



# Transparency Report 2020

**EY Ireland**  
**Volume 2**



# Contents

<b>About us</b> .....	<b>3</b>
<i>Legal structure, ownership and governance</i> .....	3
<i>Network arrangements</i> .....	5
<b>Commitment to Sustainable Audit Quality</b> .....	<b>9</b>
<i>Infrastructure supporting quality</i> .....	9
<i>Instilled professional values</i> .....	11
<i>Internal quality control system</i> .....	12
<i>Client acceptance and continuance</i> .....	13
<i>Performance of audits</i> .....	14
<i>Review and consultation</i> .....	16
<i>Rotation and long association</i> .....	17
<i>Audit quality reviews</i> .....	17
<i>External quality assurance review</i> .....	18
<i>Compliance with legal requirements</i> .....	19
<b>Independence practices</b> .....	<b>20</b>
<b>Continuing education of audit professionals</b> .....	<b>22</b>
<b>Revenue and remuneration</b> .....	<b>23</b>
<i>Financial information</i> .....	23
<i>Partner remuneration</i> .....	24
<b>Appendix 1: List of PIE audit clients</b> .....	<b>25</b>
<i>EY Ireland PIE audit clients</i> .....	25
<b>Appendix 2:</b> .....	<b>27</b>



## About us

### Legal structure, ownership and governance

References to Ireland throughout this document (volume 2) is to the Republic of Ireland Only. In Ireland, there are four partnerships, formed in Ireland, Ernst & Young Chartered Accountants, Ernst & Young Business Advisors, Ernst & Young Business Advisory Services and Ernst & Young Business Consultants which are member firms of Ernst & Young Global Limited, a UK company limited by guarantee (EYG). In this report, we refer to ourselves as 'EY Ireland,' 'we,' 'us' or 'our.' EY refers collectively to the global organisation of the member firms of EYG.

At 30 June 2020, EY Ireland had 78 partners and operates from offices in Dublin, Cork, Galway, Waterford and Limerick.

EYG member firms are grouped into three geographic Areas: Americas; Asia-Pacific; and Europe, Middle East, India and Africa (EMEIA). The Areas comprise multiple Regions, which themselves consist of member firms.

EY Ireland is part of the EMEIA Area, which comprises EYG member firms in 97 countries in Europe, the Middle East, India and Africa. Within the EMEIA Area, there are 10 Regions. EY Ireland is part of the UK and Ireland Region.

Ernst & Young (EMEIA) Limited (EMEIA Limited), an English company limited by guarantee, is the principal coordinating entity for the EYG member firms in the EMEIA Area. EMEIA Limited facilitates the coordination of these firms and cooperation between them, but it does not control them. EMEIA Limited is a member firm of EYG, has no financial operations and does not provide any professional services.

Each Region elects a Regional Partner Forum (RPF), whose representatives advise and act as a sounding board to Regional leadership. The partner elected as Presiding Partner of the RPF also serves as the Region's representative on the Global Governance Council (see page 6).

In Europe, there is a holding entity, EY Europe SCRL (EY Europe). EY Europe is a Limited Liability Cooperative Company (SCRL or CVBA) incorporated in Belgium. It is an audit firm registered with the Institut

des Reviseurs d'Entreprises (IRE-IBR) in Belgium, but it does not carry out audits or provide any professional services.

To the extent permitted by local legal and regulatory requirements, EY Europe has acquired or will acquire voting control of the EYG member firms operating in Europe. EY Europe is a member firm of EYG. EY Europe acquired voting control of EY Ireland as of 30 June 2012.

The Board of Directors of EY Europe is made up of senior partners of EYG member firms in Europe. It has authority and accountability for strategy execution and management of EY Europe.

#### EY Ireland Leadership Team

The Leadership Team is appointed by the Managing and has the full authority to deal with general and operational management of EY Ireland. It has authority and accountability for strategic execution and management of EY Ireland's operations. Members of the Leadership Team serve for such term as is appropriate having regard to their experience and their other roles and responsibilities. The Leadership Team is responsible for the commercial, financial and reputational standing of EY Ireland as a whole, the admission of new partners, and the general and operational management of EY Ireland as a whole. The Leadership Team is chaired by the Managing Partner. In executing its role, the Leadership Team has approved the delegation of certain duties to Leadership Team members and other nominees. Meetings of Leadership Team members and their nominees.

#### EYOC

Certain decisions of EY Ireland must be approved by EY Ireland's oversight company, EYOC Limited. The board of the oversight company comprises Frank O'Keeffe, Mike McKerr and Eoin MacManus from EY Ireland and Lynn Rattigan from EY UK. The board meets quarterly in January, April, July and October of each year. Directors may either be appointed by (i) the existing directors acting as a board subject to EY Europe's approval, or (ii) by EY Europe itself, as the sole voting shareholder in EYOC Limited, in general meeting.

Bios of the members of the Leadership Team and EYOC follow.

## EY Ireland Leadership Team and Members of EYOC

The EY Ireland Managing Partner is responsible for the strategic direction of EY Ireland and promoting the interests of EY Ireland, in accordance with the provisions contained in the Partnership Agreements. In addition to acting as chair of the Leadership Team, and sitting on the board of EYOC Limited, the duties of the Managing Partner also include representing EY Ireland at EMEIA Area level and EYG, and maintaining liaison with EYG and its member firms. The Managing Partner is appointed by the Regional Managing Partner following partner consultation.

Frank O'Keeffe was appointed EY Ireland Managing Partner from 1 July 2018 and became Managing Director of EYOC Limited on the same date. Prior to his current role, Frank was Head of Assurance and a member of the Irish Leadership Team between 2014 and 2018. He is also member of the UK&I regional leadership team. Frank joined EY in 1997 and served as an audit partner for over 13 years. He has over 25 years' experience serving a range of large national and multinational clients.. He was Partner in charge of the EY Entrepreneur Of The Year™ programme between 2009 and 2014 and until recently served as the Diversity & Inclusion Sponsor Partner for EY in Ireland. Frank is a Fellow of the Chartered Association of Certified Accountants.

Mike McKerr is Chairperson of EY Ireland and a board member of EYOC Limited. He has been a Transaction Advisory Services partner for over 20 years and is the former Managing Partner of EY Ireland. He was also appointed Global Leader - Market Solutions from 1 July 2018 with responsibility for alternative business models as EY develops IP/Asset based revenue streams. Mike joined EY in 1986, was appointed Irish Head of Markets in 2008 and was appointed Managing Partner in 2009. Mike is a Fellow of the Institute of Chartered Accountants in Ireland.

Eoin MacManus is a member of the EY Ireland Leadership Team and board member of EYOC Limited. He is the Market Segment Leader for the Financial Services practice in Ireland, and the Regional Deputy Managing Partner EMEIA Financial Services Organisation. Eoin is an audit partner and provides audit services to a wide range of financial services companies. Eoin is a Fellow of the Institute of Chartered Accountants in Ireland.

Luke Charleton was appointed to the EY Ireland Leadership Team in June 2016. He leads EY Ireland's Strategy and Transactions ('SaT') service line and is on the UKI SaT leadership team. He has been with EY for 26 years, during which he spent 15 years with EY in the UK. Luke is a Chartered Accountant (Institute of Chartered Accountants of Scotland) and a licenced Insolvency Practitioner. Luke advises companies, financial institutions and private equity in respect of insolvency, restructuring and M&A situations across a variety of sectors.

Breffni Maguire leads EY Ireland's Assurance practice and is a member of the EY Ireland Leadership Team since July 2018. Breffni has been an audit partner for over 15 years and has over 25 years' experience

serving predominantly listed clients. Breffni previously held various leadership roles in EY Ireland from 2006 to 2014 and is a Fellow of the Institute of Chartered Accountants in Ireland.

Barry McCarthy leads EY Ireland's Consultancy practice and is a member of the EY Ireland Leadership Team since January 2020. Barry joined EY in 2015 and has over 20 years' experience with a wide range of Irish and international companies as a consultant supporting clients in leading major technology, change and transformation initiatives. Barry is a consulting partner and provides consulting services to a wide range of clients across multiple sectors.

Kevin McLoughlin is a member of the EY Ireland Leadership Team and leads EY Ireland's Tax practice. He joined EY Ireland in 1987 and became a partner in 2005. He has over 30 years' experience with a wide range of Irish and international companies. Kevin was the Partner-In-Charge of the EY Entrepreneur of The Year Programme between 2015 and 2019. Kevin is a law graduate, Fellow of the Institute of Chartered Accountants in Ireland and an Associate of the Irish Taxation Institute.

Lynn Rattigan is a board member of EYOC Limited. Lynn has spent her entire career in professional services. She has been a partner at EY UK since 2001 and has held a number of leadership positions during that time. In January 2015, Lynn joined the EY UK Management Team as the Chief Operating Officer for UK & Ireland. From a client perspective, Lynn has had an extensive and diverse range of client experiences throughout her career, having worked with a number of FTSE 100 companies and private equity houses, specialising in the delivery of Corporate Finance services.

### **Organisational and governance structure - Financial Services**

This report sets out details of the legal structure of the firm and several general partnerships, the EY Ireland leadership team and our oversight company (EYOC Limited), along with their governance bodies.

In line with our commitment to comply with the disclosure requirements of EU Audit Regulation and Irish company law we also include this description of the legal and structural arrangements of our Financial Services Organisation.

As with other member firms, EY Ireland consists of two industry business units, our Financial Services Organisation (FSO) and non-Financial Services (UKI). One business unit focuses activity on the financial services industry, the other encompasses all other sectors.

This relationship reflects the way our clients do business and engage with our services, and therefore how we serve them. The operating models of these business units are specifically designed to accommodate the service delivery and operational support functions that enable us to provide the highest levels of service to clients.

The globally-integrated nature of EY and the requirement to provide cross-border engagements requires the FSO and UKI business units to routinely coordinate their efforts. This necessitates regular collaboration and the use of mutual global processes and systems to operate consistently within EY Ireland and across our network firms.

While there is a division of certain operating functions, for the reasons described, the FS and UKI business units do not displace the legal and organisational structure or the overall governance structure set out in this Transparency Report.

### Partnership matters

The partners discuss matters relating to the four partnerships as required. Certain matters are reserved to the partners and these are set out in the relevant Partnership Agreements.

### Partnership forum

The Regional Partner Forum (RPF) has partner representation from EY Ireland. It meets regularly to discuss matters of relevance to the respective partnerships in the UK and Ireland Region including people matters, strategy and business updates. John Higgins and Aidan Walsh, partners in EY Ireland, are members of the RPF.

