

The background of the cover is a photograph of a person and a dog standing on a rocky cliff. The person is wearing a blue puffer jacket, blue jeans, and a backpack, and is holding a leash. The dog is a white, fluffy breed. They are looking out over a vast, green landscape under a cloudy sky. The title 'Transparency Report 2021' is overlaid on the bottom half of the image in large white text.

# Transparency Report 2021

KPMG in Ireland  
[kpmg.ie](https://www.kpmg.ie)

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# 1. Message from our Managing Partner



## Welcome to our 2021 KPMG Transparency Report.

2021 has been another year filled with opportunity, challenge and a renewed focus on purpose in business.

At the time of writing this we continue to be appalled by the horrific events taking place in the Ukraine. We can only hope for a quick and peaceful resolution to these hostilities and pray for the people of Ukraine, including our KPMG colleagues. The response to this crisis reminds us of the important role and responsibility business leaders have in ensuring society is safe and fair for all.

I am very proud of how all parts of our business have performed over the last year thanks to the tremendous efforts of our people. Our audit business has always been at the heart of our firm and executing our audits to the highest quality is core to our ambition. We recognise the trust that companies, regulators and others place in us to deliver high quality audits that contribute to financial reporting integrity so that investors have the confidence and trust to make key decisions. In this Transparency Report we have shared the details of our approach to audit quality and the initiatives implemented to ensure we continue to maintain a relentless focus on quality to justify the trust placed in us by the various stakeholders we serve.

I've been honoured to lead our firm over the last three years, and it was a real privilege to be re-elected in 2021 as the firm's Managing Partner for the next three years. I am proud of what we have achieved through a hugely turbulent period and am very optimistic about our future. The success of our firm is 100% down to our people, their individual and collective commitment to our clients and stakeholders and their relentless focus on quality in our audit practice. I would like to thank Sean O'Keefe for leading the practice over this period and welcome Emer McGrath to her new role as Head of Audit.

The world is changing at an extraordinary pace. In the period since our last Transparency Report, we continued to be faced with an ever-changing business landscape. Our people demonstrated huge resilience and remained committed to maintaining high quality deliverables throughout.

In this ever-evolving world and particularly in more recent times we are very conscious of the vulnerability of our society to external factors and the need for companies to be run in a manner that has purpose and is socially responsible. KPMG remains determined to make a positive impact on the world, driven by our purpose, 'to inspire confidence and empower change'. That is why our business is today actively focused on measuring our impact and I am very pleased to share our second Impact Report alongside our Transparency Report for 2021. <sup>1</sup>[Our Impact Report](#) brings together all our environmental, social and governance (ESG) commitments, setting out our progress against the World Economic Forum International Business Council Stakeholder Capitalism Metrics and demonstrates our commitment to improving our impact and our openness to being accountable.

The challenges presented by the pandemic over the past number of years have changed the nature of how we engage with our clients as well as the way we work, learn and exchange ideas. Over the last year we have been considering the impact of these changes and designing what our future of work will look like informed by these learnings. Our reconnection programme commenced in October and through this we have been bringing our people back to the office through our new hybrid working model. This new model is a mix of in-presence and remote working, enabling our people to get the best of both working experiences and will evolve as we continue to learn from the past for the future.

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1: <https://home.kpmg/ie/en/home/insights/2022/04/transparency-impact-report.html>



Our firm has grown strongly over the last twelve months and we have invested heavily in resources to meet this demand. Integrating and upskilling these new members of our team has therefore been a key focus. We strive to lead by example through demonstrating leadership behaviours focused on quality and ensuring our “tone at the top” supports our culture, centred on and guided by our Values. They drive our daily behaviours, guide our decisions, and shape our ethical culture.

From a technology and innovation perspective we’ve continued to invest in our system of quality management, ongoing monitoring of audit quality, and enhanced support. We’re also expanding access and training for innovative technology and tools for our engagement teams, such as KPMG Clara, our smart audit platform, to drive consistency, collaboration and efficiency.

We remain committed to the maintenance of high quality across our business and never compromising regardless of the changes experienced. During the year our firm and individual audits were subject to inspection by our regulator, the Irish Auditing and Accounting Supervisory Authority (IAASA). All of our firm’s interactions with our regulator are thorough and help support our continuous improvement

agenda. We take on board the points arising from the reviews and from internal reviews by KPMG International by designing remediation plans which address the issues raised. This process forms a core part of our ongoing journey to enhance audit quality.

In the message from our Head of Audit, Sean provides some insights into how the above have been brought to life in our audit practice.

I trust that the information provided in this Transparency Report demonstrates that maintaining our focus on quality is critical to our business and our responsibilities to society. I am happy to engage with and discuss any aspects of our business with any of our stakeholders.

**Seamus Hand**

Managing Partner  
KPMG in Ireland  
28 April 2022

Throughout this document, “KPMG”, “we”, “our” and “us” refers to the global organization or to one or more of the member firms of KPMG International Limited, each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients.

No member firm has any authority to obligate or bind KPMG International Limited or any other member firm vis-à-vis third parties, nor does KPMG International Limited have any such authority to obligate or bind any member firm.

Throughout this document, references to “Firm”, “KPMG firm”, “member firm” and “KPMG member firm” refer to firms which are either: members of KPMG International Limited; sublicensee firms of KPMG International Limited; or entities that are wholly or dominantly owned and controlled by an entity that is a member or a sublicensee. The overall governance structure of KPMG International Limited is provided in the ‘Governance and leadership’ section of the 2021 KPMG International Transparency Report.

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# 2. Message from our Head of Audit

The partners at KPMG are keenly aware of the responsibility they have to investors and other stakeholders in entities audited by our firm. Our success as a firm is based on our reputation for performing outstanding work consistently over many years. Audit quality which requires the consistent execution of audits in accordance with applicable professional standards within a strong system of quality control underpins our reputation.



KPMG in Ireland is proud of its long history of performing high quality audits. Reviews of audits performed by KPMG in Ireland by our external regulators and by KPMG International through its Global Quality Performance Review programme have demonstrated excellent levels of audit quality. For example, our regulator, IAASA, reviewed six of our audits of Public Interest Entities in 2021. Each audit received a Grade 1 rating which is a good audit with no concerns regarding the sufficiency and quality of audit evidence or the appropriateness of significant audit judgements in the areas reviewed.

The most important ingredient in performing good audits is ensuring that we work with entities which have a strong commitment to providing stakeholders with a balanced and understandable presentation of their financial performance. Client acceptance and continuance is fundamental in this regard and we have strong controls around these processes. Once we accept an engagement it is critical that we then have teams of appropriately experienced and trained auditors armed with the necessary technology and specialist support to conduct high quality audits. Our organisation is therefore focused on hiring, training, rewarding and promoting high performers, in developing and deploying technology and investing in specialist resources to enable high quality audits.

As a firm, we are in no way complacent about the need to constantly evolve our services and the challenges we face in delivering high quality audits. This letter includes a number of initiatives that are under way to ensure that we continue to deliver high quality audits that meet stakeholder expectations.

## Audit practice – overview 2021

During 2021, our Audit practice continued to grow and revenues increased to €140 million compared to €131 million for 2020, an increase of 6.9%.

During the year, we increased the number of personnel in the Audit function to 1,491 from 1,308 in 2020, an increase of 14%, reflecting our commitment to ensuring that our audits are resourced properly.

At 31 December 2021 there were no material changes in the composition of our public company clients listed on the main markets of the Stock Exchange in Ireland and the UK over the prior year. We estimate that we have a 31% market share derived from publicly available reports from the ISE, LSE, AIM and ESM.

## Audit quality

### KPMG Clara Workflow

The development of KPMG Clara Workflow (KCW) has been a cornerstone of KPMG’s Global Audit Transformation project. It is a scalable, cloud based platform that enables an enhanced audit methodology through a data enabled workflow. It is fully aligned with International Standards on Auditing (ISA) and includes comprehensive risk identification and assessment functionality. The methodology embeds the best new tools, processes and technologies that simplify and streamline our audit, offer a cutting-edge experience and further enhance the high quality, consistency and efficiency of our audit delivery.

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In 2021 we delivered comprehensive training to all of our colleagues using KCW and deployed the methodology in audit engagements representing approximately one-third of our practice’s audit hours. The rollout of KCW has been very well received in our practice and will be rolled out to the remainder of our audit engagements for the 2023 audit season.

ISQM1

This is the Standard that sets out the quality management requirements for firms performing audits or reviews of financial statements or other assurance or related services engagements. We have invested significant time and effort in 2021 in designing enhanced processes and controls across the key activities that underpin the acceptance, planning and execution of our audits. The Standard becomes effective from 15 December 2022 and we have programmes in place to ensure we can comply with the requirements of the Standard from that date. The purpose of the Standard is to strengthen the firm’s system of quality management through a robust, proactive and effective approach to quality management supporting the delivery of audit and related engagements. It is clear that compliance with the Standard will result in enhanced documentation and evidence of audit quality management.

Department of Audit Quality and Professional Practice

We have invested significant resources in our Audit Quality and Professional Practice Group to support our teams in performing high quality engagements. The breadth and capability of expertise in this Group has always been a strength of our audit practice. This was validated during the year by an external review carried out by KPMG International. We continually assess the number and experience of our resources in Audit Quality and Professional Practice to ensure that we are well placed to meet the ever-expanding legislative and regulatory agenda.

Audit Quality Indicators

At KPMG in Ireland the engagement partners are responsible for owning audit quality and are accountable for ensuring that we deliver high quality audits. During 2021, in accordance with an initiative commenced under KPMG’s Global Audit Quality Transformation project, we rolled out extensive Audit Quality Indicators for partners which will allow for more transparent and measurable audit quality assessments in annual appraisals.

People

Audit quality is highly dependent on the commitment of our people in the execution of individual audits. Our colleagues must have enquiring minds, act with integrity and be prepared to challenge constructively. During this further extended period impacted by Coronavirus and remote working, our teams continued to work with the required commitment and dedication to deliver high quality audits.

We are now able to work together in person and teams and are exploring ways in which hybrid working will operate best for our people and our clients. Our aim will be to provide our people with maximum flexibility in terms of work location while ensuring that they have sufficient time to collaborate

in person with all the attendant learning benefits. Our aim is to continue to be an employer of choice so that we recruit and retain excellent professionals to enable our audit practice to deliver high quality audits.

ESG<sup>1</sup>

ESG is at the forefront of corporate agendas, and in particular the new and evolving demands of stakeholders and the general public about how these matters are reported. We have developed specialist teams of auditors who can provide assurance to organisations capable of reporting publicly on ESG at this time.

In addition, we are training our teams on the impact of climate change on businesses as well as the reporting and accounting implications. We will expand our capabilities as the regulatory framework evolves and becomes clearer. Our focus will be on the deliverance of high-quality assurance that stakeholders can have confidence in.

Conclusion and outlook

We are determined to continue to be a highly respected firm with a deserved reputation for delivering high quality audits. Our audit leadership team is focused on achieving a number of audit quality initiatives to ensure our practice is well placed to meet stakeholder audit quality expectations.

The outlook is uncertain at this point in time as a result of the continuing impact of Coronavirus, inflationary pressures and the consequences of the tragic war in Ukraine. No doubt these and other matters will create significant uncertainty for corporates as they contemplate their financial reporting obligations over the next year. This will have a consequent impact on our audits. KPMG in Ireland and our teams will be ready to respond to the evolving environment and to deliver high quality audits providing confidence to stakeholders.

I complete my term as Head of Audit for KPMG in Ireland on 30 April 2022 and will be succeeded by Emer McGrath. Emer is an experienced audit partner who has worked with a number of Ireland’s leading public companies and some of KPMG’s largest global clients. I have no doubt that under Emer’s leadership and with the support of our partner group KPMG in Ireland will continue to ensure that audit quality is foremost in the delivery of our services.

*Sean O’Keefe*

Sean O’Keefe

Head of Audit  
KPMG in Ireland  
28 April 2022

1: <https://home.kpmg/ie/en/home/insights/2022/04/transparency-impact-report.html>

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# 3. Message from the Chair of the Public Interest Committee

I am pleased to present the Chairperson’s message on behalf of the Public Interest Committee (“PIC”). The PIC was established in the autumn of 2013 in line with the Irish Audit Firm Governance Code (“the Code”) prepared by the Chartered Accountants Regulatory Board (“CARB”).

The Code sets out general principles rather than prescribing specific rules and has resulted in a learning-by-doing approach by the Committee and its members to establish a common view of the public interest as it relates to the firm’s activities and performance.

The PIC has a governance role and therefore has a right of access to relevant information and people. The Committee included three non-executive members during the year, Pdraig McManus, Stephen Haughey and I as Chairperson, the firm’s Managing Partner, Seamus Hand and its Risk Management Partner, David Wilkinson are also members. Niall Savage, an audit partner of the firm, acts as our secretary. Colm Gorman, the firm’s head of People and Culture, the firm’s Head of Audit, Sean O’Keefe and Eamonn Russell, the firm’s Head of Audit Quality & Professional Practice (AQ&PP) update us on relevant matters at each meeting. The committee met on four occasions during the year and has recommenced in person meetings following the end of Covid-19 related restrictions.

I would like to congratulate Seamus Hand on his reappointment as managing partner for a further three years, and to wish him well as he continues to lead the firm. I note that 2022 will see a significant change in the composition of the Committee and it’s attendees with three women joining our meetings with the newly appointed Head of Audit, Emer McGrath, who will succeed Sean O’Keefe, Darina Barrett who replaces the retiring Eamonn Russell as head of AQ&PP and Rio Howley who replaces Niall Savage as secretary to the Committee. I would like to thank the members who will be rotating off the Committee.

Stephen Haughey retired from the Committee during the year. Stephen provided invaluable insight during his tenure on the Committee and was a great support to me as Chairperson. His contribution will be missed.



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The PIC exercises its duty of care to the firm through the oversight of matters of public interest with an emphasis on risk and quality. The mandate specifically relates to Public Interest Entities but in practice has extended to include high profile assignments of public interest, general reputational issues and consideration of the evolving regulatory debate as regards auditing and the audit profession. Our work is informed and stimulated by a series of in-depth presentations and discussions across a wide range of topics.

During the past year the Committee has consulted with the Managing Partner and the Risk Management Partner on a rolling agenda focused on the matters of interest to the PIC, in relation to areas of wider public interest pertaining to the work of the firm, as well as providing insights related to the KPMG network in other jurisdictions.

Assisted by the Head of Audit, Sean O’Keefe, the PIC has consulted on regulatory reviews in the UK on auditing and the audit profession as a whole. We have reviewed all in-house, KPMG International and external audit quality reviews conducted by the firm’s regulators (IAASA, CAI and PCAOB). Our deliberations in this regard having been greatly assisted by Head of Audit Quality and Professional Practice, Eamonn Russell.

The firm’s approach to the ESG (Environmental, Social and Governance) agenda featured regularly throughout the year – both its approach to managing its own operational commitment to be a net zero carbon organisation by 2030 and how it is helping its clients through ESG assurance services and its broader Sustainable Futures Group.

As the world continued to be affected by the global pandemic, we were updated each meeting on its impact

on the firm throughout the year. As it was safe to do so, we held our first in person meeting as a Committee in August, returning to remote meetings later in the year. I am delighted that our first meeting in 2022 was held in person and it is envisaged that with the continued relaxation of restrictions that this will be the case.

We met with the Irish accounting and auditing regulator IAASA during the year to discuss the regulatory environment from their perspective, the forward-looking agenda and the role of the Public Interest Committee.

All our meetings are conducted with due respect for confidentiality.

Based on our experience to date we consider the quality and risk management arrangements to be appropriate, robust and, when warranted, open to change. There is a focus on continuous improvement in light of the changing business and regulatory environment in which KPMG and similar firms operate and on the increasing expectations of regulators and other stakeholders of these firms.

We look forward in the coming period to making our contribution to the continued capacity of KPMG to successfully serve the public interest.



**Mary Harney**

Chairperson of the  
Public Interest Committee  
April 2022

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# 4. Profiles of Independent Non-Executive members of the Public Interest Committee



## Mary Harney (Chair)

Mary Harney held a number of different ministerial positions in the Irish Government for 18 years, including Environmental Protection, Enterprise, Trade & Employment and Health. She was Deputy Prime Minister for 10 years.

She retired from politics in 2011 and now acts as a business consultant.

She is also an independent director of a number of companies, including Biocon (India), Diona Technology and Health Beacon and is non-executive Chair of Pharmed Ltd. She was appointed Chancellor of the University of Limerick in January 2018 and is a member of the International Women’s Forum.

## Padraig McManus

Padraig McManus was Chief Executive of the Electricity Supply Board (ESB), Ireland’s state-owned electricity utility from 2002 to 2011, and in 2010 he led the £1bn-plus acquisition of NIE Networks. Most recently, between 2012 and 2017, Padraig was Chair of Eir, the telecommunications group.

Mr McManus is currently Chairman of Greenlink Interconnector Ltd. and a board member of Echelon DC Holdings Ltd. and Biomass Heating Solutions Ltd. He has also served on a number of other boards including the Economic and Social Research Institute of Ireland (ESRI), Business in the Community and The Conference Board of the US.

## Stephen Haughey

Stephen Haughey is a qualified solicitor and was a partner in A&L Goodbody for twenty-four years prior to retiring in 2010. Stephen was a partner in the Corporate Finance Department at A&L Goodbody, specialising in Banking and Finance and was head of the Banking Department for a period. He was appointed Chairman of A&L Goodbody in May 2005 and served in that role until he retired as a Partner in April 2010. Stephen currently acts as a Consultant to A&L Goodbody and has a number of non-executive directorships including Airbus Finance Company and Enable Ireland Limited.

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# 5. Living our culture and Values

It's not just what we do at KPMG that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. Shared across every level and in every country, jurisdiction and territory in which we operate, they are the foundation of our unique culture.

Our Values represent what we believe in, and what's important to us as an organisation. They guide our behaviours day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit, and all our stakeholders.



