



Audit Qualification Report

An auditor should qualify the audit opinion wherever:

- There is a limitation on the scope of the audit examination, for whatever reason, or disagrees with the treatment or disclosure of a matter in the financial statements, and
- In his/her judgement, the effect of the matter is or may be material to the statement.

Recent changes in Irish company law and the advent of more rigorous International Standards on Auditing means that Directors should give serious consideration to the adoption of the audit exemption.

All of the following criteria must be met to allow a company to avail of audit exemption:

- Turnover does not exceed €7.3 million (previously €1.5m)
- Fixed and Current Assets total does not exceed €3.650 million (previously €1,904,607)
- The average number of employees are not greater than 50
- It is a company to which the Companies (Amendment) Act, 1986 applies
- It is not a company limited by guarantee
- The company is not a parent or subsidiary company
- The company is not a bank, insurance or investment company
- The Company is fully annual return compliant

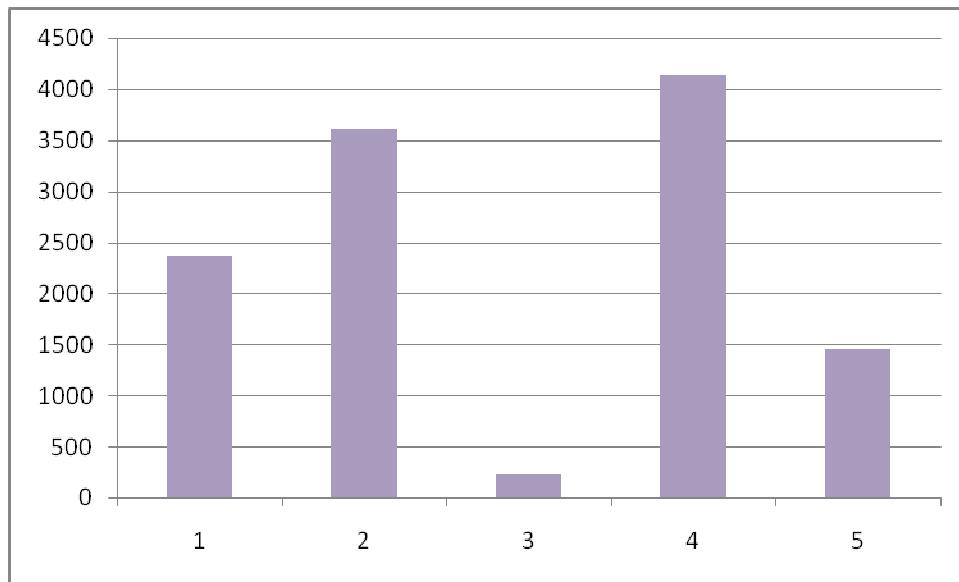
Here in ICC Information we have analysed all of those companies with Accounts that are 'Fully Audited' in order to give a clearer picture of where exactly the uncertainties lie.

Levels of Audit Qualification

There are 5 levels of Audit Qualification.

