

Transparency Report 2022

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

Contents

1	Message from our Managing Partner	4
2	Message from our Head of Audit	6
3	Message from the Chair of the Public Interest Committee	9
4	Profiles of Independent Non-Executive members of the Public Interest Committee	11
5	Living our culture and values	12
	5.1 Fostering the right culture, starting with tone at the top	12
	5.2 Clearly articulated strategy focused on quality, consistency, trust and growth	16
	5.3 Defined accountabilities, roles and responsibilities, including for leadership	17
	5.4 Overseen using robust governance structures	18
6	Applying expertise and knowledge	22
	6.1 Methodology aligned with professional standards, laws and regulations	22
	6.2 Deep technical expertise and knowledge	23
	6.3 Quality and risk management manual	23
7	Embracing digital technology	24
	7.1 Intelligent, standards-driven audit workflow	24
	7.2 KPMG Clara	24
8	Nurturing diverse skilled teams	27
	8.1 Recruiting appropriately qualified and skilled people, including specialists, with diversity of perspective and experience	27
	8.2 Assigning an appropriately qualified team	29
	8.3 Investing in data centric skills – including data mining, analysis and visualisation	29
	8.4 Focused learning and development on technical expertise, professional acumen and leadership skills	30
	8.5 Recognising quality	31

► Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

9	Associating with the right clients and engagements	32
	9.1 Following the client and engagement acceptance and continuance policies	32
	9.2 Accepting appropriate clients and engagements	32
	9.3 Managed portfolio of clients	33
10	Being independent and ethical	34
	10.1 Acting with integrity and living our values	34
	10.2 Maintaining an objective, independent and ethical mindset, in line with the Code	35
	10.3 Zero tolerance of bribery and corruption	39
11	Performing quality audit engagements	40
	11.1 Consulting when appropriate	40
	11.2 Critically assessing audit evidence, using professional judgement and scepticism	41
	11.3 Direct, coach, supervise and review	42
	11.4 Appropriately support and document conclusions	43
12	Assessing risks to quality	43
13	Communicating effectively	44
	13.1 Provide insights, and maintain open and honest two-way communication	44
	13.2 Conduct and follow-up on the Global People Survey (GPS)	45
14	Monitoring and remediation	46
	14.1 Rigorously monitor and measure quality	46
	14.2 Obtain, evaluate and act on stakeholder feedback	48
	14.3 Perform root cause analysis	49
15	Corporate Citizenship	50
16	Financial Information	53

► Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

17	Partner remuneration	55
18	Network arrangements	56
	18.1 Legal structure	56
	18.2 Responsibilities and Obligations of Member Firms	57
	18.3 Professional Indemnity Insurance	57
	18.4 Governance structure	57
19	Statement by the Policy Committee of KPMG in Ireland on the effectiveness of quality controls and independence	59
	Appendix 1:	
	Details of those charged with governance at KPMG in Ireland	60
	Appendix 2:	
	Public Interest Entities	63
	Appendix 3:	
	List of KPMG audit entities located in EU/EEA	65
	Appendix 4:	
	Irish Audit Firm Governance Code	67

► Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

1. Message from our Managing Partner



Welcome to our 2022 KPMG Transparency Report in which we talk about our business and demonstrate our continued commitment to our regulators, investors, audit committees and other stakeholders.

2022 was another year of change with opportunities and challenges, and I am very proud of how our team in KPMG reacted to these challenges and supported our clients in navigating an ever-evolving business landscape. We as a firm and our people remained resilient, embraced change, captured opportunities, addressed challenges, and I am very pleased with the resulting performance over the last 12 months. Our multi-disciplinary model contributed strongly to our success by enabling investment in growing the range of services to support the evolving needs and continuing achievements of our clients. We had the opportunity to work with great businesses including many new and growing service areas such as digital and regulatory transformation, ESG, cyber, strategy consulting and legal advisory services.

Our Purpose

Our purpose ‘to inspire confidence and empower change’ is more relevant and important than ever. This purpose guides our plans and our actions and ensures our social

responsibilities are a top priority when making business decisions and setting our strategic direction. As a firm, we are focussed on measuring, being accountable for and improving our Impact and I am delighted to share our 3rd Impact Report alongside this Transparency Report. [Our Impact Report](#)¹ brings together and reports all our environmental, social and governance (ESG) commitments, setting out our progress against these commitments measured against the World Economic Forum International Business Council Stakeholder Capitalism Metrics.

Inclusion, diversity, and equity are of critical importance in our business, and I am delighted that we have made significant progress over the last 12 months particularly in the area of gender diversity where we have set an ambitious target of new Partner promotions to be gender balanced by 2025. Building on our existing gender equity programmes, we have also recently launched our Gender Action Plan which includes a suite of tangible initiatives to support women’s progress at KPMG.

Our People & Future of Work

Our performance and success are entirely due to the commitment and calibre of our people; their ongoing efforts and their continued focus on delivering quality. We are now an organisation of more than 4,300 people, with continued ambition to grow.

Our future of work is constantly evolving and feedback from our people on the flexibility afforded by our hybrid model has been very positive. We are an organisation of very committed and talented people who want to support our clients’ success – but also an organisation where our people want to learn from and collaborate with each other. Our evolving hybrid model allows us to achieve these objectives by spending quality time with clients and colleagues. We are currently designing our new headquarters at Harcourt Square which will allow us to maximise the benefits of these new ways of working for all of our stakeholders but most particularly for our people. It’s an exciting time and we are proud to be designing a building that will be leading edge to meet the needs of tomorrow’s workforce, clients and society.

Contents

▶ Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

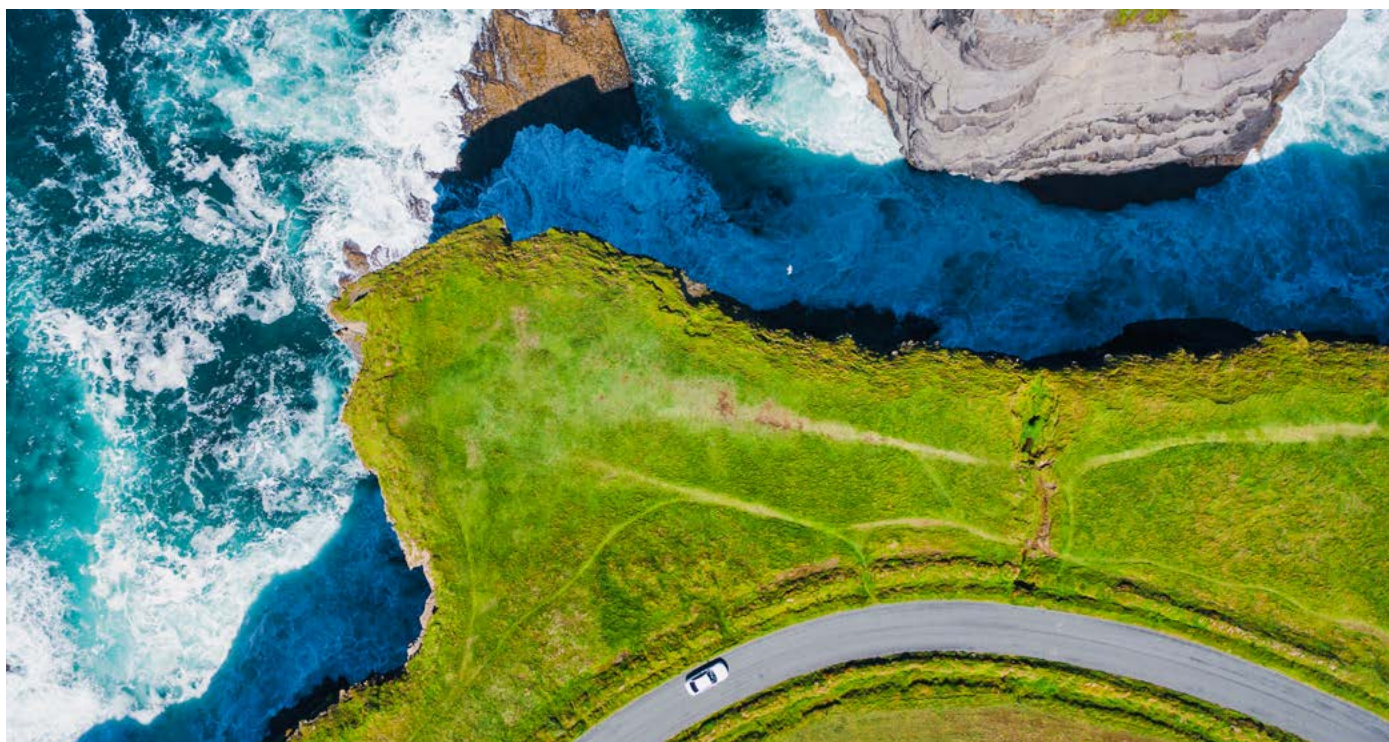
Appendix 1

Appendix 2

Appendix 3

Appendix 4

¹: <https://kpmg.com/ie/en/home/insights/2023/04/transparency-impact-report.html>



Our Investments

Over the last year, we have continued to invest in growing our team, both in numbers but also in diversity of skills and capabilities, across each of our audit, consulting, deal advisory and tax functions. 2022 has been an eventful year for our business in many areas, including the recent launch of KPMG Construction Advisory, a high-quality construction consultancy offering. We also established KPMG Law, providing legal services to a wide variety of domestic and international clients.

Audit at the Core

Our audit business is always at the core of our firm and has had another successful year, both in growing our market share but moreover in our ongoing dedication to audit quality. I am inspired by how our audit business has embraced innovation and technology to further enhance audit quality and provide even more of the integrity, trust and top quality services that our clients and stakeholders expect from us. We understand the magnitude of our responsibility to all of our stakeholders including our clients, the regulators and investors and we take great pride in our relentless focus on quality which you will hear more about from Emer McGrath, our Head of Audit in section 2.

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 2022 KPMG International Transparency Report.

Public Interest Committee

This year I’d like to welcome Dr Peter Clinch to our Public Interest Committee, who along with Padraig McManus and Mary Harney, our Public Interest Committee (“PIC”) Chair, have made a very positive contribution to our business. You will hear more from Mary in section 3.

I trust that the information provided in this Transparency Report demonstrates that maintaining our focus on quality is critical to our business as well as recognising our important public interest responsibilities. I remain available and happy to engage with and discuss our business with any of our stakeholders.

Seamus Hand

Managing Partner
KPMG in Ireland
28 April 2023

Contents

▶ Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

2. Message from our Head of Audit

In an increasingly complicated world, the role of auditors has never been more important. At KPMG, we have an unwavering commitment to serve the public interest, with a relentless focus on audit quality. Our success is based on our reputation for performing outstanding work consistently over many years. As a firm, we are in no way complacent about the need to constantly evolve our services and we are acutely aware of the challenges we face in delivering consistently high-quality audits. We continue to invest significantly in audit quality and emerging technologies to respond to the changing needs of stakeholders, to transform the way we deliver audits, and to create rewarding careers for our people.

In May 2022, I assumed the role of Head of Audit, succeeding Sean O’Keefe. I would like to thank Sean for all his hard work and dedication over the past three years. Sean’s vision for, and commitment to, our audit practice was instrumental in the design and execution of our transformational journey. I am immensely proud of our great audit practice and am committed to continuing to build, develop and support new initiatives and innovation within audit. During 2022, our audit practice grew by 15.7%, generating revenues of €162 million compared to €140 million for 2021. This achievement is attributable to the dedication of our team of 1,569 individuals working to deliver high-quality audits for our stakeholders. This team includes 62 Partners and principals, entrusted to sign audit opinions on behalf of the firm.

Our focus on audit quality

Audit quality is fundamental to maintaining public trust in financial information, and it is this trust that turns the wheels of the capital markets system. The value in audit is the independence that auditors bring, the objective scrutiny,



and transparency which gives the business community confidence in financial information. Much of how the audit profession delivers this trust and transparency is down to attitude. A mindset that values curiosity and a healthy scepticism, which leads to asking the right questions. It also places a value on challenging assumptions. Such an attitude also requires a relentless focus on quality as the bedrock of all audits. Auditors have a huge responsibility to build trust and inspire confidence at a time of unprecedented informational and regulatory complexity.

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 management.