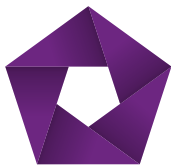
**Integrity**

We do what is right.



**Excellence**

We never stop learning and improving.



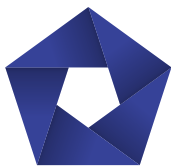
**Courage**

We think and act boldly.



**Together**

We respect each other and draw strength from our differences.



**For Better**

We do what matters.



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Our Values express our firm's long-standing core beliefs, and in 2020 the language was updated to make them bolder, simpler, and more memorable to help each of us bring them to life every day.



5.1 Fostering the right culture, starting with tone at the top

5.1.1 Tone at the top

KPMG global leadership, working with regional and member firm leadership, plays a critical role in establishing our commitment to quality and the highest standards of professional excellence. A culture based on accountability, quality, objectivity, independence, integrity and ethics is essential in an organisation that carries out audits and other services on which stakeholders rely.

At KPMG in Ireland we promote a culture in which consultation is encouraged and recognized as a strength.

We communicate our commitment to clients, stakeholders, and society at large to earn the public’s trust.

The KPMG Values are set out on page 12.

Our Values lie at the heart of the way we do things. To do the right thing, the right way, at the right time. Always. They drive our daily behaviours, guide our decisions, and shape our character. They form the foundation of a resilient culture ready to meet challenges with integrity, so we never lose sight of our principal responsibility to protect the public interest. And they propel us forward — through our work and the example we set — as we inspire confidence and empower change throughout the world.

Outlined in <sup>2</sup>[KPMG’s Global Code of Conduct](https://home.kpmg/xx/en/home/about/who-we-are/governance/global-code-of-conduct.html) (“the Code”) are the responsibilities all KPMG personnel have to each other, the public and our clients. It shows how our Values inspire our greatest aspirations and guide all of our behaviours and actions. It defines what it means to work at and be part of KPMG, as well as our individual and collective responsibilities.

Everyone at KPMG is held accountable to behave consistent with the Code and is required to confirm their compliance. All KPMG personnel are required to take annual training covering the Code. We are committed to holding ourselves accountable for behaving in a way that is consistent with the Code. Individuals are encouraged to speak up if they see something that makes them uncomfortable or is not in compliance with the Code, or our Values.

Moreover, everyone at KPMG is required to report any activity that could potentially be illegal or in violation of our Values, KPMG policies, applicable laws, regulations or professional standards.

To safeguard this principle of holding each other accountable, each KPMG firm is required to establish, communicate and maintain clearly defined channels to allow KPMG personnel and third parties to make inquiries about, raise concerns in relation to, provide feedback on, and notify, reportable matters, without fear of reprisal, in accordance with applicable law or regulation.

The KPMG International hotline is a further mechanism for KPMG personnel, clients and other third parties to



confidentially report concerns they have relating to certain areas of activity by KPMG International, activities of KPMG firms or KPMG personnel.

All KPMG firms and personnel are prohibited from retaliating against individuals who have the courage to speak up in good faith. Retaliation is a serious violation of the Code, and any person who takes retaliatory action will be subject to their firm’s disciplinary policy.

The Global People Survey provides KPMG in Ireland leadership and KPMG International leadership with results related to upholding the KPMG Values. KPMG in Ireland and KPMG International monitor the results and take appropriate actions to communicate and respond to any findings.

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2: <https://home.kpmg/xx/en/home/about/who-we-are/governance/global-code-of-conduct.html>

5.1.2 System of quality control

Tone at the top, leadership, and a clear set of Values and conduct are essential to set the framework for quality. However, these are required to be backed up by a system of quality control that holds us accountable to meet the highest professional standards.

KPMG continues to invest significantly in audit quality across the global organisation. We are building on our sound audit quality foundations, both in terms of how we manage KPMG firms and how KPMG firms execute audit engagements.

This means ongoing investment in the system of quality management, global monitoring of audit quality, enhanced support, and providing best-in class technology and tools for engagement teams.

KPMG’s global audit quality programme supports consistent deployment of investments to enhance and drive a common approach.

A robust and consistent system of quality control is essential to delivering quality services. KPMG International has quality control policies that apply to all KPMG firms. These are included in KPMG’s Global Quality & Risk Management Manual (GQRMM), which applies to all KPMG personnel.

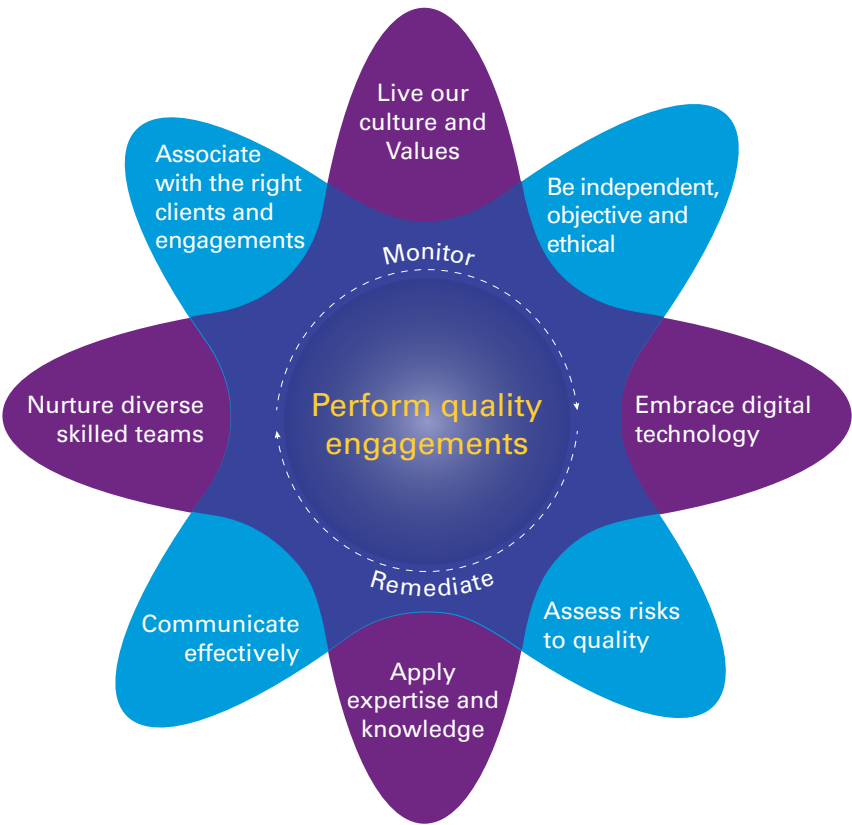
To adopt the new international standard on quality management (ISQM 1) which was approved by the IAASB and will be effective from December 2022, KPMGI initiated a programme to redesign the network-wide requirements for member firms’ systems of quality management. ISQM 1 requires each KPMG firm to design, implement and operate

a system of quality management to consistently deliver quality audits, and to evaluate the effectiveness of the system on an annual basis.

As we prepare for ISQM 1, we have adopted a new Global Quality Framework to better outline how we deliver quality at KPMG, and how everyone at KPMG is accountable for its delivery. The principle of ‘Perform quality engagements’ sits at the core along with our commitment to continually monitor and remediate our processes as necessary.

The Global Quality Framework also meets the requirements of the current International Standards on Quality Control (ISQC 1), issued by the International Auditing and Assurance Standards Board (IAASB) and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA), which apply to professional services firms that perform audits of financial statements. KPMG in Ireland is required to implement KPMG International policies and procedures and also adopts additional policies and procedures that are designed to address standards issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and Chartered Accountants Ireland (CAI) and other relevant regulators as well as applicable legal and regulatory requirements.

While this Transparency Report summarises KPMG’s approach to audit quality, it may also be useful for stakeholders interested in member firms’ Tax and Advisory services, as many KPMG quality control procedures and processes are cross-functional and apply equally to all services offered.



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5.1.3 Leadership responsibilities for quality and risk management

KPMG in Ireland demonstrates commitment to quality, objectivity, independence, ethics and integrity, and communicates our focus on quality to clients, stakeholders and society. Our leadership plays a critical role in setting the right tone and leading by example — demonstrating an unwavering commitment to the highest standards of professional excellence and championing and supporting major initiatives.

Our leadership team is committed to building a culture based on quality, objectivity, independence, integrity and ethics, demonstrated through their actions - written and video communications, presentations to teams and one-to-one discussions.

KPMG in Ireland is required to seek input from the chair of the relevant Global Steering Group or his/her delegate on the performance of certain leaders within KPMG in Ireland whose role most closely aligns with the activities of the Global Steering Group. Input is sought as part of the annual performance process and is based on an assessment of the leader’s performance, which includes matters of public interest, audit quality and risk management activities.

The following individuals have leadership responsibilities for quality and risk management at KPMG in Ireland.

Managing Partner

In accordance with the principles in ISQC 1, our Managing Partner has assumed ultimate responsibility for KPMG in Ireland’s system of quality control. Details of some of the measures that he and the rest of the Executive Team have taken to ensure that a culture of quality prevails within KPMG in Ireland are set out in this report.



Risk Management Partner

The Risk Management Partner (RMP) is responsible for the direction and execution of risk, compliance, and quality control in KPMG in Ireland. The RMP is a member of KPMG in Ireland’s Executive Team and has a direct reporting line to the Managing Partner. The fact that the role is an Executive Team position, and seniority of the reporting lines, underlines the importance that the firm places on risk and quality issues. The RMP is supported by a team of professionals in the Risk Management function. The RMP consults with the appointed Area Quality and Risk Management Leader.

The RMP is also the firm’s Ethics & Independence Partner and has primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG in Ireland.

The Audit, Tax & Legal Services, Deal Advisory and Consulting functions – Heads of Function

The heads of the client service functions (Audit, Tax & Legal Services, Deal Advisory and Consulting) are accountable to the Managing Partner for the quality of service delivered in their respective functions. They are responsible for the execution of the risk management and quality assurance procedures for their specific functions within the framework set by the Risk Management Partner. These procedures make it clear that, at the engagement level, risk management and quality control is ultimately the responsibility of all professionals in the firm.

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KPMG in Ireland Head of Audit is responsible for the effective management and control of the Audit Function. This includes:

- setting a strong tone and culture supporting audit quality through communication, engagement support and commitment to the highest standards of professional excellence, including professional scepticism, objectivity, and ethics and integrity;
- developing and implementing an audit strategy which is aligned with KPMG in Ireland’s audit quality requirements; and
- working with the Risk Management Partner to monitor and address audit quality and risk matters as they relate to the Audit practice.

### Audit Executive Team

The Audit Executive Team of KPMG in Ireland, which is chaired by the Head of Audit, is the leadership team for the Audit function. Its meetings included regular discussions about various aspects of audit quality including current and emerging audit quality issues arising from external and internal quality review processes and other quality matters identified from a variety of sources.

These quality issues are debated and the proposed remedial actions agreed. Typically, most of these actions are short term, in which case they are developed and communicated through the regular technical briefings issued to the Audit function of KPMG in Ireland and also, if considered of

sufficient importance, included in the firm’s mandatory training.

For more complex issues (which might require amendments to KPMG’s global audit methodology or audit tools) these will be raised with the KPMG International Global Audit groups for consideration and potential development of solutions by the KPMG Global Solutions Group (KGSG) and the International Standards Group (ISG). For more information about the KGSG and the ISG refer to section 11.1.2 of this report.

### Head of Audit Quality & Professional Practice (“AQ&PP”)

The AQ&PP function, which includes our Department of Professional Practice (“DPP”), is responsible for providing support to the firm’s professionals in meeting their professional responsibilities in the areas of auditing, accounting, reporting and assurance standards. It also provides support to our practice in areas such as audit quality monitoring and remediation, regulatory inspections and innovation and oversight of the on-boarding of audit technology, methodology process and systems. It is led by our Head of Audit Quality & Professional Practice and is comprised of a team of senior and experienced professionals with the technical expertise necessary to support audit teams on the interpretation and application of auditing, accounting and regulatory requirements. The Head of Audit Quality & Professional Practice is a member of the Audit Executive Team and reports to the Head of Audit.

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Audit Quality Committee

KPMG in Ireland has established an Audit Quality Committee which is chaired by the Head of Audit Quality & Professional Practice (AQ&PP). The overarching role of the committee is to promote consistent audit quality across the Irish audit practice and to oversee those activities of the audit practice which relate to improving and maintaining the consistency and quality of audits undertaken. The Committee oversees quality related activities including significant audit initiatives, internal quality monitoring programmes, results of and responses to inspections by external regulators and the principal projects and initiatives relevant to audit quality undertaken by KPMG in Ireland.

What is audit quality?

Audit quality is fundamental to maintaining public trust and is the key measure on which our professional reputation stands. We define “audit quality” as the outcome when audits are executed consistently, in line with the requirements and intent of applicable professional standards within a strong system of quality controls. All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.

5.2 Clearly articulated strategy focused on quality, consistency, trust and growth



5.2.1 Our business

KPMG in Ireland is a professional services firm that delivers Audit, Tax, Deal Advisory and Consulting services. We operate out of six offices across Ireland and have 107 partners and 3,695 employees as at 31 December 2021 (2020: 102 partners and 3,181 employees).

Our audit services, and all other services are delivered through the KPMG in Ireland partnership. Full details of the services offered by KPMG in Ireland can be found on our website [www.kpmg.ie](http://www.kpmg.ie).

5.2.2 Our strategy

Our strategy is set by the KPMG in Ireland partners and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a multi-year collective strategy implementation that is taking place across the global organisation.

The key elements of our strategy are to:

- drive a relentless focus on quality, service excellence and service innovation;
- continuously improve quality, consistency and efficiency;
- take a long-term sustainable view;
- act as a multidisciplinary firm, collaborating seamlessly;
- invest together in our chosen global growth priorities;
- maintain a passionate focus on our clients;
- deploy globally our highly talented people;
- bring insights and innovative ideas; and
- build public trust.

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5.3 Defined accountabilities, roles and responsibilities, including for leadership

5.3.1 Legal structure

Effective 1 October 2020, KPMG in Ireland and all other KPMG firms entered into new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation became members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee. KPMG International Limited acts as the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

Further detail on the revised legal and governance arrangements for the KPMG global organisation from 1 October 2020 can be found in section ‘Governance and leadership’ of the [2021 KPMG International Transparency Report](#).

KPMG International Limited and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm. KPMG in Ireland is part of the KPMG global organisation of professional services firms providing Audit, Tax, Deal Advisory and Consulting services to a wide variety of public and private sector organisations. The KPMG organisation structure is designed to support consistency of service quality and adherence to agreed Values wherever its member firms operate.

KPMG in Ireland (“the firm”) operates through a number of partnerships, formed under the Partnership Act 1890, and governed by a formal Partnership Deed, where each partner has one vote.

As at 31 December 2021, there were 107 partners in KPMG in Ireland (2020: 102 partners).

5.3.2 Name, ownership and legal relationships

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Member firms are generally locally owned and managed. Each member firm is responsible for its own obligations and liabilities. KPMG International and other member firms are not responsible for a member firm’s obligations or liabilities.



Member firms may consist of more than one separate legal entity. If this is the case, each separate legal entity will be responsible only for its own obligations and liabilities, unless it has expressly agreed otherwise.

5.3.3 Responsibilities and obligations of member firms

Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International’s policies, procedures and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each member firm takes responsibility for its management and the quality of its work.

Member firms commit to a common set of KPMG Values (see page 12).

KPMG International’s activities are funded by an annual payment paid to it by member firms. The basis for calculating such amounts is approved by the Global Board and consistently applied to the member firms. A firm’s status as a KPMG member firm and its participation in the KPMG organisation may be terminated if, among other things, it has not complied with the policies, procedures and regulations set by KPMG International or any of its other obligations owed to KPMG International.

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5.4 Overseen using robust governance structures

5.4.1 The Irish Audit Firm Governance Code

The Irish Audit Firm Governance Code (“the Code”) was issued by the Chartered Accountants Regulatory Board (“CARB”) in June 2012 and applies to firms that audit public interest entities.

The firm has considered the principles and spirit of the Code and has concluded that KPMG in Ireland is in compliance with the provisions of the Code as at 31 December 2021.

5.4.2 Governance structure

KPMG in Ireland applies high standards of corporate governance.

Managing Partner

The Managing Partner acts as the chief executive of the Firm and manages the firm in accordance with its policies. Executive authority over all partners is vested in the Managing Partner and extends to all areas of the firm, in accordance with the terms of the Partnership Deed. The Managing Partner may consult other partners and, in particular, the Policy Committee and the Executive Team as considered advisable in relation to matters which are within the power of the Managing Partner, but he is not obliged to do so.

The Managing Partner is elected by the partnership and serves a three-year term. A Managing Partner can stand for election for a second three-year term. He or she may only stand for a further term if that is approved by the partners. Any partner can put him/herself forward for Managing Partner at each three-year interval as long as he/she is nominated by at least eight other partners. The current Managing Partner was appointed in May 2019 and was re-elected by the partners to serve as Managing Partner for a further three years with effect from May 2022.

Along with the Managing Partner there are a number of other principal bodies that deal with key aspects of governance within the firm. These are:

- the Policy Committee;
- the Executive Team;
- the Public Interest Committee; and
- the Remuneration Committee.

Details about the roles and responsibilities and composition of each of these key bodies are set out below.



The Policy Committee

The KPMG in Ireland Policy Committee is responsible for ensuring that the firm is run in the interests of its partners and employees as a whole and in a manner, which is in keeping with the standing and reputation of the firm.

It has the power to make all policy decisions with the exception of certain matters which are reserved to the partners as a whole. The Committee’s policy decisions are binding on the partnership. In addition, the Policy Committee is responsible for approving the strategy of the firm, overseeing its implementation by the Executive Team, considering quality and risk matters, recommending partner candidates to the partnership and considering the firm’s overall financial performance.

As a matter of practice, the Policy Committee concerns itself with significant matters of policy and does not concern itself with operational matters.

