

June 2014

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# Key Facts and Trends in the Accountancy Profession

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## Foreword

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

The FRC is the UK's independent regulator responsible for promoting high quality corporate governance and reporting to foster investment. It has specific responsibilities for overseeing the regulation of statutory auditors and, more widely, the regulation of the accountancy and actuarial professions in the UK by agreement with their professional bodies.

This document provides statistical information on the accountancy profession as part of the context to the FRC's work. It collates information provided by the accountancy bodies for which the FRC has oversight responsibilities, being the six Chartered Accountancy bodies<sup>1</sup> and one other body that offers an audit qualification recognised by the FRC<sup>2</sup>. The information in Sections One to Four relates principally to membership, students, income, costs and staffing of these bodies. Section Five contains information related to the supervision of statutory auditors that in previous years was included in the report from the Professional Oversight Board to the Secretary of State.

Section Six provides information on thirty two of the largest registered audit firms which collectively audit the vast majority of UK listed companies and other public interest entities. Firms provide this information on a voluntary basis and there were a few firms that declined to do so.

Where appropriate we highlight significant trends and explain possible limitations on the data. However, we do not comment 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. This can be for a number of reasons, such as differences in the way data is classified or in the differing regulatory arrangements.

The tables on members of the accountancy bodies show data for the UK and the Republic of Ireland, and separately worldwide data. We include the UK and Republic of Ireland 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 Republic of Ireland, which is available at <http://www.iaasa.ie>.

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<sup>1</sup> Association of Chartered Certified Accountants (ACCA)  
Chartered Accountants Ireland (CAI)  
Chartered Institute of Management Accountants (CIMA)  
Chartered Institute of Public Finance and Accountancy (CIPFA)  
Institute of Chartered Accountants in England and Wales (ICAEW)  
Institute of Chartered Accountants of Scotland (ICAS)

<sup>2</sup> Association of International Accountants (AIA)

Overall, the data suggests that the profession continues to remain attractive. The total number of members and students continues to increase, both in the UK and worldwide. The total fee income of the largest firms has also grown in 2012/13.

We are grateful to those that took the time to complete our questionnaire on how we could improve this publication. We would again welcome your comments on Key Facts and Trends in the Accountancy Profession and should be grateful if you would complete our short questionnaire (see link below):

<https://www.surveymonkey.com/s/KeyFactsandTrends2014>

Further information about the FRC is available at [www.frc.org.uk](http://www.frc.org.uk) .

A handwritten signature in blue ink, appearing to read 'D Childs', with a horizontal line underneath.

David Childs

Chairman of the FRC Conduct Committee

June 2014

# **Section One – Main Highlights**

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## One – Main Highlights

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### The Accountancy Bodies 2009 – 2013

- Total membership of the accountancy bodies continues to grow steadily. The seven bodies included in the report have over 327,000 members in the UK and Republic of Ireland and over 465,000 members worldwide. The compound annual growth rates for 2009-13 are 2.7% in the UK and Republic of Ireland and 3.5% worldwide. (Tables 1 and 2)
- The number of students has also risen with 167,000 students in the UK and Republic of Ireland and just over 529,000 worldwide. Although numbers grew in 2013 there has been a decline in student numbers in the UK and Republic of Ireland over the period as a whole, falling on average by 0.2% (2009-13). Average annual growth rates worldwide increased by 3.4% over the same period. Student numbers increased in 2013 by 4.5% worldwide and 1.6% in the UK and Republic of Ireland. (Tables 4 and 5)
- There are 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 registered audit firms continues to decline gradually, albeit at a slower rate than previously. The overall number of registered audit firms was 6,962 as at the 31 December 2013, a fall of 11.2% since 31 December 2009. (Table 8)
- The number of audit monitoring visits across all the bodies has remained relatively stable over the last five years, with 1,351 visits being conducted in 2013 compared to 1,335 in 2009.

## The Audit Firms 2009 – 2013

- Table 18 shows the fee income for audit and non-audit services for 32 of the largest registered audit firms for the year ended 2013. Most of these have audit clients which are UK public interest entities<sup>1</sup>. Firms are listed in order of fee income from audit, rather than total fee income.
- Over the past five years, the 'Big Four' firms (PricewaterhouseCoopers, KPMG, Deloitte and Ernst & Young) have experienced a steady increase in the proportion of fee income from non-audit work for non-audit clients. In contrast their fee income from non-audit work to audit clients has been falling. (Chart 18)
- Total fee income for all firms surveyed increased in 2012-13. The increase for the Big Four firms was 3.9% compared with an average increase of 2.6% for the larger registered firms outside the Big Four. This is the second year since 2009 that firms outside of the Big Four have seen an increase rather than a decline in total fee income. (Table 19)
- Audit fee income for Big Four firms increased by 2.8% in 2012-13 compared with a decrease of 1.7% for the larger registered firms outside the Big Four that are included in our analysis. (Table 19)
- Audit fee income per Responsible Individual in the Big Four firms has grown in 2013 by 6%. (Table 20)
- There has been little change in recent years in the proportion of listed companies audited by many of the larger registered firms outside the Big Four. (Table 22)

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<sup>1</sup> The definition of a Public Interest Entity can be found in the 'AQR: Scope of Independent Inspection 2014/15' which can be found at [www.frc.org.uk/Our-Work/Conduct/Audit-Quality-Review.aspx](http://www.frc.org.uk/Our-Work/Conduct/Audit-Quality-Review.aspx)



## **Section Two – Members of Accountancy Bodies**

## Two – Members of Accountancy Bodies

### Members in the UK and the Republic of Ireland 2009 – 2013

Table 1 shows the number of members of each of seven accountancy bodies in the UK and Republic of Ireland<sup>1</sup> as at 31 December for each of the five years to 31 December 2013.

|                                  | ACCA   | CIMA   | CIPFA  | ICAEW   | CAI    | ICAS   | AIA   | TOTAL   |
|----------------------------------|--------|--------|--------|---------|--------|--------|-------|---------|
| 2009                             | 68,907 | 63,513 | 13,440 | 114,468 | 17,076 | 15,858 | 1,734 | 294,996 |
| 2010                             | 72,565 | 66,342 | 13,297 | 115,990 | 18,145 | 16,270 | 1,674 | 304,283 |
| 2011                             | 75,305 | 69,038 | 13,159 | 117,475 | 18,814 | 16,666 | 1,647 | 312,104 |
| 2012                             | 77,269 | 72,053 | 13,140 | 119,179 | 19,414 | 16,933 | 1,607 | 319,595 |
| 2013                             | 80,442 | 74,926 | 12,929 | 120,513 | 20,173 | 17,217 | 1,510 | 327,710 |
| % growth (12 - 13)               | 4.1    | 4.0    | -1.6   | 1.1     | 3.9    | 1.7    | -6.0  | 2.5     |
| % growth (09 - 13)               | 16.7   | 18.0   | -3.8   | 5.3     | 18.1   | 8.6    | -12.9 | 11.1    |
| % compound annual growth (09-13) | 3.9    | 4.2    | -1.0   | 1.3     | 4.3    | 2.1    | -3.4  | 2.7     |

Table 1

- The overall total number of members of these seven accountancy bodies in the UK and Republic of Ireland has continued to grow steadily at a compound annual growth rate of 2.7% for the period 2009 to 2013. Total membership rose 2.5% from 2012 to 2013 compared with 2.4% from 2011 to 2012.
- There are significant differences in growth rates of the individual bodies. ACCA, CIMA and CAI show the strongest growth at a compound annual rate of 3.9%, 4.2% and 4.3% respectively between 2009 to 2013. Membership of the AIA and CIPFA has declined during this period.
- The ICAEW continues to be the largest of these bodies in the terms of UK and ROI membership.

<sup>1</sup> The location of members is based on the registered address supplied to the accountancy bodies and may be either the place of employment or the place of residence.

## Members Worldwide 2009 – 2013

Table 2 shows the number of members worldwide<sup>2</sup> of each of seven accountancy bodies as at 31 December for each of the five years to 31 December 2013.

|   | ACCA        | CIMA        | CIPFA       | ICAEW      | CAI         | ICAS        | AIA <sup>3</sup> | TOTAL          |
|---|-------------|-------------|-------------|------------|-------------|-------------|------------------|----------------|
| <b>2009</b>                             | 137,233     | 79,757      | 13,790      | 134,698    | 18,802      | 18,278      | 6,566            | <b>409,124</b> |
| <b>2010</b>                             | 144,397     | 83,487      | 13,668      | 136,615    | 20,010      | 18,780      | 7,046            | <b>424,003</b> |
| <b>2011</b>                             | 151,283     | 87,316      | 13,544      | 138,464    | 20,905      | 19,334      | 7,300            | <b>438,146</b> |
| <b>2012</b>                             | 158,574     | 91,744      | 13,541      | 140,573    | 21,844      | 19,739      | 7,983            | <b>453,998</b> |
| <b>2013</b>                             | 165,625     | 95,925      | 13,328      | 142,334    | 22,828      | 20,109      | 8,545            | <b>468,694</b> |
| <b>% growth (12 - 13)</b>               | <b>4.4</b>  | <b>4.6</b>  | <b>-1.6</b> | <b>1.3</b> | <b>4.5</b>  | <b>1.9</b>  | <b>7.0</b>       | <b>3.2</b>     |
| <b>% growth (09 - 13)</b>               | <b>20.7</b> | <b>20.3</b> | <b>-3.4</b> | <b>5.7</b> | <b>21.4</b> | <b>10.0</b> | <b>30.1</b>      | <b>14.6</b>    |
| <b>% compound annual growth (09-13)</b> | <b>4.8</b>  | <b>4.7</b>  | <b>-0.8</b> | <b>1.4</b> | <b>5.0</b>  | <b>2.4</b>  | <b>6.8</b>       | <b>3.5</b>     |

Table 2

- The worldwide membership of the seven accountancy bodies continues to grow at a faster rate than the UK and ROI membership (3.5% compared to 2.7% (Table 1) compound annual growth for the period 2009 to 2013).
- ACCA continues to be the largest of these bodies in terms of worldwide membership.

<sup>2</sup> The location of members is based on the registered address supplied to the accountancy bodies and may be either the place of employment or the place of residence.

<sup>3</sup> The AIA number includes affiliate members who are not full members of the AIA. Affiliate membership is open to those who have a minimum of five years' experience working in accounting and finance.

## Students who became Members

Chart 1 shows the number of students who became members worldwide of each of seven accountancy bodies as at 31 December for each of the five years to 31 December 2013.

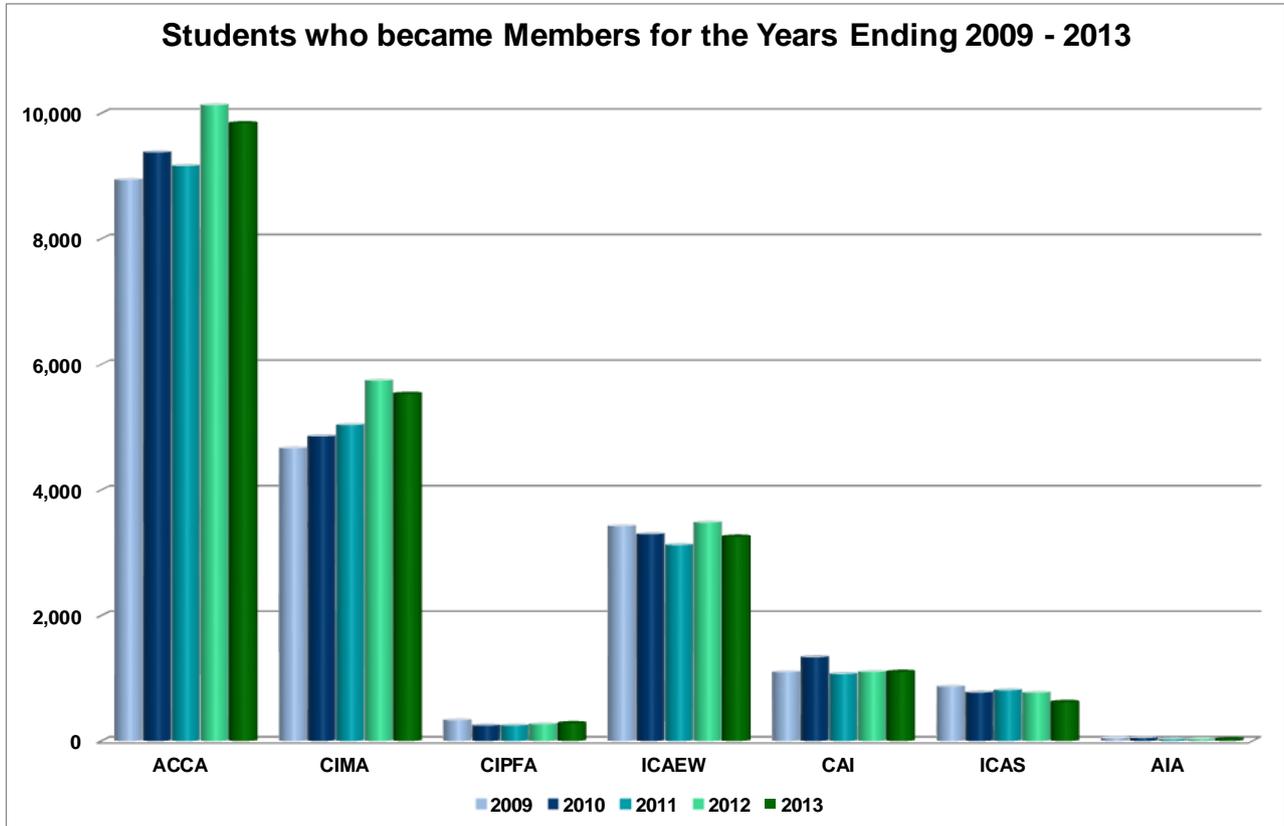


Chart 1

- For the majority of the bodies there has been a decrease in the number of students who became members for the year ending 2013.

## Sectoral Employment of Members Worldwide 2013

Chart 2 shows the percentages of members worldwide of each of the seven accountancy bodies, according to their sectoral employment<sup>4</sup> at the end of 2013.

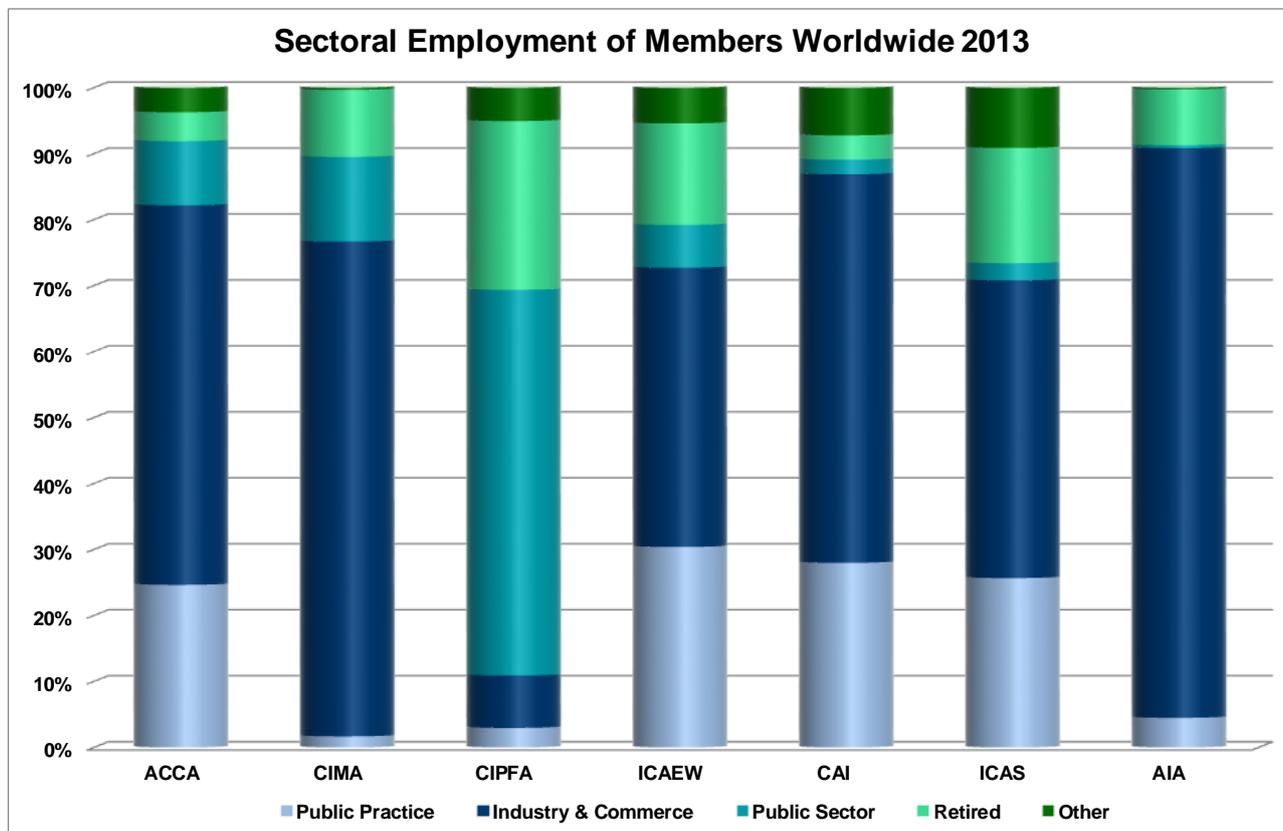


Chart 2

- There are few CIMA, CIPFA and AIA members employed in public practice at 2%, 3% and 4% respectively.
- All bodies apart from CIPFA have more members employed in industry and commerce than in any other category.
- CIPFA is the only body with the majority of its members employed in the public sector.

<sup>4</sup> 'Other' includes those members who are unemployed, taking a career break, undertaking full time study, on maternity leave, and any members who are unclassified, for example, because they have not provided the information. In the case of CAI, all such members are included in their most recent employment category. The ICAEW includes members working within the charity sector under 'Public Sector'.