We made significant investments in our system of quality management as part of our process to enable us to comply with International Standard on Quality Management (ISQM 1) which became effective on 15 December 2022. ISQM1 sets out the quality management requirements for firms performing audits or reviews of financial statements or other assurance or related services engagements. The purpose of the standard is to strengthen firms’ systems of quality management through a robust, proactive, and effective approach to quality management, supporting the delivery of audit and related engagements.

Critical to the effective functioning of our system of quality management is our Department of Audit Quality and Professional Practice, which supports our teams in performing high quality engagements. The breadth and capability of expertise in this team has always been a

Contents

Message from our Managing Partner

▶ Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

strength of our audit practice. We continually assess the number and experience of our resources to ensure that we are well placed to be our best and to meet the ever-expanding legislative and regulatory agenda.

Further, our Audit Quality Committee, whose purpose is to promote consistent audit quality across the audit practice and to oversee those activities of the audit practice, is focussed on improving and maintaining the consistency and quality of audits undertaken.

Training plays a fundamental role in the development of our professional teams and in supporting audit quality which in turn is fundamental to maintaining public trust. The overarching role of the Audit Training Committee is to oversee the development and delivery of professional training across our audit practice as it pertains to auditing and technical accounting skills and to oversee all related training activities for professionals within the audit practice.

In 2022, the people in our audit function completed 105,933 hours of technical (audit and accounting) training programmes.

Other audit quality initiatives that we have invested in as a practice, include an Audit Quality Rating system for audit Partners, principals, and specialists, which allows for more transparent and measurable audit quality assessments in annual performance reviews. We provide periodic Audit Quality Podium awards in recognition of certain individuals for positive contributions to audit quality. We also have implemented a programme of accelerated audit execution on certain company audit engagements.

We are proud of our 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, borne out by our strong inspection results from our external regulator, IAASA, again this year.

Our people

A relentless focus on audit quality relies on exceptional people always doing the right thing. Audit quality can only be achieved by having the right resources focused on the right clients. During 2022, we continued to invest in our people, with total audit function headcount of 1,569 at the year-end, an increase of 5.5% from 1,491 people in 2021. This reflects our commitment to audit quality by ensuring that our audits are resourced properly. Through a combination of having enquiring minds, acting with integrity, and being prepared to challenge constructively, our diverse and dedicated teams are connected by a common cause, aligned with the values of our stakeholders.

Client acceptance and continuance is fundamental in ensuring that we work with entities which have a strong commitment to providing stakeholders with a balanced and

understandable presentation of their financial performance. Once we accept an engagement it is critical that we then have appropriately experienced and trained auditors armed with the necessary technology and specialist support. Our organisation is therefore focussed on hiring, training, rewarding, and promoting high performers, in developing and deploying technology and investing in specialist resources to enable high quality audits.

Supporting our people by enabling the ways they connect in a hybrid environment is a critical aspect of our people strategy. Our culture is high performing, ambitious and collaborative, with a focus on connection and comradeship. We are highly responsive to our clients' and business needs and pride ourselves on delivering excellence. We place huge value on learning and ongoing development and provide a supportive and inclusive environment to empower every person to be the best version of themselves.

We are committed to ensuring that a career in audit continues to be attractive. It is an incredibly exciting time to be starting or progressing a career in audit. Whether that is by leveraging the expanding possibilities that technology brings, by deploying the latest data analytics and automation technologies in day-to-day activities or focussing on the increasingly central role the profession plays in ESG assurance, while continuing to perform the vital traditional role of underpinning the functioning of the capital markets.

Audit transformation

We use technology to improve audit quality, create greater consistency in the performance of our audits and monitoring of engagement milestones. Applying innovative tools to help our professionals transform the process and enhance the quality of our audit work helps to build investor trust and confidence.

Our new cloud-based audit platform, KPMG Clara, represents a step-change in how we are innovating, digitalising, and transforming the audit experience, not just in Ireland but across our Global network. The development of KPMG Clara has been a cornerstone of KPMG's Global Audit Transformation project. It is a scalable, cloud-based

“ We are committed to consistently delivering quality audits, enabled by the power of technology and the strength of our people. Together, these drivers allow us to respond with agility, and engage meaningfully, with all stakeholders. Through this, KPMG is a leader in driving the future of audit. ”

Contents

Message from our Managing Partner

▶ Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4



to ESG areas – so we can provide robust opinions on companies’ ESG statements, measurements and reporting. We see this as a key element of how we work in the public interest and how we will attract future generations to our profession.

Looking to the future

New and emerging technologies and accelerated digitalisation are radically changing the future of audit. At KPMG, we are committed to transforming the future of audit by serving the public interest and bringing value to our clients, through continuous innovation and greater use of technology and data analytics. As a profession, we will need to be able to identify and assess risks associated with emerging technologies and changing business models. In addition to understanding data in financial statements we will also need to provide insights on ESG data. The future for us lies in continuing to attract and retain our talented individuals to help us to embrace and deliver this change.

In terms of economic outlook - last year, despite challenges facing the global economy, Ireland’s economy was the fastest growing in Europe, with GDP growth of 12.2%. Overall, Ireland’s outlook is one of cautious optimism, with inflation expected to reduce, although high prices and rising interest rates are still expected to drag on growth. Against a global backdrop of multiple negative risks, it would seem appropriate that the Irish approach is to prepare for a “rainy day”. No doubt this context and other matters creates a level of uncertainty for corporates as they contemplate their financial reporting obligations over the next year.

Providing high-quality services takes hard work, dedication, and focus, as well as a continued investment in the people and technology that make it happen. Our audit leadership team is squarely focussed on this combination of investment in audit quality and the need to leverage the transformative power of evolving technologies to ensure our practice is well placed to meet stakeholder audit quality expectations.

None of our success as an audit practice would be possible without the commitment, dedication, and agility of our people. Thank you to each of our 1,569 individuals for their significant efforts over the past year, and for the important role they have played in managing new risks and meeting the varying and growing needs of our stakeholders.

Emer McGrath

Head of Audit
KPMG in Ireland
28 April 2023

platform that enables an enhanced audit methodology through a data enabled workflow. KPMG Clara enables the deployment of our new audit methodology, which is aligned to the International Standards on Auditing (ISAs) and includes comprehensive risk identification and assessment. The methodology embeds the latest 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.

ESG²

Organisations across the globe have, or are in the process of developing, environmental, social and governance (ESG) principles and strategies and the new and evolving demands of stakeholders about how these matters are reported. However, information and reporting must be capable of being understood, it needs to be accurate, comparable, verifiable and it must be able to stand up to robust scrutiny to build trust. Our profession, and all of us in KPMG, will lead this challenge.

The EU’s Corporate Sustainability Reporting Directive (CSRD) is potentially the biggest single transformation in corporate reporting in decades. The CSRD proposes profound changes to corporate reporting requirements and is central to the EU’s objective of directing capital flows towards sustainable activities. This is where the audit profession comes in. Investors are looking to connect ESG impacts to financial performance and measuring and validating the outcomes.

We have developed specialist teams of auditors who can provide assurance to organisations. In addition, we are training our teams on the impact of climate change on businesses as well as the reporting and accounting implications. We are developing and enhancing our methodology around how to apply our smart technology

² <https://kpmg.com/ie/en/home/insights/2023/04/transparency-impact-report.html>

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

3. Message from the Chair of the Public Interest Committee

I am delighted to present the Chair'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 has a right of access to relevant information and people. The Committee comprised three non-executive members during the year, Padraig McManus, Peter Clinch and I as Chair, the firm's Managing Partner, Seamus Hand and its Risk Management Partner, David Wilkinson. Rio Howley, an audit Partner of the firm, acts as our appointed secretary.

The Committee has seen a significant change in composition in 2022 with Peter Clinch who was appointed in December, to replace Stephen Haughey, and brings his considerable industry experience to the Committee as a member. The Committee also welcomed inputs from the newly appointed Head of Audit, Emer McGrath, replacing Sean O'Keefe, and Rio Howley replacing Niall Savage as secretary to the Committee.

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 animated and informed 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



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4



the work of the firm, as well as providing insights related to the KPMG network in other jurisdictions.

Assisted by the Head of Audit, Emer McGrath, 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, CARB and PCAOB). Our deliberations in this regard having been greatly assisted by Head of Audit Quality and Professional Practice, Darina Barrett. The Head of People and Culture Colm Gorman also updated the Committee on relevant people matters during the year.

Risk Management Partner, David Wilkinson, gave a thorough explanation of the firm’s policy on the identification and management of potential conflicts of interest at the request of the PIC.

The Committee met with the Country’s accounting and auditing regulator IAASA during the year to understand the regulatory environment from their perspective, the forward-looking agenda and the role of the Public Interest Committee.

During the year, the Committee had the opportunity to meet with the firm’s Policy Committee where its rolling agenda was discussed.

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

Chair of the Public Interest Committee
April 2023

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 private companies in pharmaceutical, healthcare, technology and financial services sector, including Biosimilar Collaborations Ireland Limited and Diona Designated Activity Company. 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 has a number of current directorships including Greenlink Interconnector Ltd. and Echelon DC Holdings 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.



Peter Clinch

Peter Clinch is Jean Monnet Full Professor and Chair of Public Policy at University College Dublin and Affiliate Faculty at ISC, Harvard Business School. He has advised, amongst others, the World Bank, OECD, and several national governments/agencies. He is the author of over 200 papers and policy documents on economics, enterprise policy, sustainable development, R&D, corporate sustainability ESG, and economic and business strategy.

He is currently Chair of the Board of Science Foundation Ireland, the national foundation for investment in research in science, technology, engineering, and mathematics (STEM) and Chair of EnvEcon Decision Support. He previously was Chair of the National Competitiveness Council, Member of the Climate Change Advisory Council, UCD Vice-President responsible for innovation, enterprise development and corporate partnerships, chief policy adviser to the Taoiseach (Irish Prime Minister), and advisor to IDA Ireland.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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.

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

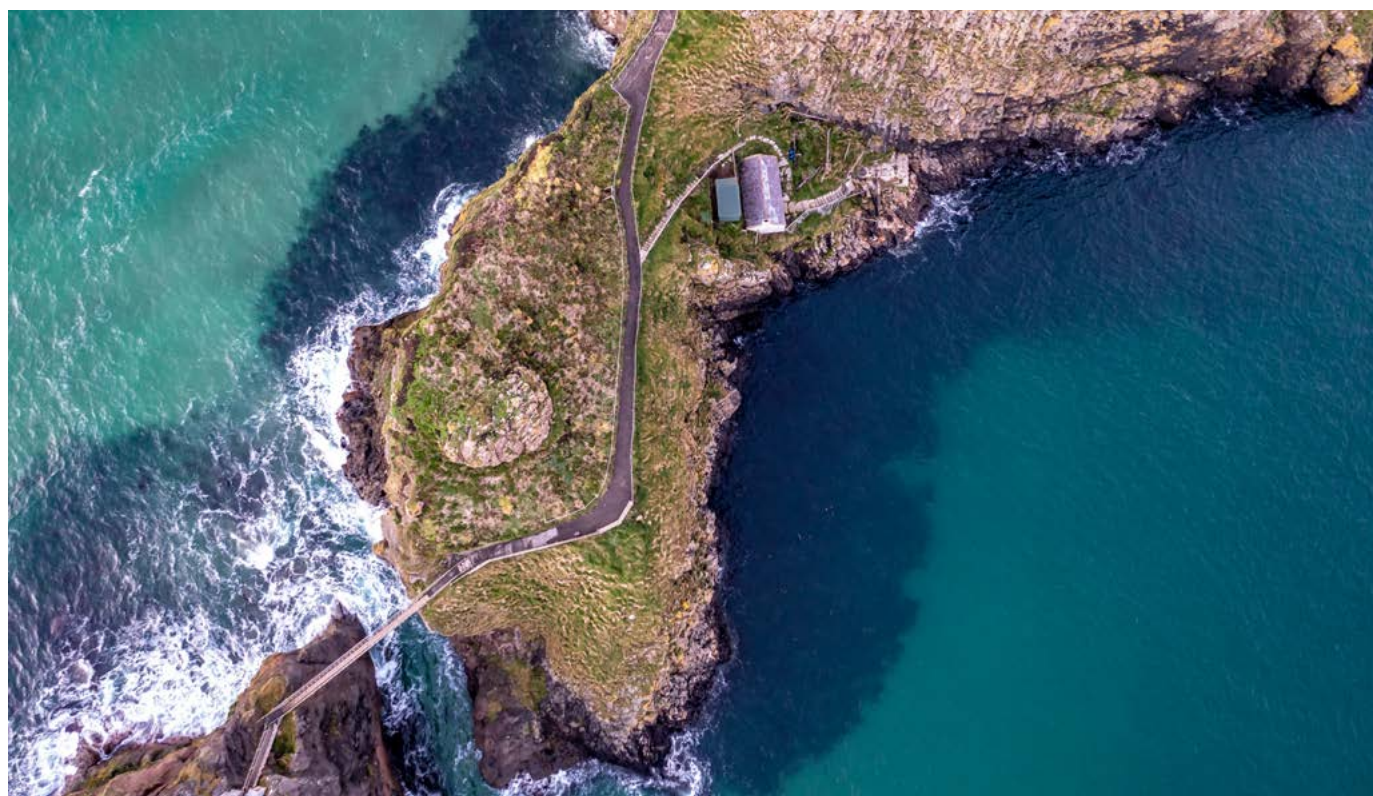
5.1.1 Tone at the top

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 integrity, accountability, quality, objectivity, independence, 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 recognised as a strength. We communicate our commitment to clients, stakeholders, and society at large to earn the public's trust.

