file of electronic working papers.

As a result, the committee placed conditions on the firm's audit registration including requirement for a series of external cold file reviews and additional training. Furthermore, a restriction was imposed, requiring the firm to obtain the committee's permission to take on any listed audit clients.



2025 webinars

→ [Register for Audit monitoring insights: smaller firms](#)



ICAEW firm

"Advice on the compliance and approach to ISQM which we found very helpful as this is an area where we did have questions and the reviewer answered any we had, so will help us as a practice, going forward."

ISQM 1

Many firms have invested considerable time and resources in the implementation of a system of quality management over the past three years. From what we have seen, most smaller firms use documentation from one of the training providers to support them. Where auditors have engaged with the scalability of the standard many are positive about the new requirements and their impact on the culture of audit quality within their firm.

Some firms have deliberately moved away from a tick-box checklist approach to focus on quality management. They have recognised that this has given their firm more confidence in its own compliance (even if not an easy process). Generally, the better the understanding of the role of a quality management system, together with a culture of collective accountability rather than one of blame, the more effective its approach.

Examples of useful strategies that some firms have adopted:

Monitoring of completed engagements (cold file reviews or CFRs)

- A more proactive risk-based approach to what is reviewed including cyclical coverage of audit engagements in specialist sectors.
- Consideration of the timing of reviews undertaken in context of any resulting root cause analysis, remediation and further monitoring to provide an opportunity to demonstrate that any deficiencies have been remediated at the time of the annual evaluation.
- More frequent CFRs and other reviews (but not necessarily more in total).

Other monitoring activities

- More focus on controls over attendance at mandatory audit training and monitoring of those controls.
- Additional focused/targeted reviews in addition to CFRs, for example to check the application of ethical safeguards and compliance with client acceptance/re-acceptance policies.

Root cause analysis (RCA)

Most firms have at least started to undertake RCA. Sometimes it is not clear that firms have always reached the root cause – and may need to ask some more 'why' questions to properly resolve weaknesses in audit quality.

Some firms have adopted RCA for identified deficiencies from CFRs but have not applied RCA to deficiencies they may have identified from other monitoring activities.

ISQM 1 continued

Remediation

These are still relatively early days, but where firms' RCA is identifying that remediation will involve training, there is some evidence that firms have taken more targeted action. For example with bespoke, tailored in-house training (eg, roundtables with case studies) or externally delivered or facilitated training that is specific to a smaller firm's needs.

Annual evaluation

Our experience has been variable. Some smaller firms have only supported their conclusion with very brief notes, although in a good number of these cases we have concluded this was adequate in the circumstances.

Our key messages are:

- The ISQM 1 monitoring and remediation cycle, appropriately applied in a way that is fit for purpose for your firm, should give you great confidence in your own system of quality management.
- We take considerable assurance on visits when we see that firms are taking monitoring and remediation seriously, especially with evidence of issues identified and appropriately resolved.
- All firms must complete their annual evaluation at least once a year and the conclusion should be appropriately linked to the results of your monitoring and remediation activities.

Our monitoring visits are designed to support scalability in firms applying the ISQM 1 requirements. We do not expect one size to fit all.

[Visit our ISQM 1 hub](#)

[Register for our 2025 audit monitoring insights webinar: ISQM 1 implementation](#)



Read more

- [Visit our ISQM 1 hub](#)
- [Register for our 2025 audit monitoring insights webinar: ISQM 1 implementation](#)

401

Audit monitoring visits completed

Audit monitoring results

The following graphs show the results of our audit monitoring visits in 2023 and 2024, both in terms of the audit quality in audit files we reviewed, and the overall outcomes of our visits.

Overall conclusions are drawn at a firm-wide level for each monitoring visit.

The visit outcome for each firm incorporates not only an assessment of overall audit quality (considering all file reviews carried out at the firm) but also:

- an assessment of the adequacy of the firm's policies and procedures (non-PIE firms only);

- evaluation of the firm's root cause analysis for more significant findings; and
- the firm's commitment and ability to address the findings.

These assessments can result in very different visit outcomes.