## Gender of Members Worldwide 2009 - 2013

Table 3 shows the percentage of female members worldwide of each of seven accountancy bodies as at 31 December for each of the five years to 31 December 2013.

|      | ACCA | CIMA | CIPFA | ICAEW | CAI | ICAS | AIA | TOTAL |
|------|------|------|-------|-------|-----|------|-----|-------|
| 2009 | 43   | 30   | 30    | 24    | 35  | 29   | 26  | 33    |
| 2010 | 44   | 31   | 30    | 25    | 36  | 30   | 28  | 34    |
| 2011 | 44   | 32   | 31    | 25    | 37  | 31   | 29  | 34    |
| 2012 | 45   | 33   | 31    | 26    | 38  | 31   | 30  | 35    |
| 2013 | 45   | 33   | 32    | 26    | 39  | 32   | 32  | 35    |

Table 3

- The percentage of female members has remained at 35% in both 2012 and 2013.
- ACCA and CAI continue to have the largest proportion of female members.

### **Age of Members Worldwide 2013**

Charts 3 and 4 on the following pages compare the age distribution of members of the seven accountancy bodies as at 31 December, for 2009 and 2013.

- There are significant differences in the age profiles of worldwide members of the seven accountancy bodies. ACCA and CAI have the youngest population of members, with 67% and 66% respectively younger than 45 years. (Chart 3).
- More than 50% of the members of CIPFA, ICAEW, ICAS and AIA are aged 45 or over (Chart 3).
- CIPFA has the oldest age profile of members, with 75% aged 45 or over, compared to 69% in 2009.

## Comparison of Age Profile of Members of Accountancy Bodies Worldwide 2013

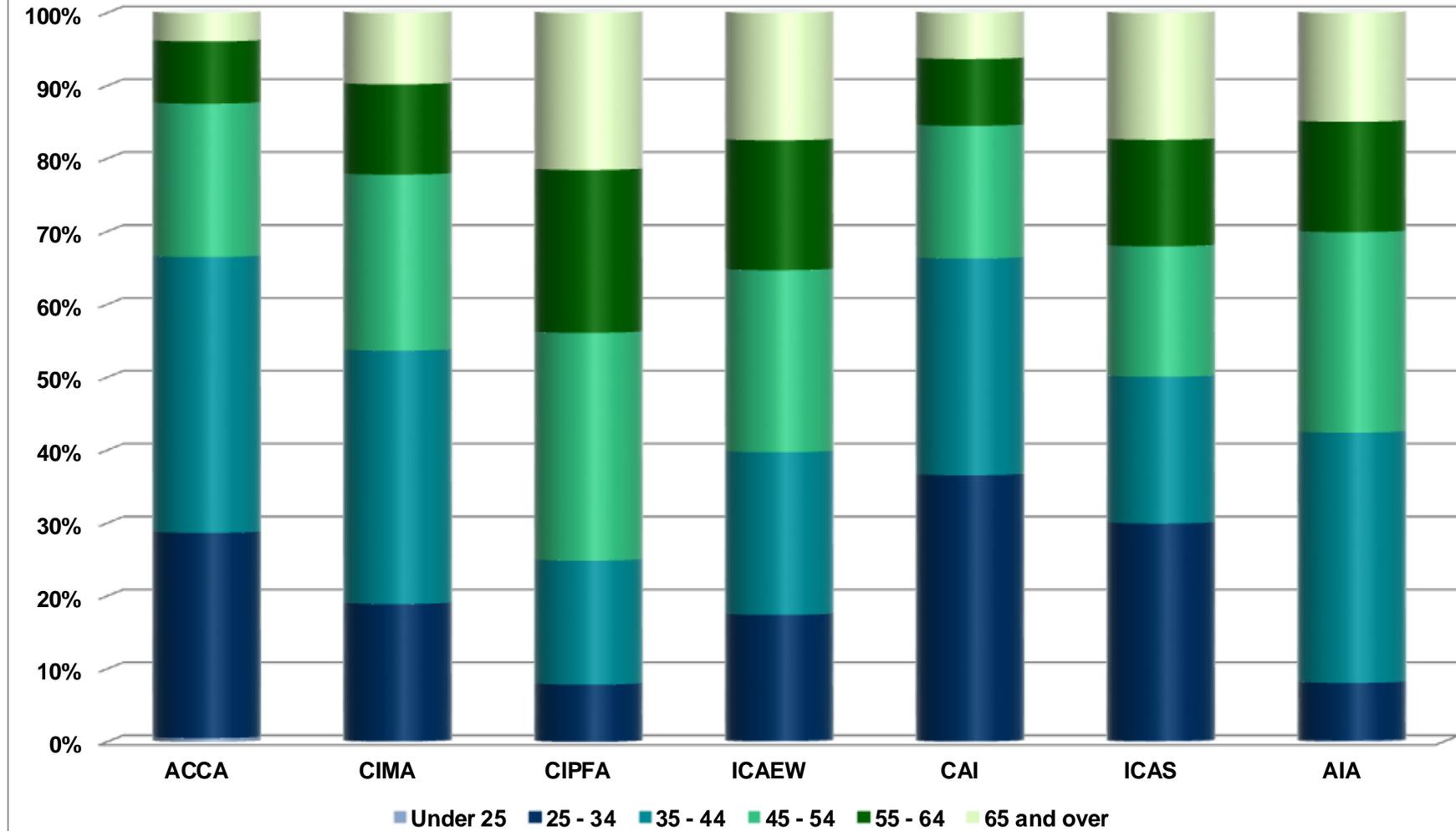


Chart 3

## Comparison of Age Profile of Members of Accountancy Bodies Worldwide 2009

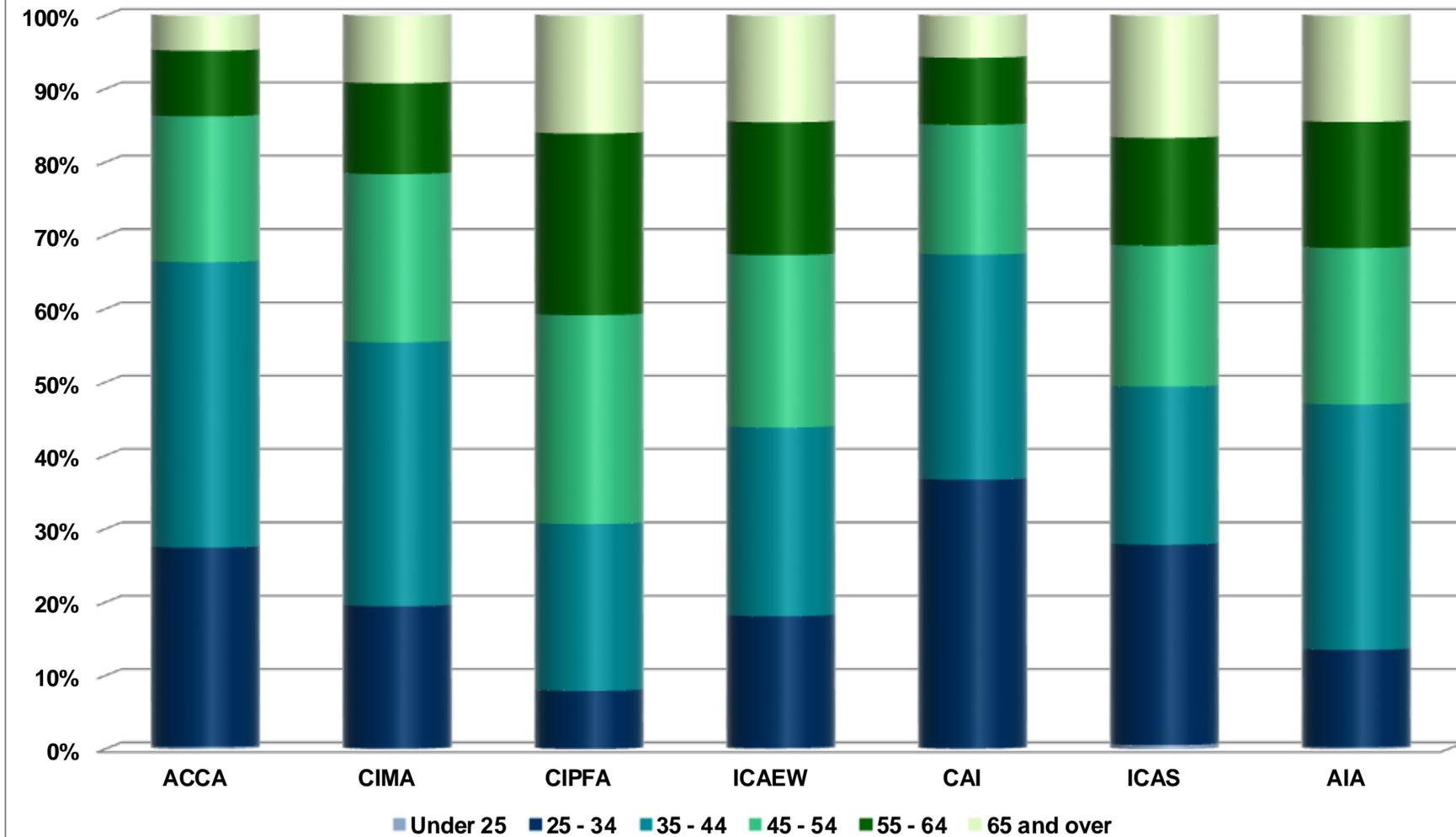


Chart 4



## **Section Three – Students of Accountancy Bodies**

## Three – Students of Accountancy Bodies

### Students Registered in the UK and Republic of Ireland 2009 - 2013

Table 4 shows the number of students of each of seven accountancy bodies in the UK and Republic of Ireland as at 31 December for each of the five years to 31 December 2013.

|   | ACCA        | CIMA       | CIPFA        | ICAEW      | CAI        | ICAS        | AIA         | TOTAL          |
|---|-------------|------------|--------------|------------|------------|-------------|-------------|----------------|
| <b>2009</b>                             | 88,082      | 54,373     | 2,913        | 14,206     | 6,171      | 3,075       | 143         | <b>168,963</b> |
| <b>2010</b>                             | 91,690      | 54,470     | 2,687        | 14,510     | 5,771      | 2,962       | 151         | <b>172,241</b> |
| <b>2011</b>                             | 89,220      | 54,645     | 2,437        | 15,014     | 6,348      | 2,994       | 155         | <b>170,813</b> |
| <b>2012</b>                             | 84,058      | 54,010     | 2,244        | 15,321     | 6,265      | 3,056       | 185         | <b>165,139</b> |
| <b>2013</b>                             | 85,259      | 55,295     | 2,058        | 15,553     | 6,431      | 2,978       | 285         | <b>167,859</b> |
| <b>% growth (12 - 13)</b>               | <b>1.4</b>  | <b>2.4</b> | <b>-8.3</b>  | <b>1.5</b> | <b>2.6</b> | <b>-2.6</b> | <b>54.1</b> | <b>1.6</b>     |
| <b>% growth (09 - 13)</b>               | <b>-3.2</b> | <b>1.7</b> | <b>-29.4</b> | <b>9.5</b> | <b>4.2</b> | <b>-3.2</b> | <b>99.3</b> | <b>-0.7</b>    |
| <b>% compound annual growth (09-13)</b> | <b>-0.8</b> | <b>0.4</b> | <b>-8.3</b>  | <b>2.3</b> | <b>1.0</b> | <b>-0.8</b> | <b>18.8</b> | <b>-0.2</b>    |

Table 4

- Student numbers in the UK and ROI have increased by 1.6% in 2013 compared with a decline of 3.3% in 2012.
- CIMA, ICAEW, CAI and AIA have all seen an increase in student numbers between 2009 and 2013.

## Students Registered Worldwide 2009 - 2013

Table 5 shows the total number of students and individuals worldwide including those who have passed their final admittance examination and completed all necessary practical training but have not yet applied for membership.

|   | ACCA       | CIMA        | CIPFA        | ICAEW       | CAI        | ICAS        | AIA         | TOTAL          |
|---|------------|-------------|--------------|-------------|------------|-------------|-------------|----------------|
| <b>2009</b>                             | 334,423    | 92,909      | 2,978        | 16,517      | 6,171      | 3,119       | 7,157       | <b>463,274</b> |
| <b>2010</b>                             | 357,952    | 99,264      | 2,764        | 17,653      | 5,771      | 3,004       | 7,813       | <b>494,221</b> |
| <b>2011</b>                             | 349,325    | 106,612     | 2,550        | 19,073      | 6,361      | 3,024       | 8,431       | <b>495,376</b> |
| <b>2012</b>                             | 353,589    | 112,727     | 2,336        | 20,037      | 6,276      | 3,083       | 8,952       | <b>507,000</b> |
| <b>2013</b>                             | 365,488    | 122,394     | 2,550        | 20,121      | 6,440      | 2,989       | 9,607       | <b>529,589</b> |
| <b>% growth (12 - 13)</b>               | <b>3.4</b> | <b>8.6</b>  | <b>9.2</b>   | <b>0.4</b>  | <b>2.6</b> | <b>-3.0</b> | <b>7.3</b>  | <b>4.5</b>     |
| <b>% growth (09 - 13)</b>               | <b>9.3</b> | <b>31.7</b> | <b>-14.4</b> | <b>21.8</b> | <b>4.4</b> | <b>-4.2</b> | <b>34.2</b> | <b>14.3</b>    |
| <b>% compound annual growth (09-13)</b> | <b>2.2</b> | <b>7.1</b>  | <b>-3.8</b>  | <b>5.1</b>  | <b>1.1</b> | <b>-1.1</b> | <b>7.6</b>  | <b>3.4</b>     |

Table 5

- There continue to be wide differences in the numbers and rates of growth in the student membership worldwide.
- Overall student numbers increased by 4.5% in 2013 with an overall compound annual growth of 3.4%.
- The majority of the bodies experienced growth in student numbers between 2009 and 2013.

## Location of Students 2013

Chart 5 shows the location<sup>1</sup> (UK and Republic of Ireland, and the rest of the world) of students of seven accountancy bodies as at 31 December 2013.

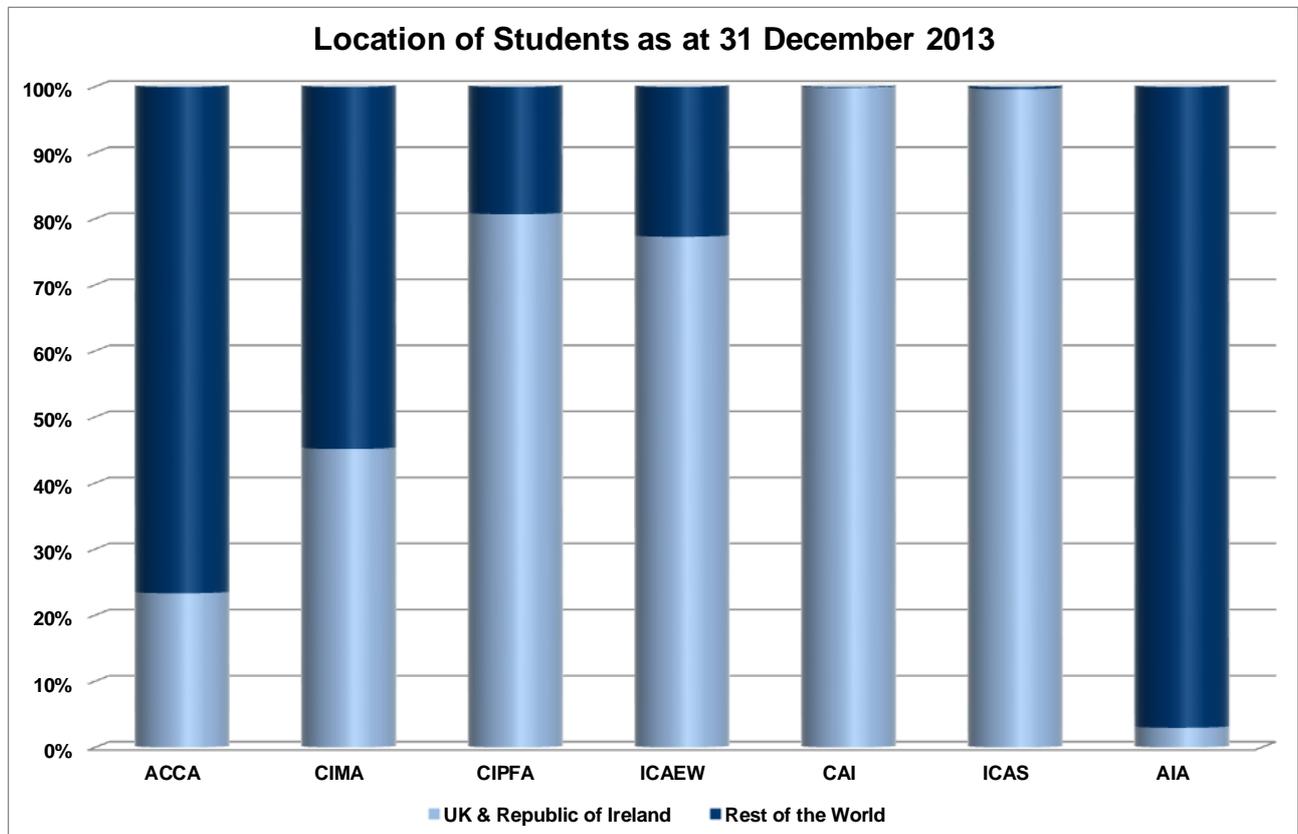


Chart 5

- CAI and ICAS have very low proportions of students based outside of the UK and ROI.
- In contrast, the ACCA and AIA have 77% and 97% respectively of students based outside the UK and ROI
- CIPFA's developing work overseas in 2013 has led to a significant increase in new students with 19% based outside the UK and ROI compared with 4% in 2012.

<sup>1</sup> 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 or residence.

## Profile of Students Worldwide of Seven Accountancy Bodies 2013

Chart 6 sets out on a worldwide basis the length of time that individuals have been registered as students with these accountancy bodies<sup>2</sup>.