The Policy Committee is composed of ten people, including the Managing Partner and the secretary. The Managing Partner is ex-officio Chair of the Policy Committee. Other members are elected by the partnership at an annual election. Members who are elected serve a two-year term and can be then re-elected for a further two years. Members having served four years are not eligible for election again for two years.

The Committee meets regularly throughout the year. In the year to 31 December 2021, it met 24 times. The Committee reports to partners at least twice yearly updating them on its activities and the issues it is addressing. Minutes from each meeting are circulated to all partners. Details of the members of the Policy Committee for KPMG in Ireland for 2021 are set out in Appendix 1.

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The Executive Team

The KPMG in Ireland Executive Team acts as the key management decision making group of the firm. The composition of the Executive Team is determined by the Managing Partner for a period that is normally concurrent with and may not exceed the period of appointment of the Managing Partner. In 2021 the Executive Team comprised the Managing Partner, the Head of Audit, the Head of Tax and Legal Services, the Head of Deal Advisory, the Head of Consulting, the Heads of Markets (Financial Services, CGE Markets, and Innovation, Investment and Technology), the Risk Management Partner, the Head of People and Operations, the Chief Financial Officer and the Secretary to the Executive Team.

The Executive Team is responsible for developing the business plan within the overall strategy approved by the Policy Committee, together with its subsequent implementation. It oversees the implementation of the business plan, monitors performance against our business plan and protection and enhancement of the KPMG brand.

It deals with operational matters affecting the firm including operating and financial performance, quality and risk, budgets, new business proposals, innovation, marketing, technology development, recruitment, retention and remuneration. The Executive Team meets regularly. It met 20 times during the year to 31 December 2021.

A Functional Executive Team acts as the key management decision making group of their respective function in consultation with the Executive Team. The composition of each Functional Executive Team is determined by the Managing Partner and the Head of Function for a period that is concurrent with the period of appointment of the

Managing Partner. In 2021 the Audit Executive Team comprised the Head of Audit, the Head of the Department of Audit Quality and Professional Practice (“AQ&PP”) and the leaders of the key audit business units. The Tax and Legal Services Executive Team comprised the Head of Tax and Legal Services and the leaders of the key tax business units. The Deal Advisory Executive is comprised of the Head of Deal Advisory and leaders of the Corporate Finance, Restructuring & Forensics, Transaction Services, KPMG Managed Solutions business units and Head of Advisory Markets. The Consulting Partner meetings are comprised of the Head of Consulting and all partners from the Management Consulting, Risk and Regulatory Consulting and Actuarial Consulting business units. Details of the members of the Executive Team for KPMG in Ireland for 2021 are set out in Appendix 1.

The Public Interest Committee

The Public Interest Committee (“PIC”) was established in autumn 2013 to respond to the Irish Audit Firm Governance Code.

The PIC comprises three externally appointed members along with the Managing Partner and the Risk Management Partner. It is supported by a partner who acts as Secretary to the Committee.

The PIC is responsible for overseeing the public interest aspects of decision making of KPMG in Ireland. The Committee’s focus is on the firm’s governance, risk, quality and oversight structures. Through its work the Committee assists in building public confidence in the quality control structures that the firm has in place to ensure we properly consider our broader public accountability in delivering



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our services. Acting in the public interest involves having regard to the legitimate interests of clients, government, financial institutions, employers, employees, investors, regulators, the business and financial community and others who rely upon the objectivity and integrity of the auditing profession. The PIC may also participate, together with Audit Leadership, in dialogue with external stakeholders.

The Committee included three non-executive members during the year, Padraig McManus, Stephen Haughey, and Mary Harney as Chair. The Public Interest Committee generally meets quarterly. It met 4 times during the year to 31 December 2021.

The firm has considered the Irish Audit Firm Governance Code and the Ethical Standards issued by IAASA in drawing up criteria for appointment of the members of the PIC. These criteria recognise the need for the external non-executive members of our PIC to maintain appropriate independence from the firm and its partners and have due regard to the impact of any external financial and business relationships held by the non-executive members on the firm's independence from its audit clients.

Our external non-executive members are not considered to be part of the chain of command for the purposes of auditor independence requirements. In addition, none of them hold senior management positions at audit clients of the firm which are public interest entities. They are, as a condition of their appointment, under a continuing obligation to disclose any matters which may constitute a potential conflict of interest as soon as they become aware of them. A report from the chair of the Public Interest Committee on the activities of the Committee in the year is provided on page 9.

## The Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration of each partner on an annual basis following a detailed review of each partner's performance over the year.

Each partner submits a formal appraisal to the Remuneration Committee detailing his/her own view of performance against objectives over the previous year. The Committee hears a report from each partner's Counselling Partner on his/her individual performance for the year.

Finally, as part of its deliberations the Remuneration Committee also receives and considers presentations from the Heads of Audit, Tax and Legal Services, Deal Advisory, Consulting, Markets, Risk Management and People and Operations setting out an assessment of the quality of work performed by partners and their overall performance during the year under review.

The Remuneration Committee details its findings and its recommendation in relation to profit allocations in a report at the end of the review process which is then circulated to all partners for their approval.

The Remuneration Committee is chaired by the Managing Partner. Other members of the Committee are elected by the partner group annually. The Committee met 24 times in the year ended 31 December 2021. Further information regarding partner remuneration is set out in Section 17.

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# 6. Applying expertise and knowledge

We are committed to continue to build on our technical expertise and knowledge recognising its fundamental role in delivering quality audits.

## 6.1 Methodology aligned with professional standards, laws and regulations

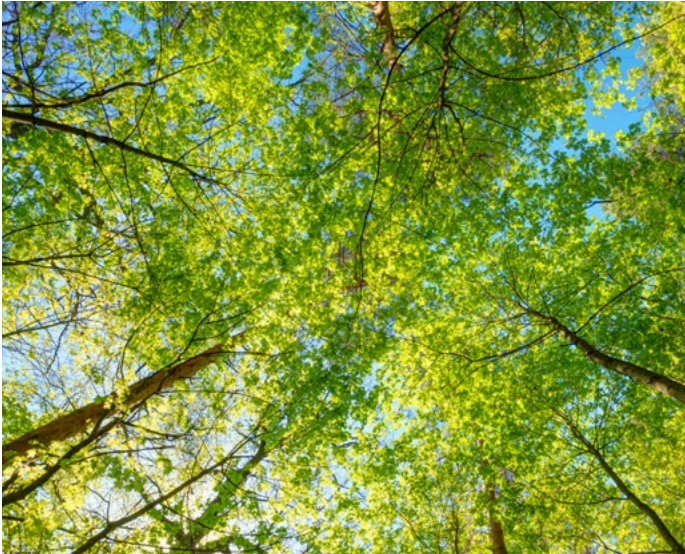
### 6.1.1 Consistent audit methodology and tools

#### Bringing consistency through our methodology

Our audit methodology, tools and guidance enable a consistent approach to planning, performing and documenting audit procedures over key accounting processes:

- globally consistent and fully compliant with the applicable standards, including International Standards on Auditing (ISA), Public Company Accounting Oversight Board (PCAOB) and the American Institute of CPAs (AICPA) and are supplemented to comply with local auditing standards and regulatory or statutory requirements by KPMG firms;
- inclusive of KPMG methodology interpretations that drive consistency in areas where the applicable standards are not prescriptive in the approach to be followed;
- centered on identifying risk, focusing on risks of material misstatements and the necessary audit response;
- made available to all KPMG audit professionals and required to be used, where necessary;
- applied even where local auditing standards may be less demanding than the ISAs; and
- focused on the international assurance methodology and the alignment of assurance products in response to growth of Environmental, Social and Governance (ESG) reporting.

The KPMG audit methodology is set out in the KPMG Audit Manual (for use with eAuditIT) and the KPMG Audit Execution Guide (for use with the KPMG Clara workflow) and includes KPMG interpretation of how to apply ISAs, which we believe enhance audit quality. The methodology



emphasises applying appropriate professional scepticism in the execution of audit procedures and requires compliance with relevant ethical requirements, including independence.

Enhancements to the audit methodology, guidance and tools are made regularly to maintain compliance with standards and address emerging auditing areas of focus and audit quality results (internal and external). For example, as a result of the COVID-19 pandemic, many businesses were experiencing significant financial uncertainty. We issued guidance to our auditors on conducting audit procedures in a remote-working environment, raising awareness of key audit risks such as going concern and impairments and provided reminders of the importance of exercising professional scepticism taking appropriate actions if information is identified that is unexpected or unusual and may be indicative of potential management bias, a fraud risk or fraud. Similarly, we have issued guidance to our auditors on the potential impacts of events arising from the conflict in Ukraine on our audits.

KPMG firms may add local requirements and/or guidance to the KPMG Audit Manual and the KPMG Audit Execution Guide to comply with additional local professional, legal, or regulatory requirements.

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6.2 Deep technical expertise and knowledge

6.2.1 Access to specialist networks

Specialist expertise is an increasingly important part of the modern audit. KPMG in Ireland engagement teams have access to a network of KPMG specialists – either within their firm or in other KPMG firms. These specialists receive the training they need to ensure they have the competencies, capabilities and objectivity to appropriately fulfil their role on our audits. They also receive a global annual update on global quality performance issues.

The need for specialists to be assigned to an audit engagement in areas such as information technology, tax, treasury, actuarial, forensic and valuations is considered as part of the audit engagement acceptance and continuance process, as well as during the planning and conduct of the engagement.

6.2.2 KPMG’s commitment to audit quality during the COVID-19 pandemic

The COVID-19 pandemic has forced us all to think differently, we continue to respond to and embrace this challenge.

Since the start of the pandemic, we have maintained an online COVID-19 Financial reporting resource centre to assist companies and other stakeholders understand potential accounting and disclosure implications.

KPMG International has issued extensive guidance to assist teams in addressing the various accounting, financial reporting and audit related matters arising from the impacts of the COVID-19 pandemic including going concern, asset impairments, valuations and related disclosures, materiality, risk assessment, group audits, inventory, subsequent events and audit evidence of communications with

Those Charged With Governance. Additionally, KPMG International has issued specific guidance for remote working environments which addresses how teams work together, communications with management and the design and performance of audit procedures.

KPMG’s guidance has been continually updated throughout the pandemic as other significant auditing, accounting and reporting issues have been identified.

KPMG is a technology-enabled organisation, with technical accounting and auditing resources, guidance and audit platforms and tools all available electronically, which greatly enabled the conversion to a remote working environment.

Enhanced communication has been increasingly important to everyone during the COVID-19 pandemic. We have leveraged our investments in technology to provide KPMG firms with regular communications, including virtual meetings to share best practices and guidance. In addition, we have enhanced our listening strategy to include specific COVID-19 pulse surveys to allow us to hear from our people in real time and shape our response accordingly.

6.3 Quality and risk management manual

KPMG International has quality control policies that apply to all member firms. These are included in KPMG’s Global Quality & Risk Management Manual (GQRMM) which applies to all KPMG personnel. KPMG in Ireland is required to establish and maintain a system of quality control and design, implement, and test the operating effectiveness of quality controls.



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# 7. Embracing digital technology



At KPMG, we are committed to serving the public interest and create value through continuous innovation. By leveraging leading technologies, we are transforming the audit experience for our professionals and our clients – enabling us to provide an even higher quality audit by increasing our ability to focus on the issues that matter through the data and insights it provides.

## 7.1 Intelligent, standards-driven audit workflow

All KPMG in Ireland professionals are expected to adhere to KPMG International and KPMG in Ireland policies and procedures, including independence policies, and are provided with a range of tools and guidance to support them in meeting these expectations.

The KPMG in Ireland policies and procedures set for audit engagements incorporate the relevant requirements of accounting, auditing, ethical and quality control standards, and other relevant laws and regulations issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and Chartered Accountants Ireland (CAI) and other relevant regulators as well as applicable legal and regulatory requirements.

### 7.1.1 Evolving our audit workflow

We recognise that to deliver quality audits, we need to continually evolve and develop our technology solutions to keep pace with today’s digital world.

That is why KPMG embarked on a process of reimagining our audit platform, workflow and methodology to provide enhanced consistency and support to our audit engagement teams, deliver detailed insights, and future-proof our systems.

The release of the KPMG Clara workflow and revised audit methodology is an important milestone in KPMG’s journey to innovate, digitalise and transform the audit. It is a significant investment that underlines our commitment to audit quality, consistency and innovation.

### 7.2 KPMG Clara

KPMG Clara is our smart and intuitive technology platform that is driving globally consistent audit execution. As a fully integrated, scalable, cloud-based platform, it enables the enhanced audit methodology through a data-enabled workflow.

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The platform integrates new and emerging technologies, with advanced capabilities that leverage data science, audit automation, and data visualisation.

The digital audit is increasingly integral to how KPMG member firms perform quality audits and interact with their clients. Policies and guidance are in place to establish and maintain appropriate processes and controls regarding the development, evaluation and testing, deployment and support of technology in our audits.

KPMG Clara is helping auditors see meaningful patterns across a business, whether conducting risk assessment, tracing transactions through a complex revenue process, or simply adding up the accounts. Examples of current capabilities include:

- enable the analysis of account balances and journal entry data
- automate ‘period on period’ balances comparison and ‘time series’ evolution information
- enable the analysis of sub-ledger, transactional data over certain business processes and accounts.

Our vision of the future

KPMG Clara was developed to be KPMG’s foundational technology platform to deliver audit quality. It delivers this by being the base technology delivering new capabilities in a globally consistent way, enabling the audit workflows and a fully digital experience for our audit professionals.

The KPMG Clara platform will evolve as technologies such as artificial intelligence, blockchain and cognitive capabilities transform how audits are delivered.

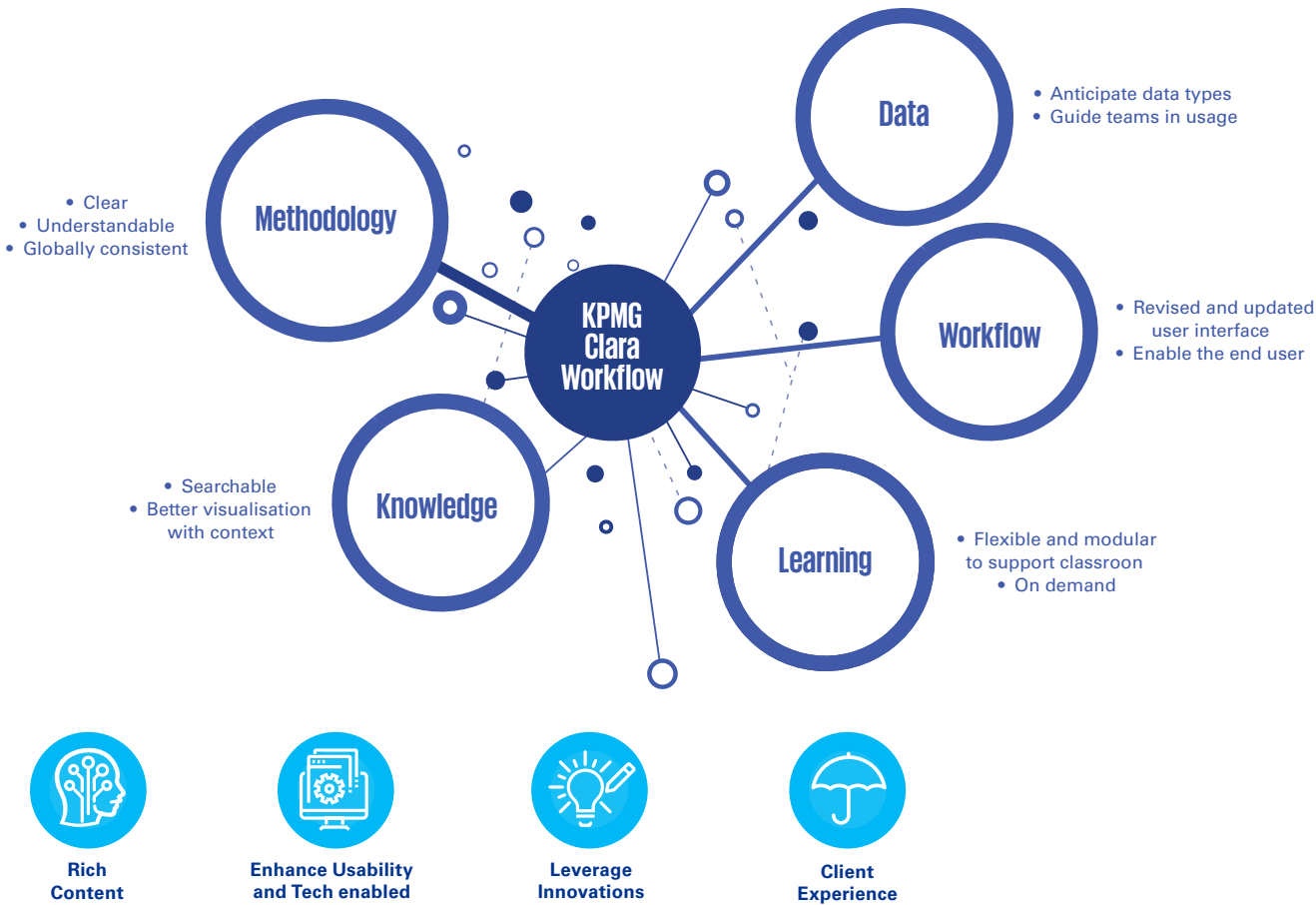
KPMG Clara workflow

We are replacing eAudit with a new workflow and revised audit methodology embedded into the KPMG Clara smart audit platform. Phased deployment of KPMG Clara workflow by KPMG in Ireland commenced in 2020 with planned completion of full transition for 2023 fiscal period-end audits.

The web-enabled KPMG Clara workflow guides audit teams through a series of steps in a logical sequence aligned to the applicable professional auditing standards with a clear display of information, visuals, and guidance available, and with embedded advanced digital audit and project management capabilities. The workflow and revised audit methodology are scalable – adjusting the requirements to the size and complexity of the audit engagement. KPMG Clara workflow significantly enhances the execution of an audit by KPMG professionals and clearly drives audit quality and global consistency.