Follow-up action may include:

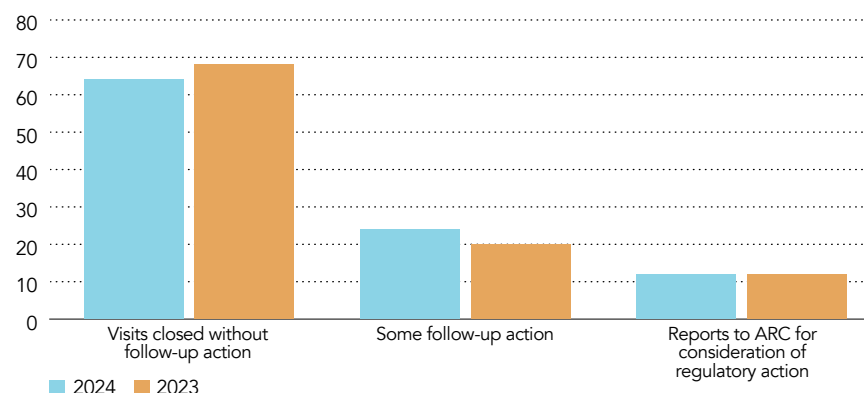
- a request for further details of a firm's planned actions
- submission of cold file reviews of subsequent audits
- details of audit training courses.

Regulatory action taken by ARC can include

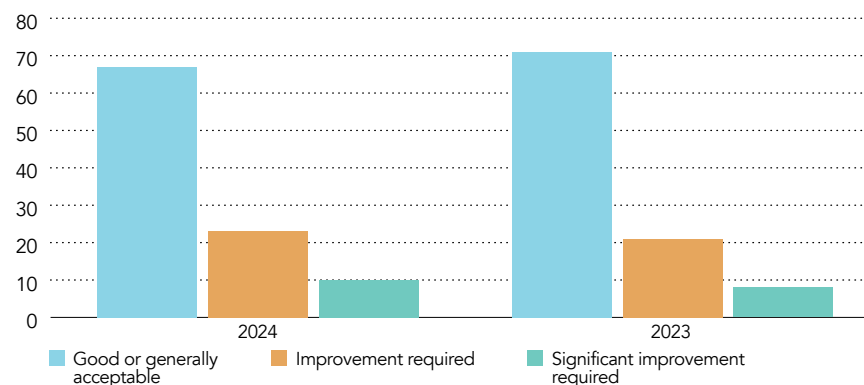
- formal conditions on a firm to undertake hot or cold file reviews on all, or a selection of audits
- restrictions on acceptance of new audits, or new listed audits
- regulatory penalties or referral to the Conduct Department for further investigation
- withdrawal of audit registration.

During 2024, ARC imposed conditions or restrictions on the audit registration of 41 firms.

Outcomes: audit monitoring visits (%)



Audit quality: audit files reviewed (%)



Crossing the Line

Crossing the Line is ICAEW's fourth training film. It takes viewers into the high-stakes worlds of top flight football club, Scarbridge FC, a fast-growing software company, Xoltic, and the two audit teams navigating the complexities of signing off their accounts – and crucially, reveals how their paths intertwine in unexpected ways and ultimately asks: when do actions 'cross the line'?

Use the film and accompanying Facilitator's Guide to explore core audit themes with your teams in a dynamic and engaging way. These include corporate governance, the disclosure of contingent liabilities, auditor independence, revenue recognition and engagement quality reviews.



How to watch the film

[icaew.com/crossingtheline](https://www.icaew.com/crossingtheline)

Organisations we worked with:

- Audit Wales
- Northern Ireland Audit Office
- Audit Scotland
- Jersey Audit Office
- Tynwald Auditor General
- NHS England
- Guernsey Registry
- Isle of Man Financial Services Authority
- Gibraltar and the Cayman Islands

Other audit monitoring work

Local public audit

ICAEW is the recognised supervisory body under the Local Audit and Accountability Act 2014 for audit firms registered to carry out local public audit work in England.

During 2024 our activity was subject to the commitment that we gave, alongside the FRC, not to perform further reviews of routine local government audits for financial years up to and including 2022/23 unless there was a clear case in the public interest to do so. This measure supports the local audit system to recover from delays in the publication of audited accounts.

In 2024 we completed local public audit monitoring visits to five audit firms, incorporating the review of firms' work on 11 audits. Eight audits were good or generally acceptable, one audit required improvement, and two audit reviews were restricted in scope and not graded.