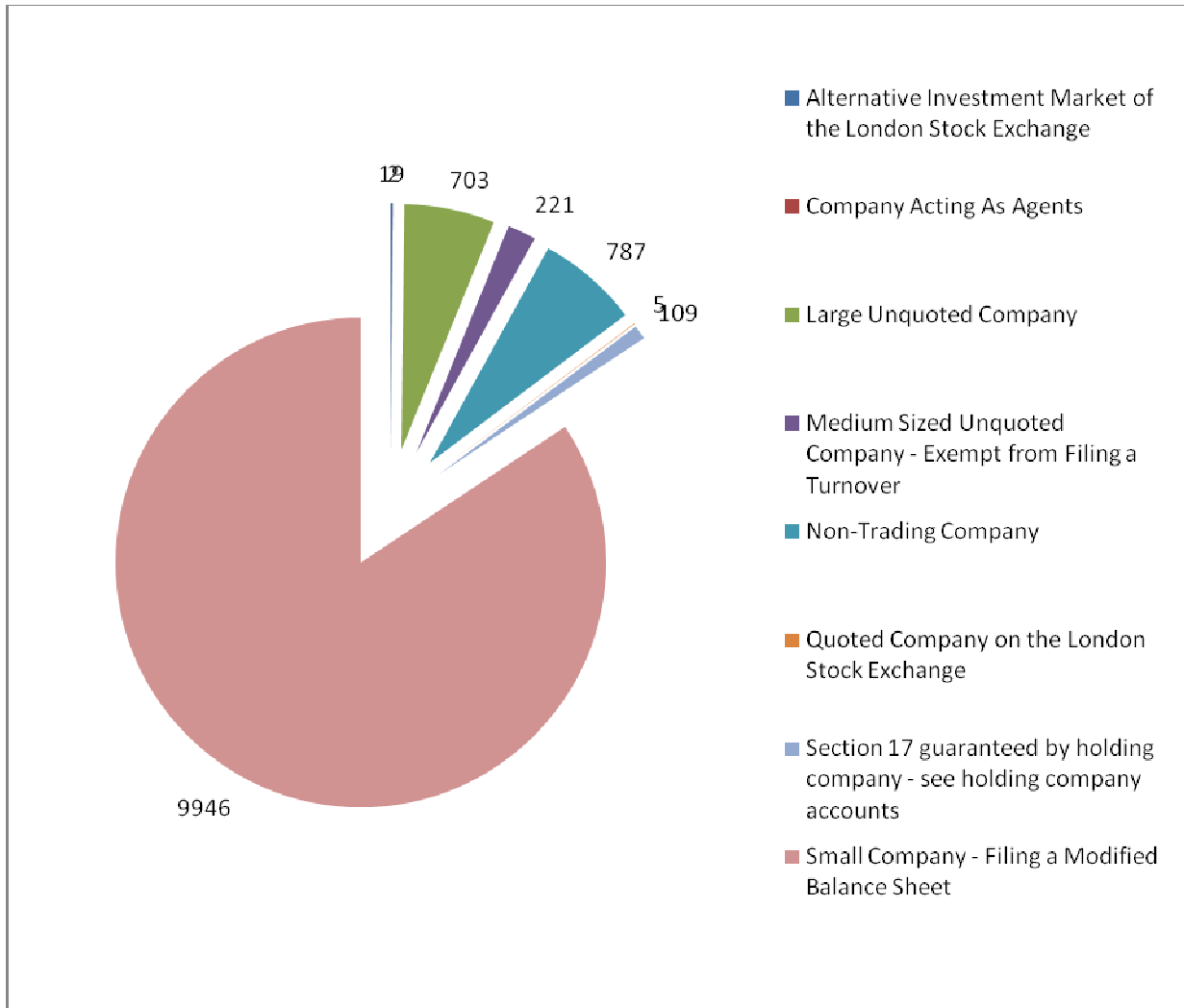
- 1 - Unqualified (but referred)
- 2 - Scope Limitation
- 3 - "Mild" uncertainties/disagreements
- 4 - Emphasis or qualification
- 5 - "Severe" or Adverse/disclaimer opinions

Below is the number of companies receiving qualifications and what level these qualifications were. We can see that a 'Level 4' Qualification is the most popular followed by a 'Level 2' and then 'Level 1' Qualification.



Status of companies with a Qualification

We can also determine the Status of those companies receiving Audit Qualifications. The majority of companies with a Qualification are classified as a 'Small Company – Filing a Modified Balance Sheet'.



Qualification by industry sector

We can break this data down further to show which Industry Sectors are receiving more qualifications than others, as well as highlighting the level of qualifications in each sector. 'Business Activities' account for a third of all audit qualifications received. 'Construction' and Manufacturing' are second highest both with 10% followed closely by 'Real Estate & Renting' with 9%.

Industry	Level of Qualification					Totals	%
	1	2	3	4	5		
Business Activities	683	1246	93	1269	697	3988	34
Construction	223	388	13	425	154	1203	10
Manufacturing	203	354	27	429	118	1131	10
Real Estate & Renting	310	224	33	437	85	1089	9
Community, Social & Personal Services	166	286	7	274	51	784	7
Hotels & Restaurants	138	233	9	263	71	714	6
Wholesale	118	248	11	213	80	670	6
Retail	100	197	11	270	59	637	5
Finance	150	118	12	199	55	534	4
Transport & Storage	79	89	2	118	36	324	3
Health & Social work	54	105	0	65	7	231	2
Agriculture & Fish	51	56	5	53	18	183	2
Education	30	23	0	38	4	95	1
Telecomms	24	6		41	6	77	1
Mining & Quarrying	17	12		19	6	54	0
Public Admin & Defence	13	15		14	4	46	0
Electricity, Gas & Water	13	4	0	11	4	32	0
	2372	3604	223	4138	1455	11792	100%

FURTHER ANALYSIS & DETAILS AVAILABLE ON REQUEST –

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