Using data mining and tracking of relevant engagement level data indicators, the KPMG Clara workflow can also facilitate monitoring of audit execution at the engagement level.

We continue to enhance the KPMG Clara smart audit platform to accommodate accelerating security demands, integrate existing audit applications into a single platform, and develop new capabilities to digitise additional audit processes.



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7.2.1 Client confidentiality, information security, and data privacy

The importance of maintaining client confidentiality is emphasised through a variety of mechanisms including the KPMG Global and KPMG in Ireland Code of Conduct.

We have policies on information security, confidentiality, personal information and data privacy. We have a document retention policy concerning the retention period for audit documentation and other records relevant to an engagement in accordance with the relevant IESBA requirements as well as other applicable laws, regulations, and professional standards.

We provide training on confidentiality, information protection and data privacy requirements to all KPMG in Ireland personnel annually.



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# 8. Nurturing diverse skilled teams

Our people make the real difference and are instrumental in shaping the future of audit at KPMG. We put quality and integrity at the core of our audit practice. Our auditors have diverse skills and capabilities to address complex problems.

## 8.1 Recruiting appropriately qualified and skilled people, including specialists, with diversity of perspective and experience

One of the key drivers of quality is ensuring that KPMG professionals have the appropriate skills and experience, motivation and purpose, to deliver high quality audits. This requires the right recruitment, development, reward, promotion, retention and assignment of professionals.

### Our People

We depend on our ability as a firm to recruit, train and motivate intelligent professionals who take personal responsibility to deliver high-quality work. We make a big effort to develop our people and help them advance their careers.

Over the past three years 720 of our people qualified as Chartered Accountants and 131 of our people also qualified as Chartered Tax Advisers. Our people sit the FAE Elective examination which corresponds to their line of business ensuring better delivery of services to our clients.

Exam success is a key priority for our people and for the firm. Our overall exam success rate is significantly higher than the national average and our people regularly achieve the top exam placings in both the Chartered Accountants Ireland and the Irish Taxation Institute exams.

KPMG was the winner of gradireland Graduate Employer of the year 2021, Best Internship of the Year 2021, Listed in The Universum Most Attractive Employer for business students in Ireland 2019 – 2021. We were also awarded Best Training and Development Programme 2020 and winner of Most Popular graduate recruiter in Accountancy/professional services 2020.

These awards are an acknowledgment of our ongoing focus on innovative and quality graduate recruitment.

We are committed to supporting our people sitting

professional exams; 305 of our people passed Chartered Accountants Ireland’s final admitting exams (FAE) and 64 people passed the Irish Tax Institute’s final examinations (“Part 3”) in 2021.

Internally, the firm participates in the “KPMG Global People Survey” on an annual basis which, inter alia, measures people engagement and performance excellence with a view to maximising the success of the firm. We engage in a comprehensive programme of communication and feedback with our people in all business units each year following the Global People Survey results. We continue to invest in equipping our people with the technical, coaching and management skills needed to deliver quality work and we also encourage regular, honest feedback to help in their development.



KPMG in Ireland delivers over 1,500 courses every year to ensure our people have the best leadership, business and technical skills to support them to succeed as individuals and for the firm to continue to succeed. Being part of the KPMG Business School ensures we have access to state-of-the-art virtual classroom and on-line resources from across the KPMG network and we engage with cutting edge universities and executive education schools to ensure our Leadership and Business training remains first class. Our technical training is delivered by a combination of our partners, directors and managers, who are subject matter experts, along with external specialists.

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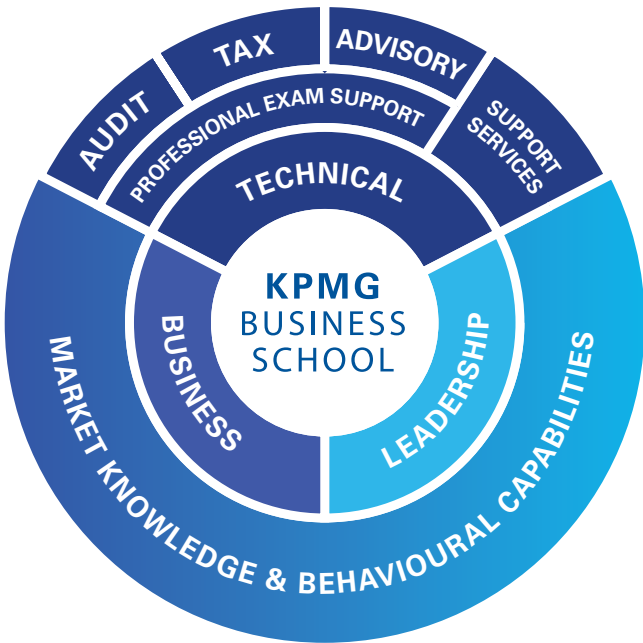
Our learning culture focuses on the application of training in a supportive, coaching orientated and learning environment. We strongly believe that people learn in the classroom, through on-line forums, by networking with others and by applying their knowledge in a range of work environments.

On joining the firm and in each year of their training contract our graduates attend a structured programme that combines technical and leadership skills in line with the increasing challenges of their role. As they progress through their professional exams (through Chartered Accountants Ireland and the Irish Tax Institute) they benefit from our additional supports and development, helping our exam results remain well ahead of the national average.

As people are promoted to the grade of manager and above, they continue to enhance their technical skills and they benefit from our leadership skills development, helping them to excel with their clients and support them as they contribute and lead more complex and challenging projects.

In 2021 the people in our audit function completed 98,763 hours of technical (audit and accounting) training programmes, and additional leadership courses were also available and accessed. All training programmes continued over the last year and courses were redesigned to be effective in an online environment. Training is only one aspect of our people’s development. We offer a mix of on-the-job experience, coaching and training programmes. This is supported by additional development opportunities such as secondments and international assignments.

In 2021 the firm also invested in Degreed, a learning experience platform, allowing employees to access learning at the time of need. Content sources included in the Degreed platform are: Linked-in Learning, Pluralsite, Udemy, Coursera, along with globally and locally produced elearnings and live courses through our Global Learning Management System.



8.1.1 Recruitment

KPMG in Ireland has invested in understanding how we can attract the talent we need across the organisation in the future. This requires the right recruitment, development, reward, promotion and assignment of professionals. This includes building an extraordinary people experience for all current and prospective partners and employees.

Our recruitment strategy is focused on drawing entry-level talent from a broad talent base, including working with established universities, colleges and business schools, but also working with secondary schools, helping build relationships with a younger, diverse talent pool at an early age. KPMG in Ireland also recruits significant numbers at an experienced hire and partner level.

All candidates submit an application and are employed following a variety of selection processes, which may include application screening, competency-based interviews and qualification/reference checks. These leverage fair and job-related criteria to ensure that candidates possess the appropriate skills and experience to perform competently, are suitable and best placed for their roles.

KPMG in Ireland recruited 504 new graduates in 2021 (including 74 Belfast cyber and AI graduates and we expect a further 470 to join us in 2022.

Where individuals are recruited for partner grades, a formal independence discussion is conducted with them by the RMP or a delegate. KPMG in Ireland does not accept any confidential information belonging to the candidate’s former firm/employer.

8.1.2 Inclusion, Diversity & Equity programmes

KPMG in Ireland is committed to building a diverse and equitable firm that is inclusive to all.

Inclusion, diversity and equity (IDE) is core to our very existence – helping us build great teams with diverse views that represent the world we live in. It leads to better decision making, drives greater creativity and innovation, and encourages us to stand up, live our Values, and do what is right.

KPMG in Ireland are proud to lead and support a wide range of programmes to help foster diversity in business. These include celebrating Pride Week, encouraging young women’s interest in STEM, investing in children’s literature initiatives such as ‘Bold Girls’, supporting early-stage women-led businesses through ‘Going for Growth’ and adding our voice to the campaign for greater diversity at board level in Ireland through the 30% Club. For International Women’s Day 2021, we supported the theme ‘Choose to Challenge’ and we asked all our people to post a picture of themselves with a challenge they were committed to.

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In 2021 we also partnered with Children’s Books Ireland and announced the launch of Free To Be Me: The Diversity, Inclusion and Representation project. The project showcases the rich diversity of modern Ireland and aims to ensure that every child can see themselves reflected in a book, as well as learning about the lives of others whose experiences and perspectives may differ from their own. The Free To Be Me reading guide contains over 360 book recommendations compiled by a team of expert reviewers, each title chosen for its portrayal of diverse characters, themes and experiences.

We recognise our firms’ global position working with clients around the world affords us a privileged place. With that comes an opportunity and responsibility to achieve more and push for a fairer, more equitable society.

Our KPMG Global Inclusion, Diversity & Equity Collective Action Plan outlines the actions that are necessary to advance inclusion, diversity and equity at KPMG in Ireland and across all KPMG firms. For more about Inclusion & Diversity at KPMG read <sup>4</sup>[here](#).



8.1.3 Reward and Promotion

Reward

KPMG in Ireland has compensation and promotion policies that are informed by market data, clear, simple, fair and linked to the performance review process. This helps our partners and employees understand what is expected of them, and what they can expect to receive in return. The connection between performance and reward is achieved by assessing relative performance across a peer group to inform reward decisions. Reward decisions are based on consideration of both individual and firm performance.

KPMG in Ireland’s policy prohibits audit partners from being evaluated on or compensated based on their success in selling non-assurance services to audit clients.

The extent to which our people feel their performance has been reflected in their reward is measured through the annual Global People Survey, with action plans developed as required.

Promotion

The results of performance evaluations directly affect the promotion and remuneration of partners and employees and, in some cases, their continued association with KPMG.

8.2 Assigning an appropriately qualified team

KPMG in Ireland has procedures in place to assign engagement partners and other professionals to a specific engagement on the basis of their skill sets, relevant professional and industry experience, and the nature of the assignment or engagement.

Heads of Function are responsible for the partner assignment process. Key considerations include partner experience and capacity - based on an annual partner portfolio review - to perform the engagement taking into account the size, complexity and risk profile of the engagement and the type of support to be provided (i.e., the engagement team composition and specialist involvement).

Audit engagement partners are required to be satisfied that their engagement teams have appropriate competencies, training and capabilities, including time, to perform audit engagements in accordance with our audit methodology, professional standards, and applicable legal and regulatory requirements. This may include involving specialists from our own firm, other KPMG member firms or external experts.

When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner’s considerations may include the following:

- an understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- an understanding of professional standards and legal and regulatory requirements;
- appropriate technical skills, including those related to relevant information technology and specialised areas of accounting or auditing;
- knowledge of relevant industries in which the client operates;
- ability to apply professional judgement;
- an understanding of KPMG in Ireland’s quality control policies and procedures; and
- Quality Performance Review (QPR) results and results of regulatory inspections.

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4: <https://home.kpmg.com/xx/en/home/about/inclusion-and-diversity-new.html>

8.3 Investing in data centric skills – including data mining, analysis and visualisation

KPMG is strategically investing in our talent pipeline by partnering with world-class institutions to sustain our strong leadership, while also looking forward to cultivating the skills and capabilities that will be needed in the future. We are recruiting and training professionals who specialise in software, cloud capabilities and artificial intelligence and who can bring leading technology capabilities to our smart audit platform. We provide training on a wide range of technologies to ensure that field professionals not only meet the highest professional standards but are also upskilled in new technology. With this approach we are bringing together the right people with the right skills and the right technology to perform exceptional audits.

8.4 Focused learning and development on technical expertise, professional acumen and leadership skills

8.4.1 Commitment to technical excellence and quality service delivery

All KPMG in Ireland professionals are provided with the technical training and support they need to perform their roles. This includes access to internal specialists and the professional practice department for consultation. Where the right resource is not available within KPMG in Ireland, the firm accesses a network of highly skilled KPMG professionals in other KPMG firms.

At the same time, audit policies require all KPMG audit professionals to have the appropriate knowledge and experience for their assigned engagements.

8.4.2 Lifetime learning strategy

Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development steering groups at global, regional and, where applicable, KPMG firm level.

Mandatory learning requirements for audit professionals across the KPMG organisation are established annually. Training is delivered using a blend of learning approaches and performance support.

In relation to audit, KPMG in Ireland:

- deploys a variety of learning solutions that are designed to reinforce the KPMG Values and ensure our professionals get the fundamentals right, and develop the necessary skills and attitudes to make judgements, and apply professional scepticism that enhance audit quality and the value of audit;
- provide instructor-led and virtual classroom training, performance support tools, coaching guides and just-in-time learning. Guidance is available on judgemental audit topics — this is used by audit teams and this guidance is embedded across audit learning solutions;
- have also developed professional judgement tools, designed to reinforce the importance of independence and objectivity, and to assist engagement teams in demonstrating professional scepticism; and
- provide courses to enhance personal effectiveness and develop leadership and business skills. Our partners and employees are developed further for high performance through coaching and mentoring on the job, stretch assignments and country rotational and global mobility opportunities.



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Mentoring and on the job training

Learning is not confined to a single approach — rich learning experiences are available when needed through coaching and just-in-time learning, available at the click of a mouse and aligned with job specific role profiles and learning paths.

Mentoring and on-the-job experience play key roles in developing the personal qualities important for a successful career in auditing, including professional judgement, technical excellence and instinct.

We support a coaching culture throughout KPMG as part of enabling KPMG professionals to achieve their full potential and instil that every team member is responsible for building the capacity of the team, coaching other team members and sharing experiences.

8.4.3 Licensing and mandatory requirements for IFRS® Standards and U.S. GAAP engagements

Licensing

All KPMG in Ireland professionals are required to comply with applicable professional licence rules and satisfy the continuing professional development requirements in the jurisdiction where they practice. KPMG in Ireland policies and procedures are designed to facilitate compliance with licence requirements. We are responsible for ensuring that audit professionals working on engagements have appropriate audit, accounting and industry knowledge, and experience in the local predominant financial reporting framework – principally IFRS and accounting standards issued by the Financial Reporting Council (“FRC”).

Mandatory requirements – IFRS Standards and U.S. GAAP engagements

In addition, KPMG has specific requirements for partners, managers and Engagement Quality Control (EQC) reviewers working on engagements performed outside the U.S. to report on financial statements or financial information prepared in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and/or audited in accordance with U.S. auditing standards, including reporting on the effectiveness of the entity’s internal control over financial reporting (ICOFR). These require that at a minimum, the engagement partner, engagement manager, engagement in-charge and, if appointed, the EQC reviewers assigned to the engagement have completed relevant training and that the engagement team, collectively, has sufficient experience to perform the engagement or has implemented appropriate safeguards to address any shortfalls.



8.5 Recognising quality

8.5.1 Personal development

KPMG in Ireland’s approach to performance development, ‘Open Performance Development’, is built around the ‘Everyone a Leader’ performance principle, and includes:

- Global role profiles (including role profiles specific to audit quality accountabilities and responsibilities);
- a goal library (including audit quality content); and
- standardised review forms

Open Performance Development is linked to the KPMG Values and designed to articulate what is required for success — both individually and collectively. We know that by being clear and consistent about the behaviours we expect and rewarding those who demonstrate them, we will continue to drive a relentless focus on audit quality.

At the same time, KPMG is driving a shift in our performance-driven culture, supported by and enacted through leading technology that allows us to embed audit quality into the assessment of performance and the decisions around reward as well as drive consistency across the global organisation.

KPMG in Ireland considers quality and compliance metrics in assessing the overall evaluation, promotion and remuneration of partners and certain professionals. These evaluations are conducted by performance managers and partners who are in a position to assess performance.

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# 9. Associating with the right clients and engagements



Rigorous global client and engagement acceptance and continuance policies are vital to being able to provide high-quality professional services.

## 9.1 Following the client and engagement acceptance and continuance policies

KPMG’s client and engagement acceptance and continuance policies and processes are designed to identify and evaluate potential risks prior to accepting or continuing a client relationship or performing a specific engagement.

KPMG firms are required to evaluate whether to accept or continue a client relationship or perform a specific engagement. Where client/engagement acceptance (or continuance) decisions pose significant risks, additional approvals are required.

## 9.2 Accepting appropriate clients and engagements

### 9.2.1 Client evaluation

KPMG in Ireland undertakes an evaluation of every prospective client.

This involves obtaining sufficient information about the prospective client, its key management and significant beneficial owners and then properly analysing the information to be able to make an informed acceptance decision. This evaluation includes an assessment of the client’s risk profile and obtaining background information on the client, its key management, directors and owners. If necessary, we obtain additional information required to satisfy our local legal and regulatory requirements.

### 9.2.2 Engagement evaluation

Each prospective engagement is also evaluated to identify potential risks in relation to the engagement. A range of factors are considered as part of this evaluation, including potential independence and conflict of interest issues (using Sentinel™, KPMG’s conflicts and independence checking system), intended purpose and use of engagement deliverables, public perception, whether the services would be unethical or inconsistent with our Values, as well as factors specific to the type of engagement. For audit services, these include the competence of the client’s financial management team and the skills and experience of KPMG professionals assigned to staff the engagement.

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The evaluation is made in consultation with other senior KPMG in Ireland personnel and includes review by quality and risk management leadership as required.

Where audit services are to be provided for the first time, the prospective engagement team is required to perform additional independence evaluation procedures, including a review of any non-audit services provided to the client and of other relevant business, financial and personal relationships.

Similar independence evaluations are performed when an existing audit client becomes a public interest entity or additional independence restrictions apply following a change in the circumstances of the client.

Depending on the overall risk assessment of the prospective client and engagement, additional safeguards may be introduced to help mitigate the identified risks. Any potential independence or conflict of interest issues are required to be documented and resolved prior to acceptance.

A prospective client or engagement will be declined if a potential independence or conflict issue cannot be resolved satisfactorily in accordance with professional standards and our policies, or if there are other quality and risk issues that cannot be appropriately mitigated.

9.2.3 Continuance process

KPMG in Ireland undertakes an annual re-evaluation of all its audit clients. The re-evaluation identifies any issues in relation to continuing association and any mitigating procedures that need to be put in place (this may include the assignment of additional professionals such as an Engagement Quality Control (EQC) reviewer or the need to involve additional specialists on the audit).