Our values lie at the heart of the way we do things. To do the right thing, the right way. Always. 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.

KPMG is committed to quality and service excellence in all that we do, helping to bring our best to clients and earning the public's trust through our actions and behaviours both professionally and personally.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

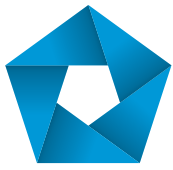
Appendix 1

Appendix 2

Appendix 3

Appendix 4

Our values 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 of our stakeholders.



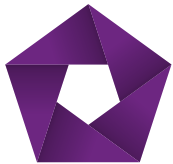
Integrity

We do what is right.



Excellence

We never stop learning and improving.



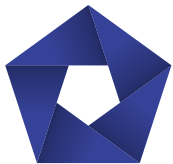
Courage

We think and act boldly.



Together

We respect each other and draw strength from our differences.



For Better

We do what matters.



Outlined in [KPMG's Global Code of Conduct](#)³ ("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 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 for behaviour consistent with the Code and is required to confirm their compliance with it. 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 that is not in compliance with the Code, or our values.

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. We take reports received by the International hotline seriously, and for each of them we respond, and take appropriate action.

³ <https://kpmg.com/xx/en/home/about/who-we-are/governance/global-code-of-conduct.html>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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.

5.1.2 System of quality management

Audit quality is foundational to instilling confidence and public trust in the capital markets and it remains our highest priority.

Tone at the top, leadership, and a clear set of values and conduct are essential to set the framework for quality. The quality of each audit rests on a foundational system of quality management.

Across our global organisation we have strengthened the consistency and robustness of our system of quality management that enables compliance with the International System on Quality Management Standard 1 (ISQM 1), issued by the International Auditing and Assurance Standards Board (IAASB), ISQM (Ireland) issued by IAASA

and ISQM (UK) issued by FRC, all of which came into effect on 15 December 2022. We consider this a transformational and fundamental change for KPMG firms.

Our globally consistent approach to ISQM 1 drives the robustness of our responses to the risks of achieving the quality objectives set out in the standard. For each component in the standard, we have established minimum required quality objectives, quality risks and responses for all KPMG firms.

KPMG International has established a risk assessment process required to be used by KPMG firms in identifying additional firm specific quality objectives, quality risks, and responses and requirements for testing and evaluation of their system of quality management together with guidance, tools and templates to support the consistent implementation of ISQM 1 across KPMG firms.

The new requirements apply to all KPMG firms within the global organisation. The objective of this centralised approach is to drive the consistency, robustness, and accountability of responses within KPMG firm's processes.

In preparation for ISQM 1, we 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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

The Global Quality Framework met the requirements of the 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 applied to professional services firms that performed audits of financial statements until 14 December 2022. KPMG in Ireland implements 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.

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

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 management. All of our related activities are undertaken in an environment of the utmost level of objectivity, independence, ethics and integrity.



5.1.3 Leadership responsibilities for quality and risk management

KPMG in Ireland demonstrates commitment to integrity, quality, objectivity, independence and ethics, 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 integrity, quality, objectivity, independence and ethics, demonstrated through their actions.

KPMG in Ireland is required to seek input from the chair of the relevant Global Steering Group or his/her delegee 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 and ISQM 1, our Managing Partner has assumed ultimate responsibility for KPMG in Ireland’s system of quality management with assistance from the Head of Audit. 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 RMP consults, as appropriate, with the Managing Partner, the Regional Risk Management Partner, Global Quality & Risk Management resources, and the general counsel or external counsel.

The RMP is supported by a team of professionals in the Risk Management function.

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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4



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

The heads of the client service functions (Audit, Tax, 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.

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. The Audit Executive Team has regular discussions to agree actions about current and emerging audit quality issues arising from external and internal quality review processes, queries being raised by engagement teams, root cause analysis procedures 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 would 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.

Audit Quality & Professional Practice (“AQ&PP”)

The AQ&PP 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 audit practice in areas such as audit quality monitoring and remediation, regulatory inspections 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.

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 function and to oversee those activities of the audit function 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.

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 118 Partners and 4,208 employees as at 31 December 2022. (2021: 107 Partners and 3,695 employees)

Our audit services in Ireland 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

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

5.2.2 Our strategy

Our strategy is set as part of the business planning process which includes input from the Executive Team, the policy committee and the Partners and demonstrates a commitment to quality and trust. Our focus is to invest significantly in priorities that form part of a global strategy execution.

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.

5.3 Defined accountabilities, roles and responsibilities, including for leadership

5.3.1 Legal structure

KPMG in Ireland and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation are 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 legal and governance arrangements for the KPMG global organisation can be found in section 'Governance and leadership' of the [2022 KPMG International Transparency Report](https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2022/12/transparency-report-2022-global-report.pdf)⁴.

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 2022, there were 118 Partners in KPMG in Ireland (2021: 107 Partners).

5.3.2 Name, ownership and legal relationships

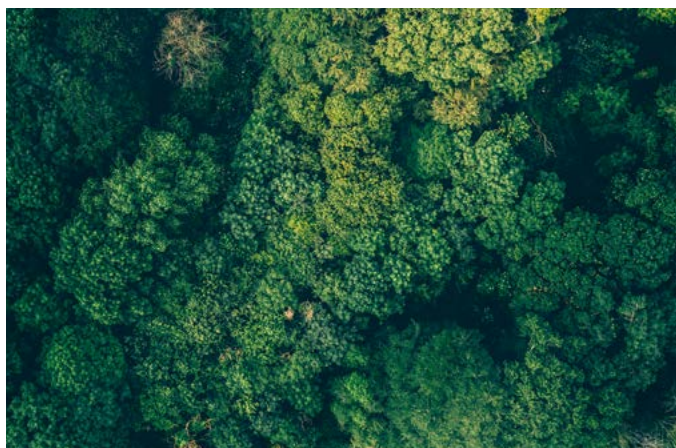
KPMG is the registered trademark of KPMG International and is the name by which the member firms are commonly known. The rights of member firms to use the KPMG name and marks are contained within agreements with KPMG International.

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.



⁴ <https://assets.kpmg.com/content/dam/kpmg/xx/pdf/2022/12/transparency-report-2022-global-report.pdf>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 section 5.1).

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.

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 Code as at 31 December 2022. See Appendix 4 for further detail.

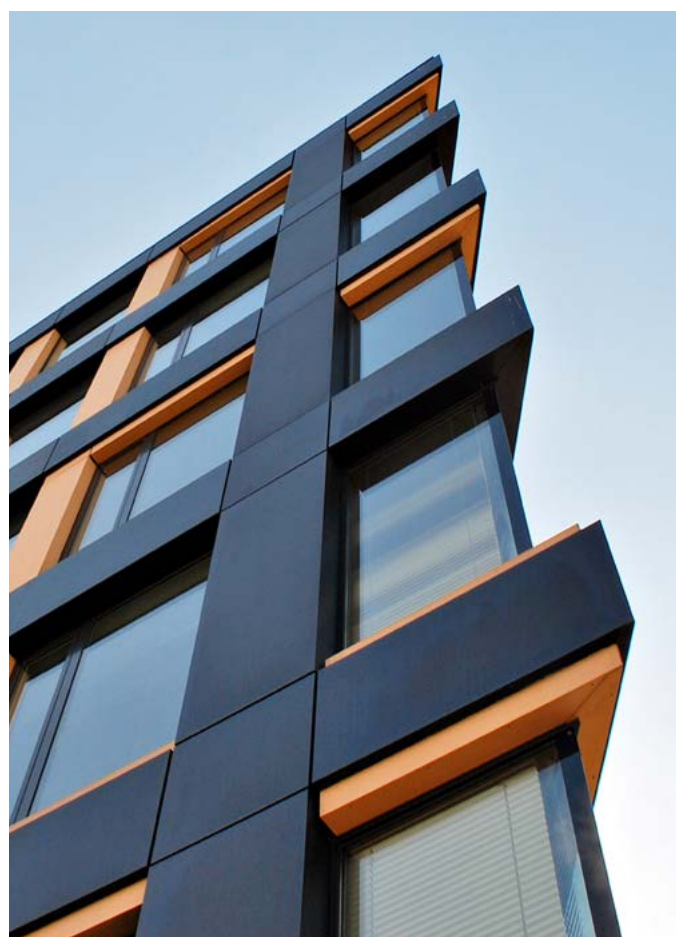
5.4.2 Governance structure

KPMG in Ireland applies high standards of corporate governance. The role of the Management Partner and of the key governance and management bodies of KPMG in Ireland are outlined below.

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 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.

In addition, 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 role 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,

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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.

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 2022, it met 29 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 2022 are set out in Appendix 1.

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 2022 the Executive Team comprised the Managing Partner, the Head of Audit, the Head of Tax, the Head of Deal Advisory, the Heads of Consulting, the Head of Client and Markets, Head of Investment and Growth, Head of Financial Services, the Risk Management Partner, the Head of People and Culture, Chief Operations Officer, the Chief Financial Officer and are assisted by the Secretary to the Executive Team.

The Executive Team is responsible for developing the business plan and the overall strategy as approved by the



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Policy Committee. It is responsible for 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 15 times during the year to 31 December 2022.

Details of the members of the Executive Team for KPMG in Ireland for 2022 are set out in Appendix 1.

A Functional Executive Team acts as the key management decision making group of their respective function. The composition of each Functional Executive Team is determined by the Managing Partner and the Head of

Function for a period that may be concurrent with the period of appointment of the Managing Partner.

The Audit Executive Team comprised the Head of Audit, the Head of Audit Quality and Professional Practice (“AQ&PP”), Audit Markets Lead: Audit and the leaders of the key audit business units. The Audit Executive team holds operational accountability and responsibility for audit quality and the system of quality management for the Audit function. The Audit Executive Team met 17 times in 2022 and its terms of reference include the following:

- Provide input, and make recommendations, to the Head of Audit on priorities relating to the audit function and, for certain items, it makes recommendations to the firm or the Policy Committee e.g., Partner promotions, audit plan etc.
- Determine the principal projects and initiatives relevant to audit which should be undertaken by KPMG in Ireland and monitor their effectiveness in achieving the audit plan.
- Determine audit developments and trends, both locally and globally, and use them to inform the audit function agenda.
- Determine the local implementation of KPMG International policies relating to audit and consider the application of best practices from other KPMG member firms for use by KPMG in Ireland.
- Design the KPMG in Ireland system of quality management relevant to Audit Quality as set out in International Standard on Quality Management 1.

The Tax Executive Team comprised the Head of Tax 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.

The Public Interest Committee

The Public Interest Committee 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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4



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 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, Peter Clinch and Mary Harney as Chair. The Public Interest Committee generally meets quarterly. It met 4 times during the year to 31 December 2022 and all members attended these quarterly meetings.

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 in Section 3.

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, 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 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.

