



Financial Reporting Council

KEY FACTS AND TRENDS IN THE ACCOUNTANCY PROFESSION

JULY 2018

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Key Facts and Trends in the Accountancy Profession

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Foreword

This is the sixteenth 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) and the Association of Accounting Technicians (AAT). In the sections below, the tables on members show data for the UK and the Republic of Ireland (ROI), and separately, worldwide data. We include the UK and ROI figures together, partly because members and firms are entitled to practise in both jurisdictions and partly because in some cases it is difficult for the bodies to separate the data. However, the Irish Auditing and Accounting Supervisory Authority (IAASA) publishes certain information relating specifically to the ROI, which is available at <http://www.iaasa.ie>.

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

Following feedback received on our 2017 publication, we have included this year new data in relation to diversity. We sought information from the accountancy bodies and relevant firms² on specific diversity indicators as well as their diversity policies and procedures. By including this information for the first time we hope that it will promote greater transparency and help support greater diversity in the profession in the future. Diversity is a major theme in the FRC's strategy for 2018-21 and the FRC's Chief Executive is a member of the BEIS Ministerial Task Force on Diversity.

The key trends in 2016/17 are that the number of members and students has increased worldwide; the number of audit firms registered with the recognised supervisory bodies (RSBs) continue to decline; the total fee income of the audit firms which audit Public Interest Entities (PIEs³) has increased, although there has been a notable decrease in the fee income for non-audit work for audit clients (this may be due to the more stringent independence requirements placed on auditors by the Audit Regulation Directive in June 2016).

We are grateful to those that took the time to complete our questionnaire on how we can continue to improve this publication. We would again welcome comments on Key Facts and Trends in the Accountancy Profession by way of a short questionnaire <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 Relevant firms are audit firms which audited a Public Interest Entity (PIE) during the 2016/2017 period. See footnote 3 for definition of PIEs.

³ 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.

Section One – Main Highlights

The Accountancy Bodies 2013 – 2017

Membership of the accountancy bodies continues to grow. The seven bodies (excluding AAT) in this report have over 360,000 members in the UK and ROI and over 530,000 members worldwide. The compound annual growth rate from 2013 to 2017 is 2.4% in the UK and ROI and 3.2% worldwide (Figures 1 and 2).

There are nearly 164,000 students in the UK and ROI and nearly 590,000 worldwide. Student numbers in the UK and ROI decreased by 0.4% but increased by 2.4% worldwide from 2016 to 2017.

There was a decline in the compound annual growth rate for UK and ROI students between 2013 and 2017 (-0.6%) but there has been a 2.7% increase worldwide over the same period (Figures 1 and 2).

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

The number of audit firms registered with the RSBs continues to decline. The total number of registered audit firms was 5,660 as at 31 December 2017, a fall of nearly 19% since 31 December 2013 (Figure 21). At 31 December 2016 there were 6,010 firms registered.

Since 2002 we have collated and published statistics from the accountancy bodies on the gender and age of their members and students. This year we asked whether the accountancy bodies collect data on seven additional diversity indicators on their members and students. The diversity indicators are ethnicity, disability, religion/belief, sexual orientation, school type attended, first generation to attend university and caring responsibilities (Figure 9).

We also asked whether the accountancy bodies collect the same seven additional diversity indicators, along with age and gender, of their workforce and whether they have any diversity policies in place (Figure 20).



The Audit Firms 2016 – 2017

Figure 33 shows the fee income for audit and non-audit services for 36 of the audit firms with Public Interest Entity (PIE) clients for 2017-year ends. Firms are listed in order of fee income from audit, rather than total fee income.

Overall there has been an increase in “total fee income”; however, the rate of growth has fallen compared to 2015/16. The percentage increase in total fee income for the Big Four audit firms was 6% compared with an increase of 4.2% for firms outside the Big Four that are included in our analysis (Figure 36).

This year fees for non-audit work to audit clients for Big four and non-Big Four firms reduced by 8.9% and 8.7% respectively (Figure 36).

Audit fee income for Big Four firms increased by 5.7% from 2016 to 2017 compared to 2.7% from 2015 to 2016. Audit fee income for audit firms outside the Big Four increased by 5.4% from 2016 to 2017 compared to 4.3% from 2015 to 2016 (Figure 36).

The average audit fee income per Responsible Individual (RI) for 2017 for all firms with PIE clients was £1.3m, an increase of £0.07m from 2016 (Figure 37).

As in previous years, we highlight the percentage of female principals at each of the audit firms. This year we have added an additional column showing the number of Black, Asian and Minority Ethnic (BAME) principals at each of the audit firms (Figure 33).

We also asked the firms whether they collect information on the following diversity indicators of their workforce: ethnicity, disability, religion/belief, sexual orientation, school type attended, first generation to attend university and caring responsibilities. The data and the staff completion rates on each indicator is set out in Figure 40. The firms were also asked whether they have any diversity policies in place (Figure 41).

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 2017.

Growth of Members in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2017	94,622	82,587	12,630	126,560	23,905	18,528	1,292	360,124
% growth (16 - 17)	4.3	3.2	-2.4	1.2	5.3	2.3	-6.2	2.6
% growth (13 - 17)	17.6	10.2	-2.3	5.0	18.5	7.6	-14.4	9.9
% compound annual growth (13 - 17)	4.1	2.5	-0.6	1.2	4.3	1.9	-3.8	2.4

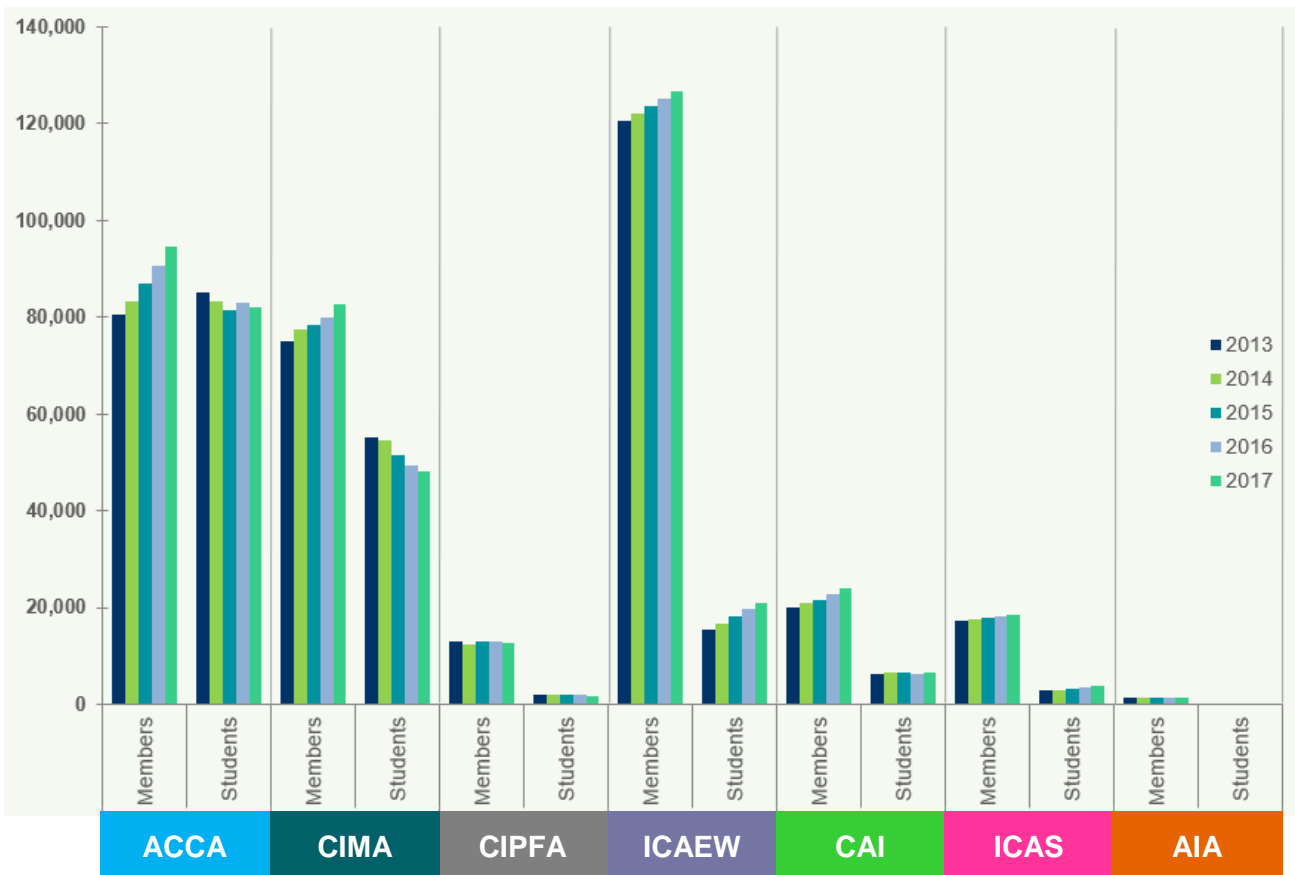


Figure 1

Growth of Students in the UK & ROI	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2017	82,124	48,263	1,857	20,946	6,655	3,837	127	163,809
% growth (16 - 17)	-1.0	-2.6	-10.3	6.3	5.1	3.2	-24.4	-0.4
% growth (13 - 17)	-3.7	-12.7	-9.8	34.7	3.5	28.8	-55.4	-2.4
% compound annual growth (13 - 17)	-0.9	-3.3	-2.5	7.7	0.9	6.5	-18.3	-0.6

Registered Members and Students Worldwide

Figure 2 shows growth rates and the number of worldwide⁴ members and students, as at 31 December for the five years to 31 December 2017.

Growth of Members Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Total numbers for 2017	204,336	109,415	13,735	149,298	26,562	21,503	7,166	532,015
% growth (16 - 17)	5.3	3.1	-3.7	1.2	4.2	1.7	5.6	3.2
% growth (13 - 17)	23.4	14.1	3.1	4.9	16.4	6.9	-16.1	13.5
% compound annual growth (13 - 17)	5.4	3.3	0.8	1.2	3.9	1.7	-4.3	3.2

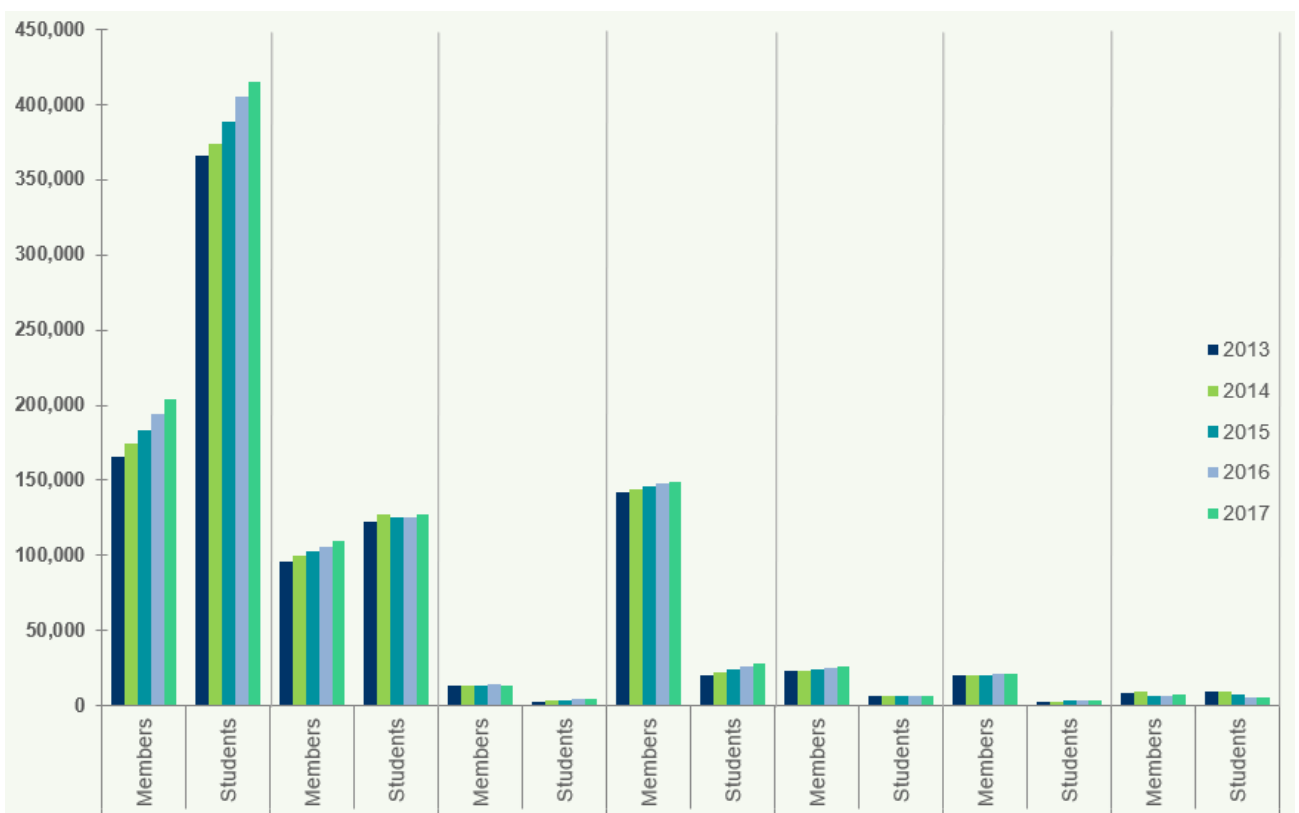


Figure 2

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Growth of Students Worldwide								
Total numbers for 2017	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946
% growth (16 - 17)	2.3	1.5	3.5	7.9	5.2	3.1	2.3	2.4
% growth (13 - 17)	13.4	4.0	72.6	38.5	3.4	28.8	-44.2	11.4
% compound annual growth (13 - 17)	3.2	1.0	14.6	8.5	0.9	6.5	-13.6	2.7

⁴ 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 Seven⁵ Accountancy Bodies

The total number of members of the seven accountancy bodies in the UK & ROI has continued to grow steadily at a compound annual growth rate of 2.4% for the period 2013 to 2017. Total membership increased by 2.6% from 2016 to 2017 compared with 2.4% in 2015/16 (Figure 1).

Growth rates of membership vary considerably at each of the individual bodies in the UK and ROI. ICAEW continues to have the largest number of members; however, CAI and ACCA showed the strongest growth at a compound annual rate (between 2013 and 2017) of 4.3% and 4.1% respectively. Membership numbers of AIA and CIPFA have declined over this period.

The total number of students in the UK and ROI has decreased by 0.4% from 2016 to 2017 compared with an increase of 0.7% in 2015/16. Only ICAEW, CAI and ICAS have seen an increase in student numbers between 2016 and 2017.

The worldwide membership of the accountancy bodies has grown by 3.2% from 2016 to 2017 and at the same rate for compound annual growth (3.2%) for the period 2013 to 2017 (Figure 2).

All bodies experienced increases in the numbers of students worldwide from 2016 to 2017. Overall, worldwide student numbers increased by 2.4% from 2016 to 2017 with a compound annual growth of 2.7% between 2013 and 2017. ACCA accounts for approximately 70% of the total worldwide student membership.

All the accountancy bodies collect data in respect of age and gender of their members and students (Figures 5 to 8). This year we asked the bodies whether they collect information on seven additional indicators for inclusion in this year's publication. Figure 9 shows the number of bodies which collect one or more pieces of additional diversity information on their members and students. The collection of these indicators is done on a voluntary basis.

⁵ 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 2013 for each of the years to 31 December 2017.

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	9,836	5,527	282	3,252	1,100	619	25	20,641
2014	11,541	5,554	221	3,325	1,076	562	34	22,313
2015	12,868	4,814	143	3,855	926	576	39	23,221
2016	14,784	4,958	102	3,497	990	716	37	25,084
2017	15,533	5,147	112	3,403	1,153	585	12	25,945
% growth (16 - 17)	5.1	3.8	9.8	-2.7	16.5	-18.3	-67.6	3.4

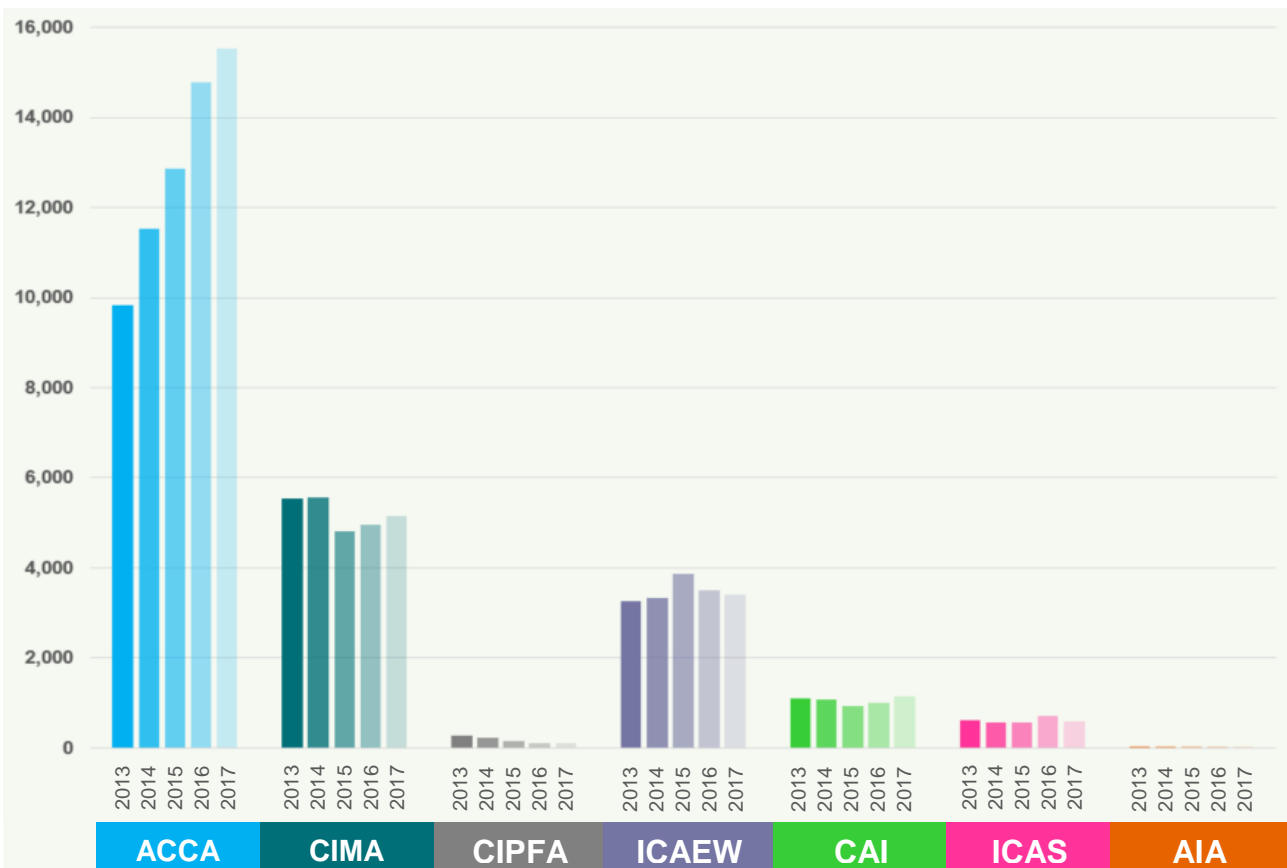


Figure 3

ICAEW, ICAS and AIA have all seen a decline in the number of students becoming members in 2017 compared to 2016. Overall, the total number of students who became members worldwide grew at a slower rate from 2016 to 2017 (3.4%) compared to 2015/16 (8.7%).

