

# Transparency Report 2023

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## Introduction from the **Managing Partner**

### Welcome to BDO's Transparency Report

The last year has been one of profound change for our clients and our people, and it is very encouraging that so much has been achieved in challenging circumstances.

The invasion of Ukraine by Russia on 24th February 2022 shocked the world and brought devastation and untold suffering to our neighbours in Eastern Europe. Atrocities not witnessed since the Second World War, ones that we hoped would never be repeated, are still occurring daily. We think particularly about our colleagues and their families in Ukraine.

The impact of the invasion has dominated every aspect of life across Europe and indeed the wider world. Energy security was immediately impacted and a sharp increase in energy prices fed into an already increasing inflation environment. Thankfully the worst predictions of recession and job losses have not materialised, but households and businesses everywhere are still grappling with higher prices and interest rates.

Our business has faced some of the same challenges as our people and our clients: higher energy costs and wider inflation coupled with increased interest rates have moderated demand and necessitated careful cost control. Despite these challenges, the Irish economy continues to grow, and that growth is reflected in the performance of our clients and in turn in the results of our business.



## People

Growing our people is central to our mission in BDO, and the past year saw record recruitment, exam success and our largest ever program of learning and development.

Great work, led by our Chief People Officer, Joe Quinn, has been done to transform our benefits package. The changes were focused on delivering value for our employees and rewarding good ESG behaviours.

Diversity and Inclusion: We published our gender pay gap report for the first time, and even though we have a majority

of women working at the Firm, it is clear that we have a journey to travel to increase female representation at director and partner level. While it will take several years to reach our goals, we are very committed to building on the many positive changes already occurring across the Firm.

Celebrating success is an important part of our culture and with the relaxation of Covid restrictions we were once again able to celebrate our people and their successes at many events including Connectopia in the RDS last June.

Our second Leadership Development Program culminated in a very successful Management Conference, last September.

It was inspiring to see our future leaders use the skills and knowledge they have acquired to pitch truly impactful projects and initiatives which will ensure the Firm grows and succeed in a sustainable way in the future.



## Quality & risk

During the year, a significant focus was placed on enhancing the internal system of quality management in accordance with the International Standard on Quality Management (ISQM 1), which came into effect on December 15, 2022. This endeavor aimed to ensure that the firm followed a consistent and systematic approach, allowing for the development and implementation of firm-specific responses while maintaining overall consistency within the network.

Additionally, the firm welcomed external reviews conducted by IAASA and CAI. These reviews encompassed assessments of the firm's internal control systems as well as a selection of audit engagements. The firm engaged constructively with the reviewers and acknowledged the improvement in quality observed. However, the firm remains committed to implementing recommendations from these reviews within the designated timelines.

Furthermore, the firm's internal review process of completed audit engagements continued to demonstrate the dedication and diligence of its engagement teams. The results of these internal reviews aligned closely with the firm's policies and procedures, as confirmed by the external reviews. Looking ahead, the firm anticipates a review by BDO International in 2023 to further assess and validate its adherence to the established standards and processes.



*Connectopia at the RDS, June 2022*



### Audit quality

Audit quality is a strategic priority for our firm and for BDO Global. We are subject to regular inspections by BDO Global, CAI and IAASA.

A key deliverable during the year was the enhancement of our internal system of quality management in adherence with the International Standard on Quality Management (ISQM 1), which became effective on 15 December 2022. Our globally consistent approach enabled us to follow a systematic process, ensuring we design and implement firm specific responses, whilst maintaining consistency within the network.

Our internal review process of completed audit engagements continued to demonstrate the hard work and commitment of our engagement teams to quality. We are pleased that the results of these reviews showed similar adherence to firm's policies and procedures, as mostly indicated by external reviews, and we welcome BDO International review of the same during 2023.

During the year we hosted IAASA and CAI for their external reviews of the firm's internal control systems and a selection of audit engagements. We engaged constructively with the reviewers, and we are pleased to report a tangible improvement in audit quality. We accept the reported shortcomings, and we are committed to ensuring we implement recommendations from these reviews in a timely manner.

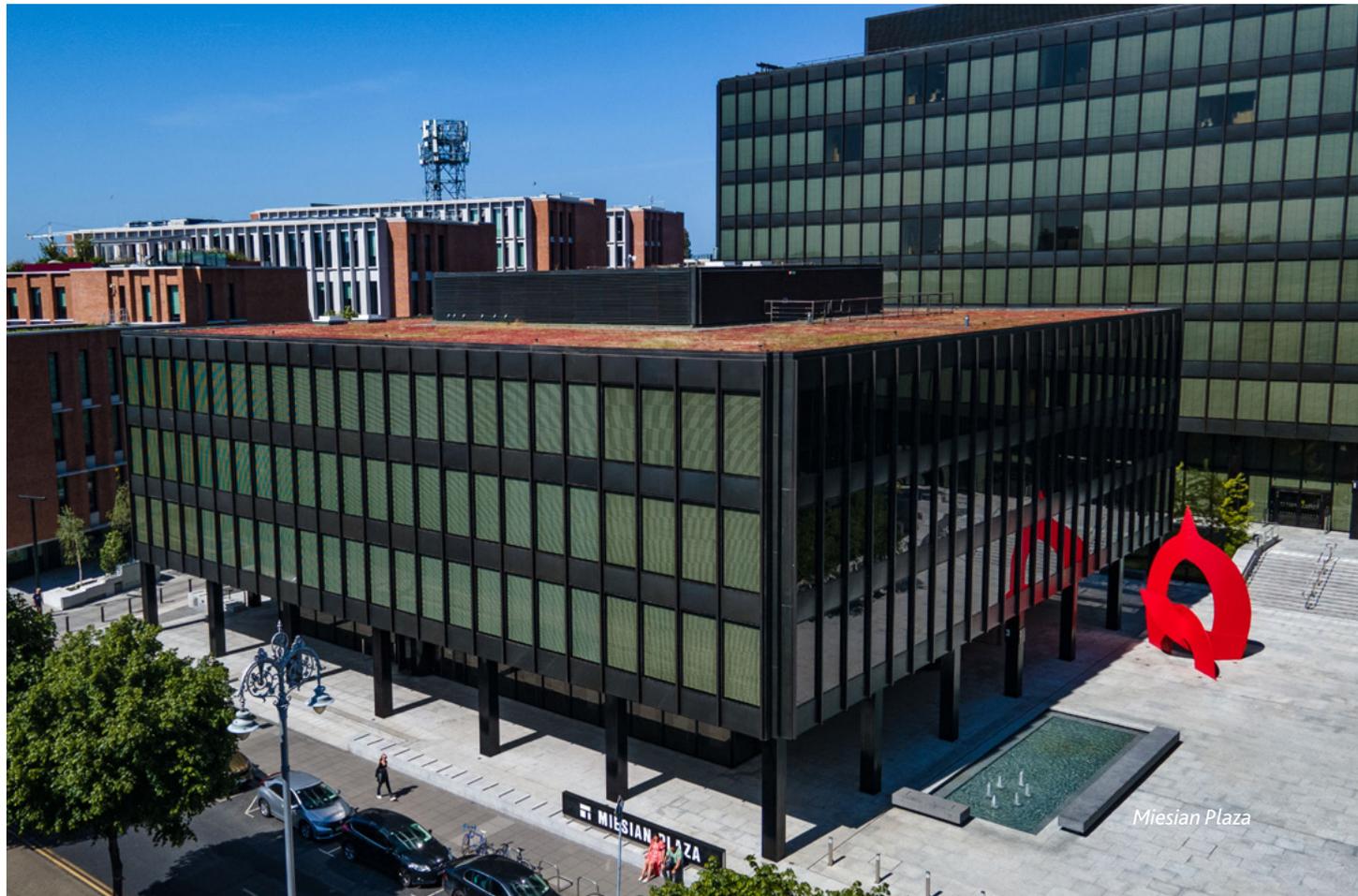


### New Dublin office

A highlight of the past year was our decision to move to our new Dublin offices, a state-of-the-art premises at Miesian Plaza in Baggot Steet. The move was over two years in planning and I'm very proud to say that we now have a building which gives our people the very best working environment and facilities possible. Along with the needs of our people, ESG considerations were central to our

choice, a refurbished existing building was, by far, the lowest carbon choice we could have made. Our award winning, LEED Platinum building will ensure that we continue to minimise our impact on the environment well into the future.

Our new offices are a statement of our confidence and a tangible commitment to quality and growth. They provide the best possible facilities for our people, and we look forward to welcoming and showing you around.



Miesian Plaza



## Sustainability

We have begun our Sustainability journey and it is one that will be measured in decades, not years. In common with many organisations, we are adopting the Environmental, Social, Governance (ESG) framework to:

- ▶ Understand the issues and signals
- ▶ Scope the priorities for BDO
- ▶ Engage our leaders and all our people
- ▶ Set goals and targets for the short, medium and long-term
- ▶ Define and implement actions
- ▶ Monitor the result and report.

The implementation of the EU's Corporate Sustainability Reporting Directive (CSRD) is a game changer for a number of reasons; firstly, it will apply to vastly more companies (including our own); secondly it will be mandatory (unlike the mostly voluntary regimes of the past); thirdly it will build on previous standards by incorporating best-in-class features; and finally, it will be the most comprehensive standard and reporting regime worldwide by including features such as double materiality, mandatory assurance and scenario analysis.

Our Sustainability strategy will be completed and integrated into our firm-wide strategy by the end of this year, and we will report under CSRD in 2025, a year before we are required to do so.



## New Managing Partner

On 1 March 2023, Brian McEnergy took over as Managing Partner of BDO in Ireland. A Limerick native, Brian McEnergy joined BDO in 1995 and qualified as an ACCA while working in Corporate Finance at the BDO Limerick office. In 2012 Brian re-joined the Firm as a partner, and since then, has been instrumental in developing the healthcare, corporate restructuring, and turnaround practices.



In 2018, he became our Head of Advisory Services and International Liaison Partner.

Throughout his career, Brian has been heavily involved in the accounting profession and indeed the wider business community, where he has held many leadership positions. These include the roles of Worldwide President of the Association of Chartered Certified Accountants (ACCA), Chair of HIQA, Board Member & Chair of the Audit Committee of NAMA, Board member of the International Federation of Accountants (IFAC), and he also represents ACCA on the Members Assembly of Accountancy Europe.

## In conclusion

The past year has been one of achievement and success for our people, our clients and our business in challenging circumstances. A big thank you to all our stakeholders for your contribution.

My final words are ones of thanks to all my colleagues and our clients for your loyalty and trust, not just in the past year, but throughout the past nine years.

I'm confident that BDO is in secure hands as we build on our progress made over the past year and continue to deliver for our stakeholders.



**Michael Costello**  
Managing Partner

## From the incoming **Managing Partner**

Before looking to the future as BDO Ireland's new Managing Partner I would like to thank Michael for his stellar leadership and outstanding contribution to the Firm over his tenure.

I would also like to echo his words about the profound change we have all experienced over the last 12 months and share his optimism for continued growth. Looking ahead we are committed to our strategy for growth both in terms of our geographical presence in Ireland and in terms of expanding the breadth and depth of our service portfolio offering.

We will continue to invest in growing our people which is central to our mission; both in terms of their development and also in creating the best possible environment for them to realise their full potential. We celebrate diversity & inclusion and this year we published our gender pay report for the first time. While there is work to be done to achieve our goals,

all the team are fully committed to building on the many positive changes we have already brought into the Firm.

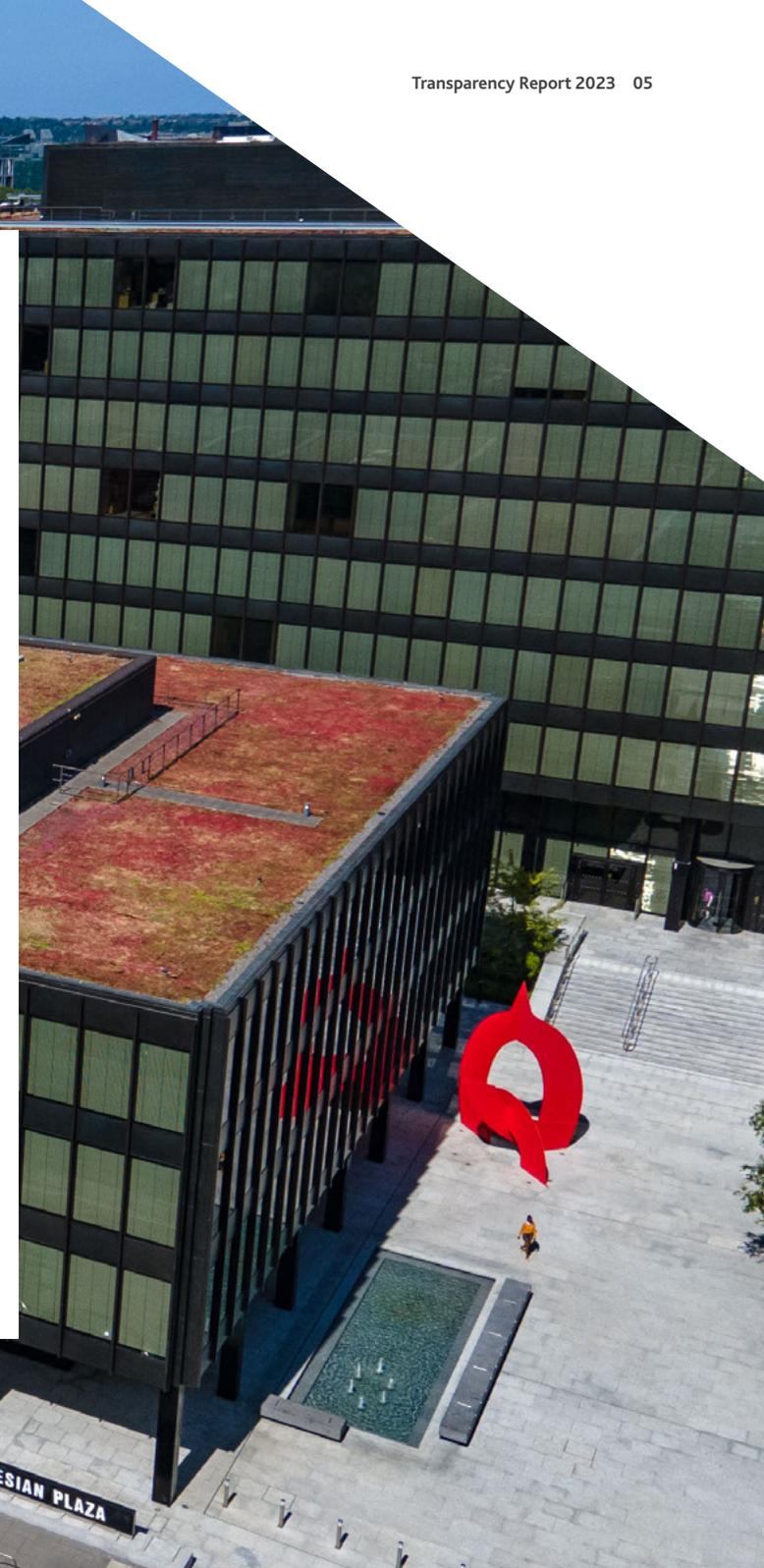
Audit quality remains a strategic focus for BDO in Ireland and the firm worldwide, and all our professionals will continue to deliver high quality work in accordance with the standards set out by BDO Global, CAI and IAASA. BDO is committed to ongoing investment in our training, processes and people to ensure we deliver the audit quality expected by all our clients and stakeholders.