## Network arrangements

EY is a global leader in assurance, tax, strategy, transaction and consulting services. Worldwide, over 298,000 people in member firms in more than 150 countries share a commitment to building a better working world, united by shared values and an unwavering commitment to quality, integrity and professional skepticism. In today's global market, the

integrated EY approach is particularly important in the delivery of high-quality multinational audits, which can span nearly every country in the world.

This integrated approach enables EY member firms to develop and draw upon the range and depth of experience required to perform such diverse and complex audits.

EYG coordinates the member firms and promotes cooperation among them. EYG does not provide services, but its objectives include the promotion of exceptional high-quality client service by member firms worldwide. Each member firm is a legally distinct entity. Their obligations and responsibilities as members of EYG are governed by the regulations of EYG and various other agreements.

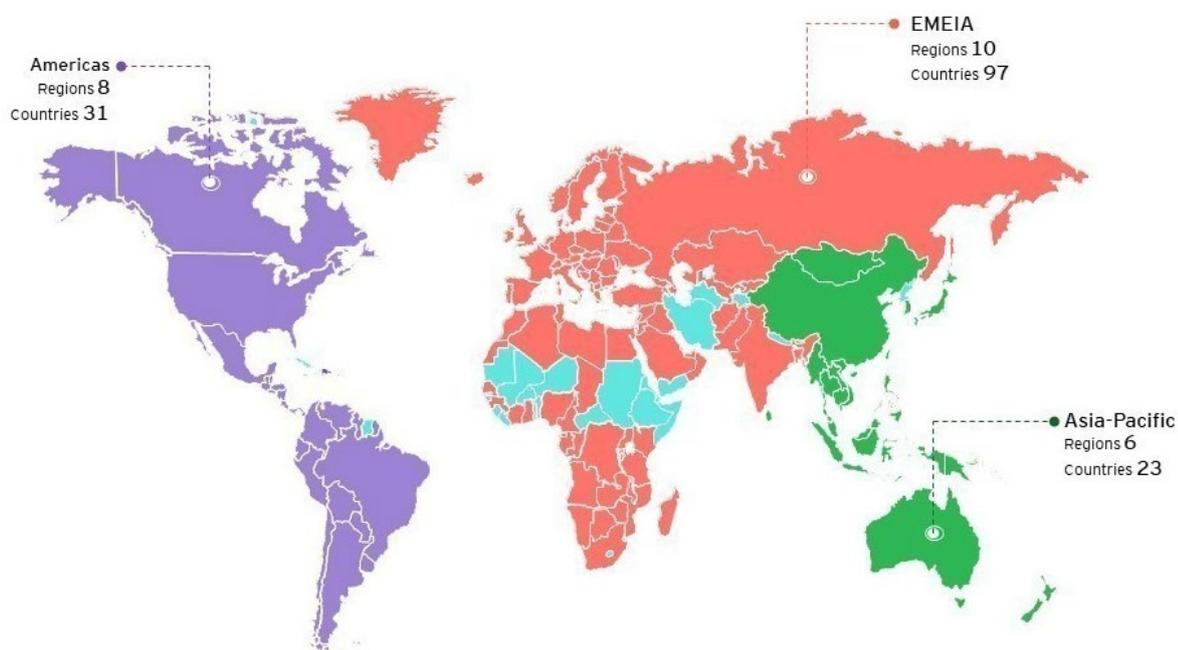
The structure and principal bodies of the global organisation, described below, reflect the principle that EY, as a global organisation, has a common shared strategy.

At the same time, the network operates on a Regional level within the Areas. This operating model allows for greater stakeholder focus in the Regions, permitting member firms to build stronger relationships with clients and others in each country, and be more responsive to local needs.

### Global Governance Council

The Global Governance Council (GGC) is the main oversight body of EYG. It comprises one or more representatives from each Region, other member firm partners as at-large representatives and up to six independent non-executives (INEs). The Regional representatives, who otherwise do not hold senior management roles, are elected by their RPFs for a three-year term, with provision for one successive

Figures are as of 1 July 2020



reappointment. The GGC advises EYG on policies, strategies, and the public interest aspects of its decision-making. The GGC approves, in some instances upon the recommendation of the GE, certain matters that could affect EY.

### **Global Executive**

The Global Executive (GE) brings together EY's leadership functions, services and geographies. As of 1 July 2020, it is chaired by the Chairman and CEO of EYG, and includes its Global Managing Partners of Client Service and Business Enablement; the Area Managing Partners; the global functional leadership for Talent; the leaders of the global service lines – Assurance, Consulting (previously Advisory), Strategy and Transactions (previously Transaction Advisory Services) and Tax; and one EYG member firm partner on rotation.

The GE also includes the Global Vice Chair of Markets, the Global Vice Chair of Transformation, the Chief Client Technology Officer, the Chair of the Global Accounts Committee, the Chair of the Emerging Markets Committee, as well as a representative from the Emerging Markets practices.

The GE and the GGC approve nominations for the Chairman and CEO of EYG and ratify appointments of the Global Managing Partners. The GE also approves appointments of Global Vice Chairs. The GGC ratifies the appointments of any Global Vice Chair who serves as a member of the GE.

The GE's responsibilities include the promotion of global objectives and the development, approval and, where relevant, implementation of:

- ▶ Global strategies and plans
- ▶ Common standards, methodologies and policies to be promoted within member firms
- ▶ People initiatives, including criteria and processes for admission, evaluation, development, reward and retirement of partners
- ▶ Quality improvement and protection programs
- ▶ Proposals regarding regulatory matters and public policy
- ▶ Policies and guidance relating to member firms' service of international clients, business development, markets and branding
- ▶ EY's development funds and investment priorities
- ▶ EYG's annual financial reports and budgets
- ▶ GGC recommendations

The GE also has the power to mediate and adjudicate disputes between member firms.

### **GE committees**

Established by the GE and bringing together representatives from across the organisation, the GE committees are responsible for making recommendations to the GE. In addition to the Global Audit Committee, examples of other committees include Assurance, Consulting, Tax, Strategy and Transactions, Global Markets and Investments, Global Accounts, Emerging Markets, Talent and Risk Management.

### **Global Practice Group**

This group brings together the members of the GE, GE committees, Regional leaders and sector leaders. The Global Practice Group seeks to promote a common understanding of EY's strategic objectives and helps drive consistency of execution across the organisation.

### **EYG member firms**

Under the regulations of EYG, member firms commit themselves to pursue EY's objectives, such as the provision of high-quality service worldwide. To that end, the member firms undertake the implementation of global strategies and plans, and work to maintain the prescribed scope of service capability. They are required to comply with common standards, methodologies and policies, including those regarding audit methodology, quality and risk management, independence, knowledge sharing, HR and technology.

Above all, EYG member firms commit to conducting their professional practices in accordance with applicable professional and ethical standards, and all applicable requirements of law. This commitment to integrity and doing the right thing is underpinned by the EY Global Code of Conduct and EY values (see page 11).

Besides adopting the regulations of EYG, member firms enter into several other agreements covering aspects of their membership in the EY organisation, such as the right and obligation to use the EY name, and knowledge sharing.

Member firms are subject to reviews to evaluate adherence to EYG requirements and policies governing issues, such as independence, quality and risk management, audit methodology and HR. Member firms unable to meet quality commitments and other EYG membership requirements may be subject to termination from the EY organisation.

## Independent Non-Executives

Up to six Independent Non-Executives (INEs) are appointed from outside EY. The INEs are senior leaders from both the public and private sectors and reflect diverse geographic and professional backgrounds. They bring to the global organisation, and the GGC, the significant benefit of their varied perspectives and depth of knowledge. The INEs also form a majority of the Public Interest Sub-Committee (PIC) of the GGC. The role of the PIC includes public interest aspects of decision-making, issues raised under whistle-blowing policies and procedures, and stakeholder dialogue and engagement in quality and risk management discussions. The INEs are nominated by a dedicated committee.

### Appointment

The INEs are nominated by the INE Nominating Committee comprising the Chairman/CEO of EYG, the presiding partner of the Global Governance Council, and other persons as the Chairman/CEO and the presiding partner in their discretion deem appropriate. The nominations require approval by the Global Executive and ratification by the Global Governance Council (GGC).

### Support

INEs are entitled to receive information about global affairs. To facilitate their effectiveness, they receive administrative support and any independent professional advice that may be required.

### Term

The term of an INE is three years with provision for one re-appointment at the request of the INE Nominating Committee and the GE.

### Disagreements

Any disagreement between an INE and others on the GGC would be resolved by mediation by the Chairman/CEO of EYG through a defined process of notification and consultation.

### Independence

EYG has considered the auditor independence standards as they apply to INEs in their role as members of the GGC, and EYG is satisfied these standards have been met.

### EY's INEs

Sir CK Chow (Hong Kong) is the Chairman of the Urban Renewal Authority in Hong Kong and the former Chairman of the Hong Kong Exchanges and Clearing Ltd. He is an Independent Non-executive Director of the AIA Group. Previously he was the Chief Executive of MTR Corporation (HK), Brambles Industries Ltd (Australia and UK) and GKN PLC (UK). In public service, he is a non-official member of the Executive Council of the Hong Kong Special Administrative Region, chairman of the Advisory Committee on Corruption and Advisory Committee on Admission of Quality Migrants and Professionals, and a member of the Financial Leaders Forum and Human Resources Planning Commission. He is a chartered engineer.

Jürgen Kluge (Germany) is managing partner of Kluge & Partner and former CEO of Franz Haniel & Cie. He is Director Emeritus of McKinsey & Company where he spent almost 25 years of his career, including 8 years as country manager for McKinsey Germany and Austria, and 9 years as member of the Global Shareholders Council. He is an advisor to many organisations, including senior advisor and member of the Global Advisory Council, Bank of America Merrill Lynch; Member of the Board of Directors, Fastems Oy Ab, Finland. He is honorary consul for Finland in the German States of North Rhine-Westphalia and Rhineland-Palatinate, and Chairman of the Foundation Lindau Nobel Laureate Meetings.

Atsushi Saito (Japan) is Commissioner of Nippon Professional Baseball Organization and Senior Fellow to KKR Global Institute, KKR Japan (served as Chairman from 2015-2017). Previously he was the Group CEO, President and CEO of Japan Exchange Group, the President and CEO of Tokyo Stock Exchange, the President and CEO of the Industrial Revitalization Corporation of Japan (IRCJ), CEO of Sumitomo Life Investment, and various executive roles including Executive Vice President at Nomura Securities.

