

Transparency report 2020

Committed to audit quality

YEAR END - 31 DECEMBER 2020



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Foreword from the Managing Partner

I am pleased to present Grant Thornton's Transparency report for the financial year ended 31 December 2020. 2020 has been a year that posed unprecedented challenges, which have affected every area of our business.



At the time of issuing this report, we have just passed the anniversary of the initial COVID-19 lockdown restrictions when, almost overnight, we moved from being an office based, face-to-face business to a virtual working environment.

Our people are central to our Empower 2023 strategy, and this was more prevalent than ever throughout 2020 as it was our priority to put the safety and wellbeing of our people first. We adapted our ways of working, using increased collaboration tools to keep our teams connected, and made increased efforts to ensure our staff were given sufficient support and guidance. This included issuing specific guidance and training to prepare audit teams to deal with the challenges of remote audits in addition to an increased focus on the key audit risks requiring specific focus as a result of COVID-19 and its economic impact.

The increased challenges facing our clients as a result of COVID-19 mean that our role as independent auditor, acting in the public interest, and our commitment to audit quality, is more critical than ever. As managing partner, I have personally ensured that this message was reinforced throughout the year to ensure employees at all levels remain focused on our overall purpose during these difficult times.

The Financial Services sector has been a key growth area for the firm in the last year with the number of PIE audit clients continuing to grow year on year. Our breadth and depth of knowledge of the Financial Services industry has further expanded with key industry specialists hired within the Financial Services Audit department, as well as industry specialists, providing expertise in both Financial Services Taxation and Financial Services Advisory functions.

We continued our commitment to the roll out of our new global audit methodology (LEAP) in 2020. Our audit partners and staff received over 20,000 hours of audit related training in preparation its ultimate roll out in October 2020. We are confident that LEAP will result in further improved audit quality.

As a firm, we have remained focused on innovation as a key enabler for efficiencies and quality. From an audit perspective, this means increased use of data analytics, increased efficiencies, integration of siloed systems, and improved quality controls. Overall, our employees' valuable time is put to its best use.

Audit and assurance have always been and continue to be an important part of our business. Delivering the highest quality work is a key benchmark by which we measure our success in this area. We continue to focus on enhancing audit quality and independence, particularly in light of continuing changes in the audit profession. We continuously adapt our internal quality review process to increasingly challenge our audit department and increase accountability. We expect exceptional quality at all times and our processes ensure we effectively measure our quality output.

As part of our ongoing efforts to create a culture that promotes and nurtures diversity and that focuses on retaining top talent through active talent management, we developed our Women in Leadership programme – 'Aspire'. This programme has been running since 2017, and it aims to develop a strong female leadership pipeline and to acknowledge the valuable contribution of our female talent. It has provided participants with the opportunity to identify personal drivers and required skills and behaviours to help succeed in their chosen career path and to share tools and tips to navigate the challenges along the way. The programme has been one of our standout people-development initiatives and is now entering into its third successful year.

As the programme has been running a number of years now, in 2020, we enhanced the programme further by introducing a mentoring programme where past Aspire Alumni are invited to mentor current participants. This has been a successful addition to the programme building wider connections and developmental networks throughout the firm.

In 2018, we introduced a further female talent development programme Accelerate for females below Manager level which again is strengthening our future pipeline of female leaders.

With further leadership development programmes introduced in recent years, we now have development programmes pitched for every management level to nurture the skills needed as our employees advance through each stage of their career.

As a firm we welcome the regulatory changes, as they will further drive audit quality, increase competition, independence and public confidence in the profession. We also welcome the feedback from our regulators and we have taken steps to improve our policies and procedures where necessary, to address areas for improvements identified by IAASA and CAI during their recent inspections. This report demonstrates that we are strongly positioned, and that we are continuing to invest to ensure that our systems and methodologies are optimised in order for us to continue to deliver high quality and effective audits to our clients.

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

We have actively engaged with our independent non-executives throughout the year to identify areas where quality focus can be improved and maintained a positive and respectful working relationship. I would like to take this opportunity to thank Brian and Aisling for their valuable input over the last year.

While 2020 was a year of unprecedented challenges, it has forced us to rethink how we work and it has rapidly advanced our focus on innovation and digitalisation. Looking forward to 2021 and beyond, I am optimistic that from the recent challenges will emerge innovative solutions and lasting advancements across many industries including professional services. Quality remains central to all advancements for the audit sector and for Grant Thornton we remain committed to further embedding our culture of excellence and meeting the changing requirements. Our people are pivotal to our success and I am excited to pioneer programs which will empower our people to achieve the best and in turn deliver the best service and quality to our clients.

Michael McAteer
Managing Partner



Report from the Independent Non-Executives

In June 2020 Aisling Dodgson was appointed an Independent Non-Executive of Grant Thornton Ireland. Both the appointments of Aisling and Brian Kearney are set out by the Irish Audit Firm Governance Code ('the Code') issued by the Chartered Accountants Regulatory Body ('CARB').

This key feature of the Code reflects the belief that regulation is not a substitute for effective governance and that good governance complements regulation in promoting audit quality.

The Code states that the involvement of Independent Non-Executives (INEs) should enhance confidence in the public interest aspects of the Firm's decision making, stakeholder dialogue and management of reputational risks including those arising in the Firm's businesses that are not otherwise effectively addressed by regulation.

As recognized by the Code, audit firms, including Grant Thornton, share operations, brands and reputations with businesses that are subject to little or no regulation and this can pose significant risks to the reputation and continued existence of a firm including its audit practice. The INEs try to provide independent assurance to all relevant stakeholders that sufficient consideration is given and is seen to be given to the public interest in all aspects of the Firm's decision making processes whilst at the same time playing an important role in safeguarding and enhancing the Firm's reputation and ensuring that stakeholder concerns are properly communicated at the highest level.

The Terms of Reference of our appointment are set out in **Appendix 4 on page 47**.

A significant part of our involvement has been interacting with the Management Committee and its members to see how this works in practice. As Independent Non-Executives we have no powers to ensure that any advice we offer has been acted on, nor do we have any decision making capability in that role.

Meetings attended included most of the scheduled Management Committee meetings, the Annual National Partners' meeting and meetings with the Head of Risk, Compliance and Professional Standards, a number of Grant Thornton Partners outside of the Management Committee, and senior management within the firm. In all of our engagements with the firm we have experienced a culture of openness and transparency, a willingness to challenge and listen. Reports provided to these forums enable informed and considered decisions to be made.

The COVID environment has created unprecedented challenges in 2020 that have persisted into 2021. As INEs, we believe business risk has been well managed and evidenced through both good client outcomes and performance within the business. Grant Thornton's audit and quality standard processes continued to be implemented as business practices and the working environment adapted to meet both client and staff needs.

In relation to ongoing risks, as the business continues to grow continued investment in people, systems and processes are key to managing and mitigating those risks. The further investment by the leadership in governance, internal audit and systems is welcomed by the INEs and demonstrates the commitment of the firm to improving the effectiveness and efficiency of its operations and controls. The firm is sufficiently outwardly focused and cognisant of the risks and opportunities it faces as it expands in its chosen markets.

We have observed that the required ‘tone at the top’ is appropriately matched by processes not only to drive audit quality but also to properly support compliance, including conflicts of interest, and the need for constant improvement.

We believe the nature of Grant Thornton's engagement with Regulators, and others with an interest in professional standards and the management of risk, supports mutual understanding of the challenges and how those challenges can be managed successfully.



Brian Kearney
Independent Non-Executive



Aisling Dodgson
Independent Non-Executive



Report from the Head of Audit & Assurance

We need to accept that change is inevitable, sometimes predictable but sometimes not, and we can choose to either accept change reactively, or else we can embrace, influence and drive change so that we can be even better and stronger than before.

When I wrote my contribution to last year's Transparency Report, it's fair to say that no-one could have predicted the disruption, uncertainty and huge challenges that have ensued in the intervening year due to the global pandemic. Even now, it seems we still have several months ahead before we can truly begin to assess the short and longer term impacts that the pandemic has caused for our profession, the economy, and the way we live our lives.

The extent of the commercial effect on our clients varies significantly depending on the business sectors in which they operate. One constant feature, however, is that we have had to adapt our approach and methodology to deliver on our strategic commitment to the highest level of quality in our audits. Regardless of the challenges, it is critical for our clients, their stakeholders and our profession's regulators to maintain the same high level of confidence, trust and assurance from the work that we do.

I am immensely proud of how our Audit and Assurance team, which has grown to over 500 talented professionals, has adapted to, and embraced, the significant changes to the way we perform our audits. They have each shown great resilience in coping with the impact of the pandemic on their work and home lives and I, like all my partners, are extremely grateful for their dedication and commitment to their clients, their fellow team members, and to delivering on ever increasing levels of quality. More than ever, I am certain that our people are our greatest asset, and are at the heart of our success.