Prior to 2017, CAI reported only on the number students who became members in ROI. The 2017 figure shows 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 employment⁶ at the end of 2017.

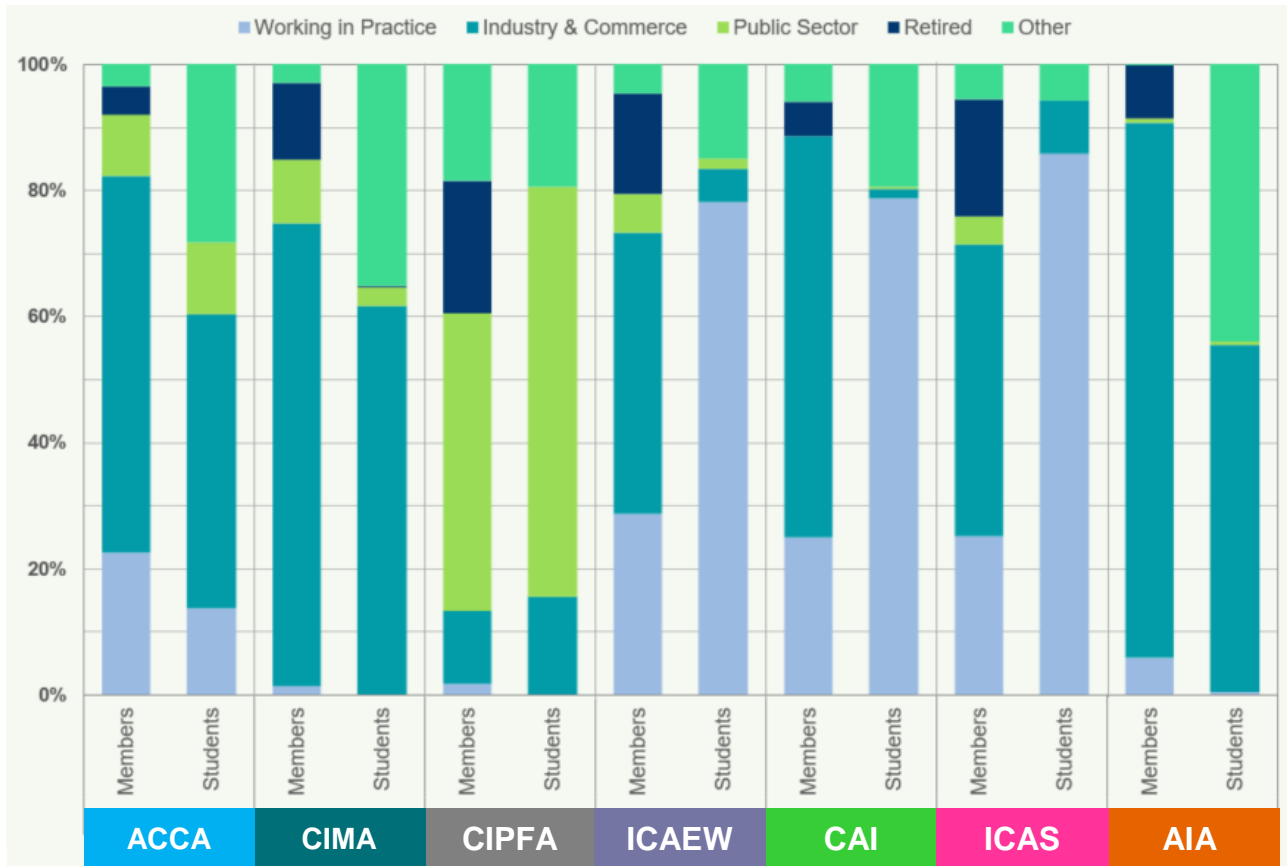


Figure 4

The Industry and Commerce sector employs the highest percentage of members (57%) and students (47%) across the accountancy bodies. CIMA's and AIA's members in this sector make up 73% and 85% 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 14% of ACCA's students, and 1% or less of CIPFA, CIMA and AIA students, are employed in practice.

Overall, 15% of students are employed in practice and 9% in public sector.

⁶ (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, as at 31 December 2013 for each of the years to 31 December 2017.

Female Members Worldwide

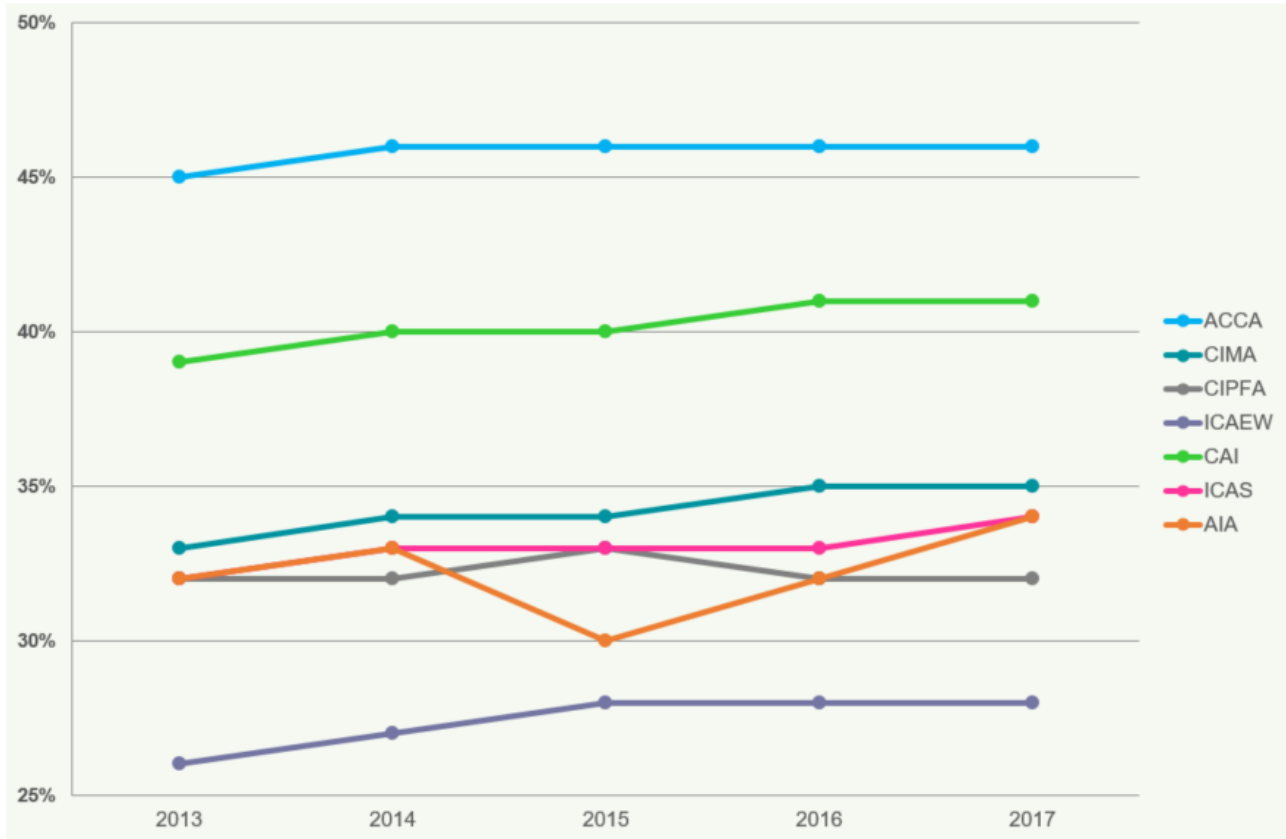


Figure 5

The average percentage of female members has increased from 34% in 2013 to 36% in 2017.

ICAS and AIA experienced increases in the percentage of female members worldwide from 2016 to 2017. There was no change in the percentage of female members worldwide at the other accountancy bodies over the same period.

Female Students Worldwide

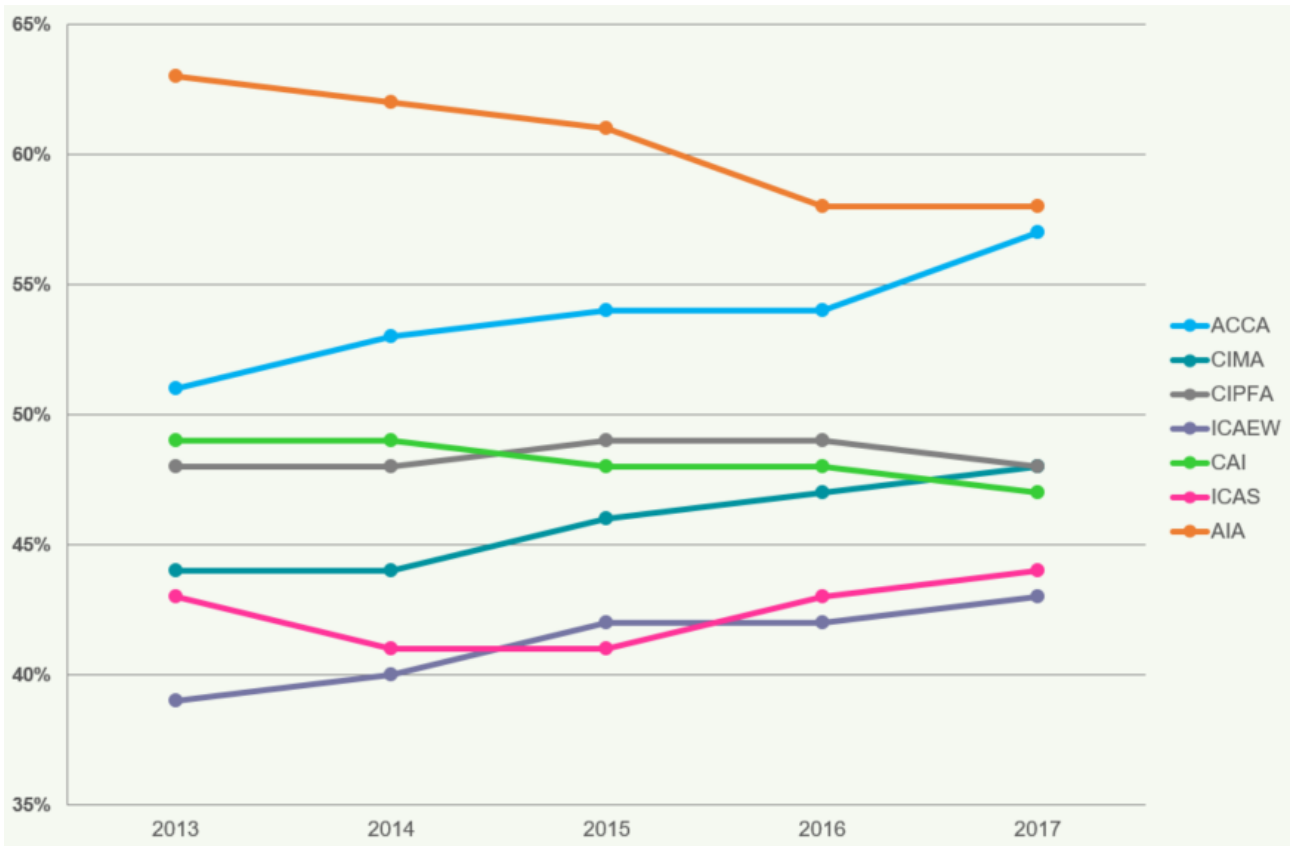


Figure 6

The overall percentage of female students (49%) is significantly higher than the overall percentage of female members (36%).

ACCA, CIMA, ICAEW and ICAS have seen an increase in female students in 2017 compared to 2016.

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

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

Age of Members and Students Worldwide

Figures 7 and 8 compare the age distribution of members and students⁷, as at 31 December 2013 and 2017.

Age of Members

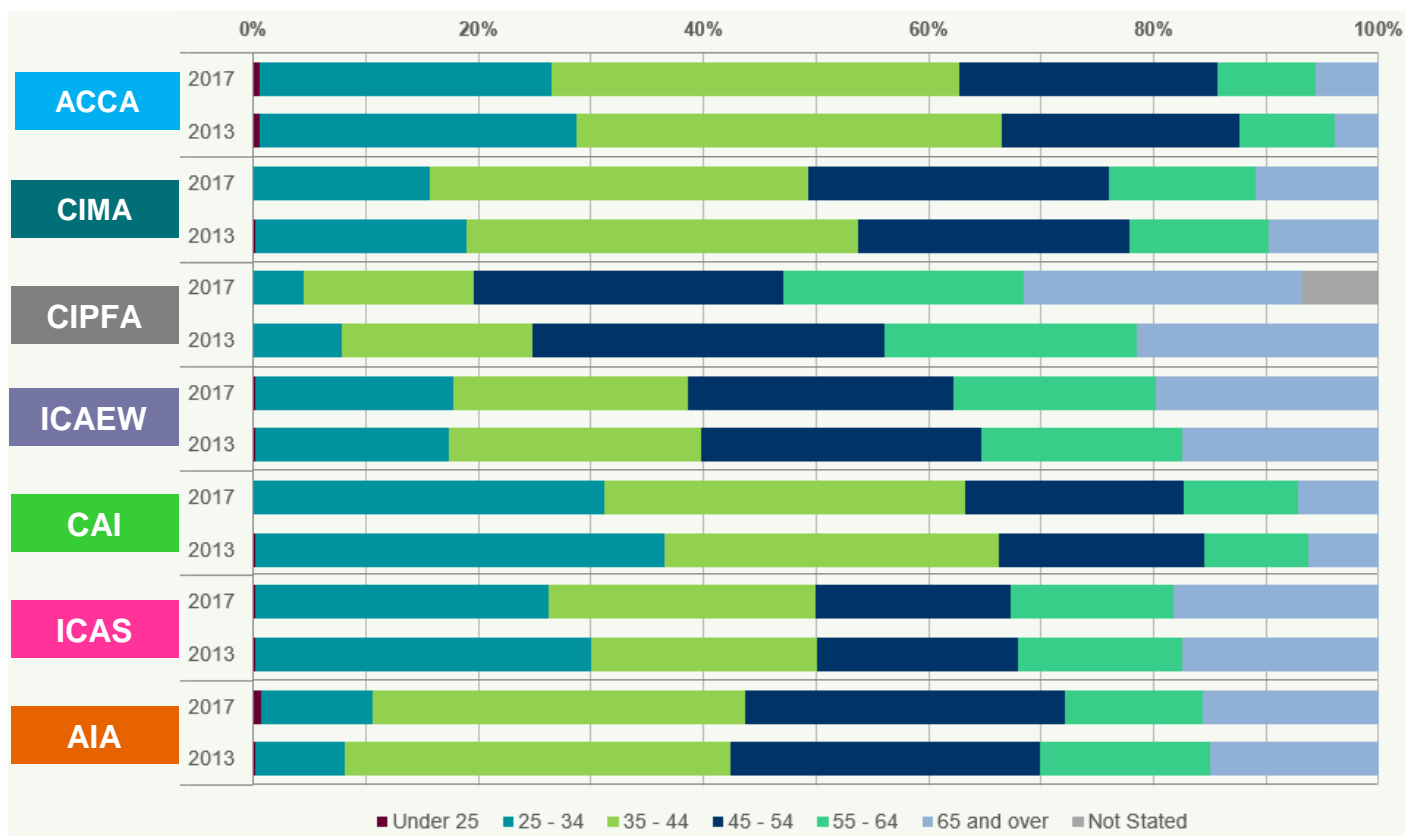


Figure 7

There are significant differences in the age profiles of worldwide members of the seven accountancy bodies. 75% of members are between the ages of 25 and 54. The greatest percentage of members are aged between 35 – 44 years of age (30%).

CIPFA has the largest percentage of members over the age of 65 (circa.25%).

There has been a slight increase overall in the number of members aged 45 and over between 2013 (47%) and 2017 (49%).

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

Age of Students

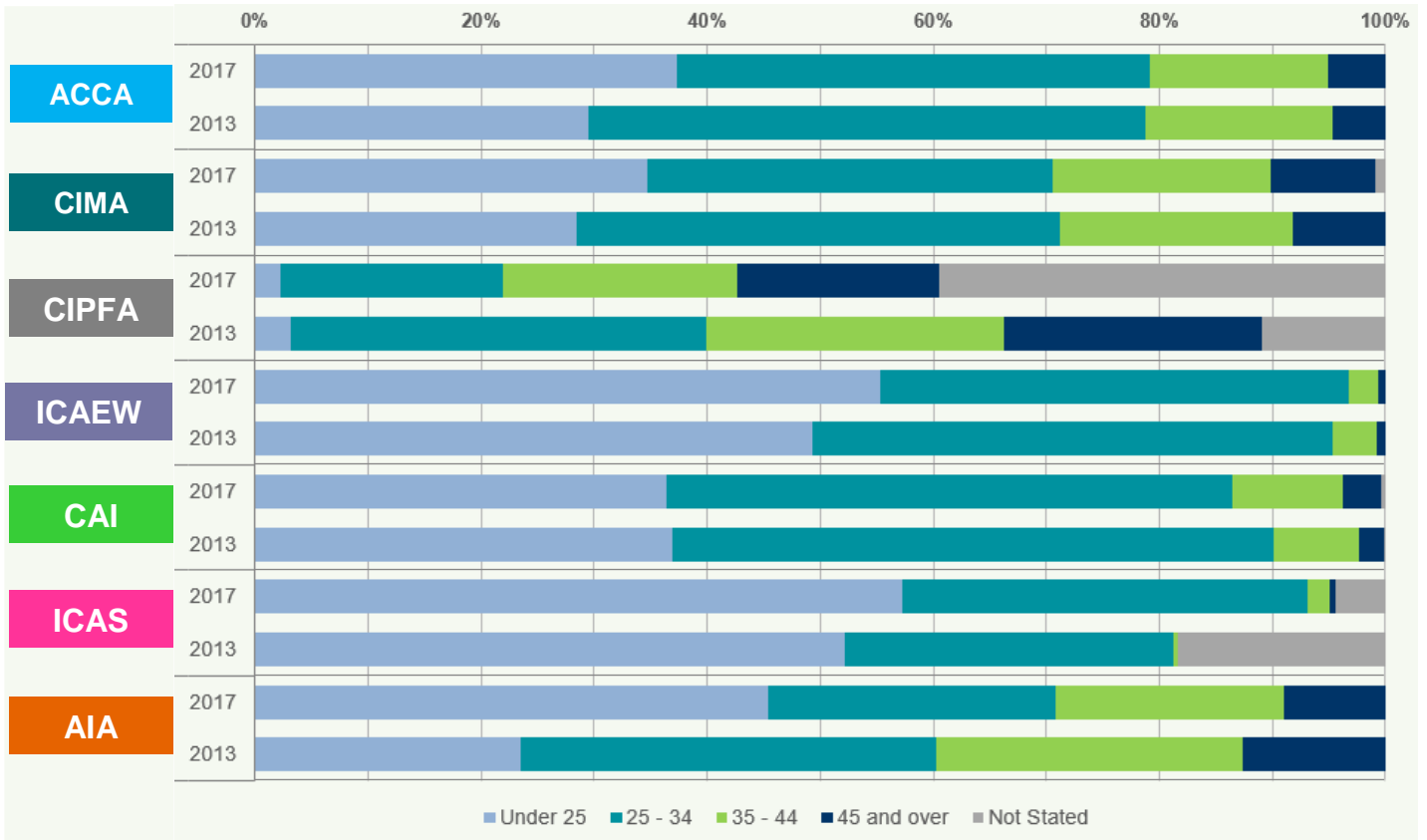


Figure 8

ICAEW, CAI and ICAS have the highest percentage of students aged 34 or under at 96%, 86% and 93% respectively in 2017.