Recurring or long running non-audit engagements are also subject to periodic re-evaluation. In addition, clients and engagements are required to be re-evaluated if there is an indication that there may be a change to the risk profile, and as part of the continuous independence evaluation process, engagement teams are required to identify if there have been any changes to previously identified threats or if there are new threats to independence. The threats are then evaluated and, if not at an acceptable level, are eliminated or appropriate safeguards are applied to reduce the threats to an acceptable level.

9.2.4 Withdrawal process

Where KPMG in Ireland comes to a preliminary conclusion that indicates that we should withdraw from an engagement or client relationship, we consult internally and identify any required legal, professional and regulatory responsibilities. We also communicate as necessary with those charged with governance and any other appropriate authority.

9.3 Managed portfolio of clients

KPMG in Ireland leadership appoints engagement partners who have the appropriate competence, capabilities, time and authority to perform their role for each engagement. They review each audit partner’s client portfolio in individual discussions with the audit partner. The reviews consider the industry, nature and risk of the client portfolio as a whole along with the competence, capabilities and capacity of the partner and wider team to deliver a quality audit for every client.



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# 10. Being independent and ethical



Auditor independence is a cornerstone of international professional standards and regulatory requirements.

## 10.1 Acting with integrity and living our Values

KPMG International’s detailed independence policies and procedures incorporate the IESBA Code of Ethics. These are set out in KPMG’s GQRMM, which applies to all KPMG firms. Automated tools, which are required to be used for every prospective engagement to identify potential independence and conflict of interest issues, and facilitate compliance with these requirements.

These policies are supplemented by other policies and processes to ensure compliance with the standards issued by the Irish Auditing & Accounting Supervisory Authority (IAASA), the Financial Reporting Council and those of the US Securities and Exchange Commission (“SEC”) and of the US Public Company Accounting Oversight Board (“PCAOB”). These policies and processes cover areas such as firm independence (covering, for example, treasury and procurement functions), personal independence, firm financial relationships, employment relationships, partner rotation and approval of audit and non-audit services.

The Partner-in-Charge of the Global Independence Group is supported by a core team of specialists to help ensure that robust and consistent independence policies and procedures are in place at KPMG firms, and that tools are available to help the firms and their personnel to comply with these requirements.

KPMG in Ireland has a designated Risk Management Partner (RMP) who has primary responsibility for the direction and execution of ethics and independence policies and procedures in KPMG in Ireland. The RMP is responsible for communicating and implementing KPMG International policies and procedures and ensuring that local independence policies and procedures are established and effectively implemented when they are more stringent than the KPMG International requirements. The RMP fulfils this responsibility through:

- implementing/monitoring the ethics and independence quality control process and structure within the firm;
- approving/appointing partners responsible for ethics and independence within the firm;
- overseeing the processes related to the evaluation of specific independence threats in connection with clients and prospective clients;
- participating in the development and delivery of training materials;
- implementing procedures to address non-compliance; and
- overseeing the disciplinary process for ethics and independence matters.

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Ethics and Independence Policies are set out in our GORMM and are supplemented by KPMG in Ireland Ethics and Independence Policies and are reinforced through the issue of alerts when changes arise and an annual training programme.

Amendments to KPMG International’s Ethics and Independence Policies are included in regular quality and risk communications with all KPMG firms. KPMG firms are required to implement changes as specified in the communications, and this is checked through the internal monitoring programmes described in Section 14.1.2.

KPMG in Ireland partners and employees are required to consult with the RMP on certain matters as defined in the GORMM. The RMP may also be required to consult with the Global Independence Group, depending upon the facts and circumstances.

10.2 Maintaining an objective, independent and ethical mindset, in line with our code of conduct and policies

10.2.1 Personal financial independence

KPMG International policies require that KPMG firms and KPMG professionals are free from prohibited financial interests in, and prohibited financial relationships with, KPMG firm assurance and audit clients (generally, ‘audit client’ includes its related entities or affiliates), their management, directors, and, where required, significant owners. All KPMG partners — irrespective of their firm or function — are generally prohibited from owning securities of any audit client of any KPMG firm.

KPMG firms use a web-based independence compliance system (KICS) to assist KPMG professionals in complying with personal independence investment policies. This



system contains an inventory of publicly available investments and provides a tracking mechanism for required users to report acquisitions and disposals of their financial interests. The system facilitates monitoring by identifying and reporting impermissible investments and other non-compliant activity (i.e., late reporting of an investment acquisition).

All partners and manager grade or above client-facing employees are required to use the KICS system prior to entering into an investment to identify whether they are permitted to do so. They are also required to maintain a record of all of their investments in publicly traded entities in KICS, which automatically notifies them if any investment subsequently becomes restricted. Newly restricted investments are required to be disposed of within five business days of the notification. KPMG monitors partner and manager compliance with this requirement as part of our programme of independence compliance audits of professionals. The Global Independence Group provides guidance and required procedures relating to the audit and inspection by KPMG firms of personal compliance with KPMG’s independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2021 over 60 of KPMG in Ireland partners and employees were subject to these audits (this included approximately 18% of our partners).

10.2.2 Employment relationships

Any KPMG in Ireland professional providing services to an audit client irrespective of function is required to notify the firm RMP if they intend to enter into employment negotiations with that audit client. For partners, this requirement extends to any audit client of any KPMG firm that is a public interest entity.

Former members of the audit team or former partners of KPMG in Ireland are prohibited from joining an audit client in certain roles unless they have disengaged from all significant connections to KPMG in Ireland, including payments which are not fixed and predetermined and/or would be material to KPMG in Ireland and ceased participating in KPMG in Ireland business and professional activities.

Key audit partners and members of the chain of command for an audit client that is a public interest entity are subject to time restrictions (referred to as ‘cooling-off’ periods) that preclude them from joining that client in certain roles until a defined period of time has passed.

An assurance team member is also required to notify the RMP when they enter into employment negotiations with the assurance client during the course of the engagement. Former assurance team members or former partners of KPMG in Ireland who join an assurance client in certain roles cannot continue to participate in KPMG in Ireland’s business or professional activities.

We communicate and monitor requirements in relation to employment of KPMG in Ireland professionals by audit and assurance clients.

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10.2.3 Firm financial independence

KPMG firms are required to also be free from prohibited interests in, and prohibited relationships with, audit clients, their management, directors and, where required, significant owners.

In common with other KPMG firms, KPMG in Ireland uses KICS to record its own direct and material indirect investments in listed entities and funds (or similar investment vehicles) as well as in non-listed entities or funds. This includes investments held in associated pension and employee benefit plans.

Additionally, KPMG in Ireland is required to record in KICS all borrowing and capital financing relationships, as well as custodial, trust and brokerage accounts that hold member firm assets.

On an annual basis, KPMG in Ireland confirms compliance with independence requirements as part of the Risk Compliance Programme.

10.2.4 Business relationships/suppliers

KPMG in Ireland has policies and procedures in place that are designed to ensure its business relationships with audit and assurance clients are maintained in accordance with the IESBA Code of Ethics and other applicable independence requirements, such as those issued by IAASA, Chartered Accountants Ireland and those promulgated by the SEC.

These include establishing and maintaining a process to evaluate potential third-party arrangements (for example business alliances and joint working arrangements, procurement relationships and marketing and public affairs activities) with particular regard to whether they have a bearing on auditor independence.

All significant prospective business relationships are evaluated to assess association risks and to identify potential auditor independence and conflicts of interest issues. A relationship involving a third-party service provider - that a member firm will use to assist with client engagements or other purposes - is also required to be evaluated to determine whether the third party has the competence to provide the relevant services. The individuals providing the services are required to confirm they understand and will comply with applicable ethics and independence requirements, and they are also required to complete ethics training. Third parties providing services to audit or assurance clients are required to complete independence training.

10.2.5 Business acquisitions, admissions and investments

If KPMG in Ireland is in the process of considering the acquisition of, or investment in, a business, it is required to perform sufficient due diligence procedures on the prospective target to identify and address any potential independence and risk management issues prior to closing the transaction. Specific consultations with the Global Independence Group and Global Quality & Risk Management are required to enable independence and other issues to be addressed when integrating the business into KPMG in Ireland and the wider global organisation.

10.2.6 Independence clearance process

In addition to the standard acceptance evaluation performed for every engagement, which includes an evaluation of independence, KPMG in Ireland follows specific procedures to identify and evaluate threats to independence related to prospective audit clients that are public interest entities.



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These procedures, also referred to as ‘the independence clearance process’, are required to be completed prior to accepting an audit engagement for these entities.

The ‘KPMG Independence Checkpoint’ tool is used to automate and standardise all the workflows that comprise the independence clearance process. The tool was developed in anticipation of the increasing number of audit tenders and independence clearances that need to be completed as a result of mandatory firm rotation of statutory audits.

10.2.7 Independence training and confirmations

All KPMG in Ireland partners and client service professionals, as well as certain other individuals, are required to complete independence training that is appropriate to their grade and function upon joining KPMG in Ireland and on an annual basis thereafter.

New personnel who are required to complete this training are required to do so by the earlier of (a) thirty days after joining KPMG in Ireland or (b) before providing any services to or becoming a member of the chain of command for, any audit client.

We also provide all partners and employees with annual training on:

- the KPMG in Ireland Code of Conduct; and
- bribery and compliance with laws, regulations, and professional standards.

New partners and employees are required to complete this training within three months of joining KPMG in Ireland.

Upon joining KPMG in Ireland and annually thereafter, all KPMG partners and employees are required to sign a confirmation stating that they have remained in compliance with applicable ethics and independence policies.

10.2.8 Non-audit services

All KPMG firms are required, at a minimum, to comply with the IESBA Code of Ethics and applicable laws and regulations related to the scope of services that can be provided to audit clients.

In addition to identifying potential conflicts of interest, Sentinel™ facilitates compliance with independence requirements. Certain information on all prospective engagements, including detailed service descriptions, deliverables and estimated fees are required to be entered into Sentinel™ as part of the engagement acceptance process. When the engagement is for an audit client, an evaluation of potential independence threats and safeguards is also required to be included in the Sentinel™ submission.

Lead audit engagement partners (LAEPs) are required to maintain group structures for their publicly traded and certain other audit clients including their related entities or affiliates in Sentinel™. They are also responsible for



identifying and evaluating any independence threats that may arise from the provision of a proposed non-audit service and the safeguards available to address those threats. For entities for which group structures are maintained, Sentinel enables LAEPs to review and request revision, approve, or deny, any proposed service for those entities worldwide. For approved proposed services, Sentinel designates a timeframe during which the approval remains valid. Upon expiration of the established timeframe, the services are required to be complete or be re-evaluated for permissibility; otherwise, the services are required to be exited.

KPMG in Ireland is required to establish and maintain a process to review and approve all new and modified services that are developed by KPMG in Ireland. KPMG in Ireland’s RMP is involved in the review of potential independence issues related to these new or modified services.

KPMG global independence policies prohibit KPMG firm audit partners from being evaluated on, or compensated based on, their success in selling non-assurance services to their audit clients.

10.2.9 Fee dependency

KPMG International’s policies recognise that self-interest or intimidation threats may arise when the total fees from an audit client represent a large proportion of the total fees of the KPMG firm expressing the audit opinion. These policies require firms to consult with their Area Quality & Risk Management Leader where it is expected that total fees from an audit client will exceed 10 percent of the annual fee income of the member firm for two consecutive years. In addition, if the total fees from a public interest entity audit client and its related entities were to represent more than

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10 percent of the total fees received by a particular member firm for two consecutive years, these policies further require that:

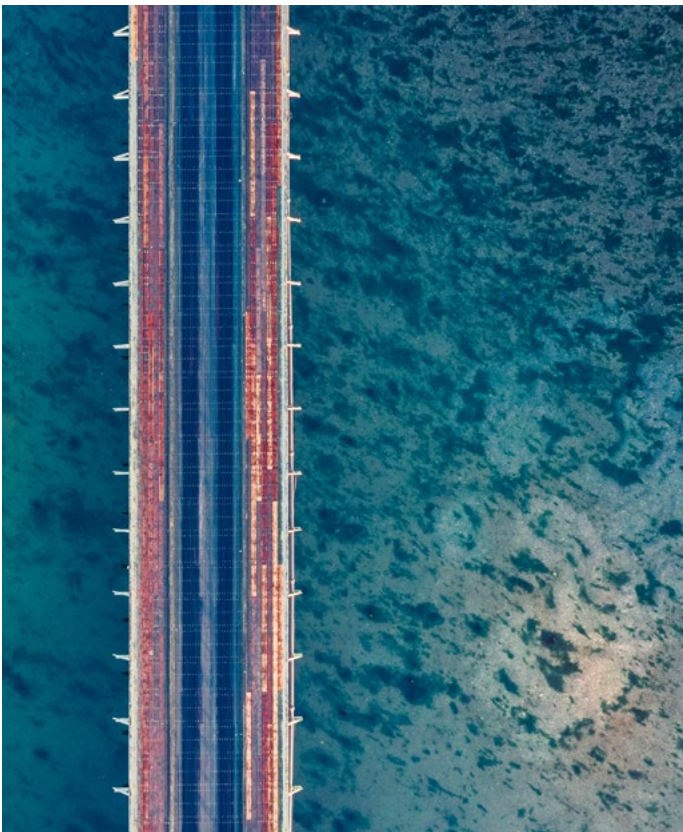
- This be disclosed to those charged with governance at the audit client; and
- A partner from another KPMG member firm be appointed as the engagement quality control (EQC) reviewer.

No audit client accounted for more than 10 percent of the total fees received by KPMG in Ireland over the last two years.

10.2.10 Resolving conflicts of interest

Conflicts of interest can arise in situations where KPMG in Ireland partners or employees have a personal connection with the client which may interfere, or be perceived to interfere, with their ability to remain objective, or where they are personally in possession of confidential information relating to another party to a transaction. Consultation with the Risk Management Partner (RMP) is required in these situations.

KPMG International policies are also in place to prohibit KPMG personnel from offering or accepting inducements, including gifts and hospitality to or from audit clients, unless the value is trivial and inconsequential, is not prohibited by relevant law or regulation and is not deemed to have been offered with the intent to improperly influence the behaviour of the recipient or which would cast doubt on the individual's or the member firm's integrity, independence, objectivity or judgement.



All KPMG firms and personnel are responsible for identifying and managing conflicts of interest, which are circumstances or situations that have, or may be perceived to have an impact on a firm's and/ or its partners' or employees' ability to be objective or otherwise act without bias.

All KPMG firms are required to use Sentinel™ for potential conflict identification so that these can be addressed in accordance with legal and professional requirements.

KPMG in Ireland has risk management resources who are responsible for reviewing any identified potential conflict and working with the affected member firms to resolve the conflict, the outcome of which is required to be documented.

Escalation and dispute resolution procedures are in place for situations in which agreement cannot be reached on how to manage a conflict. If a potential conflict issue cannot be appropriately mitigated, the engagement is declined or terminated.

10.2.11 Independence breaches

All KPMG in Ireland personnel are required to report an independence breach as soon as they become aware of it to the RMP. In the event of failure to comply with our independence policies, whether identified in the compliance review, self-declared or otherwise, professionals are subject to an independence disciplinary policy. All breaches of independence requirements of the IESBA Code or other external independence requirements are required to be reported to those charged with governance as soon as possible except where alternative timing for less significant breaches has been agreed to with those charged with governance.

KPMG in Ireland has a documented and communicated disciplinary policy in relation to breaches of independence policies, incorporating incremental sanctions reflecting the seriousness of any violations. KPMG in Ireland's Disciplinary Committee oversees policies and procedures in relation to ethical matters and breaches of requirements.

Matters arising are factored into our promotion and compensation decisions and, in the case of engagement leaders, are reflected in their individual quality and risk metrics.

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10.2.12 Partner and firm rotation

Partner rotation

KPMG International partner rotation policies are consistent with the requirements of the IESBA Code of Ethics and require all member firms to comply with any stricter local applicable rotation requirements.

KPMG in Ireland partners are subject to periodic rotation of their responsibilities for audit clients under applicable laws, regulations, independence rules and KPMG International policy. These requirements place limits on the number of consecutive years that partners in certain roles may provide audit services to a client, followed by a ‘time-out’ period during which time these partners may not:

- participate in the audit;
- provide quality control for the audit;
- consult with the engagement team or the client regarding technical or industry-specific issues;
- in any way influence the outcome of the audit;
- lead or coordinate professional services at the client;
- oversee the relationship of the firm with the audit client; or
- have any other significant or frequent interaction with senior management or those charged with governance at the client.

KPMG in Ireland monitors the rotation of audit engagement leaders (such as the engagement partner, the engagement quality control reviewer and any other key audit partner role, where there is a rotation requirement) and develops transition plans to enable allocation of partners with the necessary competence and capability to deliver a consistent quality of service to clients.



Firm rotation

KPMG in Ireland is permitted to act, as an auditor, for public interest entity audit clients, to which the EU Audit Regulation applies, for a maximum period of 10 years and not to act as auditor for such clients for a period of four years thereafter - referred to as the ‘cooling off period’. KPMG in Ireland has processes in place to track and manage audit firm rotation requirements.

10.3 Zero tolerance of bribery and corruption

Compliance with laws, regulations and standards is a key aspect for everyone at KPMG in Ireland. We have zero tolerance of bribery and corruption.

We prohibit involvement in any type of bribery — even if such conduct is legal or permitted under applicable law or local practice. We also do not tolerate bribery by third parties, including by our clients, suppliers or public officials. KPMG International requires KPMG firms to have appropriate internal controls in place to mitigate the risk of involvement in bribery by the firm and its partners and employees.

All KPMG firm partners and employees are required to take training covering compliance with laws, regulations and professional standards relating to anti-bribery and corruption, including the reporting of suspected or actual non-compliance.

Further information on KPMG International anti-bribery and corruption policies can be found on the [5anti-bribery and corruption site](https://home.kpmg/xx/en/home/about/who-we-are/governance/anti-bribery-and-corruption.html).