The senior members of our team, in collaboration with our Risk, Compliance and Professional Standards (RCPS) team, devised a comprehensive suite of tailored training programmes and materials. In addition to our continued investment and roll-out of our firm's global audit methodology LEAP (Leading Effective Audit Practice), specific training and support was provided for areas that required clarity for all audit staff in consideration of the working from home environment and the unprecedented economic effects of the pandemic on many of our clients. These areas included remote inventory count observations, reliance on electronic format of audit evidence, impairment of goodwill and intangible assets, group audits, going concern, subsequent events and audit opinion considerations. Our teams also received training to engender an enhanced focus on management estimates, integrity, objectivity and professional scepticism.

I am pleased to report that the pandemic did not disrupt the continued development of Grant Thornton's many leadership development programmes in recognition of the fact that having the best talent, and promoting diversity in our leaders, positively impacts on our overall quality.

Changes will continue to come in the form of regulatory advancements, different working practices (including remote working and, by extension, working-from-anywhere), innovative use of technology to improve efficiency and quality including robotics, AI and analytics, and greater competition for talent and quality clients. I remain as confident as ever that Grant Thornton is well positioned to deal with these changes successfully in order to strengthen our brand and reputation.

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



Stephen Murray
Head of Audit & Assurance





Structure and governance

Governance and management

Leadership

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

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

Legal structure and ownership

Grant Thornton Ireland is an unincorporated partnership under the Partnership Act, 1890 and comprises **54 partners**, at 31 December 2020. It is regulated by IAASA and PSCAI. The Firm also conducts certain types of business through a number of incorporated entities as set out in the following table.

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

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



Governance and risk management

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

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

It is considered appropriate that the management structure of the Firm develops with the growth of the business. Therefore, the structures set out below may be supplemented from time to time with additional appointments, such as committees, executive appointments to the Committee and non-executive appointments. In 2017 Grant Thornton appointed Brian Kearney as INE. In 2020, Aisling Dodgson was also appointed as INE. For further information, see **Report from the Independent Non-Executives, page 6**.

Management of our business

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

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

The appointment of the Managing Partner is made by simple majority vote of equity partners. The Managing Partner will not hold office for more than three consecutive terms, of three years each. **Michael McAteer was appointed Managing Partner with effect from 1 January 2018 and was re-elected for a second term from 1 January 2021.**

Management Committee

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

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

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

The Committee is focused on a framework of constant improvement. During the year ended 31 December 2020, the Committee have regularly considered how they can improve their effectiveness both as a body and as individual members of the team. The Committee meets monthly, with additional meetings as and when required.

The current Committee consists of the following partners:

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

Their brief biographies are set out in **Appendix 3, page 43**.

Remuneration Committee

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

In addition, a percentage of profit pool is allocated based on a balanced assessment of quality, behavioural and operation metrics. This links performance to the Firm's strategy and achievement of its long term goals including delivery of quality engagements. Risk, Compliance and Professional Standards independently prepare a report to the Remuneration Committee, to assist with their evaluation, which sets out a summary and assessment of quality of work and compliance throughout the year for each individual partner.

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

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

The 2020 committee consisted of the following partners:

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

Partners

Grant Thornton is a dynamic organisation led by its **54 partners** across seven locations. A full meeting of the Firm's partners is held at least twice annually. Regular weekly/fortnightly meetings are held in each office location. Furthermore, there are a number of strategic partnership groups with regular meetings to discuss particular aspects of the Firm's strategic goals and governance. These groups are supplemented by managers and directors with the requisite skills and expertise.

Partners at 31 December 2020

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

The Irish Audit Firm Governance Code (the Code)

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

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

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

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

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

Grant Thornton International Limited (GTIL)

We are Grant Thornton

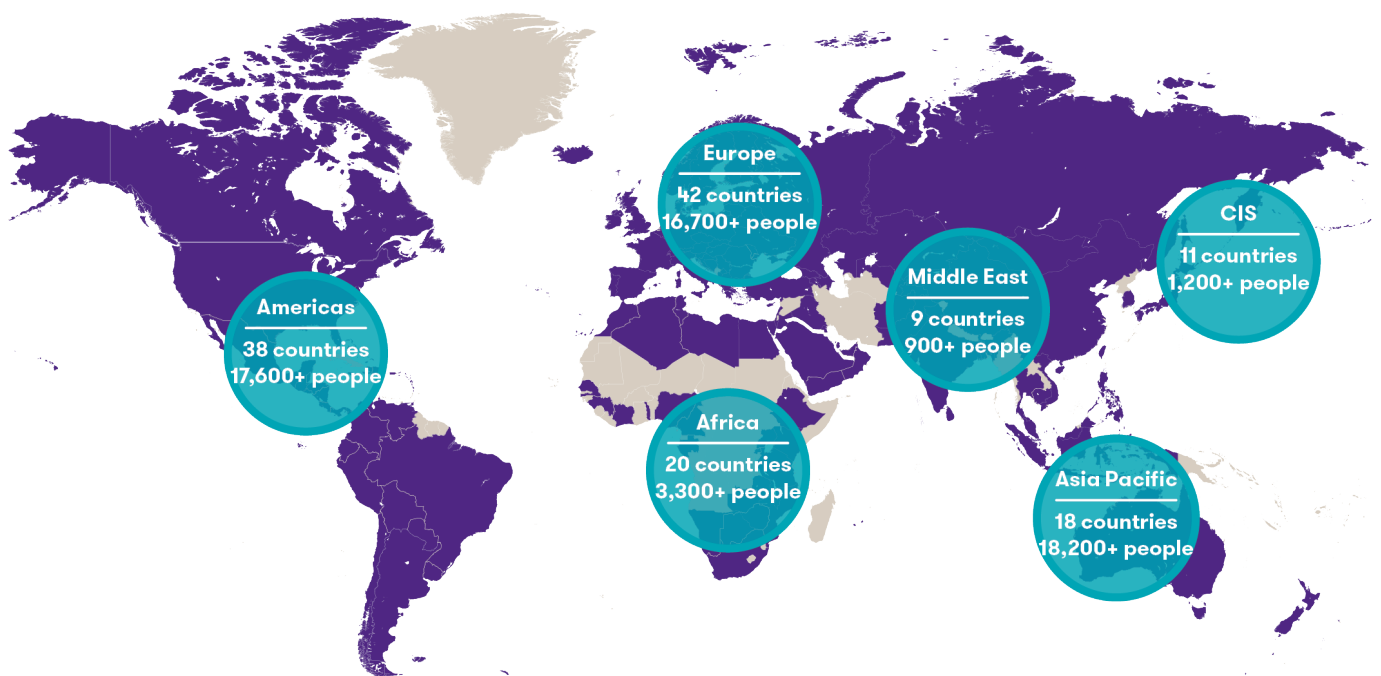
Grant Thornton is Ireland's fastest growing professional services firm. With over 1,500 people in 7 offices across Ireland and 58,000+ located in nearly 140 countries around the world, we bring you the local knowledge, national expertise and global presence to help you and your business succeed – wherever you're located. We deliver solutions to all business challenges. Clients choose us because the breadth of financial and business services they need is available, delivered innovatively and always to the highest standards. At Grant Thornton we are committed to long term relationships.

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

About Grant Thornton International Ltd (GTIL)

We're a network of independent assurance, tax and advisory firms, made up of 58,000+ people in nearly 140 countries. For more than 100 years, we have helped dynamic organisations realise their strategic ambitions. Whether you're looking to finance growth, manage risk and regulation, optimise your operations or realise stakeholder value, we can help you.

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



Our distinctive client experience sets us apart



USD5.76bn
(2020 revenue)



58,000+
people



750+
offices



138
countries

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

The table below shows the statutory auditors and audit firms which are members of the Grant Thornton network in the EU or EEA member states and the countries in which they are registered or have their principal place of business, as at 30 September 2020.