In 2017, 38% of students from the seven accountancy bodies were under the age of 25 compared with 30% in 2013.

Additional Diversity Information Collected by the Accountancy Bodies on their Members and Students

This year we asked the bodies for data on seven additional diversity indicators which they were not previously asked to provide. Figure 9 shows the number of accountancy bodies that collect these additional diversity indicators on their respective members and/or students.

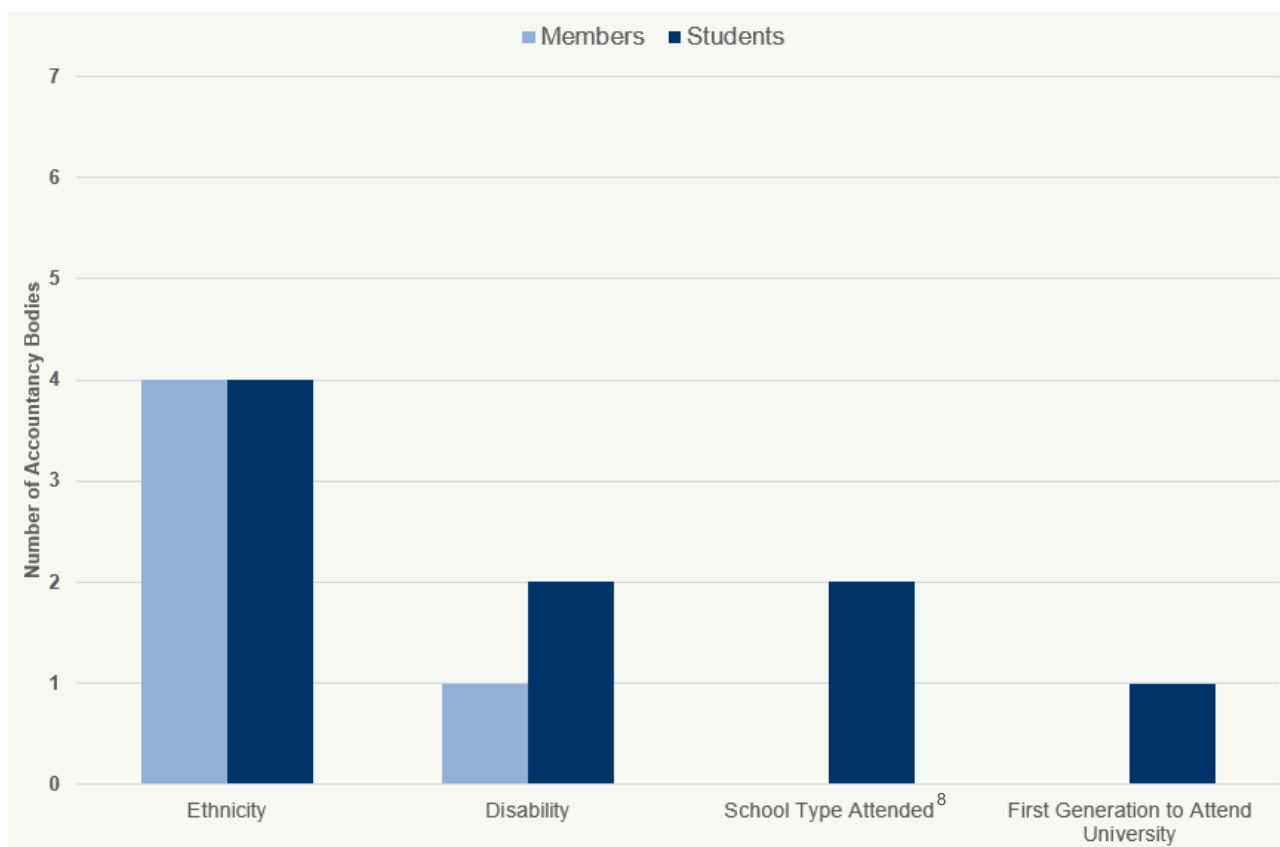


Figure 9

Four of the seven additional diversity indicators asked for of the bodies are currently being used to record student data. The other three indicators, religion/belief, sexual orientation and caring responsibilities, are not currently being recorded at any of the bodies.

Four of the seven accountancy bodies collect information on the ethnicity of their members and students. Of the bodies that collect this information, there is an average completion rate of 70%.

⁸ School type attended includes students who attended UK state schools, UK independent/ fee paying schools and/or schools outside of the UK and ROI.

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 2017.

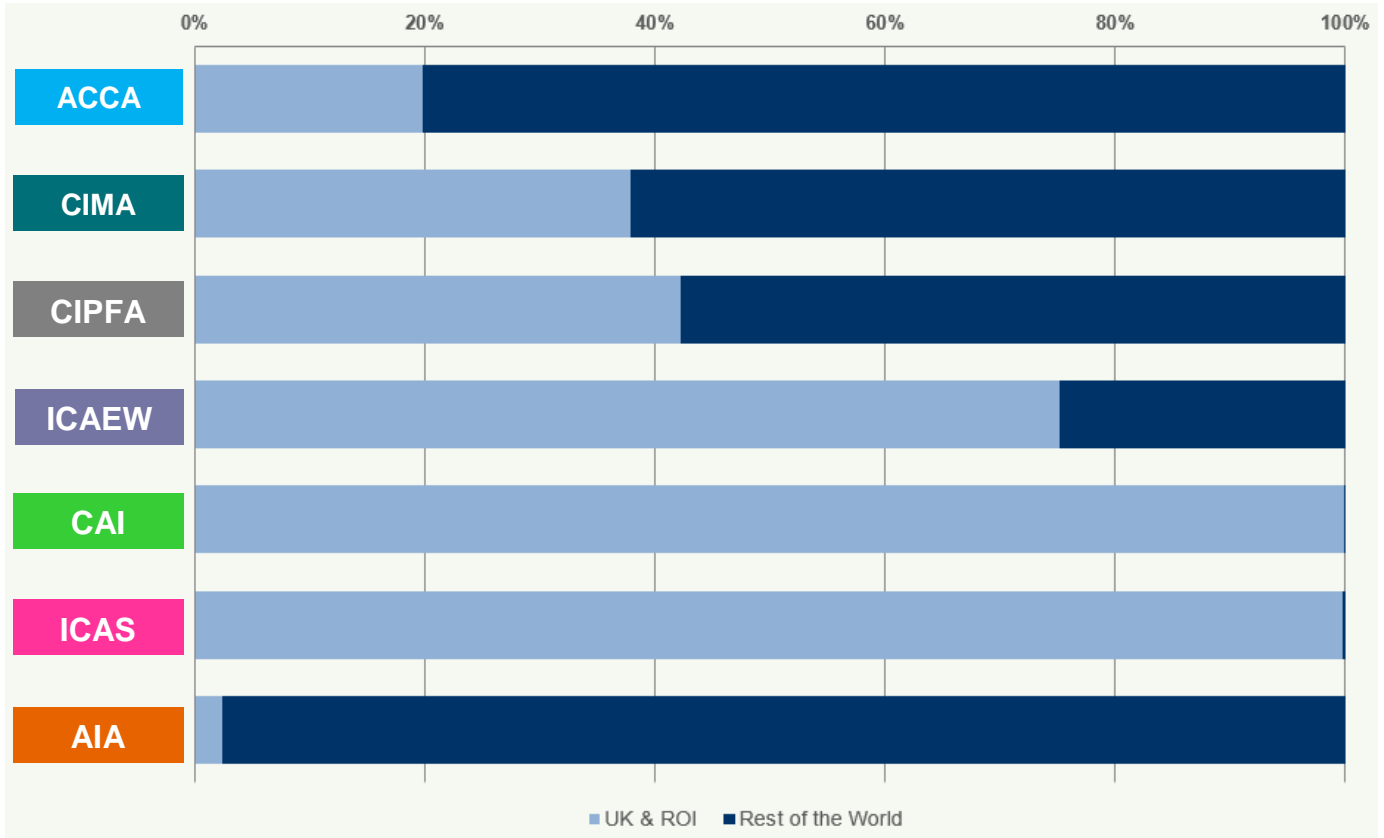


Figure 10

CAI and ICAS have a very low percentage of students based outside of the UK and ROI (0.1% and 0.3% respectively). In contrast, 80% of ACCA and 98% of AIA students are based outside the UK

28% of students from these seven 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 time that individuals have been registered as students with these accountancy bodies.

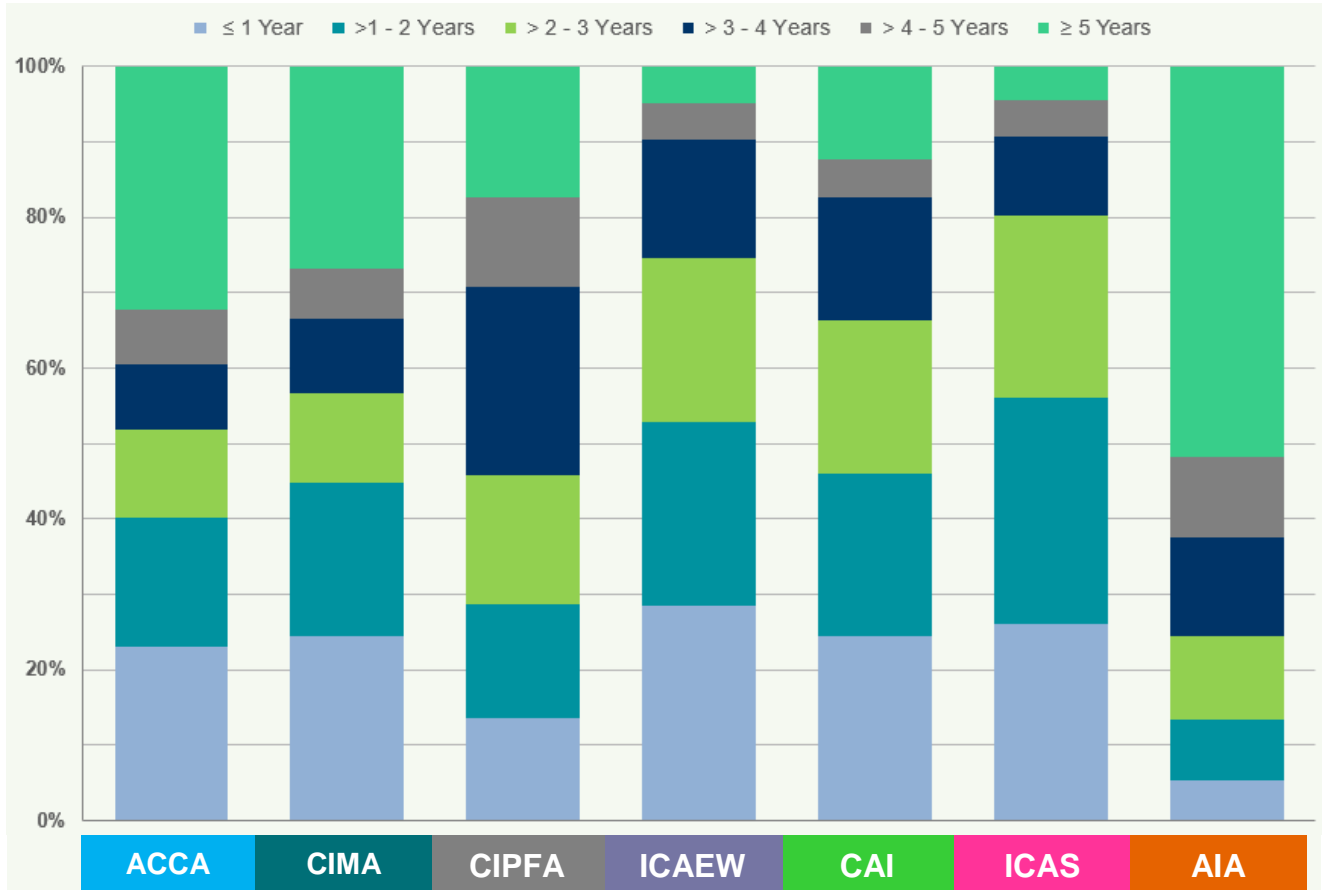


Figure 11

Figure 11 must be read with caution as there is no common basis between the accountancy bodies for determining the length of time between registering as a student and achieving the requirements for membership.

A high percentage of ICAEW, CAI and ICAS students complete their training in 4 years or less with only 10%, 17% and 9% respectively, of students as at 31 December 2017, being registered for more than 4 years.

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”¹⁰.

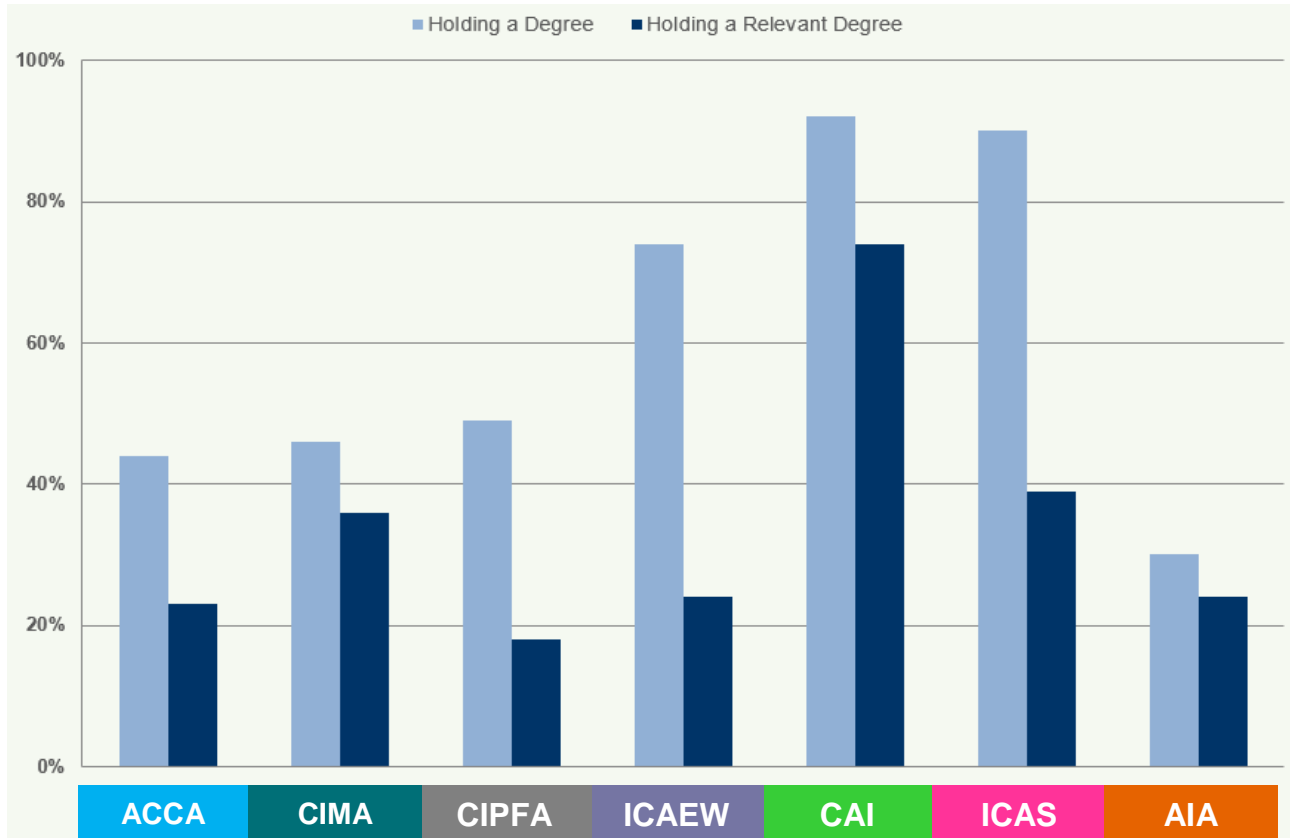


Figure 12

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

Comparisons of the percentage of students holding “relevant degrees” are difficult to draw 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.

¹⁰ 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

The 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 2017.