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5: <https://home.kpmg/xx/en/home/about/who-we-are/governance/anti-bribery-and-corruption.html>

# 11. Performing quality engagements



How an audit is conducted is as important as the result. KPMG in Ireland partners and employees are expected to demonstrate certain key behaviours and follow certain policies and procedures in the performance of effective and efficient audits.

## 11.1 Consulting where necessary

### 11.1.1 Encouraging a culture of consultation

KPMG encourages a strong culture of consultation that supports engagement teams at KPMG firms throughout their decision-making processes and is a fundamental contributor to audit quality. KPMG in Ireland promotes a culture in which consultation is recognised as a strength and that encourages all KPMG professionals to consult on difficult or contentious matters.

To help with this, firms are required to have established protocols for consultation and documentation of significant accounting and auditing matters, including procedures to facilitate resolution of differences of opinion on engagement issues. In addition, the GQRMM includes mandatory consultation requirements on certain matters.

### 11.1.2 Technical consultation and global resources

Technical accounting and auditing support is available to member firms through the Global Audit Methodology Group

(GAMG), KPMG Global Solutions Group (KGSG), the ISG and the PCAOB Standards Group (PSG).

### Global Audit Methodology Group (GAMG)

KPMG’s audit methodology is developed and maintained by the Global Audit Methodology Group (GAMG). The GAMG develops our audit methodology based on the requirements of the applicable auditing standards – International Standards on Auditing, PCAOB and AICPA.

### KPMG Global Solutions Group (KGSG)

The KGSG is responsible for the envisioning, development and deployment of global audit solutions, including new technology and automation innovations.

The KGSG and GAMG work collaboratively to support member firms through collaboration, innovation and technology. We have made significant investment in our audit methodology and tools with the core focus of improving audit quality, global consistency and standardisation.

With locations in each of the three KPMG regions (Americas, EMA and ASPAC), the KGSG and GAMG teams comprise professionals with backgrounds in audit, IT, data science, mathematics, statistics, and more from around the world, who bring diverse experiences and innovative ways of thinking to further evolve KPMG’s audit capabilities.

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International Standards Group (ISG)

The ISG works with Global IFRS Standards topic teams, with geographic representation from around the world, and the IFRS Standards Panel and ISA Panel to promote consistency of interpretation of IFRS Standards and auditing requirements between member firms, identify emerging issues, and develop global guidance on a timely basis.

The ISG also supports the following groups to facilitate information sharing within the DPP network, and to ensure sector-specific issues are dealt with proactively.

- The KPMG Global ISA Panel, chaired by the Global Audit Quality and Risk Management Partner, and which includes senior DPP partners from key member firms and is responsible for monitoring the development of ISA guidance, and the development of response letters to the International Auditing and Assurance Board and/or regulators.
- Global Topic Teams, which formulate guidance on IFRS Standards accounting and reporting practice on sector specific or specific technical areas, and act as central contact points for their regions/home practices in identifying and addressing issues related to relevant topics.

The Global IFRS Standards Panel is responsible for monitoring the development of IFRS Standards guidance and response letters to the International Accounting Standards Board and/or regulators by the ISG and the Topic Teams. The panel is chaired by the Global IFRS Standards Leader and includes Global IFRS Standards topic leaders.



PCAOB Standards Group (PSG)

The PCAOB Standards Group (PSG) comprises a dedicated group of professionals with backgrounds in PCAOB auditing standards who promote consistency of interpretation of PCAOB auditing standards in KPMG firms’ audits of non-US components of US companies and of foreign private issuers and non-US components of SEC issuers, as defined by SEC regulations. The PSG also provides input into the development of training for auditors who work on PCAOB audit engagements and, where practicable, facilitates delivery of such training.

Member firm professional practice resource

Member firms provide consultation support on auditing and technical accounting matters to their audit professionals through professional practice resources (referred to as Department of Professional Practice or DPP). This resource also assists engagement teams where there are differences of opinion either within teams or with the EQC reviewer. Unresolved differences are required to follow a prescribed escalation protocol for final resolution. KPMG’s International Standards Group and PCAOB Standards Group are also available for consultation support when required.

Across KPMG in Ireland, the role of DPP is crucial in terms of the support that it provides to the Audit function. It provides technical guidance to client service professionals on specific engagement related matters, develops and disseminates specific topic related guidance on emerging local technical and professional issues and disseminates international guidance on IFRS Standards and ISAs.

Consultation with a team member at a higher level of responsibility than either of the differing parties usually resolves differences. In other circumstances, the matter may be elevated through the chain of responsibility for resolution by technical specialists. In exceptional circumstances, where a matter cannot be resolved, a matter may be referred to the Head of AQ&PP, Risk Management Partner (or delegates) or a resolution panel, including the national Managing Partner.

11.2 Critically assessing audit evidence, using professional judgement and scepticism

On all KPMG audits, the nature and extent of the audit evidence we gather is responsive to the assessed risks. We consider all audit evidence obtained during the course of the audit including contradictory or inconsistent audit evidence. Each team member is required to exercise professional judgement and maintain professional scepticism throughout the audit engagements. Professional scepticism involves a questioning mind and alertness to contradictory or inconsistencies in the audit evidence. Professional judgement encompasses the need to be aware of and alert to biases that may pose threats to good judgements.

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11.3 Direct, coach, supervise and review

11.3.1 Embedding ongoing mentoring, supervision and review

To invest in the building of skills and capabilities of KPMG professionals, KPMG in Ireland promotes a continuous learning environment and supports a coaching culture.

Ongoing mentoring, coaching and supervision during an audit involves:

- engagement partner participation in planning discussions;
- tracking the progress of the audit engagement;
- considering the competence and capabilities of the individual members of the engagement team, including whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement;
- helping engagement team members address any significant matters that arise during the audit and modifying the planned approach appropriately; and
- identifying matters for consultation with more experienced team members during the engagement.

A key part of effective mentoring and supervision is timely review of the work performed so that significant matters are promptly identified, discussed and addressed.

11.3.2 Engagement quality control (EQC) reviewers

The EQC review is an important part of KPMG’s framework for quality. An EQC reviewer is required to be appointed for audits, including any related review(s) of interim financial information, of all listed entities, non-listed entities with a high public profile, engagements that require an EQC review under applicable laws or regulations, and other engagements as designated by the Risk Management Partner or country Head of Audit.

An EQC review provides reasonable assurance that the team has appropriately identified significant risks, including fraud risks, and has designed and executed audit procedures to address them.

EQC reviewers are required to meet training and experience criteria to perform a quality control review for a particular engagement. Reviewers are independent of the engagement team and audit client and have the appropriate experience and knowledge to perform an objective review of the more critical decisions and judgements made by the engagement team and the appropriateness of the financial statements.

The audit is completed only when the EQC reviewer is satisfied that all significant questions raised have been resolved, though the engagement partner is ultimately responsible for the resolution of accounting and auditing matters.

We continually seek to strengthen and improve the role that the EQC review plays in member firm audits and have taken a number of actions to reinforce this, including issuing best practice guidance, incorporating specific review requirements into our audit workflow, and developing policies relating to recognition, nomination and development of EQC reviewers.



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11.4 Appropriately support and document conclusions

11.4.1 Reporting

Auditing standards and Company Law largely dictate the format and content of the auditors’ report that includes an opinion on the fair presentation of the client’s financial statements in all material respects. Experienced engagement partners form all audit opinions based on the audit performed.

In preparing auditors’ reports, engagement partners have access to extensive reporting guidance and technical support through consultations with our DPP, especially where there are significant matters to be reported to users of the auditors’ report (e.g., a modification to the opinion or through the inclusion of an ‘emphasis of matter’ or ‘other matter’ paragraph, as well as key audit matters to be communicated).

11.4.2 Engagement documentation

KPMG in Ireland audit documentation is completed and assembled according to the timeline established by the firm policy and auditing standards, and we have implemented administrative, technical and physical safeguards to protect the confidentiality and integrity of client and firm information. KPMG International recently adopted policies to apply to all KPMG firms to reduce the time period allowed to assemble audit documentation, which is significantly less than that required by the applicable auditing standards.

# 12. Assessing risks to quality

Through the Global Audit Quality Council and the Global Quality & Risk Management Steering Group (GQRMSG), KPMG International reviews the results of the quality monitoring programmes, reviews firm root causes and planned remedial actions and develops additional global remediation actions as required.

Global remediations are aimed at actions around culture and behaviour across the global organisation and at driving consistent engagement team performance within KPMG firms.



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# 13. Communicating effectively



We recognise that another important contributor to upholding audit quality is to obtain and act upon feedback from key stakeholders.

## 13.1 Provide insights, and maintain open and honest two-way communication

At KPMG in Ireland we stress the importance of keeping those charged with governance informed of issues arising throughout the audit through guidance and supporting resources. We achieve this through a combination of reports and presentations, attendance at audit committee or board meetings, and, when appropriate, ongoing discussions with management and members of the audit committee.

The role of audit committees is key in supporting quality auditing by overseeing the relationship between company and auditor and challenging what auditors do and how they do it.

### Audit Committee Institute

In recognition of the demanding and important role that Audit Committees play for the capital markets and also of the challenges that they face in meeting their responsibilities, the <sup>6</sup>[Audit Committee Institute](https://home.kpmg/xx/en/home/insights/2015/01/governance-reporting/audit-committee-institute.html) (ACI) aims

to help audit committee members enhance their commitment and ability to implement effective audit committee processes.

The ACI operates in more than 40 countries across the globe including KPMG in Ireland and provides audit committee members with guidance on matters of interest to audit committees (such as cyber security and corporate culture); and the opportunity to network with their peers during an extensive programme of technical updates and awareness seminars.

The ACI’s offerings cover the array of challenges facing Audit Committees and businesses today — from risk management and emerging technologies to strategy and global compliance.

Further details and insights on the ACI are available <sup>6</sup>[here](#).

### IFRS Standards Institute

KPMG’s Global IFRS Standards Institute provides information and resources to help Audit Committee members, executives, management, stakeholders and government representatives gain insight and access thought leadership about the evolving global financial and sustainability reporting frameworks.

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6: <https://home.kpmg/xx/en/home/insights/2015/01/governance-reporting/audit-committee-institute.html>



13.2 Conduct and follow-up on the Global People Survey (GPS)

Only with engaged, talented people can KPMG deliver audits in line with our audit quality expectations. Annually KPMG in Ireland personnel are invited to participate in KPMG’s Global People Survey (GPS) to share their perception about their experience of working for KPMG. The GPS provides a measure of our people’s engagement and insights into areas driving engagement. Results can be analysed by several factors, for example functional or geographic area, grade and gender to provide additional focus for action. Through the GPS, KPMG in Ireland gains additional insight on how we are faring on categories known to impact employee engagement. We also cover areas of focus which are directly relevant to audit quality; the survey includes specific audit quality related questions that all individuals who participated in an audit in the previous 12 months are asked to respond to, giving us a particular data set for audit quality related matters.

The survey also provides KPMG in Ireland leadership and KPMG International leadership with results related to quality and risk behaviours, audit quality, upholding the KPMG Values, employee and partner attitudes to quality, leadership and tone at the top.

KPMG in Ireland participates in the GPS, monitors results and takes appropriate actions to communicate and respond to the findings of the survey. The results of the GPS are also aggregated for the entire global organisation and are presented to the Global Board each year and appropriate follow-up actions agreed.

Audit specific analysis of GPS results is also undertaken, with a particular focus on audit quality. Results and key themes are presented to the Global Audit Steering Group on an annual basis for consideration of appropriate remedial action, if needed.



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# 14. Monitoring and remediation

Integrated quality monitoring and compliance programmes enable KPMG firms to identify quality deficiencies, to perform root cause analysis and develop, implement and report remedial action plans, both in respect of individual audit engagements and the overall system of quality control.

## 14.1 Rigorously monitor and measure quality at the local and global level

### 14.1.1 Commitment to continuous improvement

KPMG commits to continually improve the quality, consistency and efficiency of KPMG firm audits. The quality monitoring and compliance programmes are globally consistent in their approach across all member firms, including the nature and extent of testing and reporting. KPMG in Ireland compares the results of its internal monitoring programmes with the results of those of any external inspection programmes and take appropriate action.

### 14.1.2 Internal monitoring and compliance programmes

KPMG in Ireland monitoring programmes are created by KPMG International and applied across KPMG firms. The programmes evaluate both:

- engagement performance in compliance with the applicable standards, applicable laws and regulations, and KPMG International key policies and procedures; and
- KPMG in Ireland compliance with KPMG International key policies and procedures and the relevance, adequacy and effective operation of key quality control policies and procedures.

Our internal monitoring programmes also contribute to the assessment of whether our system of quality control has been appropriately designed, effectively implemented, and operates effectively. These include Quality Performance Reviews (QPR) and Risk Compliance Programmes (RCP), which are conducted annually across the Audit, Tax and Advisory functions.



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The results and lessons from the integrated monitoring programmes are communicated internally and appropriate action is taken at local, regional and global levels.

Audit Quality Performance Reviews (QPRs)

The Audit QPR programme assesses engagement level performance and identifies opportunities to improve engagement quality.

Risk-based approach

Each engagement leader in every KPMG firm is reviewed at least once in a three-year cycle. A risk-based approach is used to select engagements.

KPMG in Ireland conducts the annual QPR programme in accordance with KPMG International QPR instructions. The reviews are performed at KPMG in Ireland level and are monitored regionally and globally. Firm Audit QPR reviews are overseen by a senior experienced lead reviewer independent from the firm.

Reviewer selection, preparation and process

There are robust criteria for selection of reviewers. Review teams include senior experienced lead reviewers that are independent of the firm under review.



Training is provided to review teams and others overseeing the process, with a focus on topics of concern identified by audit oversight regulators and the need to be as rigorous as external reviewers.

Evaluations from Audit QPR

Consistent criteria are used to determine engagement ratings and member firm Audit practice evaluations.

Audit engagements selected for review are rated as ‘Satisfactory’, ‘Performance Improvement Needed’ or ‘Unsatisfactory’.

Reporting

Findings from the QPR programme are disseminated to firm professionals through written communications, internal training tools, and periodic partner, manager and staff meetings.

These areas are also emphasised in subsequent inspection programmes to gauge the extent of continuous improvement.

Lead audit engagement partners (LAEPs) are notified of unsatisfactory ratings on their respective cross-border engagements. Additionally, LAEPs of parent companies/ head offices are notified where a subsidiary/affiliate of their client group is audited by a member firm where significant quality issues have been identified during the QPR.

Global Audit Quality Monitoring Group (GAQMG)

The GAQMG identifies issues to help drive audit quality. The group comprises a team of partners, directors and senior managers experienced in performing programme reviews of listed and related entity (LRE) audit engagements. The team also includes partners and professionals with experience in auditing general information technology controls and application controls.

Risk Compliance Programme (RCP)

KPMG International develops and maintains quality control policies and processes that apply to all KPMG firms. These policies and processes, and their related procedures, include the requirements of ISQC 1. During the annual RCP, we perform a robust assessment programme consisting of documentation of quality controls and procedures, related compliance testing and reporting of exceptions, action plans and conclusions.

The objectives of the RCP are to:

- document, assess and monitor the extent of compliance of KPMG in Ireland’s system of quality control with Global Quality & Risk Management (GQ&RM) policies and key legal and regulatory requirements; and
- provide the basis for KPMG in Ireland to evaluate that the firm and its personnel comply with relevant professional standards and applicable legal and regulatory requirements.

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Where deficiencies are identified, we are required to develop appropriate action plans and then monitor the status of each action item.

Global Quality & Compliance Review (GQ&CR) programme

Each KPMG firm is subject to a GQ&CR conducted by KPMG International’s GQ&CR team, independent of the member firm, at various intervals based on identified risk criteria

The GQ&CR team performing the review is independent of the firm and is objective and knowledgeable of GQ&RM policies. GQ&CRs assess compliance with selected KPMG International policies and procedures and share best practices among member firms. The GQ&CR provides an independent assessment of:

- a firm’s commitment to quality and risk management (tone at the top) and the extent to which its overall structure, governance and financing support and reinforce this commitment;
- a firm’s compliance with KPMGI policies and procedures; and
- the robustness with which the member firm performs its own compliance programme (RCP).

KPMG in Ireland develop action plans to respond to all GQ&CR findings that indicate improvement is required and agree these with the GQ&CR team. Our progress on action plans is monitored by the GQ&CR central team. Results are reported to the GQ&RM Steering Group and where necessary, to appropriate KPMG International and regional leadership.

14.1.3 Area Quality & Risk Management Leaders

The Global Head of Quality, Risk and Regulatory appoints Area Quality & Risk Management Leaders (ARLs) who serve a regular and ongoing monitoring function to assess the effectiveness of a member firm’s efforts and processes to identify, manage and report significant risks that have the potential to damage the KPMG brand. Significant activities of the ARL, including member firm issues identified and related member firm response/remediation, are reported to GQ&RM leadership.



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14.2 Obtain, evaluate and act on stakeholder feedback

14.2.1 Regulators

KPMG in Ireland is registered as a statutory audit firm with Chartered Accountants Ireland (CAI). Our audit registration was renewed with CAI in July 2021. CAI is subject to oversight by The Irish Auditing and Accounting Supervisory Authority (IAASA) which is the independent statutory audit oversight body in Ireland.

KPMG in Ireland is also registered with the US PCAOB, the Isle of Man Financial Supervision Commission, the Jersey Financial Services Commission, the Guernsey Registry, the Japanese Financial Services Agency and the Canadian Public Accountability Board.

IAASA has been carrying out independent inspections of the Public Interest Entity audit firms, including KPMG in Ireland for a number of years. IAASA completed whole of firm and file reviews of KPMG in Ireland during 2021. The public report on the inspection was released in March 2022 and made available on the IAASA website at <http://www.iaasa.ie/Publications/Audit-Quality>.

