

Transparency report 2018

Committed to audit quality

YEAR END - 31 DECEMBER 2018



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Foreword from the Managing Partner

I am pleased to present our 2018 Transparency report. 2018 has been a record year for growth for Grant Thornton Ireland, exceeding our expectations. We believe our focus on delivering high quality service to our clients is instrumental in our continued growth.



As Managing Partner, I am fully aware of the importance that our clients, audit committees, regulators and the public place on audit quality. This report is designed to help our stakeholders understand us better and to demonstrate that we have the skills, resources and tools needed to conduct high quality audits objectively and effectively, and that we continue to invest in these areas to strive for continuous quality improvement.

In 2019 we are working towards implementation of our new global audit platform and methodology (LEAP) and we are currently rolling out a major training programme for all our auditors. LEAP will be rolled out in the later half of 2019. This will represent a step change in ensuring our audit process is future fit, making it easier for people to focus on the areas of most risk and consistently deliver great quality.

We have also continued to build on our capabilities and resources within our Risk, Compliance and Professional Standards (RCPS) and technical support team. We believe our continued growth will serve to increase competition within the larger Irish firms, particularly in the areas of audit and taxation. We believe we are very well positioned to continue to capitalise on these opportunities as they are presented.

In 2018 we continued to progress our firms strategy '**Growing Together 2020**', making strategic decisions which ensure we focus on growing our people and our clients together by unlocking their potential for growth. A primary goal of our strategy is to constantly deliver high quality. In addition, we are working on building our 2023 strategy, where a culture for quality will be fundamental to our future growth.

As part of our ongoing efforts to create a culture that promotes and nurtures diversity, and focuses on retaining top talent through active talent management, we developed our women in leadership programme - '**Aspire**'. This programme was launched in 2017 with the aim to develop a strong female leadership pipeline and to acknowledge the valuable contribution of our female talent. It has provided participants with the opportunity to identify personal drivers, required skills and behaviours to help succeed in their chosen career path. It also allows the sharing of tools and tips to navigate the challenges along the way. The programme has been one of our stand out people development initiatives and is now entering into its third successful year. In 2018, we introduced a further female talent development programme - '**Accelerate**' for females below manager level, which again is strengthening our future pipeline of female leaders.

Our focus on the development of our people can also be demonstrated through our leadership development programme - '**Elevate**'. The objective of this programme is to create a distinct group of transformational leaders within Grant Thornton, who are empowered to positively influence, drive and evolve the people and culture of the firm. In order to achieve our firm wide, service, department, and team objectives.

Audit and assurance have always been and continue to be an important part of our business. Delivering the highest quality work is a key benchmark by which we measure our success in this area. We continue to focus on enhancing audit quality and independence, particularly in light of continuing changes in the audit profession. This includes the significant regulatory developments and the implementation of the new European Union Audit Regulation and Directive on 17 June 2016.

In 2018 we implemented further changes to our internal quality review process to challenge our audit team and increase accountability. We expect exceptional quality at all times and these processes ensure we effectively measure our quality output.

In addition, we have actively engaged with our Independent Non-Executive (INE), Brian Kearney, throughout the year to identify areas where quality focus can be improved and maintained a positive and respective working relationship. I would like to take this opportunity to thank Brian for his valuable input over the last year.

As a firm we welcome the regulatory changes, as they will drive audit quality, increase competition, independence and public confidence in the profession. We welcome the feedback from our regulators and we have taken steps to improve our policies and procedures where necessary, to address areas for improvements identified by Irish Auditing and Accounting Supervisory Authority (IAASA) and Public Company Accounting Oversight Board (PCAOB) during their recent inspections.

This report demonstrates that we are strongly positioned and are continuing to invest to ensure that our systems and methodologies are optimised, in order for us to continue to deliver high quality and effective audits to our clients.

Our commitment to quality in everything we do has come in to increased focus in the last year as we strive to create a culture of excellence. We at Grant Thornton recognise that continuous quality improvement is crucial for improving public confidence in the audit market.

Looking forward to 2019, our growth is projected to continue but quality will become an ever increasing factor as we move to further embed our culture of excellence. Our people are pivotal to our success and I am excited to pioneer programs which will empower our people to achieve the best and in turn deliver the best service and quality to our clients.

Michael McAteer
Managing Partner



Report from the Independent Non-Executive

In May 2017 I was appointed an Independent Non-Executive of Grant Thornton Ireland. This appointment is set out by the Irish Audit Firm Governance Code issued by the Chartered Accountants Regulatory Body.

This is my second report since my appointment as an Independent Non-Executive (INE) of Grant Thornton Ireland. The role is reflected in the objectives of the Irish Audit Firm Governance Code (the Code) published by the Chartered Accountants Regulatory Board (CARB) in respect of the financial years of all Public Interest Entities (PIEs) commencing on or after 1 January 2013. The Code states that the involvement of Independent Non-Executives (INEs) should enhance confidence in the public interest aspects of the Firm's decision making, stakeholder dialogue and management of reputational risks, including those arising in the Firm's businesses that are not otherwise effectively addressed by regulation.

Although the Code is focussed on the audit quality of public interest entities it is critical to the good governance of Grant Thornton Ireland that sufficient consideration is given, and is seen to be given, to the public interest in all aspects of the Firm's decision making processes. The INE tries to provide independent assurance to all relevant stakeholders that this is the case whilst at the same time playing an important role in safeguarding and enhancing the Firm's reputation.

As recognised by the Code, audit firms, including Grant Thornton, share operations, brands and reputations with businesses that are subject to little or no regulation and this can pose significant risks to the reputation and continued existence of a firm including its audit practice. The Code envisages the INE role as having a place in addressing these risks, as well as enhancing confidence in firms' decision making and ensuring that stakeholder concerns are properly communicated at the highest level.

The terms of reference of my appointment are set out in [appendix 4, page 42](#).



Grant Thornton is a partnership, not a corporate entity and a significant part of my involvement to date has been interacting with the Management Committee partners to see how this works in practice. As an INE I have no powers to ensure that any advice I offer has been acted on, nor do I have any decision making capability in that role.

Apart from meeting the Managing Partner, the Head of Risk, Compliance and Professional Standards and Head of Audit, I have also attended a number of Management Committee meetings and the Risk Committee as an observer. Reports on internal, network and external reviews of the Firm's work and related correspondence were discussed and reviewed.

In addition to the matters brought to the INE's attention, the INE has raised matters related to rapid growth and the management of its attendant risks and risks related to non-regulated activities. I am satisfied that the Firm is addressing these risks in an appropriate manner.

Based on my engagement to date, I have observed that 'tone at the top' is appropriately implemented to increase accountability at all levels and to drive audit quality. In addition, I am satisfied that risk management and quality control procedures are taken seriously and with a focus on continuous improvement in light of regulatory reviews.

I am very pleased with, and encouraged by, the openness which has characterised my interactions with Grant Thornton and I have experienced a real willingness on the part of its leadership to engage in a meaningful and positive way.

Brian Kearney
Independent Non-Executive

Delivering on quality

I was delighted and honoured to be asked to take on the role of Head of Audit and Assurance of Grant Thornton Ireland in early 2018.



With a team of over 400 professionals throughout our seven offices, I fully appreciated the magnitude of the role, and that I would be responsible and accountable for (and to) such a large team. I have been with Grant Thornton for 11 years now, and have spent similar periods working with both larger and smaller audit firms, so hopefully that combination of experience equips me well to provide effective leadership.

This Transparency report goes into considerable detail about how we, as a firm, deliver and measure audit quality. This includes:

- our audit methodology and extensive use of technology;
- our commitment to continuous improve our quality;
- our investment in training and development of our largest asset – our people;
- our emphasis on coaching, mentoring, continuous feedback and on-the-job learning; and
- embracing potential improvements from internal and external reviewers and regulators.

I believe each of these are equally important and form an integral part of our overall drive for the highest possible standard of quality. Together, they will benefit Grant Thornton from a business and risk management perspective, our people from a career development perspective, and of course our clients and other stakeholders so that they get the assurance they deserve from our work.

Grant Thornton's culture of quality in everything we do is driven and enabled by our "tone at the top". Our partners and senior management team are responsible and accountable for maintaining and enhancing this culture. This responsibility and accountability is evidenced by specific and measurable goals and objectives that form part of our partners' Balanced Scorecards (BSCs) which, in

turn, form an integral part of our recognition, reward and compensation structures. On a cascading basis, adherence to quality and risk management processes and procedures are taken into account in the decisions we make about the progression and compensation of our management and wider audit teams.

At our annual audit conference, held in November, and attended by more than 100 Partners, Directors and Managers, the content was primarily dedicated to the area of professional scepticism, maintaining a questioning mentality, using our knowledge of our client's business and its environment and the importance of consultation, corroboration and collaboration.

As part of our focus on delivering quality service to our clients, we seek their feedback annually through our independently coordinated ClientVoice programme to assess their satisfaction with our audit processes and procedures and to identify any areas for improvement. While our scores are consistently high, we always seek to improve the way we work and our clients' feedback is vital in this regard.

In summary, and as elaborated upon throughout this Transparency report, Grant Thornton has established and continues to introduce initiatives that address the ever-increasing need for the highest standards of quality in our audits. I am pleased with the significant progress we have made in recent years and the investments we continue to make in our people, processes and systems – yet mindful that we can never be complacent or stop learning and improving.

Stephen Murray
Head of Audit



Structure and governance

Governance and management

Leadership

At Grant Thornton, we care about the work we do for clients and always aim to ensure our work and influence in the markets we operate within builds on our strong reputation as a firm. We are relied upon to provide independent advice rooted in the highest professional ethics, principles and professional standards. We help create the commercial and social environments that enable long-term success, growth for businesses and where people flourish.

High on every partner's agenda is a desire to maintain each individual's commitment to our strong ethical culture. In all that they do, partners seek to set the tone for the business and empower our people to meet their potential. Above all, our people are encouraged to speak out, take responsibility and demonstrate integrity and agility. It is an intrinsic part of our culture. We like to tell it like it is. It is our partners who help to shape the domestic and international debate by actively participating with professional and industry bodies. Together we work with our peers to support necessary changes to improve our profession.

Legal structure and ownership

Grant Thornton Ireland is an unincorporated partnership under the Partnership Act, 1890 and comprises **49 partners**, at 31 December 2018. It is regulated by IAASA and PSCAI. The firm also conducts certain types of business through a number of incorporated entities as set out in the following table.