	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
% growth (16 - 17)	-4.5	-1.3	-18.3	-8.0
% growth (14 - 17)	-5.2	-2.6	-9.3	-0.1

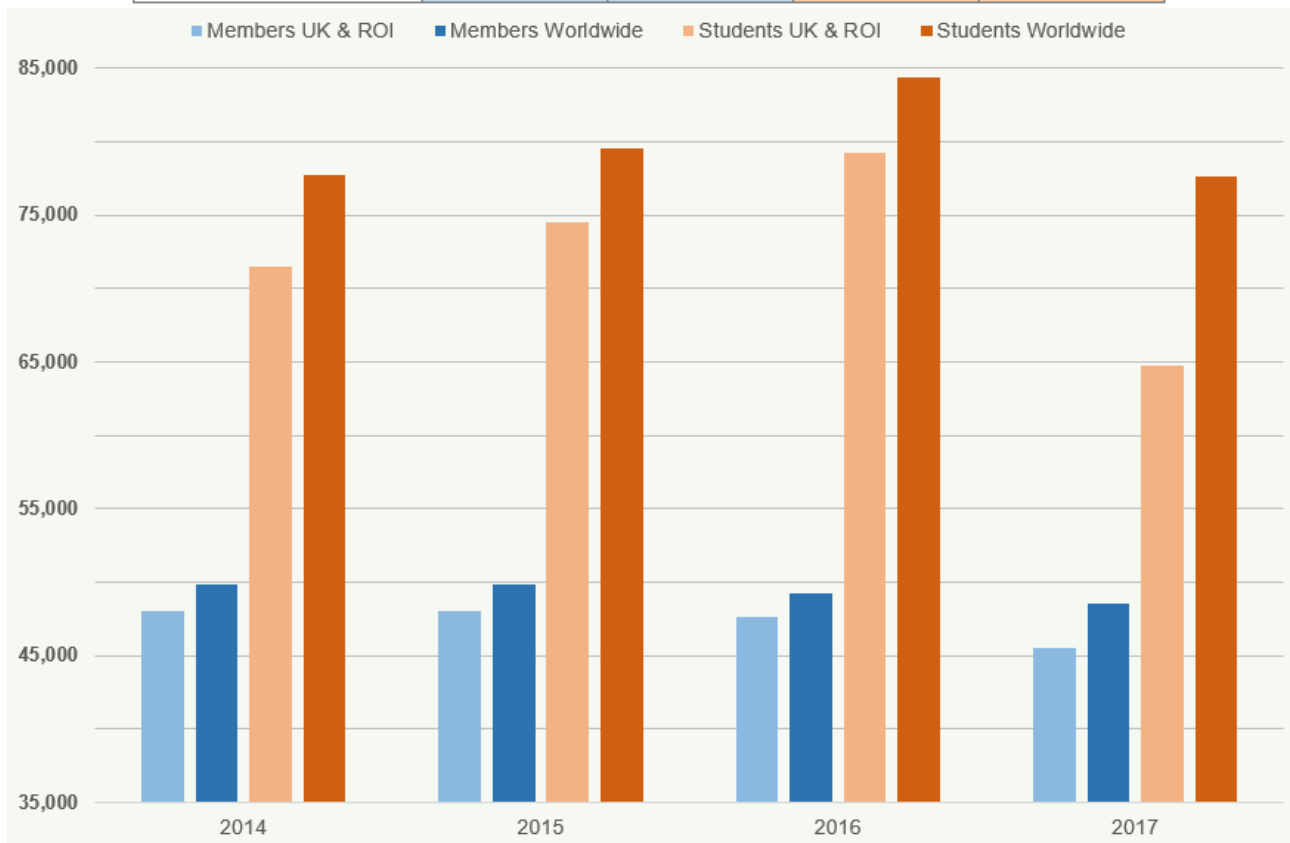


Figure 13

From 2014 to 2017 the number of members in the UK & ROI fell by 5.2% and there has been a 2.6% decrease worldwide over the same period.

The percentage growth between 2016 and 2017 has seen the number of students decrease by 18.3% in the UK and ROI and by 8.0% worldwide.

Age Distribution of Members and Students

Figure 14 indicates the age distribution of members and students for 2017.

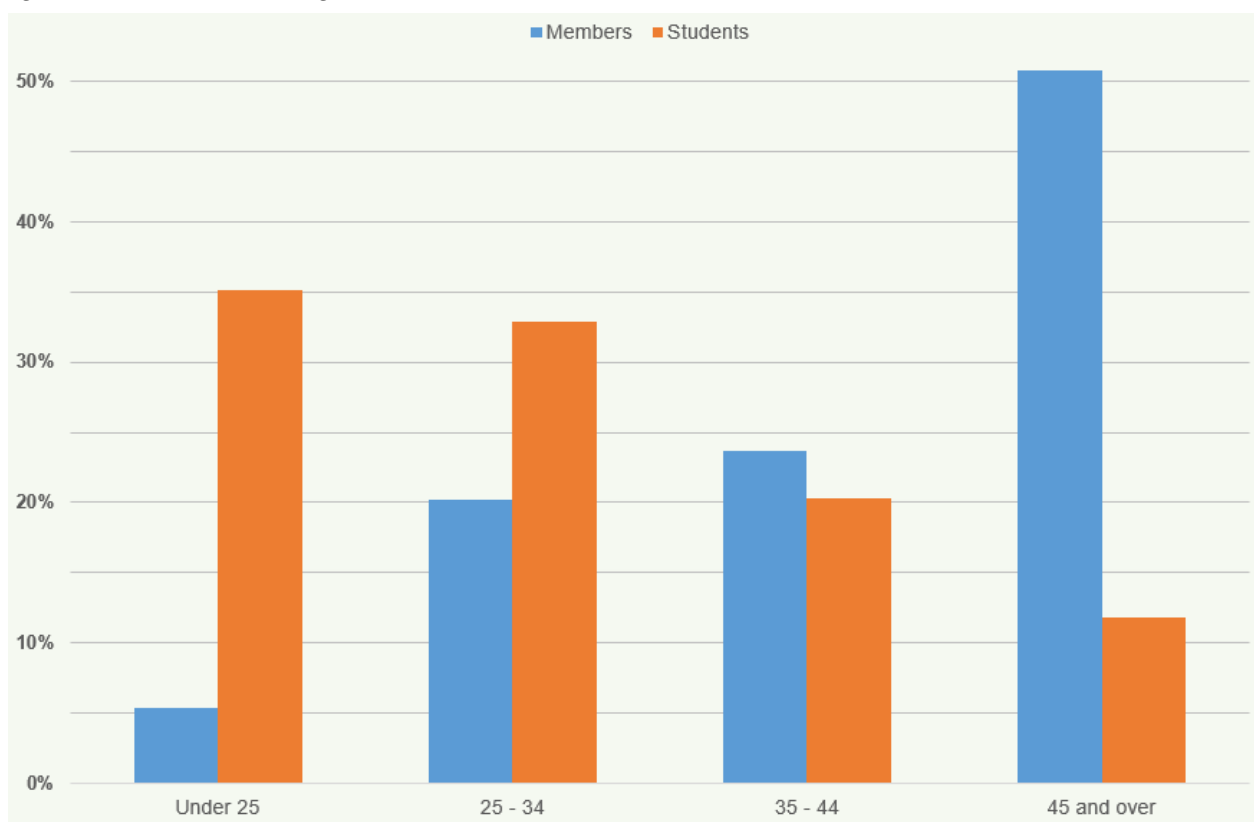


Figure 14

Resource Information

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

Figure 15

The highest percentage of members (51%) are aged 45 and over while the highest percentage of students (35%) are under the age of 25.

Section Three – Resource Information on the Accountancy Bodies

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 2013 to 2017.

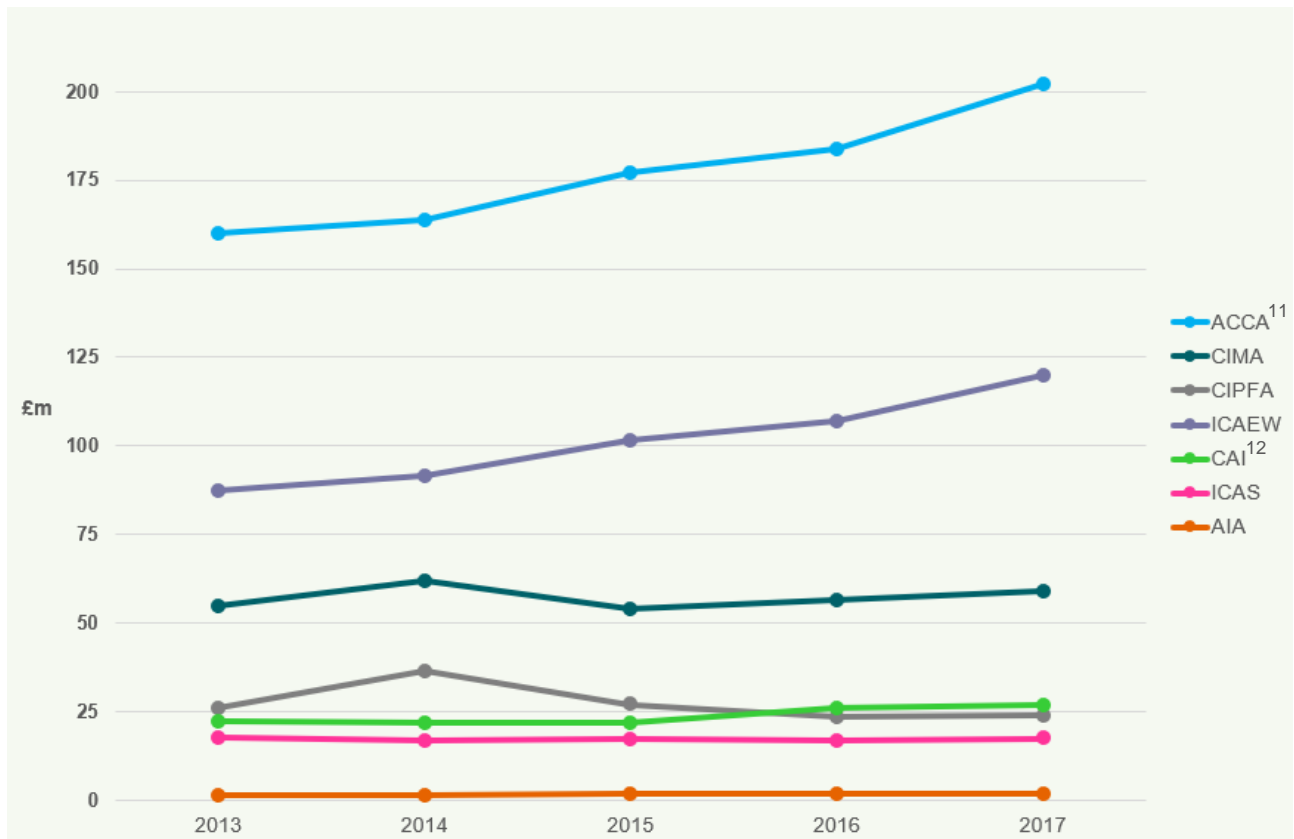


Figure 16

ACCA and ICAEW continue to record the highest income of the seven accountancy bodies, with ICAEW having the largest income growth rate (12.1%) for 2016/17.

Overall there has been a steady increase of income for the seven accountancy bodies between 2013 and 2017, with an average compound growth rate of 5.1%.

¹¹ The ACCA's figures are for the year to 31 March. ACCA's figures to 31 March 2017 are provisional.

¹² CAI's income has been converted from euros at the year-end rate. As at 31 December 2017 the rate was €1.127.

Average Income Per Body from its 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.

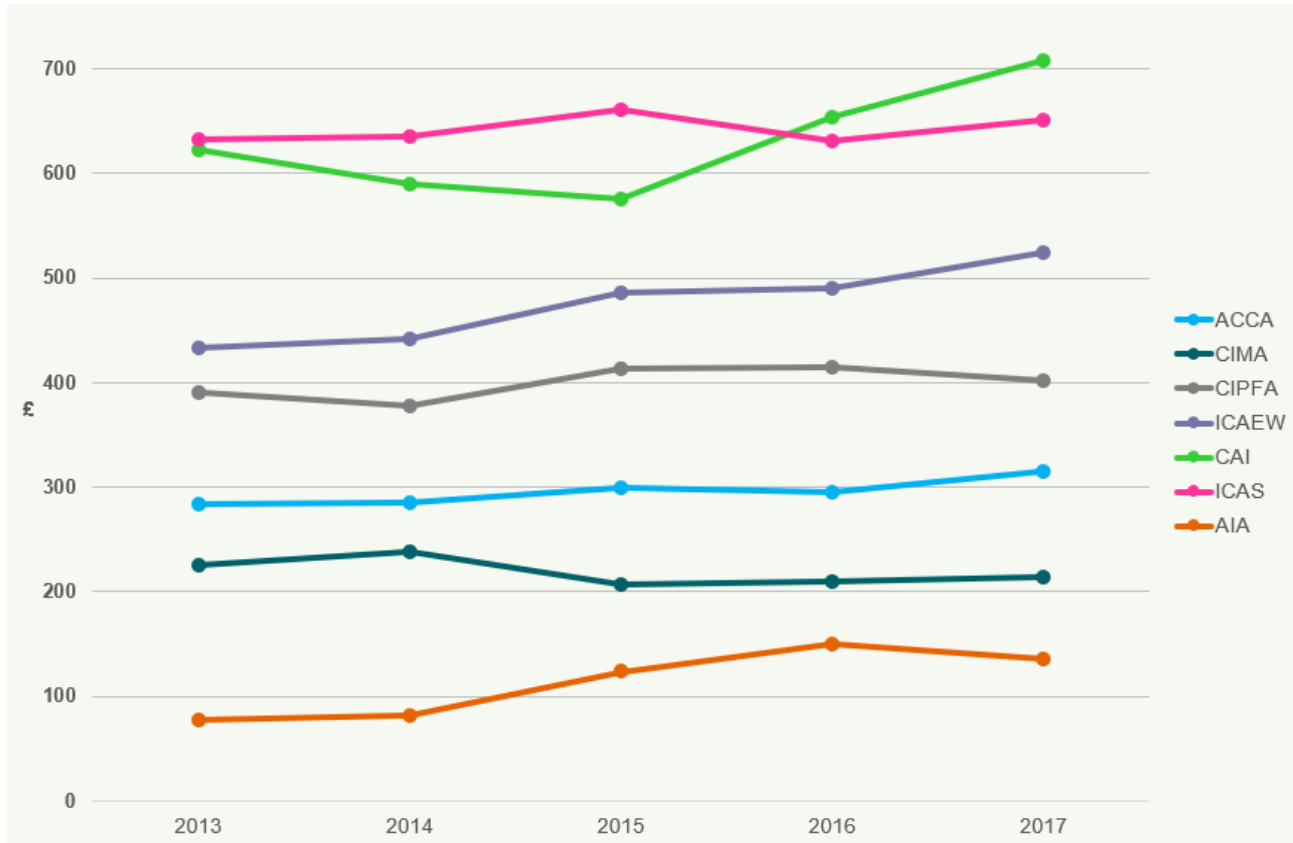


Figure 17

The increase in average income for CAI since 2015 is as a result of the exchange rates applied (€1.36 in 2015, €1.175 in 2016 and €1.127 in 2017).

ICAI and ICAS have the highest average income per member and student in 2017.

Breakdown of Income

Figure 18 provides an analysis of the streams of income by the seven accountancy bodies for 2017.

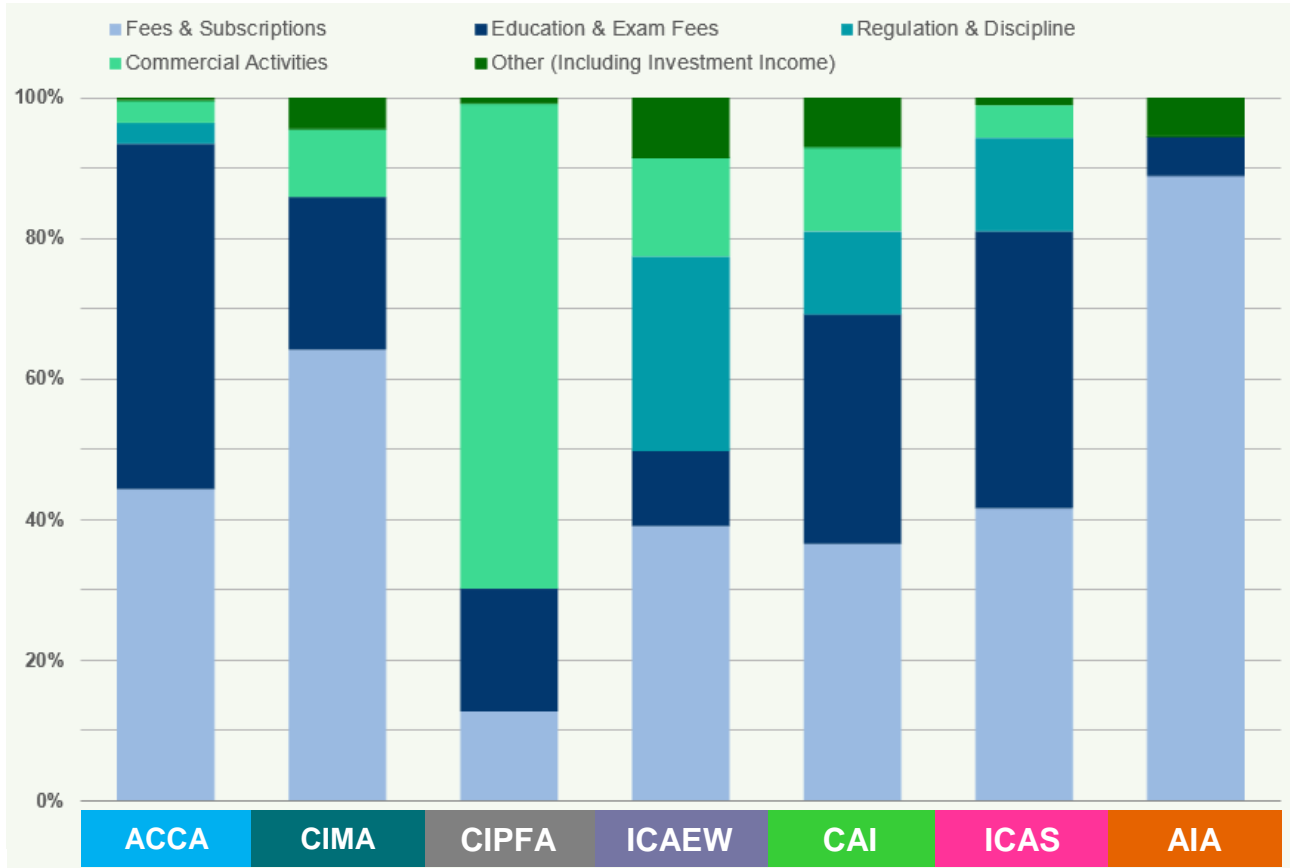


Figure 18

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

Fees and subscriptions make up almost all of AIA's income (89%). CIPFA's income mainly comes from Commercial Activities¹³ (69%).

¹³ 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 2013 to 2017.

Staffing of the Seven Chartered Accountancy Bodies	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	1,098	420	237	646	134	137	26	2,698
2014	1,137	454	256	667	140	138	26	2,818
2015	1,199	459	274	693	147	142	26	2,940
2016	1,272	458	275	724	149	143	26	3,047
2017	1,358	198	259	706	149	154	25	2,849
% growth (16 - 17)	6.8	-56.8	-5.8	-2.5	0.0	7.7	-3.8	-6.5
% growth (13 - 17)	23.7	-52.9	9.3	9.3	11.2	12.4	-3.8	5.6
% compound annual growth (13 - 17)	5.5	-17.1	2.2	2.2	2.7	3.0	-1.0	1.4

Figure 19

CIMA have 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. The 198 CIMA employees represents the staff outside of the UK and US.