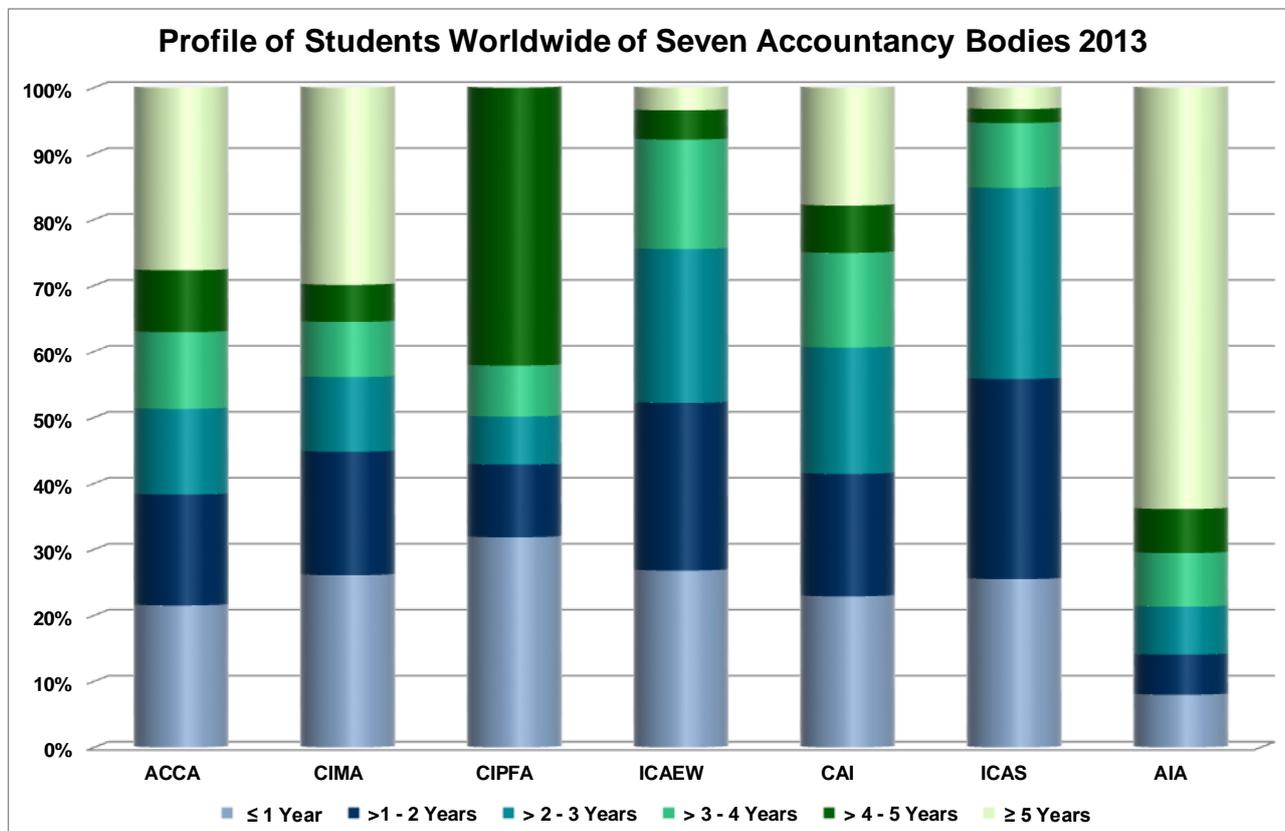


Chart 6

- The chart above must be read with caution as there is not a common basis for determining the length of time between registering as a student and achieving the requirements for membership<sup>3</sup>.
- Students at ACCA, CIMA, and AIA do not typically undertake intensive study and generally take longer to complete the requirements for membership.
- A high percentage of ICAEW, CAI and ICAS students complete their training in 4 years or less with only 8%, 25% and 5% respectively of students as at 31 December 2013 being registered for more than 4 years.

<sup>2</sup> The information from CIPFA is only available since their move to a new business system in late 2009. The number of students shown in the > 4 - 5 years category includes information on students transferred from their previous system and data for the ≥ 5 years category is not available.

<sup>3</sup> Individuals at CIMA who are entitled to membership but have not yet been admitted (passed finalists) are included in the figures according to the length of time they have been either a student or a passed finalist.

## Gender of Students Worldwide 2013

Table 6 shows the percentage worldwide of female students of each of the accountancy bodies as at 31 December 2013.

|             | ACCA | CIMA | CIPFA | ICAEW | CAI <sup>4</sup> | ICAS <sup>4</sup> | AIA | TOTAL     |
|-------------|------|------|-------|-------|------------------|-------------------|-----|-----------|
| <b>2009</b> | 50   | 44   | 50    | 41    | 53               | 47                | 63  | <b>49</b> |
| <b>2010</b> | 49   | 44   | 50    | 40    | 52               | 45                | 64  | <b>49</b> |
| <b>2011</b> | 50   | 44   | 48    | 38    | 51               | 44                | 63  | <b>48</b> |
| <b>2012</b> | 49   | 44   | 49    | 38    | 50               | 43                | 63  | <b>48</b> |
| <b>2013</b> | 51   | 44   | 48    | 39    | 49               | 43                | 63  | <b>49</b> |

*Table 6*

- The total proportion of female students worldwide has remained broadly constant between 2009 and 2013.
- The percentage of female students is significantly higher than the percentage of female members (see Table 3).

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<sup>4</sup> CAI and ICAS figures refer to the proportion of females in the student intake, not in the student body as a whole.

## Age of Students Worldwide of Seven Accountancy Bodies 2013

Charts 7 and 8 on the following pages compare the age distribution of students<sup>5</sup> of the seven accountancy bodies as at 31 December, 2009 and 2013.

- CIPFA and the AIA have a higher proportion of mature students than the other bodies, with 60% and 40% respectively of students aged 35 or over. (Chart 7)
- ICAEW and CAI have the highest proportion of students aged 34 or under at 95% and 90% respectively. (Chart 7).

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<sup>5</sup> ACCA and ICAEW figures relate to the age of the student intake, not the ages of all students.

## Comparison of Age Profile of Students of Accountancy Bodies Worldwide 2013

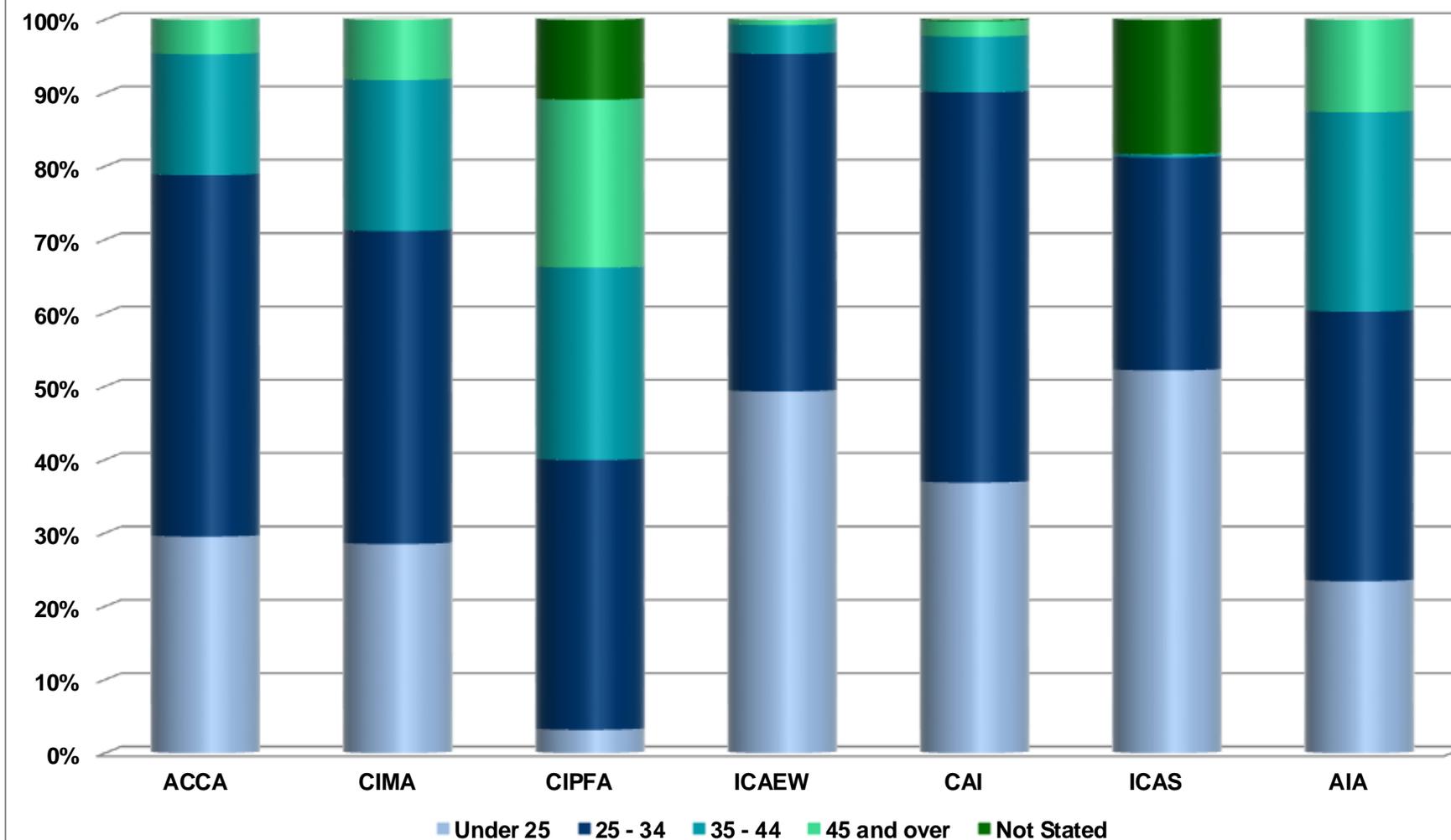


Chart 7

## Comparison of Age Profile of Students of Accountancy Bodies Worldwide 2009

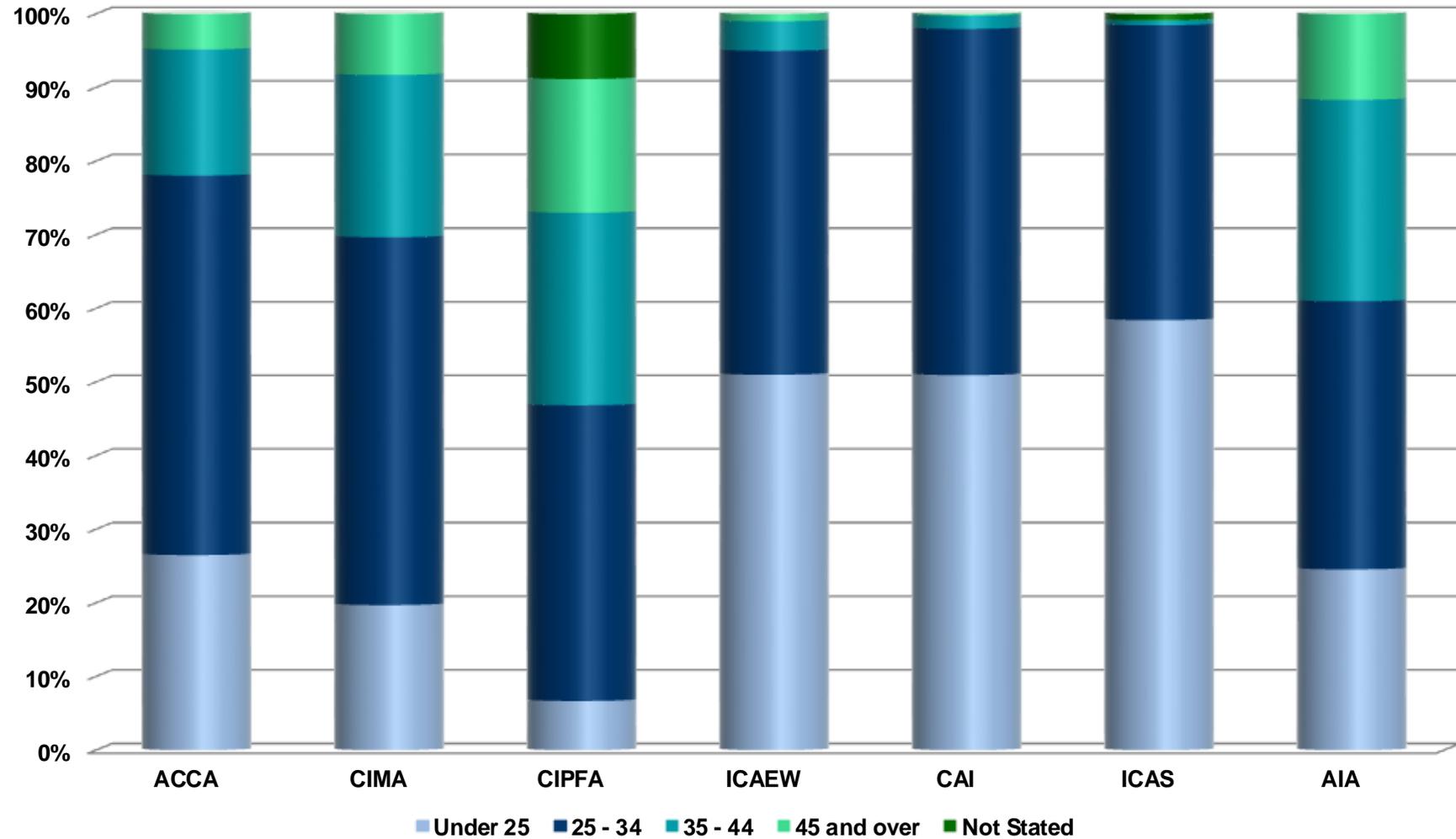


Chart 8

## Sectoral Employment of Students Worldwide 2013

Chart 9 shows the sectoral employment of worldwide students of each of the accountancy bodies as at 31 December 2013.

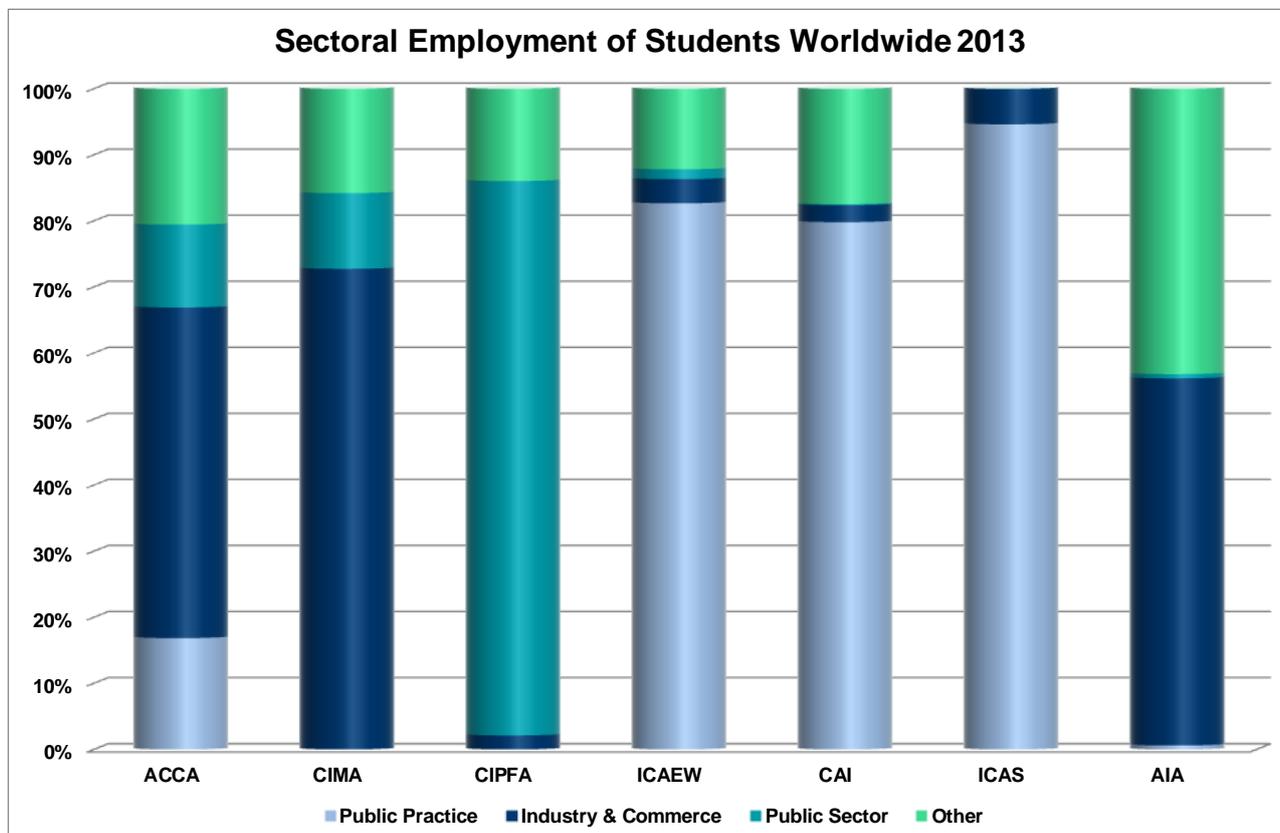


Chart 9

- Over 80% of students at ICAEW, CAI and ICAS are in public practice. In contrast only 17% of ACCA's students, and less than 1% of AIA's students, are employed in public practice.
- CIMA has the highest percentage of students in industry and commerce (73%) and CIPFA has the highest percentage in the public sector (84%). Overall, 53% of students are in industry and commerce
- Overall 16% of students are employed in public practice and 12% in the public sector.
- ACCA's students are the most evenly dispersed across the different employment sectors.

<sup>1</sup> The ICAS figure for industry and commerce includes students working within the public sector.

<sup>2</sup> 'Other' includes students not in employment, employed in other sectors, those in full time education, independent students for whom no information on their employment is available and those individuals who have passed their final examinations and are entitled to membership but have not yet been admitted.

## Graduate Entrants to Training with Seven Accountancy Bodies

Chart 10 shows the percentages of students worldwide of each 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.