We are a full member firm of Grant Thornton International Limited [GTIL] which is a not-for-profit, non-practising, international umbrella membership entity organised as a private company limited by guarantee not having a share capital, incorporated in England and Wales. GTIL is one of the world's leading organisations of independently owned and managed accounting and consulting firms.

Company name	Status	Type of business	Regulatory authority
Grant Thornton	Partnership	Audit and assurance services, business consulting and accountants reports	IAASA and PSCAI
Grant Thornton Financial Counselling Limited	Limited Company	Life assurance, pensions advice, investment and financial planning advice	Central Bank of Ireland
Grant Thornton Financial and Taxation Consultants Limited	Limited Company	Tax consultancy and compliance, payroll and company secretarial	PSCAI
Grant Thornton Consulting Limited	Limited Company	Business risk services, Financial Accounting and Advisory Services (FAAS), consultancy and outsourcing	PSCAI
Grant Thornton Business Advisory Services Limited	Limited Company	Consultancy, non audit, accounting services and outsourcing	PSCAI
Grant Thornton Corporate Finance Limited	Limited Company	Advisory and Recovery and Reorganisation	PSCAI
Grant Thornton Debt Solutions Limited	Limited Company	Personal insolvency services	PSCAI
Grant Thornton Pensioner Trustees Limited	Limited Company	Trustee Pension Services	PSCAI
Grant Thornton (NI) LLP	Limited Liability Partnership	Audit and assurance, tax compliance and consultancy, corporate finance and transaction services	PSCAI

Governance and risk management

We are committed to the highest standards of governance. We continually monitor developments in corporate governance so that we can benchmark our performance against them. We adopt best practice in a way that is relevant to our activities, to the risk environment that we face and to the needs of our clients and people. As a partnership, the firm is owned by its partners, whose rights and obligations are set out in the firm's partnership agreement.

The partners vote every three years to confirm the appointment of a Managing Partner in accordance with the partnership agreement. This gives the Managing Partner the authority to exercise strong and effective leadership of the business. This authority is underpinned by robust independent oversight on behalf of the partners by the firm's Management Committee (the 'Committee').

It is considered appropriate that the management structure of the firm develops with the growth of the business. Therefore, the structures set out below may be supplemented from time to time with additional appointments, such as committees, executive appointments to the Committee and non-executive appointments. In 2017 Grant Thornton appointed Brian Kearney as INE. For further information, see **Report from the Independent Non-Executive, page 6.**

Management of our business

The firm is run on a day-to-day basis by the Managing Partner, Michael McAteer, who is assisted by a Management Committee, made up of certain partners (details outlined below). Michael is responsible for:

- ensuring that the firm operates according to the firm's strategic plan which has been set out to guide the firm for the next three years; and
- the management of the firm in a manner consistent with the interests of clients, our people and the firm's values and ethical standards.

The appointment of the Managing Partner is made by simple majority vote of equity partners. The Managing Partner will not hold office for more than three consecutive terms, of three years each. **Michael McAteer was appointed Managing Partner with effect from 1 January 2018.**

Management Committee

The Committee is appointed by the Managing Partner. The Managing Partner may also select a Chairperson, subject to majority approval of the partners, to chair meetings of the partners and assist the Managing Partner with partnership matters and managing the practice during his term in office. The Committee is responsible for:

- co-ordinating the opportunities for value creation and allocating resources to those expected to utilise them;
- the preparation and implementation of agreed business plans;
- reviewing management information and processes;
- communicating information;
- ensuring that the decisions of the partners in relation to the operation and future direction of the firm are effective;
- monitoring the day-to-day running of the firm, including maintenance of internal controls and risk management; and
- other functions as required.

The Committee communicates regularly with the firm's partners and people on a wide range of issues including strategy implementation, current developments and the firm's values in action. Communication methods include office visits, the Managing Partner's monthly blog, formal business updates across the firm and a formal meeting of the partner group, at least twice annually.



The Committee is focused on a framework of constant improvement. During the period ended 31 December 2018, the Committee have regularly considered how they can improve their effectiveness both as a body and as individual members of the team. The Committee meets monthly, with additional meetings as and when required.

The current Committee consists of the following partners, effective from **1 January 2018**:

- Michael McAteer, Managing Partner;
- Brendan Foster, Chairperson;
- Fergus Condon;
- Bernard Doherty;
- Colin Feely;
- Richard Gillan;
- Stephen Murray; and
- Stephen Tennant.

Their brief biographies are set out in **appendix 3, page 39**.

Remuneration Committee

The firm has a Remuneration Committee which consists of five equity partners, one of whom is the Managing Partner. The other members are elected for a period of three years. The Remuneration Committee determines how the firm's annual profits will be allocated and distributed to partners. Profits are primarily allocated in accordance with partner's profit sharing units, which are allocated depending on role, assessed ability and performance.

In addition, a percentage of the profit pool is allocated based on a balanced assessment of quality behavioural and operational metrics. This links performance to the firm's strategy and achievement of its long-term goals.

The roles and responsibilities of the Remuneration Committee are as follows:

- recommending the profit share for equity partners;
- recommending the points allocation to newly appointed equity partners, reviewing and recommending any changes thereafter; and
- approval of annual partners' bonuses.

The current committee consists of the following partners:

- Michael McAteer, Managing Partner;
- Elaine Daly;
- Patrick Dillon;
- Kevin Foley; and
- Damian Gleeson.

Partners

Grant Thornton is a dynamic organisation led by its **49 partners** across seven locations. A full meeting of the firm's partners is held at least twice annually. Regular weekly/fortnightly meetings are held in each office location. Furthermore, there are a number of strategic partnership groups with regular meetings to discuss particular aspects of the firm's strategic goals and governance. These groups are supplemented by managers and directors with the requisite skills and expertise.

Partners at 31 December 2018

Michael McAteer - Managing Partner	Dara Kelly
Aengus Burns	Louise Kelly
Fergus Condon	Sasha Kerins
Aidan Connaughton	Peter Legge
Gearoid Costelloe	John Lyons
Jason Crawford	Peter McArdle
Elaine Daly	Paul McCann
Noel Delaney	Niamh Meenan
Patrick Dillon	Jim Mulqueen
Bernard Doherty	Stephen Murray
Sinead Donovan	Michael Neary
Sheila Duignan	John Neville
Colin Feely	Michael Nolan
Kevin Foley	Denise O'Connell
Brendan Foster	Nicholas O'Dwyer
Patrick Gallen	Declan O'Hanlon
Richard Gillan	Jarlath O'Keefe
Damian Gleeson	Jillian O'Sullivan
John Gleeson	Dwayne Price
John Glennon	Michael Shelley
Mike Harris	Neal Taylor
Dan Holland	Stephen Tennant
Paul Jacobs	Tony Thornbury
Michael Keenan	Peter Vale
Cathal Kelly	

The Irish Audit Firm Governance Code (the Code)

The Code was published by the Professional Standards department of Chartered Accountants Ireland (PSCAI) in 2012 and applies to financial periods commencing on or after 1 January 2013. The primary purpose of the Code is to provide a formal benchmark of good governance practice, against which firms which audit public interest entities (defined as entities registered in the Republic of Ireland which are included within the scope of SI 277 of 2007: Transparency Directive 2004/109/EC Regulations 2007, as amended) can report for the benefit of shareholders in such entities.

The Code supports firms in their objectives of performing high quality work that gives confidence to stakeholders. Additionally the Code's aim is to:

- enhance the stature of firms as highly visible exemplars of best practice governance;
- enrich firms' transparency reports;
- encourage changes in governance which improve the way that firms are run; and
- strengthen the regulatory regime by achieving transparent and effective governance without disproportionate regulation.

The Code consists of six areas which are broken down into 19 principles and 29 provisions.

Compliance with the provisions helps firms to apply the Code's principles but does not intend to absolve firms from the fact that they may need to implement additional measures to embrace the spirit of the Code. Grant Thornton has implemented additional measures and structures where necessary to ensure this is the case.

Grant Thornton International Limited (GTIL)

We are Grant Thornton

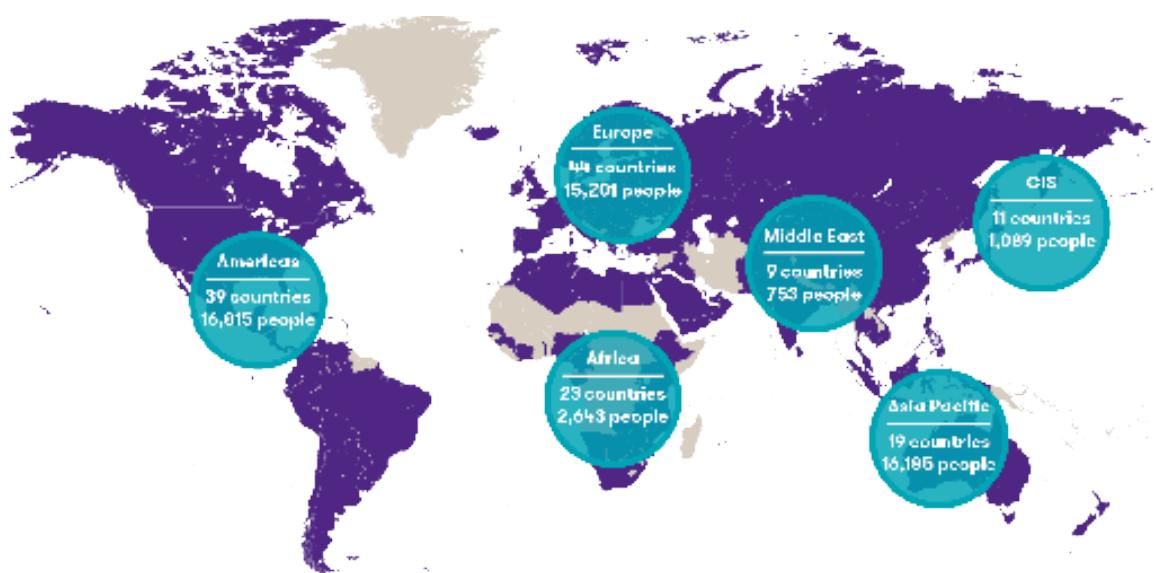
Grant Thornton is Ireland's fastest growing professional services firm. With over 1,350 people in 7 offices across Ireland and 53,000 located in over 140 countries around the world, we bring you the local knowledge, national expertise and global presence to help you and your business succeed – wherever you're located. We deliver solutions to all business challenges. Clients choose us because the breadth of financial and business services they need is available, delivered innovatively and always to the highest standards. At Grant Thornton we are committed to long term relationships.