Diversity Information Collected by the Accountancy Bodies on their Workforce

We asked the accountancy bodies if they collected information on nine diversity indicators relating to their workforce. Figure 20 shows the number of professional accountancy bodies that collect these diversity indicators of their workforce.

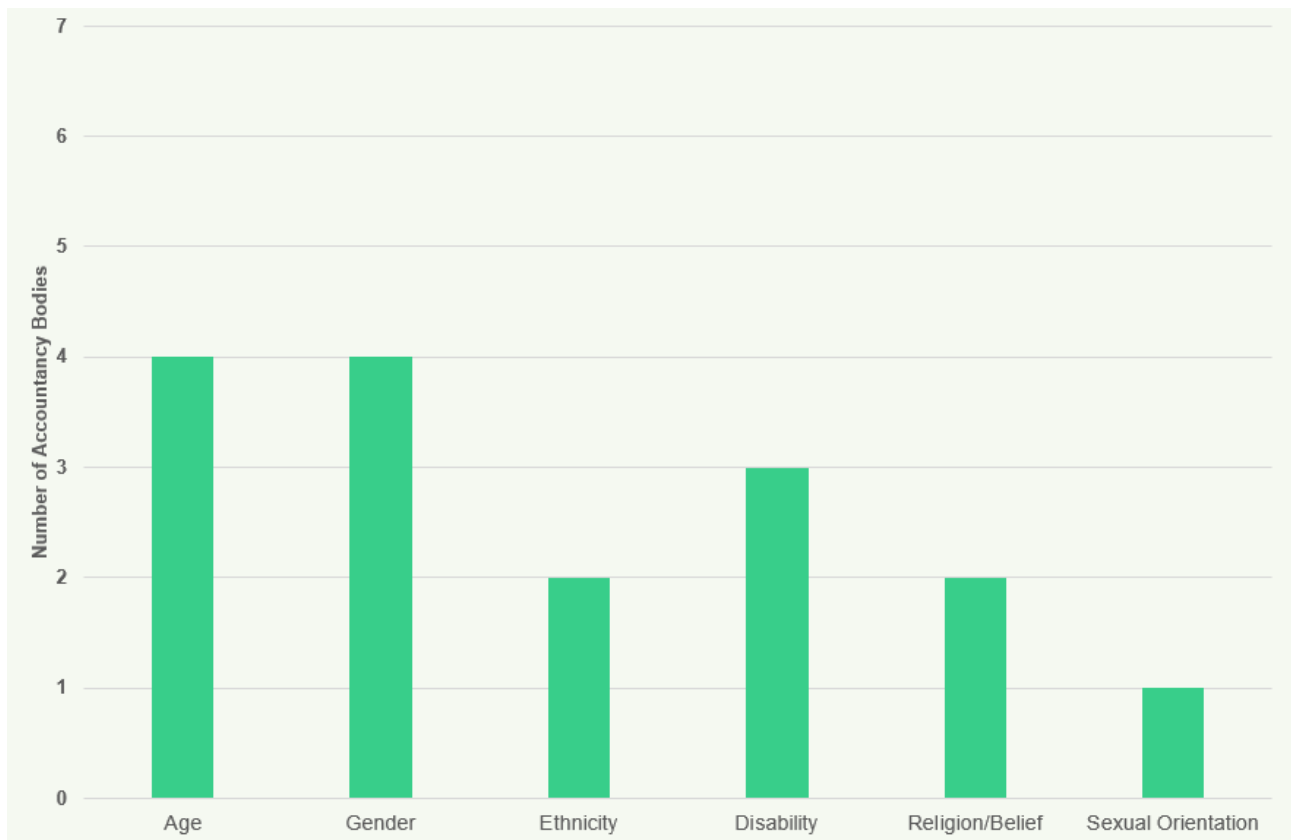


Figure 20

The other three indicators requested but not currently collected include: school type attended; first generation to attend university; and caring responsibilities.

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.

Three of the seven accountancy bodies capture disability information on their workforce, of which there was an average completion rate of 96%.

Five of the bodies have a diversity policy in place. The various policies include variants of diversity such as social mobility and equal opportunities.

Section Four – Oversight of Audit Regulation

Recognised Supervisory Bodies (RSBs)

Under the Statutory Audit and Third Country Auditor Regulations 2016¹⁴, the FRC was designated the UK Competent Authority with responsibility for the regulation of statutory audit. The FRC monitors, investigates and enforces the statutory audit of public interest entities (**PIEs**¹⁵) directly. Further to the Government's direction to delegate regulatory tasks to the RSBs to the extent permitted by law; the FRC has delegated the following statutory audit tasks to the RSBs, under a set of delegation agreements and subject to the FRC's oversight.

- **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 register¹⁶ and making it available for inspection);
- **Continuing Professional Development:** procedures for maintaining the competence of statutory auditors);
- **Audit Monitoring:** except for categories retained by the FRC, the monitoring of statutory auditors and 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. There are four accountancy bodies recognised as RSBs¹⁷. The FRC reports annually to the Secretary of State (**SoS**) on the discharge of these functions¹⁸.

¹⁴ 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.

¹⁵ 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.

¹⁶ 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.

¹⁷ ACCA, ICAEW, ICAI and ICAS.

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 details the number of registered audit firms for each of the RSBs split by the number of principals¹⁹ at each firm, as at 31 December for each of the three years to 31 December 2017.

Number of Principals per Firm	ACCA	ICAEW	CAI	ICAS	TOTAL
1	1,137	1,136	404	56	2,733
2 - 6	566	1,562	382	108	2,618
7 - 10	11	142	12	9	174
11 -50	5	92	10	8	115
50+	0	16	2	2	20
Total as at 31.12.17	1,719	2,948	810	183	5,660
Total as at 31.12.16	1,856²⁰	3,121	844	189	6,010
Total as at 31.12.15	1,982²⁰	3,256	894	199	6,331

Figure 21

The number of firms registered to carry out statutory audit work in the UK and ROI continues to fall. The number of registered audit firms fell by 5.8% in 2016/17, 5.1% in 2015/16 and 4.6% in 2014/15.

As in previous years, there was a decline in the number of registered firms that are sole practitioners between 2016 and 2017. The numbers at ICAEW, ACCA and ICAI have all decreased; however, ICAS experienced no change over the same period.

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 2015 and 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.

Statutory Audit Firm Applications to RSBs

Figure 22 details the number of applications by firms split by New, Refused, Voluntarily Surrendered or Withdrawn by the RSBs, as at 31 December for each of the three years to 31 December 2017.

Applications		New	Refused	Voluntarily Surrendered	Withdrawn by the RSB
2015	ACCA	69	0	120	21
	ICAEW	125	0	301	3
	CAI	31	2	66	1
	ICAS	5	0	14	0
TOTAL		230	2	501	25
2016	ACCA	76	0	189	12
	ICAEW	81	0	213	3
	CAI	40	0	83	7
	ICAS	7	0	17	0
TOTAL		204	0	502	22
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

Figure 22

There has been a 20% decline in “New” applications between 2015 and 2017. There continues to be a large number of voluntary surrendered audit firms in 2017.

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

The FRC's Audit Quality Review²¹ team (AQR), monitors the quality of the audits of PIEs and the policies and procedures supporting audit quality at the audit firms in the UK which perform the audits of these entities. The remainder of audit monitoring is conducted by the RSBs.

Figure 23 below gives details of the number of reviews of audits conducted by the AQR during the years ended 31 March 2016 to 31 March 2018.

Inspection Category	Audit Reviews 2015/16	Audit Reviews 2016/17	Audit Reviews 2017/18
Deloitte LLP	22	23	25
EY LLP	20	17	18
KPMG LLP/ KPMG Audit Plc	22	23	24
PricewaterhouseCoopers LLP	25	27	28
Big Four firms	89	90	95
BDO LLP	8	8	8
BSG Valentine	-	1	-
Grant Thornton UK LLP	8	8	8
Mazars LLP	1	-	4
Moore Stephens LLP	-	1	5
RSM UK Audit LLP	1	3	-
UHY Hacker Young	-	-	2
PKF Littlejohn	-	-	3
	107	111	125
Crown Dependency audit firms ²²	6	5	-
	113	116	125
Third Country Auditors	6	6	3
Private sector audits	119	122	128
National Audit Office	6	6	7
Local Audit	12	12	10
Public Sector audits	18	18	17
Total audits inspected	137	140	145

Figure 23

²¹ For more information on work performed by the AQR team, please see the FRC's Developments in Audit Report at www.frc.org.uk

²² There are no Crown Dependency companies audited by stand-alone Crown Dependency firms in 2017/18. A further 8, 11 and 7 audits were inspected at the major audit firms in 2017/18, 2016/17 and 2015/16 respectively.

Monitoring of Registered Audit Firms by RSBs

Figure 24 gives details of the number of monitoring visits conducted by the RSBs during the years ended 31 December 2015 to 31 December 2017, and the proportion of registered audit firms that were visited during these years. There is a statutory requirement that the RSBs should monitor the activities undertaken by each registered audit firm at least once every six years²³.

		ACCA	ICAEW	CAI	ICAS	TOTAL
2015	No	505	645	244	38	1,432
	%	25.5	19.8	27.3	19.1	22.6
2016	No	362	584	142	40	1,128
	%	19.5	18.7	16.8	21.2	18.8
2017	No	291	598	84	44	1,017
	%	16.9	20.3	10.4	24.0	18.0

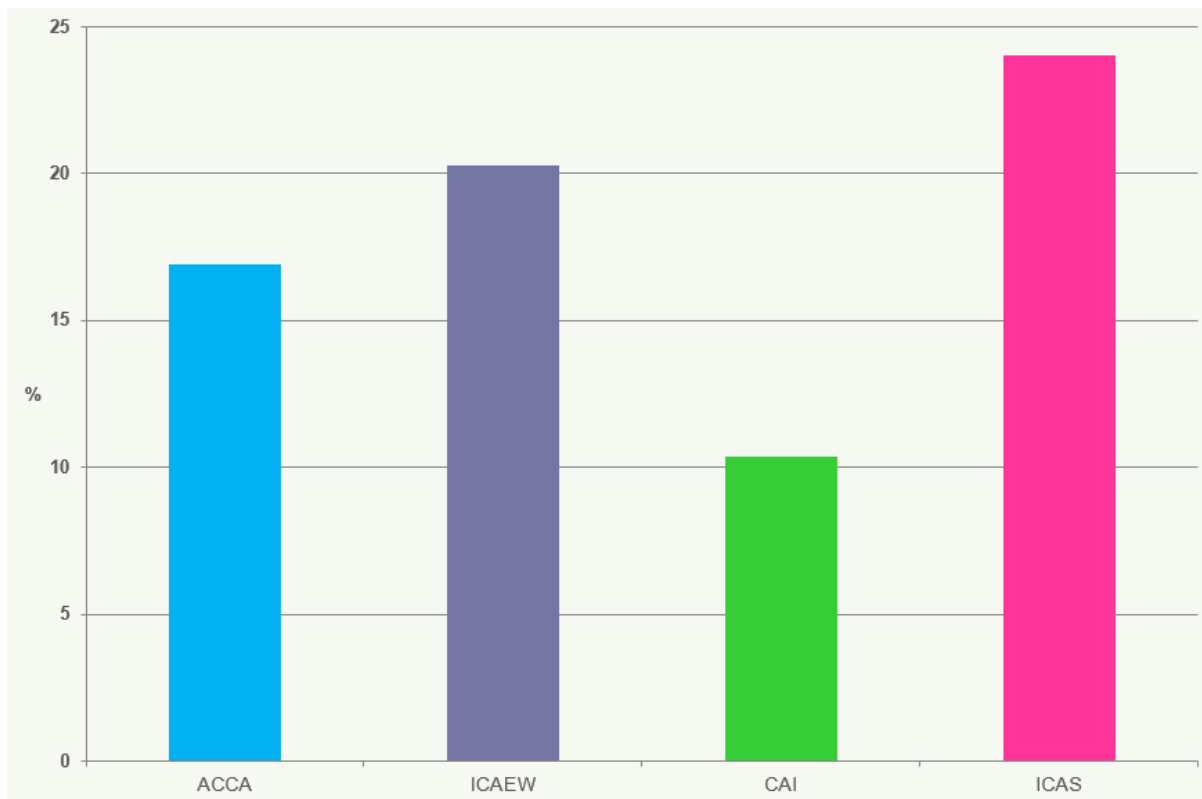


Figure 24

²³ 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 2015 to 31 December 2017.

		ACCA	ICAEW	CAI	ICAS	TOTAL
Requested by the registration/licensing committee	2015	37	9	11	0	57
	2016	7	7	0	0	14
	2017	7	3	6	0	16
Specifically selected due to heightened risk	2015	154	16	0	14	184
	2016	102	41	2	9	154
	2017	96	253²⁴	0	23	372
Cyclical Visits ²⁵	2015	314	583	224	22	1,143
	2016	253	502	140	29	924
	2017	188	342	78	21	629
Firms with Public Interest Entities visited without AQR involvement	2015	0	33	9	1	43
	2016	0	30	0	1	31
	2017	N/A	N/A	N/A	N/A	
Firms with Public Interest Entities visited with AQR involvement	2015	0	4	0	1	5
	2016	0	4	0	1	5
	2017	N/A	N/A	N/A	N/A	

Figure 25

Since 17 June 2016 the 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. Going forward there will be no RSB involvement on PIE audits, though the RSBs may rely on AQR's whole firm procedures in separate visits to those audit firms. AQR will not be involved in the inspection of major non-PIE audits.

²⁴ From 2017 for C rated firms 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.

²⁵ The FRC has changed the categories of the above table for 2016/17 to better reflect the types of visits performed by the RSBs. The term "Cyclical Visits" denotes visits which take place within the frequency stated in Schedule 10 of the Companies Act 2006 (as amended).

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 2015 to 2017.

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

- **Firm grading:** These gradings are awarded following reviews by each RSB's inspection unit. The grading outcomes and the definitions used for each grade applied following a firm's review are set out below each table.
- **File grading:** ICAEW, CAI and ICAS have adopted the same approach and definitions for grading full audit files. ACCA apply a slightly different approach and we have outlined the definitions applied by ACCA 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.
- **Other types of file review:** Certain file reviews are conducted but are not graded. These are classified as follows: ungraded, limited and/or restricted reviews. An ungraded review, for example, is conducted when a firm has no audit clients in a particular year. A limited and/or restricted review is a brief review of a file to close a specific risk or aspects of an audit noted from previous visit.

File Grading

In respect of "file grading" ICAEW, CAI and ICAS use the following definitions:

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

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

Summary of monitoring results by Body

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

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

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

Association of Chartered Certified Accountants (ACCA)

Firm Gradings		2015	2016	2017	File Gradings		2015	2016	2017
A & B Outcomes	No	363	273	205	A Outcomes	No	73	43	28
	%	72	76	71		%	7	7	4
C+ Outcomes	No	43	38	38	B Outcomes	No	638	395	482
	%	9	10	13		%	61	69	72
C- Outcomes	No	21	4	7	C Outcomes	No	331	136	160
	%	4	1	2		%	32	24	24
D Outcomes	No	78	47	41	Ungraded/ Limited/ Restricted Review	No	0	0	0
	%	15	13	14					

Figure 26

Firm Grading (ACCA)

Good (A)/ Satisfactory (B)

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

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

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

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

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

Regulatory action required (D)

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

Institute of Chartered Accountants in England & Wales (ICAEW)

Firm Gradings		2015	2016	2017	File Gradings		2015	2016	2017
A & B Outcomes	No	420	365	363	1 Outcomes	No	284	301	256
	%	68	62	59		%	25	31	25
C Outcomes	No	83	107	93	2A Outcomes	No	566	441	522
	%	14	18	16		%	50	45	51
D Outcomes	No	48	37	61	2B Outcomes	No	196	165	157
	%	8	6	10		%	17	17	15
N Outcomes	No	64	83	94	3 Outcomes	No	81	74	84
	%	11	14	16		%	7	8	8
					Ungraded/ Limited/ Restricted Review	No	159	142	161

Figure 27

Firm Grading (ICAEW)

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

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

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

Chartered Accountants Ireland (CAI)

Firm Gradings		2015	2016	2017	File Gradings		2015	2016	2017
A & B Outcomes	No	130	106	46	1 Outcomes	No	130	58	32
	%	49	67	58		%	26	22	25
C Outcomes	No	22	10	8	2A Outcomes	No	191	115	33
	%	8	6	10		%	38	44	26
D Outcomes	No	114	42	25	2B Outcomes	No	111	66	47
	%	43	27	32		%	22	25	37
					3 Outcomes	No	66	21	15
						%	13	8	12
					Ungraded/ Limited/ Restrictied Review	No	173	36	13

Figure 28

Firm Grading (CAI)

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

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

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

Institute of Chartered Accountants of Scotland (ICAS)

Firm Gradings		2015	2016	2017	File Gradings		2015	2016	2017
A & B Outcomes	No	28	21	22	1 Outcomes	No	18	7	3
	%	73	53	50		%	19	6	4
C+ Outcomes (Previously C2)	No	3	11	14	2A Outcomes	No	61	76	53
	%	8	27	39		%	64	67	66
C- Outcomes (Previously C1)	No	4	2	3	2B Outcomes	No	11	19	14
	%	11	5	7		%	11	17	18
D Outcomes	No	3	2	5	3 Outcomes	No	6	11	10
	%	8	5	11		%	6	10	13
N Outcomes	No	0	4	0	Ungraded/ Limited/ Restricted Review	No	43	21	21
	%	0	10	0					

Figure 29

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 committee with the C- and D reports going to the full Committee (a quorum of at least 1 Public Interest Member and 2 Chartered Accountants).

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

Complaints about Auditors

Figure 30 shows the number of audit related complaints received by the RSBs from 2015 to 2017 to show (i) number of new cases, (ii) number of cases passed to the FRC Enforcement Division (iii) number of cases referred to the committee²⁶, (iv) number of cases closed in the year and (v) average time taken to close a case.

		ACCA	ICAEW	CAI	ICAS	TOTAL
Number of New Complaints	2015	61	43	13	3	120
	2016	32	64	5	6	107
	2017	11	57	5	4	77
Number of Cases referred to the FRC	2015	0	0	0	0	0
	2016	0	0	0	0	0
	2017	0	0	0	0	0
Number of Cases passed to the Committee	2015	14	29	13	1	57
	2016	17	41	13	5	76
	2017	12	19	9	3	43
Number of Cases closed in the year	2015	60	46	12	4	122
	2016	38	64	13	4	119
	2017	13	31	11	6	61
Average time taken to close a Case (in months)	2015	5.1	15	5.7	5.0	
	2016	3.8	17	3.4	4.0	
	2017 ²⁷	3.7	21	Nil	7.5	

Figure 30

The average time taken to close a case differs from body to body. Some bodies 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.

