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AUDIT COMMITTEE INSTITUTE

# Quarterly 28

EU audit reform

The business case for Integrated Reporting

Rethinking Shareholder Engagement in the Age of Activism

Regulatory updates

Financial reporting matters

**kpmg.ie/aci**

# Background

## About the Audit Committee Institute

Recognising the increasing importance of governance issues, the Audit Committee Institute Ireland (ACI) was established to serve both audit committee members and non executive directors to help them to adapt to their changing roles.

Historically, those charged with governance responsibilities have largely been left on their own to keep pace with rapidly changing information relating to governance, remuneration, audit issues, accounting and financial reporting. Supported by KPMG, the ACI provides knowledge to non-executive directors and a resource to which they can turn at any time for information, or to share knowledge.

Our primary objective is to communicate with all senior business people to enhance their awareness and ability to implement effective board processes.

The ACI aims to serve as a useful, informative resource for members in such key areas as:

- Governance, technical and regulatory issues
- Sounding board for enhancing all board committees' processes and policies
- Surveys of trends and concerns.

The ACI is in direct contact with over 1,000 members. For more information on the activities of the ACI, please visit our website at: www.kpmg.ie/aci.

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For more information on the work of the ACI please see our website www.kpmg.ie/aci or contact:


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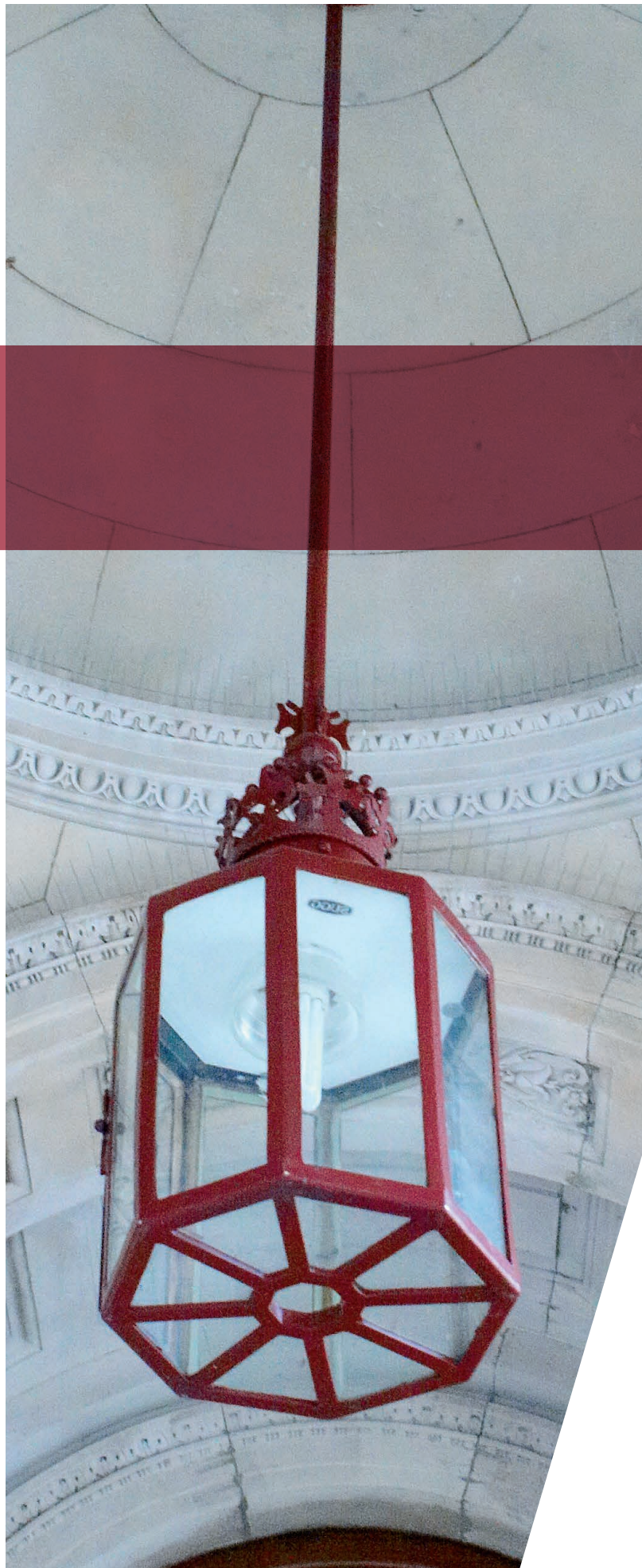
# Welcome



# Welcome to the latest edition of **Quarterly**, a publication designed to help keep audit committee members and non executive directors abreast of developments in areas of corporate governance and related matters.