David Thorburn (UK) is chair of the EY Public Interest Committee. He is also an INE for EY's UK member firm. David spent 36 years in retail and commercial banking, latterly as CEO of Clydesdale & Yorkshire Banks. He is a former INE of the Bank of England's Prudential Regulatory Authority and is the Chair of the Board Risk Committee of Barclays UK. David has held a number of other external roles over his career, including Chair of CBI Scotland, President of the Chartered Institute of Bankers in Scotland, and as a member of the Board of the British Bankers Association. In December 2016 David was appointed Chair of the Chartered Banker Institute 2025 Foundation.

## The Irish Audit Firm Governance Code

The Irish Audit Firm Governance Code (the Code) was published in June 2012 and applicable to firms who chose to apply it for years commencing on or after 1 January 2013.

Whilst the Code is not a regulatory requirement and many of its provisions were already in place at EY Ireland, we have embraced the Code as providing a benchmark of good governance practices for firms who chose to comply with its provisions. One of the principles of the code is that audit firms appoint INEs within their governance structures either locally or through a wider international network. The objective is that, through their involvement, they collectively enhance confidence in decision making, channel stakeholder dialogue and act as a safeguard of reputational risks.

EY is unique amongst all the large audit firms in how its operating model is built on an integrated approach worldwide and therefore similarly its governance arrangements. Through the process of global

integration, member firms are subject to oversight from higher levels of Area leadership. All member firms are subject to regular review of their actions and performance across all areas of business activity and benchmarked relative to comparable firms elsewhere in the world.

As a Global organisation, EY took the decision to appoint its INEs at a worldwide level, rather than to focus their activities solely on EY Ireland and to reflect the more integrated operating model and broader governance structure. EY Ireland believes this INE model is effective at meeting the objectives of the Code.

## EY Ireland's internal control system

### **Effectiveness of EY Ireland's system of internal control**

The Irish Audit Firm Governance Code requires the firm to conduct, at least annually, a review of the effectiveness of its system of internal controls.

In maintaining a sound system of internal control and risk management and reviewing its effectiveness, EY Ireland has a risk universe which provides a view of the risks threatening the Irish firm. EY Ireland maintains a key risk register containing details of the most significant risks faced by it, the controls and procedures implemented to mitigate these risks as well as the mechanisms for monitoring the most significant controls. The content and update of the register is facilitated through an annual Risk Management Workshop and regular discussion among senior management team members.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve the objectives of EY Ireland, and can only provide reasonable and not absolute assurance against material misstatement or loss.

A balanced approach allows the degree of controllability to be taken into account when considering the effectiveness of mitigation, recognising that some activities carry inherent risk which may be outside EY Ireland's control.

### **Statement on the effectiveness of EY Ireland's system of internal control.**

As part of its annual review procedures and in compliance with the Code, EY Ireland confirms that it has performed a review of the effectiveness of the system of internal control, including considering the:

- ▶ Process undertaken to update the risk register for significant risks, controls and monitoring mechanisms. In summary, this involved meetings with senior members of the firm's management, to whom all significant risks are assigned. This was followed by a meeting of the Risk Forum members, to challenge and approve the updated risk register
- ▶ Reports and findings from regulatory reviews and the firm's audit quality reviews

In the course of this review of effectiveness of internal control we have not identified any significant weaknesses but have identified actions which we believe will strengthen controls to mitigate significant risks. On the basis of the reviews carried out, EY Ireland is satisfied that its system of quality control is operating effectively



## Commitment to Sustainable Audit Quality

### Infrastructure supporting quality

#### Quality in our service lines

NextWave is EY's global strategy and ambition to deliver long-term value to clients, people and society. NextWave reconfirms EY's purpose, ambition, and strategy. EY's purpose of building a better working world continues to inspire EY people to not only serve clients, but also to use our knowledge, skills and experiences to support the communities in which we live and work. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies around the world.

Delivering high-quality audits and continuously improving what we do are fundamental to building a better working world. To do so, we recruit, develop and retain the right people; embrace innovation; encourage simplification; and monitor what we do closely. Serving the public interest through the delivery of high-quality audits consistently around the world is a top priority. Significant investments continue to be made to deliver state-of-the-art tools and develop EY people. EY audit teams embrace a digital-first approach and are supported by a more than US\$600m investment in new and emerging technologies.

EYG member firms and their service lines are accountable for delivering quality engagements. EY member firms' service lines manage the overall process for quality reviews of completed engagements and input for the quality of in-process engagements, which helps achieve compliance with professional standards and EY policies.

The Global Vice Chair of Assurance coordinates member firms' compliance with EY policies and procedures for services provided by Assurance.

#### Professional Practice

The Global Vice Chair of Professional Practice, referred to as the Global Professional Practice Director (PPD), is overseen by the Global Vice Chair of Assurance and works to establish global audit quality control policies and procedures. Each of the Area PPDs is overseen by the Global PPD and the related Area Assurance Leader.

This helps provide greater assurance as to the objectivity of audit quality and consultation processes.

The Global PPD also leads and oversees the Global Professional Practice group. This is a global network of technical subject-matter specialists in accounting and auditing standards, who consult on accounting, auditing and financial reporting matters; and perform various practice monitoring and risk management activities.

EY Ireland PPD is the principal point of contact in EY Ireland for audit regulators.

The Global PPD oversees the development of the EY Global Audit Methodology (EY GAM) and related technologies so that they are consistent with relevant professional standards and regulatory requirements. The Global Professional Practice group also oversees the development of the guidance; training and monitoring programs; and processes used by member firm professionals to execute audits consistently and effectively. The Global, Area and Regional PPDs, together with other professionals who work with them in each member firm, are knowledgeable about EY people; clients; and processes; and they are readily accessible for consultation with audit engagement teams.

Additional resources often augment the Global Professional Practice group, including networks of professionals focused on:

- ▶ Internal-control reporting and related aspects of the EY audit methodology
- ▶ Accounting, auditing and risk issues for specific industries and sectors
- ▶ Event-specific issues involving areas of civil and political unrest; or sovereign debt and related accounting, auditing, reporting and disclosure implications
- ▶ General engagement matters and how to work effectively with audit committees

#### Risk Management

Risk Management (RM) oversees organisation-wide activities designed to help EY people meet global and local compliance responsibilities and support client-facing teams in delivering quality and exceptional client service. Responsibility for high-quality service and ownership of the risks associated with quality is placed with the member firms and their service lines.

Among other things, the Global RM Leader helps oversee the identification and management of these risks, as well as other risks across the organisation as part of the broader Enterprise Risk Management framework.

Member firm partners are appointed to lead risk management initiatives (supported by other staff and professionals), including coordinating with the service lines on such matters. The Global RM Leader is responsible for establishing globally consistent risk management execution priorities and enterprise-wide risk management.

These priorities cascade to member firms through an Enterprise Risk Management (ERM) program.

There were additional complexities in 2020 as the world deals with the COVID-19 pandemic. This required a coordinated response across EY via activation of the Global Crisis Management Program (GCMP). Every aspect and geography of the business was affected. The GCMP, led by the Global RM Leader, involved EY's leadership on a frequent and consistent basis. The GCMP is an extensive program that is reviewed regularly. It includes plans that cascade from the Global and Area levels.

### **Global Confidentiality Policy**

Protecting confidential information is ingrained in the everyday activities of EYG member firms. Respect for intellectual capital and all other sensitive and restricted information is required by the EY Global Code of Conduct, which provides a clear set of principles to guide the behaviors expected of all those who work with EY. The Global Confidentiality Policy further details this approach to protect information and reflect the ever-changing restrictions on the use of data. This policy provides added clarity for those who work with EY and forms the fundamental broader guidance that includes key policies on conflicts of interest, personal data privacy and records retention. Other guidance includes:

- ▶ Social media guidance
- ▶ Information-handling requirements

In addition, the global policy on Reporting Fraud, Illegal Acts and Other Non-compliance with Laws, Regulations and EY's Global Code of Conduct requires EY professionals to speak up on observing behavior that is believed to be a violation of a law or regulation, applicable standard or EY's Global Code of Conduct. This includes the unauthorised or improper disclosure of confidential information.

Furthermore, the global policy on Personal Data Protection supports and builds upon provisions within the EY Global Code of Conduct regarding respecting and protecting personal information, in accordance with local law and professional standards, which has been updated consistent with the EU General Data Protection Regulation (GDPR).

### **Cybersecurity**

Managing the risk of major and complex cyberattacks is a part of doing business for all organisations. While no systems are immune from the threat of cyberattacks, EY Ireland is vigilant in the steps it takes to secure and protect client data. The EY approach to cybersecurity is proactive and includes the implementation of technologies and processes necessary to manage and minimise cybersecurity risks globally. EY information security and data privacy programs, consistent with industry practices and applicable legal requirements, are designed to protect against unauthorised access to systems and data. There is a dedicated team of cybersecurity specialists who constantly monitor and defend EY systems.

Beyond technical and process controls, all EY people are required to affirm in writing their understanding of the principles contained in the EY Global Code of Conduct and their commitment to abide by them. There are also required security awareness learning activities. Various policies outline the due care that must be taken with technology and data, including, but not limited to, the Global Information Security Policy, and a global policy on the Acceptable Use of Technology. EY cybersecurity policies and processes recognise the importance of timely communication. EY people receive regular and periodic communications reminding them of their responsibilities from these policies and of general security awareness practice.

### **Components of our audit quality control program**

In the following sections, we describe the principal components of the audit quality control program, which EY Ireland follows:

- ▶ Instilled professional values
- ▶ Internal quality control system
- ▶ Client acceptance and continuance
- ▶ Performance of audits
- ▶ Review and consultation
- ▶ Rotation and long association
- ▶ Audit quality reviews
- ▶ External quality assurance reviews
- ▶ Compliance with legal requirements

# Instilled professional values

## Sustainable Audit Quality

Quality is the foundation of our work and central to EY's responsibility to provide confidence to the capital markets. This is reflected in the Sustainable Audit Quality (SAQ) program, which continues to be the highest priority for EY member firms' Assurance practices.

SAQ establishes a strong governance structure that enables each member firm to provide high-quality audits. It is implemented locally; and coordinated and overseen globally. The word 'sustainable' in SAQ is used to demonstrate that this is not a one-off, short-term initiative, but an ongoing process of improvement.

There are six SAQ pillars: tone at the top; exceptional talent; simplification and innovation; audit technology and digital; enablement and quality support; and accountability. The pillars are supported by a foundation of serving the public interest.