²⁶ Cases referred to the Committee relate to: A) the Disciplinary Committee for the ACCA; B) Cases considered by the Investigations Committee and referred to the Disciplinary Committee for the ICAEW; C) the Complaints Committee, Disciplinary Committee and Appeals Committee for the CAI; and D) the Investigation Committee at ICAS.

²⁷ **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 in 2017 which were also opened in the same year.

Recognised Qualifying Bodies (RQBs)

The FRC 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 an audit qualification (RQBs) in line with the requirements of Schedule 11 to the Companies Act 2006. There are five bodies²⁸ 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 2015 to 2017. It also shows the number of members who were awarded the audit qualification and the number of students following the audit route or eligible for the audit qualification²⁹.

		ACCA	ICAEW	CAI	ICAS	AIA
Number of students in the UK and ROI	2015	81,460	18,165	6,623	3,350	201
	2016	82,953	19,713	6,330	3,718	168
	2017	82,124	20,946	6,655	3,837	127
Number of students following the audit route or eligible for the audit qualification	2015	N/A	15,058	5,168	N/A	5
	2016	N/A	16,372	5,028	N/A	4
	2017	N/A	17,224	5,348	N/A	4
The number of members who were awarded the audit qualification	2015	92	1,115	579	32	0
	2016	84	885	442	652	0
	2017	116	859	352	412	0
The number of members who hold the audit qualification	2015	3,383	108,526	7,003	11,297	11
	2016	3,213	107,403	7,445	11,439	9
	2017	3,109	106,605	7,797	11,709	9

Figure 31

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

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

²⁸ ACCA, AIA, ICAEW, CAI and ICAS.

²⁹ 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 offices³⁰ in the UK and ROI over the period 2015 to 2017.

		ACCA	ICAEW	CAI	ICAS	AIA
Number of approved Training Offices in the UK & ROI	2015	3,921	3,595	724	171	11
	2016	3,829	3,841	727	172	10
	2017	3,641	4,052	718	195	10

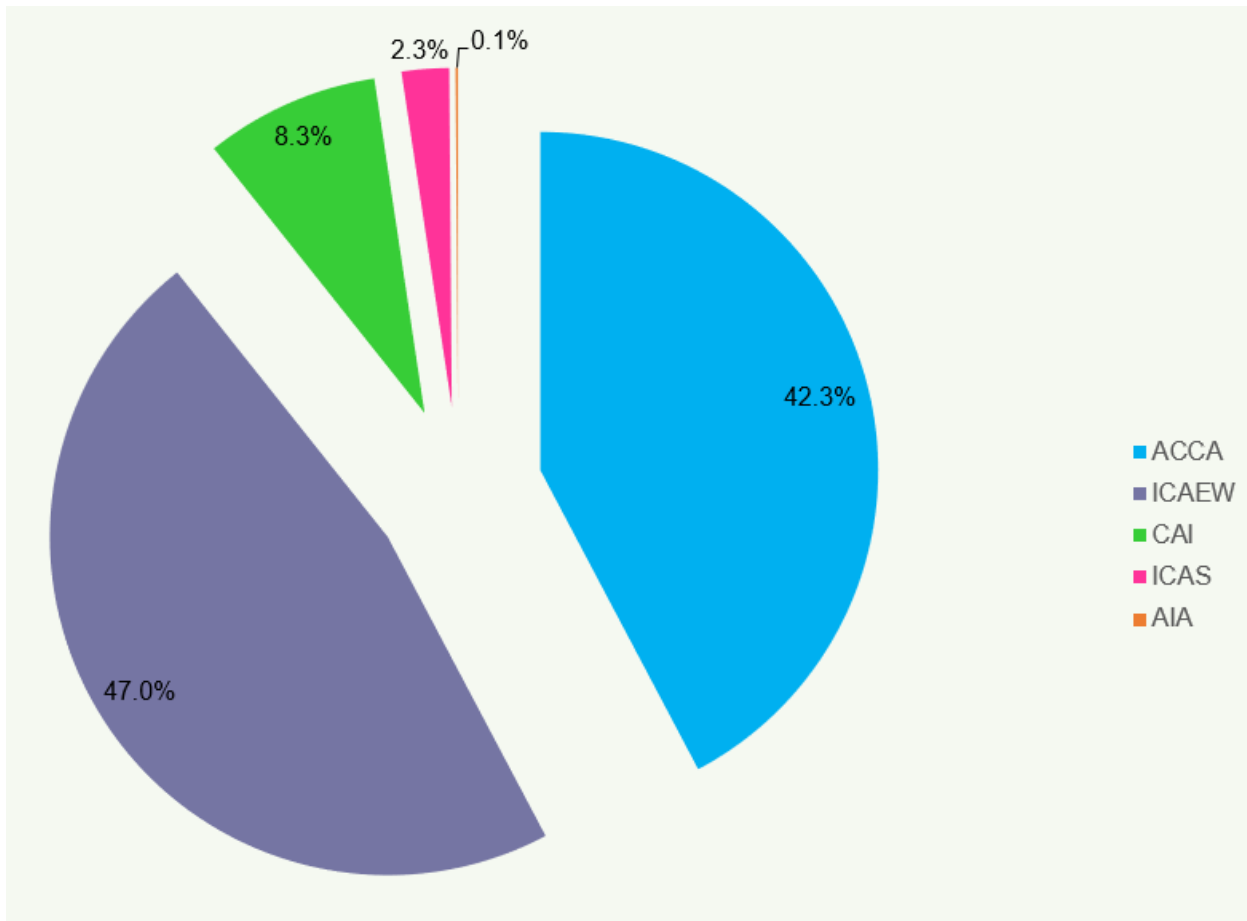


Figure 32

³⁰ ICAS figures include a number of group authorisations. ICAS treats group authorisations as one office.

Section Five – Audit Firms

This section covers Audit Firms with Public Interest Entity (PIE) 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 LLPs must file accounts at Companies House which meet the statutory requirements). This year the firms were also asked to provide additional information on diversity. We asked whether information was captured on the following seven diversity indicators: ethnicity, disability, religion/belief, sexual orientation, school type attended, first generation to attend university and caring responsibilities (Figure 40). In relation to gender, we continue to provide the percentage of female principals at each of the audit firms (Figure 33). An additional column has also been included in Figure 33 to show the percentage of BAME³¹ principals at each audit firm. Approximately two thirds of firms have diversity policies in place, with some firms having set diversity targets for their staff, boards and committees (Figure 41).

Figure 33 shows the fee income for audit and non-audit services for the 36 audit firms with PIE audit clients who responded to our request for the year ended 2017. Firms are listed in order of fee income from audit, rather than total fee income, but it should not be seen as a league table. Not all accountancy firms have PIE audit clients so firms without PIE audit clients are not approached to provide this information. It is therefore possible that there are firms not included in the tables that have a higher audit fee income than some of those that are shown. Further, we have not included accountancy firms that are not registered as statutory auditors.

Figure 38 shows 29 firms which audit companies listed on FTSE 100, FTSE 250, other regulated markets and AIM.

Care is needed if making detailed comparisons between firms using the information in Figure 33. Some firms do not analyse their fee income in this manner and have made an informed estimate of the figures. In addition, firms may classify their audit and non-audit income in slightly different ways. Figures 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 respectively³².

The percentage growth of total fee income from audit work has declined in 2016/17. While there has been an increase in audit fees, there has been a notable decrease in fee income from non-audit work to audit clients (Figure 36).

Since the ARD came into effect, the maximum non-audit fees that a statutory auditor of a public interest entity 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.

³¹ Black, Asian and Minority Ethnic (used to refer to members of non-white communities in the UK). 12% of the UK workforce were identified as classified as BAME as at December 2017 (Office for National Statistics).

³² Information on fee income by audit for earlier years can be found in previous editions of Key Facts and Trends in the Accountancy Profession, available at www.frc.org.uk - Key Facts and Trends

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2017
 (By fee income from audit)
Figure 33

UK Firm Name	UK Structure	No of Principals ³³	% of Female Principals	% of BAME ³¹ Principals	No of Audit Principals	No of RIs ³⁴	No of PIE ³ Audit Clients	Fee Income: Audit (£m)	Fee Income: Non-Audit Work ³⁵ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³⁶
PricewaterhouseCoopers	LLP	953	19%	5%	209	376	533	676	351	1,975	3,002
KPMG	LLP	597	17%	8%	136	278	464	548	221	1,403	2,172
EY	LLP	683	19%	8%	116	202	287	442	229	1,677	2,348
Deloitte ³⁷	LLP	719	17%	3%	132	250	337	418	214	2,309	2,941
BDO	LLP	249	16%	N/A ³⁸	85	127	100	151	68	237	456
Grant Thornton UK	LLP	190	17%	6%	60	100	69	133	55	312	500
RSM	LLP	346	19%	3%	106	136	20	74	47	198	319
Mazars	LLP	135	15%	2%	47	54	33	47	21	106	174
Crowe Clark Whitehill	LLP	73	21%	4%	38	39	5	29	10	31	70
Moore Stephens	LLP	88	13%	5%	35	44	23	24	9	87	120
Nexia Smith & Williamson Audit	Limited Company	127	22%	2%	29	26	2	15	N/A	58	73

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2017

(By fee income from audit)

Figure 33

UK Firm Name	UK Structure	No of Principals ³³	% of Female Principals	% of BAME ³¹ Principals	No of Audit Principals	No of RIs ³⁴	No of PIE ³ Audit Clients	Fee Income: Audit (£m)	Fee Income: Non-Audit Work ³⁵ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³⁶
Haysmacintyre	Partnership	32	31%	9%	26	26	7	14	5	7	26
Saffery Champness	LLP	68	24%	4%	40	40	4	13	9	36	58
Kingston Smith	LLP	58	26%	7%	41	41	1	13	9	16	38
Haines Watts Group	Group of Partnerships	146	13%	4%	69	76	1	11	9	54	74
UHY Hacker Young Group	Network of firms	93	12%	7%	51	56	4	11	7	27	45
Wilkins Kennedy	LLP	71	15%	1%	36	39	1	7	4	31	42
Scott Moncrieff	Partnership	19	37%	0%	8	10	2	6	2	5	13
BHP	LLP	26	23%	4%	14	14	1	5	1	10	16
Beever and Struthers	Partnership	21	33%	5%	11	14	6	5	1	5	11
Gerald Edelman	Partnership	14	0%	3%	6	6	2	5	2	3	10
Hazlewoods	LLP	23	17%	0%	9	13	4	4	2	16	22

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2017
 (By fee income from audit)
Figure 33

UK Firm Name	UK Structure	No of Principals ³³	% of Female Principals	% of BAME ³¹ Principals	No of Audit Principals	No of RIs ³⁴	No of PIE ³ Audit Clients	Fee Income: Audit (£m)	Fee Income: Non-Audit Work ³⁵ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³⁶
Price Bailey	LLP	28	14%	11%	13	14	1	4	2	14	20
James Cowper Kreston	LLP	18	22%	0%	10	11	7	3	2	9	14
Shipleys	LLP	14	14%	0%	12	12	2	3	1	9	13
Carter Backer Winter	LLP	18	0%	0%	8	11	1	2	0	10	12
French Duncan	LLP	18	28%	0%	4	4	1	2	N/A	N/A	10
BSG Valentine	Partnership	13	0%	0%	3	4	1	2	0	5	7
Jeffreys Henry	LLP	11	9%	73%	6	8	4	2	2	3	7
Brown Butler	Limited Company	5	0%	0%	4	5	1	1	0	3	4
Watson Buckle	Limited Company	5	20%	0%	3	3	1	1	0	2	3
Edwards	Limited Company	4	0%	0%	4	4	1	1	0	1	2

UK FEE INCOME OF AUDIT FIRMS WITH PIE AUDIT CLIENTS - YEAR ENDED 2017

(By fee income from audit)

Figure 33

UK Firm Name	UK Structure	No of Principals ³³	% of Female Principals	% of BAME ³¹ Principals	No of Audit Principals	No of RIs ³⁴	No of PIE ³ Audit Clients	Fee Income: Audit (£m)	Fee Income: Non-Audit Work ³⁵ to Audit Clients (£m)	Fee Income: Non-Audit Clients (£m)	Total Fee Income (£m) ³⁶
F. W. Smith, Riches & Co.	Partnership	4	25%	0%	3	3	1	1	0	1	2
Knox Cropper	Partnership	6	0%	0%	6	6	1	1	0	1	2
Greenwich & Co UK	Sole Proprietorship	1	0%	0%	1	1	1	0.1	0	0	0.1
Hope Jones	Partnership	2	0%	0%	2	2	1	0	0	0	0

³³ Principals are partners or member of an LLP.

³⁴ Responsible Individuals (RIs) are those individuals who are able to sign audit reports and include Audit Principals and Employees.

³⁵ Paragraph 5.8 of the FRC's 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.

³⁶ Figures used for the fee income splits have been rounded to the nearest decimal, accordingly the total fee income is calculated on this basis.

³⁷ Deloitte LLP figures for 2017 relate to practising activities in the UK, Channel Islands and Isle of Man only.

³⁸ BDO do not currently collect this information on their BAME principals.

Proportion of Total Fee Income for the Big Four firms (2015 – 2017)

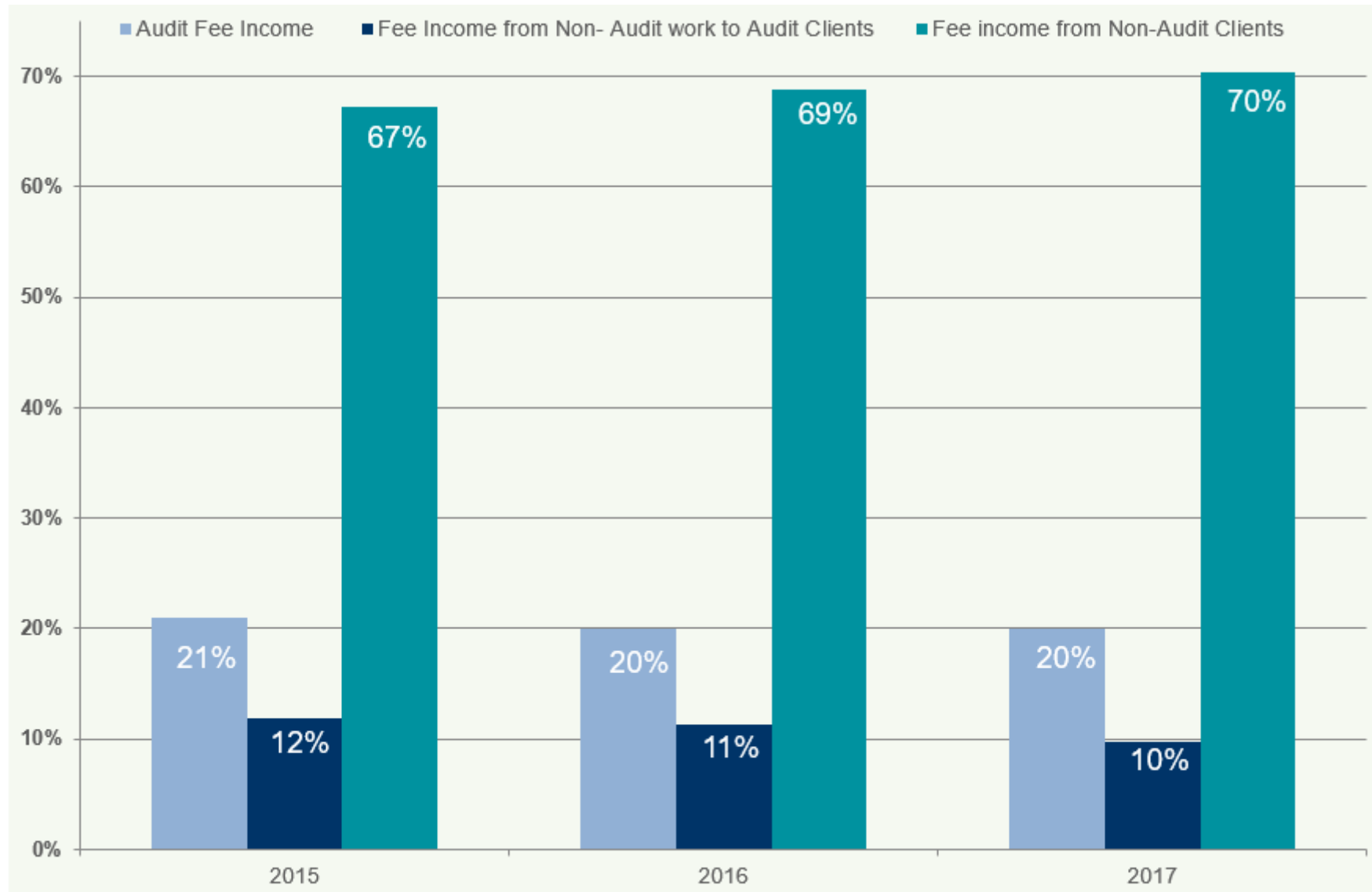


Figure 34

Proportion of Total Fee Income for Audit Firms with PIE Audit Clients Outside of the Big Four firms (2015 – 2017)

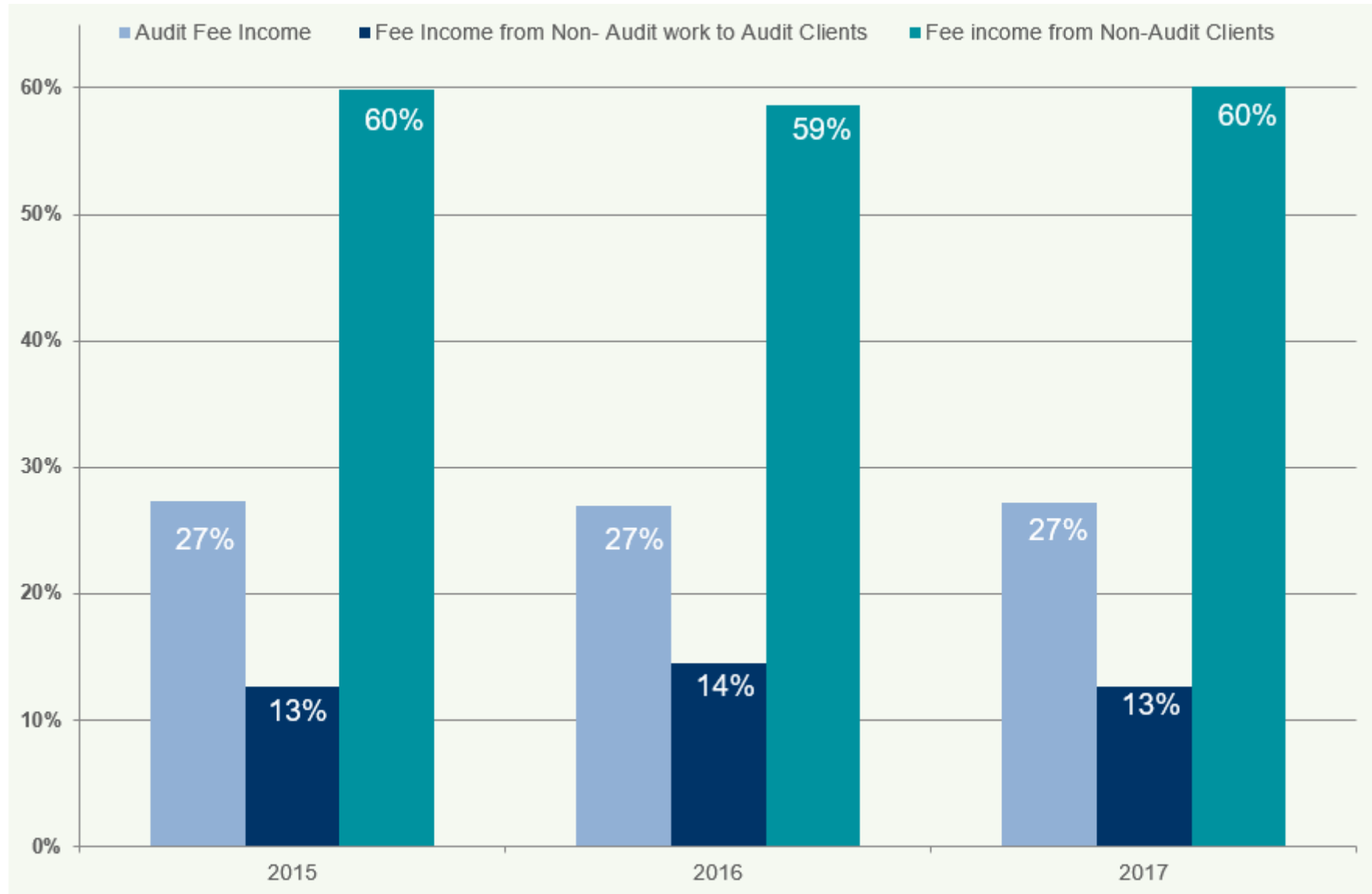


Figure 35

Growth of Fee Income

Figure 36³⁹ shows the percentage growth rate of fee income for each of the years from 2015/16 to 2016/17 for audit firms with PIE clients, split between (i) the Big Four audit firms and audit firms outside of the Big Four and (ii) between audit and non-audit income.