The Remuneration Committee is chaired by the Managing Partner. Other members of the Committee are elected by the Partner group annually. The Committee met 29 times in the year ended 31 December 2022. Further information regarding Partner remuneration is set out in Section 17.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

▶ Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 and assurance 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 and assurance professionals and required to be used, where necessary;
- Applied even where local auditing standards may be less demanding than the ISAs; and
- Based on the requirements of the International Standard on Assurance Engagements (ISAE) and aligned to assurance products in response to the growth of ESG reporting.

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



The KPMG Assurance Manuals provide the requirements and guidance for a consistent approach to performing assurance engagements, in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. The audit and assurance methodologies emphasise applying appropriate professional scepticism in the execution of procedures and require compliance with relevant ethical requirements, including independence.

Enhancements to the audit and assurance methodologies, guidance and tools are made regularly to maintain compliance with the applicable standards and address emerging auditing and assurance areas of focus and audit quality results (internal and external). For example, the current focus on ESG assurance is driving updates to our assurance methodologies, tools and guidance.

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

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

► Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 our 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 significant external events

Significant external events such as the conflict in Ukraine, the COVID-19 pandemic and the emerging impacts of climate change have contributed to rising inflation and interest rates, supply chain disruption and increased global economic uncertainty.

Matters such as going concern, asset impairments and valuations will likely require careful judgement as organisations deal with elevated uncertainty and market volatility. KPMG firms' role as auditors is to evaluate these judgements.

We maintain an [online financial reporting resource centre](https://home.kpmg/xx/en/home/insights/2021/06/climatechange-financial-reporting-resource-centre.html)⁵ to assist financial statement preparers and other stakeholders

in understanding the potential accounting and disclosure implications of significant external events.

KPMG International issues extensive guidance to assist engagement teams in addressing the financial reporting, auditing and reporting related matters arising from the impacts of these external events, addressing the potential implications for going concern, asset impairments, valuations and related disclosures, materiality, risk assessment, group audits, subsequent events, audit evidence and communications with those charged with governance.

KPMG's guidance is continually updated as new significant accounting, auditing, and reporting issues emerge.

KPMG is a technology-enabled organisation, with technical accounting and auditing resources, guidance and audit platforms and tools available electronically, which enable our engagement teams to effectively operate in office and remote working environments.

6.3 Quality and risk management manual

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



⁵ <https://home.kpmg/xx/en/home/insights/2021/06/climatechange-financial-reporting-resource-centre.html>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

► Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

7. Embracing digital technology



At KPMG, we are committed to serving the public interest and creating value through continuous innovation. We are transforming the audit experience for our professionals and clients by leveraging the data and insights of leading technologies and enhancing audit quality by increasing our ability to focus on the issues that matter.

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 and Chartered Accountants Ireland 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 we reimagined our audit platform, workflows and methodology to provide enhanced consistency and support to our audit engagement teams, deliver detailed insights, and future-proof our systems for the expected continued development of new technologies.

The release of the KPMG Clara workflows and revised audit methodology is an important milestone in KPMG's journey to innovate, digitalise and transform the audit experience. 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 data-enabled workflows.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

▶ Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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:

- Analysis of account balances and journal entry data;
- Automation of ‘period on period’ balances comparison and ‘time series’ evolution information;
- Analysis of sub-ledger, transactional data over certain business processes and accounts; and
- Integration (where applicable) with industry-specific digital procedures and solutions.

Our vision of the future

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

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

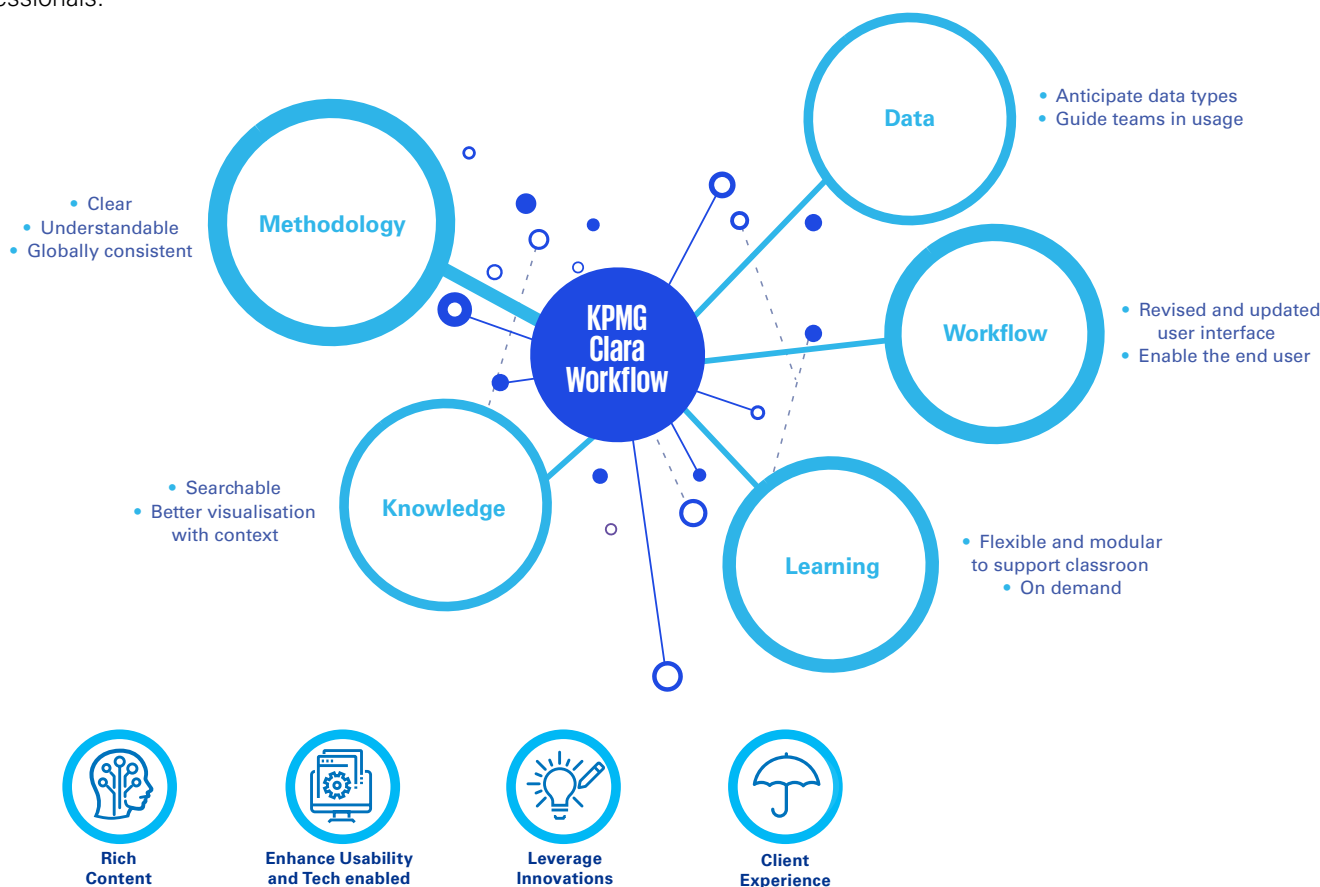
KPMG Clara workflows

Our previous platform, eAudit, is being replaced with new workflows embedded with our revised audit methodology and enabled by the KPMG Clara smart audit platform. Phased deployment of the KPMG Clara workflows commenced in 2020 with planned completion and will be completed for 2023 fiscal year end.

The web-enabled KPMG Clara workflows 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 workflows and revised audit methodologies are scalable – adjusting the requirements to the size and complexity of the audit engagement. KPMG Clara workflows significantly enhance the execution of an audit by KPMG professionals and drive audit quality and global consistency.

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

We continue to enhance the KPMG Clara smart audit platform to accommodate evolving security demands, further integrate existing audit applications, and develop new capabilities to digitalise additional audit processes.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

▶ Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 the 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 applicable laws, regulations, and professional standards. KPMG provides training on confidentiality, information protection and data privacy requirements to all KPMG in Ireland personnel annually.



Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

► Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 815 of our people qualified as Chartered Accountants and 138 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 & 2022 and Best Graduate Training and Development Programme 2022. Listed in The Universum Most Attractive Employer for business students in Ireland 2019 – 2022. We were also awarded Best Student Marketing Campaign 2022 and Best Graduate Recruitment Website 2022.

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; 346 of our people passed Chartered Accountants Ireland's final admitting exams (FAE) and 51 people passed the Irish Tax Institute's final examinations ("Part 3") in 2022.

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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

▶ Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

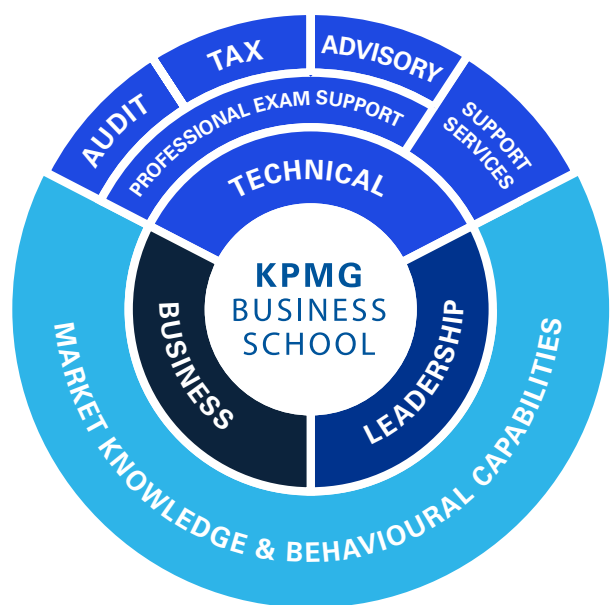
Our learning culture focuses on the application of training in a supportive, coaching orientated and learning environment. We strongly believe that people learn in the classroom, through on-line forums, by networking with others and by applying their knowledge in a range of work environments.

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 2022 the people in our audit function completed 105,933 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.

The firm has 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 now and in the future across the organisation. 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. KPMG in Ireland also recruits significant numbers at an experienced hire and some at Partner level.

All candidates apply 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 479 new graduates in 2022 and we expect a further 480 to join us in 2023.

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 and International Day of Persons with Disabilities, 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 2022, we supported the theme ‘Break The Bias’ which imagines a gender equal world, a world free of bias, stereotypes and discrimination and we asked all our people to post a picture of themselves crossing their arms to show solidarity with the theme.

In 2022 we also partnered with Children’s Books Ireland and announced the continuation of the roll out of Free To Be Me: The Diversity, Inclusion and Representation project. The project showcases the rich diversity of modern Ireland

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

▶ Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 [here](#)⁶.

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.

⁶ <https://home.kpmg.com/xx/en/home/about/inclusion-and-diversity-new.html>

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 Audit Engagement Leaders such as the Engagement Partner or Principal, the Engagement Quality Control Reviewer and any 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:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
- 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;
- Understanding of KPMG in Ireland's quality control policies and procedures; and
- Quality Performance Review (QPR) results and results of regulatory inspections.

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

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

► Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 Commitment to technical excellence and quality service delivery

Formal training

Annual training priorities for development and delivery are identified by the Audit Learning and Development 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.

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.

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, and aligned with job specific role profiles and learning paths.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

▶ Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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

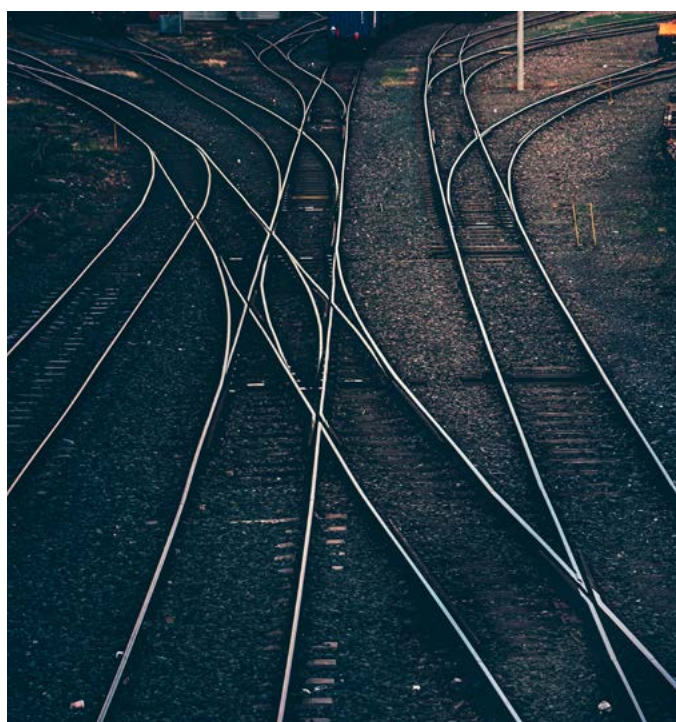
Licensing

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 US GAAP engagements

In addition, KPMG has specific requirements for Partners, managers and Engagement Quality Control (EQC) reviewers working on IFRS Standards engagements in countries where IFRS Standards are not the predominant financial reporting framework.