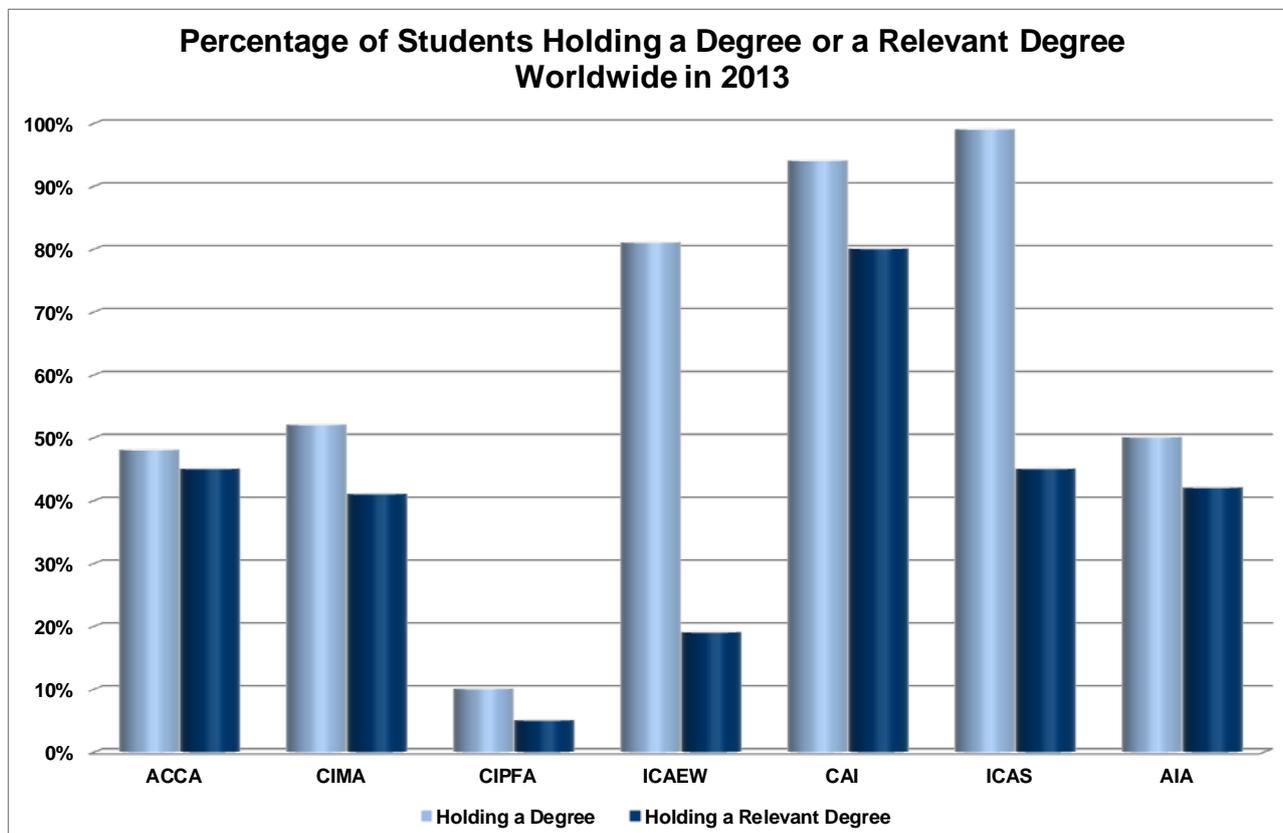


Chart 10

- Comparisons of the percentage of students holding “relevant degrees” are difficult to draw, because the accountancy bodies use different definitions of a “relevant degree”<sup>3</sup>.
- CIPFA has seen a fall in the percentage of students holding both a degree and a relevant degree. This is due to an increase in the proportion of entrants with professional qualifications and AAT<sup>4</sup> rather than holding degrees. They also now have much higher overseas student numbers who fulfil minimum entry requirements only.

<sup>3</sup> The accountancy bodies’ definitions of a “relevant degree” are as follows:

ACCA - Accountancy, Business

CIMA - Business Studies, Business Administration, Finance, Accountancy

CIPFA - Accountancy

ICAEW - Accountancy, Finance, Accounting & Finance

CAI - Accountancy, Business & Commerce, Finance

ICAS - Accountancy

AIA - Accountancy, Business, Finance, Accounting & Finance

<sup>4</sup> The Association of Accounting Technicians

## Pass Rates 2009 – 2013

Chart 11 shows the percentage of candidates who passed the final examination, for the period 2009 to 2013.

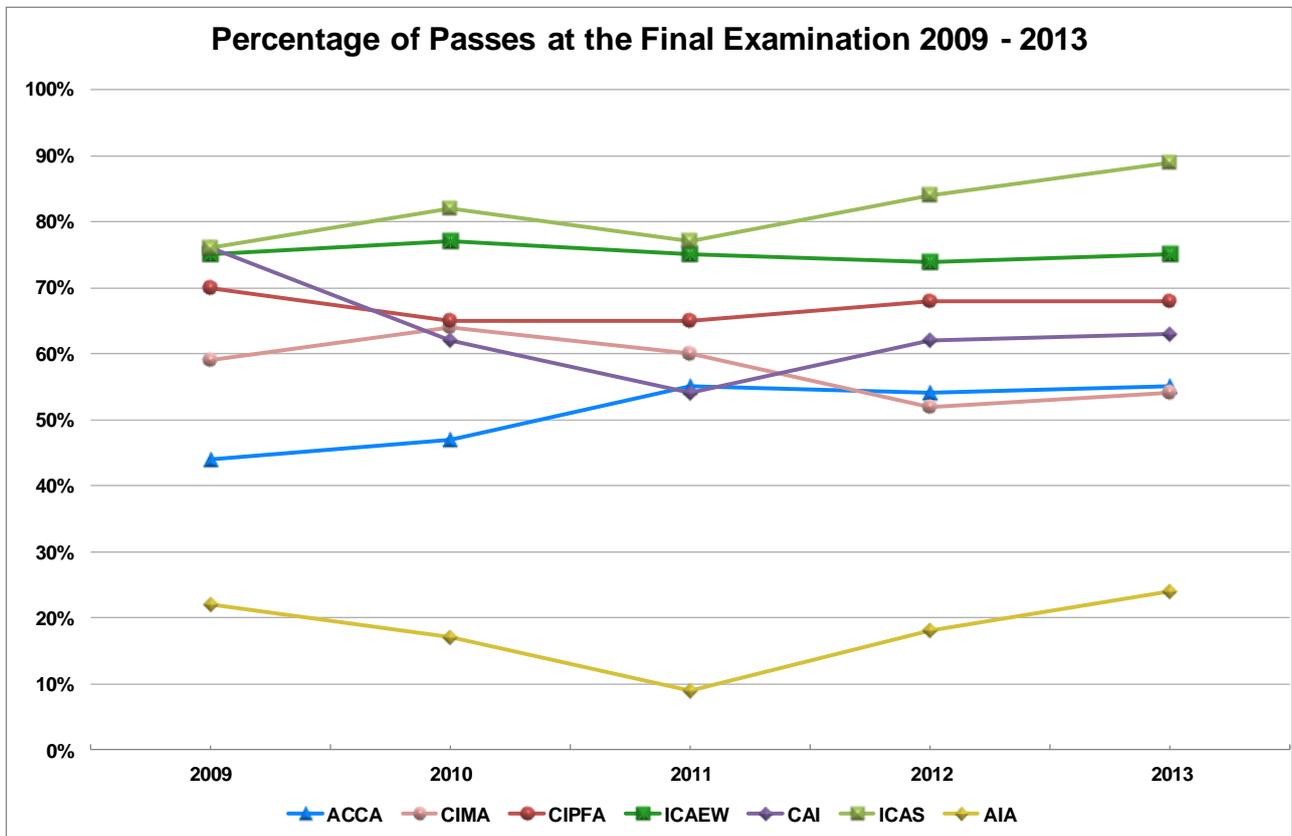


Chart 11

- Comparisons of the pass rates across the bodies and year-on-year are difficult, for example, because of differences in the syllabus and the topics examined at each stage of each body's qualification and because the composition of the student populations across the bodies varies substantially.

Chart 12 below shows the percentage of those that were first time passes for the period 2009 to 2013<sup>5</sup>.

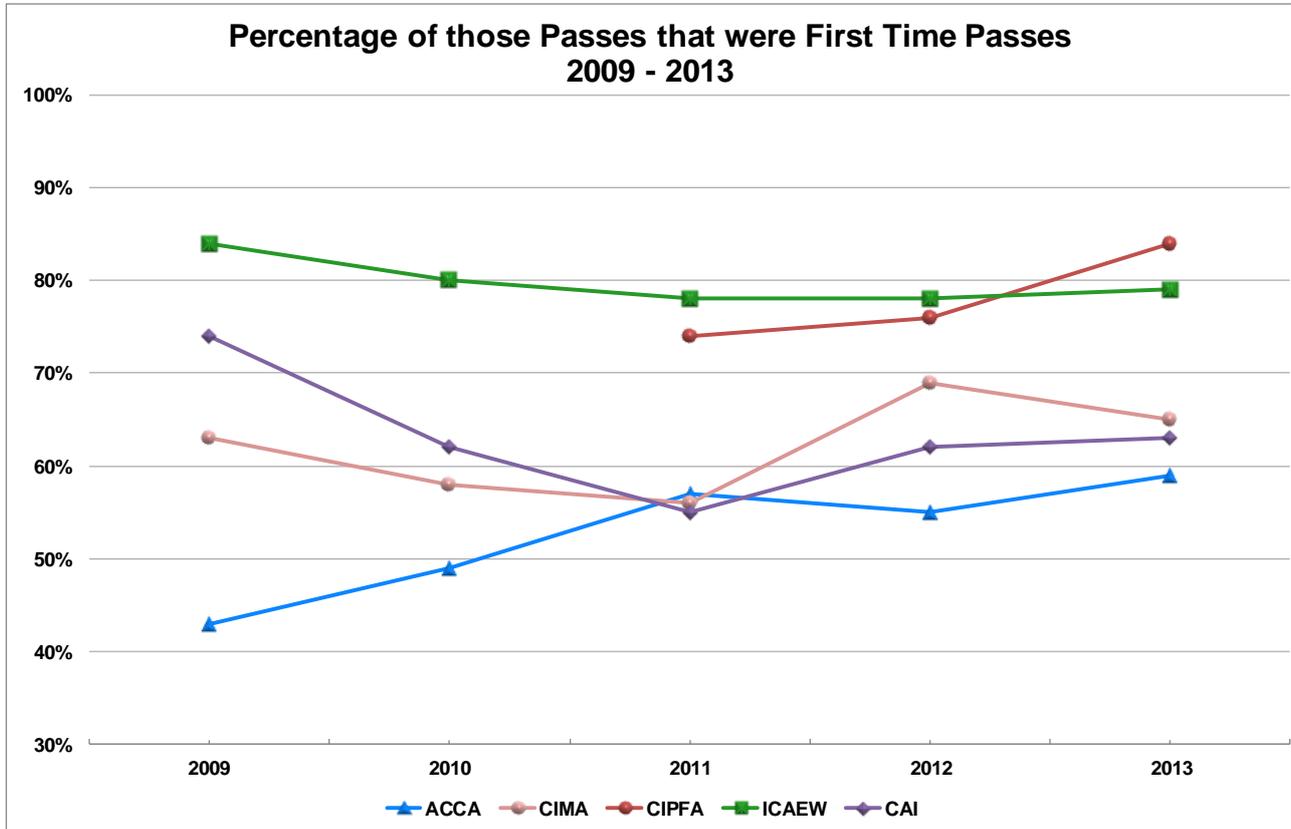


Chart 12

<sup>5</sup> Please note that the information for first time passes is not available for ICAS and AIA. The information is only available from 2011 for CIPFA.



## **Section Four – Resource Information on Accountancy Bodies**

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## Four – Resource Information on Seven Accountancy Bodies

### Analysis of Income of Seven Accountancy Bodies 2009 – 2013

Charts 13 to 15 show the income, surplus/deficit, average income per member/student and analysis of income of seven accountancy bodies worldwide over the period 2009 to 2013.

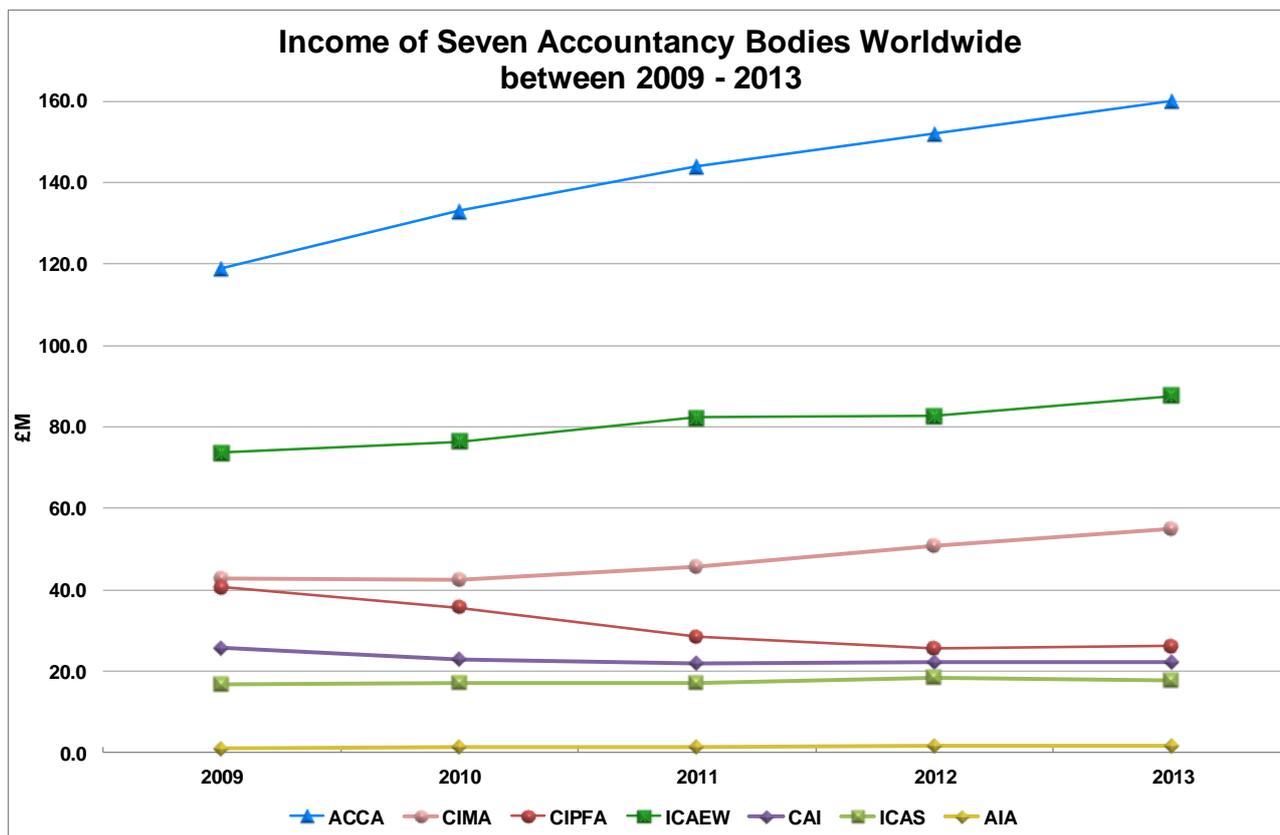


Chart 13

- ACCA has the fastest growing income, rising at a compound annual rate of 7.7% over the period 2009 to 2013.
- The compound annual growth rate of the income of all the bodies was 3.8% in the period of 2009 to 2013.

<sup>1</sup> The ACCA's income and costs from 2010 are for the year ending 31 March. The figures to 31 March 2014 are provisional. They have also restated their income for 2008 to 2012 due to consolidating CAET (Certified Accountants Educational Trust) income.

<sup>2</sup> CAI income has been converted from Euros at the year-end rate. As at 31 December 2013 the rate was £1.00 = €1.2

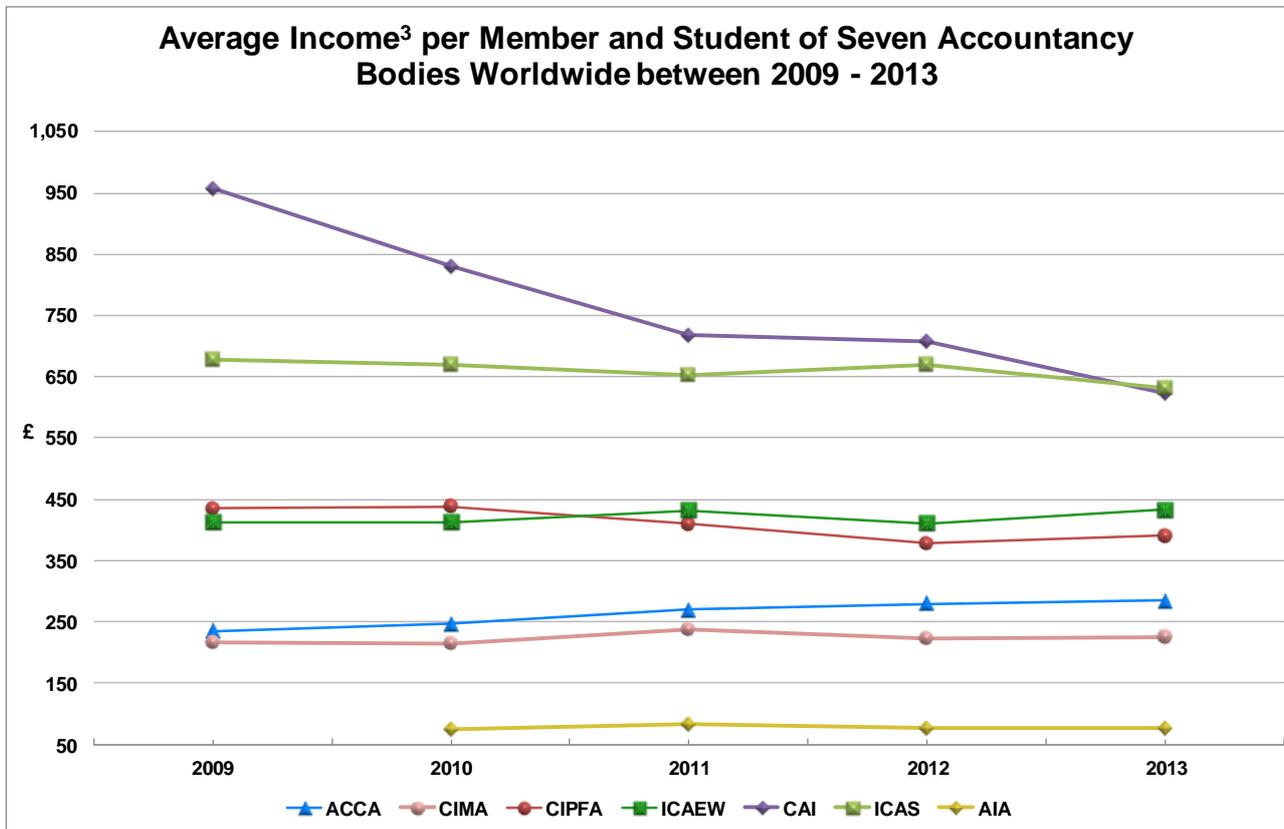


Chart 14

- CIPFA, CAI and ICAS have seen a drop in the average income per member and student between 2009 and 2013 of 10.3%, 35% and 6.1% respectively.