The key topics covered in this issue include:

- EU audit reform
- The business case for Integrated Reporting
- Rethinking Shareholder Engagement in the Age of Activism
- Regulatory updates
- Financial reporting matters

I hope you will continue to enjoy the ongoing benefits of ACI. Please contact us at **aci@kpmg.ie** with any comments or suggestions of topics you would like to see covered and visit our website at **www.kpmg.ie/aci** for further information.

**David Meagher**
*Chairman*
Audit Committee Institute Ireland
*Partner Audit*
KPMG in Ireland

EU legislation to reform the statutory audit market was adopted in April 2014.

The new legislation will apply from 17 June 2016 – with the exception of mandatory firm rotation, which is subject to separate transition arrangements.

# EU audit reform

The legislation – in the form of a Directive[1] and a Regulation[2] – means that mandatory firm rotation of statutory audit firms will be introduced into the EU on a 10 yearly basis or less, for all EU public interest entities (PIEs).

There will also be additional restrictions on the non-audit services that audit firms can provide to their PIE statutory audit clients, as well as enhanced reporting and corporate governance requirements. Overall this has significant implications for how companies will select, structure and manage their professional adviser relationships. Member States have flexibility in implementing the new rules, with over 30 options in the Directive.

**PIEs are categorised, irrespective of size, as follows:**

a. all entities that are both governed by the law of a Member State and listed on a regulated market[3] (this does not include entities with an IEX or AIM listing)

b. all credit institutions in the EU, irrespective of whether they are listed

c. all insurance undertakings in the EU, irrespective of whether they are listed and irrespective of whether they are life, non life, insurance or reinsurance undertakings

d. all entities designated as PIEs by the Member State.

Categories (b) and (c) exclude branches of non-EU based credit institutions and insurance undertakings.

**The legislation covers:**

1. Mandatory firm rotation for PIEs and transition arrangements
2. Restrictions on certain non-audit services to PIE audit clients
3. Audit committee role and responsibilities and auditor oversight
4. Auditor reporting requirements.

1. www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.158.01.0196.01.ENG
2. www.eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.158.01.0077.01.ENG
3. www.mifiddatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display&subsection_id=0&action=Go&ds=16&ms=1&ys=2014&mic_code=MIC%20Code&full_name=Full%20Name&cpage=2

### 1. Mandatory firm rotation for PIEs and transition arrangements

The new EU legislation introduces additional requirements for EU PIEs, including mandatory firm rotation (MFR). The key MFR provisions are outlined in the table below.

| | |
|---|---|
| **Baseline Measure** | 10-year mandatory audit firm rotation for all PIEs in the EU |
| **Member State options available to:** | Extend the periods once for up to a maximum further 10 years where a public tendering process is conducted - to a maximum of 20 years |
| | Extend the period once for up to a maximum further 14 years where there is a joint audit arrangement - to a maximum term of 24 years |
| | Implement a shorter rotation period<br><br>For example, Italy will be able to retain their existing rotation requirement of nine years. |

### 2. Restrictions on certain non-audit services (NAS) to PIE audit clients

- The Regulation contains a list of services which the statutory auditor of a PIE and all members of the statutory auditor's network are prohibited from providing to the PIE itself or to that PIE's EU controlled undertakings or its EU parent undertaking.
- The NAS prohibitions include, inter alia, tax compliance, tax advice, corporate finance and valuation services. Member States however have the option to allow certain tax and valuation services on condition that they do not have a direct effect on the financial statements or, if they do, that the effect is immaterial.
- The prohibitions in the Regulation are far more extensive than the rules currently in place in many EU Member States today and go well beyond the international independence requirements in the IESBA Code or indeed the SEC's independence rules in the US.
- The prohibitions also extend to the financial year immediately preceding the appointment of the statutory auditor ('clean period') with regard to designing and implementing internal control or risk procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems.
- Permissible NAS are also 'capped' at 70% of the statutory audit fee.
- Member States have the option to add to the list of prohibited NAS and apply a cap that is lower than 70%.

### 3. Audit committee role and responsibilities and auditor oversight

The new EU legislation, in the form of a Directive and a Regulation, introduces additional requirements specific to the role and responsibilities of audit committees as well as changes to auditor oversight.

The Directive states that 'Member States shall ensure that each PIE has an audit committee. The audit committee shall be either a standalone committee or a committee of the administrative body or supervisory body of the audited entity.' However, the functions assigned to the audit committee may be performed by the administrative or supervisory body as a whole.