Finally, BDO in Ireland has now actively started our Sustainability journey and it is one that will be measured in decades, not years. In common with many organisations, we are adopting the Environmental, Social, Governance (ESG) framework and this will guide us as we make the changes that matter to progress.

The Firm in Ireland has never been in a better place to deliver for our people, our clients and against our ambitious plans for growth.



**Brian McEnery**  
New Managing Partner



## Report from the **Head of Audit**



Our audit division's number one objective is for our firm to be recognised for delivering consistently high-quality audits.

IAASA's report issued in March 2023 as part of their annual reporting on Audit Firms reported that the audit files selected for review were generally of good quality with limited improvements required. This reflects the focus of our audit teams and investment made by them as we work towards our objectives around delivering consistently high-quality audits.

However, there were a number of findings noted with respect to whole firm procedures, which we fully acknowledge in accepting the findings and recommendations from IAASA. While these findings were disappointing, we have taken the necessary steps to identify the root causes of the weaknesses identified, to improve our documentation, and implement the recommendations arising from IAASA's inspection.

We are focussed on continuously improving our firm wide procedures and processes and have made appropriate investments to ensure that this is the case, both now and in the future.

Carrying on from the prior year, our audit division has continued to show positive growth levels over the last 12 months in a marketplace where there is a strong demand for audit services. We have had to make decisions as to whether to pursue certain opportunities and have continued to put an emphasis on how we manage our growth. We want to ensure that we can continue to deliver for our audit clients and continue to maintain and strengthen audit quality.

While the demand for audit services is increasing, the key challenge for audit firms is the availability of appropriate resources both from a retention and attraction perspective. We have and continue to increase recruitment levels and investment in people at all levels.

The ongoing investment in the training of our auditors is key to improving audit quality. We need to ensure that they are appropriately equipped to do their job and to help them in their development within the Firm. We work closely on an ongoing basis with our innovation team to assess how we can use technology more effectively within our audit process and are making the appropriate investments that will support this.

We will continue to build on the enhancements we have already made and will seek out further improvements in the future.

We never forget the vital role that independent, high-quality audit plays in the capital markets, and the communities of which we are a part.



**Teresa Morahan**  
Head of Audit

# Legal structure and ownership

The Irish Firm of BDO (“the Firm”) consists of a group of Irish registered partnerships formed under the Partnership Act 1890 which are wholly owned by the partners in the Firm. At 1 March 2023 there were 36 partners.

BDO employs over 500 people and operates from offices in Dublin, Limerick and Cork. The principal services provided by the Firm are Audit, Tax, Advisory and Consulting. These business streams have dedicated teams of partners and professional individuals nationwide tailoring high quality business solutions for the Firm’s clients.

## Additionally, the Firm provides services through the following wholly owned subsidiaries:

- ▶ BDO Customs and International Trade Services Limited is a Company of International Trade and Customs advisors focusing on International and European Customs and Trade Law, Import/Export Taxes (Customs, Anti-Dumping Duties, etc.), Excise Duties (both EU Directive and National implementation), Audits and Disclosures, Appeals (both national and to EU level), Export Licensing, AEO, together with project management for Set-Ups.
- ▶ BDO Eaton Square Limited provides management and technology consultancy services, demonstrating expertise in organisational design, strategy development & execution, and system integration with a specialism in HR system implementation.

- ▶ BDO Secretariat Limited provides Corporate Secretarial Services through every stage of a company’s lifecycle from formation to winding up, ensuring companies fulfil their statutory obligations.
- ▶ BDO Talent Management Limited provides a range of People Advisory services including Recruitment services, flexible staffing, acting as Employer of Record, HR Advisory and Talent Development.
- ▶ BDO Technology People Limited provides recruitment and talent acquisition services for IT and technical teams
- ▶ BDO Digital Limited provides a range of Advisory services including Website optimisation, Paid Digital advertising solutions and Brand Advisory services.
- ▶ BDO Talent Management UK provides People Advisory services mostly focused on HCM software consultancy services.

## Furthermore, the Firm participates in the following joint venture entities:

- ▶ BES Management DAC which is a joint venture with Davy Stockbrokers and is regulated by the Central Bank of Ireland under the Investment Intermediaries Act 1995 as a manager of a designated investment fund within the meaning of the Designated Investment Funds Act, 1985
- ▶ Development & Growth Funding DAC T/A Development Capital, which is registered as an Alternative Investment Fund Manager under Regulation 4 of the European Union (Alternative Investment Fund Managers) Regulations 2013, and is owned 40% by the Firm and 60% by Andrew Bourg and Sinead Heaney.

Audit	Tax	Advisory	Consulting
Statutory Audit Other Assurance	Corporate Tax Planning Corporate Tax Compliance Customs and International Trade Transfer Pricing R&D Tax Services Indirect Tax Employment Taxes Personal Tax	Corporate Finance Corporate Recovery Corporate Secretarial Development Capital Fund Management EII Scheme Funds Transaction Services Sports Advisory Unit Outsourcing Payroll	Risk & Advisory Services Management Consulting Technology Consulting Talent Management Solutions

# The BDO Network

BDO in Ireland is a Member Firm of BDO International Limited.

The BDO network is an international network of independent public accounting, tax and advisory Firms which are members of BDO International Limited and perform professional services under the name and style of BDO ("BDO Member Firms"). BDO is the brand name for the BDO network and all BDO Member Firms.

## Legal and structural arrangements in the network

Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, as either a voting member (one per country) or a non-voting member. BDO International Limited is the governing entity of the BDO network and sets the membership obligations of the BDO Member Firms.

## Governance of the network

The BDO network is governed by the Council, the Global Board and the Executive of BDO International Limited.

## Council

The Council comprises one representative from each voting BDO Member Firm – generally the managing partner – and represents the members of BDO International Limited in general meetings. In 2021 there were 113 Council members. The Council is chaired by the Council Chair, elected among the existing Council members by the Council upon nomination by the Global Board. The current Council Chair is Wayne Berson, managing partner of BDO in the USA.

The Council approves BDO's global budget, appoints the Global Board and approves any changes to the Articles of Association and the Regulations of BDO International Limited. The Council meets at least once a year, with additional meetings held if the Council Chair and/or the Secretary of BDO International Limited consider it necessary or appropriate, or upon the request of a minimum number of Council members.



**Revenue**  
US \$12.8 billion  
(+12.1%)



**Partners and staff**  
111,307



**Locations**  
164 countries and  
territories



**Offices**  
1,803

## Global Board

The Global Board, is the Board of Directors of BDO International Limited.

It comprises the managing partners of at least the three largest firms of the EMEA region, the two largest firms of the Americas region and the two largest firms of the Asia Pacific Region. The (re)appointment of the Global Board members, each for a three-year term, is approved by the Council. The Global Board is currently chaired by Wayne Berson, managing partner of BDO in the USA. The Global Board Chair is elected by the Global Board members and serves for a period of three years. The Global Board sets policies and priorities for the global organisation and oversees the work of the Executive.

## Executive

The Executive comprises the Chief Executive Officer (CEO), who is appointed by the Global Board, and the members of the Global Leadership Team (GLT), who are appointed by the CEO.

The current global CEO is Pat Kramer, previously CEO of BDO Canada. The CEO's powers and responsibilities are set out in the Regulations of BDO International Limited and as further determined by the Global Board. The CEO is tasked with the day-to-day management of the affairs of BDO globally, as well as the development and implementation of the global strategy for the organisation. They recommend quality standards, policies, and strategies to the Global Board. The CEO acts as spokesperson for BDO at international forums

and organisations and represents the global organisation in discussions with international regulatory bodies.

Trond-Morten Lindberg is the global Chief Operating Officer (COO). Working closely with the CEO, the overarching responsibilities of the COO are to ensure that the global BDO organisation is equipped to meet the challenges of today and is prepared for the future.

Martin van Roekel is the Vice Chair of BDO. Martin was previously global CEO and currently assists the CEO on a number of matters pertaining to the BDO organisation.

The members of the GLT are appointed by the CEO who allocates and delegates responsibilities to them as they deem appropriate. The GLT comprises the regional CEOs, the Global Heads of service lines and of support services, as well as the Global Head of Risk, Quality & Governance, and the Secretary of BDO International Limited. All the members of the GLT are dedicated full-time to their role within BDO International Limited.



The coordination of the service provision within BDO is undertaken by the Global Office, which includes the following areas:

- ▶ Accounting & Administration
- ▶ Audit & Assurance
- ▶ Business Development, Marketing & Communications
- ▶ EU Key Account Procurement
- ▶ People & Culture
- ▶ IT
- ▶ Regulatory & Public Policy
- ▶ Risk, Quality & Governance
- ▶ Tax.

### Regional structure

To facilitate the communication and coordination of actions and the sharing of best practice, the BDO network is divided into three regions: EMEA (Europe, Middle East and Africa), Asia Pacific and Americas (Latin America, North America and Caribbean), each supported by a regional board.

Each region has its own regional CEO, who chairs the respective Regional Board and provides support and guidance regarding the strategic initiatives of firms in the region.

### Global committees

Within the BDO network there are a number of global committees, composed of professionals from the network's firms, who report to the respective member of the GLT

and the CEO. These committees, which act in an advisory capacity for the benefit of the network's firms, are further supported by a number of sub-committees, task forces and working groups. The International Risk Management Committee and the Audit Steering Committee are key to the network's risk and quality management.

### Size of the BDO network

The global aggregated turnover for BDO Member Firms (including their exclusive Alliances) in 164 countries for the year ended 30 September 2022 was in excess of \$12.8 billion. Partner and staff numbers at 30 September 2022 were just over 111,307 in more than 1,803 offices.



Appendix I of our Transparency Report discloses the list of all EU/EEA BDO Audit Member Firms together with the countries in which these Member Firms are present.

The combined turnover from statutory audits of the BDO EU/EEA audit Firms is €559,012,416 (published 06 December 2022)\*.

\* Please note that this figure does not include the UK.

# Environmental, Social and Governance



We aim to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets and in our organisation

**Goal** To inspire, educate and lead an unstoppable movement for sustainable business practice in our markets.



**Sustainability as an all-firm strategy**



**Sustainability as a strategic offering**

## Strategy

### As a BDO strategy

- Develop blueprint for BDO sustainability journey.
- Defining what BDO wants to be known for in terms of sustainability.
- Ensure that BDO Sustainability internally reflects our (eventual) external profile.
- Provide frameworks for firms to adopt.
- Determine SDGs to support.
- Start integrating sustainability into our business.
- Leverage our community engagement.
- Competitive advantage.
- Brand and marketing opportunity.

INTERNAL

### As a strategic service offering

- Commercial imperative / growing demand for services.
- As trusted advisors, are obligation to advise our clients on helping to future-proof their businesses.
- Bring together BDOs naturally occurring services expertise / Centers of Excellence.
- Creates scalable framework for success with stakeholders.
- Launch toolbox.
- Competitive advantage.

EXTERNAL

## Brand & Marketing

We believe businesses have an economic imperative and an ethical responsibility to do what they can to ensure a thriving, sustainable and equitable world. We believe that how we behave as a business is intrinsically linked to the societal and environmental impact we have. We will be judged as a responsible business through our environmental, social and governance impact: a business that uses its influence to inspire, educate and lead an unstoppable movement for sustainable business practice in our markets.

BDO's approach to sustainability is underpinned by our Core Purpose and Values - We challenge and advise because we are passionate about your success. We want our people, our clients, our communities and our planet to be successful. This guides every action we take to ensure a more sustainable organisation so that the way we live our lives today does not negatively impact future generations.

At BDO we view sustainability through the universally recognised ESG (E = Environmental; S = Social; G = Governance) framework, to help unpack the wide-ranging risks and metrics that come under sustainability.

Material risks companies face are broadening and becoming more complex with the realities of climate change, global health pandemics and rising geo-political tensions. These mounting risks are seeing a global movement emerge driven by capital markets, governments, community and various stakeholders calling for transparency and accountability across ESG to better understand the impact of business and industry on the environment and our societies. To date, business has not fully accounted for the true cost of doing business, and as such those costs have at times been unduly passed on to others.