<sup>3</sup> The average income per Member and Student is calculated from the income of the body excluding Commercial Activities and Other, from chart 15.

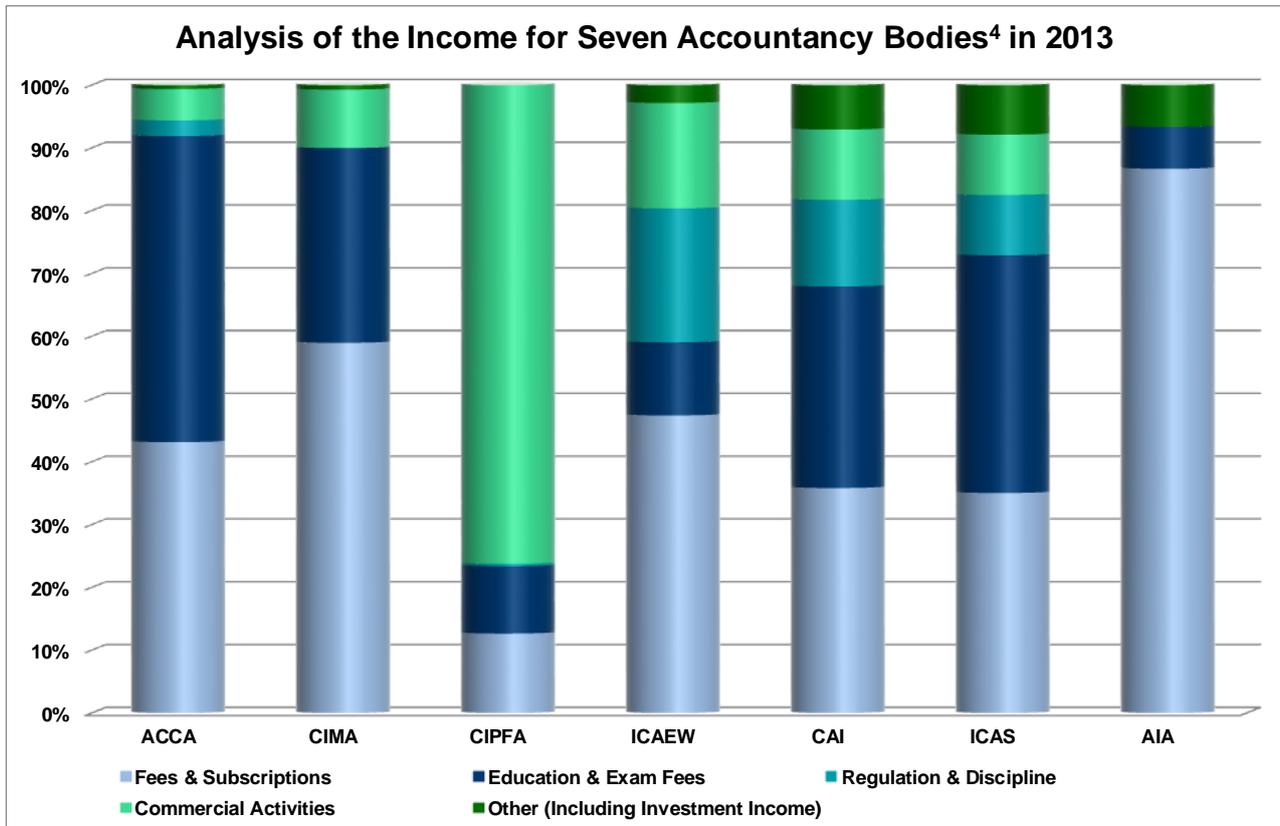


Chart 15

- Fees and subscriptions taken together with education and exam fees from members and students are the main sources of income for each of the bodies other than CIPFA<sup>5</sup>.

<sup>4</sup> Income from commercial activities includes income from activities such as conferences, training courses and publications.

The ACCA's income and costs are for the year to 31 March 2014.

<sup>5</sup> CIPFA derives significant income from its trading subsidiary which has been included within the commercial activities category in Chart 15. The activities of the trading subsidiary include consultancy, events, publications and training.

## Staffing of Seven Accountancy Bodies 2009 – 2013

Table 7 shows the number of staff (full time equivalent) employed worldwide by seven accountancy bodies over the period 2009 to 2013.

|   | ACCA       | CIMA       | CIPFA       | ICAEW      | CAI        | ICAS       | AIA        | TOTAL        |
|---|------------|------------|-------------|------------|------------|------------|------------|--------------|
| <b>2009</b>                             | 902        | 362        | 304         | 599        | 133        | 129        | 25         | <b>2,454</b> |
| <b>2010</b>                             | 981        | 371        | 304         | 619        | 138        | 141        | 25         | <b>2,579</b> |
| <b>2011</b>                             | 1,032      | 378        | 272         | 657        | 135        | 135        | 25         | <b>2,634</b> |
| <b>2012</b>                             | 1,061      | 415        | 228         | 652        | 134        | 140        | 25         | <b>2,655</b> |
| <b>2013</b>                             | 1,098      | 420        | 237         | 646        | 134        | 137        | 26         | <b>2,698</b> |
| <b>% growth (12-13)</b>                 | 3.5        | 1.2        | 3.9         | -0.9       | 0.0        | -2.1       | 4.0        | 1.6          |
| <b>% growth (09-13)</b>                 | 21.7       | 16.0       | -22.0       | 7.8        | 0.8        | 6.2        | 4.0        | 9.9          |
| <b>% compound annual growth (09-13)</b> | <b>5.0</b> | <b>3.8</b> | <b>-6.0</b> | <b>1.9</b> | <b>0.2</b> | <b>1.5</b> | <b>1.0</b> | <b>2.4</b>   |

Table 7

- The total number of staff employed by the bodies has increased by 9.9% in the period 2009 to 2013.
- The total number of staff employed by the bodies increased by 1.6% in 2013. Only ICAEW and ICAS had declining staff numbers in 2013.



# **Section Five – Oversight of Audit Regulation**

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## Five – Oversight of Audit Regulation

### Recognised Supervisory Bodies (RSBs)

The FRC recognises five bodies, known as Recognised Supervisory Bodies (RSBs)<sup>1</sup> to register and supervise audit firms, in accordance with the requirements of Schedule 10 to the Companies Act 2006. The RSBs meet the requirements of the Act through four main processes; audit registration, audit monitoring, arrangements for the investigation of complaints, and procedures to ensure that those eligible for appointment as a statutory auditor continue to maintain an appropriate level of competence.

Table 8 details the number of registered audit firms for the five RSBs split by number of principals at each firm as at 31 December for each of the five years to 31 December 2013.

### Number of Firms Registered with the Recognised Supervisory Bodies

| Number of Principals in Firm | ACCA         | AAPA      | ICAEW        | CAI        | ICAS       | TOTAL        |
|------------------------------|--------------|-----------|--------------|------------|------------|--------------|
| 1                            | 1,434        | 38        | 1,517        | 562        | 74         | 3,625        |
| 2 - 6                        | 691          | 1         | 1,791        | 388        | 126        | 2,997        |
| 7 - 10                       | 7            | 0         | 170          | 13         | 12         | 202          |
| 11 -50                       | 7            | 0         | 98           | 6          | 6          | 117          |
| 50+                          | 0            | 0         | 16           | 3          | 2          | 21           |
| <b>Total as at 31.12.13</b>  | <b>2,139</b> | <b>39</b> | <b>3,592</b> | <b>972</b> | <b>220</b> | <b>6,962</b> |
| <b>Total as at 31.12.12</b>  | <b>2,255</b> | <b>49</b> | <b>3,728</b> | <b>986</b> | <b>221</b> | <b>7,239</b> |
| <b>Total as at 31.12.11</b>  | <b>2,224</b> | <b>57</b> | <b>3,864</b> | <b>995</b> | <b>235</b> | <b>7,375</b> |
| <b>Total as at 31.12.10</b>  | <b>2,217</b> | <b>61</b> | <b>3,958</b> | <b>986</b> | <b>235</b> | <b>7,457</b> |
| <b>Total as at 31.12.09</b>  | <b>2,436</b> | <b>67</b> | <b>4,113</b> | <b>985</b> | <b>242</b> | <b>7,843</b> |

Table 8

<sup>1</sup> Association of Authorised Public Accountants (AAPA) (subsidiary of the ACCA)  
 Association of Chartered Certified Accountants (ACCA)  
 Institute of Chartered Accountants in England & Wales (ICAEW)  
 Chartered Accountants Ireland (CAI)  
 Institute of Chartered Accountants of Scotland (ICAS)

## Application for Registration as a Statutory Audit Firm & the Number Refused 2011 – 2013

| Applications |       | New | Refused |
|--------------|-------|-----|---------|
| 2011         | ACCA  | 142 | 2       |
|              | ICAEW | 235 | 0       |
|              | CAI   | 73  | 1       |
|              | ICAS  | 10  | 0       |
| TOTAL        |       | 460 | 3       |
| 2012         | ACCA  | 138 | 0       |
|              | ICAEW | 186 | 1       |
|              | CAI   | 66  | 1       |
|              | ICAS  | 30  | 0       |
| TOTAL        |       | 420 | 2       |
| 2013         | ACCA  | 94  | 0       |
|              | ICAEW | 211 | 0       |
|              | CAI   | 45  | 1       |
|              | ICAS  | 12  | 0       |
| TOTAL        |       | 362 | 1       |

Table 9

- The number of firms registered to carry out statutory audit work in the UK continues to fall, although the rate of decrease has slowed. The number of registered audit firms fell by 11.2% between 2009 and 2013 and by 3.8% during 2013.
- More than 50% of registered firms are sole practitioners. The number of sole practitioners fell by 0.5% in 2013. The number of sole practitioners has declined each year since 2003<sup>2</sup>.
- The decrease in the number of registered audit firms has coincided with an increase in the proportion of companies filing annual accounts at Companies House that are audit exempt, from 69.5% in 2008/09 to 72.1% in 2012/13<sup>3</sup>. This follows increases in the audit exemption threshold in 2004 and 2008.

<sup>2</sup> This information has been derived from previous editions of Key Facts and Trends in the Accountancy Profession.

<sup>3</sup> See 'Statistical Tables on Companies Registration Activities 2012-13' which can be found on the Companies House website.

## Monitoring of Registered Audit Firms

Table 10 below gives details of the number of monitoring visits conducted by the RSBs during the years ended 31 December 2009 to 31 December 2013, and the proportion of registered audit firms that were visited during these years. There is a statutory requirement that the RSBs should monitor the activities undertaken by each registered audit firm at least once every six years.

### **Registered Audit Firms Monitored during the Years Ending 31 December 2009 to 2013**

|      |    | ACCA <sup>4</sup> | ICAEW | CAI  | ICAS | TOTAL |
|------|----|-------------------|-------|------|------|-------|
| 2009 | No | 425               | 757   | 102  | 51   | 1,335 |
|      | %  | 17.0              | 18.4  | 10.4 | 21.1 | 17.0  |
| 2010 | No | 357               | 751   | 84   | 50   | 1,242 |
|      | %  | 15.7              | 19.0  | 8.5  | 21.3 | 16.7  |
| 2011 | No | 373               | 716   | 22   | 56   | 1,167 |
|      | %  | 16.4              | 18.5  | 2.2  | 23.8 | 15.8  |
| 2012 | No | 579               | 691   | 126  | 40   | 1,436 |
|      | %  | 25.1              | 18.5  | 12.8 | 18.1 | 19.8  |
| 2013 | No | 471               | 670   | 169  | 41   | 1,351 |
|      | %  | 21.6              | 18.7  | 17.4 | 18.6 | 19.4  |

Table 10

<sup>4</sup> Includes the figures for the AAPA, a subsidiary of the ACCA. The ACCA 2013 figures include 127 firms with no audits, monitored in most cases using a desktop questionnaire.

**Reasons for Monitoring Visits to Firms During the Years Ending 31 December 2011 to 2013**

|   |      | ACCA | ICAEW | CAI | ICAS | TOTAL |
|---|------|------|-------|-----|------|-------|
| Requested by the registration/licensing committee   | 2011 | 46   | 29    | 3   | 16   | 94    |
|   | 2012 | 47   | 8     | 2   | 14   | 71    |
|   | 2013 | 53   | 33    | 1   | 18   | 105   |
| Specifically selected due to heightened risk  | 2011 | 42   | 59    | 19  | 39   | 159   |
|   | 2012 | 27   | 39    | 67  | 24   | 157   |
|   | 2013 | 46   | 21    | 12  | 19   | 98    |
| Randomly selected   | 2011 | 285  | 579   | 0   | 0    | 864   |
|   | 2012 | 505  | 596   | 57  | 0    | 1,158 |
|   | 2013 | 372  | 566   | 152 | 0    | 1,090 |
| Firms with Public Interest Entities visited without AQR <sup>5</sup> involvement <sup>6</sup> | 2011 | 0    | 49    | 0   | 0    | 49    |
|   | 2012 | 0    | 48    | 0   | 1    | 49    |
|   | 2013 | 0    | 37    | 4   | 3    | 44    |
| Firms with Public Interest Entities visited with AQR involvement                              | 2011 | 0    | 0     | 0   | 1    | 1     |
|   | 2012 | 0    | 0     | 0   | 1    | 1     |
|   | 2013 | 0    | 13    | 0   | 1    | 14    |

Table 11

- The majority of Public Interest Entities are audited by firms registered with the ICAEW. These firms are subject to monitoring, independent of the RSBs, by the AQR team.
- CAI deployed additional resources to increase the number of visits undertaken in order to meet the Statutory Audit Directive requirement to visit all firms in a 6 year period.

<sup>5</sup> Audit Quality Review (AQR), is a part of the Financial Reporting Council.

<sup>6</sup> The bodies visit firms which have public interest entities. These inspections are either delegated to them by the AQR or are outside of the scope of the AQR.

## Gradings 2011 - 2013

Tables 12 to 15 show the gradings for the audit monitoring visits conducted by ACCA, ICAEW, CAI and ICAS during the years ended 31 December 2011 to 2013 together with brief explanatory comments from the bodies where available.

The RSBs are undertaking a joint project with the aim of achieving more consistent data on the quality of audit files reviewed across all the bodies. This has been largely achieved although there continue to be some differences in the name of the overall grades used by each body for the visit as a whole and in the monitoring process itself.

The monitoring results for any one year are not typically directly comparable with the results of previous years. This is because the mix of firms selected in each year is likely to vary, as between firms selected as higher risk, those randomly selected and firms selected to meet the six year 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 because of higher risk.

It should also be noted that outcomes include a number of visits to audit registered firms that currently have no audit clients.

### Association of Chartered Certified Accountants (ACCA)

| ACCA           |    | 2011 | 2012 | 2013 |
|----------------|----|------|------|------|
| A & B Outcomes | No | 208  | 417  | 323  |
|                | %  | 56   | 72   | 69   |
| C+ Outcomes    | No | 47   | 48   | 35   |
|                | %  | 12   | 8    | 7    |
| C- Outcomes    | No | 14   | 18   | 13   |
|                | %  | 4    | 3    | 3    |
| D Outcomes     | No | 104  | 96   | 100  |
|                | %  | 28   | 17   | 21   |

Table 12

Those firms that are graded ‘A’ are judged to comply with all aspects of the Global Practising Regulations (GPRs), Code of Ethics and Conduct (CEC) and relevant auditing standards. Those firms rated ‘B’ are judged to comply with the GPRs, CEC and auditing standards in all material respects. Firms are graded ‘C+’ or ‘C-’ by the ACCA if their quality controls over audit work are either weak or not consistently effective so that the audit work is unsatisfactory and improvements are required. The ‘C-’ grade indicates that the improvements required are significant. When a firm’s work is very poor or

if a firm has a second or subsequent unsatisfactory visit and there are no mitigating factors the visit is graded a 'D' and the firm will be referred to a regulatory assessor or the Admissions and Licensing Committee (ALC). A 'D' outcome does not always result from an inadequate standard of audit work; it may also indicate a firm has failed to meet the eligibility requirements to hold a firm's auditing certificate.

The 323 visits with 'A' & 'B' outcomes in 2013 include 119 (2012: 217) visits to firms that currently have no audit clients. This has had a significant effect on the overall percentages of satisfactory and unsatisfactory outcomes.

### Institute of Chartered Accountants in England & Wales (ICAEW)

| ICAEW             |    | 2011 | 2012 | 2013 |
|-------------------|----|------|------|------|
| A & B<br>Outcomes | No | 385  | 422  | 399  |
|                   | %  | 54   | 61   | 60   |
| C<br>Outcomes     | No | 149  | 137  | 136  |
|                   | %  | 21   | 20   | 20   |
| D<br>Outcomes     | No | 71   | 62   | 64   |
|                   | %  | 10   | 9    | 9    |
| N<br>Outcomes     | No | 111  | 70   | 71   |
|                   | %  | 15   | 10   | 11   |

Table 13

Visits 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. 'B' rated visits 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 the closing meeting notes, adequately address all the issues and that no follow up action is required. A 'C' rated report records instances of non-compliance with the Audit Regulations where the QAD considers that there is some doubt about the actions proposed or the firm's competence, resources or commitment, but that there is no need for the Audit Registration Committee (ARC) to impose further conditions or restrictions. 'D' rated visits record cases of non-compliance with the Audit Regulations that need to be referred to the ARC for possible further action. An 'N' visit grading is used for any circumstances that cannot be rated 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.

The percentage visit gradings in 2013 remain broadly consistent with prior years.