Similar policies apply to engagements performed outside the US to report on financial statements or financial information prepared in accordance with US GAAP and/or audited in accordance with US auditing standards, including reporting on the effectiveness of the entity’s internal control over financial reporting (ICOFRR). These require that at a minimum, all Partners, managers and, if appointed, the EQC reviewers (and for engagements conducted in accordance with US GAAP and/or US auditing standards engagements, the engagement Partner, engagement manager, engagement in-charge and, if appointed the EQCR 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 principles, 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 (with provision for audit quality ratings).

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 able to assess performance.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

▶ Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

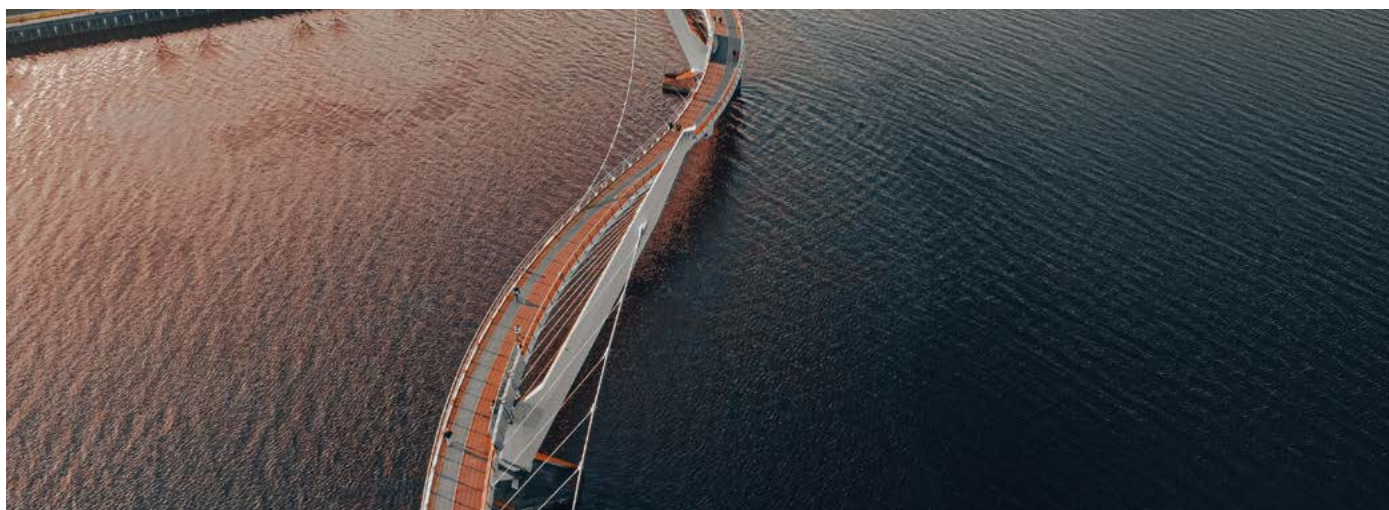
Appendix 1

Appendix 2

Appendix 3

Appendix 4

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

The KPMG 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 applicable 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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

▶ Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

The evaluation is made in consultation with other senior KPMG in Ireland personnel and includes additional reviews 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 risks 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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 the KPMG GORMM, 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, 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 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 Head 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 comply with these requirements.

KPMG in Ireland has a designated Risk Management Partner 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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Ethics and Independence Policies are set out in our GQRMM 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 GQRMM. 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 the Code

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 audit and assurance clients (by definition, '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 available funds and securities registered on recognised or regulated exchanges 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 the KPMG independence policies. This includes sample criteria including the minimum number of professionals to be audited annually.

In 2022, 77 of KPMG in Ireland Partners and employees were subject to these audits (this included approximately 15% of our Partners).

10.2.2 Employment relationships

Any KPMG in Ireland professional providing services to an audit or assurance client irrespective of function is required to notify the firm RMP if they intend to enter into employment negotiations with that 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 or assurance team or former Partners of KPMG in Ireland are prohibited from joining an audit or assurance 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 has passed.

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

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 KPMG Quality & Compliance Evaluation 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; these procedures, also referred to as 'the independence clearance process,' are required to be completed prior to accepting an audit engagement for these entities.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

The 'KPMG Independence Checkpoint' tool is used to automate and standardise the procedures 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.

All KPMG Partners and employees are required to sign, upon joining KPMG in Ireland, and thereafter, an annual 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 public interest entity 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 to, 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 significantly 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.

No individual with the ability to influence the conduct and outcome of an audit can be rewarded for selling non-audit services to entities we audit.

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 Regional Risk Management Partner 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 10 percent of the total fees received by a

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 (EOC) 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 that 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. Individuals are required to liaise with the RMP or his delegate in these situations.

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.

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.

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 of Ethics 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 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 Ethics and Infringements 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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 co-ordinate 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 or Principal, 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 [anti-bribery and corruption site](https://home.kpmg/xx/en/home/about/who-we-are/governance/anti-bribery-and-corruption.html)⁷.



⁷: <https://home.kpmg/xx/en/home/about/who-we-are/governance/anti-bribery-and-corruption.html>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

► Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

11. Performing quality audit engagements



How an audit is conducted is as important as the result. KPMG in Ireland Partners and employees are expected to demonstrate behaviours consistent with our values and follow all policies and procedures in the performance of effective and efficient audits.

11.1 Consulting when appropriate

11.1.1 Encouraging a culture of consultation

KPMG encourages a 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 matters, including procedures to facilitate resolution of differences of opinion on engagement issues. KPMG audit, assurance and reporting manuals also include required consultations. GQRMM includes mandatory consultation requirements on certain matters.

11.1.2 Technical consultation and global resources

Technical accounting, auditing and assurance support is available to member firms through the Global Audit Methodology Group (GAMG), KPMG Global Solutions Group

(KGSG), the International Standards Group (ISG) and the PCAOB Standards Group (PSG), all of which report directly to the Global Head of Audit.

Global Audit Methodology Group (GAMG)

KPMG's audit and assurance methodology is developed and maintained by the Global Audit Methodology Group (GAMG). The GAMG develops our audit and assurance methodology based on the requirements of the applicable audit and assurance standards of the IAASB, 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 and assurance 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, assurance, 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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

▶ Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

International Standards Group (ISG)

The KPMG ISG works with Global IFRS Standards topic teams, with geographic representation from around the world, and the IFRS Standards Panel and Methodology Advisory Group (MAG) 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 recently has expanded its remit to encompass the activities of the International Sustainability Standards Board (ISSB), including providing global thought leadership and guidance as the ISSB issues standards.

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

- The KPMG Global Methodology Advisory Group (formerly ISA Panel), chaired by the Head of Global Audit Methodology Group (GAMG), includes senior DPP Partners from key member firms and is responsible for providing input to GAMG on the impact of proposed changes to KPMGI methodology and responses to new standards, providing input to the ISG on guidance in relation to audit reporting matters, providing comments to the ISG on proposed KPMGI guidance related to audit reporting matters and related communications, and providing input to the ISG to assist in the development of KPMGI response letters to the International Auditing and Assurance Board and/or regulators.
- Global Topic Teams, which formulate guidance on IFRS 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 Panel is responsible for monitoring the development of IFRS 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 Leader and includes Global IFRS topic leaders.

PCAOB Standards Group (PSG)

The KPMG PCAOB Standards Group (PSG) comprises a dedicated group of professionals with backgrounds in PCAOB auditing standards who promote consistency in the interpretation of PCAOB auditing standards in KPMG firms' audits of non-US components and 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 ISG and PSG 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 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, a matter may be referred to the, Head of AQ&PP, a Business Unit Audit Quality Partner, the Risk Management Partner (or delegates) or a resolution panel, including the 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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

▶ Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 direction, 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 engagement team, including whether they have sufficient time to carry out their work;
- Whether the team understands its instructions and 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 to review and discuss with more experienced team members during the engagement.

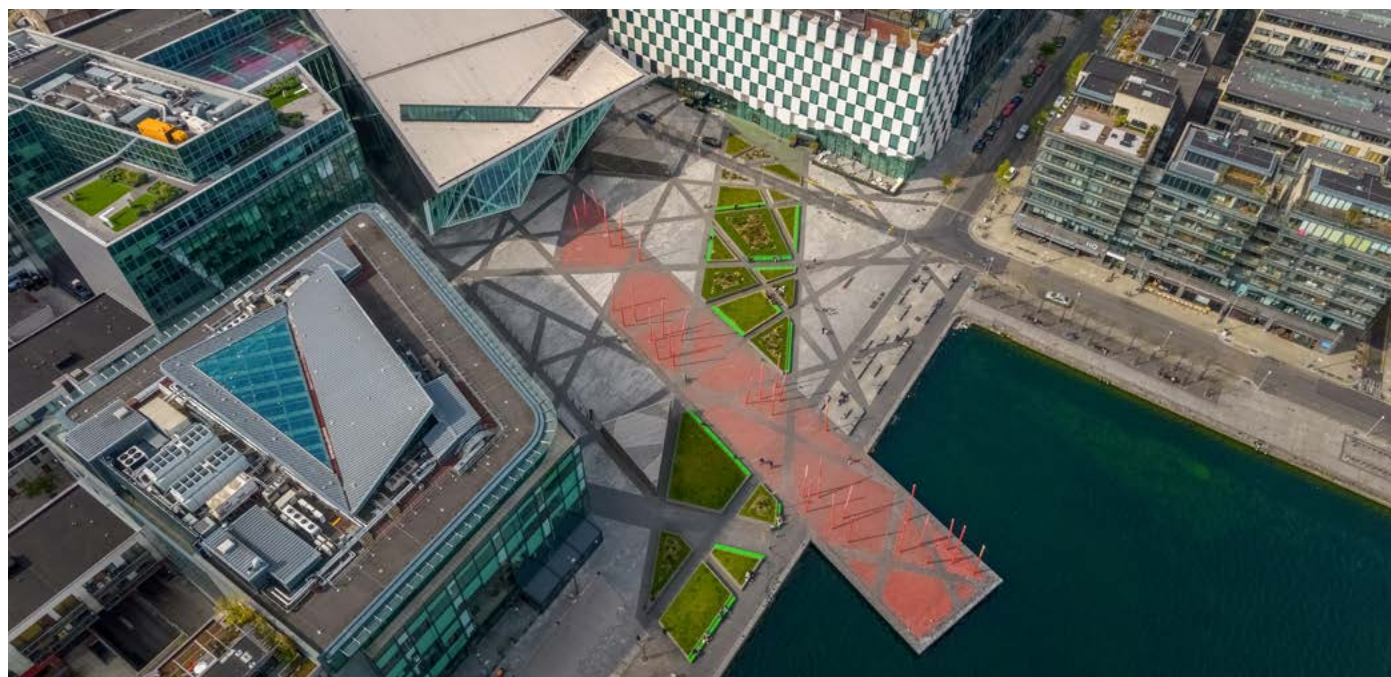
The timely review of the work performed so that significant matters are promptly identified, discussed and addressed is also used as a coaching opportunity.

11.3.2 Engagement quality control (EQC) reviewers

The EQC review is an important part of KPMG's approach to quality. An EQC reviewer is required to be appointed for audit engagements, 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, including certain assurance engagements, as designated by the Risk Management Partner or Head of Audit.

An EQC review is an objective evaluation of significant judgements made by the engagement team and its related conclusions, performed by the EQC reviewer, and completed on or before the date of the report. The EQC reviewer's evaluation of significant judgements includes an evaluation of the engagement team's assessment of significant risks, including fraud risks, the related responses and whether the related conclusions are appropriate. The EQC review is completed only after the EQC reviewer is satisfied that all significant matters they raised have been resolved, though the engagement Partner is ultimately responsible for the resolution of accounting and auditing matters.