Significant progress has been made through SAQ. EY member firms' internal and external inspection findings globally are improving, and there is greater consistency in execution. EY has deployed world-class technological tools that enhance the quality and value of EY audits, including the EY Canvas online audit platform, the EY Helix analytics platform and the EY Atlas research platform.

A key feature of EY Canvas is 'My EY' (formerly known as the EY Canvas Client Portal), which enables clients to communicate with audit teams and confirm what information auditors have requested and whether that information has been provided. EY Canvas also facilitates the use of the 'Milestones' project management functionality, which helps audit teams stay on pace with their audit execution and drive executive involvement. Finally, project management enhancements within Canvas empower audit teams to be focused on audit execution.

When Milestones, My EY, and the project management tools and enablement are used, engagement teams can more effectively execute audit tasks with appropriate skepticism and curiosity. As a result, audit quality is enhanced.

Other SAQ initiatives include: a new approach to pictorially depict a company's internal controls and processes; the Personal Workload Tool, which reviews personal responsibilities and assesses whether there is sufficient time to execute high-quality audits; Purpose-Led Outcome Thinking (PLOT), a framework that focuses on the behaviors that drive high-quality audits; and Key Findings Review, which helps coach EY teams.

There is also a network of Quality Enablement Leaders (QELs), an overall Global Audit Quality Committee and a Culture and Behaviors Taskforce. They help us in executing and reviewing root cause analysis and understanding the impact of our initiatives in driving quality outcomes, better behaviors and a continuous improvement mindset.

Audit quality is something that every team member must understand and be committed to implementing locally. SAQ is essential to all our goals and ambitions, and each Regional and Area leader has oversight of the efforts to achieve those goals.

The SAQ infrastructure demonstrates that audit quality is the single most important factor in our decision-making and the key measure on which our professional reputation stands.

## Tone at the top

EY Ireland's leadership is responsible for setting the right tone at the top and demonstrating EY's commitment to building a better working world through behavior and actions. While the tone at the top is vital, our people also understand that quality and professional responsibility start with them and that within their teams and communities, they are leaders too. Our shared values, which inspire our people and guide them to do the right thing, and our commitment to quality are embedded in who we are and in everything we do.

The EY approach to business ethics and integrity is contained in the EY Global Code of Conduct and other policies and is embedded in the EY culture of consultation, training programs and internal communications. Senior management regularly reinforces the importance of performing quality work, complying with professional standards, adhering to our policies, and leading by example. In addition, EY assesses the quality of professional services provided as a key metric in evaluating and rewarding EY professionals.

The EY culture strongly supports collaboration and places special emphasis on the importance of consultation in dealing with complex or subjective accounting, auditing, reporting, regulatory and independence matters. We believe it is important to determine that engagement teams and clients correctly follow consultation advice, and we emphasise this when necessary.

The consistent stance of EY Ireland has been that no client is more important than our professional reputation – the reputation of EY Ireland and the reputation of each of our professionals.

## Code of Conduct

We promote a culture of integrity among our professionals. The EY Global Code of Conduct provides a clear set of principles that guide our actions and our business conduct and are to be followed by all EY personnel. The EY Global Code of Conduct is divided into five categories:

- ▶ Working with one another
- ▶ Working with clients and others
- ▶ Acting with professional integrity
- ▶ Maintaining our objectivity and independence
- ▶ Protecting data, information and intellectual capital

Through our procedures to monitor compliance with the EY Global Code of Conduct and through frequent communications, we strive to create an environment that encourages all personnel to act responsibly, including reporting misconduct without fear of retaliation.

The EY Ethics Hotline provides EY people, clients and others outside of the organisation with a means to confidentially report activity that may involve unethical or improper behavior, and that may be in violation of professional standards or otherwise inconsistent with the EY shared values or Global Code of Conduct. Globally the hotline is operated by an external organisation that provides confidential and, if desired, anonymous hotline reporting.

When a report comes into the EY Ethics Hotline, either by phone or internet, it receives prompt attention. Depending on the content of the report, appropriate individuals from Risk Management, Talent, Legal or other functions are involved in addressing the report. The same procedures are followed for matters that are reported outside of the EY Ethics Hotline.

### Our values: who we are

People who demonstrate integrity, respect, teaming and inclusiveness

People with energy, enthusiasm and the courage to lead

People who build relationships based on doing the right thing

## Internal quality control system

### Structure

EY Ireland's reputation for providing high-quality professional audit services independently, objectively and ethically is fundamental to our success as independent auditors. We continue to invest in initiatives to promote enhanced objectivity, independence and professional skepticism. These are fundamental attributes of a high-quality audit.

At EY Ireland, our role as auditors is to provide assurance on the fair presentation of the financial statements of the companies we audit. We bring together qualified teams to provide audit services, drawing on our broad experience across industry sectors and services. We continually strive to improve our quality and risk management processes so that the quality of our service is at a consistently high level.

We recognise that in today's environment – characterised by continuing globalisation, the rapid movement of capital and the impact of technology changes – the quality of our audit services has never been more important. As part of NextWave, we continue to invest heavily in developing and maintaining our audit methodology, tools and other resources needed to support quality service.

While the market and stakeholders continue to demand high-quality audits, they also demand an increasingly effective and efficient delivery of audit services. In addition to the investments mentioned, EY continues to seek ways to improve the effectiveness and efficiency of its audit methodology and processes, while improving audit quality.

We work to understand where our audit quality may not be up to our own expectations and those of stakeholders, including independent audit regulators. We seek to learn from external and internal inspection activities and to identify the root causes of adverse quality occurrences to enable us continually to improve audit quality. We believe that taking effective and appropriate actions to improve quality is important.

### Effectiveness of the quality control system

EY has designed and implemented a comprehensive set of global audit quality control policies and practices. These policies and practices meet the requirements of the International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB). EY Ireland has adopted these global policies and procedures and has supplemented them as necessary to comply with local laws and professional guidelines, and to address specific business needs.

We also execute the EY Audit Quality Review (AQR) program to evaluate whether our system of audit quality control has operated effectively to provide reasonable assurance that EY Ireland and our people comply with applicable professional standards, internal policies and regulatory requirements.

The results of the AQR program and external inspections are evaluated and communicated within EY Ireland to provide the basis for continual improvement in audit quality, consistent with the highest standards in the profession.

The Global Executive has responsibility for the implementation of quality improvement. As such, it reviews the results of the internal AQR program and external audit firm regulatory reviews, as well as any key actions designed to address areas for improvement.

The recent results of such monitoring, together with feedback from independent audit regulators, provide EY Ireland with a basis to conclude that our internal control systems are designed appropriately and are operating effectively.

## Update to the control framework – ISQM 1

In September 2020, the IAASB approved a quality management standard that includes significant changes to the way professional accountancy firms manage quality. The International Standard on Quality Management 1 (ISQM 1) will replace the current International Standard on Quality Control 1 (ISQC 1) and take a more proactive and risk-based approach. ISQM 1 will be effective as of December 2022 but remains subject to final approval by the Public Interest Oversight Board, in accordance with due process.

ISQM 1 will require firms to design, implement, monitor and assess the overall system of quality management (SQM) that provides reasonable assurance a firm will meet its quality objectives.

The standard includes more robust requirements for the governance, leadership and culture of professional accountancy firms, and a risk assessment process that evaluates risks to achieving quality objectives and identification of controls that address those risks. It also requires more extensive monitoring of the SQM to evaluate the effectiveness and identify deficiencies that require corrective actions.

Many steps have already been taken to improve the SQM. An effective SQM is the foundation for EY's quality initiatives and is key to quality and operating effectiveness. The EY approach is to implement an SQM that is consistently applied across the entire network of member firms. This is especially important in a global economy where many audits involve the use of other EY member firms. A globally consistent SQM helps ensure engagement quality and consistent execution.

While the standard is to be effective as of December 2022, EY Ireland is working to implement the new standard alongside EY's System of Quality Management transformation program. Our initial steps include the following:

- ▶ Identifying the functions and services lines that fall within the scope of ISQM 1
- ▶ Establishing a program governance structure to manage the design and implementation of a system of quality management that complies with ISQM 1 with representatives from the various functions and service lines
- ▶ Identifying and assessing quality risks and documenting controls in accordance with the network developed approach
- ▶ Identifying network resources and requirements and how they are implemented or used by the country in their SQM
- ▶ Identifying enhancements to the control framework and challenging current controls for compliance with the new standard

We believe that the requirements within ISQM 1 can help to improve quality at the firm and engagement level as an effective system of quality management is foundational to achieving consistent engagement quality.

- ▶ Identifying network resources and requirements and how they are implemented or used by the country in their SQM
- ▶ Identifying enhancements to the control framework and challenging current controls for compliance with the new standard

We believe that the requirements within ISQM 1 can help to improve quality at the firm and engagement level as an effective system of quality management is foundational to achieving consistent engagement quality.

## Client acceptance and continuance

### EY policy

The EY global policy on Client and Engagement Acceptance sets out principles for member firms to determine whether to accept a new client or a new engagement or to continue with an existing client or engagement. These principles are fundamental to maintaining quality, managing risk, protecting EY people and meeting regulatory requirements. The objectives of the policy are to:

- ▶ Establish a rigorous process for evaluating risk and making decisions to accept or continue clients or engagements
- ▶ Meet applicable independence requirements
- ▶ Identify and deal appropriately with any conflicts of interest
- ▶ Identify and decline clients or engagements that pose excessive risk
- ▶ Require consultation with designated professionals to identify additional risk management procedures for specific high-risk factors
- ▶ Comply with legal, regulatory and professional requirements

In addition, the EY global policy on Conflicts of Interest defines global standards for addressing categories of potential conflicts of interest and a process for identifying them. It also includes provisions for managing potential conflicts of interest as quickly and efficiently as possible using appropriate safeguards. Such safeguards may include obtaining client consent to act for another party where a conflict of interest may exist, establishing separate engagement teams to act for two or more parties, implementing 'Chinese Walls' between engagement teams or declining an engagement to avoid an identified conflict.

The EY global policy on Conflicts of Interest and associated guidance consider the increasing complexity of engagements and client relationships, and the need for speed and accuracy in responding to clients. They also align with the latest International Ethics Standards Board for Accountants (IESBA) standards and the Ethical Standards of the Irish Auditing and Accounting Supervisory Authority (IAASA).

## Putting policy into practice

We use the EY Process for Acceptance of Clients and Engagements (PACE), an intranet-based system, for efficiently coordinating client and engagement acceptance and continuance activities in line with global, service line and member firm policies. PACE takes users through the acceptance and continuance requirements, and identifies the policies and references to professional standards needed to assess both business opportunities and associated risks.