## Chartered Accountants Ireland (CAI)

| Chartered Accountants Ireland |    | 2011 | 2012 | 2013 |
|-------------------------------|----|------|------|------|
| A & B Outcomes                | No | 13   | 31   | 61   |
|                               | %  | 37   | 41   | 39   |
| C Outcomes                    | No | 9    | 24   | 27   |
|                               | %  | 26   | 32   | 17   |
| D Outcomes                    | No | 13   | 21   | 70   |
|                               | %  | 37   | 28   | 44   |

Table 14

Reports graded 'A' are where no instances of non-compliance have been recorded. Grade 'B' indicates that the firm has the ability and commitment to address the issues identified during the visit. Where reports are graded 'C', firms are required to give undertakings in writing covering the actions they must take and some further follow-up action may be required. There is a considerable difference between a report graded a 'C' and one graded a 'D'. Reports graded a 'D' have significant issues and will always require follow-up action. Those reports will always be considered by the Head of Quality Assurance and by the Quality Assurance Committee (QAC).

The increase in the number of firms visited in 2013 reflects in part the need to meet the requirement to visit all registered audit firms within six years. The population of firms visited year on year is not directly comparable.

## Institute of Chartered Accountants of Scotland (ICAS)

| ICAS           |    | 2011 | 2012 | 2013 |
|----------------|----|------|------|------|
| A & B Outcomes | No | 27   | 18   | 24   |
|                | %  | 48   | 45   | 58   |
| C2 Outcomes    | No | 15   | 9    | 6    |
|                | %  | 27   | 22   | 15   |
| C1 Outcomes    | No | 6    | 8    | 6    |
|                | %  | 10   | 20   | 15   |
| D Outcomes     | No | 8    | 5    | 5    |
|                | %  | 15   | 13   | 12   |

Table 15

An 'A' rating indicates that there are no issues to deal with. A 'B' rating indicates there are some regulatory issues but that these have been addressed adequately by the firm's closing meeting responses and no further action is required. 'C' gradings indicate that there are regulatory issues and there is a need for the firm to show that planned changes have occurred by submitting further

information. The 'C' grading is split into '**C1**' and '**C2**' gradings with '**C1**' being the more serious. This is used where the issues are considered to be pervasive, whereas '**C2**' gradings are used where findings are specific to particular individuals or files and do not indicate systemic problems. A '**D**' rating is given when 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

Table 16 shows the number of complaints received by the RSBs between 2011 to 2013 to show (i) number of new cases<sup>7</sup>, (ii) number of cases passed to the FRC Professional Discipline Team<sup>8</sup>, (iii) number of cases passed to the committee<sup>9</sup>, (iv) number of complaints closed in the year<sup>10</sup> and (v) average time taken to close a complaint.

|   |      | ACCA | ICAEW | CAI <sup>11</sup> | ICAS | TOTAL |
|---|------|------|-------|-------------------|------|-------|
| Number of New Cases   | 2011 | 31   | 85    | 36                | 8    | 160   |
|   | 2012 | 32   | 84    | 21                | 3    | 140   |
|   | 2013 | 48   | 87    | 44                | 3    | 182   |
| Number of Cases directly <sup>12</sup> passed to the FRC Professional Discipline team | 2011 | 0    | 2     | 0                 | 0    | 2     |
|   | 2012 | 0    | 0     | 0                 | 0    | 0     |
|   | 2013 | 0    | 0     | 0                 | 0    | 0     |
| Number of Cases passed to the Committee   | 2011 | 3    | 71    | 12                | 6    | 92    |
|   | 2012 | 3    | 54    | 5                 | 0    | 62    |
|   | 2013 | 8    | 49    | 11                | 2    | 70    |
| Number of Complaints closed in the year   | 2011 | 43   | 89    | 6                 | 3    | 141   |
|   | 2012 | 22   | 82    | 3                 | 3    | 110   |
|   | 2013 | 16   | 61    | 4                 | 1    | 82    |
| Average time taken to close a Complaint (in months)                                   | 2011 | 10.3 | 11    | 4.6               | 5.6  |       |
|   | 2012 | 12.1 | 11    | 5.3               | 3.4  |       |
|   | 2013 | 11.2 | 13    | 4.0               | 3.2  |       |

Table 16

- The figures of CAI complaints for 2011 and 2012 are for audit-related complaints only. 2013 figures include all types of complaints.

<sup>7</sup> Audit related complaints only

<sup>8</sup> Audit related cases only

<sup>9</sup> Cases passed 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 Appeal Committee for the CAI; and D) the Investigation Committee at ICAS.

<sup>10</sup> Audit-related complaints only

<sup>11</sup> The Chartered Accountants Regulatory Board (CARB) is responsible for handling complaints about all members of the CAI, including audit-related complaints, in accordance with the CAI Bye-laws.

<sup>12</sup> Additional cases (1 in 2011, 2 in 2012 & 0 in 2013) have been passed to the Professional Discipline team (PD) after consultation between PD and the ICAEW.

## **Recognised Qualifying Bodies (RQBs)**

There are six bodies<sup>13</sup> in the UK recognised to offer the audit qualification in line with the requirements of Schedule 11 to the Companies Act 2006. RQBs must have rules and arrangements in place to register students and track their progress, administer examinations and ensure that appropriate training is given to students in an approved environment.

Table 17 below shows the number of students registered with each RQB<sup>14</sup> as at 31 December 2011 to 2013, and 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 qualification.

|  |      | ACCA   | ICAEW                | CAI   | ICAS              | AIA |
|--|------|--------|----------------------|-------|-------------------|-----|
| Number of students in the UK and ROI   | 2011 | 89,220 | 15,014               | 6,348 | 2,994             | 155 |
|  | 2012 | 84,058 | 15,321               | 6,265 | 3,056             | 185 |
|  | 2013 | 85,259 | 15,553               | 6,431 | 2,978             | 285 |
| Number of students following the audit route or eligible for the audit qualification | 2011 | N/A    | 13,258               | 3,925 | N/A <sup>16</sup> | 8   |
|  | 2012 | N/A    | 13,332               | 4,332 | N/A               | 9   |
|  | 2013 | N/A    | 13,304               | 4,306 | N/A               | 9   |
| The number of members who were awarded the audit qualification                       | 2011 | 106    | 25,730 <sup>15</sup> | 800   | 980               | 0   |
|  | 2012 | 147    | 484                  | 671   | 1,209             | 0   |
|  | 2013 | 135    | 519                  | 616   | 370               | 0   |
| The number of members who hold the audit qualification                               | 2012 | 2,166  | 119,307              | N/A   | N/A               | 10  |
|  | 2013 | 3,609  | 119,213              | 5,878 | 10,965            | 10  |

Table 17

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

<sup>13</sup> Association of Chartered Certified Accountants (ACCA)  
 Association of International Accountants (AIA)  
 Chartered Institute of Public Finance and Accountancy (CIPFA)  
 Institute of Chartered Accountants in England and Wales (ICAEW)  
 Chartered Accountants Ireland (CAI)  
 Institute of Chartered Accountants of Scotland (ICAS)

<sup>14</sup> Due to CIPFA's RQB status being in abeyance they have not provided the figures for Table 17 and we have therefore removed them from this table going forward.

<sup>15</sup> 25,011 of those awarded in 2011 were awarded the audit qualification automatically, of which 626 were subsequently withdrawn in 2012. The figure for 2011 shows all those awarded, including those that were withdrawn.

<sup>16</sup> Where N/A is stated the information is not collected by the body.

## Approved Training Offices

Charts 16 and 17 below show the total number of approved training offices<sup>17</sup> and those training offices approved<sup>18</sup> for training audit students in the UK and ROI over the period 2009 to 2013.

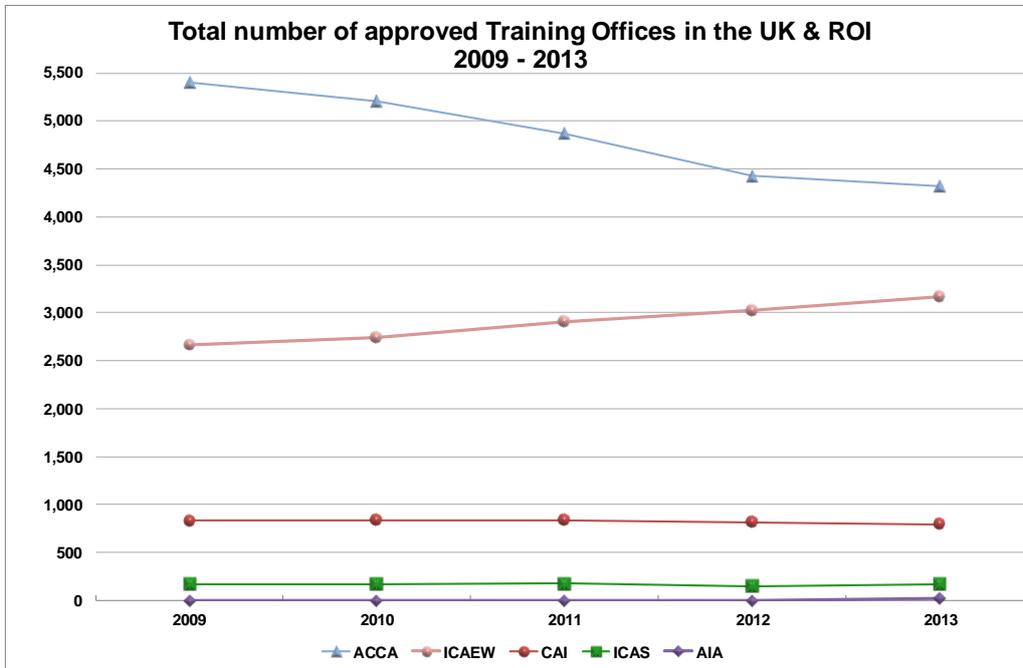


Chart 16

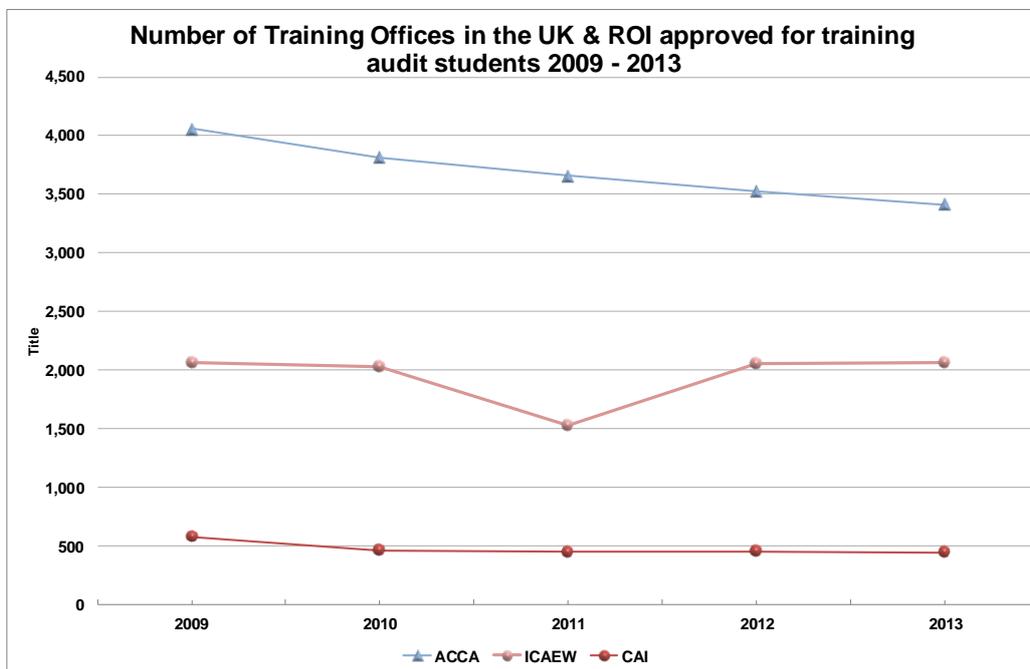


Chart 17

<sup>17</sup> ICAS figures include a number of group authorisations. ICAS treats group authorisations as one office.

<sup>18</sup> ICAS and the AIA do not record the data for approved training offices for audit students so they are excluded from the graph.

# Section Six – Audit Firms

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## Six – Audit Firms

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### Introductory Note: Major Audit Firms

This information 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 otherwise publicly available – for example those firms which are LLPs must file accounts at Companies House which meet the statutory requirements.

Table 18 shows the fee income for audit and non-audit services for 32 of the largest registered audit firms for the year ended 2013. Most of these have clients who are UK public interest entities. Firms are listed in order of fee income from audit, rather than total fee income. This table also shows that the average percentage of female partners in 2013 is 15%.

Table 21 shows those firms with audit clients whose securities are traded on a UK regulated market<sup>1</sup> and must therefore publish a transparency report each year, in accordance with the requirements of the Statutory Auditors (Transparency) Instrument. Of the 26 audit firms within the table, 22 of them are required to, and have, published a transparency report<sup>2</sup>, in respect of their 2013 year ends.

Table 18 should not be seen as a league table. Not all the firms we approached were willing to disclose information on fee income or considered that they could provide sufficiently reliable information in the desired form. It is likely therefore that there are firms not included in the tables that have a higher audit fee income than some of those that are shown. Also, we have not included accountancy firms that are not registered as statutory auditors.

Care is needed to make detailed comparisons between firms using the information in Table 18. 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.

Charts 18 and 19 analyse the detailed fee income from Table 18 for the Big Four firms and for many of the larger firms outside of the Big Four respectively<sup>3</sup>.

- The percentage of fee income derived from non-audit clients has been rising steadily over the past five years for both the Big Four and for many of the larger firms outside of the Big Four. This is mirrored by a slow decrease in the proportion of fee income from non-audit work for audit clients.
- The percentage of total fee income derived from audit work has declined by 2% for the Big Four firms and by 4% for many of the larger firms outside of the Big Four over the last five years. (Charts 18 and 19)

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<sup>1</sup> In most cases the LSE Main Market

<sup>2</sup> Available on each firm's website

<sup>3</sup> 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](http://www.frc.org.uk) - [Key Facts and Trends](#)

## UK FEE INCOME OF MANY OF THE LARGER REGISTERED AUDIT FIRMS - YEAR ENDED 2013 (By fee income from audit)

| UK Firm Name             | UK Structure | Year End  | No of Principals <sup>1</sup> | % of Female Principals | No of Audit Principals | No of Responsible Individuals <sup>2</sup> | Fee Income: Audit <sup>3</sup> (£m) | Fee Income: Non-Audit Work <sup>3</sup> to Audit Clients (£m) | Fee Income: Non-Audit Clients (£m) | Total Fee Income (£m) |
|--------------------------|--------------|-----------|-------------------------------|------------------------|------------------------|--|-------------------------------------|---|------------------------------------|-----------------------|
| PricewaterhouseCoopers   | LLP          | 30-Jun-13 | 874                           | 14%                    | 221                    | 361  | 552                                 | 331   | 1,553                              | 2,436                 |
| Deloitte <sup>4</sup>    | LLP          | 31-May-13 | 736                           | 15%                    | 159                    | 197  | 504                                 | 192   | 1,609                              | 2,305                 |
| KPMG <sup>5</sup>        | LLP          | 30-Sep-13 | 583                           | 14%                    | 145                    | 243  | 446                                 | 276   | 1,060                              | 1,782                 |
| Ernst & Young            | LLP          | 30-Jun-13 | 548                           | 15%                    | 108                    | 171  | 333                                 | 222   | 1,166                              | 1,721                 |
| Grant Thornton UK        | LLP          | 30-Jun-13 | 206                           | 19%                    | 73                     | 119  | 117                                 | 48  | 306                                | 471                   |
| BDO <sup>6</sup>         | LLP          | 30-Jun-13 | 289                           | 11%                    | 110                    | 134  | 108                                 | 44  | 150                                | 302                   |
| Baker Tilly <sup>7</sup> | LLP          | 31-Mar-13 | 222                           | 14%                    | 91                     | 110  | 51                                  | 28  | 86                                 | 165                   |
| Mazars                   | LLP          | 31-Aug-13 | 108                           | 10%                    | 47                     | 50   | 44                                  | 17  | 59                                 | 120                   |
| Crowe Clark Whitehill    | LLP          | 31-Mar-13 | 69                            | 15%                    | 40                     | 41   | 23                                  | 8   | 23                                 | 54                    |

<sup>1</sup> Principals are partners or members of an LLP

<sup>2</sup> RIs are those individuals who are able to sign audit reports and includes Audit Principals and Employees

<sup>3</sup> The definition used of 'audit-services' and 'non-audit services' is set out in paragraph 12 of the Auditing Practices Board's 'Ethical Standard 5' – published December 2010

<sup>4</sup> Deloitte LLP figures for 2013 relate to practising activities in the UK, Channel Islands and Isle of Man only.

<sup>5</sup> Includes both KPMG LLP and KPMG Audit Plc

<sup>6</sup> On 19 April 2013 PKF (UK) LLP merged with BDO LLP.

<sup>7</sup> Includes both Baker Tilly and Baker Tilly UK Holdings Ltd. Baker Tilly completed the acquisition of RSM Tenon Audit Plc on 2 September 2013.