In reality, most of the requirements for audit committees set out in the legislation are already being performed today and represent 'best practice'. So the only change of substance is the fact that these requirements are now being enshrined in law.

The table below outlines the requirements of all EU audit committees. However, Member States may decide that the certain PIEs are not required to have an audit committee and as such may opt to allow exemptions in certain scenarios.

**Article 39.6 of the Directive states that the audit committee shall:**

a. inform the administrative or supervisory body of the audited entity of the outcome of the statutory audit and explain the role of the audit committee in that process

b. monitor the financial reporting process and submit recommendations or proposals to ensure its integrity

c. monitor the effectiveness of the undertaking's internal quality control, risk management systems and internal audit (where applicable), regarding the financial reporting of the audited entity, without breaching its independence

d. monitor the performance of audits – taking into account the findings and conclusions of the audit reviews carried out by the competent authorities

e. review and monitor the independence of the statutory auditors

f. be responsible for the procedure for the selection of the statutory auditor.

Provisions covering the make-up of the audit committee are set out in Article 39.1 of the Directive and are summarised in the table below:

- ✓ The audit committee should be composed of independent non-executive members of either the administrative body or the supervisory body
- ✓ Audit committee members can be directly appointed at the annual general meeting. However, a majority of the members of the audit committee have to be independent of the audited entity
- ✓ At least one member of the audit committee has to have competence in accounting and/or auditing
- ✓ The committee members as a whole should have competence relevant to the sector in which the company has its business
- ✓ The Chair of the audit committee is appointed by its members or by the supervisory body of the audited entity. Member States can opt to require the Chairman be elected annually by the shareholders general meeting

**4. Auditor reporting requirements.**

The new EU legislation introduces additional reporting requirements for the statutory auditor of EU PIEs covering the statutory audit report, audit committee reporting and reporting to supervisory bodies of PIEs.

The legislation relating to auditor reports includes a series of requirements designed to enhance investors' understanding of the audit process, including the critical judgements made during the audit. The table below summarises the key requirements.

Statutory auditors of PIEs will be required to provide a written report to the audit committee. This is already the case in some Member States, but this requirement will now apply for PIEs throughout the EU. This report will provide more detailed information on the results of the audit performed.

**For an EU PIE, the audit report has to at least…**

a. state by whom or by which body the statutory auditor was appointed

b. indicate the date of the appointment and the period of total uninterrupted engagement, including previous renewals and reappointments of the statutory auditor

c. in support of the audit opinion, provide:

i. a description of the most significant assessed risks of material misstatement, including due to fraud

ii. a summary of the auditor's response to those risks

iii. where relevant, key observations arising with respect to those risks.

The audit report has to include, for items (i)–(iii) above, a clear reference to the relevant disclosures in the financial statements

d. explain to what extent the statutory audit was considered capable of detecting irregularities, including fraud

e. confirm that the audit opinion is consistent with the additional report to the audit committee

f. declare that the prohibited NASs were not provided and that the statutory auditor remained independent of the audited entity in conducting the audit

g. indicate any services, in addition to the statutory audit, that were provided by the statutory auditor to the audited entity and its controlled undertaking(s), and which have not been disclosed in the management report or financial statements.

**For ALL statutory audits in the EU (not just statutory audits of PIEs), the auditor also has to:**

Express clearly their opinion on:

a. whether the annual financial statements give a true and fair view in accordance with the relevant financial reporting framework

b. where appropriate, whether the annual financial statements comply with statutory requirements

Provide a statement on any material uncertainty relating to events or conditions that may cast significant doubt about the entity's ability to continue as a going concern

Include an opinion and a statement, both of which have to be based on the work undertaken in the course of the audit.

### *KPMG's view*

KPMG has consistently supported the elements of the legislation that are consistent with the aim of enhancing audit quality, strengthening corporate governance and promoting greater transparency for all stakeholders. In particular:

- The adoption of International Standards on Auditing will help to promote greater consistency throughout the EU.
- We support strong, independent audit committees and believe that they should be actively involved in assessing audit quality and auditor independence, including approving any non-audit services to be provided by the auditor. We therefore support the measures taken to strengthen the role of the Audit Committee.
- We welcome the creation of a new Committee of European Audit Oversight Bodies (the CEAOB) which we believe will contribute to promoting greater consistency in the EU.

While there are certain positive aspects to the reforms, we continue to believe that other aspects of the legislation run counter to the original objectives of the reform which were to enhance audit quality, increase market choice and reduce concentration. In many areas the legislation will, on the contrary, increase complexity and cost for business, reduce choice and create inconsistencies between Europe and the rest of the world.