EQC reviewers are required to meet training, knowledge and experience criteria to perform the EQC review for a particular engagement. Reviewers must be objective, cannot be members of the engagement team and must be independent of the audit client.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

▶ Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 which includes an opinion on the fair presentation of the reporting entity's financial statements in all material respects. Engagement leaders form all audit opinions based on the audit performed and evidence obtained.

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).

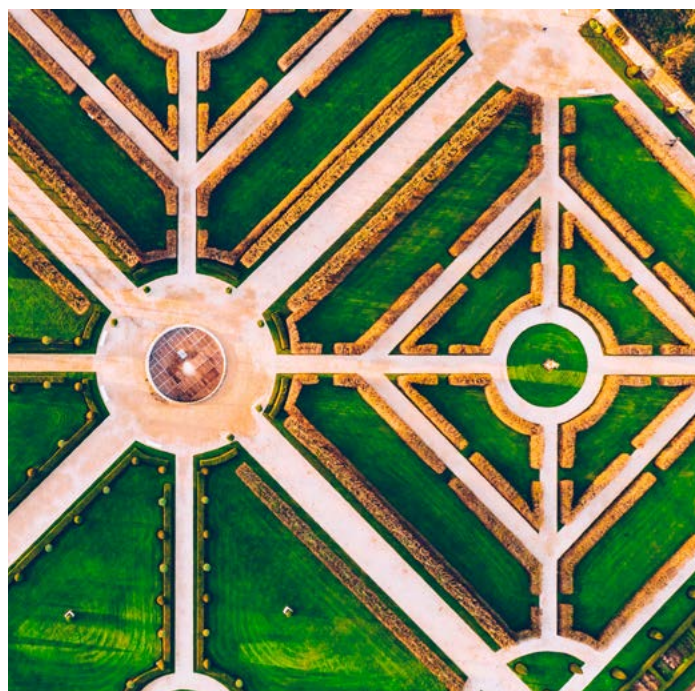
11.4.2 Engagement documentation

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

12. Assessing risks to quality

KPMG International reviews the results of the quality monitoring programmes and develops additional global remediation actions as needed.

Global remediation actions developed by KPMG International are aimed at changing behaviour and driving quality and consistency across the global organisation. Remediation actions may be implemented through the development of global policies, procedures, training, tools and guidance.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

▶ Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

13. Communicating effectively



We recognise that another important contributor to upholding audit quality is to obtain and promptly 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 [Audit Committee Institute](https://home.kpmg/xx/en/home/insights/2015/01/governance-reporting/audit-committee-institute.html)⁸ (ACI) aims to help audit

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

The ACI operates in more than 39 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 [here](#)⁸.

IFRS Standards Institute

KPMG's Global IFRS 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.

⁸ <https://home.kpmg/xx/en/home/insights/2015/01/governance-reporting/audit-committee-institute.html>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

► Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 at 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 that 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 insights 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.



Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

▶ Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 management.

14.1 Rigorously monitor and measure quality

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 takes 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 professional 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 management has been appropriately designed, effectively implemented, and operates effectively. These include Quality Performance Reviews (QPR), the KPMG Quality & Compliance Evaluation programme (KQCE) and the Global Quality & Compliance Review (GQ&CR) programme.

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



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

► Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Audit Quality Performance Reviews (QPRs) programme

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 four-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.

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 engagement 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 'Compliant', 'Compliant- Improvement Needed' or 'Not Compliant'.



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 not compliant 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 programme.

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.

Each of the GAQMG reviewers takes the Global QPR training. The GAQMG team is responsible for performing and overseeing selected QP reviews of LRE audit engagements.

KPMG Quality & Compliance Evaluation (KQCE) programme (formerly known as Risk Compliance programme (RCP))

KPMG International develops and maintains quality management policies and processes that apply to all KPMG firms. These policies and processes, and their related procedures, include the requirements of the GQRMM, ISQC 1, and the implementation requirements of ISQM 1 for this transition period.

The objectives of the KQCE programme are to:

- Document, assess and evidence KPMG in Ireland's implementation of ISQM 1, extent of compliance of their system of quality management with the 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.

Where exceptions 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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

▶ Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 quality and compliance programme (former RCP and, current, KQCE programme).

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.

14.2 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 2022. 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 PCAOB, the Isle of Man Financial Supervision Commission (IOMFSC), the Jersey Financial Services Commission (JFSC), the Guernsey Registry, the Japanese Financial Services Agency, the Canadian Public Accountability Board (CPAB) and the Financial Reporting Council (FRC) in the UK.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

▶ Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 2022. The public report on the inspection was released in March 2023 and made available on the IAASA website at <https://iaasa.ie/wp-content/uploads/2023/03/2022-QAR-Report-KPMG.pdf>⁹

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 PCAOB inspected KPMG in Ireland in September 2022. We expect to receive a formal report from them in 2023.

To date none of the external inspections have identified any issues that have a material impact on the conduct of our statutory audit business.

We do consider each of the findings and recommendations raised by our Regulators and have implemented actions to address any matters raised and strengthen policies and procedures as appropriate.

KPMG International has regular two-way communication with the International Forum of Independent Audit Regulators (IFIAR), principally through IFIAR's 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

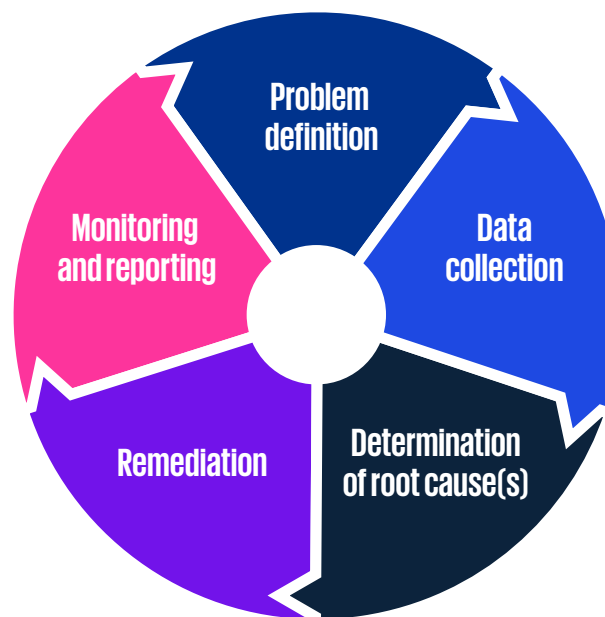
We have procedures in place for monitoring and addressing complaints received relating to the quality of our work. These procedures are detailed in our general terms of business.

14.3 Perform root cause analysis

KPMG in Ireland conducts Root Cause Analysis (RCA) in respect of audit quality issues.

Root Cause Analysis: An independent root cause analysis is undertaken on all key findings raised by external inspections together with the findings from our internal monitoring processes. This informs the remedial actions we take to respond to these findings.

The Global RCA 5 Step Principles are as follows:



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

▶ Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

⁹ <https://iaasa.ie/wp-content/uploads/2023/03/2022-QAR-Report-KPMG.pdf>

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 2022 are set out below.

Community Connections	183
Employee Volunteer Hours	18,543
Cash Donations	€714,321
Employee Fundraising	€261,740
In-kind Donations	€1,085,927

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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

► Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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.

In September, we invited KPMG staff, alumni, family and friends to put on their hiking boots and take on the Lugnaquilla Mountain Trail Challenge – the highest peak in Leinster in support of Cystic Fibrosis Ireland. More than 60 people took part in the KPMG Charity Hike and over €25,000 was donated to the charity.

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 Stanhope Street Primary School, Stoneybatter, Dublin 7. We also run a numeracy programme called Time to Count with St Vincent's GNS, Dublin 1.

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.

During 2022 KPMG and Children's Books Ireland continued to roll out the 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.

In April, 80 KPMG volunteers visited schools across Ireland to help Junior Juries groups get excited about reading. Hundreds of groups of young readers around the country signed up to be Junior Juries for KPMG Children's Books Ireland Award. We're committed to lifelong learning and improving literacy levels across Ireland through staff volunteering. The KPMG Children's Books Ireland Awards took place in May as part of the International Literature Festival Dublin. The awards included the KPMG Reading Hero Award.

In October we ran the KPMG Global Cyber month. With cybercrime on the rise, educating children about how to keep safe online was a key part of the annual KPMG Global Cyber month Initiative, which helps students, teachers, and parents become more cyber aware. KPMG's Dani Michaux and her team visited 15 schools across Ireland north and south and spoke with 1,000+ students aged 7-11. Through interactive classroom sessions, our 22-strong cyber team discussed the safe use of personal data, social media, cyberbullying, online gaming and phones.

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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

► Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

There are 1,600 universities in 34 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 2021/2022 academic year, ten third level institutions participated in the initiative.

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.

Sustainability

We are pleased to confirm that KPMG in Ireland renewed its carbon neutral status for 2022 as we continue to support global renewable energy developments. KPMG in Ireland was the first professional services firm to achieve carbon neutral status in January 2007.

In the past year, KPMG have further minimised our environmental impact by implementing initiatives and programmes which has led to a 65% reduction of carbon emissions per employee across our Scope 1, 2 and 3 emissions since 2019.

As we look to the future, we are underway with programmes designed to collaboratively work with our supply chain to collaborate, educate and motivate our vendor base to join our journey to net zero emissions by 2030. This will see our scope 3 emissions further evolve as we grow to understand the intricacies and our supply chain and where tangible improvements can be made to our scope 3 emissions profile.

We see education and our people as key components to our sustainability progress and we will continue to work closely with our people to educate on our commitments and how they play a part in it. With this in mind, we have created staff-driven sustainability working groups to offer an employee voice and view on vital topics such as biodiversity, waste, energy and responsible procurement.



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 2022 Project Bright programme was KPMG LEGO® Clubs, the idea focused on implementing a recurring LEGO® after-school activity club for children within Dublin's North-East Inner City. The LEGO® Club has been rolled out in three local community youth centres reaching children from ten disadvantaged schools within a 1.5km radius of our Harbourmaster office. KPMG provided funding to establish the programme and train six community workers on how to facilitate LEGO® play. LEGO Play Therapy has been proven to help children's natural interest in play and delivers great benefits in terms of teamwork and social skills and the aim of this initiative is to promote equal equity of outcome amongst all children regardless of background or circumstance via local enrichment programmes.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

► Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

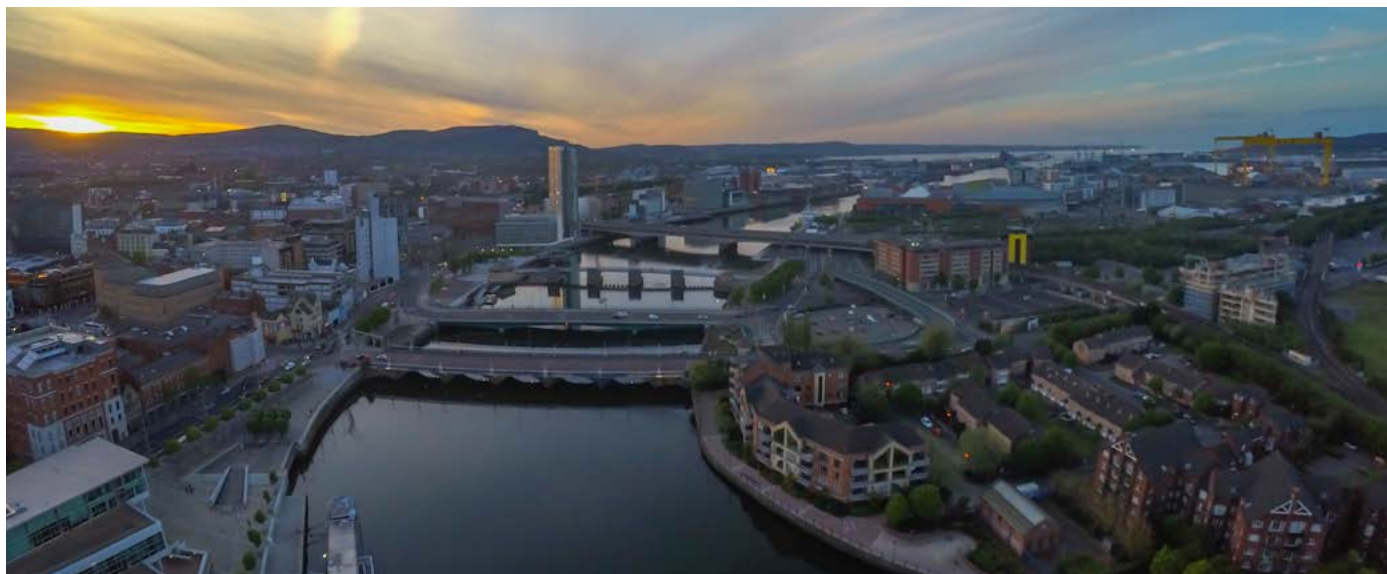
Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 2022 have been extracted from the draft partnership accounts which have not as 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 the statutory auditor or the audit firm.
- 4 Revenues from non-audit services to other entities.