Given the significant scope that sustainability entails – and the growing business imperative to address it - the challenge for all businesses, including BDO, is to break it down and outline how we can approach incorporating sustainability practices into our business.

There are a number of frameworks and reporting standards that exist through which a company may seek to activate and advance its ESG objectives. Globally BDO is moving towards the World Economic Forum IBC Framework for Measuring Stakeholder Capitalism. This framework categorises Sustainability considerations under the four pillars of Planet, People, Prosperity, and Governance, providing guidance on measurement and reporting.

This framework is built on the foundation of the United Nation's Sustainable Development Goals, setting out 18 Core Metrics which are intended to be universal to all businesses.

Following completion and approval of our integrated Sustainability Strategy this year we will issue our first Sustainability stand-alone report in 2025, a year ahead of the requirement to commence reporting.



# Environmental

As a member of the Net Zero Financial Service Providers Alliance, the BDO network has committed to achieving net-zero greenhouse gas emissions before 2050—and halving our emissions by 2030—in alignment with the Paris Agreement.

In our new office we have continued to focus on our carbon footprint and our sustainability programme. Miesian Plaza is the first development in Ireland to be presented with certification for global green building standard. We are pleased to be working from an office which is awarded LEED Platinum status (LEED in Energy and Environmental Design). We will continue to work on rolling out environmentally friendly business activities from Miesian as we move forward in the year.

In terms of our external environment, we support initiatives to save our planet such as:

## The Canopy Project

The Canopy Project is an initiative by the Earth Day Network to plant trees around the world which recognises the vital role that trees play in supporting life on Earth. Trees help to absorb carbon dioxide and other greenhouse gases from the atmosphere, provide oxygen, regulate the climate, and support biodiversity. Through the Canopy Project, individuals and organisations can make a contribution to plant trees and help combat climate change.

The Earth Day Network works with local organisations and communities to identify areas where reforestation efforts can have the greatest impact.

Since the launch of the Canopy Project in 2010, millions of trees have been planted around the world, including in areas affected by natural disasters such as hurricanes, wildfires, and floods. The project continues to be an important initiative in the fight against climate change and for a more sustainable future.



## Social and CSR

We are committed to being a responsible business, both in how we work with our clients and in terms of how we contribute to the wider community and the world around us. It is important to our people that they work for a socially responsible organisation and our approach therefore reflects our people's desires.

We recognise that our activities as a Firm have an impact on our communities. We are committed to not only managing that impact but also using the resources we have in making a real and sustainable difference.

Our commitment to Corporate Social Responsibility (CSR) focuses on the following pillars:

- ▶ **Community** – We are actively involved in supporting and developing the local community to make a lasting positive impact.
- ▶ **People** – We provide the tools to enable personal growth and fulfilment for individuals and for the Firm to work together to make a difference as a team.
- ▶ **Environment** – We work hard to ensure that any negative impact our business has on the environment is minimised.
- ▶ **Marketplace** – We ensure that we buy and sell responsibly helping drive positive change within industry.

During the year we supported a number of fantastic causes and initiatives:

- ▶ We continue our engagement with the Inner City Enterprise Programme through lecturing and mentoring
- ▶ We supported Irish charities such as the Samaritans, the Irish Cancer Society, FamiliBase and Irish Guidedogs for the blind throughout 2022
- ▶ We helped a number of global causes including supporting the UNHCR and UNICEF in Ukraine and Pakistan, and contributing to relief efforts resulting from earthquakes in Iran and Syria
- ▶ We helped Santa with his annual visit to St Audeon's school where we were in the fortunate position of ensuring that not only did every child in the school receive a present, but were able to donate a number of Samsung tablets to the school.

All our CSR firm wide events are led by our people, and we are extremely grateful for their initiative and enthusiasm in helping to support our local communities.



## Diversity and inclusion

In 2020, we established our Diversity & Inclusion (D&I) Programme. This initiative is an extension of our core values and is central to the success of our Firm. Our mission is to ensure that D&I becomes embedded within our firm's culture and is evident in our day-to-day interactions both internally and externally in the market. As an employee-led initiative, the programme is built to reflect the insights of our own diversity within the firm.

Our key objective for our D&I programme is to ensure that BDO is an open, respectful and inclusive environment for everyone. This will ensure that our strategic objectives are also achieved which include:

- ▶ Attracting, retaining and empowering diverse talent
- ▶ Building diverse and dynamic teams to optimise client delivery, and
- ▶ Enhancing employer recruitment and retention.

The committee works across four key pillars:



Over the last year we hosted a number of events and activities which focused on our four key pillars, in addition to supporting a number of external initiatives in order to advance its D&I objectives, including:

▶ Membership and supporter of the Irish chapter of the 30% Club. Active participation in the Professional Services Group of the 30% Club in the development of its guiding framework – Flourishing Equally in the Future Workplace. BDO's commitment to the framework is a key priority for the firm, and we are committed to the full implementation of the framework in our firm as part of our Gender Balance pillar.

▶ Publication of our first Gender Pay Gap Report in December 2022. Over the past number of years, BDO has worked hard to reach Gender Parity in our workforce, and we are proud to have a workforce where 55% of our people are women. However, we recognise that, as a firm, we have underrepresentation of women in senior leadership roles, which is a significant contributor to our Gender Pay Gap. We have put an action plan in place to address our Gender Pay Gap, and we are confident in our ability to make significant headway through continued staff engagement and a number of targeted programs, some of which are discussed in further detail below.

▶ In February 2023, we launched our Returner Programme. The Returner Programme is aimed at those highly skilled professionals who have spent some time out of the workforce (for example, due to caring duties) and would like to re-enter it. The programme supports staff with a mentoring and training programme in IT systems and professional development, in order to smooth the transition back into the workplace.

▶ In September 2022 we announced the launch of a new Employee Benefits Package heavily structured around supporting our workforce through all facets of their personal and professional lives. This included the introduction of Fertility Leave, and Menopause Leave, as well as increased Adoptive and Paternity Leave. We continually assess our HR policies and practices to ensure that they are inclusive.

▶ Delivery of Unconscious bias training to all staff in the firm.

▶ In May 2023, we launched a new, industry-leading, Mentoring Programme aimed at preparing women for Senior Leadership roles within the firm.

▶ As part of our appraisal process for qualified staff, we introduced Career Conversations, encouraging discussions on medium-to-long term career goals and career development. In order to facilitate these discussions, specific training was provided to the Partners and Directors leading this discussions.

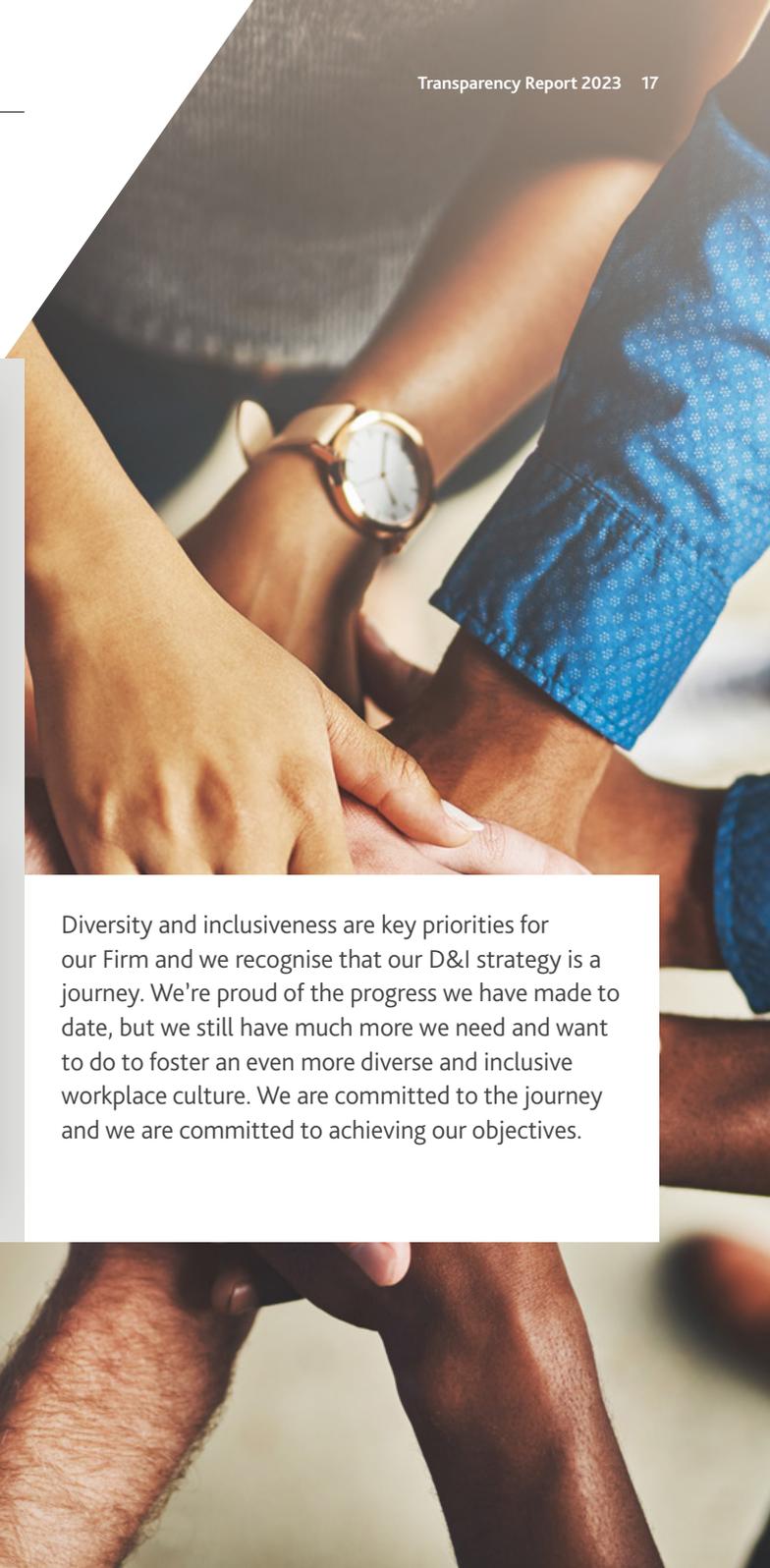
▶ Analysis and gender proofing of all job advertisements.

▶ Annual celebration of Pride Month. In June 2022, we celebrated through sharing information on the history of Pride, as well as information on how to show allyship in daily interactions. We also hosted a webinar discussion with Paddy Smith and Conor Buckley of Human Collective.

- ▶ Annual celebration of International Women's Day, which has become a week long celebration. This year, we celebrated International Women's Day in a number of ways:
  - We held a panel discussion with some of our senior female leaders within the business
  - BDO Global released its annual IWD report celebrating women in senior leadership roles across the global network
  - We celebrated in person in our ROI offices with cupcakes and cheesecakes sourced from female-founded businesses
  - We held a "Confidence Building" workshop, and
  - We shared details of, and encouraged application to, the 30% Club scholarship programme.

- ▶ We are a supporter of the DCU Access to the Workplace Programme. This programme provides DCU Access students with a high-quality internship during their summer break, hosted by leading Irish companies participating in the programme. Our participation in and support of the DCU Access to the Workplace programme is a key initiative in our Abilities and Access pillar, which focusses on enabling access to the workplace for all, including those from non-traditional backgrounds.

- ▶ Annual celebration of World Culture Day. At BDO, our employees represent over 40 different nationalities and we are proud of the cultural diversity of our workforce. This year we celebrated World Culture Day by hearing from a number of our colleagues about their cultural backgrounds, and we hosted a cultural food event in our Dublin office, inviting colleagues to dress in their traditional national dress or country colours.



Diversity and inclusiveness are key priorities for our Firm and we recognise that our D&I strategy is a journey. We're proud of the progress we have made to date, but we still have much more we need and want to do to foster an even more diverse and inclusive workplace culture. We are committed to the journey and we are committed to achieving our objectives.

## Health and well-being

Nothing is more important to us than the health and wellbeing of our people. As a result, we conduct an annual Wellness Program, designed to promote the health and wellbeing of everyone in our team. We utilise this feedback and the survey data to deliver programmes that will be most beneficial to our teams.

### Programme activities are conducted monthly, and include:

- ▶ Chair yoga and meditation
- ▶ Financial wellbeing clinics: 'Budgeting and savings success'
- ▶ In office health checks/screening
- ▶ Laya Healthcare launch
- ▶ Fitness and inspiration session with professional boxer
- ▶ Nutrition 101: 'Optimise your potential'
- ▶ Employee Assistance Program launch (free sessions with counsellors)
- ▶ We celebrated National Workplace Wellbeing Day
- ▶ In office massage
- ▶ Blue Monday event.



### Social Wellness Active Group

Our Social Wellness Active Group (SWAG), consisting of team members from various departments throughout the Firm, was set up in 2016 with the aim of improving the social environment of the workplace and creating strong working relationships amongst individuals. Now more than ever, nurturing connections is essential to boosting morale and bringing our people together while working remotely.

Over the past number of years, the SWAG committee has built a track record of organising many successful events that continue to bring a high level of engagement across all levels.

During 2022 and into early 2023 the committee continued with the post COVID revival of the critical aspect of social interaction and integration amongst our people.

Last year we held a number of TGIF informal events and gatherings across the Firm to promote continued team interaction. We partnered with our CSR programme to hold a combined event where all food, drink and utensils were prepared and provided with fully renewable and sustainable materials.

In moving to our new HQ offices this year we hosted our first SWAG event after the move locally to help our teams mix with the local community in the area, and start to feel at home in our new home! Over the Summer months of 2022 we held not one, but two, tag rugby completions such was the appetite and competition among our people. In the months that lie ahead, we will again kick off our tag rugby



competition and look forward to our Summer BBQ at the end of June 2023 which promises, as ever, to be a fantastic event enjoyed by everyone in the Firm.