We also carried out audit monitoring work under contract for Audit Wales, Northern Ireland Audit Office, Audit Scotland, Jersey Audit Office, the Tynwald Auditor General and NHS England.

Crown Dependencies and British Overseas Territories

ICAEW is a body approved by the Jersey Financial Services Commission, Guernsey Registry and Isle of Man Financial Services Authority to monitor the compliance of auditors with rules for the audit of market traded companies. We completed six visits in 2024. Five firms had no audits, and the one file reviewed was generally acceptable.

We also carried out audit monitoring work under contract in Gibraltar and the Cayman Islands.



ICAEW firm

"Being a smaller firm there are times when we feel a bit detached from the wider audit world and being able to talk through current issues was a great opportunity. It was the kind of interaction you only get by talking to lecturers at courses or peer group/ external reviewers. And you don't get this interaction at online courses which are of course predominant nowadays."

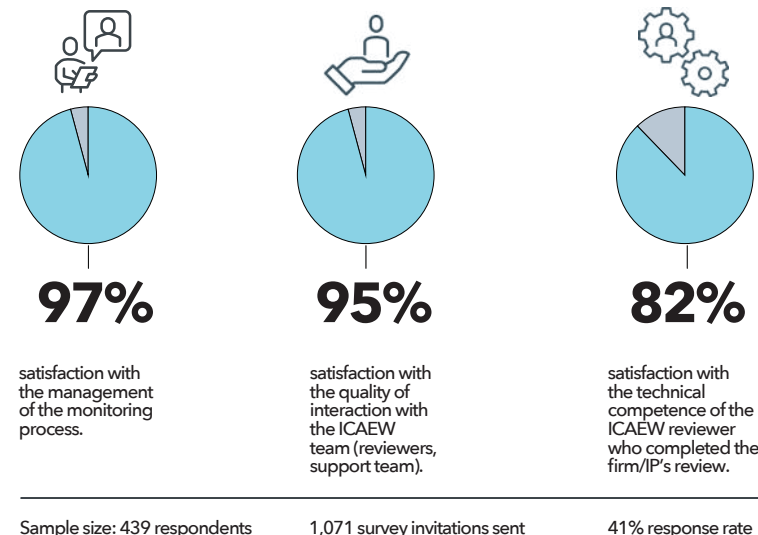
Feedback from firms

After each quality assurance monitoring review, firms are asked to complete an anonymous survey, providing feedback on the review process, the quality of interaction and the support provided.

These survey responses are collated and analysed by an independent research agency and we receive a quarterly and annual overview report which we use to support the continuous improvement of our monitoring processes and procedures.

In Q4 2024 we had our highest ever response rate of 50%. Over the year, 97% of firms were satisfied with how we managed the review process, and 95% were satisfied with the interaction with our reviewers and the wider quality assurance team.

Quality Assurance Monitoring Feedback Figures 2024



Help and support from ICAEW

Audit monitoring insights - smaller
audit firms and less complex audits

Thursday 3 July 2025

13:00-14:00 BST

[Register now](#)



→ [CPD Learning and resources](#)

→ [Audit News](#)

→ [Regulation and Conduct
News](#)

→ [Helpsheets](#)

Audit monitoring insights - larger
audit firms and complex audits

Thursday 10 July 2025

13:00-14:00 BST

[Register now](#)



→ [Quality management](#)

→ [Corporate Reporting Faculty](#)

→ [Audit Guidance](#)

Technical Advisory Services
- for help with your technical
questions

+44 (0)1908 248 250

Audit monitoring insights -
ISQM 1 implementation

Tuesday 23 September 2025

13:00-14:00 BST

[Register now](#)



→ [Regulation and Conduct
LinkedIn](#)

→ [Audit and Assurance Faculty](#)