Grant Thornton operate from offices in Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford.

About Grant Thornton International Ltd (GTIL)

We're a network of independent assurance, tax and advisory firms, made up of 53,000+ people in over 140 countries. For more than 100 years, we have helped dynamic organisations realise their strategic ambitions. Whether you're looking to finance growth, manage risk and regulation, optimise your operations or realise stakeholder value, we can help you.

We've got scale, combined with local market understanding. That means we're everywhere you are, as well as where you want to be.



Our distinctive client
experience sets us apart



USD5.45 bn
(2018 revenue)



53,000+
people



700+
offices



140+
countries

Grant Thornton member audit firms - European Union (EU)/European Economic Area (EEA) member states

The table below shows the statutory auditors and audit firms which are members of the Grant Thornton network in the EU or EEA member states and the countries in which they are registered or have their principal place of business, as at 30 September 2018.

Country	Legal entity	Country	Legal entity
Austria	Grant Thornton Unitreu GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft	Ireland	Grant Thornton
Belgium	Grant Thornton Bedrijfsrevisoren CVBA	Ireland	Grant Thornton (NI) LLP
Bulgaria	Grant Thornton OOD	Italy	Ria Grant Thornton S.p.A.
Croatia	Grant Thornton revizija d.o.o.	Latvia	Grant Thornton Baltic SIA
Cyprus	Grant Thornton (Cyprus) Ltd	Lichtenstein	ReviTrust Grant Thornton AG, Schaan
Czech Republic	Grant Thornton Audit s.r.o.	Lithuania	Grant Thornton Baltic UAB
Denmark	Grant Thornton Statsautoriseret Revisionspartnerselskab	Lithuania	Grant Thornton Baltic UAB Kauno filialas
Estonia	Grant Thornton Baltic OÜ	Lithuania	Grant Thornton Baltic UAB Klaipėdos filialas
Finland	Revico Grant Thornton Oy	Luxembourg	Compliance & Control S.A.
Finland	Idman Vilen Grant Thornton Oy	Malta	Grant Thornton Malta
Finland	Advico Finland Oy	Netherlands	Grant Thornton Accountants en Adviseurs BV
France	Grant Thornton	Norway	Grant Thornton Revisjon AS
France	AEG Finances	Norway	Grant Thornton Økonomiservi ce AS
France	IGEC	Poland	Grant Thornton Frąckowiak Sp. z o.o. sp.k.
France	Tuillet Audit	Poland	Grant Thornton Polska Sp. z o.o. Sp.k
France	Cabinet Didier Kling & Associes	Portugal	Grant Thornton Audit SRL
France	Carib Audit & Conseil	Romania	Grant Thornton Audit SRL
Germany	Warth & Klein Grant Thornton AG	Slovak Republic	Grant Thornton Audit, s.r.o.
Germany	ATS Allgemeine Treuhand GmbH	Slovenia	Grant Thornton Audit d.o.o.
Germany	Warth & Klein Grant Thornton GmbH & Co. KG	Spain	Grant Thornton, S.L.P.
Germany	Sozietät Prof. Dr. Dr. h. c. W. Klein u. a., Düsseldorf	Spain	Cruces Y Asociados Auditores, S.L.P.
Germany	WPG Wohnungswirtschaftliche Prüfungs- und Treuhand GmbH	Spain	Grant Thornton Corporación, S.L.P.
Germany	Warth & Klein Grant Thornton Revisionsunion GmbH	Spain	Grant Thornton Andalucia, S.L.P.
Greece	Grant Thornton SA	Sweden	Grant Thornton Sweden AB
Hungary	IB Grant Thornton Audit Kft.	United Kingdom	Grant Thornton UK LLP
Iceland	Grant Thornton endurskoðun ehf		



Driving quality

Delivering audit quality

Audit and assurance continues to be an important part of our business and plays a critical role in protecting public interest. Our leadership is committed to quality – quality in our work, quality in our practices and quality in our people. Critical to our success in achieving and maintaining quality are our structures which underpin our objectives as we continue to grow and develop as a firm.

Audit leadership

We understand that everyone can have a different definition of value and this is no different when receiving audit services. To ensure Grant Thornton delivers the value that is most critical to stakeholders, we begin our work by building highly qualified teams. Audit teams comprise of dedicated audit professionals who understand clients' businesses as well as their sectors. Together, these teams not only deliver a high quality audit to stakeholders, they also take the opportunity to provide additional value by providing insights and observations about important and relevant topics - insights which may lead to new ways of thinking, performance improvement or efficiencies.

The firm's audit partners lead from the front and are responsible for driving audit quality. However, it is the day-to-day activities and experiences which bring our quality culture to life and our audit partner group work with the Risk, Compliance and Professional Standards (RCPS) team to embed key practices, disseminate key messages and demonstrate the standards and behaviours we expect in our people.

Risk, Compliance and Professional Standards (RCPS) team

The RCPS team supports the audit partners in the development and enhancement of audit quality. This is done through the provision of training and technical guidance on audit and financial reporting matters, advice on complex issues, carrying out reviews of the financial statements of public interest entities prior to approval and on-going monitoring of compliance with key quality and risk management controls.

The team also responds to the latest technical developments and issues in the profession by providing internal and external commentary from the firm's viewpoint and client ready summaries of developments in key areas.

The RCPS team is also responsible for the management and implementation of the firm's audit quality monitoring programmes which is a key mechanism for measuring the quality of our audits.

Global audit methodology and technology

GTIL assists all Grant Thornton member firms in delivering consistent, robust, rigorous and high quality audits. This is achieved through the provision of a global audit methodology and software, protocols to facilitate consultation with audit specialists in other member firms, a comprehensive intranet service with up to date information on relevant professional standards, a worldwide restricted entity list, an International Financial Reporting Standards (IFRS) help desk and topical alerts. GTIL does not provide any services to clients itself.

In 2017, GTIL released a revised global audit methodology referred to as LEAP (Leading Effective Audit Practice), delivered through a new service delivery platform developed in partnership with Microsoft. Between 2017 – 2020, a series of global learning programmes are being run across each member firm to drive adoption and engagement of this change.

Among other benefits, the revised methodology:

- provides a clear linkage to auditing standards using International Standards on Auditing (ISA) based terms;
- applies an account based approach to address the risk of material misstatement; and
- allows the tailoring of audit risk and response to each client.

Our new audit platform tool:

- offers flexibility and scalability to perform audits of all types and sizes;
- puts global and local methodology guidance at auditors' fingertips;
- allows for rapid responses to regulatory changes;
- enables auditors to perform high-quality audits more efficiently; and
- gives auditors the ability to provide clients with better insights into their business and operations.

The tool user interface was designed based on extensive feedback gathered from auditors throughout the design and development process.

The global learning programmes developed to support these changes include ISA proficiency series, methodology proficiency services, tool proficiency series and Audit 360 simulation.

The ISA proficiency series includes various online modules focused primarily on the professional standards themselves. It is methodology agnostic as it is the foundation for all the other learning.

Grant Thornton Ireland have commenced an intensive audit training plan for all audit staff, covering all these essential training elements in preparation for roll out of the methodology and tool later in 2019.

Audit quality

Underpinning our commitment to continuously improve audit quality is a robust system of quality control. Grant Thornton International has developed policies of quality control which apply to all member firms. These policies are based on the requirements set out in International Standard on Quality Control 1 (ISQC1) for firms and the Code of Ethics for Professional Accountants issued by IESBA. These policies and procedures are set out in the firms Ethics and Quality Control Manual. The policies and procedures have been tailored to ensure they also comply our local standards issued by Chartered Accountants Ireland and IAASA.

In addition to our own quality control procedures which comprise robust and frequent peer review of audit files and client financial statements, and as a member of the forum of firms, we are required to abide by a system of quality control. The Global GTIL Audit Review (GTAR) programme reviews the conduct of audit work performed by each member firm. GTAR is a systematic check of the quality of member firms' audit procedures, carried out at least once every three years by independent and suitably qualified partners and managers from other member firms under the overall direction of GTIL. Grant Thornton Ireland consistently achieves some of the highest ratings in the global network.

Grant Thornton Ireland is currently regulated by the Irish Auditing and Accounting Supervisory Authority (IAASA) for the direct audit inspections of PIE's and Professional Standards, PSCAI (formerly CARB), for non-PIE audits performed. PSCAI conducts practice reviews on a three yearly cycle. In addition, the Irish firm is registered with the US Public Company Accounting Oversight Board (PCAOB) and is eligible for review by them.

Details of external reviews are given in '**measuring audit quality**', see page 21.



International support

GTIL has a full time IFRS team that is responsible for promoting high quality, consistent application of IFRS throughout the global organisation. The IFRS team is advised and supported by member firm IFRS experts, including an IFRS interpretations group, a financial instruments working group and an insurance working group.

The IFRS team promotes consistency by:

- offering face-to-face training programmes and e-learning resources;
- operating an IFRS help desk service;
- providing an IFRS checklist and an IFRS interim reports checklist; and
- publishing extensive technical interpretive guidance, newsletters and other tools and resources, internally and externally.

These materials, along with IFRS developments, are communicated via a network of designated IFRS champions in member firms. For firms with significant IFRS work, the GTAR inspection team will include team members who are experienced in IFRS accounting. Any issues concerning IFRS are brought to the attention of the GTIL IFRS team for review to determine if training or additional guidance is necessary.

Clear and unambiguous audit reporting

Regular mandatory training in specialist areas, such as public company audit work, is key to ensuring that partners and staff are aware of the latest issues and can address them within the audit approach. It also means that we communicate with clients' boards and audit committees on matters of relevance to them in a clear and unambiguous style.

We maintain a dialogue with audit committees at various stages in the audit process on a wide range of issues from initial scoping to the key judgments made. Our formal audit strategy and key issues memoranda give structure to interaction and communication with boards and audit committees.