The next six months of 2023 promise to be incredibly busy with events such as coffee mornings, yoga and the BDO annual pub quiz all taking place to bring our people together – to mingle and get to know each other.

The events have been very well-received by attendees and it has been fantastic to socialise with colleagues as well as meet new and familiar faces.

Our approach to SWAG remains proactive, based on event feedback that allows us to create events that are both enticing and interesting to the diversity in our teams. We look forward to the year ahead with renewed optimism and with plenty of creative ideas to bring our people together.

# Governance

## The governance structure of the Irish firm

The Firm remains committed to continuing the implementation and application of the highest standards of corporate governance. The audit function is an integrated part of the Firm and is subject to the same governance structure as all other business segments of the Firm.

## The Irish audit firm governance code

The Irish Audit Firm Governance Code ("the Code") was issued by the Chartered Accountants Regulatory Board (CARB) in January 2013.

The Code is applicable to audit Firms that audit public interest entities which are defined in the Code as entities registered in the Republic of Ireland which are within the scope of SI 277 of 2007: Transparency (Directive 2004/109/EC) Regulations 2007, as amended.

The objective of the Code is to provide a template which boards and shareholders of public interest entities can use to assess a Firm's governance procedures. One of the key elements of the Code is the principle that audit Firms should appoint independent non-executives within their governance structures. This is consistent with best practice governance within many types of organisations and should, in this instance, provide a basis for enhanced dialogue between stakeholders and audit Firms.

In compliance with the Code the Firm appointed Conn Murray as Non-Executive Chairman of the Firm. As Chairman, Conn's primary role is to ensure that the partnership is effective in its tasks of setting and implementing the Firm's direction and strategy.

Conn also oversees the public interest aspects of the Firm's decision making, stakeholder dialogue and management of the reputational risks including those in the Firm's businesses that are not otherwise effectively addressed by regulation.





### Firm governance structure

BDO maintains a comprehensive governance structure that provides oversight of the whole Firm and the audit practice within it to ensure the Firm has the appropriate levels of checks and balances. The Firm is led by the Managing Partner who is elected by the partners and serves a three-year term. The Managing Partner is responsible for developing and implementing the policies and strategies of the Firm and for its direction and management. They are responsible to the partners of the Firm and provide regular business updates on strategy and development to all partners at monthly meetings.

Along with the Managing Partner there are a number of committees which deal with key aspects of governance within the Firm, including:

- ▶ the Management Committee
- ▶ the Partnership Committee
- ▶ the Evaluation Committee
- ▶ the Quality and Risk Management Committee
- ▶ the Audit Committee.

### Management Committee

The Management Committee is selected by the Managing Partner and approved by the partners. As and from 1 March 2023 it is comprised of:

- ▶ Brian McEnery (Managing Partner)
- ▶ Aidan McHugh (Head of Clients & Markets)
- ▶ Andrew Bourg
- ▶ David O'Connor (BDO ES)
- ▶ Denis Herlihy (Limerick Managing Partner)
- ▶ Derek Henry (Head of Tax)
- ▶ Katharine Byrne
- ▶ Sinead Heaney
- ▶ Teresa Morahan (Head of Audit).

The function of the Management Committee is to assist the Managing Partner in developing and implementing the policies and strategies of the Firm and meets monthly. It is responsible for day-to-day management of the Firm and for:

- ▶ Quality and Risk Management, compliance, and internal quality assurance matters
- ▶ Primary responsibility for setting and monitoring adherence to the Firm's financial budgets

- ▶ Ongoing financial management including partners' earnings, drawing and capital funding
- ▶ HR policy and procedures
- ▶ Business development initiatives
- ▶ Support other operational matters including issues arising within the support teams covering finance, HR, marketing, IT and facilities.

### Partnership Committee

The Partnership Committee comprises six partners: the Partnership Secretary and five partners elected by the partners. The members serve for a three-year period.

The Partnership Committee meets on an ad-hoc basis and is responsible for partnership matters including the appointment and removal of partners, development of new business areas and cessation of existing business streams including any potential mergers or business acquisitions, appointment of the Managing Partner and matters pertaining to the Partnership Agreement.

#### Members of the Partnership Committee:

- ▶ Brian Hughes
- ▶ David McCormick
- ▶ Ken Kilmartin
- ▶ Kevin Doyle
- ▶ Peter Carroll
- ▶ Sinead Heaney.

### Evaluation Committee

The Evaluation Committee comprises the Managing Partner together with four partners elected by the partners and the members of this committee serve for a one-year period.

The function of the Evaluation Committee is to review the partner's contribution to the Firm and against specific criteria including quality of client service, staff management and development and contributing towards the financial success of the Firm. The Evaluation Committee is also responsible for recommending, subject to a vote of the partners, the distribution of the Profit of the Firm.

#### Members of Evaluation Committee:

- ▶ Brian McEnergy
- ▶ Aidan McHugh
- ▶ David O'Connor (Corporate Recovery)
- ▶ Derek Henry
- ▶ Sinead Heaney
- ▶ Stewart Dunne (HAAQM).



### Quality and risk management committee

The Firm has established a Quality and Risk Management Committee to ensure the development and implementation of the Firm's Quality and Risk Management Policy. The Committee is responsible for implementing appropriate procedures to identify, assess and manage risk from a strategic and operational perspective, monitoring the application of Quality and Risk Management procedures and reporting to the Management Committee and the partners as necessary.

The membership of the Committee comprises four Partners and the Firm's Quality & Risk Management Director.

Ultimate responsibility for quality and risk management within the Firm rests with the individual partners. The Committee's role is one of oversight, recognising that the partners are responsible for executing the Firm's risk management and related policies. The Committee engages in appropriate communication with staff on risk, risk policy and controls and encourages a risk management culture throughout the Firm ensuring that attention to risk is embedded as part of the Firm's decision-making and operations.

All partners and staff are required to submit annual confirmations of regulatory compliance which include statements of independence.

Members of Quality and Risk Management Committee:

- ▶ Paul Nestor (Joint Chair)
- ▶ Richard Warren-Tangney (Joint Chair)
- ▶ Angela Fleming
- ▶ Brian Gartlan
- ▶ Philip Glynn
- ▶ Stewart Dunne (HAAQM).



### Audit committee

In keeping with corporate governance best practice the Firm requires that its annual financial statements should be subject to external scrutiny through a formal audit process. As part of this process the Firm has established an Audit Committee responsible for the oversight of the financial reporting process, the audit process, the Firm's system of internal controls and compliance with laws and regulations.

The Audit Committee is appointed by the partners and comprises a minimum of three Partners with appropriate audit and financial reporting qualifications. Each member of the Committee will be appointed for an initial period of three years which may be extended thereafter.

The Audit Committee is responsible for the Firm's annual financial statements and is charged with the review, and challenge where necessary, of the actions and judgements of the Finance Partner and representatives from the finance function in relation to the annual financial statements. The Committee is also responsible for appointing the external auditor and monitoring the effectiveness of the audit process.

The Partnership Committee, the Evaluation Committee, the Quality and Risk Management Committee and the Audit Committee report their activities to the Management Committee, the Partnership Secretary and, on an annual basis, directly to the Partners.

#### Members of Audit Committee:

- ▶ Diarmuid Hendrick (Chair)
- ▶ David O'Connor (Corporate Recovery)
- ▶ Stephen O'Flaherty.





### Ethics and independence

Ethics and independence are central to restoring trust and confidence in the audit profession and are of fundamental importance to our culture and success. Integrity, objectivity and independence are at the core of our culture and our business. Our policies and procedures are in line with, or exceed, regulatory requirements including those relating to local public sector audits.

The Firm has established policies and procedures designed to meet these ethical and independence requirements. We know that our people face circumstances each day that test these values, and that is why we have the structures, mechanisms, and tools to support our people as we all seek to uphold the highest standards of behaviour.

The Firm's initial guidance on independence is included in the Employee Handbook and is complemented by training programmes targeting the needs of the individual partners and team members.

Of course, our business is global and so is audit independence. Our BDO Global Independence team have issued an independence manual to be applied by every BDO member firm, identifying mandatory policies and procedures, and driving consistency of behaviour on a global level. It promotes consistent application of independence policies and procedures and enhances cross-border collaboration and communication between each firm.

This programme of investment in independence at an international level continues and includes enhanced

investment in conflicts-of-interest solutions and independence indicators.

Compliance with relevant independence, conflict of interest (COI) and ethics rules, regulations and standards are a priority for BDO at the local and global levels. These rules, regulations, and standards, which vary widely across the world, are complex and increasing in number.

The Firm is committed to compliance with applicable ethics and independence policies and procedures and has in place a disciplinary structure to address non-compliance with the independence rules and Firm policies.

### Integrity, objectivity and independence

Our partners and colleagues are not only required to apply the rules but also to adhere to our cultural values of integrity and honesty and the principles of ethics and independence. They are required to consider the views of an objective, reasonable and informed third party in order to reach a judgement that meets the overarching requirement to behave ethically and with integrity.

Audit Engagement Partners are required to communicate to those charged with governance on a timely basis all significant facts and matters that bear upon the auditor's objectivity and independence. Internal guidance and templates are available detailing the matters which should be included in such communications. We monitor these communications with those charged with governance as part of our internal quality control reviews.

Our policies and procedures relating to ethical conduct and auditor independence are set out in detailed internal guidance pages on our intranet. These are complemented by extensive advice, consultation, and training programmes, designed to ensure compliance with International and Irish Ethical Standards. The Ethics Partner is responsible for providing guidance and support on the application of ethical standards to ensure that our professional objectivity and independence is maintained, and our cultural values adhered to.

BDO International's social media group on Yammer, where the team engages with a mass audience and provide regular updates on a range of ethical and independence topics together with specific audit and assurance matters, ensures that these topics are kept at the forefront of the minds of partners and colleagues and that timely guidance is provided regarding changes in these areas.

Our policies and procedures meet, and in some instances exceed, those that are promulgated by the International Ethics Standards Board of Accountants (IESBA) Code of Ethics for Professional Accountants.

In addition to their own national code of ethics, all BDO Member Firms, as members of the Forum of Firms, are required to comply with, and annually report as to their compliance with, the IESBA Code of Ethics.

As chartered accountants we are expected to demonstrate the highest standards of professionalism. Ethical behaviour plays a vital role in ensuring public trust and upholding the reputation of the accounting profession. The IAASA Code

of Ethics assists us by providing relevant ethical guidance which forms a central part of our intake training programme whether that is through lateral hires or trainee recruitment.

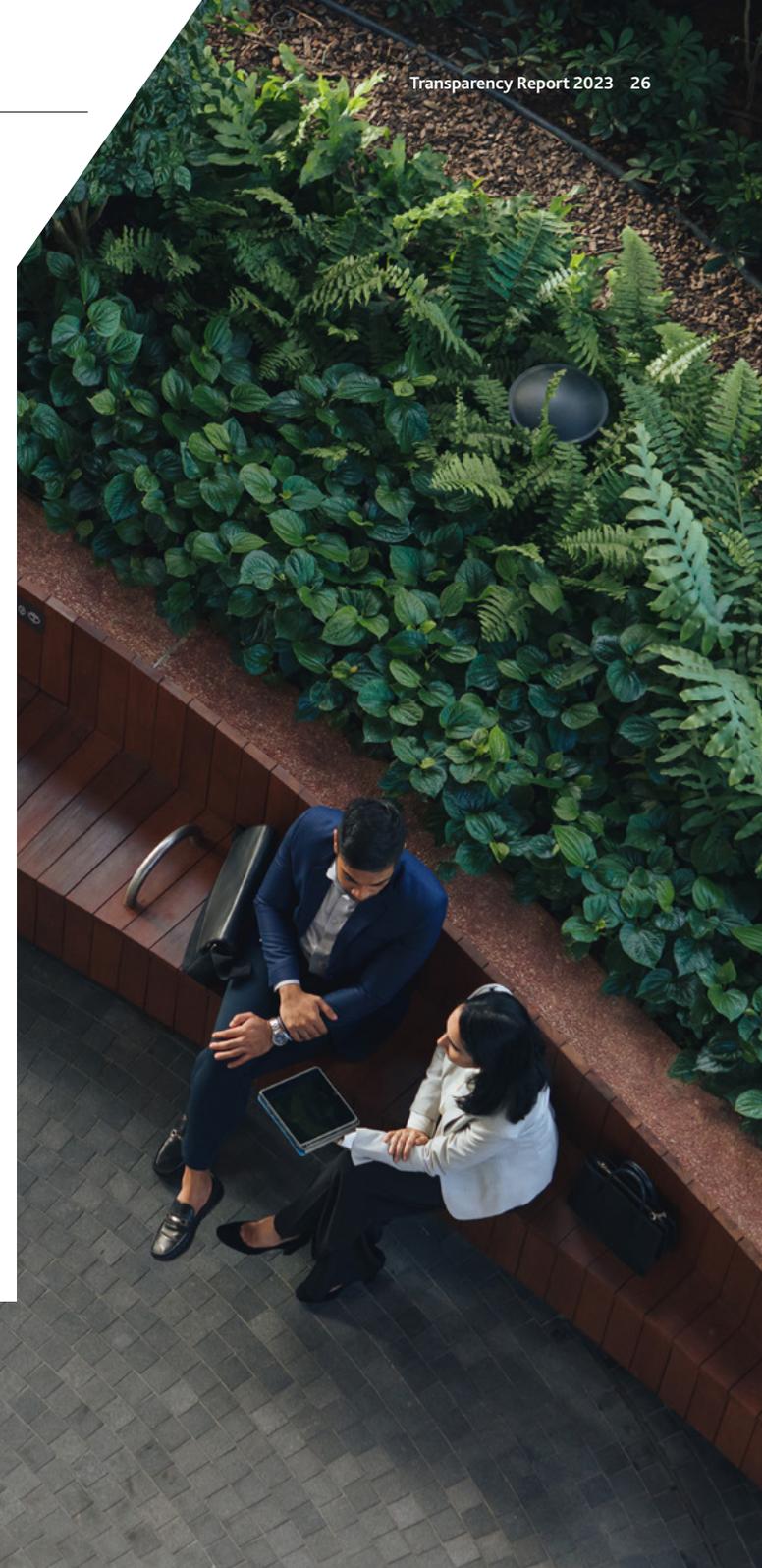
### Financial, business, employment and personal relationships

Each individual is responsible for determining their compliance with the Firm's independence policies. To comply with relevant ethical standards, the policies which the Firm has in place prohibit partners, team members and persons closely associated with them holding a financial interest in an audit client or an affiliate of an audit client. Additionally, the Firm, partners, team members and persons closely associated with them may only enter into business relationships with any of the Firm's audited entities or their affiliates where they:

- ▶ Involve the purchase of goods and services from the client in the ordinary course of business and on an arm's-length basis and where the value involved is not material to either party
- ▶ Are clearly inconsequential to both parties.