As part of this process, we carefully consider the risk characteristics of a prospective client or engagement and the results of several due diligence procedures. Before we take on a new engagement or client, we determine whether we can commit sufficient resources to deliver quality service, especially in highly technical areas, and if the services the client wants are appropriate for us to provide. The approval process is rigorous, and no new audit engagement may be accepted without the approval of Regional or local PPD.

In the EY annual client and engagement continuance process, we review our service and ability to continue to provide a quality service and confirm that clients we serve share EY Ireland's commitment to quality and transparency in financial reporting. The partner in charge of each audit, together with our Assurance leadership, annually reviews our relationship with the audit client to determine whether continuance is appropriate.

As a result of this review, certain audit engagements are identified as requiring additional oversight procedures during the audit (close monitoring), and some audit clients are discontinued. As with the client acceptance process, our local PPD is involved in the client continuance process and must agree with the continuance decisions.

Decisions about acceptance or continuance of clients and engagements consider the engagement team's assessment of whether the company's management may pressure us to accept inappropriate accounting, auditing and reporting conclusions to undermine quality. Considerations and conclusions on the integrity of management are also essential to acceptance and continuance decisions.

## Performance of audits

There has been significant investment by EY in improving audit methodologies and tools, with the goal of performing the highest-quality audits in the profession. This investment reflects EY's commitment to building trust and confidence in the capital markets and in economies the world over.

### Audit methodology

EY GAM provides a global framework for delivering high-quality audit services through the consistent application of thought processes, judgments and procedures in all audit engagements, regardless of size. EY GAM also requires compliance with relevant ethical requirements, including independence from the entity we audit. Making risk assessments;

reconsidering and modifying them as appropriate; and using these assessments to determine the nature, timing and extent of audit procedures are fundamental to EY GAM. The methodology also emphasises applying appropriate professional skepticism in the execution of audit procedures. EY GAM is based on International Standards on Auditing (ISAs) and is supplemented in Ireland to comply with the local Ireland auditing standards and regulatory or statutory requirements.

Using an online tool, EY Atlas, an EY auditor is presented with a version of EY GAM organised by topic and designed to focus the audit strategy on the financial statement risks, and the design and execution of the appropriate audit response to those risks. EY GAM consists of two key components: requirements and guidance; and supporting forms and examples. The requirements and guidance reflect both auditing standards and EY policies. The forms and examples include leading practice illustrations and assist in performing and documenting audit procedures.

EY GAM can be 'profiled' or tailored to present the relevant requirements and guidance, depending on the nature of the entity being audited – e.g., there are profiles for listed entities (Regulation (EU) 537/2014: public interest entities) and for those considered non-complex entities.

Following a successful pilot in 2019, EY GAM was updated to include the profession's first data-first approach to auditing, which is called Digital GAM. Utilising the suite of EY Helix analyzers, the flow of audit procedures, supplemented with new requirements and guidance, enhances the way EY member firms perform audits. The EY audit approach combines the vast amounts of financial and non-financial data available from an entity's systems with broad sources of knowledge to enable EY auditors to obtain sufficient and appropriate audit evidence. Through visualising whole populations of data and applying professional skepticism, EY auditors can provide an additional challenge to management's assertions to drive high audit quality.

Other enhancements have been made to address new standards; emerging auditing issues and matters; implementation experiences; and external and internal inspection results. Recently, EY GAM was updated for the requirements of ISA 540 (Revised), *Auditing Accounting Estimates and Related Disclosures* (effective for audits of periods beginning on or after 15 December 2019) and a suite of enablement to implement those requirements was issued.

In addition, current and emerging developments are monitored, and timely audit planning and execution communications are issued that emphasise areas noted during inspections as well as other key topics of interest to local audit regulators and the International Forum of Independent Audit Regulators (IFIAR). Specifically, with respect to the impact that COVID-19 is having on the global economy, guidance has been issued to address the accounting and financial reporting concerns that the entities EY member firms audit are facing, as well as audit considerations when performing audits in the current environment.

## Technology

Our audit engagement teams use technology to assist in executing and documenting the work performed in accordance with EY GAM.

EY Canvas, the global EY audit platform, lies at the heart of the audit and enables us to provide a high-quality audit. EY Canvas is built using state-of-the-art technology for web applications. This allows us to provide data security and to evolve our software to respond to changes in the accounting profession and regulatory environment.

Through the use of profile questions, audit engagements in EY Canvas are automatically configured with information relevant to an entity's listing requirements and industry. This helps to keep our audit plans customised and up-to-date, and provides direct linkage to our audit guidance, professional standards and documentation templates. EY Canvas is built with a user interface that allows the team to visualise risks and their relationship to the planned response and work performed in key areas. It also enables a linkage for group audit teams to communicate inter-office risks and instructions so that the primary audit team can direct execution and monitor performance of the group audit.

EY Canvas includes the My EY client portal to assist teams in communicating with clients and streamlining their client requests. Mobile applications are integrated with EY Canvas to help our people in their audit work – e.g., in monitoring the status of the audit, capturing audit evidence securely and performing inventory observations.

Audit engagement teams use other applications, data analysers and forms during various phases of an audit to assist in executing procedures, making and documenting audit conclusions and performing analysis. This includes EY Smart Automation, a collection of applications that are being developed and deployed globally through EY Canvas to digitally enable EY audit professionals in executing audit procedures and processes.

### Digital GAM and data analytics

At EY, we are making data analysis integral to our audits. Our use of data and analysis is not about additive procedures or visualisations. It is about taking large populations of company data and applying our globally consistent technology (EY Helix) and methodology (EY GAM) to audit that data.

EY Helix is a library of data analysers for use in audits. These data analysers are transforming the audit through the analysis of larger populations of audit-relevant data; identifying unseen patterns and trends in that data; and helping to direct our audit efforts. The use of data analytics also allows us to obtain better perspectives; richer insights; and a deeper understanding of transactions and areas of risk.

EY is deploying data analysers to analyse the business operating cycles of the companies that we audit, supported by analytics-based audit programs to aid the application of these data analysers.

Using the EY Helix library of data analysers, EY audit engagement teams can enhance their audit risk

assessment, enabling the audit of higher-risk transactions, and assisting EY people in asking better questions about audit findings and evaluating the outcomes.

EY Atlas is a global technology platform that enables EY auditors to access the latest accounting and auditing content, including external standards, EY interpretations and thought leadership.

### Formation of audit engagement teams

EY Ireland's policies require an annual review of partner assignments by our Assurance leadership and Ireland PPD. This is carried out, among other things, to make sure that the professionals leading audits of listed entities and other public-interest entities possess the appropriate competencies (e.g., the knowledge, skills and abilities) to fulfil their engagement responsibilities and are in compliance with applicable auditor rotation regulations.

The assignment of professionals to an audit engagement is also made under the direction of our Assurance leadership. Factors considered when assigning people to audit teams include engagement size and complexity; specialised industry knowledge and experience; timing of work; continuity; and opportunities for on-the-job training. For more complex engagements, consideration is given to whether specialised or additional expertise is needed to supplement or enhance the audit engagement team.

In many situations, internal specialists are assigned as part of the audit engagement team to assist in performing audit procedures and obtaining appropriate audit evidence. These professionals are used in situations requiring special skills or knowledge, such as tax, forensics, information systems, asset valuation and actuarial analysis.

### Fraud

Part of the EY commitment to quality is a policy of continuous improvement, which results in ongoing innovations to risk and audit procedures regarding fraud. These innovations, which will apply to future periods, include:

- ▶ Leveraging the power of advanced technology through:
  - ▶ Mandating the use of data analytics for fraud testing
  - ▶ Enhancing risk assessments and audit scoping by using more external data and information, such as social media
  - ▶ Using electronic confirmations for audit evidence wherever possible, moving in time to matching the audited company's records of banking transactions with those provided by the bank
- ▶ Mandating annual forensics training for all audit professionals

# Review and consultation

## Reviews of audit work

EY policies describe the requirements for timely and direct senior professional participation, as well as the level of review required for the work performed. Supervisory members of an audit engagement team perform a detailed review of the audit documentation for technical accuracy and completeness. Senior audit executives and engagement partners perform a second-level review to determine the adequacy of the audit work as a whole and the related accounting and financial statement presentation. Where appropriate, and based on risk, a tax professional reviews the significant tax and other relevant working papers. For listed, public interest entities and certain other companies, an engagement quality reviewer (described below) reviews important areas of accounting, financial reporting and audit execution, as well as the financial statements of the company we audit and our auditor's report.

The nature, timing and extent of the reviews of audit work depend on many factors, including:

- ▶ The risk, materiality, subjectivity and complexity of the subject matter
- ▶ The ability and experience of the audit team members preparing the audit documentation
- ▶ The level of the reviewer's direct participation in the audit work
- ▶ The extent of consultation employed

Our policies also describe the roles and responsibilities of each audit engagement team member for managing, directing and supervising the audit, as well as the requirements for documenting their work and conclusions.

## Consultation requirements

EY consultation policies are built upon a culture of collaboration, whereby audit professionals are encouraged to share perspectives on complex accounting, auditing and reporting issues. As the environment in which EY member firms work has become more complex and globally connected, the EY culture of consultation has become even more important to help EY member firms reach the appropriate conclusions for entities that they audit on a timely basis. Consultation requirements and related policies are designed to involve the right resources so that audit teams reach appropriate conclusions.

The EY culture of consultation enables engagement teams to deliver seamless, consistent and high-quality services that meet the needs of audited entities, their governance bodies and all stakeholders

For complex and sensitive matters, there is a formal process requiring consultation outside of the audit engagement team with other personnel who have more experience or specialised knowledge, primarily Professional Practice and Independence personnel. In

the interests of objectivity and professional skepticism, EY policies require members of Professional Practice, Independence and certain others to withdraw from a consultation if they currently serve, or have recently served, the client to which the consultation relates. In this circumstance, other appropriately qualified individuals would be assigned.

EY policies also require that all consultations are documented, including written concurrence from the person or persons consulted, to demonstrate their understanding of the matter and its resolution.

## Engagement quality reviews

Engagement quality reviews are performed by audit partners in compliance with professional standards for audits of all listed companies, certain public-interest entities and those considered to need close monitoring. Engagement quality reviewers are experienced professionals with significant subject matter knowledge. They are independent of the engagement team and provide an objective evaluation of the significant judgments the engagement team made, and the conclusions reached in formulating the auditor's report. The performance of an engagement quality review, however, does not reduce the responsibilities of the partner in charge of the engagement for the engagement and its performance. In no circumstances may the responsibility of the engagement quality reviewer be delegated to another individual.