- We believe that mandatory audit firm rotation will reduce choice in the market place by removing the incumbent auditor from the tender process; other firms will also be unable to tender due to the expanded restrictions on non-audit services.
- There are 21 Member State options in the new Regulation giving Member States a significant degree of flexibility in interpretation and implementation of the new rules. Unfortunately, this flexibility will result in a patchwork of different requirements across the EU. The patchwork will create an unnecessarily complex and costly regulatory compliance environment for companies and their auditors in the EU.
- The new EU independence rules effectively prohibit many non-audit services that are permitted under other internationally recognised frameworks such as the IESBA Code of Ethics. The inconsistency with rules outside of the EU will again increase the cost and complexity of doing business in Europe.
- Although the EU Regulation is primarily aimed at EU entities, the rules will also impact groups based outside the EU. The EU PIE definition will impact, for example, EU based subsidiaries of non-EU parent companies to the extent that those subsidiaries are either credit institutions, insurance undertakings or have debt or equity admitted to trading on an EU Regulated Market. To the extent that those entities meet the definition of an EU PIE they will be affected by all of the above measures.

### Consultation

The Department of Jobs, Enterprise and Innovation has sought comments on how to implement this Directive in Ireland.

The comment period closed on 21 November 2014. Details of the consultation process are outlined at **www.djei.ie/commerce/companylawlegislation/publications.htm.**

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# The business case for Integrated Reporting

Fundamentally, Integrated Reporting is about improving business communication for capital reward. Integrated Reporting will enable the capital markets to better understand a company's strategy, align their models with the company's business performance, and make efficient and forward-looking investment. Ultimately the aim of Integrated Reporting is about credible communication for capital. It is that simple – and that complex.

Our clients, and the capital markets in Ireland and globally have become frustrated with current corporate reporting for a variety of reasons:

- The key features of financial performance are often buried in voluminous financial statements. As a result a number of 'workarounds' have emerged, including alternative financial performance measures such as 'underlying profit', and new financial reports such as 'summary financial reports' and 'investor presentations'

- Annual reports containing audited financial statements have become divorced from the time horizon and information requirements of capital markets

- The narrative reporting lacks a common framework and so there is little consistency between businesses. The capital markets must compensate for this lack of consistency as best they can, but in doing so the risk remains that the real story of business performance and prospects may not be fully understood

- Directors are concerned by the need to make continuous disclosures such as profit guidance outside of their 'normal' reporting and assurance processes

- Sustainability reports seldom demonstrate the part that Corporate Responsibility performance plays in the business strategy and value creation, and are often not designed with the capital markets in mind.

These factors do not make for precise financial modelling and analysis and efficient capital allocation decisions. Modelling and decision-making becomes weighed down by extrapolation and assumption, makes greater allowance for uncertainty than is necessary and embraces more 'short-termism' than would be the case if all businesses communicated their story to the capital markets in a consistent manner.

## The potential benefits of Better Business Reporting

The journey to Better Business Reporting, culminating in an Integrated Report prepared under the IIRC's Integrated Reporting Framework, should be of particular interest to CEOs, CFOs and directors as they face the challenge of convincingly telling their organisation's 'story' to the markets so they can obtain capital at a reasonable cost.

The benefits of improved business reporting through Integrated Reporting include more efficient capital allocation, streamlined reporting processes, reduced reporting costs and enhanced organisational clarity in terms of business strategy and the business model.

Early movers on Integrated Reporting concepts are already describing the benefits they are seeing from better business reporting. They talk of the improved organisational clarity, integrated management and accountability that comes from articulating the business strategy and business model, given that reporting on these matters lies at the heart of better business reporting. They also talk about the business process improvement that comes from consolidating multiple reporting processes for generating different reports into one reporting process for producing all reports, and the significant cost reduction which results.