The Firm also has in place policies requiring individuals to report where any member of their immediate family or close family, or anyone with whom they have a personal relationship, has an involvement with an audit client which they consider might create a threat to the Firm's objectivity or a perceived loss of independence.

Employment-type relationships with an audited entity are relatively rare but in order to protect objectivity, approval procedures are in place before any such situation can be established.



The Firm maintains a list of clients, mainly assurance clients of which the Firm must be independent, and this list may be accessed by all partners and colleagues. Similarly in order to perform effective enquiries to ensure that our independence on a global basis is not compromised BDO International maintains a worldwide register, accessible by all BDO professionals, of BDO's clients that are restricted entities.

We monitor adherence to our policies through the annual declaration process which seeks confirmation from partners and staff that our policies surrounding financial, business, employment and personal relationships have been complied with. All exceptions are reviewed and investigated by the Quality and Risk Committee.

Where our monitoring procedures identify breaches, these are rectified as soon as possible, and the individual is subject to our sanctions policy. No instances where the Firm's independence was judged to be compromised were identified this year.

### Long association with the audit engagement

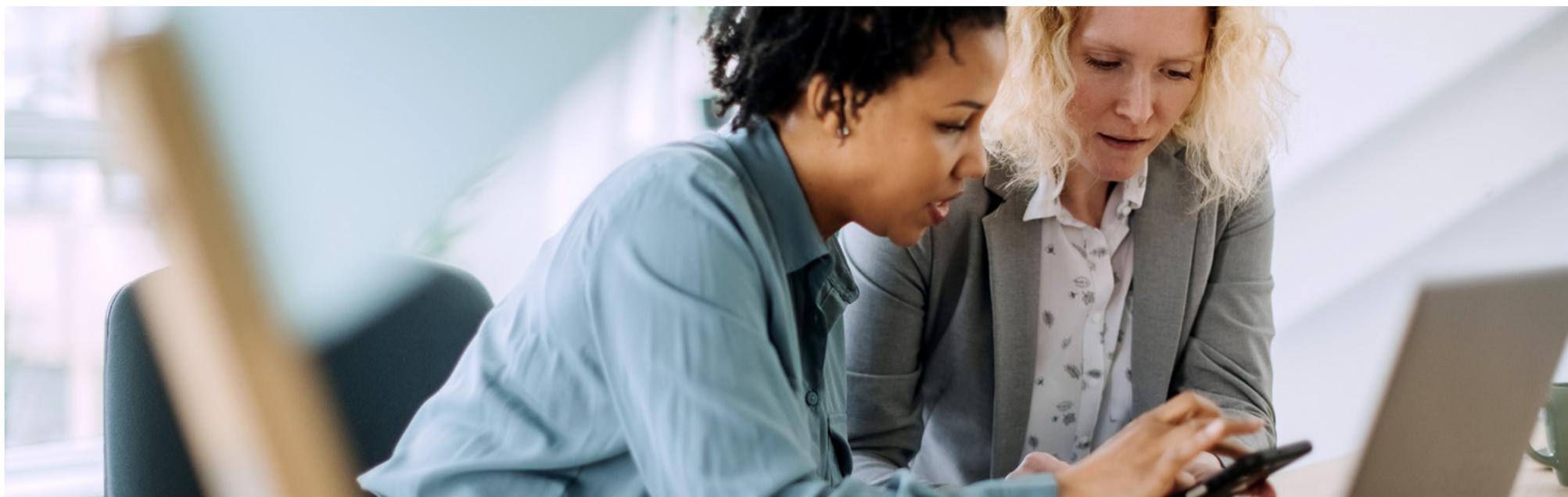
Audit engagement leaders and key partners, including the Engagement Quality Control Reviewer, involved in the audit are subject to periodic rotation of their involvement with audit clients under the independence rules set out in the Ethical Standards. The rotation period for key audit partners responsible for carrying out a statutory audit of a public interest entity is five years from the date of their appointment.

The Firm's policies with respect to rotation of key audit partners and teams (i.e. those other than the engagement partner and EQCR, who are specifically covered by statute/regulation) in relation to public interest entities and other listed entities is principles-based, depending on the facts and circumstances of the engagement. Typically, such "key audit partners and team members" include audit partners and senior managers / managers performing a significant portion of the work, as well as specialist partners and senior managers / managers (e.g. tax, valuation).

The engagement partner reviews the safeguards put in place to address the threats to the objectivity and independence of such persons involved in the engagement in senior positions for a continuous period longer than seven years and shall discuss those situations with the engagement quality control reviewer.

For non-listed audit clients, the audit partner will normally rotate off the audit after ten years. Where rotation is extended beyond ten years, careful consideration is given as to whether it is probable that an objective, reasonable and informed third party would conclude the integrity, objectivity or independence of the Firm or engagement partner are compromised.

The Firm has established policies and procedures to monitor the length of time that audit engagement partners, key partners involved in the audit (including the Engagement Quality Control Reviewer) and partners and individuals in senior positions, including those from other disciplines, serve as members of the engagement team for each audit.



### Audit firm rotation

In accordance with S.I. No. 312/2016 - European Union (Statutory Audits) (Directive 2006/43/ EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations 2016, public interest entities (PIEs) are required to appoint new auditors at a minimum every ten years. We are monitoring our length of service with all PIEs to ensure that we do not accept any appointment which is beyond the maximum period of ten years.

### Fees, remuneration and evaluation policies

It is recognised that where fees from an audit client represent a large proportion of the total fees of the Firm a self-interest or intimidation threat may arise. The Firm's policies require that where it is expected that the total fees receivable from a public interest entity will regularly exceed 10% of the annual fee income of the Firm, the Firm will not act as the auditor of that entity and will either resign or not stand for reappointment, as appropriate.

The Firm's policies prohibit an audit being undertaken on a contingent fee basis.

The Firm's appraisal, promotion and remuneration processes for audit team members specifically excludes objectives related to selling non-audit services to audit clients.

### Non-audit services provided to audit clients

The Firm has policies and procedures in place to restrict the scope of services that can be provided to audit clients which are consistent with the IESBA Code of Ethics and local applicable laws and standards. In respect of all non-audit services, the approval by the audit engagement partner is required before such services can be provided to ensure that the audit engagement partner is informed about any proposed engagement. Before any such engagement is accepted the audit engagement partner considers whether the relevant services are permitted and, if applicable, the threats arising from the provision of the services and the safeguards that may be implemented to address those threats. In circumstances where threats are identified which cannot adequately be addressed through the application of appropriate safeguards the Firm will either not accept the proposed non-audit services engagement or will resign as auditor.

### Confirmations

All individuals within the Firm are required to confirm their compliance with the Firm's independence policies on commencement with the Firm and annually thereafter. The confirmation is used to evidence the individual's understanding of the Firm's policies in relation to independence matters and that they have complied with these policies.

The responses to the annual declaration process are reviewed to identify possible conflicts or independence issues which are reported to the Quality and Risk Committee and the Head of Audit as appropriate.



## Monitoring

The annual review of the Firm's quality control system, which is undertaken by appropriately qualified senior individuals within the Firm, includes:

- ▶ Review of the independence annual confirmations of selected individuals
- ▶ Review of compliance with the Firm's policies in relation to partner rotation
- ▶ Review of independence questionnaires completed on audit Engagements.



## Conflicts of interests

Conflicts of Interest may preclude the Firm from accepting a client or an engagement. The relevant partner is responsible for the identification of possible conflicts, ensuring that any such conflicts can be properly managed before an engagement is accepted and being alert to potential conflicts which may arise throughout the engagement.

We have a designated Ethics Partner who monitors compliance with the applicable independence policies and procedures, provides consultations regarding independence matters, and oversees independence training and maintenance of a restricted entity database.

We maintain a database of all our Firm's restricted entities, including listed companies and other public interest entities. This is available to all staff on our intranet and its objective is to prevent the performance of prohibited non-assurance services or investment in these entities. The database is continuously updated.

Prior to accepting any new client or assurance engagement, our engagement teams must perform specific procedures to identify potential conflicts of interest and threats to our independence.

There is also an independence declaration per audit engagement signed by all partners and staff members that have been involved in the performance of the audit engagement confirming that they comply with the relevant independence requirements relevant to the audit engagement.

## BDO Global independence practices

BDO Member firms' independence and objectivity on assurance clients is achieved through policies and procedures designed to ensure compliance with the independence standards of the International Federation of Accountants (IFAC) Code of Ethics and the respective national regulatory organisations. The relevant ethics and independence rules for each member firm are posted on BDO's global intranet, which is accessible by all BDO partners and professionals.

As noted above, the BDO Global Independence manual further promotes consistent application of ethical policies and procedures and enhances cross-border collaboration and communication between each firm.

All member firms have a designated Ethics & Independence Champion who, in association with the Firm's Ethics Partner, monitors compliance with the applicable independence policies and procedures, provides consultations regarding independence matters, and oversees independence training. This monitoring process is supported by BDO Global's Independence Steering Group who conduct their own monitoring procedures and follow up on non-adherence.

BDO also maintains a worldwide database of all our major firms' restricted entities, including listed companies and public interest entities. This is situated on the global intranet and its objective is to prevent the performance of prohibited non-assurance services or investment in restricted entities.

Prior to accepting any new client or assurance engagement, member firms must perform specific procedures to

identify potential conflicts of interest and threats to their independence including, where necessary, international conflict of interest and independence checks throughout the BDO network.

### Continuing professional development

The Firm has a policy of facilitating and encouraging continuing education as an important means of developing knowledge and maintaining and improving the quality of its services and of motivating and retaining its people.

For audit partners and professional individuals, the Firm requires them to participate in appropriate continuing professional development programmes and monitors the fulfilment of programme obligations.

The continuing education program is comprised of training sessions organised by the Firm specifically designed to meet its needs, with such training provided by the Firm as well as external training by relevant professional bodies or

other training organisations that are accredited by the local professional body.

Certain courses are mandatory while others are optional. The CPD requirements for professional auditors are also factored into the programme.

Extensive training is given to all new recruits on the BDO audit methodologies, tools, and processes. More experienced personnel and partners are encouraged to update and deepen their technical knowledge.

Developing management and interpersonal skills are also very important for this group.

Continuing professional education is a factor considered during the yearly evaluation of audit staff and the assessment of their career potential within the Firm. We are committed to developing and maintaining the highest possible standards of technical competence through our own development programmes. As part

of an individual's performance appraisal, professional development needs are assessed, and courses or other training opportunities are identified.

We have developed a curriculum providing technical training for our professionals throughout their careers. For all new audit professionals, there is an orientation programme covering the Firm's audit approach and procedures and its organisational structure. All audit team members, including managers and partners, attend regular technical update courses.

These courses are complemented by on the job coaching which provides a significant aspect of their professional development. All audit individuals are personally responsible for keeping up to date with the requisite knowledge, skills and professional competence which they will need to successfully carry out the roles to which they are assigned.



# Internal Quality Control System

## Introduction from the Head of Audit & Assurance Quality Management

Our commitment to quality remains an essential part of our strategic framework.

Stakeholders continue to seek peace of mind and stability in financial markets. As auditors, we play a key role in contributing to this stability by providing assurance over the financial statements on which the players within these financial markets are reporting. At the heart of this assurance rests the performance of high-quality audit engagements which rely on firms having established fit-for-purpose systems of quality management.

2022 saw a landmark year for the audit profession which saw the adoption of the International Standard on Quality Management (ISQM 1) on 15 December 2022. ISQM 1 sets out firms' responsibilities to design, implement and operate a system of quality management. As a firm we have invested significant time and resources to ensure our system of quality management is fit for purpose and not just a "tick-the-box" compliance exercise. Accordingly, our system of quality management supports us in delivering on our responsibilities to serve the public interest and achieving our strategic and quality objectives.

In designing our system of quality management under ISQM 1, we leveraged the technological capabilities of our online platform developed by BDO International. This

platform allows for member firms across the BDO network to consistently apply a process of setting quality objectives, identifying quality risks and designing tailored responses to meeting these quality objectives.

Our approach further encompassed oversight from BDO Global by incorporating guidance, templates and feedback from network community calls which contributed to us delivering on a global vision of ensuring our system of quality management is designed in such a way as to provide us and the network with a high level of assurance that we continue to deliver high quality engagements that are compliant with applicable laws, regulations and standards.

Our system of quality management also emphasises the importance of robust monitoring and remediation to ensure we continuously seek to improve what we do. This involves performing annual internal evaluations of the operating effectiveness of our systems of quality management as well as external reviews from BDO Global and our regulators. Our root cause analysis efforts allow us to understand the results of these monitoring exercises, ensuring we are well positioned to remediate any improvement areas and incorporate these into the overall design of our system of quality management.

We hope that the information provided in this section of our transparency report provides you with greater insight into our system of quality management and that it further demonstrates our unwavering commitment to quality.