Country	Legal entity	Country	Legal entity
Austria	Grant Thornton Austria GmbH	Iceland	Grant Thornton endurskoðun ehf
Austria	Grant Thornton VERAX Wirtschaftsprüfungs- und Steuerberatungs Gesellschaft mbH	Ireland	Grant Thornton
Belgium	Grant Thornton Bedrijfsrevisoren CV	Ireland	Grant Thornton (NI) LLP
Bulgaria	Grant Thornton OOD	Italy	Ria Grant Thornton S.p.A.
Croatia	Grant Thornton revizija d.o.o.	Latvia	Grant Thornton Baltic Audit SIA
Cyprus	Grant Thornton (Cyprus) Ltd	Lichtenstein	ReviTrust Grant Thornton AG, Schaan
Czech Republic	Grant Thornton Audit s.r.o.	Lithuania	Grant Thornton Baltic UAB
Czech Republic	Fučík & partneři, s.r.o	Lithuania	Grant Thornton Baltic UAB Kauno filialas
Denmark	Grant Thornton Statsautoriseret Revisionspartnerselskab	Lithuania	Grant Thornton Baltic UAB Klaipėdos filialas
Estonia	Grant Thornton Baltic OÜ	Luxembourg	Grant Thornton Audit & Assurance
Finland	Revico Grant Thornton Oy	Malta	Grant Thornton Malta
Finland	Idman Vilen Grant Thornton Oy	Netherlands	Grant Thornton Accountants en Adviseurs BV
Finland	Advico Finland Oy	Norway	Grant Thornton Revisjon AS
France	Grant Thornton	Poland	Grant Thornton Frąckowiak Sp. z o.o sp.k.
France	AEG Finances	Poland	Grant Thornton Polska Sp. z o.o. Sp.k
France	IGEC	Portugal	Grant Thornton & Associados, SROC,Lda
France	Tuillet Audit	Romania	Grant Thornton Audit SRL
France	Cabinet Didier Kling & Associates	Slovak Republic	Grant Thornton Audit, s.r.o.
France	Carib Audit & Conseil	Slovenia	Grant Thornton Audit d.o.o.
Germany	Warth & Klein Grant Thornton AG	Spain	Grant Thornton, S.L.P.
Germany	Warth & Klein Grant Thornton GmbH & Co. KG	Spain	Grant Thornton Andalucia, S.L.P.
Germany	Trinavis GmbH & Co. KG	Spain	Cruces Y Asociados Auditores, S.L.P.
Germany	WPG Wohnungswirtschaftliche Prüfungs- und Treuhand GmbH	Sweden	Grant Thornton Sweden AB
Gibraltar	Grant Thornton (Gibraltar) Ltd	United Kingdom	Grant Thornton UK LLP
Greece	Grant Thornton SA		
Hungary	Grant Thornton Audit Kft.		



Driving quality

Delivering audit quality

Audit and Assurance is an important part of our business and plays a critical role in protecting public interest. Our leadership is committed to audit quality – quality in our work, quality in our practices and quality in our people.

Critical to our success in achieving and maintaining quality are our structures which underpin our objectives as we continue to grow and develop as a firm.

Audit leadership

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

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

Risk, Compliance and Professional Standards (RCPS) team

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

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

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

Global audit methodology and technology

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

GTIL's Methodology and Learning team hold monthly member firm outreach calls to address the information needs of individuals in Grant Thornton member firms who oversee consultations on audit matters, who manage inspections performed by audit regulators or who work in a similar role. In these calls, GTIL communicate methodology concepts and recent releases, providing member firms a forum for questions and enabling everyone to move forward together with consistency.

LEAP (Leading an Effective Audit Practice) is an ongoing, collaborative effort led by GTIL to re-energise our audit practice and prepare our global organisation and people for the future of audit. The LEAP project has two core streams, a new global audit methodology referred to as 'LEAP' and a suite of centrally developed, globally consistent learning.

In 2017, GTIL released this series of global learning programmes to be delivered by member firms locally. GTIL mandated delivery of these programmes, a mix of classroom based training and e-learnings, ahead of the roll out of the LEAP methodology. Since then GT Ireland has been rolling out the global LEAP learning programmes, and found them instrumental in helping drive early engagement and a readiness for the adoption of the LEAP methodology.

Although the pandemic presented new challenges to the ongoing delivery of training, GT Ireland remained committed to the rollout of the new LEAP methodology in 2020 as planned. In 2020 all audit professionals received the final prerequisite training; three days of facilitator led LEAP methodology training 'Audit 360'. GTIL tailored the Audit 360 course for virtual delivery and the revised format proved interactive and engaging.

Following some early pilot engagements, in October 2020, GT Ireland commenced using the LEAP methodology across all engagements. Among other benefits, the new LEAP methodology:

- provides a clear linkage to auditing standards using International Standards on Auditing (ISA) based terms;
- applies an account based approach to address the risk of material misstatement; and
- allows each audit team greater flexibility in designing their response to the risks of material misstatement within entities they audit.

GTIL adapted our audit tool platform, Voyager, to facilitate an effective roll out of the LEAP methodology. These changes:

- support a tailored in approach, a key fundamental of the LEAP methodology; and
- offer flexibility and scalability to perform audits of all types and sizes.

A new archiving tool was released alongside this tailored audit tool platform. This archiving tool automates and manages the entire archival, storage and file retrieval process, supporting compliance with key quality control requirements.

Audit innovation

Recognising the relevance of Audit Data Analytics (ADA) in today's audit landscape, GTIL have tailored our global audit methodology to allow teams to utilise evidence obtained from ADA as part of risk assessment or as part of substantive procedures.

Exploring meaningful ways to utilise evidence obtained from software tools available for data extraction, visualisation and analysis within our audits was a focus area during 2020. Central to our plans is the aim to:

- enable our auditors to perform high quality audits more efficiently; and
- give auditors the ability to provide clients with better insights into their business and operations.

In 2020, client collaboration tools continued to transform the way we work with, and share information with, clients. GT Ireland explored new ways to incorporate innovative techniques, such as the use of robotics, with our engagements.

During the year, our financial services audit business partnered with Funds Recs to provide reconciliation and data transformation software solutions. Leveraging Fund Recs' technology has added value to the clients we serve by increasing the efficiency, accuracy and speed of the investment funds audit process.

Audit quality

Underpinning our commitment to continuously improve audit quality is a robust system of quality control. GTIL has developed policies of quality control which apply to all member firms.

These policies are based on the requirements set out in International Standard on Quality Control 1 (ISQC1) for firms and the Code of Ethics for Professional Accountants issued by IESBA. These policies and procedures are set out in the Firm's Ethics and Quality Control Manual. The policies and procedures have been tailored to ensure they also comply our local standards issued by Chartered Accountants Ireland and IAASA.

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



Firm wide audit methodology:

- proprietary audit software used throughout international network; and
- complies with international audit standards.

Audit client services review:

- independent review; and
- benchmark our delivery with our promises.

National file review programmes:

- across all disciplines and Ireland offices.

International review programme:

- independent peer review of GTIL firms; and
- regular rotational review programmes.

Peer review process:

- all working papers reviewed by more senior staff than originator; and
- review partner process.

Investment in technical excellence:

- continued investment in training; and
- dedicated technical department.

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

Details of internal and external monitoring are given in the **measuring audit quality section on Page 24.**

International support

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

The IFRS team promotes consistency by:

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

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

In 2020 GT Ireland engaged an external financial reporting expert to provide four hours of IFRS training to our auditors. This covered recent and upcoming changes to IFRS, and included considerations in respect of accounting for the impact of COVID-19.

Clear and unambiguous audit reporting

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

For example, our professionals working on audits of US public companies and foreign private issuers attend GTIL led classroom based training annually, and undertake online training on areas such as SEC affiliate independence rules, SEC reporting requirements, audit committee communications, disclosures and the SEC review and comment process.

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

Engagement acceptance and continuance

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

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

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

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

Supervision, consultation and review

We have a strong culture of consultation, supervision and support, which is embedded throughout the audit methodology. Involvement of a second Responsible Individual (RI), our RCPS team and where necessary the Head of Assurance, provide appropriate levels of quality control as well as support for all audit personnel. This mixture of experience and technical ability, within a culture where we are able to challenge each other, ensures quality is driven throughout the audit process.

Audit clients of Public Interest Entities or entities whose securities are publicly traded are subject to an engagement quality control review (as required by ISQC1) by partners who are approved by RCPS. Review RIs are also in place for other complex or high-risk category clients to address certain quality and risk management matters.

COVID-19: Our response

The COVID-19 pandemic brought new challenges and forced us to rethink our approach to maintaining audit quality. Grant Thornton are committed to continuing to deliver the highest quality audits. We had to adapt to new ways of working remotely, including how we conduct audits. Our LEAP audit methodology and audit tool, Voyager, allowed for a flexible and agile response to the challenges and resultant changes in our audit approach required to mitigate the impact of COVID related risks, including as a result of the challenges being encountered by our clients and the additional difficulties we encountered in obtaining sufficient and appropriate audit evidence.

In addition, in conjunction with our Global firm, we tailored and issued various technical and audit alerts with additional guidance for our staff on COVID related matters. We provided webinar and other updates to our auditors, and to the wider business as applicable, to support them and ensure a consistent approach to dealing with these challenges.

Examples of some key audit areas impacted by the COVID-19 pandemic, and where additional guidance was issued included, but were not limited to, client acceptance/continuance, risk assessment and materiality, responses to new assessed risk (e.g. new or changed revenue models), impairment considerations, subsequent events, going concern assessments, financial reporting and financial statements disclosures.