Engagement acceptance and continuance

Each audit engagement is categorised by reference to its risk, complexity and any specialised experience requirements. This categorisation is used to drive appropriate quality control procedures and where necessary, involvement of the firm's industry specialists.

Our centralised client take on team ensure for all new potential clients and any new assignments the firm's rigorous acceptance and continuance processes are adhered to and documented.

All new assignment require approval before the appointment is accepted. This approval is by the appropriate engagement partner and in certain cases by the Head of Risk. Where specific high risk indicators are identified Key Assurance Assignment (KAA) approval is required from GTIL.

A similar process for continuance of engagements is required on an annual basis. If there are any significant changes in circumstances or other risk indicators are present, approval by a partner outside of the audit team, the Head of Assurance and/or GTIL may again be required.

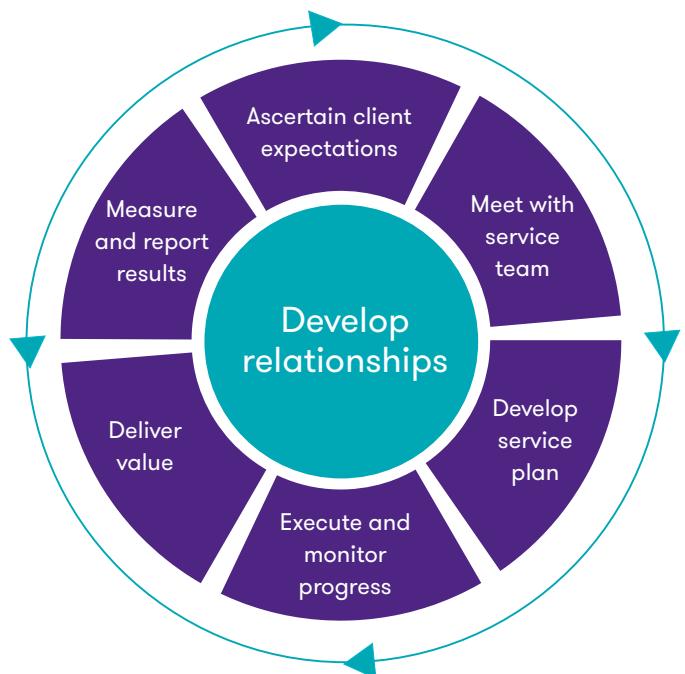
Supervision, consultation and review

We have a strong culture of consultation, supervision and support, which is embedded throughout the audit methodology. Involvement of a second Responsible Individual (RI), our RCPS team and where necessary the Head of Audit, provide appropriate levels of quality control as well as support for all audit personnel. This mixture of experience and technical ability, within a culture where we are able to challenge each other, ensures quality is driven throughout the audit process. Audit clients of public interest entities or entities whose securities are publicly traded are subject to an engagement quality control review (as required by ISQC1) by partners who are approved by the RCPS team. Review RIs are also in place for other complex or high-risk category clients to address certain quality and risk management matters.

Achieving the highest standards

At Grant Thornton, we strive to achieve the highest standards. Outlined below are some of the key features that evidence our commitment to this goal:

- **key accounts review** – our service team will meet three times a year to ensure feedback and information is shared, service delivery objectives are met and forthcoming priorities are identified;
- **client satisfaction review** – each year a sample of clients are asked to complete a client satisfaction survey to measure our performance from a stakeholders perspective;
- **client service plan** – arising from the key account review and client satisfaction review, we draw up a client service plan every year;
- **queries and response times** – queries will be dealt with promptly with an initial point of contact taking responsibility for the delivery of a solution rather than passing to a colleague; and
- **customer care** – feedback is provided to staff from client satisfaction survey so we can ensure to improve where needed and to acknowledge and recognise what our staff do well.



People

No system, team or service ever reaches the highest standards without the right people. At Grant Thornton, we believe in recruiting the right people in order to deliver the highest quality audit.

One indicator of audit quality, emanating from our people, is the culture of our firm, including whether our people are encouraged to perform high quality audits. We encourage this by being provided with the time, resources and training and development which they need to make this inevitable. Our reputation is built on the quality of our work and we ensure that we have the highest levels of expertise within each audit team. Substantial PDM (partner, director and manager) involvement is required throughout the audit process, including:

- coaching and mentoring;
- encouraging consultation;
- giving feedback; and
- providing on-the-job learning.

Grant Thornton endeavours to create a culture of openness and involvement; where people are encouraged to contribute their views. These are areas we continue to focus on as we foster a coaching, learning and collaborative environment. Technical excellence, audit quality, critical thinking and ethical behaviours are also reinforced to everyone involved in audit during their induction and throughout subsequent learning programmes.

In addition to developing their broad business insight, all of our people are required to maintain their technical competence and comply with relevant regulatory and professional development requirements. This is reviewed by managers annually, in conjunction with an individual's personal development plan. Within the assurance service line, there are annual and quarterly technical updates, as well as courses on financial reporting, company law, ethics and auditing matters and sector-specific training. We continually review the skills and competence of all our people and ensure they meet the needs of their clients.

We support people's development not only through structured learning programmes, but also through a variety of tools including feedback, mentoring, on the job coaching and a wide range of secondment opportunities both internally and externally.

We aim to create an environment where our people are passionate about what they do, feel able to challenge the status quo, perform to their best ability and have the opportunities and support to continually develop their knowledge and skills.

Measuring audit quality

Audit quality control systems

Rigorous quality management systems and internal control processes, risk assessment measures and monitoring systems ensure we all live up to the high standards we set ourselves and the standards our clients expect. Nowhere are these more important than in the case of audit. Our independence and the quality of our work are critical for our clients and professional regulators. We have established a range of safeguards governing audit appointments and the independence of partners and staff. Each area of the business is required to have in place rigorous quality management procedures, including:

- technical and procedural manuals, to ensure work is delivered to a consistently high standard;
- training and development of all partners and staff (including induction and appraisal);
- quality control procedures, to ensure each assignment meets required standards and quality; and
- quality assurance processes, including retrospective reviews, to enable management to gain comfort that procedures in place are operating and effective.

Our quality management approach for auditing and financial reporting assignments has several key elements:

- ethics and integrity – we only accept and continue to act for clients we judge to show integrity and for whom we consider the risks of acting to be acceptable;
- a robust and rigorous risk-based audit approach, with significant resource committed to ensuring audit quality; the skills and personal qualities of our partners and staff;
- a consultative culture, where partners and staff are always encouraged and in certain circumstances, required to consult; and
- objectivity and independence – absolute understanding throughout the firm that our hard won reputation is dependent on the quality of our work and the quality of the decisions that we take.

These processes are checked annually as part of our internal quality review processes.

Our system on quality control is conducted in accordance with International Standard on Quality Control (ISQC1) - '*quality control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements*'.

This system provides our clients, GTIL, other Grant Thornton member firms and our local regulators, IAASA and PSCAI, with reasonable assurance that our personnel comply with applicable professional standards and GTIL policies and procedures.

In addition to periodic external quality reviews by GTIL under the GTAR programme, our audits are subject to regular external inspection as part of our obligations to IAASA and PSCAI. All audit team members receive mentoring, documented feedback and access to partners as well as personal and professional development courses.

Internal monitoring

Our internal monitoring programme is carried out on a continuous basis to ensure any quality issues are monitored and addressed in a timely manner and our aim for continuous improvement is achievable. Our reviews assess the quality of the audit work in our audit department which includes financial services audit and corporate audits performed across all of our offices. The reviews are risk focused and review teams are selected from outside the business sector under review. Reviews cover all office locations of the firm.

A rating system is applied to ensure quality is measurable and high standards are maintained. In accordance with regulatory requirements, the reviews focus on the procedures that we have adopted to ensure that our assurance work is of the highest quality. Similar processes are adopted across all client-facing segments of our business to ensure that our reputation is protected and maintained.

Our quality monitoring programme is robust and key features include:

- use of a standard approach developed by GTIL;
- all reviews are completed under the direction and guidance of RCPS to ensure integrity and consistency of process;
- all responsible individuals are reviewed at least every two years;
- all new responsible individuals are reviewed within one year of appointment;
- non partner responsible individuals are reviewed each quarter for their first year following appointment;
- assessment of risk profile of responsible individuals portfolio is carried out at the outset to ensure engagements selected focuses on high risk and complex engagements;
- file ratings are agreed by the audit risk working group to ensure consistency and robustness of the ratings and the overall process;
- where deficiencies are identified the audit leader is required to develop an action plan to address the findings of the review;
- audit leader with files reviews falling below expected standards are reviewed again within 12 months;
- the annual audit quality review is summarised in an annual report which is presented to the Head of Audit, Head of Risk, Independent Non-Executive and Managing Partner;
- themes arising from the audit quality review are communicated to the audit practice through training and technical updates;
- root cause analysis is completed on all significant deficiencies arising and appropriate action plans are developed; and
- results from the audit quality review are a critical factor in responsible individuals performance evaluation.

We have added rigour and depth to our review process to push our mission to continuously improve on quality and better align to the standards set by our external monitoring reviews. Notwithstanding our tougher review process, the results of the 2018 audit quality review shows a 20% increase in audit engagements graded either 'good quality' or 'good quality, but limited improvements required'.

We continue to strive for continuous improvement and our expectation is for all files to receive a 'good quality' or 'good quality, but limited improvements required'.

Global audit quality monitoring

A dedicated team in GTIL is responsible for managing our global audit quality-monitoring programme, referred to as the **Grant Thornton Assurance Review (GTAR)**. The GTAR process evaluates each member firm's local quality monitoring system, as well as each firms' compliance with professional standards, global audit policies and procedures and other risk-based criteria.

Member firms are typically reviewed once every three years. Independent and suitably qualified partners and managers from other member firms, under the overall direction of the global audit quality control leader, also conduct inspections.

GTIL's global monitoring helps to reinforce the requirement that member firms have an effective process for ensuring that the right people are using the right tools to apply the audit methodology in the right ways.

GTAR will assess if member firms:

- comply with professional auditing standards;
- implement the global audit methodology and in turn, the ISAs as a minimum;
- issue audit reports that are appropriate in the circumstances;
- comply with international ethical and quality control policies;
- comply with quality assurance standards during the audit;
- produce audit documentation compliant with professional standards;
- have designed and implemented an effective system of quality control;
- identify root causes for significant findings;
- have implemented the requirements of previous action plans; and
- comply with global risk management policies and procedures.