**Stewart Dunne**

Head of Audit & Assurance  
Quality Management

**Governance and leadership's role in quality**

Leadership plays a crucial role in setting the appropriate "tone at the top" and laying the foundation for a culture of quality. Only by having a quality foundation can we secure the long-term viability of the Firm. Our Core Purpose and Values, which guide our behaviours, help to lay such a foundation. These values include being:



**Passionate**



**Independent**



**Empowering**



**Agile**



**Caring**



**Inclusive**



**Collaborative**

A key enabler to our commitment to quality is having a governance structure that is inherently sound and structured such that the Firm's leadership is visibly seen to be committed to quality and held accountable for their actions.

The partners demonstrate their commitment to quality through the Firm's strategic and operational policies, ensuring adequate consideration of quality matters. Partner performance evaluations are required to be impacted by both positive and negative indications of their individual commitment to quality.

In accordance with ISQM 1, the Firm's Managing Partner has assumed ultimate responsibility for the Firm's system of quality management with assistance from the Firm's Head of Audit and Assurance Quality Management (HAAQM) (Stewart Dunne), Audit Quality Director and Quality and Risk Director.

The Firm has clearly established responsibilities for the Managing Partner, HAAQM, Audit Quality Director and Quality and Risk Director in their roles under ISQM 1 including globally consistent terms of reference that further demonstrate the Firm's commitment to quality.

The Quality and Risk Committee – with partner representatives from across our businesses - reinforces the



“tone at the top” through a commitment to firm policy and professional standards together with actions taken in cases of non-compliance with such policies.

Operationally, the Firm’s Heads of Audit, Tax, Advisory and Consulting are accountable to the Managing Partner for the quality of the services provided by their service lines.

### Relevant ethical requirements

Foundationally, as auditors, we provide an independent and objective assessment of an organisation’s financial statements, giving assurance to stakeholders that the financial information is accurate and reliable. Ethics in audit is therefore essential to quality and for preserving trust, maintaining professionalism, complying with legal and regulatory requirements, protecting the public interest, and upholding the reputation of the auditing profession.

The Firm has detailed policies and procedures which are based on the requirements of the IESBA Code of Ethics and supplemented by additional requirements from the Irish Auditing & Accounting Supervisory Authority (IAASA).

### IAASA and Chartered Accountants Ireland (CAI)

These policies and procedures ensure that all partners and team members understand the ethical environment in which the Firm operates.

Reporting to the Firm’s Managing Partner, the Firm has a dedicated Ethics and Independence Lead (E&IL) who is responsible for providing guidance and support on the application of the Firm’s policies and procedures and to ensure that our professional objectivity and independence are maintained. The E&IL is further responsible for ensuring all partners and colleagues are adequately trained and assessed on relevant ethical and independence matters.

Annual declarations are made by all partners and team members to confirm that they are familiar with the ethical environment and its requirements to which the Firm is subject and to assist in monitoring compliance with these requirements.

All actual, or potential, breaches of ethics and independence are consulted on with the E&IL to identify the root cause and determine the remedial actions and/or reporting requirements that may be required.





### Acceptance and continuance of client and specific engagements

The acceptance and continuance of client and specific engagements are critical steps that allow us to assess the appropriateness, suitability, and feasibility of undertaking both a client, and an engagement. These procedures help safeguard independence, maintain professional standards, manage risks, and uphold ethical principles, ultimately enhancing the credibility and quality of our work.

The Firm has in place policies and procedures which are designed to identify quality risks in accepting and continuing client relationships or performing specific engagements. These require for each engagement partner to undertake a detailed evaluation to assess the risks associated with that client and appropriate safeguards that may be needed prior to its approval.

Each evaluation includes, inter-alia, obtaining information about the prospective client, key management and beneficial owners of the entity. The evaluation also requires the engagement partner to consider the competence, capability (including time) and objectivity of the Firm prior to accepting the engagement.

Where clients or engagements are assessed at a higher-than-normal level of risk, also known as sensitive clients, the Firm's policies and procedures set out requirements for engagement partners to consult with the Firm's E&IL and/or Quality and Risk Committee as appropriate prior to acceptance of the client or engagement.

The Firm will decline to act for a potential client or to accept an engagement where the evaluation process identifies concerns that cannot be resolved through the implementation of appropriate safeguards.

Our system of quality management also specifies that the financial and operational priorities of the Firm shall not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement.

To that extent, we have strengthened our internal policies and procedures to review and approve all new and significantly modified non-audit services provided to audit clients. BDO International has also invested significant time and resources in developing Project COI 2.0 which will introduce a new standardised independence data-set and global service category across all firms within the BDO network.

Additionally, where the Firm receives information that would have caused it to decline a client or engagement had the information been available earlier, the Firm's policies and procedures further require that the engagement partner consults internally on the required legal, professional, and regulatory responsibilities in these instances.

Where it is decided to withdraw from the client or engagement, the matter is brought to the attention of the Firm's Quality and Risk Committee.

## Performing quality engagements

### Direction, supervision and review

We continue to invest in our people's development by directing and supervising their work through a formal review process.

By assigning ultimate responsibility for the quality of engagements to partners and managers, each engagement is well positioned for junior team members to be directed and supervised by more senior individuals, cultivating an environment where they can be coached effectively throughout the review process. This ensures that, where necessary, planned work has been reviewed and that the objective of the work has been achieved.

Our review process is designed in such a way to ensure effective control of the audit is maintained as it progresses, and that work is performed in accordance with applicable standards and regulations. Significant matters are identified in a timely manner, making certain they are appropriately considered and addressed and that the work performed and evidence obtained supports the conclusions reached.

To align the perception of people and our internal development process, we assess (as part of our annual audit quality survey) whether our people understand the nature and purpose of the work they are performing and whether they feel they are being adequately directed and supervised during the performance of engagements.



**Professional judgement**

We pride ourselves in demonstrating exceptional professional judgment in every client interaction. Doing all we can to deepen and increase the consistency of the professional judgment we exercise is key to continuously providing the best value to our clients and exceeding the expectations of our stakeholders.

Our professional judgement framework provides a shared conceptual foundation and common vocabulary for our professionals. It also encourages consistent behaviour in driving towards desired outcomes, supported by justifiable

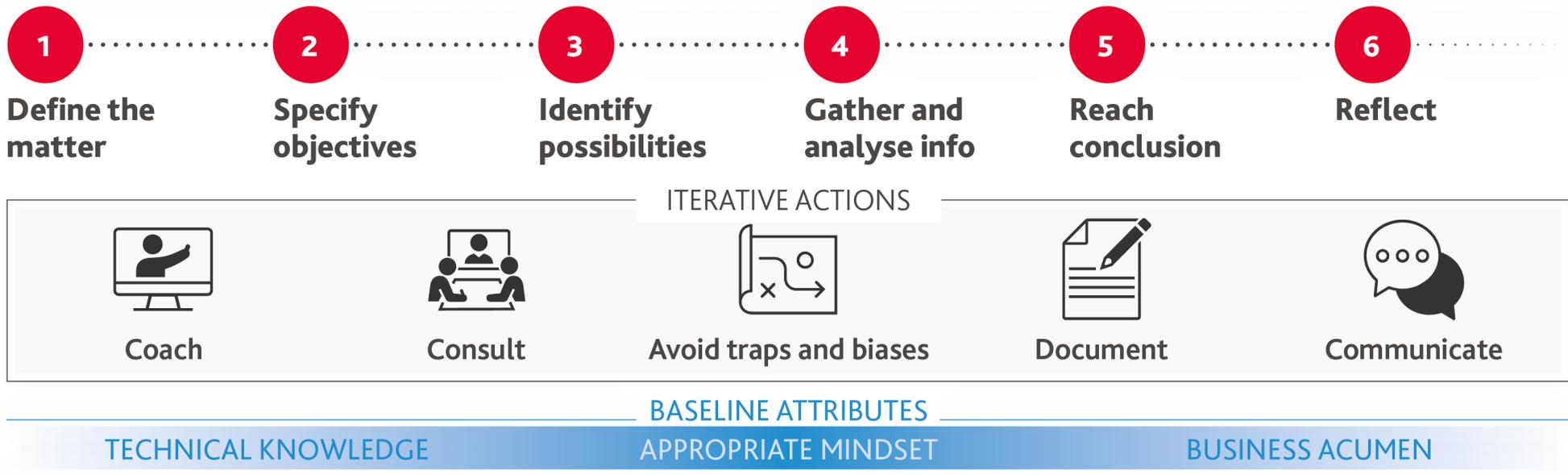
conclusions and effective documentation and it aids us in dealing with and clearly communicating complex issues.

When all the elements of this framework are effectively in place, we maximise the likelihood of consistently exercising high-quality professional judgment.

Recent external events such as the impact of Covid-19 and the war in Ukraine had significant impacts on judgements around matters such as going concern, asset impairments and valuations. Through careful application of this framework our engagement teams continue to diligently apply and demonstrate high-quality professional judgement.



**Professional judgement**





### Effective consultations

Effective consultations are critical in ensuring engagements are performed at the highest standard possible. Under the guidance of the Firm's HAAQM and Head of Audit, we actively promote a culture of consultation whereby engagement teams seek out the professional advice of experienced technical resources within the Firm.

Our system of quality management sets out the established policies and procedures to follow when seeking a consultation, including matters on which mandatory consultation is required (or for which voluntary consultation is sought), whom to consult and how to effectively deal with differences of opinion, if they arise.

We have access to various consultation groups within BDO International on matters such as technical accounting or auditing, ethics and independence, cybersecurity and anti-money laundering legislation (AML) as well as technical groups within the wider BDO network through the assistance of a dedicated Regional Quality Director.

### Engagement quality reviews

Engagement quality reviews (EQR) contribute to the ongoing improvement of the audit practice by providing an objective evaluation of the audit work and instilling confidence in the reliability of financial reporting.

ISQM 2 Engagement Quality Reviews became effective on 15 December 2022 and it, alongside ISQM 1, deals with the appointment and eligibility of EQ reviewers and their responsibilities relating to the performance and documentation of an EQR.

We have ensured that our internal policies and procedures on EQR remain fit for purpose under the new standard. Under this policy, we require that an EQR be performed for all audit engagements of listed entities and PIEs as well as referred work from within the BDO network where so requested. An EQR is also required for certain assurance engagements.

EQ reviewers are centrally approved by the Head of Audit in which they consider if the proposed EQ reviewer has the

necessary competence, capability, and time and whether they comply with relevant ethical requirements, including in relation to threats to objectivity and independence.

To be eligible for selection, EQ reviewers are required to be adequately trained. The Firm's EQR training focuses on root causes for quality issues in engagements that should be identified and challenged by the EQ Reviewer.

### Engagement documentation

The Firm's policy for documentation assembly (archiving) is in line with the requirements of relevant professional standards. For engagements performed under standards issued by IAASA, FRC or the IAASB, the engagement is archived within 60 days after the date of the relevant report. For engagements subject to PCAOB standards, this period is reduced to 45 days. In all instances, earlier archiving is encouraged.

### Consistent audit approach and methodology

A consistent audit approach and methodology contribute to the credibility and reliability of the audit function. It provides assurance to stakeholders that audits are conducted in a thorough, systematic, and unbiased manner, leading to more accurate and meaningful audit findings and recommendations.

As part of the BDO network, all member firms sign up to a common audit approach and methodology. Accordingly, we mandate the use of APT Next Gen (APT NG) on all our audit and assurance engagement. APG NG is a digital collaboration tool, allowing users to collaborate with others within their own firm and across the BDO network on international engagements to carry out their work.

By using an extensive library of content, APT NG also helps the Firm to comply with applicable standards, including International Standards of Auditing (ISAs), laws and regulations in an effective and consistent manner. This library of content provides flexibility so that APT NG can be used for any type of engagement of any size or complexity, by any stream. The Firm ensures that all team members within the audit and assurance departments have access to APT NG.

APT NG is regularly enhanced to ensure that it remains at the forefront of technological innovation and incorporates new and emerging audit practices, most recently the adoption of ISA 315 (Revised) which places greater emphasis on the identification, assessment, and response to risks of material misstatements.

Complimenting APT NG is the BDO Audit Methodology. This methodology is a technical manual for audit, assurance and related services and is fully compliant with the ISAs, which we supplement with additional requirements under the Professional Standards and Regulations in Ireland.

### Quality resources – our people

Our most valuable resource is our people. They are vital to our firm's success and the delivery of quality engagements by providing the necessary expertise, always ensuring ethical conduct, nurturing client relationships and establishing a strong firm culture and reputation.

We are committed to ensuring that we continue to hire, develop, and retain people that have the competence and capabilities to consistently perform quality engagements and have set out clear policies and procedure to achieve this.

Our goal is ultimately to provide an environment where our people can feel supported in delivering on quality engagements and be committed to a long-term career within the Firm.





### Colleagues with competence and capabilities

The Firm's recruitment policies are designed to attract people who possess appropriate characteristics to enable them to deliver a high-quality service and perform their duties with professional competence.

As a firm we seek out people with high levels of intelligence, integrity and motivation. This enables us to contribute to the continuing development of the Firm and the ongoing provision of high-quality service to our clients.

All candidates applying for professional positions are required to apply and are subject to a variety of selection processes. Our HR department collaborates with the business to understand the role requirements and to ensure that the selection process appropriately identifies the most suitable candidates.

The interview process is also designed to evaluate a potential candidate's attitude towards quality.

### Assignment of engagement team members

Quality can only be achieved by having the right people on the right jobs at the right time. Engagement partners allocate individuals to jobs according to their level of experience, the complexity of the assignment and their experience of the client/industry.

The Firm's scheduling process also considers whether additional people or specialist support may be required and, where needed, we ensure that these professionals are appropriately contracted.

Ultimately, engagement partners are required to be satisfied that their engagement teams have appropriate competencies, training and capabilities, including time, to perform audit engagements in accordance with professional standards, and applicable legal and regulatory requirements.