The firm is also subject to review by the Professional Standards department of CAI in relation to audits of non-PIE entities. Professional Standards is the department within CAI which is responsible for developing standards of professional conduct and supervising the compliance of member firms in their execution of statutory audits. Our most recent inspection by CAI was in 2020.

The US PCAOB perform inspections of KPMG in Ireland in accordance with their policies for inspection of overseas audit firms. The most recent inspection of KPMG in Ireland took place in 2018 with their report published in September 2019. The report is available at <https://pcaobus.org/oversight/inspections/firm-inspection-reports>.

For each regulatory inspection of the firm, we establish a remedial action plan in response to the findings and recommendations of the relevant regulator and work constructively with the regulator to ensure that the actions are agreed and responsive to the identified issues. The effectiveness of the remedial actions are monitored by the firm and evidence of the implementation of the actions are provided to the regulator.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through its Global Audit Quality Working Group (GAQ WG), to discuss thematic audit quality issues along with targeted strategies for improvement. We value the open, honest and transparent dialogue that IFIAR facilitates on global audit quality issues.

Every KPMG firm is expected to maintain professional and respectful relationships with regulators, including proactively engaging, responding to questions in a timely manner and taking appropriate remedial actions.

14.2.2 Client feedback

We proactively seek feedback from clients through in-person conversations and third-party surveys to monitor their satisfaction with services delivered. We endeavour to take this feedback and make dynamic changes at both the engagement level and firm level to meet clients’ needs.

14.2.3 Monitoring of complaints

We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our general terms of business.



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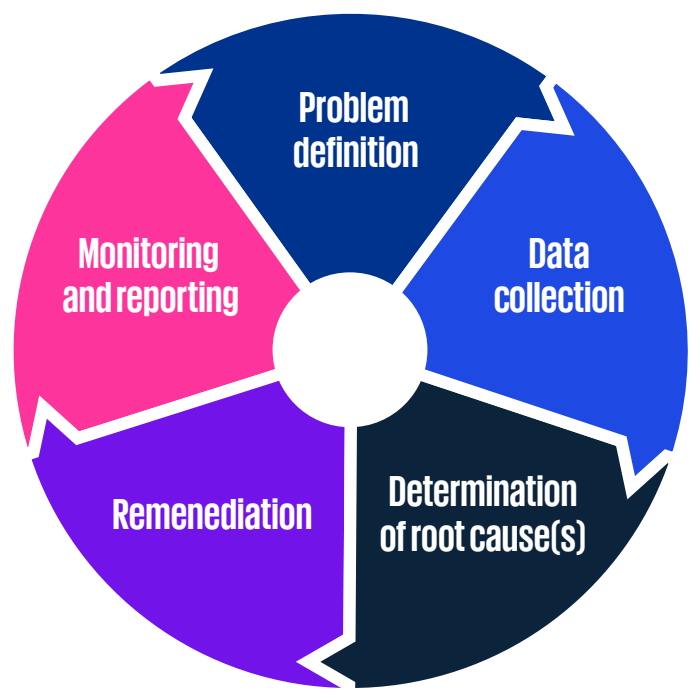
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14.3 Perform root cause analysis

KPMG in Ireland conducts Root Cause Analysis (RCA) in respect of audit quality issues. In 2021, RCA training based on our Global RCA 5 Step Principles was attended by those individuals at KPMG in Ireland who will be performing RCA or directing those performing RCA. The training provides a common platform for advancing the practices and skills associated with resourcing, planning and conducting RCA.

The Global RCA 5 Step Principles are as follows:



It is the responsibility of all KPMG firms to perform RCA and thereby identify and subsequently develop appropriate remediation plans for the audit quality issues identified.

KPMG in Ireland’s Head of Audit has executive accountability and responsibility to stakeholders and external regulators for audit quality and the system of quality management as it relates to the Audit function. The Head of Audit is supported by an Audit leadership team which holds operational accountability and responsibility for audit quality and the system of quality management for the Audit function. The firm’s Risk Management Partner monitors the remediation plans implementation.

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# 15. Corporate Citizenship



At KPMG in Ireland we believe in Corporate Citizenship. It is at the heart of all great organisations, and we are committed to making a real difference to the communities in which we operate. All organisations have a social responsibility to their people, their clients and to society. We believe a real commitment to Corporate Citizenship unites an organisation, strengthens its reputation and creates vital links with the communities in which it operates. We want our employees to be part of this effort and to be actively involved in Corporate Citizenship activities that will ultimately make a positive impact on society.

KPMG in Ireland strives to create a well-rounded Corporate Citizenship programme. In recognition of this, our initiatives have been grouped into a number of categories: Community, Charity, Education, Sustainability and Workplace/Marketplace.

We measure our Corporate Citizenship activity in our communities through a number of key metrics. Our metrics for the year to 31 December 2021 are set out below.

Community Connections	144
Employee Volunteer Hours	12,347
Cash Donations	€773,727
Employee Fundraising	€163,815
In-kind Donations	€1,055,878

Corporate Citizenship involves creating innovative and proactive solutions to societal and environmental challenges, as well as collaborating with both internal and external stakeholders to maximise the impact of our Corporate Citizenship activity in our community. The firm is committed to playing a leading role in achieving a sustainable future. We take responsibility for our actions and promote responsible business practices, support the growth and development of our people and communities, embed Corporate Citizenship in our Values and business processes and create a distinctive business in a responsible way.

## Community

We have an opportunity to play a significant role in positively impacting our surrounding communities. The education obtained by our people and their work ethic serves as a good example to the youth in our community and allows us to engage with many organisations in the wider community such as the Business in the Community Ireland – EPIC programme which support marginalised jobseekers. KPMG has partnered with them to provide a mentoring programme for immigrant jobseekers. Volunteers partake in 1:1 mentoring, providing CV advice, interview practise and career guidance to equip people with the skills and confidence they need to gain employment in a highly challenging climate. 85% of mentees on the KPMG mentoring programmes made significant progress in their job search by starting employment, enrolling in appropriate training or starting work experience.

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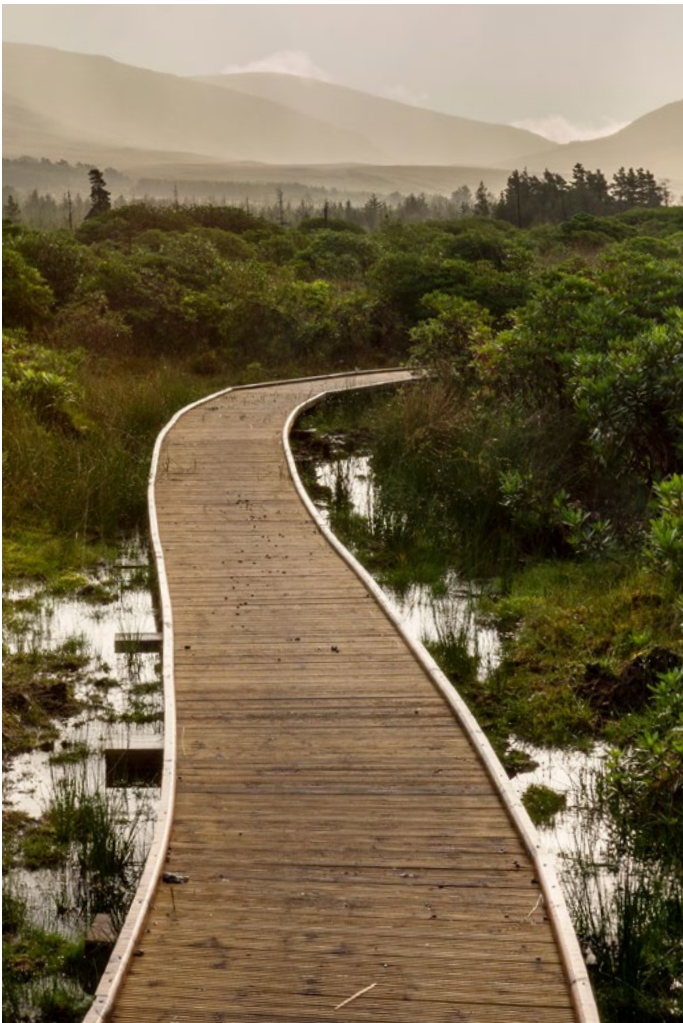
The Get Cents programme sees KPMG in Ireland volunteers work with early school leavers (aged 16-21) to develop their financial know-how in managing their money, budgeting and saving.

KPMG in Ireland partners with St. Michael’s House and sponsors their corporate volunteer programme. Volunteers engage in a variety of activities such as painting projects, clean-ups and sports days.

Charity

Each year KPMG in Ireland supports individual staff members who fundraise for their own personal charities and gives them a donation towards their fundraising efforts based on the amount raised. This ensures that the firm supports a wide range of charities that our people feel passionate about.

2021 was the fifteenth year of the Denis O’Connor Walk, which has raised over €650,000 for various charities to date. The Denis O’Connor Walking Festival is an annual event that aims to raise funds for deserving causes. For the last number of years, people in KPMG in Ireland, our alumni, and family and friends have raised money for a number of charities. In 2021 we had over 80 people participate in our virtual walk and raised €25,000 for Jigsaw.



Education

Education is one of the key pillars of KPMG in Ireland’s Corporate Citizenship strategy and we believe that education is paramount in terms of its contribution to the development of a successful society. Our education programme allows us to further the capacity of schools and colleges, work with children and young people to advance potential, and invest in skills that support enterprise in the community. As part of this initiative through Business in the Community Ireland, KPMG in Ireland has forged a highly successful relationship with CBS Westland Row School. This programme involves KPMG in Ireland people mentoring 5th and 6th year students and making a real difference in their lives.

KPMG in Ireland is also working with Business in the Community on a programme called ‘Time to Read’. This programme involves volunteers from businesses, including KPMG in Ireland, providing one to one reading support to second class students in City Quay National School. The desired outcomes of the programme are to: increase the enjoyment of reading; improve fluency and comprehension when reading; increase confidence in reading; and improve and encourage self-discovery.

As part of our focus on literacy KPMG has taken over as title sponsor of the KPMG Children’s Books Ireland Awards which have been running for 30 years. The annual awards recognise the importance of reading for children and the impact of literacy on society.

In September 2021 KPMG and Children’s Books Ireland announced the launch of Free To Be Me: The Diversity, Inclusion and Representation project. The project showcases the rich diversity of modern Ireland and aims to ensure that every child can see themselves reflected in a book, as well as learning about the lives of others whose experiences and perspectives may differ from their own. The Free To Be Me reading guide contains over 360 book recommendations compiled by a team of expert reviewers, each title chosen for its portrayal of diverse characters, themes and experiences.

KPMG volunteers did virtual workshops with 10 schools across the country to build excitement about the project, leading creative workshops and giving each school a Little Library of 100 books from the guide.

In December 2021 KPMG, Children’s Books Ireland and the Arts Council gifted 7,180 books to children in need at Christmas. The books were distributed via Threshold, Barnardos, Children in Hospital Ireland, BUMBLEance, St Vincent de Paul and various direct provision centres.

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KPMG in Ireland has played a central role in establishing Enactus in Ireland. Enactus is an international non-profit organisation, founded in the US that works with leaders in business and higher education to mobilise university students to make a positive difference in their communities while developing the skills to become socially responsible business leaders. This is a way of uniquely engaging students by:

- giving them personal development opportunities;
- showcasing their talents and skills to a key business audience;
- getting students to be more socially aware and put in place solutions to community, environment and social issues;
- utilising the skillsets of students to put their academic learning into real-life practice; and
- potentially having the honour and prestige of being crowned the Enactus Ireland National winner and going on to represent Ireland at the Enactus World Cup.

There are 1,600 universities in 37 countries around the world participating in Enactus and this is a wonderful opportunity to showcase the best of Irish talent. The Board of Directors of Enactus Ireland is chaired by a representative of KPMG in Ireland. The Board also consists of the CEOs of Enactus Ireland’s other sponsors. In the 2020/21 academic year, ten third level institutions participated in the initiative.

**<sup>1</sup>Sustainability**

We are pleased to confirm that KPMG in Ireland renewed its carbon neutral status for 2020/21. KPMG in Ireland was the first professional services firm to achieve carbon neutral status in January 2007.

KPMG in Ireland has demonstrated huge commitment to the sustainability agenda. Since 2010 the firm has reduced

our Scope 1 and Scope 2 emissions by 50%. We are now focusing on Scope 3 emissions up-stream and down-stream in our supply chain. We have taken a rigorous approach, using our in-house experts in the Sustainable Futures business unit to project KPMG’s path to decarbonisation.

We will be working closely with our people to educate colleagues on the new commitments and mobilise teams to support the journey towards a more sustainable future.

**Workplace/Marketplace**

We have a range of workplace and marketplace policies and practices in the Corporate Citizenship area. As part of a workplace Corporate Citizenship Initiative, KPMG in Ireland has a workplace entrepreneurial programme to encourage staff to address local social and environmental needs. Project Bright is an innovative workplace initiative aimed at encouraging staff to be social entrepreneurs. Staff participate in a competition to identify social issues and then develop unique solutions that make a real difference to the associated community organisation, utilising the skillset of our own employees. Through this initiative KPMG in Ireland is:

- directly engaging with staff;
- encouraging them to be innovative;
- getting the winning team to project manage the winning idea;
- empowering them to engage with a broad cross-section of their peers; and
- giving the winning team a tremendous development opportunity to work on a project they are passionate about.

The winner of the 2021 Project Bright programme was called KPMG Sustainable Switch Up, which focused on creating awareness about the environmental impact of food waste, travel, energy consumption, water waste and recycling.

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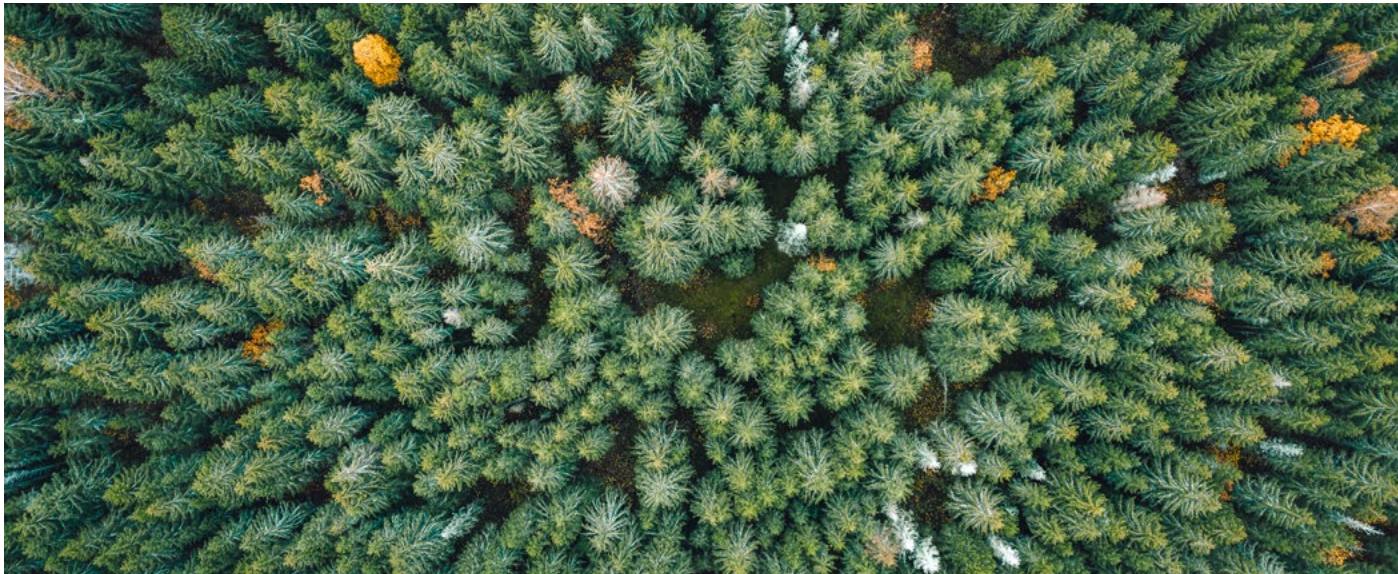
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1: <https://home.kpmg/ie/en/home/insights/2022/04/transparency-impact-report.html>

# 16. 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 2021 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 Public Interest Entities (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 statutory auditor or the audit firm.
- 4 Revenues from non-audit services to other entities.

Financial information for year end 31 December 2021 and 2020 in euro million is detailed below.

Service	2021 Revenue € million	Percent
Statutory audits and directly related services for PIEs	17	3
Other audit services and directly related services for non-PIEs	123	25
Non-audit services provided to audit clients	88	17
Non-audit services provided to other entities	276	55
Total Revenue	504	100

Service	2020 Revenue € million	Percent
Statutory audits and directly related services for PIEs	17	4
Other audit services and directly related services for non-PIEs	114	26
Non-audit services provided to audit clients	63	15
Non-audit services provided to other entities	240	55
Total Revenue	434	100

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The classification above for audit work includes a small proportion of revenues derived from other assurance services which are directly related to audit.

As the firm’s business has grown, we have invested very significantly in additional skills and resources. Our headcount has grown from 3,283 at 31 December 2020 to 3,802 at 31 December 2021.

The firm’s Chief Financial Officer is responsible for the preparation of financial information. Financial performance is reviewed on a monthly basis and is discussed at partners’ meetings.

The Executive Team has a reasonable expectation that the firm has adequate resources to continue in operational existence for the foreseeable future and therefore considers that the firm is a going concern.

The identification, evaluation, management and monitoring of the most significant risks that face our firm and could threaten the achievement of our strategic objectives are the joint responsibility of the Executive Team and Policy Committee.

Our enterprise risk management framework (ERM) involves identifying, assessing and mitigating material risks to the firm and our stakeholders. The Executive Leadership Team meets periodically to review and update the ERM framework and identify appropriate mitigating actions for material risks. Emerging risks and issues are discussed and mitigating actions agreed upon.