The clear focus throughout was to ensure we exercised enhanced awareness of additional risk factors and that we applied appropriate professional scepticism and judgement in assessing the quantum and quality of audit evidence obtained. We also issued guidance on areas where we had to adapt our procedures/use new technologies to obtain audit evidence, e.g. performing stock counts remotely, remote review of other auditors' working papers and the use of technology for communications with clients.

We engaged, along with other firms, in regular meetings with our Regulator to address common themes and identify pragmatic solutions and approaches.



The firm's IT team responded rapidly after the initial restrictions, to ensure our audit teams were adequately equipped to work and communicate effectively, compliantly and securely in a remote working environment.

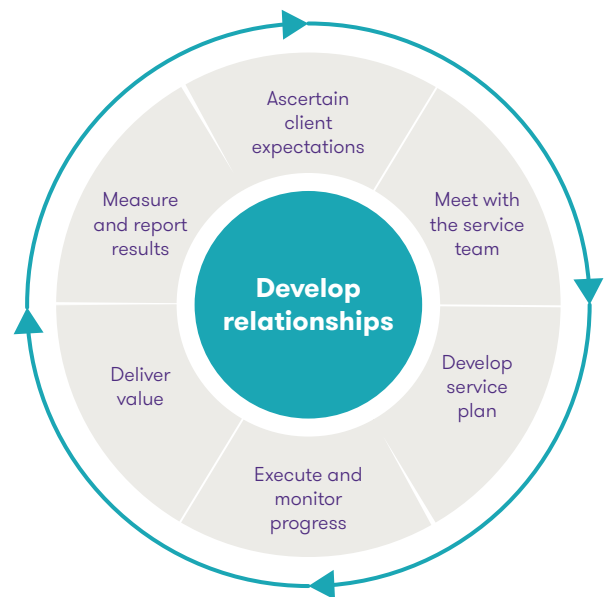
Leveraging information technology collaboration tools such as MS Teams and Zoom, we were able to effectively adapt our technical and audit methodology learning curriculum to a remote, but still instructor-led, environment. In addition, recordings and other e-learning modules were utilised to supplement and enhance our training offerings. This ensured we were able to continue to deliver our mandatory audit curriculum, along with other focused webinars, virtually and effectively throughout the COVID-19 pandemic, while retaining and enhancing the scope and quality of our training.

RCPS continues to provide a full consultation service on audit methodology, ethical, technical financial reporting and regulatory topics throughout the remote working environment using collaborative IT technology to provide a seamless service to audit and other service lines.

Achieving the highest standards

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

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



People

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

One indicator of audit quality, emanating from our people, is the culture of our firm, including whether our people are encouraged to perform high quality audits. We encourage this by being provided with the time, resources and training and development which they need to make this inevitable.

Our reputation is built on the quality of our work and we ensure that we have the highest levels of expertise within each audit team. Substantial PDM (partner, director and manager) involvement is required throughout the audit process, including:

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

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

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

The firm's continued commitment to training and development was evident in 2020. Our auditors received over 20,000 hours of audit related training. 70% of this was live, facilitator led training delivered virtually. In addition, recognising the importance of supporting not just their technical development, our trainees received 2,500 hours of externally led soft skills training. This was tailored to their needs based on grade, and included topics such as project management, communications, assertiveness, resilience and business etiquette.

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

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

Measuring audit quality

Audit quality control systems

A rigorous quality management system ensure all our staff understand the role they play in delivering quality work and achieving the high standards we set ourselves – the standards our clients expect. Nowhere is this more important than in the case of audit where our independence and the quality of our work are critical for our clients, the public and professional regulators.

We have established a range of safeguards and internal processes governing audit appointments and the independence of partners and staff, including:

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

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

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

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

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

This system provides our clients, GTIL, other member firms and our local regulators, IAASA and PSCAI, with reasonable assurance that our personnel comply with applicable professional standards and GTIL policies and procedures. In addition to periodic external quality reviews by GTIL, under the GTAR programme, our audits are subject to regular external inspection as part of our obligations to IAASA, PSCAI and PCAOB.

The review findings and observations are communicated to the Audit practice and directly to the individual teams so that any learning points can be addressed and taken into account in the drive continuous improvement.

Internal monitoring

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

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

Our quality monitoring programme is robust, and key features include:

- use of a standard approach developed by GTIL;
- all reviews are completed under the direction and guidance of RCPS to ensure integrity and consistency of process;
- all responsible individuals are reviewed at least every two years;
- all new responsible individuals are reviewed within one year of appointment;
- non partner responsible individuals are reviewed each quarter for their first year following appointment;

- assessment of risk profile of responsible individuals portfolio is carried out at the outset to ensure engagements selected focus on high risk and complex engagements;
- reviewers are assigned based on their independence, skillset, industry experience and professional competence;
- file ratings are agreed by the Audit Risk Working Group to ensure consistency and robustness of the ratings and the overall process;
- where deficiencies are identified the responsible individual is required to develop an action plan to address the findings of the review;
- responsible individual with files reviews falling below expected standards are reviewed again within 12 months;
- the annual Audit Quality Review summarised in an annual report which is presented to the Head of Audit, Head of Risk, Chairperson of the Remuneration Committee and National Managing Partner;
- themes arising from the Audit Quality review are communicated to the Audit practice through training, and technical updates;
- root cause analysis is completed on all significant deficiencies arising and appropriate action plans are developed; and
- results from the Audit Quality review are a critical factor in responsible individuals performance evaluation.

We have added rigour and depth to our review process to push our mission to continuously improve on quality and better align to the standards set by our external monitoring reviews.

In 2020, 15 audit engagement files were reviewed as part of the internal monitoring process. 80% received a grading of either “Good quality” or “Good quality, but limited improvements required” and therefore our results have remained consistently strong year on year.

Appropriate action plans have been developed to ensure the audit practice is aware of improvement requirements and to set clear expectations in these areas. Additional monitoring is carried out where appropriate to ensure appropriate focus is put on improving quality.

Global audit quality monitoring

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

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

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

GTAR will assess if member firms:

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

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

External monitoring

In December 2017, Grant Thornton Ireland welcomed PCAOB and IAASA to complete their first joint inspection of an Irish firm following the signing of their cooperation agreement in the previous month. The PCAOB inspection involved a detailed review of 1) one US registrant audit client, 2) one engagement where the Firm played a role but was not the principal auditor and 3) a detailed review of our system of quality control. PCAOB published their report in September 2019 and it is available on [the PCAOB website](#).

We have thoroughly evaluated all matters described in the report and have taken actions, where appropriate. We have reviewed our approach to the matters identified and made adjustments to ensure our audit documentation provides sufficient clarity of the extent of and the detail of the work carried out. These actions did not change our original audit conclusions, nor did the actions affect our reports on the issuers financial statements.

IAASA complete an annual inspection of all Public Interest Entity audit firms. Their inspection process includes the review of public interest entity audit files as well as the firm's quality control procedures.

From 2020, [all IAASA inspection reports are published on their website](#).

- Our 2019 inspection focused on quality control procedures only, there were no audit engagement files reviewed during this inspection. There were no findings reported.
- Our 2020 inspection report included one engagement file review as well as quality control procedures review. Some areas for improvement were identified and we take these matters seriously. We are working through action plans to ensure the areas of improvement are given the appropriate level of focus and they are effectively addressed.

We remain dedicated to improving our systems of quality control, including monitoring audit quality and implementing changes to our policies and practices in order to enhance audit quality. The IAASA inspection process and dialogue with the inspection staff provided us with valuable information, as we strive to enhance our audit quality and meet our responsibilities to investors and other stakeholders.

We have regular reviews by PSCAI to consider the suitability of the firm's audit methodology and quality of audit assignments. The last external quality assurance review of Grant Thornton took place in November 2015, this covered Public Interest Entities. The CARB Quality Assurance Committee assigned a grading of B. CARB award a grade of B under the following circumstances:

Instances of non-compliance have been recorded but the inspector is confident on each of the following:

- the proposed actions set out in the firms closing notes adequately address all the issues;
- the firm has the ability (competence and resources) to take action within the stated timescale; and
- the firm has the commitment to take the action.

GTIL member firms continue to demonstrate their commitment to transparency, integrity and quality control by undergoing independent internal and third party inspections. The member firms and GTIL welcome the results of these inspections, which assist in a constant search for improvement of member firms' service provision.



Client Voice

In addition to internal and regulatory monitoring, a key measure of quality is understanding our clients' satisfaction. On a monthly basis, we chose a random selection of our clients to complete a satisfaction survey. The clients are asked to rate Grant Thornton on various aspects of the service they received, from the quality of the audit service, the value received, if the service had improved and if they would use our services in the future and recommend us to another organisation. This ensures we have a constant level of client satisfaction, which we use in our KPIs, and it allows us to take action should that level of service drop for any reason.

Some of our key results from our audit clients are summarised below:



People and culture

As a professional services firm providing a full range of audit, tax and advisory services to our clients, it is imperative that quality is at the cornerstone of everything we do.