As part our annual quality survey, we seek to obtain views from our people on whether they believe engagements are adequately and appropriately staffed and these results are reported to leadership to assist in their resourcing forecasts.



### Competency frameworks

The Firm has established role descriptions and competency frameworks which describe required competencies and values, as well as behavioural indicators per team member level. These are made available everyone upon joining the Firm and are stored on the Firm's internal website.

Quality plays a key role in all aspects of this framework, and, as a contributing factor to promotion, we require all colleagues to consider how they can positively contribute to the Firm's quality agenda through adherence to this framework.

### The core competencies that are measured include:



### Training and development of our teams

Training and development continues to play a key role in ensuring the competence, professionalism and effectiveness of people within the Firm.

Our learning and development strategy is designed to ensure that we remain competitive and that our people achieve the highest possible standards of competence through their professional development programs. We aspire to create an environment where our teams stay motivated throughout their career development.

To achieve this, the Firm's Leadership allocate overall responsibility for learning and development to the Firm's Training Partner.

The Firm's Training Partner, through assistance of the Audit Training Committee, ensures that training materials are sufficiently designed to build on the skills, capabilities and effectiveness of our people on a consistent basis across the Firm.

To ensure that skills are successfully transferred among our people, the Firm's learning and development strategy further ensures that appropriate training content is developed internally or sourced externally through connecting with reputable external providers, where needed. We draw on the expertise of BDO International resources where necessary.

We have successfully adopted a hybrid training model which incorporates both in-person and on-line learning courses. Having access to the BDO International library of training, our learning management system, LMS, provides a first-class virtual classroom and on-line resource platform across the Firm.

Our on-line training interventions are complimented by in-person sessions delivered by our Partners, Directors and Managers who are all subject matters experts in their respective fields.

Through collaboration between our Learning & Development and HR departments, we monitor completion of all mandatory training courses and encourage participation in voluntary courses that could positively contribute to people's learning, based on their development plans.

As a training firm, we are committed to assisting our people in their professional development through supporting them during periods of external exams by allowing them sufficient time off work and giving them access to appropriate resources in order to assist them in preparing for these professional exams to the best of their abilities.





### Performance evaluations

Everyone participates in formal performance evaluations, review and counselling to evaluate their level of competence and to help them reach their full potential. Additionally, Partners are objectively evaluated by the Firm's Evaluation Committee and Quality and Risk committee.

At the start of the performance period, each person sets goals in accordance with the Firm's pre-determined goal categories, including Quality and Risk Management. At the end of the performance period, each person's performance manager measures achievement of these quality indicators by determining whether the set goal(s) have been attained.

The result of this assessment is incorporated into the person's overall performance assessment which ultimately holds individuals accountable for the quality of their work.

Whilst compensation generally matches the grade and the market benchmark, the results of performance evaluations impact on the promotion and compensation of each individual and, in some instances, on the determination of whether the individual continues to be a good fit for the Firm.

Partners and managers involved in the appraisal process receive appropriate training and instruction to ensure that they are prepared and able to provide guidance and direction to individual team members to support them with their ongoing development within the Firm.

### Assignment of key responsibilities

Ultimate responsibility for the Firm's system of quality managements rests with the Firm's Managing Partner.

In assigning key roles to support them, the Firm's Managing Partner reviews each individual's experience, knowledge, influence and authority within the Firm against the requirements of each role. Included in the review is the workload of the individual to ensure that sufficient time will be available for the individual to fulfil their assigned responsibility.

The following key support roles have been designated:

- ▶ Operational responsibility for the system of quality management – HAAQM
- ▶ Overall responsibility for compliance with independence requirements – E&IL
- ▶ Overall responsibility for monitoring and remediation – Audit Quality Director.

The Firm's Managing Partner draws on the collective knowledge and experience of this group to assist them in forming an annual conclusion on the effectiveness of the Firm's system of quality management.

### Communicating quality information

We continue to reinforce a culture which supports the exchange information within the Firm and with one another.

We achieve this by having an open-door policy which allows for open and honest conversations at all levels within the Firm. Individuals receive regular business updates from leadership through written and in person sessions, allowing for transparency across the board.

In addition, and separate to our annual people survey, we survey professional staff across several quality indicators, whereby we obtain their perception of quality within the Firm and that within leadership's actions. These results are analysed and presented to the Quality and Risk Committee for consideration and remedial action, where needed.

We acknowledge the importance of having effective two-way communication with Those Charged with Governance of our clients and we achieve this by actively engaging with them during the planning and completion stages of the audit, attendance at relevant board meetings and presentation of our findings in a standardised, effective and professional manner.

As a professional firm, we understand that the relevance and reliability of our communications is paramount. We have therefore established policies and procedures which ensures that, when required by law, regulation, or professional standards, or to support external parties' understanding of the system of quality management, any information provided is appropriately reviewed for relevance and reliability prior to its release.

### Monitoring and remediation

Under ISQM 1, firms' monitoring efforts will be required to place greater emphasis on remediation. Only by appropriately remediating identified shortcomings can a firm effectively incorporate learnings into its forward-looking system of quality management.

Our firm is subject to a variety of monitoring exercises, both internally and externally, and we have designed our system quality management in such a way as to evaluate and track any shortcomings identified, enabling us to perform appropriate and meaningful root cause analysis.



### Audit Quality Review (AQR) programme

The Firm's annual AQR programme requires that a sample of engagement partners be subject to an objective internal quality review by the Firm's Audit Quality Director.

The purpose of these reviews is to measure adherence to the Firm's policies and procedures and quality agenda and to hold engagement partners accountable for their work and their commitment to quality.

Each review is risk-assessed to identify key areas for review and consists of assessing, on a sample basis for these key areas, the work papers and report in accordance with the requirements of professional standards and our own policies and procedures.

At the end of the review process, a formal grading is assigned as either:

- ▶ Satisfactory
- ▶ Acceptable with some areas to improve
- ▶ Major areas to improve
- ▶ Unsatisfactory

Where an engagement partner receives a grading of major areas to improve or unsatisfactory, the matter is escalated to the Firm's Head of Audit and the Quality and Risk Committee for consideration against the Firm's sanctions policy. The engagement partner is also automatically subject to another review the following year.

The results of the AQR are shared with the engagement partners and teams. These results also form part of each engagement partner's performance evaluation.

Firmwide, the findings are analysed for key themes and the results are shared within the management group to help drive quality improvements from within their teams.

During 2022, the Firm performed 11 AQR reviews which included performing at least one review for each audit engagement partner.



### Complaints and allegations

The Firm has policies and procedures in place to monitor, and confidentially deal with, complaints and allegations, where concerns are raised, externally or internally, that the Firm has failed to comply with professional standards and applicable legal and regulatory requirements or identified non-compliance with the Firm's system of quality management.

The Firm continues to encourage everyone to speak up without the fear of being victimised or harassed or be treated differently in any way. Our policies and procedures are designed in such a way as to, wherever possible, discuss in confidence the disclosure of information and protect the identify of anyone disclosing information and, where appropriate, investigate the matter further in a timely manner.

Our clients are made aware of our complaints and allegations procedures through the Firm's General Terms of Business. A copy of these procedures is further available on our external website.

We always seek to provide consistently excellent quality services to our clients. However, where we fall short of this goal, we provide our clients with an opportunity to raise their concerns or complaints directly with the Firm's Managing Partner.

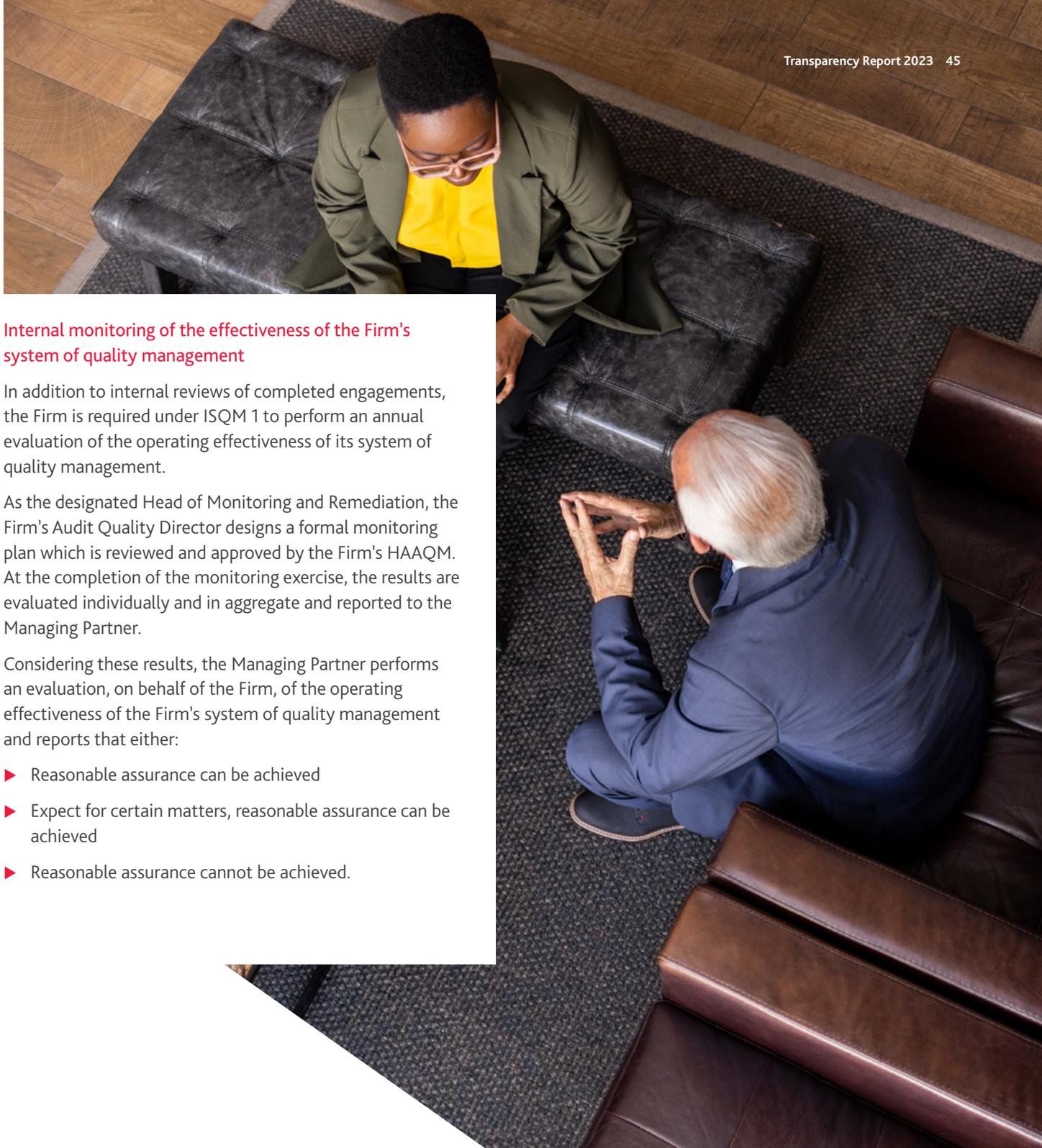
### Internal monitoring of the effectiveness of the Firm's system of quality management

In addition to internal reviews of completed engagements, the Firm is required under ISQM 1 to perform an annual evaluation of the operating effectiveness of its system of quality management.

As the designated Head of Monitoring and Remediation, the Firm's Audit Quality Director designs a formal monitoring plan which is reviewed and approved by the Firm's HAAQM. At the completion of the monitoring exercise, the results are evaluated individually and in aggregate and reported to the Managing Partner.

Considering these results, the Managing Partner performs an evaluation, on behalf of the Firm, of the operating effectiveness of the Firm's system of quality management and reports that either:

- ▶ Reasonable assurance can be achieved
- ▶ Expect for certain matters, reasonable assurance can be achieved
- ▶ Reasonable assurance cannot be achieved.



### BDO International

BDO International performs a periodic quality review of all its network firms. The objective of the review is to:

- ▶ Ensure that BDO network firms are compliant with BDO International requirements, including requirements to the quality of audit work
- ▶ Enhance the consistency of the systems of quality management
- ▶ Provide aggregated information on network quality to the Global Board and Global leadership team, as well as to international regulators
- ▶ Follow up on network firms' implemented remedial actions.

The Firm will be subject to a BDO International review during 2023.

A report on the results of the review will be made available to the Head of Audit with formal reporting to the Leadership and the HAAQM. The HAAQM will be responsible for monitoring and documenting the implementation of and compliance with any corrective actions identified.

In addition, BDO International will continuously monitor the network's achievement towards ISQM 1 compliance through various checkpoint programmes, surveys, and Audit Quality Indicator programmes.

### IAASA

The Firm is subject to an annual quality inspection from IAASA. The purpose of this is to:

- ▶ Assesses the design of the Firm's system of quality control (management)
- ▶ Perform compliance testing around the implementation of the Firm's procedures
- ▶ Evaluate the quality of a sample of PIE audits.

During 2022, IAASA performed an evaluation of firm's system of quality in the areas of ethics and independence, acceptance and continuance and partner and staff evaluation and compensation. IAASA also selected a sample of three PIE audits for inspection which predominately focussed on quality of the work performed around communications with those charged with governance, review of financial statements and the audit procedures performed in relation to related parties and analytical reviews.

We have met with IAASA during the review to discuss their findings and the results have been discussed internally with Leadership and affected engagements partners and audit management team.

We acknowledge that the review indicated there is still room for improvement, however we take comfort in the fact that we continue to learn from the results of these reviews and take appropriate action to address the individual findings.



## Public Interest Entities

A list of public interest entities at 28 February 2023 is set out below.