The most recent GTAR for Grant Thornton Ireland was completed in September 2017. Our audit quality control system was evaluated as 'suitably designed and implemented to provide reasonable assurance of conforming with applicable professional standards and GTIL's requirements in all material respects.'

External monitoring

In December 2017, Grant Thornton Ireland welcomed PCAOB and IAASA to complete their first joint inspection of an Irish firm, following the signing of their cooperation agreement in the previous month.

A final report has yet to be issued from PCAOB. This review included the review of the audit files of one direct issuer and one other engagement in which the firm played a role but was not the principal auditor, as well as the firm's related quality control procedures.

As at the date of this report, 31 March 2019, a final report has not been issued from IAASA. This review included the review of audit files of three public interest entities, as well as the firm's related quality control procedures.

While reports remain outstanding for both PCAOB and IAASA inspections, we are working through action plans to make improvements where possible improvements were identified.

We have regular reviews by PSCAI to consider the suitability of the firm's audit methodology and quality of audit assignments.

The last external quality assurance review of Grant Thornton took place in November 2015, this covered public interest entities.



People and culture

As a professional services firm providing a full range of audit, tax and advisory services to our clients, it is imperative that quality is at the cornerstone of everything we do. Critical to our success in achieving and maintaining our quality standards it is important that our people and culture initiatives around recruiting, developing, training and managing our people support this objective.

Our people and culture team operate and are committed to a philosophy that promotes:

- utilising the best sourcing methods to attract the best candidates and making the hiring experience promote Grant Thornton as the place to work;
- an emphasis on the importance of the firm's culture and values from onboarding and throughout the employee's career;
- developing and retaining our employees through programmes that stretch and challenge them to be the best leaders within their chosen area of expertise; and
- a culture of continuous learning and professional development through our performance management process that also recognises and rewards this contribution and a focus on achieving technical expertise and excellence.

Hiring the right people for our business is critical and to support this we have a dedicated resourcing team whose primary objective is to source the best available person for the roles within the firm. This process is supported by our recruitment and selection policy which applies across the business.

On their first day with the firm, each new staff members attends a recently reformatte onboarding event which covers a range of topics that enable the employee to understand the culture of Grant Thornton but is also focussed on engaging our new employees from day one on how to achieve success within the firm.

We provide an environment of continuous learning and give our people the tools and resources to achieve their potential, to enable an environment where champions are inevitable.

This is supported by the relevant service line then providing on-the-job training and related systems training to each new employee. The training and development of our people is critical to the success of our business and our ability to ensure that quality is high across all our service lines.

Our development philosophy is based not only on formal training, but also on-the-job learning and significant levels of day-to-day coaching and a strong focus on feedback being sought and given around employee's performance. The Grant Thornton Academy supports the firm's commitment to the continuing development of our people and is an excellent resource enabling all staff to develop and optimise both their technical and business skills.

Our leadership programme, Elevate, is designed to support these commitments through a programme that will create leaders within the firm. In addition, we run two female leadership programmes, Aspire and Accelerate, which aims to develop and retain our key female leaders of the future.

Our competency framework provides a clear path for individual career progression and our talent development portfolio of courses, which is derived from these competencies, ensures that all our staff have access to the training that will support their progress and advancement in their careers.

To support the firm's commitment to staff performing in a more effective and efficient manner, and to deliver quality and success in their roles, all staff are invited to attend a one day training programme on personal effectiveness and managing projects.

Utilising Workday, our people management software, has and continues to empower employees, through a more evolved performance management process that contributes greatly to making this process effective and efficient for both the reviewer and reviewee. Both goal setting and the subsequent annual review is based on the firm's four strategic drivers:

1. strategic growth;
2. distinctive client service;
3. people and culture; and
4. efficient operations.

All staff set their own goals around these four priorities which supports the achievement of the firm's strategy to be market leaders in our chosen fields. To further support our culture of continuous development we hold performance reviews on an annual basis and strongly encourage that employees seek and obtain feedback at the end of each client assignment.

Our Trainee Progression System (TPS) provides a very structured process for trainees to gain experience and to advance though their traineeship before becoming fully qualified – all applications for advancement are reviewed thoroughly by the respective PDM team before recommendations for promotion are approved.

In addition, we have placed a significant investment in the improved exam success rates of our trainees and have seen this investment produce tangible results.

Regarding our remuneration strategy – we benchmark our salary ranges annually against the market and adjust if necessary to ensure competitiveness and that we continue to attract and retain key talent.

Staff are rewarded based on individual performance and contributions both to the client, their respective service line and to the firm as a whole. Our people and culture team ensures that all of the above processes are consistently and fairly applied across our business and are in line with best practice. This supports our commitment to ensuring our firm operates to a high level of professionalism and ensures that we put quality at the heart of everything we do.

At Grant Thornton we are proud to speak out on commercially relevant issues that connect business with the interests of society at large. We are a fast growing firm with unique people and something to say – a group of people that are ready to speak out and make a difference.

Our brand position in Ireland embodies a series of values that support the ideas of a human perspective and a focus on relationships, but with robust independence.

Our values represent the way we conduct ourselves personally, and underpin how we do business. These core principles and values are key to our success.

Our values

As well as a distinctive global culture, we have developed five core values:



“Our people are pivotal to our success and I am excited to pioneer programmes which will empower our people to achieve the best and in turn deliver the best service and quality to our clients.”

Michael McAteer, Managing Partner

Objectives and strategy

The firm's overall aim is to retain and continually enhance its position as an innovative and entrepreneurial professional financial services business, which upholds the highest professional and ethical standards and excels in its chosen market sectors by:

- acting for high quality clients; and
- attracting and retaining quality people at all levels who are proud to be part of the firm.

Crucial to us achieving this ambition is developing our people so that they are able to provide our clients with the skills and expertise they need to find appropriate solutions to their problems. Doing so will enable us to continue to build the reputation of the firm for leadership and excellence in all that we do.

Our quality people

We have created an environment where all of our people can make a difference - to themselves and their career, teams and to the success of our firm and our clients.

Our people thrive on high achievement and innovative thinking. This provides our clients with the best possible standards of service and advice. We are committed to ensuring that all our people have the skills and expertise necessary to provide the range of quality services and technical excellence required by our clients. Our dedicated training centre, the Grant Thornton Academy, is a testament to that commitment.

The Academy runs induction courses, tutorials for trainee accountants and ongoing training for qualified staff which enables our people to take control of their careers, wherever their path may lead them in the firm. We encourage all our people to seize the opportunities to build their business and personal skills – to grow as individuals.

We are also committed to ensuring all our people are well rewarded. It is not just about financial reward, it is effective inductions, high quality appraisals and excellent learning and development opportunities, including secondments within Ireland and overseas.

It is about engaging with our people at all levels and providing a truly flexible range of working options and employment benefits. All our people are entitled to request flexible working and we empower them to put forward what works for them, their team and above all, our clients.

We support everyone at Grant Thornton to achieve their best. Our people thrive on working with some of the market's most interesting organisations on challenging and professionally rewarding assignments.

Participating in the profession

We encourage partners and senior personnel to contribute to professional bodies and many of them have spoken at continuing professional development seminars for professional bodies such as Chartered Accountants Ireland (CAI), the Association of Chartered Certified Accountants (ACCA), the Chartered Institute of Management Accountants (CIMA), the Institute of Certified Public Accountants (ICPA) and the Irish Taxation Institute (ITI), to name but some.

Our PDMs are involved in various committees of professional bodies and trade associations, details of which are set out in **appendix 5, page 43.**

Continuing professional development

We are committed to ensuring that our people have the skills and expertise necessary to provide the range of quality services and technical excellence required by our clients. All partners and qualified staff are required to keep up to date with professional guidance, including the firm's own risk management, ethical and independence requirements. All those within specialist disciplines or serving specialist markets, including statutory audit, must comply with mandatory training requirements, which are actively monitored. Internally, we provide access to technical resources and support which include technical updates, training workshops, professional and personal development courses.



Risk management

Managing and mitigating risk across the organisation is an integral part of implementing the strategy of Grant Thornton. The Risk Management Committee identify the risks in the firm's strategy and then develop policies and procedures that help address those risks and integrate risk management into each of the practice's internal functions (such as HR and IT), as well as working with the firm's partners and staff to assist and support their implementation of the risk management policies and procedures.

The firm has established business unit risk working groups to specifically address the risk issues impacting each function in the firm. Areas covered by risk management policies and procedures include independence, client acceptance, client re-acceptance and Anti-Money Laundering (AML) procedures.

Acceptance and re-acceptance of assurance clients is considered a cornerstone of the enterprise wide risk management approach. Given this importance, certain member firm assurance engagements that meet one or more defined criteria are submitted to a global review team for approval.

Overall, there is a continuous focus on enhancing the risk management framework, for example, the development of proprietary software that will centralise the client acceptance/re-acceptance global review and approval process.

Ethics

The firm has appointed Aidan Connaughton, a senior experienced partner and Head of Risk, as the partner responsible for ethics. He is supported by the Director of RCPS in dealing with ethical issues. Aidan must be consulted whenever there are key judgments on potential conflicts, for example, in areas such as corporate finance and tax consulting services to audit clients to ensure that the spirit, as well as the letter of the standards is met.

Inspiring our people to fulfil our ethical standards starts at the top. Partners recognise that their behaviours are key to the maintenance of our strong ethical environment and culture. In addition, the internal controls we have in place to support our ethical environment are routinely checked as part of the firm's robust risk management procedures.

Ethics and independence

Aidan reports directly to the Managing Partner and is responsible for ensuring that the firm complies with the requirements set by the firm's regulators. Specific controls in place include:

- audit partner rotation on publicly traded entities;
- recognition of technical quality in partner remuneration policies;
- adherence to detailed procedures to identify potential conflicts of interest prior to accepting non-audit work; and
- application of policies regarding partners and staff working for clients when leaving the firm.

In addition, all partners and managers maintain a real time record of investments held on the Global Independence System (GIS) and the RCPS team ensures that any potential conflicts are identified and resolved.

The firm has a strong culture of consultation, which we believe is vital in maintaining an independent approach and this is a point of emphasis at the technical interviews of all prospective audit partners and directors.