To ensure consistency in the graph below, we have included income figures for firms that have submitted data for all three years for both audit and non-audit income⁴⁰.

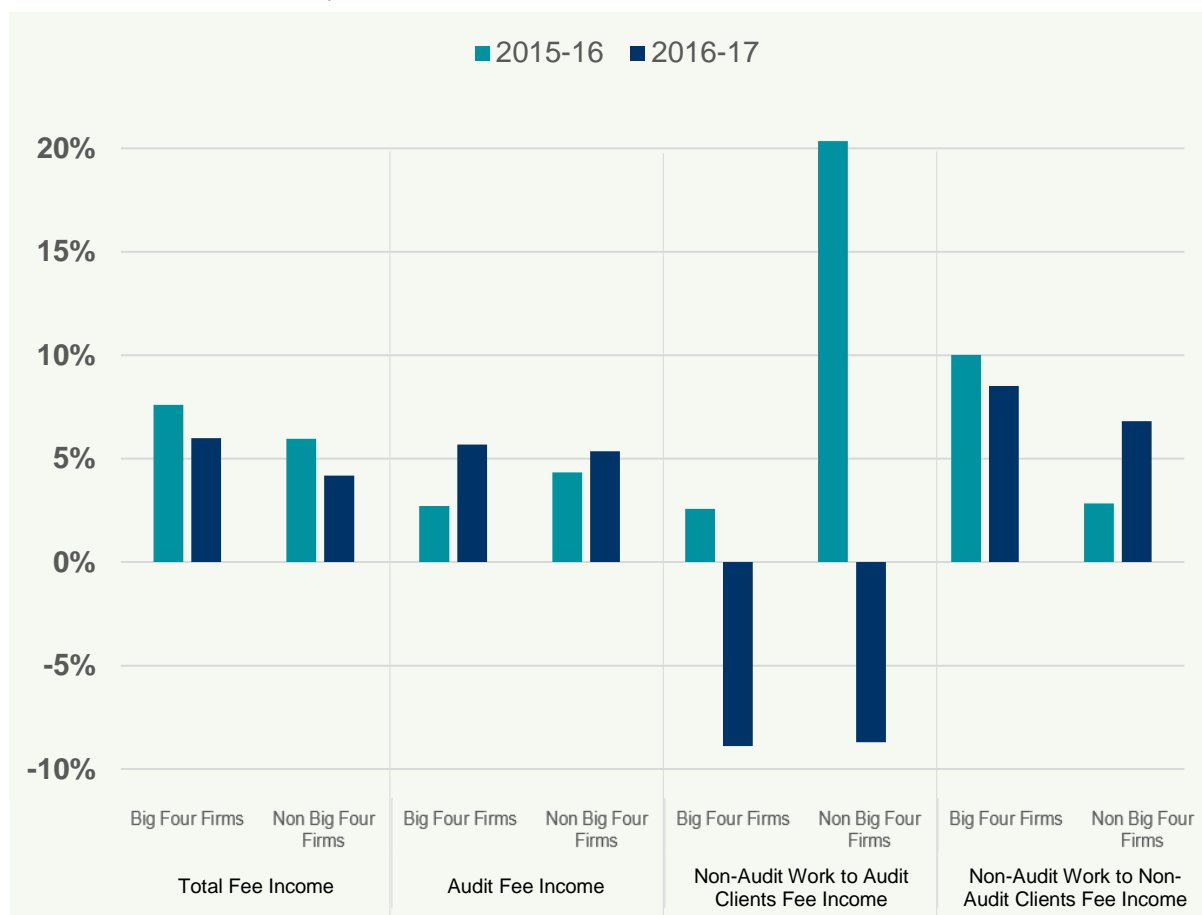


Figure 36

In 2016/17, there was a decline in the growth rate of total fee income for all firms with PIE clients. Audit fee income increased more for the Big Four (5.7%) in 2016/17 compared with 2015/16 (2.7%).

Non-audit work to audit clients' fee income fell by 8.9% and 8.7% for Big Four firms and Non-Big Four firms respectively. This may be due to the more stringent independence requirements placed on auditors by the ARD in June 2016.

Non-Big Four firm's fee income for non-audit work to non-audit clients has increased by 6.8% in 2016/17 compared to 2.8% for 2015/16.

³⁹ 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).

⁴⁰ The data will be different in some cases from that published in earlier editions of Key Facts and Trends in the Accountancy Profession, due to figures being restated for previous years by the firms and the different population of firms.

Audit Fee Income per Responsible Individual (RI)

Figure 37⁴¹ illustrates audit fee generated per RI⁴² for 2015 to 2017. This information is split between the Big Four firms and the audit firms outside the Big Four.

Audit Fee Income Per RI (£m)	2015	2016	2017
Big Four firms	1.92	1.81	1.88
Average of all firms with PIE clients	1.21	1.23	1.30
Non Big Four firms	0.53	0.58	0.62

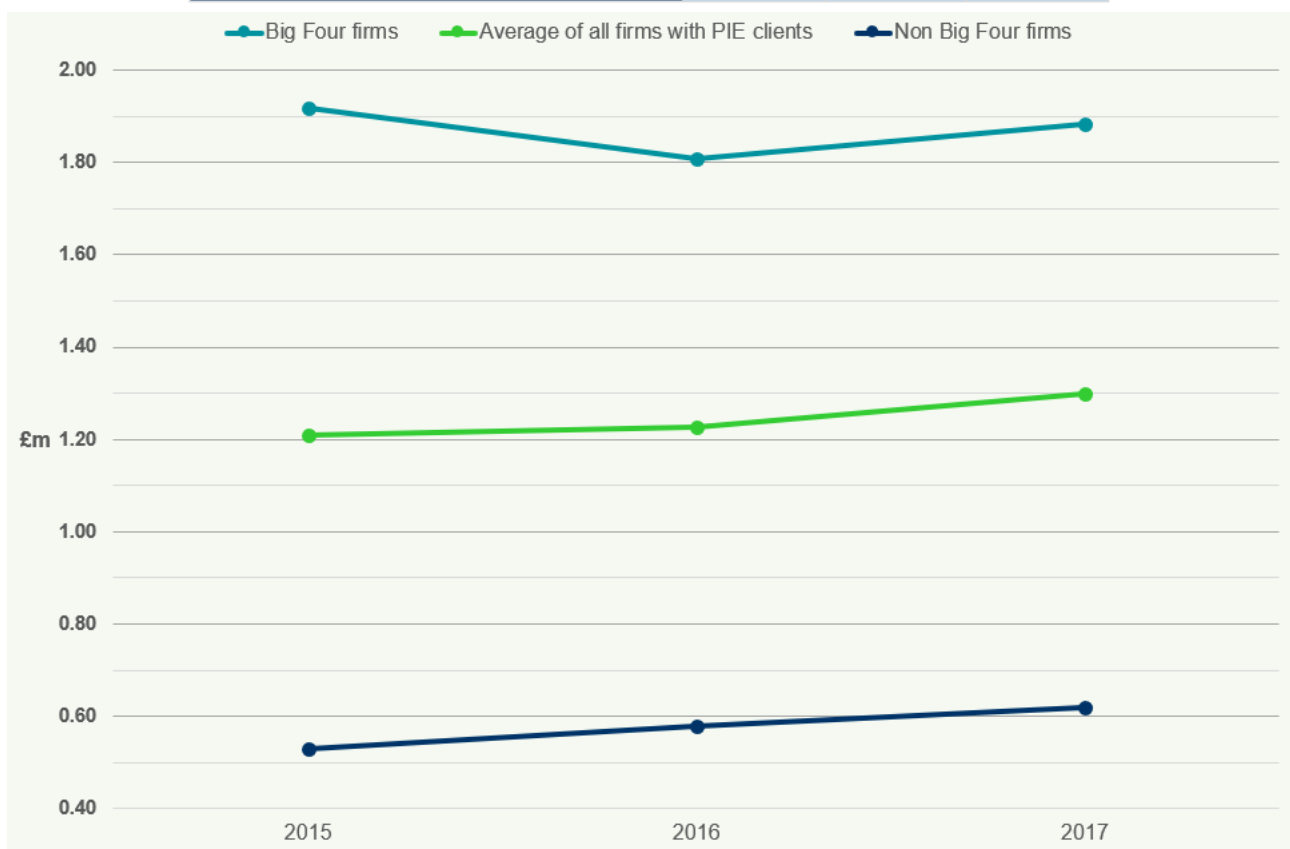


Figure 37

There has been an increase in income per RI in all firms between 2016 and 2017.

⁴¹ The historic information in this table has been updated as a result of changes in a number of submissions made by some of the PIE audit firms outside the Big Four.

⁴² RIs have been awarded the recognised professional qualification in audit and hold a practising certificate. A RI can sign an audit report on behalf of his/her firm.

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2017
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

Figure 38

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴³	No of FTSE 250 Audit Clients ⁴³	Total No of Other Clients listed on Regulated Markets ⁴³	No of AIM Audit Clients ⁴³
PricewaterhouseCoopers	LLP	30 Jun	35	66	109	84
KPMG ⁴⁴	LLP	30 Sep	26	59	116	88
Deloitte	LLP	31 May	21	68	79	49
EY	LLP	30 Jun	14	48	87	32
BDO	LLP	30 Jun	1	3	69	125
Grant Thornton UK	LLP	30 Jun	0	4	36	113
RSM	LLP	31 Mar	0	0	11	51
James Cowper Kreston	LLP	30 Apr	0	0	7	6
Moore Stephens	LLP	30 Apr	0	0	5	20
Haysmacintyre	Partnership	31 Mar	0	0	5	13
Crowe Clark Whitehill	LLP	31 Mar	0	0	4	38
UHY Hacker Young	Network of firms	30 Apr	0	0	4	15

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2017
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

Figure 38

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴³	No of FTSE 250 Audit Clients ⁴³	Total No of Other Clients listed on Regulated Markets ⁴³	No of AIM Audit Clients ⁴³
Jeffreys Henry	LLP	30 Apr	0	0	4	15
Saffery Champness	LLP	31 Mar	0	0	4	6
Hazlewoods	LLP	30 Apr	0	0	4	3
Mazars	LLP	31 Aug	0	0	3	15
Shipleys	LLP	30 Apr	0	0	2	4
Scott Moncrieff	Partnership	30 Apr	0	0	2	0
Kingston Smith	LLP	30 Apr	0	0	1	6
BSG Valentine	Partnership	30 Sep	0	0	1	1
Price Bailey	LLP	31 Mar	0	0	1	1
Wilkins Kennedy	LLP	30 Apr	0	0	1	1
Carter Backer Winter	LLP	31 Mar	0	0	1	0

CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2017
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and Other
 PIEs)

Figure 38

UK Firm Name	UK Structure	Year End	No of FTSE 100 Audit Clients ⁴³	No of FTSE 250 Audit Clients ⁴³	Total No of Other Clients listed on Regulated Markets ⁴³	No of AIM Audit Clients ⁴³
F. W. Smith, Riches & Co.	Partnership	31 Mar	0	0	1	0
French Duncan	LLP	30 Apr	0	0	1	0
Greenwich & Co UK	Sole Proprietorship	30 Jun	0	0	1	0
Nexia Smith & Williamson Audit	Limited Company	30 Apr	0	0	0	25
BHP	LLP	31 Mar	0	0	0	1
Haines Watts Group	Group of Partnerships	31 Mar	0	0	0	1

⁴³ 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 (97) and FTSE 250 (248) audit clients.

⁴⁴ Includes both KPMG LLP and KPMG Audit Plc.

Concentration of Listed Companies' Audits⁴⁵

Figure 39 illustrates the percentage of the number of audits of UK listed (equity and debt) companies undertaken by the Big Four firms⁴⁶, the next five firms (based on the number of listed audit clients) and other audit firms for period 2013 to 2017.

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

	Big Four Firms (%)					Next Five Firms (%)					Other Firms (%)				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
FTSE 100	98.0	98.0	98.0	99.0	99.0	2.0	2.0	2.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
FTSE 250	96.0	96.8	96.8	96.4	96.8	4.0	3.2	3.2	3.6	3.2	0.0	0.0	0.0	0.0	0.0
Other UK Main Market	68.1	69.7	71.1	74.8	74.2	23.7	21.4	21.5	18.4	16.0	8.2	8.9	7.4	6.8	9.8
All Main Market	78.8	79.9	83.2	81.0	80.0	16.0	14.5	11.0	13.3	12.6	5.2	5.6	5.8	5.7	7.4

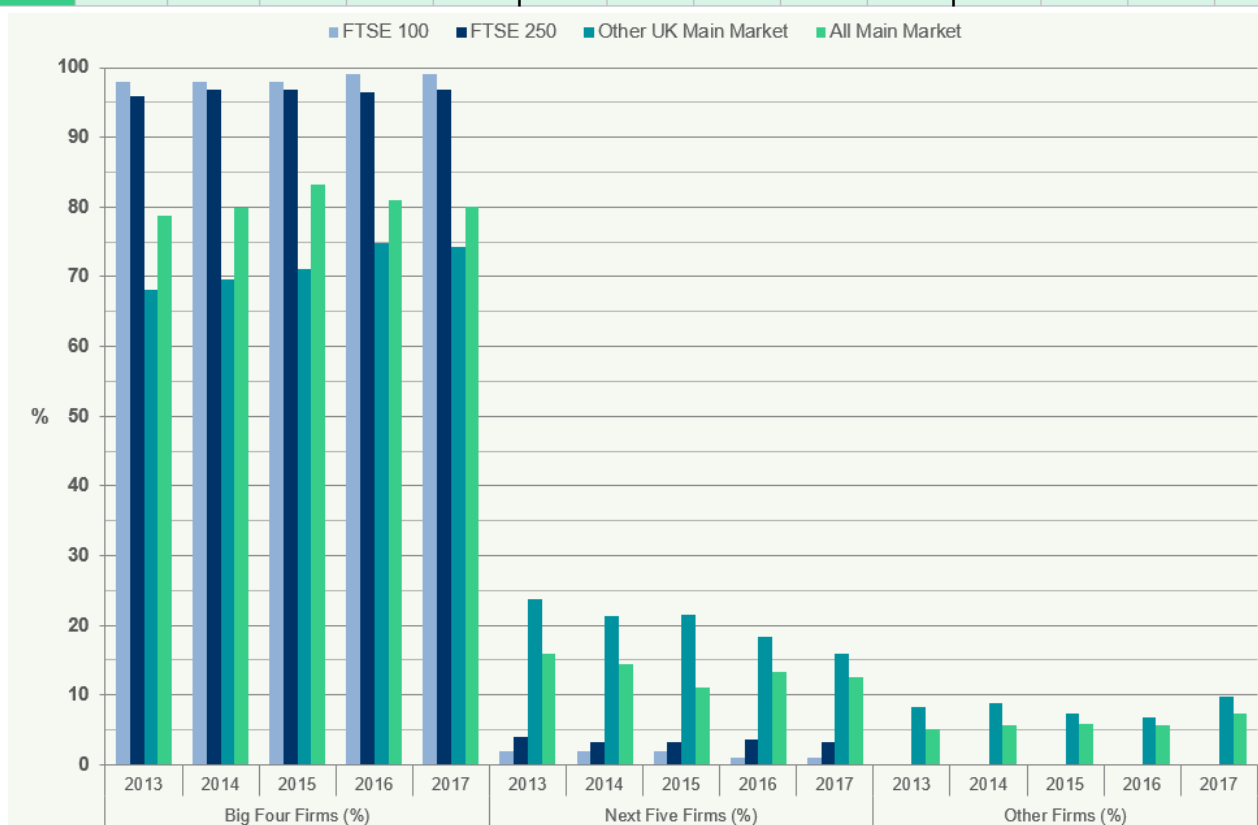


Figure 39

Source: Audit Quality Review team

There has been a decrease in All Main Market companies being audited by the Big Four and Next Five audit firms in 2017.

⁴⁵ Includes International Main Market Companies.

⁴⁶ Includes Big Four network firm offices whether located in the UK or elsewhere.

Diversity Information Collected by the Audit Firms (Workforce)

Figure 40 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 rate⁴⁷ of the relevant diversity indicator (represented via the line graph).