- ▶ DeCare Dental Insurance Ireland Designated Activity Company
- ▶ DVA Reinsurance DAC
- ▶ Leverage Shares Public Limited Company
- ▶ Nautilus Indemnity (Europe) Designated Activity Company
- ▶ Newell Insurance Designated Activity Company
- ▶ Nokatus Insurance Company Designated Activity Company
- ▶ North of England P & I DAC
- ▶ Saderea Designated Activity Company
- ▶ Shannon Capital Public Limited Company
- ▶ The Baxendale Insurance Co. DAC
- ▶ The Standard Club Ireland Designated Activity Company
- ▶ Tyre Reinsurance (Ireland) DAC
- ▶ Woodlands International Insurance Company DAC



# Financial information

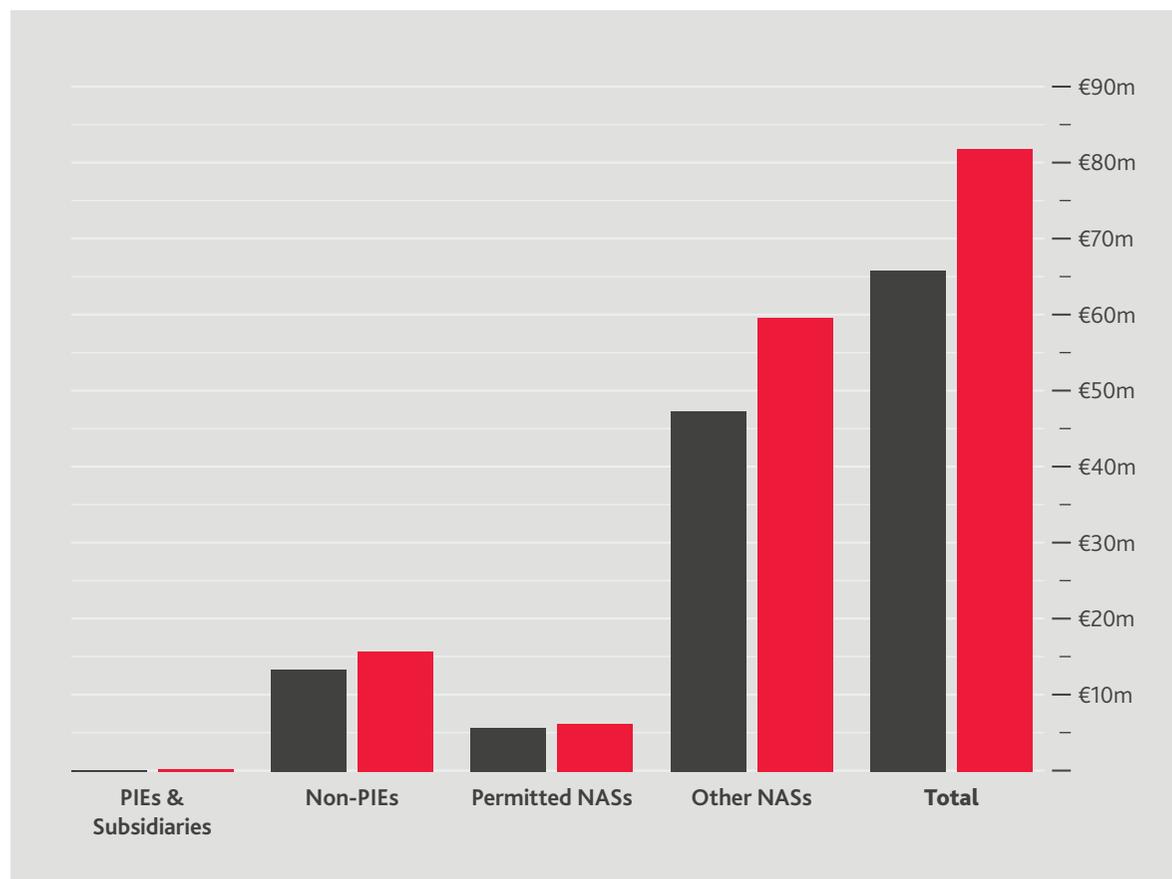
## Turnover

The following turnover information, excluding Valued Added Tax, for the year ended 28 February 2023 has been extracted from the Firm's books and records.

REVENUE	2022	2023
Statutory Audit:		
PIEs and their Subsidiaries.	€248,000	€278,505
Entities other than PIEs.	€13,442,000	€15,769,288
Permitted NAS's:		
Entities audited by the Firm.	€5,792,000	€6,235,007
NAS's:		
Other entities.	€47,405,000	€59,689,701
<b>Total</b>	<b>€65,887,000</b>	<b>€81,972,501</b>

The combined turnover from statutory audits of the BDO EU/EEA audit Firms for the period as of 6 December 2022 is €559,012,416\*.

\* Please note that this figure does not include the UK.



## Partner remuneration

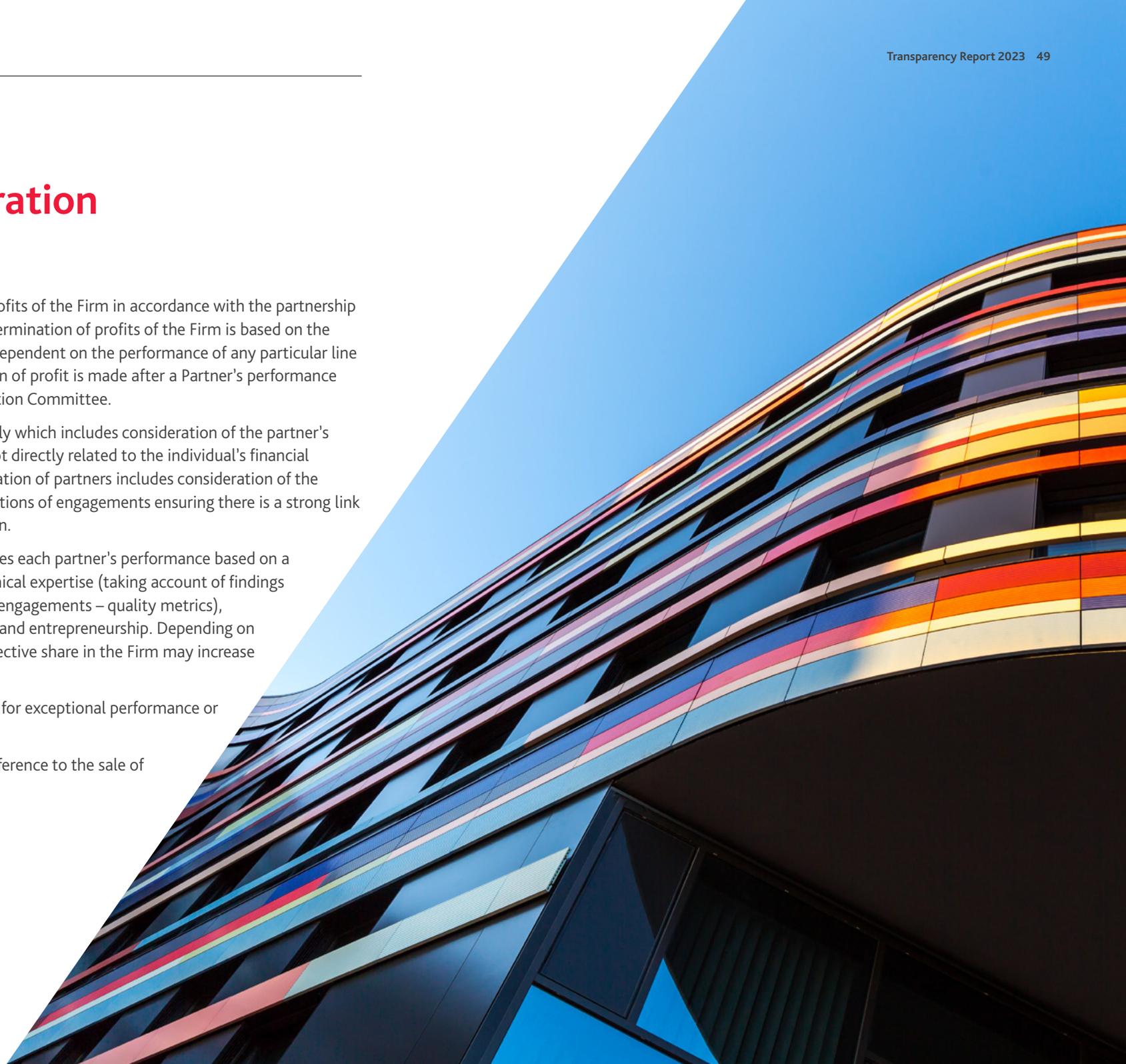
Partners are remunerated solely out of profits of the Firm in accordance with the partnership agreement or by fixed allocation. The determination of profits of the Firm is based on the results of the Firm as a whole and is not dependent on the performance of any particular line of business or function. The final allocation of profit is made after a Partner's performance has been appraised by the Partner Evaluation Committee.

Partner compensation is reviewed regularly which includes consideration of the partner's role, and the quality of the work, but is not directly related to the individual's financial performance. The appraisal and compensation of partners includes consideration of the findings from internal and external inspections of engagements ensuring there is a strong link between quality and partner remuneration.

The Partner Evaluation Committee assesses each partner's performance based on a number of specific criteria including technical expertise (taking account of findings from internal and external inspections of engagements – quality metrics), independence, integrity, professionalism, and entrepreneurship. Depending on the outcome of the evaluation, their respective share in the Firm may increase or decrease.

There is also provision to make payments for exceptional performance or severance payments.

Audit partners are not remunerated by reference to the sale of non-audit services to audit clients.



# Appendix I

## EU/EEA BDO Member Firms

COUNTRY	TERRITORY	AUDIT FIRM NAME
AUSTRIA	Austria	BDO Salzburg GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Steiermark GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Oberösterreich GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
	Austria	BDO Audit GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
BELGIUM	Belgium	BDO Bedrijfsrevisoren BV / Réviseurs d'Entreprises SRL
BULGARIA	Bulgaria	BDO Bulgaria OOD
CROATIA	Croatia	BDO Croatia D.O.O.
	Albania	BDO Albania Sh.P.K.
	Sarajevo	BDO BH d.o.o. Sarajevo
CYPRUS	Cyprus	BDO Limited
CZECH REPUBLIC	Czech Republic	BDO Audit s.r.o
	Czech Republic	BDO Group s.r.o.
	Czech Republic	BDO Czech Republic s.r.o.
DENMARK	Denmark	BDO Statsautoriseret revisionsaktieselskab
		BDO Holding VI, Statsautoriseret Revisionsaktieselskab
ESTONIA	Estonia	Aktiaselts BDO Eesti

COUNTRY	TERRITORY	AUDIT FIRM NAME
FINLAND	Finland	BDO Oy
	Finland	BDO Auditor Oy
FRANCE	France	BDO France
	France	BDO AUDIT DES ACTIVITES SOCIALES
	France	BDO PARIS ENTREPRISES
	France	BDO PARIS AUDIT PME
	France	BDO ATLANTIQUE
	France	BDO RENNES
	France	BDO LYON AUDIT
	France	BDO IDF
	France	BDO LES HERBIERS
	France	BDO FONTENAY LE COMTE
	France	BDO NANTES
	France	BDO LES ULIS
	France	BDO Paris Audit & Advisory
	France	BDO Méditerranée
GERMANY	Germany	BDO AG Wirtschaftsprüfungsgesellschaft
	Germany	BDO Oldenburg GmbH & Co KG Wirtschaftsprüfungsgesellschaft
	Germany	BDO DPI AG Wirtschaftsprüfungsgesellschaft
	Germany	BDO Dr. Daiber Audit GmbH

# Appendix I

## EU/EEA BDO Member Firms

COUNTRY	TERRITORY	AUDIT FIRM NAME
GIBRALTAR	Gibraltar	BDO Limited
GREECE	Greece	BDO CERTIFIED PUBLIC ACCOUNTANTS S.A.
	Greece	BDO Services SA
HUNGARY	Hungary	BDO Hungary Audit Ltd
ICELAND	Iceland	BDO ehf.
IRELAND	Ireland	BDO
ITALY	Italy	BDO Italia S.p.A.
LATVIA	Latvia	BDO Assurance, LLC
LIECHTENSTEIN	Liechtenstein	BDO (Liechtenstein) AG
LITHUANIA	Lithuania	BDO Auditas ir Apskaita, UAB
LUXEMBOURG	Luxembourg	BDO Audit
MALTA	Malta	BDO Malta CPAs
NETHERLANDS	Netherlands	BDO Audit & Assurance B.V.
NORWAY	Norway	BDO AS
POLAND	Poland	BDO Spółka z ograniczoną odpowiedzialnością Sp. K.
	Poland	BDO Legal Latala is Wspólnicy Sp.K.
PORTUGAL	Portugal	BDO & Associados, SROC, Lda
ROMANIA	Romania	BDO Audit SRL
	Romania	BDO Auditors & Accountants SRL
	Romania	BDO Auditors and Business Advisors SRL

COUNTRY	TERRITORY	AUDIT FIRM NAME
SLOVAK REPUBLIC	Slovak Republic	BDO Audit, spol. s r.o.
SLOVENIA	Slovenia	BDO Revizija d.o.o.
SPAIN	Spain	BDO Auditores, S.L.P.
	Spain	BDO Audiberia Abogados y Asesores Tributarios, S.L.P.
SWEDEN	Sweden	BDO AB
	Sweden	BDO Göteborg AB
	Sweden	BDO Göteborg Intressenter AB
	Sweden	BDO Göteborg KB
	Sweden	BDO Mälardalen AB
	Sweden	BDO Mälardalen Intressenter AB
	Sweden	BDO Norr AB
	Sweden	BDO Norr Intressenter AB
SWEDEN	Sweden	BDO Stockholm AB
	Sweden	BDO Sweden AB
	Sweden	BDO Syd AB
	Sweden	BDO Syd Intressenter AB
	Sweden	BDO Syd KB

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