## UK FEE INCOME OF MANY OF THE LARGER REGISTERED AUDIT FIRMS - YEAR ENDED 2013 (By fee income from audit)

| UK Firm Name                        | UK Structure          | Year End   | No of Principals <sup>1</sup> | % of Female Principals | No of Audit Principals | No of Responsible Individuals <sup>2</sup> | Fee Income: Audit <sup>3</sup> (£m) | Fee Income: Non-Audit Work <sup>3</sup> to Audit Clients (£m) | Fee Income: Non-Audit Clients (£m) | Total Fee Income (£m) |
|-------------------------------------|-----------------------|------------|-------------------------------|------------------------|------------------------|--|-------------------------------------|---|------------------------------------|-----------------------|
| MHA MacIntyre Hudson                | LLP                   | 31-Mar-13  | 62                            | 20%                    | 38                     | 38   | 22                                  | 7   | 10                                 | 39                    |
| Moore Stephens                      | LLP                   | 30-Apr-13  | 62                            | 15%                    | 25                     | 26   | 13                                  | 4   | 46                                 | 63                    |
| Kingston Smith                      | LLP                   | 30-Apr-13  | 53                            | 25%                    | 44                     | 44   | 12                                  | 5   | 16                                 | 33                    |
| Nexia Smith & Williamson Audit      | Company               | 30-Apr-13  | 135                           | 11%                    | 27                     | 26   | 12                                  | N/A   | 48                                 | 60                    |
| Haysmacintyre                       | Partnership           | 31-Mar-13  | 27                            | 26%                    | 21                     | 21   | 10                                  | 4   | 4                                  | 18                    |
| Haines Watts Group                  | Group of Partnerships | 31-Mar-13  | 158                           | 9%                     | 80                     | 84   | 10                                  | 7   | 44                                 | 61                    |
| UHY Hacker Young                    | Group of Partnerships | 30-Apr-13  | 99                            | 13%                    | 58                     | 60   | 10                                  | 4   | 34                                 | 48                    |
| Buzzacott                           | LLP                   | 30-Sept-13 | 33                            | 21%                    | 13                     | 13   | 9                                   | 3   | 16                                 | 28                    |
| Saffery Champness                   | Partnership           | 31-Mar-13  | 61                            | 18%                    | 37                     | 37   | 9                                   | 6   | 26                                 | 41                    |
| Chantrey Vellacott DFK <sup>8</sup> | LLP                   | 31-Dec-13  | 42                            | 12%                    | 19                     | 19   | 8                                   | 2   | 21                                 | 31                    |
| Menzies                             | LLP                   | 31-Mar-13  | 34                            | 6%                     | 18                     | 21   | 6                                   | 7   | 13                                 | 26                    |

<sup>8</sup> Chantrey Vellacott DFK has changed its year end from 30 June to 31 December.

## UK FEE INCOME OF MANY OF THE LARGER REGISTERED AUDIT FIRMS - YEAR ENDED 2013 (By fee income from audit)

| UK Firm Name                | UK Structure                  | Year End  | No of Principals <sup>1</sup> | % of Female Principals | No of Audit Principals | No of Responsible Individuals <sup>2</sup> | Fee Income: Audit <sup>3</sup> (£m) | Fee Income: Non-Audit Work <sup>3</sup> to Audit Clients (£m) | Fee Income: Non-Audit Clients (£m) | Total Fee Income (£m) |
|-----------------------------|-------------------------------|-----------|-------------------------------|------------------------|------------------------|--|-------------------------------------|---|------------------------------------|-----------------------|
| PKF Littlejohn <sup>9</sup> | LLP                           | 31-May-13 | 28                            | 17%                    | 20                     | 20   | 6                                   | 3   | 7                                  | 16                    |
| Johnston Carmichael         | LLP                           | 31-May-13 | 51                            | 8%                     | 13                     | 19   | 5                                   | N/A   | N/A                                | 30                    |
| Scott Moncrieff             | Partnership                   | 30-Apr-13 | 15                            | 13%                    | 7                      | 8  | 5                                   | 2   | 4                                  | 11                    |
| Cooper Parry Group          | Limited Company <sup>10</sup> | 30-Apr-13 | 6                             | 0%                     | 4                      | 12   | 4                                   | 5   | 6                                  | 15                    |
| Francis Clark               | LLP                           | 31-Mar-13 | 46                            | 11%                    | 17                     | 18   | 4                                   | N/A   | N/A                                | 26                    |
| Reeves & Co                 | LLP                           | 31-May-13 | 41                            | 17%                    | 18                     | 18   | 4                                   | 2   | 14                                 | 20                    |
| Bishop Fleming              | Partnership                   | 31-May-13 | 26                            | 11%                    | 14                     | 15   | 3                                   | 1   | 12                                 | 16                    |
| James Cowper                | LLP                           | 30-Apr-13 | 13                            | 23%                    | 7                      | 8  | 3                                   | 2   | 7                                  | 12                    |
| Mercer & Hole               | Partnership                   | 30-Sep-13 | 18                            | 24%                    | 8                      | 8  | 2                                   | N/A   | 8                                  | 10                    |
| Armstrong Watson            | Partnership                   | 31-Mar-13 | 33                            | 12%                    | 10                     | 10   | 1                                   | 1   | 14                                 | 16                    |
| Chiene & Tait               | Scottish Partnership          | 30-Sep-13 | 8                             | 25%                    | 3                      | 3  | 1                                   | 0   | 5                                  | 6                     |
| Lovewell Blake              | LLP                           | 30-Sep-13 | 25                            | 8%                     | 10                     | 10   | 1                                   | 1   | 12                                 | 14                    |

<sup>9</sup> Littlejohn merged with PKF International on 25 April 2013 and is now called PKF Littlejohn.

<sup>10</sup> Cooper Parry has changed its structure from an LLP to a Limited Company.

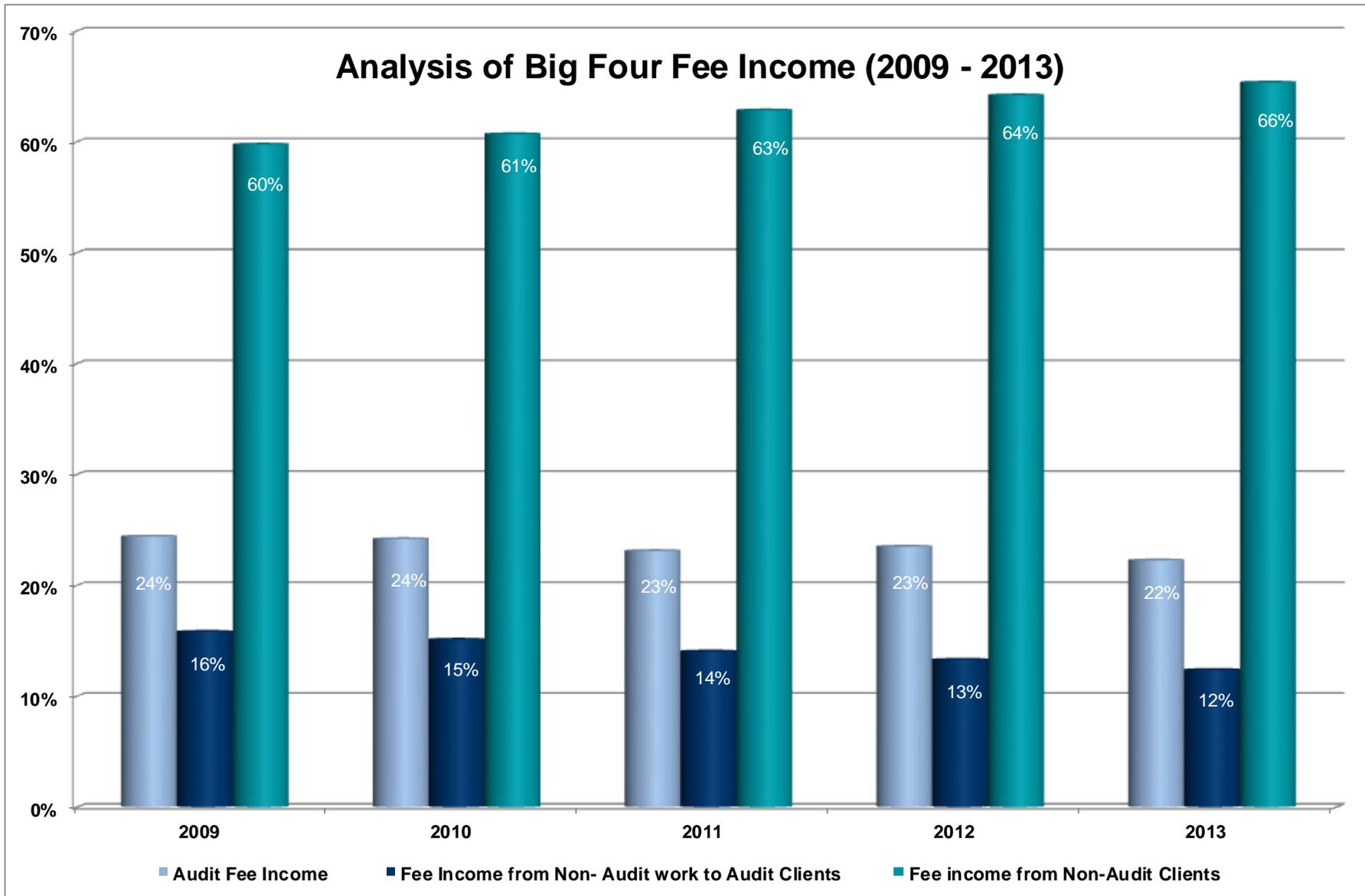


Chart 18

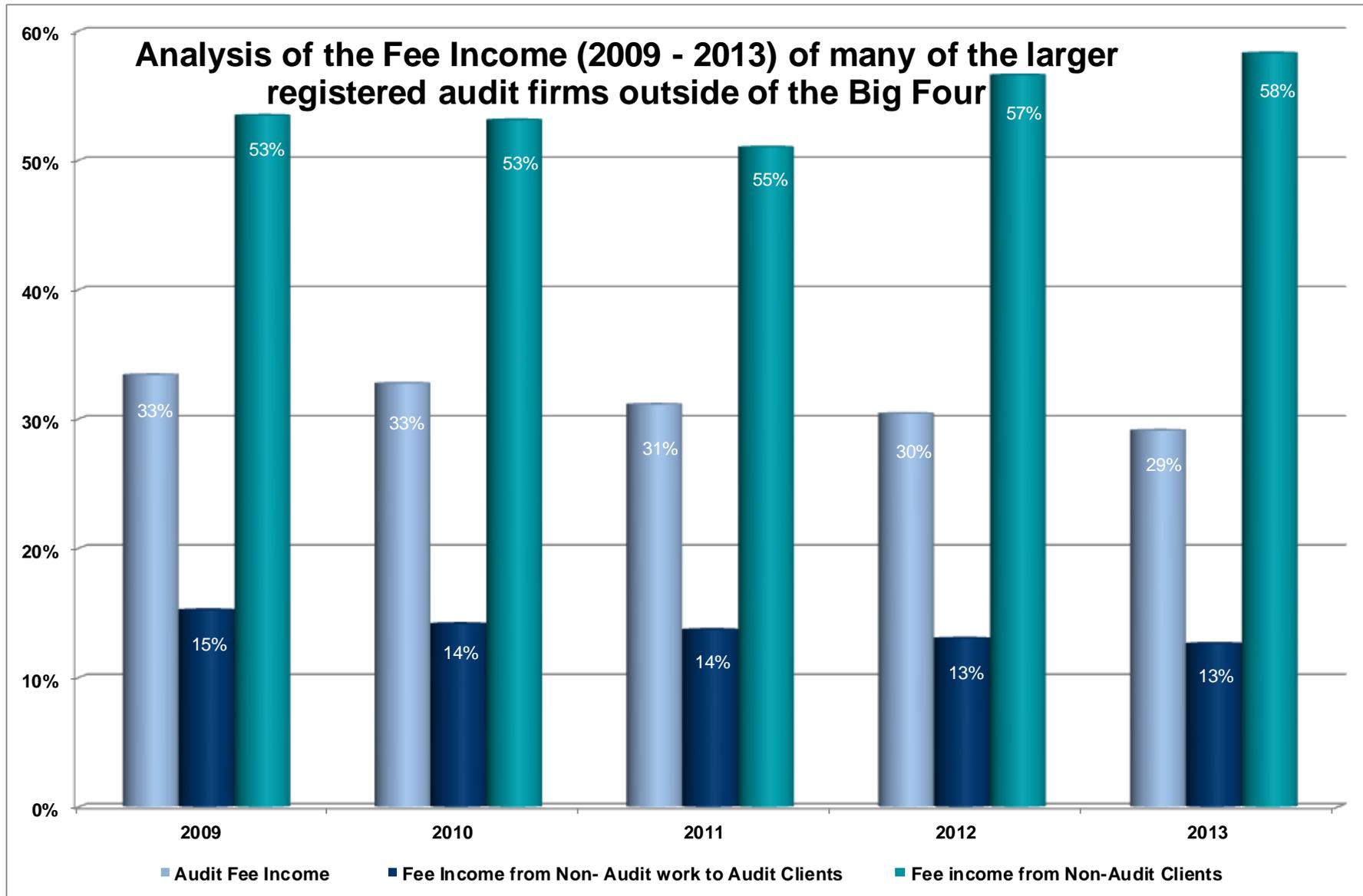


Chart 19

## Growth of Fee Income

Table 19<sup>1</sup> shows the percentage growth rate of fee income for each of the years from 2008/09 to 2012/13 for many of the largest registered audit firms, split between the Big Four audit firms, the larger firms outside of the Big Four and between audit and non-audit income.

To ensure consistency in the table below, we have only included income figures for firms that have submitted data for all five years for both audit and non-audit income<sup>2</sup>.

| Growth Rate %                                  |                    | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-9 |
|--|--------------------|---------|---------|---------|---------|--------|
| Total fee income                               | Big Four Firms     | 3.9     | 7.7     | 5.7     | -1.3    | 0.4    |
|  | Non Big Four Firms | 2.6     | 0.6     | -0.5    | -7.0    | -1.9   |
| Audit fee income                               | Big Four Firms     | 2.8     | 4.9     | 0.9     | -2.2    | 1.2    |
|  | Non Big Four Firms | -1.7    | -5.0    | -2.2    | -6.9    | 0.5    |
| Non-audit work to Audit Clients Fee Income     | Big Four Firms     | -3.2    | 1.9     | -1.8    | -5.7    | -6.2   |
|  | Non Big Four Firms | -0.5    | -7.5    | -0.5    | -11.7   | -7.2   |
| Non-audit work to Non-Audit Clients fee income | Big Four Firms     | 5.8     | 10.0    | 9.4     | 0.2     | 1.9    |
|  | Non Big Four Firms | 5.7     | 5.9     | 0.6     | -5.6    | -1.8   |

Table 19

- The percentage of total fee income for the Big Four has increased by 3.9% this year. There has also been an average increase of 2.6% for the larger registered firms outside of the Big Four in 2012-13.
- Audit fee income for the Big Four firms continues to grow, albeit at a slower rate of 2.8%. Audit fee income has declined for the larger registered firms outside of the Big Four in each of the last four years.
- Fee income from non-audit work to non-audit clients continues to grow but at a slower rate than 2011/12 for both the Big Four firms and for the larger registered firms outside of the Big Four.

<sup>1</sup> This information is based on the information provided to the FRC and which is shown in the detailed tables on fee income of major audit firms.

<sup>2</sup> The data will be different in some cases from that published in earlier versions of Key Facts and Trends in the Accountancy Profession, due to figures being restated for previous years by the firms.

## Audit Fee Income per Responsible Individual

Table 20<sup>3</sup> illustrates audit fee generated per Responsible Individual (RI)<sup>4</sup> for 2009 to 2013 (inclusive). This information is split further between the Big Four firms and the largest firms outside of the Big Four.

| Audit Fee Income Per RI (£m)          | 2013 | 2012 | 2011 | 2010 | 2009 |
|---------------------------------------|------|------|------|------|------|
| <b>Largest registered audit firms</b> | 1.19 | 1.11 | 1.07 | 1.06 | 1.05 |
| <b>Big Four Firms</b>                 | 1.89 | 1.78 | 1.67 | 1.65 | 1.60 |
| <b>Non Big Four Firms</b>             | 0.51 | 0.48 | 0.50 | 0.50 | 0.51 |

Table 20

- The total fee income from audit per RI has seen an upward trend with 6% growth for the Big Four Firms and a similar increase for many of the larger registered firms outside of the Big Four in 2013.
- Audit fee income per RI for many of the larger registered audit firms outside of the Big Four has remained largely static over the past 5 years.

<sup>3</sup> The historic information in this table has been updated as a result of changes in a number of submissions made by some of the larger registered audit firms outside of the Big Four.

<sup>4</sup> RIs have been awarded the recognised professional qualification in audit and hold a practising certificate. An RI can sign an audit report on behalf of his/her firm.

## CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2013

(By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and AIM)

| UK Firm Name                        | UK Structure          | Year End  | No of FTSE 100 Audit Clients <sup>1</sup> | No of FTSE 250 Audit Clients <sup>1</sup> | Total No of Other Clients listed on Regulated Markets <sup>1</sup> | No of AIM Audit Clients <sup>1</sup> |
|-------------------------------------|-----------------------|-----------|---|---|--|--------------------------------------|
| PricewaterhouseCoopers              | LLP                   | 30-Jun-13 | 41  | 62  | 92   | 107                                  |
| KPMG <sup>2</sup>                   | LLP                   | 30-Sep-13 | 23  | 54  | 130  | 63                                   |
| Deloitte                            | LLP                   | 31-May-13 | 21  | 70  | 80   | 58                                   |
| Ernst & Young                       | LLP                   | 30-Jun-13 | 14  | 50  | 92   | 49                                   |
| BDO                                 | LLP                   | 30-Jun-13 | 1   | 10  | 55   | 146                                  |
| Grant Thornton UK                   | LLP                   | 30-Jun-13 | 0   | 5   | 63   | 125                                  |
| James Cowper                        | LLP                   | 30-Apr-13 | 0   | 0   | 13   | 2                                    |
| Baker Tilly <sup>3</sup>            | LLP                   | 31-Mar-13 | 0   | 0   | 10   | 52                                   |
| Scott Moncrieff                     | Partnership           | 30-Apr-13 | 0   | 0   | 5  | 3                                    |
| UHY Hacker Young                    | Group of Partnerships | 30-Apr-13 | 0   | 0   | 3  | 29                                   |
| Nexia Smith & Williamson Audit      | Company               | 30-Apr-13 | 0   | 0   | 3  | 26                                   |
| Chantrey Vellacott DFK <sup>4</sup> | LLP                   | 31-Dec-13 | 0   | 0   | 3  | 15                                   |

<sup>1</sup> 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.

<sup>2</sup> Includes both KPMG LLP and KPMG Audit Plc

<sup>3</sup> Includes both Baker Tilly and Baker Tilly UK Holdings Ltd. Baker Tilly completed the acquisition of RSM Tenon Audit Plc on 2 September 2013.

<sup>4</sup> Chantrey Vellacott DFK has changed its year end from 30 June to 31 December.