Relationship checking

Maintaining objectivity and independence of thought is vital to maintaining our reputation. We have a robust system of independence and conflict checks, which is designed to identify potential conflicts of interest at the earliest possible juncture and deal with them appropriately. Sources of potential conflict will range from providing additional services to existing audit clients and acceptance of new clients, to investments by the firm and staff.

For audit and similar engagements, where independence is a matter of public interest, our procedures are even more stringent. We ensure that partners carry out a check of whether other services have been provided that might impact on our independence before engaging with new audit clients. We also require the engagement team to confirm their independence on each audit file. Furthermore, for all publicly quoted clients, we disclose other services provided to the audit committee at the planning and conclusion stages. In addition to our own independence practices, GTIL requires member firms to adopt policies and procedures to safeguard the independence of all member firms.

These policies and procedures include a requirement for member firms to maintain a listing of companies considered 'restricted' as a result of an audit relationship. Details of these restricted companies are maintained on a global restricted list through a system maintained by GTIL. Professional personnel in member firms have access to this global restricted list via the GTIL intranet.

The global restricted list serves as a point of reference for member firms considering providing non-audit services to public companies. When the prospective client appears on the global restricted list, consultation is required with the audit partner to ensure that any threats to independence created by the proposed non-audit service can be adequately safeguarded and that the proposed non-audit service is permitted. The global restricted list is also reviewed by GTIL on a regular basis.

GTIL has also adopted an automated independence tracking system, the GIS. Partners and client-facing managers in member firms are required to maintain a portfolio in GIS of those publicly traded securities in which they have a financial interest.

The GIS monitors these financial interests against the global restricted list and is designed to alert the member firm or the individual professional and a national compliance officer, in the event that a security held also appears on the global restricted list. The GIS provides a mechanism to assist the individual and the national compliance officer in determining whether the security may continue to be held, based upon the facts and circumstances.

Conducting reviews for potential conflicts of interest and/or threats to independence (jointly referred to as 'relationship checks') prior to proposing on an engagement are important safeguards against threats to objectivity.

GTIL has instituted a policy that establishes a standardised approach to conducting these checks for potential relationships, where the client or prospective client has international operations.

Client acceptance and continuance

All of our statutory audit clients are subject to categorisation policies to ensure that appropriate risk management procedures are applied and this categorisation is used to drive key procedures, including the:

- requirement to consult and obtain specific, GTIL key assurance assignment approval before accepting and continuing with certain new clients;
- need for the audit partner role and 'on-site' roles to be performed by team members with relevant experience;
- need to appoint an appropriately experienced review partner for certain categories of audit; and
- requirement for technical reviews for certain categories of audit.

We only engage with clients where we have the necessary capacity, skills and expertise to offer the highest possible standards of service and care, to meet client expectations and ensure that the acceptance does not prejudice our independence, objectivity or integrity.

All appointments must be reviewed and pre-approved by a subject matter expert within the RCPS team (independent of the proposed client service team), who are familiar with the risk based approach adopted by the firm. Where high risk specific criteria are met, approval is required from the Head of Risk or other independent experienced senior management. A similar re-acceptance process is required on an annual basis or if there are any known changes in circumstances.

The firm has strong quality management systems in place in all service areas to ensure that each client assignment is delivered to consistently high standards of professional and technical excellence.

We have dedicated central specialist support teams in all service areas providing practical support and advice to our client-facing partners and staff.

Rotation of Key Audit Partners and staff

Grant Thornton have policies in place which are consistent with the requirements set out in applicable Ethical standards. These requirements place restrictions on the number of consecutive years that partners and other key members of the engagement team may participate in the audit. Engagement leads and other senior team members responsible for audits are required to rotate off the engagement after specified periods of time, which depends on their role and the type of entity.

- **Public interest entities and other listed entities and other listed entities subject to the IAASA Ethical Standard:** The audit engagement partner and key audit partners tenure is set at five years. Engagement quality review partner is set at seven years. A five year cooling off period applies following all such rotations. Where other partners and staff involved in the engagement in senior positions has served on a public interest auditee for a period of seven years, the safeguards in place must be reviewed to ensure there is no threat to objectivity and independence. If safeguards do not reduce the threat to an acceptable level the individual should be removed from the engagement.
- **SEC registrant audit clients:** The audit engagement partner and engagement quality review partner tenures are set at five years. A five year cooling off period applies following rotation.
- **Other entities which meet the IESBA definition of public interest entity:** The tenure for audit engagement partner, engagement quality review partner and key partners involved in the audit is set at seven years with a two year cooling off period.
- **All other entities:** Once an audit engagement partner or engagement quality review partner has held the position for a continuous period of 10 years, the engagement partner is required to give careful consideration to whether a reasonable and informed third party would consider independence to be impaired. Appropriate safeguards must be put in place to ensure independence is maintained.

Corporate Social Responsibility (CSR)

Grant Thornton recognises the value of CSR and the positive contribution it can make to the environment and in the firm's locality. The touchstone of the firm's CSR policy is the commitment to education training and ensuring Grant Thornton is seen as a truly diverse workplace.

We believe it makes sense to leverage a skill set prevalent throughout the organisation, education and training, to assist the wider community. This holistic approach, combining Grant Thornton's core values with its approach towards CSR, reinforces what Grant Thornton is striving to achieve as a firm along with our clients' needs at the heart of what we do. Strategy is always about making choices and success in CSR is no different. At Grant Thornton, we are prepared to commit to focused, proactive and integrated social initiatives in line with our core strategic aims as a business.

Our four CSR pillars are community, wellbeing, environment and education which allow us to consider the true value of what we can contribute.

Grant Thornton's involvement in educational access programmes is a natural extension of the firm's core values in terms of the importance placed on the continuous need for a high standard of education and continuing professional development amongst staff. Examples of some of our CSR initiatives are set out below.

Charitable contributions

Throughout the year, our offices have raised money, contributed time, resources and became actively involved in numerous charities, each chosen by the regional offices. Some of the charities involved include:

- Simon Community;
- Society of St Vincent de Paul;
- Brothers of Charity;
- Noras;
- Bring Mike Home (former Grant Thornton colleague - campaign for rehabilitation).

All funds raised were matched by our Grant Thornton CSR Committee.

We also provided assistance to the charities by donating time and items to each worthy cause. We renewed our involvement in the run up to Christmas, demonstrating our continued commitment to the chosen charities.

Simon Community and Grant Thornton Corporate 5K Team Challenge (GT5k)

The Simon Community was not only one of the charities we supported during the year, it was our chosen charity of 2018. This meant a lot of our efforts were focused on working with Simon Community on an all-Ireland basis, from giving our summer intern students the opportunity to spend time sorting stock donations, to members of the Belfast office sleeping out on a cold November night to raise awareness of homelessness and the Simon Community's work.

It also meant that they were the charity partner for our 5K run series which took places in Galway, Cork, Belfast and Dublin. This was a great way to get the local business communities active and raise money for a worthy cause at the same time.

Trinity Access Programme (TAP)

TAP has developed a range of educational projects to engage greater numbers of students from under represented socio-economic groups in third level education.

Grant Thornton has just completed its tenth year of supporting, educating and guiding the young adults participating in the foundation course through mentoring and workshops. We are delighted that over 40 of our staff are now engaged as mentors with this programme.

The TAP foundation course for higher education of young adults is an academic and personal preparation course for students who may not otherwise have the opportunity to undertake degree course studies. The TAP course equips students with the necessary skills (IT, study skills, third level vocabulary as well as specialist subjects from the sciences, social science and arts) to participate in a third level course. Successful candidates receive a certificate from Trinity College Dublin (TCD) and are eligible to compete for places on degree courses in TCD and other third level institutions. Throughout the academic year, we run workshops in our offices on a variety of topics including:

- transferable and life skills development;
- presentation skills;
- how to write and build a CV; and
- interview skills training.

After each workshop the mentors and mentees have the opportunity to meet up with one another to discuss the content and a variety of topics around continuing education and career progression.

In addition a number of TAP students are placed in summer internship positions in various professional organisations including Grant Thornton and our client base.

Throughout Grant Thornton's involvement with the young adults, our aim is to:

- provide professional role models/demystify the suit;
- create a tangible link to the professional world;
- develop transferable skills; and
- assist with career consideration and preparation.

Our Grant Thornton global approach

'**Growing Together in the Community**' is a Grant Thornton International Limited (GTIL) initiative in which Grant Thornton Ireland participate. The event takes place annually in September, whereby Grant Thornton people worldwide are encouraged to take part in a community based project. Our people are also encouraged to join each other in conversation and share ideas, stories and plans through the Growing Together in the Community Yammer Group.

Grant Thornton's relationship with Dublin City University (DCU)

Grant Thornton supports a prize for first place in the accounting and finance degree at DCU Business School.

Some other community initiatives that Grant Thornton is involved in, include:

- educational sponsorships;
- sporting sponsorships; and
- Grant Thornton people give much of their time and expertise to pro bono work.

Office recycling initiative

Grant Thornton works to the following environmental policy, to:

- minimise the use of all resources in carrying out our activities;
- minimise waste generated by our operations and our work;
- reuse and recycle, wherever possible;
- maximise recovery and recycling of our waste output - purchase, wherever possible, products containing recycled materials especially office consumables and stationery;
- encourage participation in environmentally beneficial programmes by employees, suppliers and clients; and
- to encourage and promote all staff to behave in an environmentally friendly manner.

This initiative has been greatly enhanced during the year by our move to our new Leadership in Energy and Environmental Design (LEED) Certified building 13-18 City Quay, Dublin 2. The building is at the leading edge of energy efficient and eco-friendly design and we are in the process of identifying the benefits and efficiencies this move has created.

We have recently updated our environmental impacts review and as a result we are currently reviewing ‘green energy’ suppliers, with the intention to buy from renewable sources and are encouraging teleconferencing to reduce travel impacts.

Developments in CSR

At Grant Thornton, we are aware that it is no longer enough to undertake a range of CSR activities, rather CSR needs to be embedded in all we do and have our work independently assessed. As a result, the firm has engaged with Business in the Community and we are currently working towards achieving the business working responsibility mark. We hope to complete this work in the next twelve months through identifying areas where improvements can be made and striving towards an overall balanced and all-encompassing programme for the future.

Diversity and Inclusion Programme EMBRACE

Our Diversity and Inclusion programme ‘EMBRACE – Diversity at our core’ has been on-going since 2016. The firm wide initiative, involves all our people and is intrinsically linked to the values of this firm. It focuses on six key pillars Multicultural, LGBT, Gender, Disability, Generational, Family and Working Parents.