Critical to our success in achieving and maintaining our quality standards, it is important that our people and culture initiatives around sourcing, developing, and managing our people support this objective.

Our People & Culture team operate and are committed to a philosophy that promotes:

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

Sourcing and hiring a diverse group of people for our business allows us to better reflect the markets we work within. To support this we have a dedicated resourcing team whose primary objective is to source both internally and externally the best available talent for the roles within the firm. This process is supported by our recruitment and selection policy that is designed to ensure a fair and transparent appointment process and is applied across the firm and in 2020, we saw nearly 400 people join the firm in a range of roles from senior leadership positions to summer internships.

On their first day with the firm, each new employee attends an onboarding event. This event covers a range of topics that enable the employee to understand the culture of Grant Thornton, but is also focussed on engaging our new employees from day one on our emphasis on quality and how this is foundation for success within the firm.

Learning and development

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

Our development philosophy is based not only on formal training, but also on-the-job learning and significant levels of day-to-day coaching and a strong focus on feedback being sought and given around employee's performance.

Each management and supervisory career level within the firm has a specific leadership program that is designed to equip the employee with the necessary leadership skills as they progress their career within Grant Thornton. In addition, we run two female leadership programmes, Aspire and Accelerate, which have proved instrumental in developing and retaining our key female leaders of the future. Moreover, these programmes are critical in helping us achieve greater gender balance at all job levels within the firm.

The key foundation to all of our learning and development activities is our competency framework which is a tool that highlights the key performance expectations at each career level, defines the capabilities required for outstanding performance at each career level, and suggests development actions that may be taken to develop the required capabilities for success at Grant Thornton.

The competency framework has been designed to help employees to:

- build their skills and capabilities by providing blended development activities;
- allows employees to take control of their career and motivate teams to achieve higher performance; and
- deliver the critical success factors detailed in our Empower 2023 strategy through aligning our goals to the five pillars (Strategic Initiatives) which underpin our Strategy.

In addition, Grant Thornton places an equal emphasis on developing the unique skills of employees who are not in managerial positions or who work in our support functions. There are specific Personal Development Skills Programmes that employees at these career stages must complete before progressing their careers.

The firm's commitment to development is underpinned by a Human Capital Management system that continues to empower employees through a transparent performance management process that contributes to making this process effective and efficient for both the reviewer and reviewee. Both goal setting and the subsequent annual review is based on the firm's five strategic initiatives:

- People & Culture;
- International;
- One Firm;
- Targeted Investment; and
- Optimise & Innovate.

All staff set their own goals around these five initiatives which supports the achievement of the firm's strategy to be market leaders in our chosen fields. To further support our culture of continuous development we hold performance reviews on an annual basis and have created a culture where employees are positively encouraged to seek and obtain feedback at the end of each client assignment.

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

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

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

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

Employee engagement

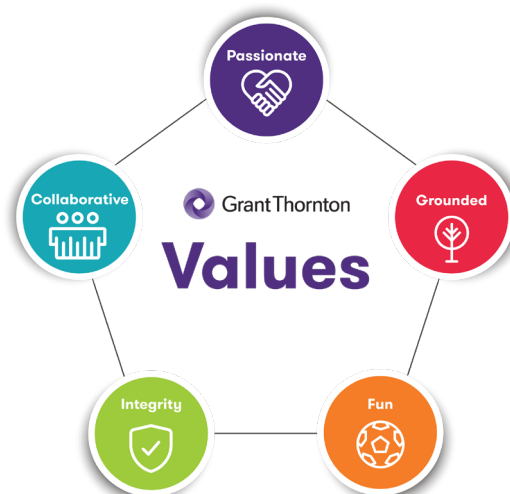
One of our most important elements of People & Culture strategy is our high level of success with our employee engagement program. Each year the firm participates in a global employee engagement survey that measures the Employee Net Promoter Score (eNPS). This score shows how likely employees are to recommend Grant Thornton as a place to work and in the four years we have participated the score has increased and exceed the Grant Thornton global average. To ensure a consistently high score the firm has a robust process that allows employees to give feedback on the eNPs results through focus groups and by using internal Employee Engagement Leaderst to work on specific initiatives that the employees believe will assist in increasing the eNPS.

Our values

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

Our brand position in Ireland embodies a series of values that support the ideas of a human perspective and a focus on relationships, but with robust independence. These values represent the way we conduct ourselves personally, and underpin how we do business. These core principles and values are key to our success.

Our values underpin our culture and resonate with employees by giving them a sense of the best way to approach working in Grant Thornton.



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

Michael McAteer Managing Partner

Objectives and strategy

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

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

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

Our quality people

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

Our people thrive on high achievement and innovative thinking. This provides our clients with the best possible standards of service and advice. We are committed to ensuring that all our people have the skills and expertise necessary to provide the range of quality services and technical excellence required by our clients.

We support our people by focusing on our Employee Value Proposition (EVP) which means we look beyond the contractual rewards and benefits by providing a broader offering to our employees in the forms of wellness programs, sports and social activities and highly evolved corporate social responsibility initiatives.

Participating in the profession

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

Our Partners, Directors and Managers (PDMs) are involved in various committees of professional bodies and trade associations, details of which are set out in **Appendix 5 - page 30**.

Continuing professional development

We are committed to ensuring that our people have the skills and expertise necessary to provide the range of quality services and technical excellence required by our clients.

All partners and qualified staff are required to keep up to date with professional guidance, including the firm's own risk management, ethical and independence requirements. All those within specialist disciplines or serving specialist markets, including statutory audit, must comply with mandatory training requirements, which are actively monitored.

Internally, we provide access to technical resources and support which include technical updates, training workshops, professional and personal development courses.

Risk management

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

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

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

Overall, there is a continuous focus on enhancing the risk management framework, for example, the development of proprietary software that will centralise the client acceptance/re-acceptance global review and approval process and additional software providing unparalleled accuracy when it comes to understanding group structures and beneficial ownership.

Ethics

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

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

Ethics and independence

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

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

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

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

Relationship checking

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

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

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

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

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

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

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

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

Client acceptance and continuance

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

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

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

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

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

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

Rotation of key audit partners and staff

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

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

Corporate Social Responsibility (CSR)

We recognise not just the value of CSR and the positive contribution it can make to our staff and to our local community but also the wider impact we can have on the environment and society in how we conduct all aspects of our business.

Grant Thornton is focused on becoming recognised as a leading business with Sustainability and Corporate Social Responsibility (CSR) at its core. The touchstone of the firm's CSR policy remains our commitment to education, particularly to support those from disadvantaged backgrounds, and ensuring Grant Thornton is seen as a truly diverse workplace.

We believe it makes sense to leverage a skill set prevalent throughout the organisation, education and training - to assist the wider community. This holistic approach, combining Grant Thornton's core values with its approach towards CSR, reinforces what Grant Thornton is striving to achieve as a firm, with our clients' and staff's needs at the heart of what we do.

Strategy is always about making choices and success in CSR is no different. Grant Thornton is prepared to commit to focused, proactive and integrated social initiatives in line with our core strategic aims as a business.

In addition, we have embraced the importance of embedding sustainability throughout our business and have built this into our overall business strategy. We are driven to be recognised not only as a successful business but a responsible one. To this end we are currently working towards gaining the Business Working Responsibly Mark overseen by Business in The Community. Achieving this mark is a key aim for 2021.

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

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

Charitable contributions

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

- Alzheimers Society of Ireland and Alzheimers Society (NI) (main charity partners);
- De Paul
- Time to Read;
- St Vincent De Paul
- Athletics Ireland (Young Athletes programme).

All funds raised for our main charity partners were matched by the Grant Thornton CSR Committee.

As a result of the COVID-19 pandemic, 2020 proved to be a very challenging year for our CSR activity due to the lockdown and social distancing restrictions in place for the majority of the year. This meant that getting our staff to volunteer for charity events and activities was the exception and we had to focus instead on involving our staff in various fundraising initiatives that they could undertake safely in line with the restrictions in place.

Alzheimers Society of Ireland and Alzheimers Society (NI)

Alzheimers Society and Alzheimers Society (NI) were not only two of the charities we supported during the year, they were our chosen charities of the year. This meant the majority of our efforts were focused on working with them on an all-Ireland basis.

The main fundraising effort in the year occurred in October during our all firm CSR Day. This saw people participate in various challenges, quizzes and raffles to raise over €30,000 for our charity partners. The day was started with a video address from Alzheimers Society Ireland which highlighted not only the vital work they do to help families dealing with dementia, but underlined the negative impact that the pandemic was having. This was a very moving address and set the tone for the day and which in turn helped make it such a success.

In addition, over the course of the year we undertook a number of other fundraising initiatives for them with the Virtual GT5K run held in the place of our normal 5km run series being a particular success and raising €60,000 in entrance fees of which €6,000 went to our charity partners and the rest to Athletics Ireland Young Athletes programme. In total we raised over €49,000 for our charity partners in the year.