**CONCENTRATION OF LISTED COMPANIES' AUDITS - YEAR ENDED 2013**  
 (By Number of Listed Clients – FTSE 100, FTSE 250, UK Equity Listed on Regulated Markets and AIM)

| UK Firm Name                | UK Structure          | Year End  | No of FTSE 100 Audit Clients <sup>1</sup> | No of FTSE 250 Audit Clients <sup>1</sup> | Total No of Other Clients listed on Regulated Markets <sup>1</sup> | No of AIM Audit Clients <sup>1</sup> |
|-----------------------------|-----------------------|-----------|---|---|--|--------------------------------------|
| Chiene & Tait               | Scottish Partnership  | 30-Sep-13 | 0   | 0   | 3  | 0                                    |
| Haysmacintyre               | Partnership           | 31-Mar-13 | 0   | 0   | 2  | 9                                    |
| Moore Stephens              | LLP                   | 30-Apr-13 | 0   | 0   | 2  | 5                                    |
| Crowe Clark Whitehill       | LLP                   | 31-Mar-13 | 0   | 0   | 1  | 35                                   |
| PKF Littlejohn <sup>5</sup> | LLP                   | 31-May-13 | 0   | 0   | 1  | 15                                   |
| Mazars                      | LLP                   | 31-Aug-13 | 0   | 0   | 1  | 12                                   |
| Kingston Smith              | LLP                   | 30-Apr-13 | 0   | 0   | 1  | 7                                    |
| Saffery Champness           | Partnership           | 31-Mar-13 | 0   | 0   | 1  | 3                                    |
| Menzies                     | LLP                   | 31-Mar-13 | 0   | 0   | 1  | 2                                    |
| Armstrong Watson            | Partnership           | 31-Mar-13 | 0   | 0   | 1  | 0                                    |
| Haines Watts Group          | Group of Partnerships | 31-Mar-13 | 0   | 0   | 0  | 4                                    |
| Francis Clark               | LLP                   | 31-Mar-13 | 0   | 0   | 0  | 2                                    |
| Reeves & Co                 | LLP                   | 31-May-13 | 0   | 0   | 0  | 2                                    |
| MHA MacIntyre Hudson        | LLP                   | 31-Mar-13 | 0   | 0   | 0  | 1                                    |

<sup>5</sup> Littlejohn merged with PKF International on 25 April 2013 and is now called PKF Littlejohn.

## Concentration of listed Companies' Audits<sup>1</sup>

Table 22 illustrates the percentage of the number of audits undertaken by the Big Four firms<sup>2</sup>, the next six firms<sup>3</sup> (based on the number of listed audit clients) and other audit firms, with UK equity listed companies as audit clients.

For the purposes of Table 22, 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 (%) <sup>2</sup> |          |          |          | Next Six Firms (%) <sup>3</sup> |          |          |          | Other Firms (%) |          |          |          |
|-----------------------------|---------------------------------|----------|----------|----------|---------------------------------|----------|----------|----------|-----------------|----------|----------|----------|
|                             | 31/12/13                        | 31/12/12 | 31/12/11 | 31/12/10 | 31/12/13                        | 31/12/12 | 31/12/11 | 31/12/10 | 31/12/13        | 31/12/12 | 31/12/11 | 31/12/10 |
| <b>FTSE 100<sup>1</sup></b> | 98.0                            | 99.0     | 99.0     | 99.0     | 2.0                             | 1.0      | 1.0      | 1.0      | 0.0             | 0.0      | 0.0      | 0.0      |
| <b>FTSE 250<sup>1</sup></b> | 96.0                            | 94.4     | 95.2     | 95.6     | 4.0                             | 5.6      | 4.8      | 4.4      | 0.0             | 0.0      | 0.0      | 0.0      |
| <b>Other UK Main Market</b> | 68.1                            | 66.3     | 68.7     | 66.6     | 23.7                            | 24.8     | 23.9     | 25.1     | 8.2             | 8.9      | 7.4      | 8.3      |
| <b>All Main Market</b>      | 78.8                            | 78.3     | 78.4     | 78.5     | 16.0                            | 16.5     | 16.8     | 16.5     | 5.2             | 5.2      | 4.8      | 5.0      |

Table 22

Source: Audit Quality Review team

- There has been little change in the proportion of listed companies audited by the larger registered firms outside of the Big Four firms in recent years.

<sup>1</sup> Includes International Main Market Companies.

<sup>2</sup> Includes Big Four network firm offices whether located in the UK or elsewhere.

<sup>3</sup> The data for 2011 and 2012 is for the next six firms. All other years are for the next five firms. The data for previous years in this section has not been restated so is not entirely comparable.

## Audit Firms

Table 23 analyses total fee income of ICAEW registered<sup>4</sup> audit firms by size. (Please note that the information is based on the data provided to the ICAEW in the annual return from each firm).

| <b>Firms ranked by size</b> | <b>Average Total Fee Income (£'000)</b> |
|-----------------------------|---|
| <b>1 to 4</b>               | 2,061,000                               |
| <b>5 to 9</b>               | 202,000                                 |
| <b>10 to 30</b>             | 23,148                                  |
| <b>31 to 100</b>            | 7,892                                   |
| <b>101 to 500</b>           | 2,340                                   |
| <b>501 to 1000</b>          | 997                                     |
| <b>1001 to 2000</b>         | 479                                     |
| <b>2001 to 3000</b>         | 165                                     |
| <b>3001 to 3886</b>         | 11                                      |

Table 23

- Approximately 71% of the total fee income of audit firms is attributable to the Big Four. The information in Table 23 is not directly comparable with the figures shown in Table 18, which consolidate the income of all the entities through which the firm operates i.e. both audit registered entities and other entities.

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<sup>4</sup> The information relates only to those firms registered with the ICAEW. Information for the largest 9 ICAEW firms is drawn from information supplied to us by those firms.



**Section Four – Annex – Data tables of the charts**

## Seven – Annex of Tables shown as graphs<sup>1</sup>

Chart 1 – Students who became Members

|                    | ACCA   | CIMA  | CIPFA | ICAEW | CAI   | ICAS  | AIA | TOTAL  |
|--------------------|--------|-------|-------|-------|-------|-------|-----|--------|
| 2009               | 8,934  | 4,659 | 328   | 3,418 | 1,093 | 863   | 42  | 19,337 |
| 2010               | 9,372  | 4,849 | 242   | 3,290 | 1,332 | 768   | 45  | 19,898 |
| 2011               | 9,156  | 5,030 | 244   | 3,118 | 1,064 | 804   | 22  | 19,438 |
| 2012               | 10,124 | 5,736 | 263   | 3,475 | 1,096 | 765   | 25  | 21,484 |
| 2013               | 9,836  | 5,527 | 282   | 3,252 | 1,100 | 619   | 25  | 20,641 |
| % growth (12 - 13) | -2.8   | -3.6  | 7.2   | -6.4  | 0.4   | -19.1 | 0.0 | -3.9   |

Chart 2 – Sectoral Employment of Members Worldwide 2013

|                     | ACCA    | CIMA   | CIPFA  | ICAEW   | CAI    | ICAS   | AIA   | TOTAL   |
|---------------------|---------|--------|--------|---------|--------|--------|-------|---------|
| Public Practice     | 40,813  | 1,606  | 394    | 43,256  | 6,386  | 5,162  | 383   | 98,000  |
| Industry & Commerce | 95,293  | 71,933 | 1,057  | 60,243  | 13,444 | 9,075  | 7,378 | 258,423 |
| Public Sector       | 16,103  | 12,322 | 7,794  | 9,238   | 506    | 521    | 39    | 46,523  |
| Retired             | 7,264   | 9,764  | 3,411  | 21,895  | 844    | 3,515  | 724   | 47,417  |
| Other               | 6,152   | 300    | 672    | 7,702   | 1,648  | 1,836  | 21    | 18,331  |
| TOTAL               | 165,625 | 95,925 | 13,328 | 142,334 | 22,828 | 20,109 | 8,545 | 468,694 |

Chart 3 – Comparison of Age Profile of Members of Accountancy Bodies Worldwide 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  |
| TOTAL       | 165,625 | 95,925 | 13,174 | 142,334 | 22,828 | 20,109 | 8,545 | 468,540 |

Chart 4 – Comparison of Age Profile of Members of Accountancy Bodies Worldwide 2009

|             | ACCA    | CIMA   | CIPFA  | ICAEW   | CAI    | ICAS   | AIA   | TOTAL   |
|-------------|---------|--------|--------|---------|--------|--------|-------|---------|
| Under 25    | 356     | 59     | 1      | 199     | 17     | 98     | 15    | 745     |
| 25 - 34     | 37,327  | 15,472 | 1,087  | 24,205  | 6,886  | 4,995  | 872   | 90,844  |
| 35 - 44     | 53,432  | 28,698 | 3,122  | 34,668  | 5,771  | 3,940  | 2,198 | 131,829 |
| 45 - 54     | 27,285  | 18,310 | 3,907  | 31,651  | 3,328  | 3,513  | 1,401 | 89,395  |
| 55 - 64     | 12,273  | 9,879  | 3,398  | 24,386  | 1,722  | 2,686  | 1,128 | 55,472  |
| 65 and over | 6,560   | 7,339  | 2,204  | 19,589  | 1,078  | 3,046  | 952   | 40,768  |
| TOTAL       | 137,233 | 79,757 | 13,719 | 134,698 | 18,802 | 18,278 | 6,566 | 409,053 |

Chart 5 – Location of Students as at 31 December 2013

|                          | ACCA    | CIMA    | CIPFA | ICAEW  | CAI   | ICAS  | AIA   | TOTAL   |
|--------------------------|---------|---------|-------|--------|-------|-------|-------|---------|
| UK & Republic of Ireland | 85,259  | 55,295  | 2,058 | 15,553 | 6,431 | 2,978 | 285   | 167,859 |
| Rest of the World        | 280,229 | 67,099  | 492   | 4,568  | 9     | 11    | 9,322 | 361,730 |
| TOTAL                    | 365,488 | 122,394 | 2,550 | 20,121 | 6,440 | 2,989 | 9,607 | 529,589 |

Chart 6 – Profile of Students Worldwide of Seven Accountancy Bodies 2013

|               | ACCA    | CIMA    | CIPFA | ICAEW  | CAI   | ICAS  | AIA   | TOTAL   |
|---------------|---------|---------|-------|--------|-------|-------|-------|---------|
| ≤ 1 Year      | 78,646  | 31,933  | 812   | 5,382  | 1,474 | 762   | 767   | 119,786 |
| > 1 - 2 Years | 61,384  | 22,893  | 281   | 5,117  | 1,196 | 907   | 583   | 92,361  |
| > 2 - 3 Years | 47,524  | 13,872  | 186   | 4,689  | 1,233 | 866   | 699   | 69,069  |
| > 3 - 4 Years | 42,537  | 10,230  | 197   | 3,339  | 925   | 294   | 781   | 58,303  |
| > 4 - 5 Years | 34,212  | 6,890   | 1,074 | 892    | 462   | 63    | 642   | 44,235  |
| ≥ 5 Years     | 101,185 | 36,576  | N/A   | 692    | 1,150 | 97    | 6,135 | 145,835 |
| TOTAL         | 365,488 | 122,394 | 2,550 | 20,121 | 6,440 | 2,989 | 9,607 | 529,589 |

Chart 7 - Comparison of Age Profile of Students of Accountancy Bodies Worldwide 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 |

Chart 8 – Comparison of Age Profile of Students of Accountancy Bodies Worldwide 2009

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

Chart 9 – Sectoral Employment of Students Worldwide 2013

|                     | ACCA    | CIMA    | CIPFA | ICAEW  | CAI   | ICAS  | AIA   | TOTAL   |
|---------------------|---------|---------|-------|--------|-------|-------|-------|---------|
| Public Practice     | 61,580  | 0       | 0     | 16,633 | 5,140 | 2,828 | 57    | 86,238  |
| Industry & Commerce | 182,941 | 89,037  | 54    | 735    | 165   | 161   | 5,339 | 278,432 |
| Public Sector       | 45,795  | 14,015  | 2,140 | 299    | 10    | 0     | 62    | 62,321  |
| Other               | 75,172  | 19,342  | 356   | 2,454  | 1,125 | 0     | 4,149 | 102,598 |
| TOTAL               | 365,488 | 122,394 | 2,550 | 20,121 | 6,440 | 2,989 | 9,607 | 529,589 |

<sup>1</sup> All tables show actual numbers except where that data is unavailable. Where actual values are not available it is then shown in percentages.

Chart 10 – Percentage of Students Holding a Degree or a Relevant Degree Worldwide in 2013

|                           | ACCA | CIMA | CIPFA | ICAEW | CAI | ICAS | AIA |
|---------------------------|------|------|-------|-------|-----|------|-----|
| Holding a Degree          | 48%  | 52%  | 10%   | 81%   | 94% | 99%  | 50% |
| Holding a Relevant Degree | 45%  | 41%  | 5%    | 19%   | 80% | 45%  | 42% |

Charts 11-12 - Percentage of Passes at the Final Examination and those passes that were First Time Passes 2009-2013

|  |      | ACCA | CIMA | CIPFA | ICAEW | CAI | ICAS | AIA |
|--|------|------|------|-------|-------|-----|------|-----|
| Percentage of passes at the final examination          | 2009 | 44   | 59   | 70    | 75    | 76  | 76   | 22  |
|  | 2010 | 47   | 64   | 65    | 77    | 62  | 82   | 17  |
|  | 2011 | 55   | 60   | 65    | 75    | 54  | 77   | 9   |
|  | 2012 | 54   | 52   | 68    | 74    | 62  | 84   | 18  |
|  | 2013 | 55   | 54   | 68    | 75    | 63  | 89   | 24  |
| Percentage of those passes that were first time passes | 2009 | 43   | 63   | N/A   | 84    | 74  | N/A  | N/A |
|  | 2010 | 49   | 58   | N/A   | 80    | 62  | N/A  | N/A |
|  | 2011 | 57   | 56   | 74    | 78    | 55  | N/A  | N/A |
|  | 2012 | 55   | 69   | 76    | 78    | 62  | N/A  | N/A |
|  | 2013 | 59   | 65   | 84    | 79    | 63  | N/A  | N/A |

Chart 13 – Income of Seven Accountancy Bodies Worldwide between 2009 - 2013

|      | ACCA  | CIMA | CIPFA | ICAEW | CAI  | ICAS | AIA | TOTAL |
|------|-------|------|-------|-------|------|------|-----|-------|
| 2009 | 119.0 | 42.7 | 40.6  | 73.7  | 25.6 | 16.7 | 1.1 | 319.4 |
| 2010 | 133.0 | 42.3 | 35.6  | 76.4  | 23.0 | 16.9 | 1.2 | 328.3 |
| 2011 | 144.0 | 45.5 | 28.3  | 82.4  | 22.0 | 17.0 | 1.3 | 340.5 |
| 2012 | 152.0 | 50.9 | 25.5  | 82.7  | 22.1 | 18.4 | 1.5 | 353.1 |
| 2013 | 160.0 | 54.8 | 26.1  | 87.6  | 22.3 | 17.8 | 1.5 | 370.1 |

Chart 14 – Average Income per Member and Student of Seven Accountancy Bodies Worldwide between 2009-2013

|      | ACCA  | CIMA  | CIPFA | ICAEW | CAI   | ICAS  | AIA  | TOTAL |
|------|-------|-------|-------|-------|-------|-------|------|-------|
| 2009 | 235.3 | 216.6 | 435.4 | 413.3 | 957.0 | 677.7 |      | 294.1 |
| 2010 | 246.8 | 214.0 | 438.2 | 412.9 | 830.1 | 670.2 | 74.0 | 295.2 |
| 2011 | 269.7 | 237.7 | 410.1 | 432.3 | 718.8 | 653.0 | 82.6 | 312.0 |
| 2012 | 279.2 | 223.5 | 377.9 | 410.3 | 707.7 | 670.4 | 76.8 | 309.2 |
| 2013 | 284.3 | 225.8 | 390.5 | 433.4 | 622.4 | 632.1 | 77.1 | 311.7 |

Chart 15 – Analysis of the Income for Seven Accountancy Bodies in 2013

|                                     | ACCA  | CIMA | CIPFA | ICAEW | CAI  | ICAS | AIA | TOTAL |
|-------------------------------------|-------|------|-------|-------|------|------|-----|-------|
| Fees & Subscriptions                | 69.0  | 32.3 | 3.3   | 41.5  | 8.0  | 6.2  | 1.3 | 161.6 |
| Education & Exam Fees               | 78.0  | 17.0 | 2.8   | 10.2  | 7.2  | 6.7  | 0.1 | 122.0 |
| Regulation & Discipline             | 4.0   | 0.0  | 0.1   | 18.7  | 3.1  | 1.7  | 0.0 | 27.6  |
| Commercial Activities               | 8.0   | 5.1  | 19.9  | 14.7  | 2.5  | 1.7  | 0.0 | 51.9  |
| Other (including Investment Income) | 1.0   | 0.4  | 0.0   | 2.5   | 1.6  | 1.4  | 0.1 | 7.0   |
| TOTAL                               | 160.0 | 54.8 | 26.1  | 87.6  | 22.3 | 17.7 | 1.5 | 370.0 |

Chart 16 – Total number of approved Training Offices in the UK & ROI 2009 – 2013

|   |      | ACCA  | ICAEW | CAI | ICAS | AIA |
|---|------|-------|-------|-----|------|-----|
| No of approved Training Offices in the UK & ROI | 2009 | 5,404 | 2,659 | 828 | 168  | 0   |
|   | 2010 | 5,207 | 2,744 | 837 | 167  | 0   |
|   | 2011 | 4,872 | 2,906 | 834 | 175  | 0   |
|   | 2012 | 4,426 | 3,022 | 814 | 145  | 0   |
|   | 2013 | 4,322 | 3,167 | 793 | 172  | 17  |

Chart 17 – Number of Training Offices in the UK & ROI approved for training audit students 2009 – 2013

|   |      | ACCA  | ICAEW | CAI | ICAS | AIA |
|---|------|-------|-------|-----|------|-----|
| No of approved Training Offices for training audit students in the UK & ROI | 2009 | 4,061 | 2,062 | 578 | N/A  | N/A |
|   | 2010 | 3,812 | 2,031 | 460 | N/A  | N/A |
|   | 2011 | 3,656 | 1,529 | 449 | N/A  | N/A |
|   | 2012 | 3,527 | 2,058 | 453 | N/A  | N/A |
|   | 2013 | 3,413 | 2,064 | 444 | N/A  | N/A |



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