The programme is governed by a Diversity and Inclusion committee of people working across different areas of the business and reports directly to Michael McAtee, Managing Partner.

We had a number of active programmes in place in 2018 which included two Female leadership programmes, Ally programme, Family Day initiative and mental health support training programme for managers and above. There were also a number of specific Diversity and Inclusion networking events run throughout the year.

Our Diversity and Inclusion programme has been aligned with HR from a policy perspective and there is interaction and discussion on relevant HR policies with a Diversity and Inclusion focus as and when required.

In 2018 we were the recipient of a Gender Diversity award from Planet Woman and also the recipient of the global 2018 diversity award from Grant Thornton International across our member firm network.

EMBRACE
Diversity at our core

Financial information

The EU Regulation No. 537/2014 requires disclosure of financial information that shows the importance of statutory audit work to the overall firm's results. The results set out below for the year to 31 December 2018 have been extracted from Grant Thornton's annual accounts and financial records for the period ending 31 December 2018.

The financial information given is based on unaudited figures.

Revenue	Dec 2017 (€'000)	Dec 2018 (€'000)
Statutory audit for PIEs	390	739
Statutory audit for other entities	22,645	26,199
Non-audit services provided to audit clients	12,463	18,349
Non-audit services provided to other entities	80,205	92,293
Total	115,703	137,580

The EU Regulation No. 537/2014 requires disclosure of financial information that shows the importance of statutory audit work to the overall firm's results. The results set out below for the year to 31 December 2018 have been extracted from the draft partnership accounts which have not as of yet been finalised and approved by the partners.

Revenue is presented in accordance with the EU Regulation No. 537/2014 and included for:

1. revenues from the statutory audit of annual and consolidated financial statements of PIEs, and entities belonging to a group of undertakings whose parent undertaking is a PIE
2. revenues from the statutory audit of annual and consolidated financial statements of other entities
3. revenues from permitted non-audit services to entities that are audited by the audit firm
4. revenues from non-audit services to other entities.

Partner remuneration

Partners are remunerated from their share of profits of the firm. A partner's share of the firm's profits is determined either by the number of profit-sharing points held by that partner or by fixed allocation. Partners profit-sharing points are reviewed annually, based on criteria set out in the partnership policy. Further information on partner remuneration is outlined in the **governance and management** section.

Responsibility for financial reporting

The financial information is prepared by Grant Thornton's finance department for presentation to the partner group. Their reporting responsibilities include:

- compiling and recording all financial information; and
- preparing reports for review by the partners and management committee.

Going concern

The Management Committee consider the firm to be a going concern as it has appropriate financial resources to meet its operational requirements for the foreseeable future.

Risks and uncertainties

Principal risk and uncertainties

The principal risks and uncertainties the firm faces and how they are managed are outlined below.

Risk	Response
Quality: that a significant quality failure will arise due to inadequate services or engaging with an inappropriate client	<ul style="list-style-type: none">robust client continuance and acceptance procedures;appropriate recruitment and staff development and review policies;quality reviews conducted internally, by network firms and by regulatory bodies; andengagement methodologies supported by developed practices, tools and resources.
Litigation: that a significant litigation will occur leading to a considerable reputational or financial loss	<ul style="list-style-type: none">supporting the provision of quality engagements (see above) thus limiting the risk of litigation arising; andmonitoring, timely review and addressing of all litigation claims.
Reputation: loss of reputation due to failure to ensure appropriate levels of service quality, transparency and public engagement	<ul style="list-style-type: none">providing appropriate levels of support and training for all our people and embedding a culture of acting ethically;engaging with our clients and building trust in our services and approach as a firm;participating in local initiatives and actively contributing to enhancing the greater community; andensuring appropriate conflicts of interest are avoided.
People: failure to attract and retain the best talent to ensure the provision of quality services to our clients	<ul style="list-style-type: none">well developed and focused staff recruitment policies;engaging with our people through establishing communication channels and support networks;delivering support, training and advancement opportunities;providing annual and interim reviews and constructive development supports; andmonitoring the market to better understand the firm's competitive position relative to other competing firms.
IT security: failure to ensure appropriate safeguards regarding the firm's information technology including confidential information	<ul style="list-style-type: none">full-time, dedicated team to ensure appropriate resources are available at all times;provision of appropriate training, IT security and awareness program to all staff;developed procedures and policies for safeguarding client and staff data and other information; andsecurity management system aligned to ISO/IEC 27001:2005 which includes:<ul style="list-style-type: none">physical, technical and human resource controls; andincident monitoring and response.
Regulatory reviews: the outcomes of regulatory reviews may have an adverse impact on the firm's reputation, ability to attract clients and ability to deliver appropriate quality services	<ul style="list-style-type: none">open communication with regulatory bodies and monitoring of regulatory updates to ensure complete compliance;liaising with professional accountancy bodies;ensuring quality by systematic and independent review thereby minimising the possibility of adverse findings; andemployment of full time dedicated team to ensure regulatory compliance and communication and training of requirements throughout the firm.



Appendices

Appendix 1: Public Interest Entity (PIE) clients

The below list covers all PIE clients for whom Grant Thornton issued an audit opinion in 2018. This list has been prepared in accordance with the provisions of Directive 2014/56/EC¹:

- 1. Schenker Re DAC
- 2. Findlay Park Funds PLC
- 3. Global Reach Kestrel PLC
- 4. Eudora Investment Funds PLC
- 5. Tenax Italian Credit Fund PLC
- 6. Uralkali Finance Limited
- 7. EDC Finance Limited
- 8. B&N Bonds DAC
- 9. GE Capital UK Funding Unlimited Company
- 10. Bank of Montreal Ireland PLC
- 11. CBOM Finance PLC
- 12. Deco 7 Pan Europe 2 PLC
- 13. Cordatus Loan Fund I PLC
- 14. Transregional Capital DAC
- 15. Oasis Cresent Global Equity Fund
- 16. Titanium Capital PLC
- 17. Pantheon Master Fund PLC
- 18. Rubrika Finance Company Limited
- 19. Motif Finance (Ireland) PLC
- 20. P&G Umbrella Fund
- 21. Rivoli Pan Europe I PLC
- 22. Scotiabank (Ireland) DAC
- 23. SPARX Funds PLC
- 24. Iridium Capital PLC
- 25. House of Europe Funding III PLC
- 26. House of Europe Funding IV PLC
- 27. House of Europe Funding V PLC
- 28. Euromax V ABS PLC
- 29. Euromax VI ABS PLC
- 30. Dekania Europe CDO I PLC
- 31. Credit Linked Enhanced Asset Repackaging (CLEAR) PLC
- 32. Cerno Investment Funds ICAV
- 33. Aria CDI II Ireland PLC
- 34. Alpha Bonds Issuance PLC
- 35. Alpha Holdings Issuance PLC
- 36. Mori Umbrella Fund PLC
- 37. Zoo ABS IV PLC

In addition, a list of our audit clients with transferable shares which are traded on unregulated markets including AIM or on regulated markets outside the EU:

- 1. Trinity Biotech PLC
- 2. Ovoca Bio PLC
- 3. Norish PLC
- 4. Rockfire Resources PLC
- 5. Amryt Pharma PLC
- 6. Eqtec PLC

¹ 'Public-interest entities' means entities governed by the law of a Member State whose transferable securities are admitted to trading on a regulated market of any Member State within the meaning of point 14 of Article 4(1) of Directive 2004/39/EC, credit institutions as defined in point 1 of Article 1 of Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions and insurance undertakings within the meaning of Article 2(1) of Directive 91/674/EEC. Member states may also designate other entities as public interest entities, for instance entities that are of significant public relevance because of the nature of their business, their size or the number of their employees.

Appendix 2: Leadership and governance

Management Committee

Management Committee	Number of meetings attended in 2018
Michael McAteer	10
Stephen Tennant	10
Stephen Murray	10
Bernard Doherty	10
Colin Feely	10
Brendan Foster	9
Richard Gillan	10
Fergus Condon	10
Brian Kearney (INE)	7

Appendix 3: Management Committee



Michael McAtee
Managing Partner

Michael joined the firm in 1999 and is the current Managing Partner for Grant Thornton Ireland after previously leading the firms Advisory Services offering. He has specialised in all forms of insolvency and corporate recovery across numerous industries including: construction, retail, telecoms, banking and aviation amongst others.

Over the last two decades Michael has assisted hundreds of companies, through finding innovative solutions to their financial problems. He has also acted for various financial institutions in both informal restructurings and as receiver in formal appointments. Michael has also been appointed to a number of high profile companies including:

- examiner to SIAC Construction;
- joint liquidator to Treasury Holdings;
- examiner to Eircom, Ireland's largest telecoms provider;
- examiner to Aer Arann, Ireland's regional airline; and
- examiner to Irish car rental trading as Europcar.



Brendan Foster
Partner

Brendan joined the firm in 1995 having previously been a director of corporate finance and consulting in another Dublin practice.

He heads up the firm's Business and Consulting Advisory division which provides strategic planning, business processing, re-engineering and performance management services to a range of public and private sector clients.

Brendan has in-depth knowledge of financial analysis, infrastructure and budgetary control. A strong advocate of business planning and strategic positioning, Brendan assists clients in identifying key business drivers and formulating an actionable plan to deliver objectives. Brendan has considerable experience working with public sector clients. He has successfully tendered and completed a number of specialist assignments for government departments, local authority, state agencies and related bodies.



Fergus Condon
Partner

Fergus joined Grant Thornton in 2012, as a Partner in our Financial Accounting and Advisory Services (FAAS) team. FAAS specialises in providing accounting advice across the corporate and financial services sectors. Prior to joining Grant Thornton, Fergus was with a Big Four firm where he was the leader of the FAAS practice. He also previously held an audit portfolio and was formerly head of the Financial Reporting Group of that Irish practice.

Fergus provides accounting advice to board and audit committee members and senior finance executives of large corporates and publicly listed companies. He has been involved in the International Financial Reporting Standards (IFRS) conversions of over a dozen public companies across many sectors. He has extensive experience of providing accounting advice relating to business combinations, group restructurings and share based payment plans.