Trinity Access Programme (TAP)

We are now into our twelfth year supporting the TAP programme. This has developed a range of educational projects to engage greater numbers of students from under-represented socio-economic groups in third level education. Our involvement sees our staff supporting, educating and guiding the young adults participating in the foundation course through mentoring and workshops. We are delighted that currently over 60 of our staff are now engaged as mentors with this programme and whilst this support was provided virtually for most of 2020 it was still very rewarding for all involved.

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

Throughout the academic year, Grant Thornton run workshops on a variety of topics including:

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

After each workshop the mentors and mentees have the opportunity to discuss the content and a variety of topics around continuing education and career progression. In addition, fifteen TAP students are now placed in summer internship positions in various professional organisations including Grant Thornton offices and their client base.

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

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

Our Grant Thornton global approach

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

Grant Thornton's relationship with Higher Education institutions

Grant Thornton supports a prize for first place in the accounting and finance degree at DCU Business School. It also supports the NUIG Access programme and we currently sponsor two students on the Limerick Institute of Technology's Leaders@LIT Scholarship programme.

Environmental initiatives

We are committed to reducing the impact that our business has on the environment. This has seen two key steps taken in the year. The first saw our Managing Partner sign the Carbon Pledge on behalf of the firm. This means we are committed to reducing our carbon footprint by 50% by 2030. To drive this initiative we have created a Green Scene Committee which will be responsible not only for reducing carbon usage throughout the business but also in educating our staff in how they can act more responsibly in this area.

Some of the steps we have already committed to include:

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

This initiative has been greatly enhanced by our recent move to our new LEED Certified building City Quay HQ in Dublin and also our new office in Cork. These buildings are at the leading edge of energy efficient and eco-friendly design and we are in the process of identifying the benefits and efficiencies these moves have created. We are also reviewing our other offices and working with our landlords to make them as energy efficient as possible.

Developments in CSR

As noted above, Grant Thornton are aware that it is no longer enough to undertake a range of CSR activities, rather the firm needs to embed CSR in all it does and have its work independently assessed. As a result, the firm has engaged with Business in the Community (BITC) and is currently working towards achieving its Business Working Responsibility Mark. Working with Business in the Community has shown us the breadth of the sustainability agenda and our involvement with the Grant Thornton International network shows how important this is across all geographic locations. It is clear that achievement of the Mark is an important first step for our firm to be able to demonstrate it is a truly sustainable business. Working with BITC gives us access to the companies and initiatives that are leading the way in CSR and sustainability and our aim is to be at the forefront of this area going forward.

Diversity and Inclusion Programme EMBRACE

Given the bedrock of our business in Grant Thornton is 'our people', we are fully committed to our Diversity and Inclusion programme 'EMBRACE - Diversity at our core'. The firm wide initiative, involves all our people and is intrinsically linked to the values of this firm. It focuses on six key pillars Multicultural, LGBT, Gender, Disability, Generational, Family and Working Parents.

The programme is governed by a Diversity & Inclusion committee of people working across the different service lines within Grant Thornton. In order to ensure the strategies we adopt address the key areas for our people we periodically run a confidential survey internally to understand the views of our people. This feedback is key to helping us set targets and objectives for this programme.

Individual networks have been established for the various pillars to help focus on individual areas and ensure involvement of all our people. Many of our people have shared their experience of Diversity & Inclusion within the firm via blogs which have been posted on our website.

We continue actively engage with external groups such as Fusion, the Financial Services Inclusion Network, the 30% Club, who are supporting firms with initiatives to achieve greater gender balance and a range of other appropriate advocacy groups.

EMBRACE

Diversity at our core

Other initiatives

Some other community initiatives that Grant Thornton are involved in include:

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

Financial information

The EU Regulation No. 537/2014 requires disclosure of financial information that shows the importance of statutory audit work to the overall firm's results. The results set out below for the year to 31 December 2020 have been extracted from Grant Thornton's annual accounts and financial records for the period ending 31 December 2020.

The financial information given is based on unaudited figures.

Revenue	Dec 2019 (€'000)	Dec 2020 (€'000)
Statutory audit for PIEs	1,304	2,539
Statutory audit for other entities	29,131	34,027
Non-audit services provided to audit clients	16,382	14,210
Non-audit services provided to other entities	102,911	112,807
Total	149,728	163,582

The EU Regulation No. 537/2014 requires disclosure of financial information that shows the importance of statutory audit work to the overall firm's results.

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

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

Partner remuneration

Partners are remunerated from their share of profits of the Firm. A partner's share of the Firm's profits is determined either by the number of profit-sharing points held by that partner or by fixed allocation. Partners' profit-sharing points are reviewed annually, based on criteria set out in the partnership policy. Further information on partner remuneration is outlined in the **governance and management section on page 11**.

Responsibility for financial reporting

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

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

Going concern

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

Risks and uncertainties

Principal risk and uncertainties

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

Risk	Response
<p>Quality: that a significant quality failure will arise due to inadequate services or engaging with an inappropriate client or failure to comply with relevant ethical or regulatory requirements.</p>	<ul style="list-style-type: none"> • rigorous quality standards including: leadership tone at the top, skills and competence, clear and efficient procedures and quality control applied to all areas of the business; • dedicated service line quality and risk management teams drive application of quality standards; • robust client continuance and acceptance procedures; • appropriate recruitment and staff development and review policies; • quality reviews conducted internally, by network firms and by regulatory bodies; • dedicated resources focused on innovation to drive more integrated and efficient processes to enhance our client delivery and regulatory compliance; and • engagement methodologies supported by developed practices, tools and resources.
<p>Business resilience: failure to appropriately plan for, respond to and recover from disruptive events, to ensure the firms can continue to operate and service its clients effectively.</p>	<ul style="list-style-type: none"> • business continuity and disaster recovery planning and regular testing; • robust IT infrastructure capable of supporting remote working; • business unit level business impact assessments; • robust supplier onboarding and monitoring processes; and • investment in new technology solutions to enhance our connectivity and agility.
<p>Litigation: that a significant litigation will occur leading to a considerable reputational or financial loss.</p>	<ul style="list-style-type: none"> • supporting the provision of quality engagements (see above) thus limiting the risk litigation arising; and • monitoring, timely review and addressing of all litigation claims of litigation arising.
<p>Reputation: adverse impact on reputation due to failure to ensure appropriate levels of service quality, transparency and public engagement.</p>	<ul style="list-style-type: none"> • providing appropriate levels of support and training for all our people and embedding a culture of acting ethically; • engaging with our clients and building trust in our services and approach as a firm; • participating in local initiatives and actively contributing to enhancing the greater community; and • ensuring appropriate conflicts of interest are avoided.
<p>People: adverse impact on reputation due to failure to ensure appropriate levels of service quality, transparency and public engagement.</p>	<ul style="list-style-type: none"> • well-developed and focused staff recruitment policies; • engaging with our people through establishing communication channels and support networks; • annual measure of staff satisfaction through PeopleVoice survey and dedicated champions to drive firmwide initiatives based on results; • robust diversity and inclusion programme, Embrace; • delivering support, training and advancement opportunities; • driving a culture of continuous staff feedback; • providing annual and interim reviews and constructive development supports; and • monitoring the market to better understand the firm's competitive position relative to other competing firms.

Risk	Response
<p>IT security: failure to ensure appropriate safeguards regarding the Firm's information technology including confidential information.</p>	<ul style="list-style-type: none"> • full-time, dedicated team to ensure appropriate resources are available at all times; • provision of appropriate training, IT security and awareness program to all staff; • developed procedures and policies for safeguarding client and staff data and other information; and • security management system aligned to ISO/IEC 27001:2005 which includes: – physical, technical and human resource controls; and – incident monitoring and response.
<p>Regulatory reviews: the outcomes of regulatory reviews may have an adverse impact on the firm's reputation, ability to attract clients and ability to deliver appropriate quality services.</p>	<ul style="list-style-type: none"> • open communication with regulatory bodies and monitoring of regulatory updates to ensure complete compliance; • liaising with professional accountancy bodies; • ensuring quality by systematic and independent review thereby minimising the possibility of adverse findings; • development of action plans to promptly and effectively address areas of improvement, and • employment of full time dedicated team to ensure regulatory compliance and communication and training of requirements throughout the firm.