Financial information for year end 31 December 2022 and 2021 in euro million is detailed below.

Service	2022 Revenue € million	Percent
Statutory audits and directly related services for PIEs	18	3
Other audit services and directly related services for non-PIEs	144	25
Non-audit services provided to audit clients	74	13
Non-audit services provided to other entities	343	59
Total Revenue	579	100

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

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

► Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 3,802 at 31 December 2021 to 4,326 at 31 December 2022.

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 the 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 considers the ERM framework in order to identify appropriate mitigating actions for material risks. Emerging risks and issues are discussed and mitigating actions agreed upon. Our areas of emerging risks are included within [Our Impact Report](https://kpmg.com/ie/en/home/insights/2023/04/transparency-impact-report.html)¹⁰.



¹⁰ <https://kpmg.com/ie/en/home/insights/2023/04/transparency-impact-report.html>

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

▶ Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

17. Partner remuneration



Partners are remunerated out of the distributable profits of KPMG in Ireland and are personally responsible for funding pensions and most other benefits. The final allocation of profits to Partners is made by KPMG in Ireland 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, 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.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

▶ Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

18. Network arrangements



18.1 Legal structure

Legal structure

KPMG in Ireland and all other KPMG firms are party to membership and associated documents, the key impact of which is that all KPMG member firms in the KPMG global organisation are members in, or have other legal connections to, KPMG International Limited, an English private company limited by guarantee.

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 legal and governance arrangements for the KPMG global organisation can be found in section ['Governance and leadership' of the 2022 KPMG International Transparency Report](#)¹¹.

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.

¹¹: <https://home.kpmg/xx/en/home/about/kpmg-international-transparency-report.html>

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

▶ Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 EUR 2.2 billion during the year ending 30 September 2022. 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 September 2022.

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

**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.

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.

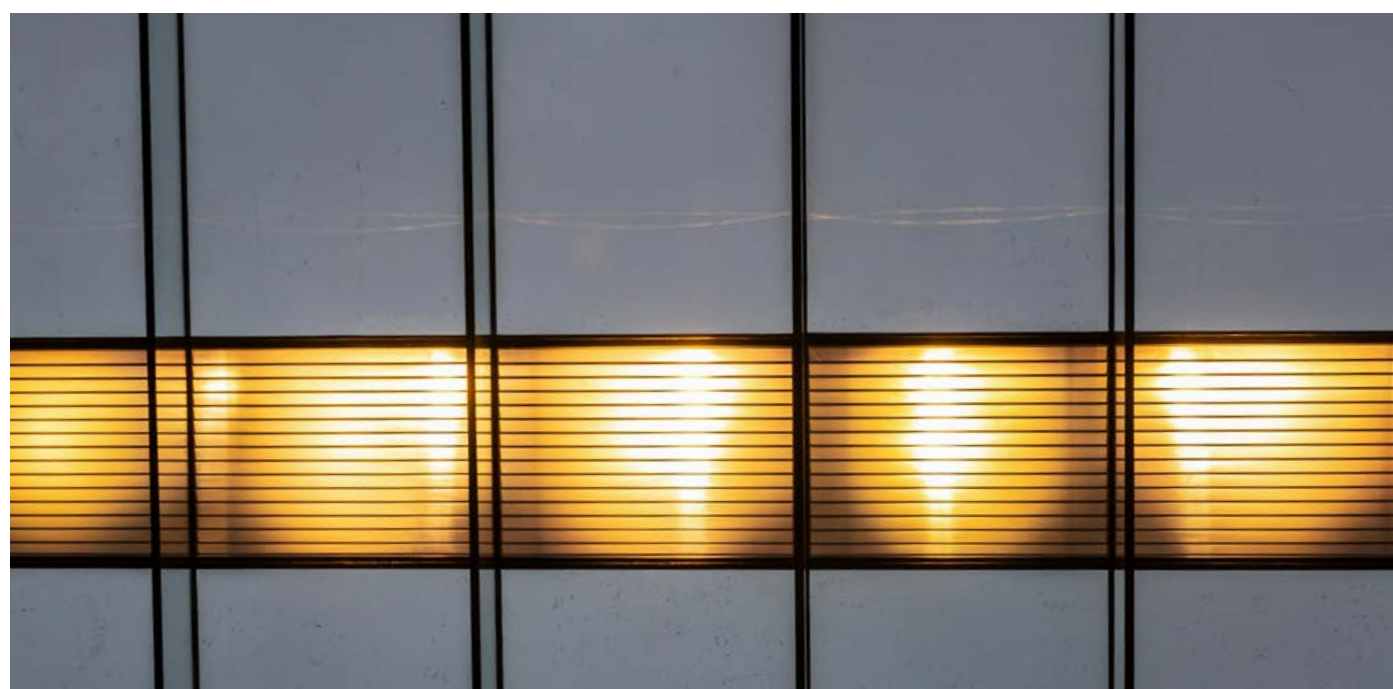
18.4 Governance structure

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.



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

► Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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 [Leadership page of kpmg.com](#)¹².

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 Management and 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, assurance engagements and the system of quality management 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 [Leadership section](#)¹² 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 strategy implementation in member firms' audit functions, including standards of audit quality; and
- Assess and monitor audit quality issues, including those arising from quality performance and regulatory reviews, and focus on best practices that reduce audit quality findings.

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 [2022 KPMG International Transparency Report](#)¹³.

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 2022, can be found in section 'Governance and leadership' of the [2022 KPMG International Transparency Report](#)¹³.

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

► Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

¹² <https://home.kpmg/xx/en/home/about/who-we-are/our-leadership.html>

¹³ <https://home.kpmg/xx/en/home/about/kpmg-international-transparency-report.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 management 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 controls 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 2022.

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 2022.

Policy Committee

KPMG in Ireland
20 April 2023



Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 1: Details of those charged with governance at KPMG in Ireland

Executive Team¹⁴



Seamus Hand
Managing Partner



Emer McGrath
Head of Audit



Gillian Kelly
(from 1 May 2022)
Co-Head of
Consulting



Paul Toner
Co-Head of
Consulting



Mark Collins
Head of
Deal Advisory



Tom Woods
Head of Tax



Barrie O'Connell
(from 1 May 2022)
Heads of
Clients & Markets



Hubert Crehan
Head of Investment
& Growth



Ian Nelson
(from 1 May 2022)
Head of
Financial Services



Declan Keane
Chief Operations
Officer



Mark Mulqueen
Chief Financial
Officer



David Wilkinson
Risk Management
Partner



Colm Gorman
Head of People
& Culture

Name	Number of meetings held	Number of meetings attended
Seamus Hand	15	15
Paul Toner	15	13
Declan Keane	15	15
Colm Gorman	15	13
Mark Collins	15	14
Mark Mulqueen	15	15
Tom Woods	15	14
Gillian Kelly	10	10
Barrie O'Connell	10	9
Hubert Crehan	15	12
Emer McGrath	15	14
Ian Nelson	10	9
David Wilkinson	15	13

¹⁴To find out more about our people visit
<https://home.kpmg/ie/en/home/about/meet-our-people.html>

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

► Appendix 1

Appendix 2

Appendix 3

Appendix 4

Appendix 1: Details of those charged with governance at KPMG in Ireland

Policy Committee¹⁴



Seamus Hand
Managing Partner



Emma O'Driscoll
Audit Partner/
Secretary



Gavin Sheehan
Transaction Services
Partner/Secretary



Johnny Hanna
Tax Partner



Patricia Carroll
(from 01 May 2022)
Audit Partner



Tim Lynch
Tax Partner



Caroline Flynn
(from 01 May 2022)
Audit Partner



Brian Morrissey
(from 01 May 2022)
Consulting Partner



Orla Gavin
(from 01 May 2022)
Tax Partner



Jim Clery
Tax Partner



Kevin Cohen
Tax Partner

Name	Number of meetings held	Number of meetings attended
Seamus Hand	28	28
Emma O'Driscoll	26	26
Gavin Sheehan	3	3
Johnny Hanna	28	28
Patricia Carroll	19	19
Tim Lynch	28	26
Caroline Flynn	19	19
Brian Morrissey	19	18
Orla Gavin	19	19
Jim Clery	28	24
Kevin Cohen	28	18

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

► Appendix 1

Appendix 2

Appendix 3

Appendix 4

¹⁴To find out more about our people visit
<https://home.kpmg/ie/en/home/about/meet-our-people.html>

Appendix 1: Details of those charged with governance at KPMG in Ireland

Audit Executive Team¹⁴



Emer McGrath
(from 01 May 2022)
Head of Audit



Darina Barrett
(from 01 May 2022)
Head of Audit Quality
& Professional
Practice



Ivor Conlon
Financial Services
Audit Business
Unit Lead



Mike Gibbons
Construction,
Healthcare, Education
and Communication Audit
Business Unit Lead



Frank Gannon
(from 01 May 2022)
Financial Services
Audit Deputy
Business Unit Lead



Ryan McCarthy
Consumer & Industrial
Markets Audit
Business Unit Lead



Niall Savage
(from 01 May 2022)
Audit Markets
Lead

Name	Number of meetings held	Number of meetings attended
Emer McGrath	17	14
Darina Barrett	17	12
Ivor Conlon	17	16
Frank Gannon	17	11
Mike Gibbons	17	17
Ryan McCarthy	17	17
Niall Savage	17	12

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

► Appendix 1

Appendix 2

Appendix 3

Appendix 4

¹⁴To 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 2022 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)

- Adidas International Re Designated Activity Company
- Amtrust International Underwriters Designated Activity Company
- Amundi Physical Metals Plc
- Arkema Insurance Designated Activity Company
- Bank of Ireland Group Plc
- Bank of Ireland Mortgage Bank
- Bank of Montreal Europe Public Limited Company
- Barclays Bank Ireland Plc
- Cairn CLO III Designated Activity Company
- Cairn Homes plc
- Citibank Europe Plc
- Codeve Insurance Company Designated Activity Company
- Companjon Insurance Designated Activity Company
- Dalata Hotel Group plc
- DCC Group Insurances Designated Activity Company
- ECCU Assurance Designated Activity Company
- Euro Insurances Designated Activity Company
- Everest Reinsurance Company (Ireland), Designated Activity Company
- Fidelis Insurance Ireland Designated Activity Company
- FlexShares Emerging Markets High Dividend Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV)
- FlexShares Emerging Markets Low Volatility Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV)
- Flexshares® Developed Markets High Dividend Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV)
- Flexshares® Developed Markets Low Volatility Climate ESG UCITS ETF (a sub-fund of FlexShares ICAV)
- FlexShares® Listed Private Equity UCITS ETF (a sub-fund of FlexShares ICAV)
- Flutter Entertainment plc
- GE Capital European Funding Unlimited Company
- Glenveagh Properties PLC
- Green Effects Investment Plc
- Hansard Europe Designated Activity Company
- HSBC ETFs Plc
- HSBC Global Liquidity Funds Plc
- Ignis Strategic Solutions Funds Plc
- ING Captive Re Designated Activity Company
- Inveralmond Insurance Designated Activity Company
- Invesco Markets Plc

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

► Appendix 2

Appendix 3

Appendix 4

- Invesco Physical Markets Plc
- Irish Continental Group plc
- Irish Residential Properties REIT plc
- Kenmare Resources plc
- KraneShares Bloomberg China Bond Inclusion UCITS ETF (formerly 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 Electric Vehicles & Future Mobility ESG Screened UCITS ETF (a Sub-Fund of KraneShares ICAV)
- KraneShares ICBCCS SSE STAR Market 50 Index UCITS ETF (a sub-fund of KraneShares ICAV)
- KraneShares MSCI All China Health Care Index UCITS ETF (a sub-fund of KraneShares ICAV)
- KraneShares MSCI China A 50 Connect UCITS ETF (formerly 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)
- Marriott International Funds Plc
- Navillus Insurance Company Designated Activity Company
- New Ireland Assurance Company Plc
- North of England P&I Designated Activity Company
- 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
- Scotiabank (Ireland) Designated Activity Company
- Smurfit Kappa Group plc
- Sofinsod Insurance Designated Activity Company
- Squadron Reinsurance Designated Activity Company
- The Governor and Company of the Bank of Ireland
- VanEck Vectors UCITS ETFs Plc
- Vanguard Funds Public Limited Company
- XTrackers ETC Plc

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

▶ Appendix 2

Appendix 3

Appendix 4

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 2022. 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.