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# 17. Partner remuneration



Partners are remunerated out of the distributable profits of the firm as set out in the partnership accounts and as approved by the partnership. The determination of the profits available for distribution is based on the results of the firm as a whole and is not dependent directly on the performance of any particular line of business or function. The final allocation of profits to partners is made after assessing each partner’s contribution for the year. This assessment is considered on an individual basis by the Remuneration Committee.

Each partner is required to submit a formal appraisal to the Remuneration Committee detailing his/her own view of performance against objectives over the previous year. The Committee hears a report from each partner’s Counselling Partner on his/her individual performance for the year, including their contribution to audit quality on their engagements and to the audit quality agenda. Finally, as part of its deliberations, the Remuneration Committee also receives and considers presentations from the Heads of Audit, Tax and Legal Services, Deal Advisory and Consulting, Markets, Risk Management, and People and Operations setting out an assessment of the quality of work performed by each partner during the year under review.

The Remuneration Committee details its findings and its recommendations in relation to profit allocations in a report at the end of the review process which is then circulated to all partners for their approval before the profit allocations for the year are finalised. Partner remuneration comprises

primarily a predetermined proportion of the profits arising which reflects the seniority and experience of each partner.

In addition to the profit share as described above, certain partners also receive a bonus payment, or special award, based on a number of criteria.

Our policies for all elements of partner remuneration take into account a number of factors including the quality of work, the link between quality and partner remuneration, excellence in client service, growth in revenue and profitability, leadership and supporting the firm’s values.

Audit partners are not permitted to have any objectives related to, or receive any remuneration based on, selling non-audit services to the firm’s audit clients.

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# 18. Network arrangements



## 18.1 Legal structure

### Legal structure

On 1 October 2020, KPMG in Ireland and all other KPMG firms entered into new membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation became members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

Since 1 October 2020, KPMG International Limited has been the coordinating entity for the overall benefit of the KPMG member firms. It does not provide professional services to clients. Professional services to clients are exclusively provided by member firms.

KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

Pursuant to their membership agreements with KPMG International, member firms are required to comply with KPMG International’s policies, including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes being professionally and financially stable; having an ownership,

governance and management structure that ensures continuity and stability and long-term success; and being able to comply with policies issued by KPMG International, adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

KPMG International Limited and the KPMG member firms are not a global partnership, single firm, multinational corporation, joint venture, or in a principal or agent relationship or partnership with each other. No member firm has any authority to obligate or bind KPMG International Limited, any of its related entities or any other member firm vis-à-vis third parties, nor does KPMG International Limited or any of its related entities have any such authority to obligate or bind any member firm.

Further detail on the revised legal and governance arrangements for the KPMG global organisation from 1 October 2020 can be found in section ‘Governance and leadership’ of the [2021 KPMG International Transparency Report](#).

The name of each audit firm that is a member of the organisation and the EU/EEA countries in which each firm is qualified as a statutory auditor or has its registered office, central administration or principal place of business are available in Appendix 3.

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**Total turnover achieved by EU/EEA audit firms resulting from the statutory audit of annual and consolidated financial statements\***

Aggregated revenues generated by KPMG firms, from EU and EEA Member States resulting from the statutory audit of annual and consolidated financial statements was 2.05 billion euros during the year ending 30<sup>th</sup> September 2021. The EU/EEA aggregated statutory audit revenue figures are presented to the best extent currently calculable and translated at the average exchange rate prevailing in the 12 months ended 30<sup>th</sup> September 2021.

*\*The financial information set forth represents combined information of the separate KPMG firms from EU and EEA Member States that perform professional services for clients. The information is combined here solely for presentation purposes. KPMG International performs no services for clients nor, concomitantly, generates any client revenue.*

**18.2 Responsibilities and Obligations of Member Firms**

Under agreements with KPMG International, member firms are required to comply with KPMG International’s policies and regulations including quality standards governing how they operate and how they provide services to clients to compete effectively. This includes having a firm structure that ensures continuity and stability and being able to adopt global strategies, share resources (incoming and outgoing), service multi-national clients, manage risk, and deploy global methodologies and tools.

Each KPMG firm takes responsibility for its management and the quality of its work. Member firms commit to a common set of KPMG Values (as set out on page 12).

KPMG International’s activities are funded by amounts paid by member firms. The basis for calculating such amounts is approved by the KPMG International Global Board and consistently applied to the firms. A firm’s status as a KPMG member firm and its participation in the KPMG global organisation may be terminated if, among other things, it has not complied with the policies set by KPMG International or any of its other obligations owed to KPMG International.

**18.3 Professional Indemnity Insurance**

Insurance cover is maintained in respect of professional negligence claims. The cover provides a territorial coverage on a worldwide basis.

**18.4 Governance structure**

The key governance and management bodies of KPMG International are the Global Council, the Global Board, and the Global Management Team.

**Global Council**

The Global Council focuses on high-level governance tasks and provides a forum for open discussion and communication among member firms.

Among other things, the Global Council elects the Global Chairman and also approves the appointment of Global Board members. It includes representation from 56 KPMG firms that are “members” of KPMG International Limited as a matter of English law.



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Global Board

The Global Board is the principal governance and oversight body of KPMG International. The key responsibilities of the Global Board include approving global strategy, protecting and enhancing the KPMG brand and reputation, overseeing the Global Management Team and approving policies with which KPMG firms are required to comply. It also approves the admittance or termination of KPMG firms to/from the global organisation.

It is led by the Global Chairman, Bill Thomas, and also includes the Chairman of each of the regions (the Americas; Asia Pacific (ASPAC); and Europe, the Middle East, and Africa (EMA)), and a number of members who are also member firm Senior Partners.

The list of current Global Board members is set out on the <sup>8</sup>[Leadership page of kpmg.com](#).

Global Board committees:

The Global Board is supported in its oversight and governance responsibilities by several committees,

including:

- Executive Committee;
- Governance Committee;
- Global Quality, Risk & Reputation Committee; and
- Global Audit Quality Committee.

The overarching responsibility of the Global Audit Quality Committee is to strive for globally consistent audit quality across all firms and to oversee those KPMG International activities which relate to improving and maintaining the consistency and quality of audits provided by KPMG firms.

Global Management Team

The Global Board has delegated certain responsibilities to the Global Management Team. These responsibilities include developing the global strategy by working together with the Executive Committee, and jointly recommending the global strategy to the Global Board for its approval. The Global Management Team also supports KPMG firms in their execution of the global strategy and KPMG International decisions and policies by member firms, including holding them accountable against their commitments. It is led by the Global Chairman, Bill Thomas.

The list of current Global Management Team members is available in the <sup>8</sup>[Leadership section](#) on KPMG.com.

Global Steering Groups

There is a Global Steering Group for each key function and infrastructure area, chaired by the relevant member of the Global Management Team and, together they assist the Global Management Team in discharging its responsibilities. They act under delegated authority from the Global Board and oversight by the Global Management Team (GMT). Under the oversight of the GMT, they promote the execution of the global strategy and compliance with KPMG International decisions and policies by member firms.

In particular, the Global Audit Steering Group and Global Quality & Risk Management Steering Group work closely with regional and member firm leadership to:

- Establish, and ensure communication of, appropriate audit and quality/risk management policies;
- Establish and support effective and efficient risk processes to promote audit quality;
- promote and support the implementation of strategy implementation in member firms’ audit functions, including standards of audit quality; and
- assess and monitor audit engagement quality, including issues arising from quality performance and regulatory reviews, and focus on best practices to increase audit quality.

The roles of the Global Audit Steering Group and the Global Quality & Risk Management Steering Group are detailed in section ‘Governance and leadership’ of the <sup>7</sup>[2021 KPMG International Transparency Report](#).

Each firm is part of one of three regions (the Americas, ASPAC, and EMA). Each region has a Regional Board comprising a regional chairman, regional chief operating officer, representation from any sub-regions, and other members as appropriate. Each Regional Board focuses specifically on the needs of member firms within their region and assists in the implementation of KPMG International’s policies and processes within the region.

Further details about KPMG International including the governance arrangements for the year ending 30 September 2021, can be found in section ‘Governance and leadership’ of the <sup>7</sup>[2021 KPMG International Transparency Report](#).

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7: <https://home.kpmg/xx/en/home/about/kpmg-international-transparency-report.html>

8: <https://home.kpmg/xx/en/home/about/who-we-are/our-leadership.html>

# 19. Statement by the Policy Committee of KPMG in Ireland on the effectiveness of quality controls and independence

The measures and procedures that serve as the basis for the system of quality control for KPMG in Ireland outlined in this report aim to provide a reasonable degree of assurance that the statutory audits carried out by our firm comply with the applicable laws and regulations. Because of its inherent limitations, the system of quality control is not intended to provide absolute assurance that non-compliance with relevant laws and regulations would be prevented or detected.

The Policy Committee of KPMG in Ireland has considered:

- the design and operation of the quality control systems as described in this report;
- the findings from the various compliance programmes operated by our firm (including the KPMG International review programmes as described in section 14.1.2 and our local compliance monitoring programmes); and
- findings from regulatory inspections and subsequent follow up and/or remedial actions.

Taking all of this evidence together, the Policy Committee of KPMG in Ireland confirms with a reasonable level of assurance that the systems of quality control within our firm have operated effectively in the year to 31 December 2021.

Further, the Policy Committee of KPMG in Ireland confirms that an internal review of independence compliance within our firm has been conducted in the year to 31 December 2021.

## Policy Committee

KPMG in Ireland  
21 April 2022

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# Details of those charged with governance at KPMG in Ireland

## <sup>9</sup>Executive Team



**Seamus Hand**  
Managing Partner



**Sean O'Keefe**  
Head of Audit



**Tom Woods**  
Head of Tax & Legal Services



**Mark Collins**  
Head of Deal Advisory



**Paul Toner**  
Head of Consulting



**Declan Keane**  
Head of Markets: Innovation, Investment & Technology



**Emer McGrath**  
Head of Markets: CGE



**Hugh Crehan**  
Head of Markets: Financial Services



**David Wilkinson**  
Risk Management Partner



**Mark Mulqueen**  
Chief Financial Officer



**Colm Gorman**  
Head of People & Operations

<sup>9</sup>: To find out more about our people visit  
<https://home.kpmg/ie/en/home/about/meet-our-people.html>

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**Seamus Hand**  
Managing Partner



**Niamh Marshall**  
Audit Partner



**Cliona Mullen**  
Audit Partner



**Jim Clery**  
Tax Partner



**Ian Nelson**  
Consulting Partner



**Kieran Wallace**  
Deal Advisory Partner



**Kieran O'Brien**  
Consulting Partner/  
Secretary

*Rotated off May 2021*



**Emma O'Driscoll**  
Audit Partner/Secretary

*Appointed May 2021*



**David Meagher**  
Audit Partner

*Retired May 2021*



**Tim Lynch**  
Tax Partner

*Appointed May 2021*



**Johnny Hanna**  
Tax Partner



**Kevin Cohen**  
Tax Partner

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<sup>9</sup>: To find out more about our people visit  
<https://home.kpmg/ie/en/home/about/meet-our-people.html>



# Appendix 2: Public Interest Entities

The list of public interest entity audit clients for which KPMG in Ireland has signed an audit opinion in the year ended 31 December 2021 is given below. The definition of public interest for this purpose is that given under the provisions of the European Union (Statutory Audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU and Regulation (EU) No 537/2014) Regulations 2016 (S.I. No. 312 of 2016)

- |   |  |
|---|--|
| — Acorn Life Designated Activity Company                                | — ECCU Assurance Designated Activity Company   |
| — Adidas International Re Designated Activity Company                   | — Euro Insurances Designated Activity Company  |
| — Amtrust International Underwriters Designated Activity Company        | — Everest Reinsurance Company (Ireland), Designated Activity Company                                 |
| — Amundi Physical Metals Plc  | — Fidelis Insurance Ireland Designated Activity Company  |
| — Arkema Insurance Designated Activity Company                          | — Flexshares® Developed Markets High Dividend Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV)  |
| — Bank of Ireland Group Plc   | — Flexshares® Developed Markets Low Volatility Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV) |
| — Bank of Ireland Mortgage Bank Unlimited Company                       | — Flutter Entertainment plc  |
| — Barclays Bank Ireland Plc   | — GE Capital European Funding Unlimited Company  |
| — Bupa Global Designated Activity Company                               | — Glenveagh Properties PLC   |
| — Cairn Homes plc   | — Global Insurance Settlements Funds Plc   |
| — Citibank Europe Plc   | — Green Effects Investment Plc   |
| — Citizen Irish Auto Receivables Trust 2018 Designated Activity Company | — GRENKE Finance Plc   |
| — Citizen Irish Auto Receivables Trust 2020 Designated Activity Company | — Hansard Europe Designated Activity Company   |
| — Codeve Insurance Company Designated Activity Company                  | — Heta Funding Designated Activity Company   |
| — Dalata Hotel Group plc  | — HSBC ETFs Plc  |
| — DCC Group Insurances Designated Activity Company                      | — HSBC Global Liquidity Funds Plc  |
| — Dilosk RMBS No.2 Designated Activity Company                          | — Ignis Strategic Solutions Funds Plc  |
| — Dilosk RMBS No.3 Designated Activity Company                          | — ING Captive Re Designated Activity Company   |

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- Intesa Sanpaolo Bank Ireland Plc

— Intesa Sanpaolo Life Designated Activity Company

— Inveralmond Insurance Designated Activity Company

— Invesco Markets Plc

— Invesco Physical Markets Plc

— Irish Residential Properties REIT plc

— Kenmare Resources plc

— KraneShares Bloomberg Barclays China Bond Inclusion UCITS ETF (a sub-fund of KraneShares ICAV)

— KraneShares CSI China Internet UCITS ETF (a sub-fund of KraneShares ICAV)

— KraneShares MSCI China A Share UCITS ETF (a sub-fund of KraneShares ICAV)

— KraneShares MSCI China ESG Leaders UCITS ETF (a sub-fund of KraneShares ICAV)

— LBB Finance (Ireland) Plc

— Lyxor Managed Futures Fund (a sub-fund of Epsilon)

— Magna Umbrella Fund Plc

— Marriott International Funds Plc

— MMC Finance Designated Activity Company

— Navillus Insurance Company Designated Activity Company

— New Ireland Assurance Company Plc

— North of England P&I Designated Activity Company

— Oaks Emerging Umbrella Fund Plc

— Pan Insurance Designated Activity Company

— Pharma International Insurance Designated Activity Company

— Prudential International Assurance Plc

— RSA Insurance Ireland Designated Activity Company

— Ryanair Designated Activity Company

— Ryanair Holdings plc
- SCOR Global Life Reinsurance Ireland Designated Activity Company

— SCOR Life Ireland Designated Activity Company

— Smurfit Kappa Group plc

— Sofinsod Insurance Designated Activity Company

— Squadron Reinsurance Designated Activity Company

— Star Compass Public Limited Company

— The Governor and Company of the Bank of Ireland

— Travelers Insurance Designated Activity Company

— VanEck Vectors UCITS ETFs Plc

— XTrackers ETC Plc

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# Appendix 3:

# List of KPMG audit entities

# located in EU/EEA

This is a list of KPMG audit firms as defined in Article 2(3) of EU Directive 2006/43/EC which are located in EU/EEA countries. It has been prepared solely for the purpose of compliance by KPMG member firms with Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC. It is prepared on behalf of KPMG International Limited, a company limited by guarantee incorporated in England and Wales, which provides no professional services to clients. To the best of our knowledge, the list is accurate as of 30 September 2021. However, we cannot and do not warrant its accuracy at any given time.

Location	Firm name
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Wien)
Austria	KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (Linz)
Austria	KPMG Niederösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Belgium	KPMG Bedrijfsrevisoren/KPMG Réviseurs d'Entreprises
Bulgaria	KPMG Audit OOD
Croatia	KPMG Croatia d.o.o. za reviziju
Cyprus	KPMG
Cyprus	KPMG Limited
Czech Republic	KPMG Česká republika Audit, s.r.o.
Denmark	KPMG P/S
Estonia	KPMG Baltics OÜ
Finland	KPMG Oy Ab
Finland	KPMG Julkistarkastus Oy
France	KPMG Associés S.A.
France	KPMG Audit Est S.A.S.
France	KPMG Audit FS I S.A.S.
France	KPMG Audit ID S.A.S.
France	KPMG Audit IS S.A.S.
France	KPMG Audit Nord S.A.S.
France	KPMG Audit Ouest S.A.S.
France	KPMG Audit Paris et Centre S.A.S.
France	KPMG Audit Rhône Alpes Auvergne S.A.S.

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Location	Firm name
France	KPMG Audit Sud-Est S.A.S.
France	KPMG Audit Sud-Ouest S.A.S.
France	KPMG Fiduciaire de France
France	KPMG SA
France	SALUSTRO REYDEL S.A.
Germany	KPMG AG Wirtschaftsprüfungsgesellschaft
Germany	KPMG Bayerische Treuhandgesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	KPMG Certified Auditors S.A.
Greece	KPMG Auditing A.E.
Hungary	KPMG Hungária Kft./KPMG Hungary Ltd.
Iceland	KPMG ehf.
Ireland	KPMG
Italy	KPMG S.p.A.
Italy	KPMG Audit S.p.A.
Latvia	KPMG Baltics SIA
Liechtenstein	KPMG (Liechtenstein) AG
Lithuania	KPMG Baltics' UAB
Luxembourg	KPMG Luxembourg
Malta	KPMG
Netherlands	KPMG Accountants N.V.
Norway	KPMG Holding AS
Norway	KPMG AS
Poland	KPMG Audyt Services Sp z.o.o.
Poland	KPMG Audyt Sp. Z ograniczoną odpowiedzialnością
Poland	KPMG Audyt Sp. Z ograniczoną odpowiedzialnością Spółka Komandytowa
Portugal	KPMG & Associados — Sociedade de Revisores Oficiais de Contas, S.A.
Romania	KPMG Audit SRL
Slovakia	KPMG Slovensko spol. s r.o.
Slovenia	KPMG Slovenija, podjetje za revidiranje, d.o.o.
Spain	KPMG Auditores, S.L.
Sweden	KPMG AB

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