Appendices

Appendix 1: Public Interest Entity (PIE) clients

The below list covers all PIE clients for whom Grant Thornton issued an audit opinion in 2020. This list has been prepared in accordance with the provisions of Directive 2014/56/EC¹:

1. Schenker Re DAC
2. Findlay Park Funds Plc
3. Eudora Investment Funds plc
4. GE Capital UK Funding Unlimited Company
5. Bank of Montreal Ireland plc
6. CBOM Finance PLC
7. Deco 7 Pan Europe 2 PLC
8. Transregional Capital DAC
9. Oasis Crescent Global Equity Fund
10. Titanium Capital PLC
11. Pantheon Master Fund PLC
12. Motif Finance (Ireland) PLC
13. P&G Umbrella Fund
14. Scotiabank (Ireland) DAC
15. Iridium Capital PLC
16. EG Capital Advisors ICAV
17. House of Europe Funding IV PLC
18. House of Europe Funding V PLC
19. Euromax V ABS PLC
20. Euromax VI ABS PLC
21. Credit Linked Enhanced Asset Repackaging (CLEAR) PLC
22. Aria CDO II Ireland PLC
23. Alfa Bonds Issuance PLC
24. Alfa Holdings Issuance PLC
25. Mori Umbrella Fund PLC
26. Zoo ABS IV PLC
27. Renaissance Consumer Funding DAC
28. Dekania Europe CDO II PLC
29. Dekania Europe CDO III PLC
30. GPB Eurobond Finance PLC
31. Hewlett Packard International Bank DAC
32. Strawinsky I PLC
33. Camber 7 PLC
34. Premium Green PLC
35. United Health Care Insurance DAC
36. Grand Canal Securities 1 DAC
37. Grand Canal Securities 2 DAC
38. St James Place International PLC
39. GD Insurance Company DAC
40. Stratus Capital PLC
41. Windmill CLO I Ltd
42. Willow No.2 (Ireland) PLC
43. Lightpoint Pan-European CLO 2007-1 PLC
44. VIP Finance Ireland DAC
45. Natinium Financial Products PLC
46. GTLK Europe DAC
47. Lansdowne Mortgage Securities No. 1 PLC
48. Lansdowne Mortgage Securities No. 2 PLC
49. Eurocredit CDO V PLC
50. Proteus RMBS DAC
51. Orchard Funds PLC
52. Custom Markets Securities PLC
53. Rayo Finance Ireland (No. 1) DAC
54. Iris SPV PLC
55. Galaxy Capital PLC
56. Alectra Finance PLC
57. Bliksem Funding DAC
58. Lusitano Mortgages No. 4 PLC
59. Lusitano Mortgages No. 5 PLC
60. Lusitano Mortgages No. 6 PLC
61. Lusitano Mortgages No. 7 PLC
62. Canterbury Insurance DAC
63. Scottish Re (Dublin) DAC
64. Orkney Re II PLC
65. Nomura Investment Solutions PLC
66. Argon Capital PLC
67. Hawthorn Life DAC
68. Slandia Finance (Ireland) Ltd
69. SSB No.1 PLC
70. MMK International Capital DAC
71. Uralkali Finance DAC
72. Xenon Capital PLC
73. Granitshares PLC
74. Alhambra SME Funding 2019-1 DAC
75. Phosagro Bond Funding DAC
76. Xelo VI Limited
77. Rushydro Capital Markets DAC

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

Appendix 2: Leadership and governance

Management Committee	Number of meetings attended in 2020
Michael McAteer	16
Stephen Tennant	15
Stephen Murray	16
Bernard Doherty	16
Fergus Condon	16
Colin Feely	15
Richard Gillan	16
Brendan Foster	16
Aisling Dodgson (INE)	15
Brian Kearney (INE)	13

Note: In addition to our regular Management Committee, there were 16 separate Extraordinary Management Committee held between 16 March 2020 and 09 June 2020, dealing with the Firms response to Covid-19.

Appendix 3: Management Committee



Michael McAteer
Managing Partner

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

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

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



Sinéad Donovan
Partner

Sinéad is a partner in our Financial Accounting Advisory Services department which she founded in 2012, and was recently appointed as Chairperson of the firm.

She is very experienced in co-ordinating international teams, with particular regard to central reporting for multiple jurisdictions and/or central management of global statutory audits. She works closely with all the major Grant Thornton member firms across the world and manages some of the firm's largest and complex multi jurisdictional projects. Sinéad has extensive knowledge of Irish/UK GAAP, International Financial Reporting Standards (IFRS) and US GAAP.

Sinéad's client portfolio includes some of the largest global listed companies specialises in assisting the Global Business Centres for these companies. Sinéad was instrumental in founding the Irish/US Group, which is a permanent department, consisting of Irish team members based in the US West and East coast.

She is a fellow of the Institute of Chartered Accountants in Ireland (the Institute), is the current Vice President for the Institute and sits on the Council. She has a Diploma in International Financial Reporting Standards (IFRS).



Fergus Condon
Partner

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

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



Patrick Dillon Partner

Patrick joined Grant Thornton in 2005 and is Head of Corporate Finance in Ireland. He has recently been appointed Global Co-Head of Transaction Advisory Services for GTI.

His main area of expertise is in merger & acquisitions and transaction advisory services. He has extensive experience in advising companies on sell-side and buy-side transactions and strategic funding options. A significant amount of Patrick's recent transaction experience has been multi-jurisdictional in nature and he has worked cohesively with a number of the GTI member firms.

Patrick's recent experience includes:

- 120+ due diligence assignments for a range of Irish and International clients including Kingspan Group plc, DCC plc, Sports Direct, Renault Bank, Bain Capital, and Keelings;
- advising all Irish Banks and a number of Irish companies on restructuring options; and
- corporate Finance advice to LAYA Healthcare, Ireland's second largest health insurer.

Patrick is an associate of Chartered Accountants Ireland (CAI). He holds a Bachelor of Commerce (BComm) and a Masters in Accounting from University College Dublin (UCD).



Bernard Doherty Partner

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

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

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

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



Colin Feely Partner

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

More recently his experience covers a broad range of clients in various business sectors, predominantly within the financial services sector, including, but not limited to asset management, banking and capital markets, insurance and regulated Fintech. Current client's large global institutions operating within these sectors.

During 2018 Colin was appointed to the role as Head of the Financial Services Audit practice having successfully grown the domestic audit practice over the previous five years as Head of our Corporate Audit Department. This change coincided with the recent introduction of EU Audit Reform and our firm's recognition of the need to invest and develop its service offering in this area to meet increasing market demands.



Brendan Foster Partner

Brendan joined Grant Thornton in 2008 after the merger of the Firm with Foster McAteer of which he was principal partner. A strong advocate of business planning and strategic positioning, Brendan assists clients in identifying key business drivers and formulating an actionable plan to deliver objectives.

Brendan is Head of our Advisory division which includes Business Risk Services, Business Consulting, Energy, Forensics and Cyber and Corporate Finance advisory divisions, which provides strategic planning, business processing, re-engineering and performance management services to a range of public and private sector clients.

Brendan is a fellow of the Association of Chartered Certified Accountants in Ireland (FCCA) and was the Irish president in 2008/09. He is also a Certified Management Consultant and a member of the Institute of Management Consultants and Advisors. Brendan was elected as a member of the Council of the Dublin Chamber of Commerce in 2011 and served as President in 2017. Brendan was elected Chairperson of the Audit Committee of Dublin City Council in 2015 and served until 2019.



Richard Gillan Partner

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

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

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

Richards holds an Accountancy degree (BSc) and post-graduate diploma from the Queen's University of Belfast. He is a Fellow of Chartered Accountants Ireland and is Chairman of Chartered Accountants Ulster Society.



Stephen Murray Partner

Stephen is the Head of our Audit and Assurance team, comprising over 500 professionals nationwide. He joined Grant Thornton in 2008 having previously spent ten years with a Big Four firm in Dublin. He has over 25 years' experience providing audit, assurance and technical accounting advisory services to numerous Irish and multi-national companies.

Stephen works closely with publicly listed and private clients in the diagnostics, medical devices, biotech, diagnostics and pharmaceuticals sectors. He has also worked with clients across a wide range of other business sectors including telecomms, technology, construction, manufacturing and distribution.

He provides his clients with a broad range of services including audits of SEC registrants and internal controls over financial reporting (Sarbanes Oxley), statutory audits, technical accounting support and advice.

Stephen is a Fellow of the Association of Chartered Certified Accountants (FCCA) and a member of The Institute of Internal Auditors.

Stephen also leads Grant Thornton Ireland's International Business Centre (IBC).



Stephen Tennant Partner

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

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

His advisory sector experience includes:

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



Appendix 4: Independent Non-Executives (INEs)



Brian Kearney
Independent Non-Executive

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

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

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

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

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



Aisling Dodgson
Independent Non-Executive

Aisling Dodgson joined the Management Committee in June 2020. Aisling has over 25 years of experience and a proven track record in financial services. She has strong experience in treasury, risk management and analysis, credit, compliance and regulatory and financial markets.

Aisling is currently an Executive Director of a subsidiary company of a large international asset management and banking group, whose European investment firm is based in Dublin. She has experience in start-up and scaling of business as well as working in a large, matrix organisation and is responsible for the management and operational delivery of a service offering in Ireland. Her client experience spans across a range of client types, professional and retail, and industry sectors including Finance, Aviation, Consumer Staples, Funds and Technology.