Regulatory Support - for help
with maintaining your firm record

+44 (0)1908 546 302

Appendix 1: Oversight of ICAEW's regulatory and conduct work

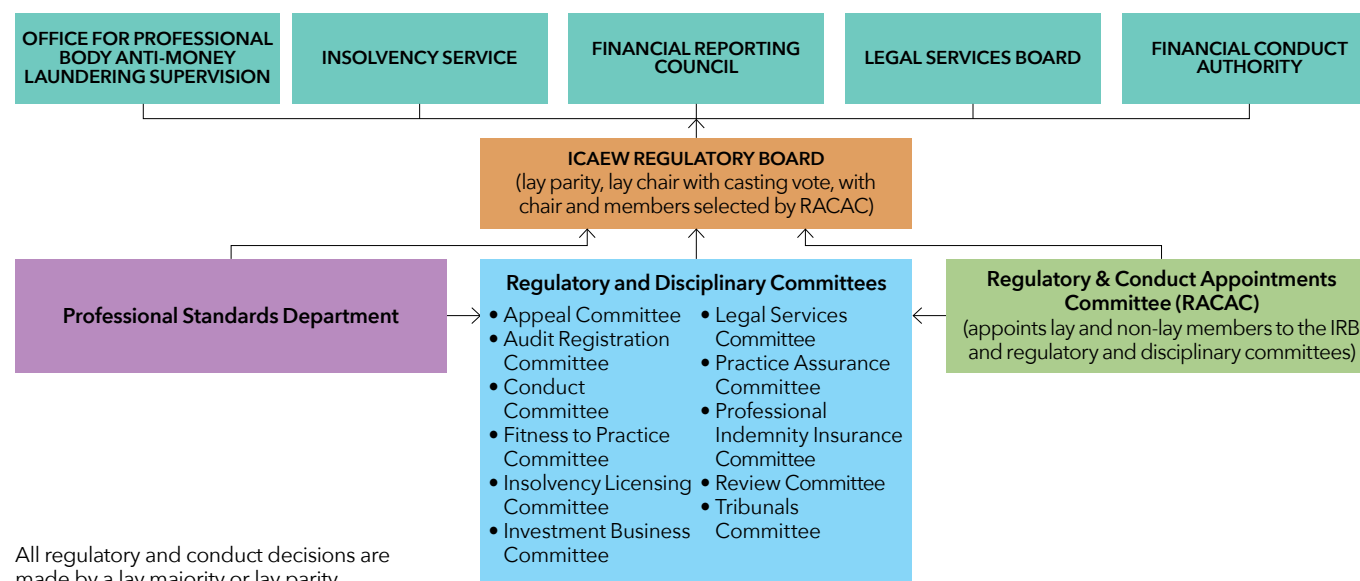
APPENDIX 1: OVERSIGHT OF ICAEW'S REGULATORY AND CONDUCT ROLES

ICAEW's regulatory and conduct work is monitored by oversight regulators including the Financial

Reporting Council (FRC), the Office for Professional Body Anti-Money Laundering Supervision (OPBAS),

the Insolvency Service, the Financial Conduct Authority (FCA) and the Legal Services Board (LSB).

ICAEW regulatory and conduct oversight structure



ICAEW's regulatory and conduct roles

Our role as an improvement regulator is to strengthen confidence and trust in those regulated by ICAEW. We do this by enabling, evaluating and enforcing the standards expected by the profession, oversight regulators and government.

ICAEW's regulation and conduct roles are separated from ICAEW's other activities through internal governance so that we can monitor, support and take steps to ensure change if standards are not met. These roles are carried out by the Professional Standards Department and overseen by the ICAEW Regulatory Board and oversight regulators including the Financial Reporting Council, Office for Professional Body Anti-Money Laundering Supervision, the Insolvency Service and the Legal Services Board.

We:

- **authorise** firms and individuals to undertake work regulated by law: audit, local audit, investment business, insolvency and probate;
- **support** professional standards in general accountancy practice through our Practice Assurance scheme;
- **provide** robust anti-money laundering supervision and monitoring;
- **monitor** registered firms and individuals to ensure they operate in accordance with laws, regulations and expected professional standards;
- **investigate** complaints and hold ICAEW Chartered Accountants and students, ICAEW-supervised firms and regulated and affiliated individuals to account where they fall short of the required standards;
- **respond** and comment on proposed changes to the law and regulation; and
- **educate** through guidance and advice to help ICAEW's regulated community comply with laws, regulations and expected professional standards.

Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 208,000 members and students around the world. 99 of the top 100 global brands employ ICAEW Chartered Accountants.*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 11,500 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is working towards becoming net zero, demonstrating our commitment to tackle climate change and supporting the UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

[charteredaccountantsworldwide.com](https://www.charteredaccountantsworldwide.com)
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ICAEW is working
towards becoming net
zero

* includes parent companies. Source: ICAEW member data March 2025, Interbrand, Best Global Brands 2024