The engagement quality review spans the entire engagement cycle, including planning, risk assessment, audit strategy and execution. Policies and procedures for the performance and documentation of engagement quality reviews provide specific guidelines on the nature; timing and extent of the procedures to be performed; and the required documentation evidencing their completion. In all circumstances, the engagement quality review is completed before the date of the auditor's report.

The Regional AMP (or Regional Audit Leader) and Ireland PPD approve all engagement quality review assignments.

## Audit engagement team resolution process for differences of professional opinion

EY has a collaborative culture that encourages and expects people to speak up, without fear of reprisal, if a difference of professional opinion arises or if they are uncomfortable about a matter relating to a client engagement. Policies and procedures are designed to empower members of an audit engagement team to raise any disagreements relating to significant accounting, auditing or reporting matters.

These policies are made clear to people as they join EY, and we continue to promote a culture that reinforces a person's responsibility and authority to make their own views heard and seek out the views of others.

Differences of professional opinion that arise during an audit are generally resolved at the audit

engagement team level. However, if any person involved in the discussion of an issue is not satisfied with the decision, they refer it to the next level of authority until an agreement is reached or a final decision is made.

Furthermore, if the engagement quality reviewer makes recommendations that the engagement partner does not accept or the matter is not resolved to the reviewer's satisfaction, the auditor's report is not issued until the matter is resolved. Differences of professional opinion that are resolved through consultation with Professional Practice are appropriately documented.

## Rotation and long association

EY supports mandatory audit partner rotation to help reinforce auditor independence. EY Ireland complies with the audit partner rotation requirements of the IESBA Code, Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 (EU 537/2014), and Ethical Standard of the Irish Auditing and Accounting Supervisory Authority (IAASA), as well as the U.S. Securities and Exchange Commission (SEC), where required. EY Ireland supports audit partner rotation because it provides a fresh perspective and promotes independence from company management, while retaining expertise and knowledge of the business. Audit partner rotation, combined with independence requirements, enhanced systems of internal quality controls and independent audit oversight, helps strengthen independence and objectivity, and are important safeguards of audit quality.

The Ethical Standard of the Irish Auditing and Accounting Supervisory Authority (IAASA) requires the lead engagement partner and other partners who make key decisions or judgements on matters significant to the audit (together the 'key audit partners') of public interest entities to be rotated after five years. Upon completing the maximum service period for rotation, a key audit partner may not be involved in services to the PIE audit client until after completing a cooling-off period. This period is five years.

Similarly, the engagement quality reviewer must be rotated after seven years and may not be involved in services to the PIE audit client until at least five years have elapsed.

For PIEs, the EY Global Independence Policy requires the lead engagement partner, the engagement quality reviewer and other audit partners who make key decisions or judgments on matters significant to the audit (together, the 'key audit partners') to be rotated after seven years. For a new PIE (including a newly listed company), key audit partners may remain in place for an additional two years before rotating off the team if they have served the company for six or more years prior to the listing.

Upon completing the maximum service period for rotation, a key audit partner may not lead or coordinate professional services to the PIE audit client until after completing a cooling-off period. This period is five years for a lead audit engagement partner,

three years for an engagement quality reviewer and two years for other partners subject to rotation.

Where the required cooling-off period for the lead audit engagement partner established by the local legislative body or regulator is less than five years, the higher of that cooling-off period or three years may be substituted for the otherwise required five-year cooling off period. This jurisdictional exception for the lead audit engagement partner may only be applied for audit periods beginning prior to 15 December 2023.

In addition to the audit partner rotation requirements applicable to PIE audit clients, EY has established a long association safeguards framework that, consistent with the requirements of the IESBA Code and Article 17 of 537/2014, includes consideration of the threats to independence created by the involvement of professionals over a long period of time on an audit and a safeguards framework to address such threats.

We employ tools to effectively monitor compliance with internal rotation and requirements for audit partners and other professionals who have had a long association with the audit client as well as gradual rotation. There is also a process for rotation planning and decision-making that involves consultation with, and approvals by, our Professional Practice and Independence professionals.

### External rotation

For public interest entities, we comply with the external rotation requirements of Art. 17 (1) of the EU Audit Regulation.

## Audit quality reviews

The EY Global AQR program is the cornerstone of the EY process to monitor audit quality. EY Ireland executes the Global AQR program, reports results and develops responsive action plans. The primary goal of the program is to determine whether systems of quality controls, including those of EY Ireland, are appropriately designed and followed in the execution of audit engagements to provide reasonable assurance of compliance with policies and procedures; professional standards; and regulatory requirements. The Global AQR program complies with requirements and guidelines in the International Standard on Quality Control (ISQC) 1, as amended, and is supplemented where necessary to comply with Ireland professional standards and regulatory requirements. It also aids EY Ireland's continual efforts to identify areas where we can improve our performance or enhance our policies and procedures.

Executed annually, the program is coordinated and monitored by representatives of the Global PPD network, with oversight by Global Assurance leadership.

The engagements reviewed each year are selected on a risk-based approach, emphasising audit engagements that are large, complex or of significant public interest, including elements of unpredictability. The Global AQR program includes detailed risk-focused file reviews covering a large sample of listed

and non-listed audit engagements, and public interest entities and non-public interest entities, to measure compliance with internal policies and procedures; EY GAM requirements; and relevant local professional standards and regulatory requirements. It also includes reviews of a sample of non-audit assurance engagements performed by audit engagement teams. These measure compliance with the relevant professional standards, and internal policies and procedures that should be applied in executing non-audit assurance services. In addition, practice-level reviews are performed to assess compliance with quality control policies and procedures in the functional areas set out in ISQC 1.

The Global AQR program complements external practice monitoring and inspection activities, such as inspection programs executed by audit regulators and external peer reviews. It also informs us of our compliance with regulatory requirements, professional standards, and policies and procedures.

In 2020, EY Ireland's AQR resulted in the inspection of 15 audit engagements all of which were rated as having no material findings or deficiencies. These results compare to 18 engagements reviewed in 2019 17 of which were rated as having no material findings or deficiencies.

A root cause analysis is undertaken and a remediation action plan prepared if findings are deemed to be material so as to identify actions that could be taken to improve audit quality across our practice. In addition, lessons learnt from the findings will be built into training.

AQR reviewers and team leaders are selected for their skills and professional competence in accounting and auditing, as well as their industry specialisation; they have often participated in the Global AQR program for a number of years and are highly skilled in the execution of the program. Team leaders and reviewers are independent of the engagements and teams they are reviewing and are normally assigned to inspections outside of their home location.

The COVID-19 pandemic presented a particular challenge to the global AQR program in 2020 as a result of restrictions on travel and face-to-face interaction. Utilising EY Canvas and other collaboration tools the program was effectively completed in EY Ireland.

The results of the Global AQR program, external practice monitoring and inspection activities are evaluated and communicated to improve quality. Any quality improvement plans describe the follow-up actions to be taken; the people responsible; the timetable and deadlines; and sign-off on completed actions. Measures to resolve audit quality matters noted from the Global AQR program, regulatory inspections and peer reviews are addressed by Assurance leadership and our PPD. These programs provide important practice monitoring feedback for our continuing quality improvement efforts.

## External quality assurance review

EY Ireland's audit practice is subject to annual inspection by the Irish Auditing and Accounting Supervisory Authority (IAASA) for Public Interest Entity Audits. As part of its inspections, IAASA evaluates quality control systems and reviews selected engagements.

We respect and benefit from IAASA's inspection process. We thoroughly evaluate the points raised during the inspection in order to identify areas where we can improve audit quality.

The first published quality assurance inspection report by IAASA for 2019 included a review of a sample of statutory audits of Public Interest Entities as defined by EU Audit legislation as well as a review of areas of the firm's quality control procedures in place under the requirements of ISQC1. Four files were reviewed and one of the files reviewed was noted as requiring improvements.

As part of the firm wide quality control review, three quality control recommendations on minor deficiencies were noted. The final report on the inspection was published by IAASA in March 2020 and is available on the IAASA website. The firm has made enhancements to certain processes in response to the inspection team's observations in areas where recommendations were made.

IAASA is currently conducting a quality assurance inspection of the firm which is ongoing and is expected to conclude later in 2020.

Information about IAASA can be found on its website: [www.iaasa.ie](http://www.iaasa.ie).

Together with the AQR process, external inspections provide valuable insight into the quality of EY audits. The insights enable us to effectively execute high-quality audits.

EY Ireland are also subject to tri-annual inspection by the Professional Standards Department of the Institute of Chartered Accountants Ireland (PSD) for non-Public Interest Entity Audits.

The firm was subject to a quality assurance inspection by the PSD in June 2018 and which was an inspection of the statutory audits of a sample of non EU Public Interest Entity clients. The firm was very satisfied with the conclusions of the report on the firm which stated that the quality of the files was generally good.

Information on the above-mentioned regulator can be found on its website: [www.carb.ie](http://www.carb.ie).

## Inspections by overseas audit monitoring authorities

EY Ireland is also registered with the Public Company Accounting and Oversight Board (PCAOB) in the US and the Japanese Financial Services Agency.

The firm was subject to inspection by PCAOB in September 2019. A report on the inspection of the firm will be published by the PCAOB in due course.

Information about the PCAOB can be found on its website: [www.pcaobus.org](http://www.pcaobus.org)

## Compliance with legal requirements

The EY Global Code of Conduct provides clear guidance about EY actions and business conduct. EY Ireland complies with applicable laws and regulations, and EY's values underpin our commitment to doing the right thing. This important commitment is supported by a number of policies and procedures, explained in the paragraphs below.

### Anti-bribery

The EY Global Anti-bribery Policy provides EY people with direction on certain unethical and illegal activities. It emphasises the obligation to comply with anti-bribery laws and provides a definition of what constitutes bribery. It also identifies reporting responsibilities when bribery is discovered. In recognition of the growing global impact of bribery and corruption, efforts have been increased to embed anti-bribery measures across EY.

### Insider trading

The EY Global Insider Trading Policy reaffirms the obligation of EY people not to trade in securities when in possession of insider information, provides detail on what constitutes insider information, and identifies with whom EY people should consult if they have questions regarding their responsibilities.

### Trade sanctions

It is important that we are aware of the ever-changing situation with respect to international trade sanctions. EY monitors sanctions issued in multiple geographies and provides guidance to EY people on impacted activities.