She holds a number of professional qualifications: Chartered Director from the Institute of Directors, Certified Banker from the Institute of Bankers, a Harvard Business School alumni and a Finance Masters graduate from University College Cork. Aisling also serves as a council member of the RVEEH Hospital Group and as a member of the Finance Committee.



Terms of reference

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

In 2020, Grant Thornton appointed Aisling Dodgson as an Independent Non-Executive (INE) in accordance with the principles set out in the Irish Audit Firm Governance Code (the Code).

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

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

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

Appendix 5: Professional body committees

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

Accounting Technicians Ireland (ATI)

- Director
- Remuneration Committee

Association of Chartered Certified Accountants (ACCA)

- Ulster Network Member
- Leinster Panel
- Connaught Panel
- Munster Panel

Association of Fraud Examiners

- Board member of Irish Chapter

Belfast Chamber of Trade and Commerce

- Honorary Treasurer
- Director

British Irish Chamber of Commerce

- Board Member
- Financial Services Sub-Committee

Chartered Accountants Ireland (CAI)

- Vice President
- Council Member
- Oversight Board
- Remuneration Committee
- Strategic Communications Committee
- Diversity & Inclusion Committee
- Company Law Reform Group
- Professional Standards - Quality Assurance Committee
- Northern Ireland Tax Committee Chair
- Governance Committee
- Northern Ireland Tax Committee Member
- Advocacy and Representation Board
- Audit and Assurance Committee
- Ethics and Independence Working Group
- Technology Committee

Chartered Accountants Ireland - Societies

- Chairperson Ulster Society
- Member Ulster Society
- Mid-Western Society Member
- Leinster Society Member
- Cork Society - Treasurer

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

- ACCA Representative
- Insolvency
- Tax Committee

Cork Chamber of Commerce

- Council Member

Cork City Council

- Council Member

Department of Public Expenditure & Returns

- Standing Advisory Group on Government Accounting and Financial Reporting - Chairperson

Dublin Chamber of Commerce

- Council Member
- Budget and Competitive Task Force

European Insurance and Occupational Pensions Authority (EIOPA)

- Governance stream of Digital Ethics experts group - Chairperson

ICSA Ireland

- Vice President
- Council Member
- Company Secretarial Practice - Chairperson
- Nominations Committee

Irish Funds Industry Association (IFIA)

- Steering Committee Member
- Events Committee - Chairperson
- ETF Working Group
- ESG Servicing, Innovation & Data Working Group
- Financial Reporting Working Group
- VAT Working Group
- UK Distribution Working Group

Irish Taxation Institute (ITI)

- Tax Administration Liaison Committee
- Tax Administration Committee
- Council Member
- Education Committee
- VAT Tax Administration Liaison Committee Sub-Committee
- TCS Committee
- Professional Development Committee
- Policy Committee
- Technical Committee
- R&D Tax Credit Focus Group

Shannon Chamber of Commerce

- Director

Society of Actuaries in Ireland

- Data Analytics Sub-Committee - Chairperson

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

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

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

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

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

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

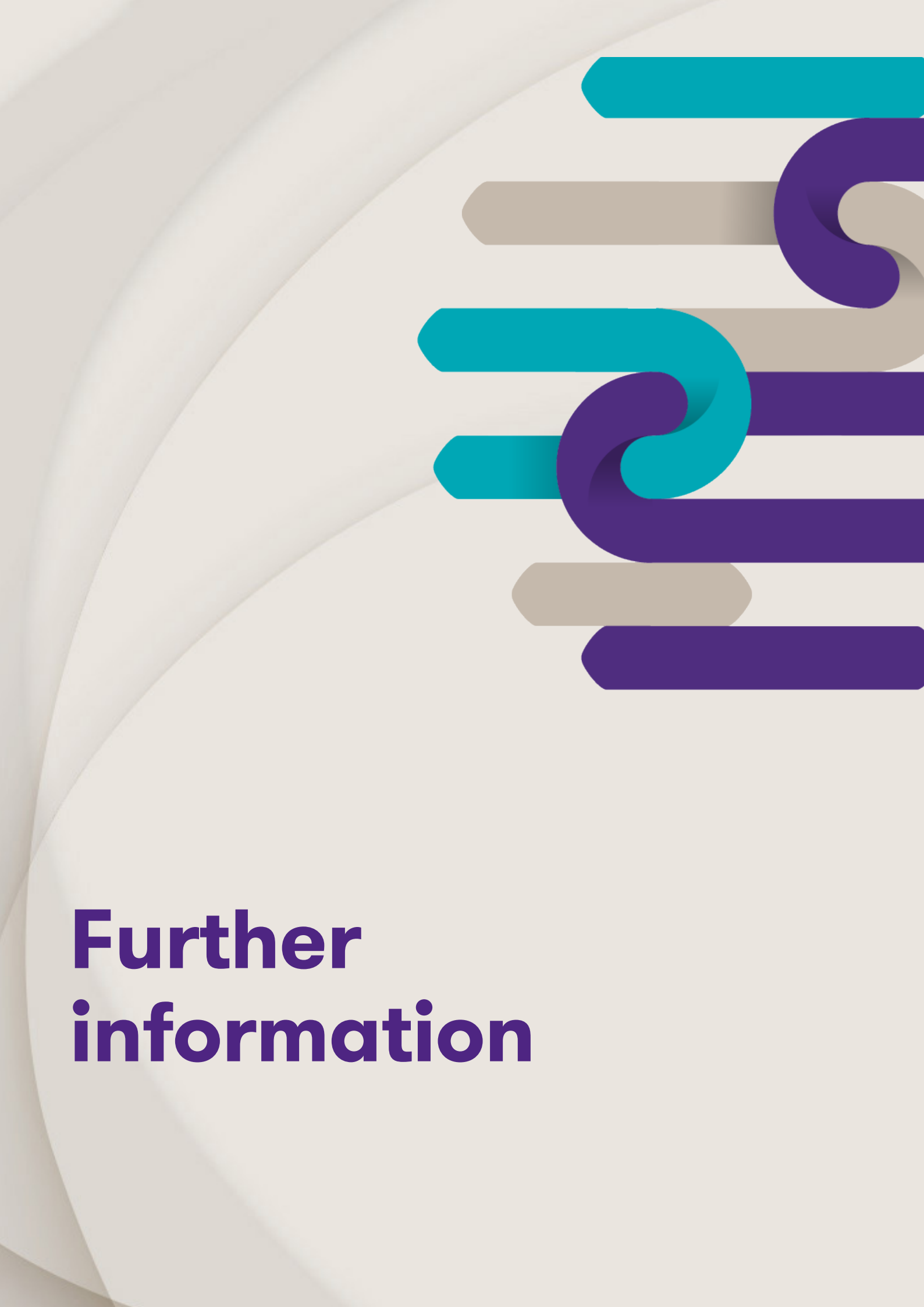
On the basis of the review, the Management Committee is satisfied that the Firm's internal quality control systems are operating effectively.

Appendix 7: Compliance with transparency regulations

Compliance with EU Regulation 537/2014 Article 13

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

	Requirement	Page(s)
1	A description of the legal structure and ownership	11
2	Where the subject belong to a network, a description of the network and the legal and structural arrangements of the network	11
3	A description of the governance structure of the subject	11-13
4	A description of the internal quality control system of the subject, and a statement by the administrative or managerial body on the effectiveness of its functioning	18-27
5	An indication of when the last quality review referred to in chapter 2 of part 8 took place (quality review of statutory auditors by competent authority)	26
6	A list of Public Interest Entities (PIEs) for which the subject has carried out statutory audits during the preceding financial year	41
7	A statement concerning the subject's independence practices which also confirms that an internal review of independence compliance has been conducted	31-33
8	A statement on the policy followed by the subject concerning the education of statutory auditors referred to in Regulation 39, namely: <ul style="list-style-type: none"> • requiring the person to take part in appropriate programmes of continuing education in order to maintain his or her theoretical knowledge, professional skills and values at a sufficiently high level. 	28-30
9	Financial information showing the significance, from the perspective of the market, of the subject, such as the total turnover divided into fees from the statutory audit of annual and group accounts, and fees charged for other assurance services, tax advisory services and other non-audit services	37
10	Information concerning the basis for the remuneration of the principals or partners	13
11	A description of the statutory auditor's or the audit firm's policy concerning the rotation of key audit partners and staff	33
12	Information about the total turnover of the statutory auditor or the audit firm, divided into the following categories: <ol style="list-style-type: none"> i. revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity; ii. revenues from the statutory audit of annual and consolidated financial statements of other entities; iii. revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm; and iv. revenues from non-audit services to other entities. 	37



**Further
information**

Further information

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

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