Bernard Doherty
Partner

Bernard joined Grant Thornton in 2003 from a large Dublin law firm, where he was a tax partner. He has extensive experience in tax structuring of acquisitions, disposals, reorganisations, Management Buy Outs (MBOs) and public to private transactions.

Bernard has considerable experience in international corporate tax structuring including intellectual property exploitation, financing structures and international reorganisations/reconstructions.

He has particular experience in dealing with inward investment projects into Ireland advising on withholding taxes, tax treaties, permanent establishment issues, research and development tax credits and the availability of an IP deduction.

Bernard served as President of the Irish Taxation Institute (ITI) 2011-2012.



Colin Feely
Partner

Colin joined Grant Thornton as an audit partner in 2007 having previously been an audit partner in the Dublin financial services arm of his predecessor firm. Prior to this Colin worked as a manager in a Big Four Firm specialising in insurance.

More recently his experience covers a broad range of clients in various business sectors including financial services, property and construction, retail, hospitality and leisure as well as many other service industries. Current clients include MiFID regulated firms with AUM in excess of US\$2.5bn.

Colin was recently appointed head of the financial services audit practice having successfully grown the domestic audit practice over the previous five years as head of corporate audit. With the recent introduction of EU Audit Reform the firm recognised the need to invest and develop its service offering in this area to meet increasing market demands. Immediate areas identified for further development include funds, insurance, banking and aviation.



Richard Gillan
Partner

Richard joined Grant Thornton in 2014 to lead the Belfast office's advisory offering. In March 2015 he was also appointed Partner in Charge of Grant Thornton in Northern Ireland.

He trained as a Chartered Accountant with a Big Four firm and worked in the Belfast, London and Luxembourg offices prior to joining a rival Big Four firm, during which time he was based in Belfast and Johannesburg.

In 2004 Richard acquired a shareholding in a manufacturing business. As Joint Managing Director, he took the business in to new geographical territories, leading to significant revenue and profit growth prior to a successful disposal in 2007. In 2008 he led the acquisition of a Northern Ireland-based outsourcing company out of administration. As Managing Director, Richard was responsible for restructuring the business and returning it to healthy profitability prior to a successful exit.



Stephen Murray
Partner

Stephen is the Head of our Audit and Assurance team, comprising over 400 professionals nationwide. He joined Grant Thornton in 2008 having previously spent ten years with a Big Four firm in Dublin. He has over 25 years' experience providing audit, assurance and technical accounting advisory services to numerous Irish and multi-national companies and groups.

Stephen is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of The Institute of Directors in Ireland.

Stephen also leads Grant Thornton Ireland's International Business Centre (IBC). He works extensively with IBC directors across the firm's global network to ensure that our multi-national clients receive a seamless, cohesive and professional service.

Stephen leads Grant Thornton's Life Sciences team, working closely with publicly listed and private clients in the diagnostics, medical devices, biotech and pharmaceuticals sectors.



Stephen Tennant
Partner

Stephen joined Grant Thornton in 2009 as a director within the Advisory department and was admitted to the partnership in 2012. He has spent ten years with a professional services firm in the UK where he undertook a central role in the management and development of the insolvency department.

Stephen specialises in advising companies in financial distress providing innovative and practical turnaround solutions. He also leads statutory insolvency appointments such as examinerships, receiverships and liquidations.

His advisory sector experience includes:

- construction;
- financial services;
- funds;
- leisure;
- manufacturing;
- pensions;
- printing;
- property services; and
- retail.

Appendix 4: Independent Non-Executive (INE)

Terms of reference

In 2017, Grant Thornton appointed Brian Kearney as an Independent Non-Executive (INE) in accordance with the principles set out in the Irish Audit Firm Governance Code (the Code).

The role and purpose of the INE, as agreed between Mr Kearney and Grant Thornton at the time of appointment are as follows. “The Code identifies the three key areas of decision-making, management of reputation risk and stakeholder dialogue where the involvement of independent non-executives can enhance the confidence of stakeholders. While such non-executives have no executive or operational responsibilities, their objective is to enhance confidence by providing oversight of the Firm’s application of the Code. The role that an independent non-executive plays might, therefore, involve observing and assessing, the firm’s:

- procedures for considering proposed appointment and reappointment of the firm as auditors;
- adherence to the relevant ethical standards and principles, in particular those relating to audit independence;
- quality control procedures;
- procedures for partner and audit team member performance evaluation; and
- policies and procedures for the identification and management of professional risk.

As such it has been determined that an independent non-executive will attend meetings or portions thereof, of partners and committees as will allow you to fulfil your duties as set out in the code.”



Brian Kearney
Independent Non-Executive

A Chartered Accountant with a B.Comm from UCD, qualified in what became KPMG, his background comprises a very wide range of business experience and roles.

Brian’s recent involvement has been at Board level – whether as Chairman or NED, in the CEO role, Group Finance Director, CRO role and in focused “hands-on” management advisory and support roles.

With experience in the Retail & Wholesale, Banking, Software, Engineering, Manufacturing and Infrastructure sectors including Renewable Energy, Waste Recycling, Wireless Communications infrastructure, Toll Roads, and Waste Water Treatment infrastructure, his directorships have included Towercom, AMT-Sybex, Arnotts, Lifestyle Sports, Powerscreen International, Moffett Engineering and NTR.

He has been Chairman of a number of Audit Committees and Remuneration Committees, including at Lifestyle, NTR Plc and IWP International Plc.

Brian has been a member of the Professional Standards Committee of the Chartered Accountants Regulatory Board. He was previously a member of the Strategy Development Board of Chartered Accountants Ireland and the Irish representative on the Professional Accountants in Business Committee of the International Federation of Accountants, based in New York.

Appendix 5: Professional body committees

Below is a list of various committees of professional bodies and trade associations in which our Partners, Directors and Managers (PDMs) play an active role.

Chartered Accountants Ireland (CAI)

- Advocacy and Representation Board
- Audit and Assurance Committee
- Chair Support
- Council Member
- Northern Ireland Tax Committee Chairman
- Professional Standards - Quality Assurance Committee
- Ulster Society Committee Member
- Ulster Society Training, Education & Careers Sub-Committee
- Ulster Society Treasurer
- Ulster Society Vice-Chairman
- Ulster Society Young Professionals Group
- Ulster Society Young professionals Group Committee Member
- Western Society Committee Member

Association of Chartered Certified Accountants (ACCA)

- Ulster Society Chairman
- Leinster Committee Chairperson

Consultative Committee of Accountancy Bodies – Ireland (CCAB-I)

- Association of Chartered Certified Accountants (ACCA) Representative
- Insolvency
- Tax Committee South Committee

Accounting Technicians Ireland (ATI)

- Board Member
- Deputy President

Irish Taxation Institute (ITI)

- BMW Branch Network
- Council Member
- Kildare Branch Representative
- Part 3 Exams Moderator
- Policy Committee
- Professional Development Committee
- Sligo - BMW Revenue Branch Network Representative
- VAT TALC Subcommittee

Chartered Institute of Taxation (CIOT)

- Northern Ireland Branch Committee

Tax Administration Committee (TAC)

- Irish Tax Institute Representative

Tax Administration Liaison Committee (TALC)

- Consultative Committee of Accountancy Bodies – Ireland (CCAB-I) Representative
- Irish Tax Institute Representative

Irish Funds Industry Association (IFI)

- Financial Reporting Working Group
- Grant Thornton Internal Audit Representative
- Tax Committee

Irish Funds Internal Audit Forum

- Firms Internal Audit Representative
- GDPR Working Group

Credit Union Advisory Committee

- Credit Union Advisory Committee

Society of Actuaries in Ireland

- Data Analytics Sub-Committee Chairman
- Wider Fields Committee

Appendix 6: Statement on the firm's internal quality control systems

The Irish Audit Firm Governance Code requires the firm to review the effectiveness of its systems of internal control, covering all material financial, operational and compliance controls and risk management systems, on at least an annual basis.

The Management Committee has ultimate responsibility for the firm's quality management systems and the establishment of appropriate internal control systems across the firm. The firm has carried out a review of the effectiveness of the internal quality control systems during the year and has taken into account:

- the findings from regulatory inspections;
- reports from GTIL on the firm's quality control systems; and
- the findings of the firm's internal review on the operation of quality management systems and the management of risk across the firm.

The internal quality control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, or in the case of financial controls, the risk of material misstatement of our financial statements.

Accordingly, they provide only reasonable and not absolute assurance against such failure or material misstatement. The review has not identified any failings or weaknesses that it considers to be significant, and therefore no further action is necessary.

On the basis of the review, the Management Committee is satisfied that the firm's internal quality control systems are operating effectively.

Appendix 7: Compliance with transparency regulations

Compliance with EU Regulation 537/2014 Article 13

The below outlines the requirements of the Regulation and where these are included in this report

Requirement	Page(s)
1 A description of the legal structure and ownership	9
2 Where the subject belongs to a network, a description of the network and the legal and structural arrangements of the network	9
3 A description of the governance structure of the subject	9-12
4 A description of the internal quality control system of the subject, and a statement by the administrative or managerial body on the effectiveness of its functioning	16-23
5 An indication of when the last quality review referred to in chapter 2 of part 8 took place (quality review of statutory auditors by competent authority)	23
6 A list of Public Interest Entities (PIEs) for which the subject has carried out statutory audits during the preceding financial year	37
7 A statement concerning the subject's independence practices which also confirms that an internal review of independence compliance has been conducted	28-30
8 A statement on the policy followed by the subject concerning the education of statutory auditors referred to in Regulation 39, namely: <ul style="list-style-type: none">• requiring the person to take part in appropriate programmes of continuing education in order to maintain his or her theoretical knowledge, professional skills and values at a sufficiently high level.	24-27
9 Financial information showing the significance, from the perspective of the market, of the subject, such as the total turnover divided into fees from the statutory audit of annual and group accounts, and fees charged for other assurance services, tax advisory services and other non-audit services	34
10 Information concerning the basis for the remuneration of the principals or partners	12
11 A description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff	30
12 Information about the total turnover of the statutory auditor or the audit firm, divided into the following categories: <ol style="list-style-type: none">i. revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity;ii. revenues from the statutory audit of annual and consolidated financial statements of other entities;iii. revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; andiv. revenues from non-audit services to other entities.	34



Further information

Further information

To find out how Grant Thornton may be of assistance to you and your business, contact us.

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