### Data privacy

The EY Global Personal Data Privacy Policy, revised and reissued in 2018, sets out the principles to be applied to the collection, use and protection of personal data, including that relating to current, past and prospective personnel, clients, suppliers and business associates. This policy is consistent with the strict requirements of the European Union's GDPR, and other applicable laws and regulations concerning data protection and privacy. EY also has Binding Corporate Rules approved by EU regulators in place to facilitate the movement of personal data within the EY network. Furthermore, we have a policy to address our specific Ireland data privacy requirements and business needs.

### Document retention

EY Record Retention global and related local policies apply to all engagements and personnel. These policies address document preservation whenever any person becomes aware of any actual or reasonably anticipated claim, litigation, investigation, subpoena

or other government proceeding involving us or one of our clients that may relate to our work. It also addresses Ireland legal requirements applicable to the creation and maintenance of working papers relevant to the work performed.



## Independence practices

The EY Global Independence Policy requires EY Ireland and our people to comply with the independence standards applicable to specific engagements, e.g., the IESBA Code of Ethics and the Ethical Standards of the Irish Auditing and Accounting Supervisory Authority (IAASA).

We consider and evaluate independence with regard to various aspects, including our financial relationships and those of our people; employment relationships; business relationships; the permissibility of services we provide to audit clients; applicable firm and partner rotation requirements; fee arrangements; audit committee pre-approval, where applicable; and partner remuneration and compensation.

Failure to comply with applicable independence requirements will factor into decisions relating to a person's promotion and compensation, and may lead to other disciplinary measures, including separation from EY Ireland.

EY Ireland has implemented EY's global applications, tools and processes to support us, our professionals and other employees in complying with independence policies.

### EY Global Independence Policy

The EY Global Independence Policy contains the independence requirements for member firms, professionals and other personnel. It is a robust policy predicated on the IESBA Code and supplemented by more stringent requirements in jurisdictions where prescribed by the local legislative body, regulator or standard-setting body. The policy also contains guidance designed to facilitate an understanding and the application of the independence rules. The EY Global Independence Policy and EY UK and Ireland Independence Policy are readily accessible and easily searchable on the EY intranet.

### Global Independence System (GIS)

The GIS is an intranet-based tool that helps EY professionals identify the entities from which independence is required and the independence restrictions that apply. Most often, these are listed audit clients and their affiliates, but they can also be other types of attest or assurance clients. The tool includes family-tree data relating to affiliates of listed audit clients and is updated by client-serving engagement teams. The entity data includes notations that indicate the independence rules that apply to each entity, helping our people determine the type of

services that can be provided or other interests or relationships that can be entered into.

### Global Monitoring System (GMS)

The GMS is another important global tool that assists in identifying proscribed securities and other impermissible financial interests. Professionals ranked as manager and above are required to enter details about all securities they hold, or those held by their immediate family, into the GMS. When a proscribed security is entered or if a security they hold becomes proscribed, professionals receive a notice and are required to dispose of the security. Identified exceptions are reported through the Global Independence Incident Reporting System (GIIRS) for regulatory matters. GMS also facilitates annual and quarterly confirmation of compliance with independence policies, as described below.

### Independence compliance

EY has established several processes and programs aimed at monitoring the compliance with independence requirements of EY member firms and their people. These include the following activities, programs and processes.

### Independence confirmations

Annually, EY Ireland is included in an Area-wide process to confirm compliance with the EY Global Independence Policy and process requirements, and to report identified exceptions, if any.

All EY professionals, and certain others, based on their role or function, are required to confirm compliance with independence policies and procedures at least once a year. All partners are required to confirm compliance quarterly.

### Independence compliance reviews

EY conducts internal procedures to assess member firm compliance with independence matters. These reviews include aspects of compliance related to non audit services, business relationships with the companies we audit and financial relationships of member firms.

### Personal independence compliance testing

Each year, the EY Global Independence team establishes a program for testing compliance with personal independence confirmation requirements and with reporting of information into GMS. For the 2020 testing cycle, EY Ireland tested 70 partners and other personnel.

### Non-audit services

We monitor compliance with professional standards, laws and regulations governing the provision of non-audit services to audit clients through a variety of mechanisms. These include the use of tools, such as PACE (see page 14) and Service Offering Reference Tool (SORT) (see over), and training and required procedures completed during the performance of audits and internal inspection processes. We also have a process in place for the review and approval of certain non-audit services in advance of accepting the engagement.

### Global independence learning

EY develops and deploys a variety of independence learning programs. All professionals and certain other personnel are required to participate in annual independence learning to help maintain our independence from the companies we audit.

The goal is to help EY people understand their responsibilities and to enable each of them, and their member firms, to be free from interests that might be regarded as incompatible with objectivity, integrity and impartiality in serving an audit client.

The annual independence learning program covers independence requirements focusing on recent changes to policy, as well as recurring themes and topics of importance. Timely completion of annual independence learning is required and is monitored closely. EY Ireland supplements this program with local content to cover local independence requirements under the Ethical Standard of the Irish Auditing and Accounting Supervisory Authority (IAASA) that differ from the EY Global Independence Policy.'

In addition to the annual learning program, independence awareness is promoted through events and materials, including new-hire programs, milestone programs and core service line curricula.

### Service Offering Reference Tool (SORT)

We assess and monitor our portfolio of services on an ongoing basis to confirm that they are permitted by professional standards, laws and regulations, and to make sure that we have the right methodologies, procedures and processes in place as new service offerings are developed. We restrict services from being provided that could present undue independence or other risks. SORT provides EY people with information about EY service offerings. It includes guidance on which services can be delivered to audit and non-audit clients, as well as independence and other risk management issues and considerations.

### Business Relationship Evaluation Tool (BRET)

EY people are required to use BRET in many circumstances to identify, evaluate and obtain advance approval of a potential business relationship with an audit client, thereby supporting our compliance with independence requirements.

### Audit committees and oversight of independence

We recognise the important role audit committees and similar corporate governance bodies undertake in the oversight of auditor independence. Empowered and independent audit committees perform a vital role on behalf of shareholders in protecting independence and preventing conflicts of interest. We are committed to robust and regular communication with audit committees or those charged with governance. Through EY quality review programs, we monitor and test compliance with EY standards for audit committee communications, as well as the pre-approval of non-audit services, where applicable.



## Continuing education of audit professionals

### Professional development

The continuous development of our people's skills and knowledge is critical to achieving our purpose of enhancing confidence in the capital markets.

Providing opportunities for the right experiences, learning and coaching helps them grow and achieve their potential at a variable pace of progression that suits them.

The day-to-day experiences gained are assigned locally in a systematic way, while the EY audit learning core curriculum is globally consistent. This is supported throughout by on-the-job coaching from more experienced professionals that helps to transform knowledge and experience into practice.

Learning is delivered through the award-winning Audit Academy, which combines 'on-demand' e-learning modules with interactive physical and virtual classroom-based simulations and case studies, plus relevant reinforcement and application support. This is supplemented by learning programs that are developed in response to changes in accounting and reporting standards; independence and professional standards; new technology; and emerging practice issues.

Where an EYG member firm audits and reviews International Financial Reporting Standards (IFRS) financial statements, relevant team members undertake learning to become IFRS-accredited.

EY Ireland requires our audit professionals to obtain at least 20 hours of continuing professional education each year and at least 120 hours over a three-year period. Of these hours, 40% (eight hours each year and 48 hours over a three-year period) must cover technical subjects related to accounting and auditing.

### Knowledge and internal communications

In addition to professional development and performance management, we understand the importance of providing client engagement teams with up-to-date information to help them perform their professional responsibilities. EY makes significant investments in knowledge and communication networks to enable the rapid dissemination of information to help people collaborate and share best practices. Some EY resources and tools include:

- ▶ EY Atlas, which includes local and international accounting and auditing standards, as well as interpretive guidance
- ▶ Publications such as International GAAP, IFRS developments and illustrative financial statements
- ▶ Global Accounting and Auditing News – weekly update covering assurance and independence policies, developments from standard setters and regulators, as well as internal commentary thereon
- ▶ Practice alerts and webcasts covering a range of global and country-specific matters designed for continuous improvement in member firms' Assurance practices

### Performance management

LEAD is EY's framework that connects people's career, development and performance. LEAD is a key driver in creating a step-change in the experience of EY people. Through ongoing feedback, development, counselor excellence and career conversations, LEAD aligns individuals with the NextWave strategy and enables people to focus on the future.

It is designed to support the growth and development of EY people at all stages of their career at EY. An individual's personal dashboard provides an easy to interpret snapshot of their performance against the Leadership at EY dimensions, including quality, risk management and technical excellence, and assess performance against peers. Feedback received during an annual cycle is aggregated and used as an input to compensation and reward programs.

Regular connect with a counselor on topics such as diverse career journeys, applying emerging technology, experiencing new teams and learning helps identify opportunities for further development and to build future-focused skills.



## Revenue and remuneration

### Financial information

Revenue represents combined, not consolidated, revenues, and includes expenses billed to clients and revenues related to billings to other EYG member firms. Revenue amounts disclosed in this report include revenues from both audit and non-audit clients.

Revenue is presented in accordance with Statutory Instrument 312/3016 and included for:

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

### Financial information for the period ended on 30 June 2020 expressed in €'000

Service	Revenue	Percent
Statutory audits and directly related services for PIEs	29,141	8%
Other audit services and directly related services for non-PIEs	108,533	30%
Non-audit services provided to companies we audit	16,878	5%
Non audit services provided to other entities	204,572	57%
<b>Total revenue</b>	<b>359,124</b>	<b>100%</b>

Total revenue includes expenses and disbursements recharged to clients, which may include amounts recharged by other EY member firms. Excluding expenses and disbursements on clients, total revenue was €315.0m in FY20 and €280.8m in FY19 (year on year increase of 12%).

## Partner remuneration

Quality is at the centre of the EY strategy and is a key component of EY performance management systems. EY Ireland partners are evaluated and compensated based on criteria that include specific quality and risk management indicators, covering both actions and results.

LEAD for partners, principals, executive directors and directors (PPEDDs) applies to all partners in EYG member firms around the world. LEAD for PPEDDs reinforces the global business agenda by continuing to link performance to wider goals and values. The process includes goal setting, ongoing feedback, personal development planning and performance review, and is tied to partners' recognition and reward. Documenting partners' goals and performance is the cornerstone of the evaluation process. A partner's goals are required to reflect various global priorities, one of which is quality.