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

Appendix 4

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

Contents

Message from our
Managing Partner

Message from our
Head of Audit

Message from
the Chair of the
Public Interest
Committee

Profiles of Independent
Non-Executive
members of the Public
Interest Committee

Living our culture
and values

Applying expertise
and knowledge

Embracing digital
technology

Nurturing diverse
skilled teams

Associating with
the right clients and
engagements

Being independent
and ethical

Performing quality
audit engagements

Assessing risks
to quality

Communicating
effectively

Monitoring and
remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

▶ Appendix 3

Appendix 4

Appendix 4: Irish Audit Firm Governance Code

Section	Principles and Provisions	Reference to relevant information
A	Leadership	
A.1	Owner Accountability Principle The management of a firm should be accountable to the firm’s owners and no individual should have unfettered powers of decision.	
A.1.1	The firm should establish board or other governance structures, with matters specifically reserved for their decision, to oversee the activities of the management team.	Transparency Report Section 5.3.1
A.1.2	The firm should state in its transparency report how its governance structures and management team operate, their duties and the types of decisions they take.	Transparency Report Section 5.4.2
A.1.3	The firm should state in its transparency report the names and job titles of all members of the firm’s governance structure and its management team, how they are elected or appointed and their terms, length of service, meeting attendance in the year, and relevant biographical details.	Transparency Report Section 5.4.2 and Appendix 1
A.1.4	The firm’s governance structures and management team and their members should be subject to formal, rigorous and on-going performance evaluation and, at regular intervals, members should be subject to re-election or re-selection.	Transparency Report Section 5.4.2
A.2	Management Principle A firm should have effective management which has responsibility and clear authority for running the firm.	
A.2.1	The management team should have terms of reference that include clear authority over the whole firm including its non-audit businesses and these should be disclosed on the firm’s website.	Transparency Report section 5.4 and https://kpmg.com/ie/en/home/about/governance.html
B	Values	
B.1	Professionalism Principle A firm should perform quality work by exercising judgement and upholding values of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour in a way that properly takes the public interest into consideration.	
B.1.1	The firm’s governance structures and management team should set an appropriate tone at the top through its policies and practices and by publicly committing themselves and the whole firm to quality work, the public interest and professional judgement and values.	Transparency Report Section 5
B.1.2	The firm should have a code of conduct which it discloses on its website and requires everyone in the firm to apply.	https://kpmg.com/xx/en/home/about/who-we-are/governance/global-code-of-conduct.html

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

▶ Appendix 4

B.2	Governance Principle A firm should publicly commit itself to this Audit Firm Governance Code.	
B.2.1	The firm should incorporate the principles of this Audit Governance Code into an internal code of conduct.	Transparency Report Section 5
B.3	Openness Principle A firm should maintain a culture of openness which encourages people to consult and share problems, knowledge and experience in order to achieve quality work in a way that properly takes the public interest into consideration.	
C Independent Non-executives		
C.1	Involvement of independent non-executives Principle A firm should appoint to a governance body, either at national or international level, independent non-executives who through their involvement collectively enhance shareholder confidence in the public interest aspects of the firm's decision making, stakeholder dialogue and management of reputational risks including those in the firm's businesses that are not otherwise effectively addressed by regulation.	
C.1.1	Independent non-executives should: have the majority on a body that oversees public interest matters; and/or be members of other relevant governance structures within the firm, either nationally or internationally. They should also meet as a separate group to discuss matters relating to their remit.	Transparency Report Section 5.4.2
C.1.2	The firm should disclose on its website information about the appointment, retirement and resignation of independent non-executives, their duties and the arrangements by which they discharge those duties and the obligations of the firm to support them. The firm should also disclose on its website the terms of reference and composition of any governance structures whose membership includes independent non-executives.	https://kpmg.com/ie/en/home/about/governance.html
C.2	Characteristics of independent non-executives principle The independent non-executives' duty of care is to the firm. They should command the respect of the firm's owners and collectively enhance shareholder confidence by virtue of their independence, number, stature, experience and expertise.	
C.2.1	The firm should state in its transparency report its criteria for assessing the impact of independent non-executives on the firm's independence as auditors and their independence from the firm and its owners.	Transparency Report Section 5.4.2
C.3	Rights of independent non-executives principle Independent non-executives of a firm should have rights consistent with their role including a right of access to relevant information and people to the extent permitted by law or regulation, and a right to report a fundamental disagreement regarding the firm to its owners and, where ultimately this cannot be resolved and the independent non-executive resigns, to report this resignation publicly.	
C.3.1	Each independent non-executive should have a contract for services setting out their rights and duties.	Each INE has a contract in place with the firm
C.3.2	The firm should ensure that appropriate indemnity insurance is in place in respect of legal action against any independent non-executive.	Professional Indemnity Insurance is held by the firm
C.3.3	The firms should provide each independent non-executive with sufficient resources to undertake their duties including having access to independent professional advice at the firm's expense where an independent non-executive judges such advice necessary to discharge their duties.	https://kpmg.com/ie/en/home/about/governance.html
C.3.4	The firm should establish, and disclose on its website, procedures for dealing with any fundamental disagreement that cannot otherwise be resolved between the independent non-executives and members of the firm's management team and/or governance structures.	https://kpmg.com/ie/en/home/about/governance.html

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

▶ Appendix 4

D Operations		
D.1	Compliance Principle A firm should comply with professional standards and applicable legal and regulatory requirements.	
D.1.1	The firm should establish policies and procedures for complying with applicable legal and regulatory requirements and international and national standards on auditing, quality control and ethics, including auditor independence.	Transparency Report section 6.1, 7, 8, 10 and 11.
D.1.2	The firm should establish policies and procedures for individuals signing group audit reports to comply with applicable standards on auditing dealing with group audits including reliance on other auditors whether from the same network or otherwise.	This is included in KPMG's audit methodology
D.1.3	The firm should state in its transparency report how it applies policies and procedures for managing potential and actual conflicts of interest.	Transparency Report section 10.2.10
D.1.4	The firm should take action to address areas of concern identified by audit regulators in relation to the firm's audit work.	Transparency report section 14.2.1
D.2	Risk Management Principle A firm should maintain a sound system of internal control and risk management over the operations of the firm as a whole to safeguard the owners' investment and the firm's assets.	
D.2.1	The firm should, at least annually, conduct a review of the effectiveness of the firm's system of internal control. The review should cover all material controls, including financial, operational and compliance controls and risk management systems.	Transparency Report Section 19
D.2.2	The firm should state in its transparency report that it has performed a review of the effectiveness of the system of internal control, summarise the process it has applied and confirm that necessary actions have been or are being taken to remedy any significant failings or weakness identified from that review. It should also disclose the process it has applied to deal with the material internal control aspects of any significant problems disclosed in its transparency report.	Transparency Report Section 14
D.2.3	In maintaining a sound system of internal control and risk management and in reviewing its effectiveness, the firm should use a recognised framework such as the Turnbull Guidance and disclose in its transparency report the framework it has used.	Transparency Report Section 5.1.2
D.3	People Management Principle A firm should apply policies and procedures for managing people across the whole firm that support its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code.	
D.3.1	The firm should disclose on its website how it supports its commitment to the professionalism, openness and risk management principles of this Audit Firm Governance Code through recruitment, development activities, objective setting, performance evaluation, remuneration, progression, and other forms of recognition, representation and involvement.	Transparency Report Section 8
D.3.2	Independent non-executives should be involved in reviewing people management policies and procedures.	Transparency Report Section 3 Message from the Chair of the Public Interest Committee
D.4	Whistleblowing Principle A firm should establish and apply confidential whistleblowing policies and procedures across the firm which enable people to report, without fear, concerns about the firm's commitment to quality work and professional judgement and values in a way that properly takes the public interest into consideration.	
D.4.1	The firm should report to independent non-executives on issues raised under its whistleblowing policies and procedures and disclose those policies and procedures on its website.	https://kpmg.com/xx/en/home/about/who-we-are/governance/global-code-of-conduct.html

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

▶ Appendix 4

E Reporting		
E.1	Internal Reporting Principle The management team of a firm should ensure that members of its governance structures, including owners and independent non-executives, are supplied with information in a timely manner and in a form and of a quality appropriate to enable them to discharge their duties.	
E.2	Financial Information Principle A firm should publish the financial information set out in Regulation 61(b)(ix) of SI 220 of 2010, European Communities (Statutory Audits) (Directive 2006/43/ec) Regulations 2010.	
E.2.1	The firm should explain who is responsible for preparing the financial information and should make a statement about their reporting responsibilities.	Transparency Report Section 16
E.3	Management Commentary Principle The management of a firm should publish in its transparency report on an annual basis a balanced and understandable commentary on the firm's financial performance, position and prospects.	
E.3.1	The firm should include in its transparency report its principal risks and uncertainties, identifying those related to litigation, and report how they are managed in a manner consistent with the requirements of the applicable financial reporting framework. The firm should also report that it is a going concern, with supporting assumptions or qualifications as necessary.	Transparency Report Section 16
E.4	Governance Reporting Principle A firm should publicly report how it has applied in practice each of the principles of the Audit Firm Governance Code excluding F.2 on shareholder dialogue and F.3 on informed voting and make a statement on its compliance with the Code's provisions or give a considered explanation for any non-compliance.	
E.4.1	The firm should publish on its website an annual transparency report containing the disclosures required by Code Provisions A.1.2, A.1.3, C.2.1, D.1.3, D.2.2 and D.2.3.	https://kpmg.com/ie/en/home/insights/2023/04/transparency-impact-report.html
F Dialogue		
F.1	Firm dialogue Principle A firm should have dialogue with public interest entity shareholders, as well as public interest entities and their audit committees, about matters covered by this Audit Firm Governance Code to enhance mutual communication and understanding and ensure that it keeps in touch with shareholder opinion, issues and concerns.	
F.1.1	The firm should disclose on its website its policies and procedures, including contact details, for dialogue about matters covered by this Audit Firm Governance Code with public interest entity shareholders and public interest entities. These disclosures should cover the nature and extent of the involvement of independent non-executives in such dialogue.	Transparency report section 14.2 https://kpmg.com/ie/en/home/misc/contact.html
F.2	Shareholder dialogue Principle Shareholders should have dialogue with audit firms to enhance mutual communication and understanding.	
F.3	Informed Voting Principle Shareholders should have dialogue with public interest entities on the process of recommending the appointment and re-appointment of auditors and should make considered use of votes in relation to such recommendations.	

Contents

Message from our Managing Partner

Message from our Head of Audit

Message from the Chair of the Public Interest Committee

Profiles of Independent Non-Executive members of the Public Interest Committee

Living our culture and values

Applying expertise and knowledge

Embracing digital technology

Nurturing diverse skilled teams

Associating with the right clients and engagements

Being independent and ethical

Performing quality audit engagements

Assessing risks to quality

Communicating effectively

Monitoring and remediation

Corporate Citizenship

Financial Information

Partner remuneration

Network arrangements

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

Appendix 1

Appendix 2

Appendix 3

▶ Appendix 4

kpmg.ie

© 2023 KPMG, an Irish partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are registered trademarks of KPMG International Limited ("KPMG International"), a private English company limited by guarantee.

If you've received this communication directly from KPMG, it is because we hold your name and company details for the purpose of keeping you informed on a range of business issues and the services we provide. If you would like us to delete this information from our records and would prefer not to receive any further updates from us please contact unsubscribe@kpmg.ie.

Produced by: KPMG's Creative Services. Publication Date: April 2023. (9052)