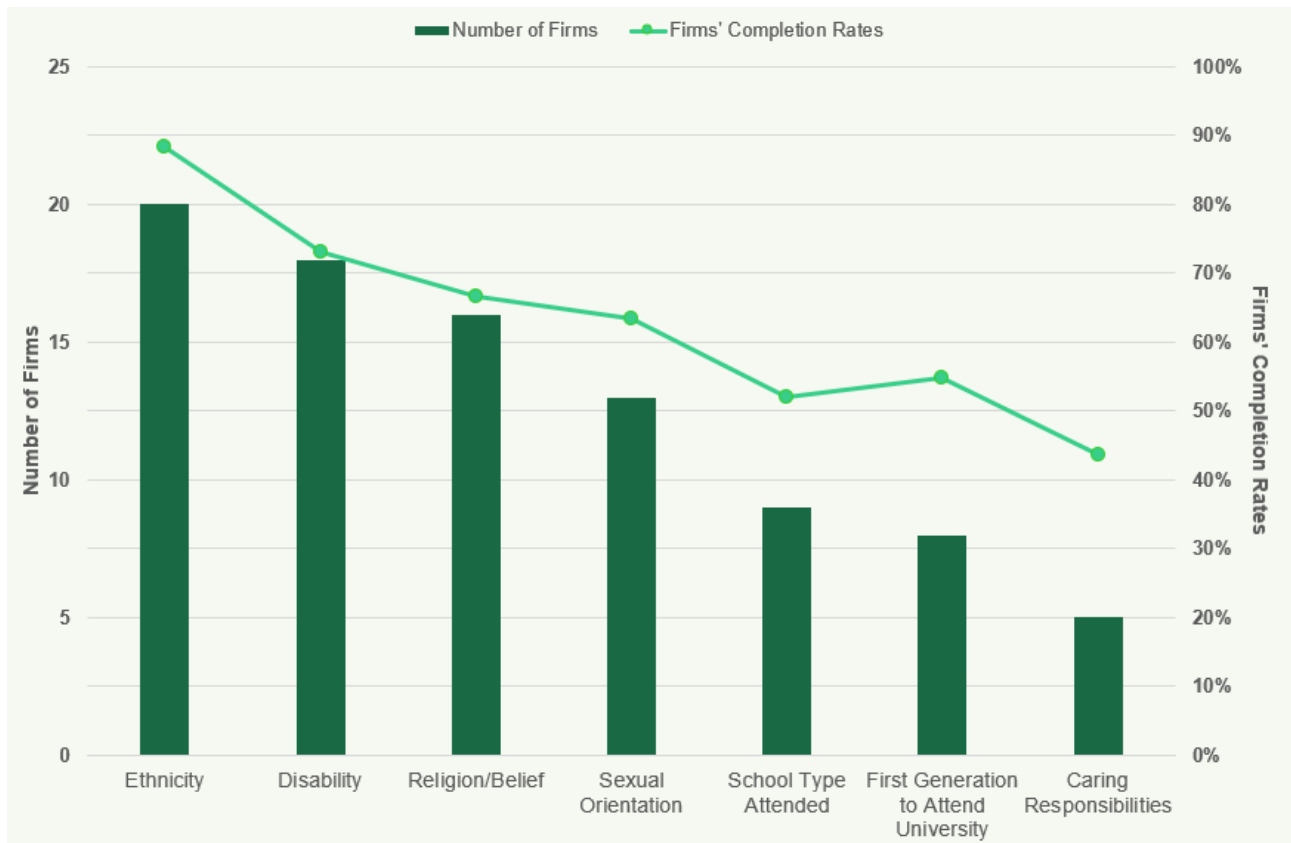


Figure 40

Of the 36 audit firms asked whether they collect diversity indicators on their staff, 21 firms reported that they capture at least one of the above indicators.

Ethnicity is the highest collected diversity indicator (20 audit firms) and it has the highest rate of completion across staff of all indicators (88%).

Scott Moncrieff has the highest percentage of female principals at 37%. Jeffrey's Henry has the highest percentage of BAME principals at 73%. (Figure 33).

⁴⁷ Completion rates refer to the percentage of staff in a firm who completed a diversity questionnaire.

Audit Firms with a Diversity Policy

Figure 41 shows the proportion of audit firms with and without a diversity policy in place.

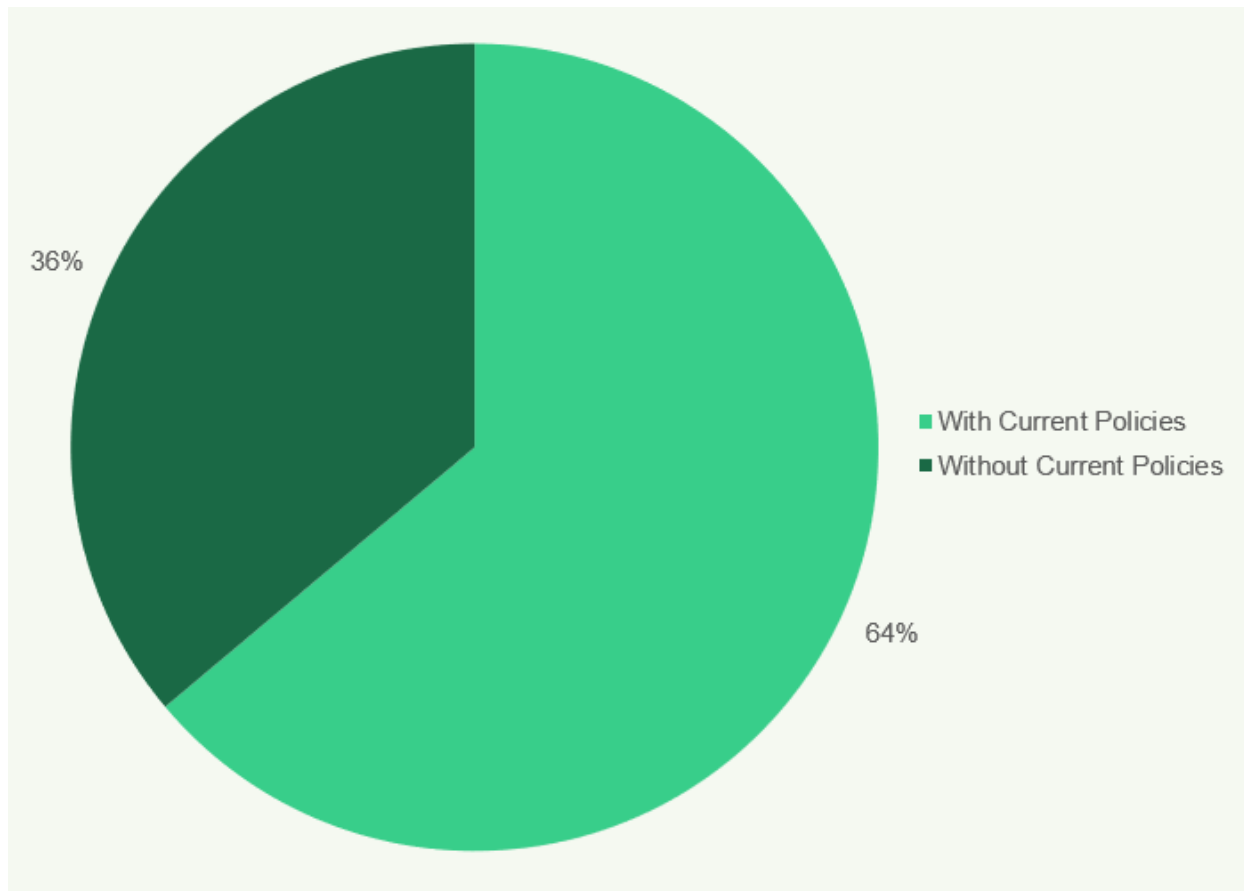


Figure 41

Nearly two thirds (64%) of the audit firms asked have a diversity policy.

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/ Percentages)

Registered Members and Students in the UK and the ROI

Figure 1

Number of Members in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	80,442	74,926	12,929	120,513	20,173	17,217	1,510	327,710
2014	83,339	77,551	12,393	122,167	20,990	17,538	1,574	335,552
2015	86,828	78,402	12,957	123,541	21,699	17,852	1,489	342,768
2016	90,697	80,007	12,944	125,087	22,696	18,103	1,378	350,912
2017	94,622	82,587	12,630	126,560	23,905	18,528	1,292	360,124
% growth (16 - 17)	4.3	3.2	-2.4	1.2	5.3	2.3	-6.2	2.6
% growth (13 - 17)	17.6	10.2	-2.3	5.0	18.5	7.6	-14.4	9.9
% compound annual growth (13 - 17)	4.1	2.5	-0.6	1.2	4.3	1.9	-3.8	2.4

Number of Students in the UK and ROI								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	85,259	55,295	2,058	15,553	6,431	2,978	285	167,859
2014	83,198	54,684	2,015	16,711	6,539	3,058	270	166,475
2015	81,460	51,677	1,937	18,165	6,623	3,350	201	163,413
2016	82,953	49,529	2,070	19,713	6,330	3,718	168	164,481
2017	82,124	48,263	1,857	20,946	6,655	3,837	127	163,809
% growth (16 - 17)	-1.0	-2.6	-10.3	6.3	5.1	3.2	-24.4	-0.4
% growth (13 - 17)	-3.7	-12.7	-9.8	34.7	3.5	28.8	-55.4	-2.4
% compound annual growth (13 - 17)	-0.9	-3.3	-2.5	7.7	0.9	6.5	-18.3	-0.6

Registered Members and Students Worldwide

Figure 2

Number of Members Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	165,625	95,925	13,328	142,334	22,828	20,109	8,545	468,694
2014	174,227	99,942	13,327	144,167	23,778	20,401	9,250	485,092
2015	183,386	102,942	13,640	145,746	24,496	20,709	6,755	497,674
2016	193,976	106,095	14,266	147,538	25,496	21,152	6,786	515,309
2017	204,336	109,415	13,735	149,298	26,562	21,503	7,166	532,015
% growth (16 - 17)	5.3	3.1	-3.7	1.2	4.2	1.7	5.6	3.2
% growth (13 - 17)	23.4	14.1	3.1	4.9	16.4	6.9	-16.1	13.5
% compound annual growth (13 - 17)	5.4	3.3	0.8	1.2	3.9	1.7	-4.3	3.2

Number of Students Worldwide								
	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	365,488	122,394	2,550	20,121	6,440	2,989	9,607	529,589
2014	373,668	127,813	3,362	22,001	6,548	3,071	9,064	545,527
2015	388,636	125,763	3,779	24,149	6,627	3,366	7,474	559,794
2016	405,376	125,380	4,254	25,822	6,334	3,735	5,244	576,145
2017	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946
% growth (16 - 17)	2.3	1.5	3.5	7.9	5.2	3.1	2.3	2.4
% growth (13 - 17)	13.4	4.0	72.6	38.5	3.4	28.8	-44.2	11.4
% compound annual growth (13 - 17)	3.2	1.0	14.6	8.5	0.9	6.5	-13.6	2.7

Sectoral Employment of Members and Students Worldwide 2017

Figure 4

No. of members	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Working in Practice	46,429	1,692	268	42,920	6,681	5,417	433	103,840
Industry & Commerce	121,616	80,137	1,576	66,300	16,846	9,920	6,060	302,455
Public Sector	19,719	10,888	6,473	9,403	0	959	50	47,492
Retired	9,002	13,371	2,880	23,603	1,408	3,975	602	54,841
Other	7,570	3,327	2,538	7,072	1,627	1,232	21	23,387
TOTAL	204,336	109,415	13,735	149,298	26,562	21,503	7,166	532,015

No. of students	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Working in Practice	57,340	149	0	21,773	5,238	3,299	34	87,833
Industry & Commerce	192,532	78,300	690	1,436	101	322	2,948	276,329
Public Sector	47,302	3,922	2,857	469	31	0	30	54,611
Retired	0	77	0	0	0	0	0	77
Other	117,388	44,793	854	4,188	1,292	228	2,353	171,096
TOTAL	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946

Gender of Members Worldwide

Figure 5

% Female Members Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	45%	33%	32%	26%	39%	32%	32%	34%
2014	46%	34%	32%	27%	40%	33%	33%	35%
2015	46%	34%	33%	28%	40%	33%	30%	35%
2016	46%	35%	32%	28%	41%	33%	32%	35%
2017	46%	35%	32%	28%	41%	34%	34%	36%

Gender of Students Worldwide

Figure 6

% Female Students Worldwide	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	51%	44%	48%	39%	49%	43%	63%	48%
2014	53%	44%	48%	40%	49%	41%	62%	48%
2015	54%	46%	49%	42%	48%	41%	61%	49%
2016	54%	47%	49%	42%	48%	43%	58%	49%
2017	57%	48%	48%	43%	47%	44%	58%	49%

Age of Members Worldwide

Figure 7

2017	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	1,046	109	0	246	10	39	50	1,500
25 - 34	53,213	17,041	621	26,244	8,261	5,596	705	111,681
35 - 44	73,801	36,771	2,078	31,070	8,534	5,117	2,378	159,749
45 - 54	46,906	29,203	3,762	35,258	5,151	3,704	2,035	126,019
55 - 64	17,911	14,289	2,943	26,841	2,689	3,130	876	68,679
65 and over	11,459	11,972	3,393	29,639	1,917	3,917	1,122	63,419
Not Stated	0	30	938	0	0	0	0	968
TOTAL	204,336	109,415	13,735	149,298	26,562	21,503	7,166	532,015

2013	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	842	114	0	220	25	30	17	1,248
25 - 34	46,649	18,028	1,035	24,563	8,325	5,993	674	105,267
35 - 44	62,677	33,354	2,240	31,774	6,788	4,050	2,934	143,817
45 - 54	34,862	23,167	4,119	35,563	4,155	3,600	2,351	107,817
55 - 64	14,140	11,883	2,944	25,364	2,095	2,938	1,294	60,658
65 and over	6,455	9,379	2,836	24,850	1,440	3,498	1,275	49,733
Not Stated	0	0	0	0	0	0	0	0
TOTAL	165,625	95,925	13,174	142,334	22,828	20,109	8,545	468,540

Age of Students Worldwide

Figure 8

2017	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	154,431	44,241	98	15,396	2,427	2,202	2,438	221,233
25 - 34	173,875	45,463	866	11,561	3,331	1,380	1,361	237,837
35 - 44	65,359	24,680	915	738	649	76	1,084	93,501
45 and over	20,897	11,660	786	171	228	19	482	34,243
Not Stated	0	1,197	1,736	0	27	172	0	3,132
TOTAL	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946

2013	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Under 25	107,911	34,900	81	9,925	2,376	1,560	2,252	159,005
25 - 34	180,106	52,224	938	9,259	3,426	867	3,532	250,352
35 - 44	60,280	25,209	669	791	490	13	2,611	90,063
45 and over	17,191	10,061	584	146	136	1	1,212	29,331
Not Stated	0	0	278	0	12	548	0	838
TOTAL	365,488	122,394	2,550	20,121	6,440	2,989	9,607	529,589

Location of Students 2017

Figure 10

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
UK & ROI	82,124	48,263	1,857	20,946	6,655	3,837	127	163,809
Rest of the World	332,438	78,978	2,544	6,920	7	12	5,238	426,137
TOTAL	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946

Profile of Students Worldwide of the Accountancy Bodies 2017

Figure 11

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
≤ 1 Year	95,230	31,018	598	7,942	1,624	1,002	282	137,696
> 1 - 2 Years	71,144	25,962	665	6,764	1,435	1,158	432	107,560
> 2 - 3 Years	48,500	15,221	750	6,047	1,362	929	598	73,407
> 3 - 4 Years	35,608	12,315	1,098	4,428	1,078	398	704	55,629
> 4 - 5 Years	30,338	8,464	528	1,325	344	190	573	41,762
≥ 5 Years	133,742	34,261	762	1,360	819	172	2,776	173,892
TOTAL	414,562	127,241	4,401	27,866	6,662	3,849	5,365	589,946

Graduate Entrants to Training 2017

Figure 12

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA
Holding a Degree	44%	46%	49%	74%	92%	90%	30%
Holding a Relevant Degree	23%	36%	18%	24%	74%	39%	24%

AAT Age Distribution of Members and Students 2017

Figure 14

	Members		Students	
	No.	%	No.	%
Under 25	2,786	5%	27,274	35%
25 - 34	10,346	20%	25,496	33%
35 - 44	12,138	24%	15,732	20%
45 and over	26,050	51%	9,148	12%
Not Stated	0	0%	0	0%
TOTAL	51,320	100%	77,650	100%

Income of the Seven Accountancy Bodies

Figure 16

£m	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	160.0	54.8	26.1	87.6	22.3	17.8	1.5	370.1
2014	164.0	61.9	36.3	91.5	22.0	16.7	1.6	394.0
2015	177.0	54.2	27.1	101.6	21.9	17.2	1.9	400.9
2016	184.0	56.6	23.6	107.0	25.9	16.7	1.9	415.6
2017	202.0	58.9	24.1	120.0	26.8	17.5	1.8	451.1

Average Income per Body from its Members and Students

Figure 17

£	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
2013	284	226	390	433	622	632	77	312
2014	285	238	377	442	590	635	82	314
2015	299	206	413	486	575	660	124	325
2016	295	210	415	490	654	631	150	327
2017	315	214	403	525	707	651	136	345
% growth (13 - 17)	10.8	-5.3	3.1	21.1	13.6	3.0	75.9	10.9

Breakdown of Income 2017

Figure 18

	ACCA	CIMA	CIPFA	ICAEW	CAI	ICAS	AIA	TOTAL
Fees & Subscriptions	90.0	37.8	3.1	47.0	9.8	7.3	1.6	196.6
Education & Exam Fees	99.0	12.8	4.2	13.0	8.7	6.9	0.1	144.7
Regulation & Discipline	6.0	0.0	0.0	33.0	3.2	2.3	0.0	44.5
Commercial Activities	6.0	5.7	16.6	17.0	3.2	0.8	0.0	49.3
Other (Including Investment Income)	1.0	2.6	0.2	10.0	1.9	0.2	0.1	16.0
TOTAL	202.0	58.9	24.1	120.0	26.8	17.5	1.8	451.1

Growth of Fee Income

Figure 36

Growth Rate %		2015-16	2016-17
Total Fee Income	Big Four Firms	7.6%	6.0%
	Non Big Four Firms	6.0%	4.2%
Audit Fee Income	Big Four Firms	2.7%	5.7%
	Non Big Four Firms	4.3%	5.4%
Non-Audit Work to Audit Clients Fee Income	Big Four Firms	2.6%	-8.9%
	Non Big Four Firms	20.4%	-8.7%
Non-Audit Work to Non-Audit Clients Fee Income	Big Four Firms	10.0%	8.5%
	Non Big Four Firms	2.8%	6.8%

Section Seven – Glossary

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

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

LSE Main Market	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>
QAC	Quality Assurance Committee (CAI term)
QAD	Quality Assurance Directorate (ICAEW term)
RI	Responsible Individuals have been awarded the recognised professional qualification in audit and hold a practising certificate. An RI can sign an audit report on behalf of his/her firm
ROI	Republic of Ireland
RQB	Recognised Qualifying Bodies – there are 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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