EY policies prohibit evaluating and compensating lead audit engagement partners and other key audit partners on an engagement based on the sale of non-Assurance services to companies they audit. This reinforces to EY partners their professional obligation to maintain independence and objectivity. For audits conducted in accordance with the requirements of Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, EY prohibits evaluating and compensating any partner or professional involved in, or able to influence the carrying out of, an engagement based on the sale of non-Assurance services to their audit clients. This reinforces that professionals are obligated to maintain independence and objectivity.

Specific quality and risk performance measures have been developed to account for:

- ▶ Providing technical excellence
- ▶ Living the EY values as demonstrated by behaviours and attitude
- ▶ Demonstrating knowledge of, and leadership in, quality and risk management
- ▶ Complying with policies and procedures
- ▶ Complying with laws, regulations and professional duties
- ▶ Contributing to protecting and enhancing the EY brand

The EY partner compensation philosophy calls for meaningfully differentiated rewards based on a partner's level of performance, as measured within the context of LEAD. Partners are assessed by their firms annually on their performance in delivering quality, exceptional client service and people engagement alongside financial and market metrics.

We operate under a system that requires quality to be a significant consideration in a partner's overall year-end rating.

To recognise different market values for different skills and roles, and to attract and retain high-

performing individuals, the following factors are also considered when we determine our partners' total reward:

- ▶ Experience
- ▶ Role and responsibility
- ▶ Long-term potential

Instances of non-compliance with quality standards result in remedial actions, which may include performance evaluation, compensation adjustment, additional training, additional supervision or reassignment. A pattern of non-compliance or particularly serious non-compliance may result in actions that include separation from EY Ireland.



## Appendix 1: List of PIE audit clients

### EY Ireland PIE audit clients

In the fiscal year that ended on 30 June 2020, EY Ireland performed audits of the following PIEs:

Aetna Health Insurance Company of Europe Designated Activity Company	Coriolanus Designated Activity Company
ALD Re Designated Activity Company	Cork Street CLO Designated Activity Company
Amethyst Structured Finance Public Limited Company	Coronation Global Opportunities Fund
Appletree Securities Designated Activity Company	Coronation Universal Fund
Arbour CLO IV Designated Activity Company	CRH Finance Designated Activity Company
Ardmore Securities No.1 Designated Activity Company	CRH Public Limited Company
Ares Reinsurance Designated Activity Company	Cuardaithe Designated Activity Company
Atlantis International Umbrella Fund	Datalex Public Limited Company
Avation Public Limited Company	dbInvestor Solutions Public Limited Company
Beazley Insurance Designated Activity Company	dbInvestor Solutions 2 Public Limited Company
Beechwood Structured Finance Public Limited Company	DME Airport Designated Activity Company
BG Umbrella Fund Public Limited Company	Dunmore Securities No.1 Designated Activity Company
Bilbao CLO I Designated Activity Company	Eirles One Designated Activity Company
BlackRock Alternative Strategies II	Eirles Two Designated Activity Company
Blackrock Institutional Pooled Funds Public Limited Company	Eirles Three Designated Activity Company
Blackstone/GSO US Loan USD Feeder Fund (Ireland)	Eperon Finance Public Limited Company
Bluestep Mortgage Securities No. 2 Designated Activity Company	Espaccio Securities Public Limited Company
Bluestep Mortgage Securities No. 3 Designated Activity Company	European Residential Loan Securitisation 2017-NPL1 Designated Activity Company
Bluestep Mortgage Securities No. 4 Designated Activity Company	European Residential Loan Securitisation 2018-1 Designated Activity Company
BNY Mellon Global Funds Public Limited Company	FCA Capital Re Designated Activity Company
BNY Mellon Liquidity Funds Public Limited Company	Fundlogic Alternatives Public Limited Company
Brookfields Capital Public Limited Company	Golden Arches Insurance Designated Activity Company
C & C Group Public Limited Company	Greenstreet Structured Financial Products Public Limited Company
Camber 4 Public Limited Company	Hamilton Insurance Designated Activity Company
Carlyle Global Market Strategies Euro CLO 2014-3 Designated Activity Company	HANetf ICAV
Carlyle Global Market Strategies Euro CLO 2015-3 Designated Activity Company	Harvest CLO V Public Limited Company
Classic Brand (Europe) Designated Activity Company	Harvest CLO VII Designated Activity Company
Clwyd Managed Futures and Hedge Fund Strategy	Harvest CLO VIII Designated Activity Company
	Harvest CLO IX Designated Activity Company
	Harvest CLO X Designated Activity Company

Harvest CLO XI Designated Activity Company  
Harvest CLO XII Designated Activity Company  
Harvest CLO XIV Designated Activity Company  
Harvest CLO XV Designated Activity Company  
Harvest CLO XVI Designated Activity Company  
Harvest CLO XVIII Designated Activity Company  
Harvest CLO XIX Designated Activity Company  
Harvest CLO XX Designated Activity Company  
Institutional Cash Series Public Limited Company  
Ipanema Capital Public Limited Company  
Ishares Physical Metals Public Limited Company  
Ixion Public Limited Company  
Kongsberg Reinsurance Designated Activity Company  
KPN Insurance Company Designated Activity Company  
Leverage Shares Public Limited Company  
Lunar Funding V Public Limited Company  
Man GLG Euro CLO I Designated Activity Company  
Man GLG Euro CLO II Designated Activity Company  
Man GLG Euro CLO III Designated Activity Company  
MBDA Reinsurance Designated Activity Company  
Metlife Investment Management Funds Public Limited Company  
MOL Reinsurance Co Designated Activity Company  
Montanaro Smaller Companies Public Limited Company  
Mutual Securitisation Public Limited Company  
Neuberger Berman Investment Funds Public Limited Company  
Neuberger Berman Investment Funds II Public Limited Company  
Nimrod Capital Public Limited Company  
Nomura Next Funds Ireland Public Limited Company  
OFCB Capital Public Limited Company  
Opal Financial Products Public Limited Company  
Ottam Mexican Capital Trust Designated Activity Company  
Partner Reinsurance Europe SE  
PartnerRe Ireland Finance Designated Activity Company  
PartnerRe Ireland Insurance Designated Activity Company  
Probus Insurance Company Europe Designated Activity Company  
Profile Finance Public Limited Company  
Prysmian Re Company Designated Activity Company  
Recolte Securities Public Limited Company  
Renaissance Reinsurance Of Europe Unlimited Company  
Rosneft International Finance Designated Activity Company  
RZD Capital Public Limited Company  
SCF Capital Designated Activity Company  
SCOR Global Life Reinsurance Ireland Designated Activity Company  
SCOR Life Ireland Designated Activity Company  
SEB Life International Assurance Company Designated Activity Company  
Silverstate Financial Investments Public Limited Company  
Standard Life International Designated Activity Company  
Taberna Europe CDO I Public Limited Company  
Taberna Europe Cdo II Public Limited Company  
UDG Healthcare Public Limited Company  
Ulster Bank Ireland Designated Activity Company  
Ulster Bank Limited  
Vermillion Protective Bond Portfolio Public Limited Company  
Vespucci Structured Financial Products Public Limited Company  
Vigado Capital Public Limited Company  
Voya Euro CLO I Designated Activity Company  
Voyce Investments Public Limited Company  
VTB Eurasia Designated Activity Company  
Waterford Capital Investments Public Limited Company  
Waves Financial Investments Public Limited Company  
White Horse Insurance Ireland Designated Activity Company  
Wisdomtree Issuer Public Limited Company  
Wisdomtree Multi Asset Issuer Public Limited Company



## Appendix 2:

### List of approved EYG member firms in an EU or EEA member state

As of 30 June 2020, the following EYG member firms are approved to carry out statutory audits in an EU or EEA member State:

Member State	Statutory auditor or audit firm
Austria	Ernst & Young Wirtschaftspruefungsgesellschaft mbH
Belgium	EY Assurance Services
	EY Bedrijfsrevisoren
	EY Europe SCRL
Bulgaria	Ernst & Young Audit OOD
Croatia	Ernst & Young d.o.o.
	Ernst & Young Croatia d.o.o.
Cyprus	Ernst & Young Cyprus Limited
	Ernst & Young
	Ernst & Young CEA (South) Services Ltd
	Ernst & Young CEA (South) Holdings Plc
Czech Republic	Ernst & Young Audit, s.r.o.
Denmark	EY Godkendt Revisionspartnerselskab
	EY Grønland Statsautoriseret Revisionspartnerselskab
	EY Net Source A/S
Estonia	Ernst & Young Baltic AS
	Baltic Network OU
Finland	Ernst & Young Oy
	Julkispalvelut EY Oy
France	Artois
	Auditex
	Ernst & Young Atlantique
	Ernst & Young Audit
	Ernst & Young et Autres
	EY & Associés
Picarle et Associes	
Germany	Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft
	Ernst & Young Heilbronner Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	EY Revision und Treuhand GmbH Wirtschaftsprüfungsgesellschaft
	Schitag Schwäbische Treuhand GmbH Wirtschaftsprüfungsgesellschaft

Member State	Statutory auditor or audit firm
Gibraltar	EY Limited
Greece	Ernst & Young (Hellas) Certified Auditors Accountants SA
Hungary	Ernst & Young Könyvvizsgáló Korlátolt Felelősségű Társaság
Iceland	Ernst & Young ehf
Ireland	Ernst & Young Chartered Accountants
Italy	EY S.p.A.
Latvia	Ernst & Young Baltic SIA
Liechtenstein	Ernst & Young AG, Basel
	Ernst & Young AG, Vaduz
Lithuania	Ernst & Young Baltic SIA
Luxembourg	Compagnie de Revision S.A.
	Ernst & Young Luxembourg S.A.
	Ernst & Young S.A.
Malta	Ernst & Young Malta Limited
Netherlands	Ernst & Young Accountants LLP
Norway	Ernst & Young AS
Poland	Ernst & Young Audyt Polska sp. z o.o.
	Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Finance spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Doradztwo Podatkowe spółka komandytowa
	Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
	Ernst & Young Usługi Finansowe Audyt sp. z o.o.
Portugal	Ernst & Young Audit & Associados - SROC, S.A.
Romania	Ernst & Young Assurance Services S.r.l.
	Ernst & Young Support Services SRL
Slovakia	Ernst & Young Slovakia, spol. s r.o.
Slovenia	Ernst & Young d.o.o.
Spain	ATD Auditores Sector Público, S.L.U
	Ernst & Young, S.L.
Sweden	Ernst & Young AB
United Kingdom	Ernst & Young LLP
	Ernst & Young Europe LLP

Total turnover for the year ended on 30 June 2020 for these EYG member firms resulting from statutory audits of annual and consolidated financial statements was approximately €2.8bn.

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