## How will Integrated Reporting change the information being reported?

The information relevant to each business will be different but broadly we would expect Integrated reporting to result in:

- More operationally focused measures of performance – information that will help readers understand progress in implementing strategy, developing business assets, and creating new income streams – leading indicators of performance rather than lagging ones

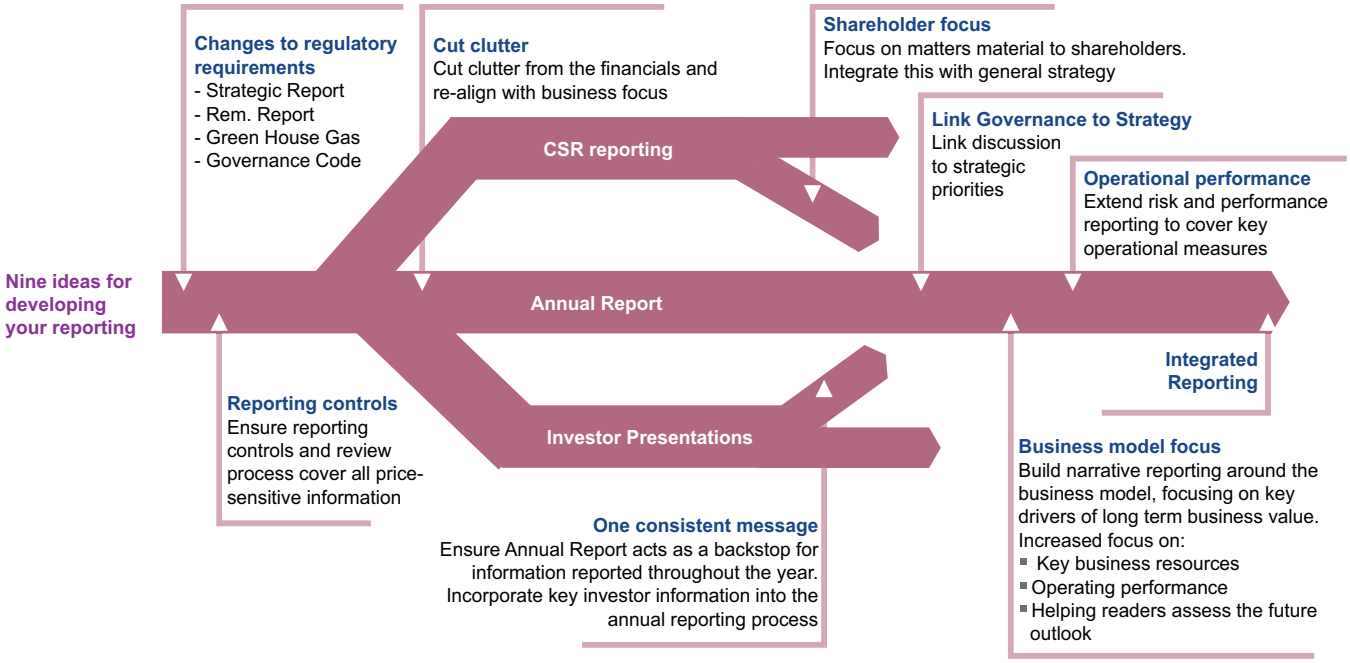
- Greater focus on explaining how key business assets (such as the customer base, intellectual property, and reputation) have been managed and enhanced in line with the business strategy and changes to the external operating environment

- More emphasis on explaining factors driving future performance – helping readers form their own views on what those factors are and how they might impact on future performance.

This should lead to reports that are far more aligned with investors' own cash flow valuation models. This is achieved, in particular, by providing a clearer picture of how management's plans and changes in the operating environment are likely to affect medium term returns, and also helping investors assess the substantial element of value that is typically locked up in the 'terminal value' element of their models.

For executives frustrated by apparent investor short-termism, this is an opportunity to provide a more complete picture of value, how it is shaped by current and future events, and to explain what management is doing to create and preserve it.

How to develop your corporate reporting




## Integrated Reporting in Ireland

Although Integrated Reporting is not yet mandatory for companies in Ireland, we are witnessing a shift towards better business reporting across Europe. The UK Strategic Report is closely aligned with the objectives of Integrated Reporting, and with a new non-financial reporting Directive recently passed in Brussels the momentum towards disclosure of materials risks, beyond pure financials, is picking up pace. Large Irish companies should be aiming to position themselves to engage in these discussions.

Integrated Reporting brings with it a number of internal management and external communication improvements. Irish companies most likely to benefit from early adoption of Integrated Reporting are those with a falling share price, those looking to IPO in future years and companies looking to improve reporting due to negative feedback from the markets. For these types of businesses, expanding their access to capital is crucial and depends on enhanced communication beyond their existing shareholder group to previously unknown potential investors with limited knowledge of their business operations.

## Moving forwards with Integrated Reporting

Integrated Reporting takes a very different approach to narrative reporting. Understanding its full implications requires careful thought about how it should be applied to your unique business model and strategy. We are finding that many companies are interested in taking this first step as a basis for assessing the cost-benefit balance of moving forward on a voluntary basis.

Effective narrative reporting helps to shift investor focus from short-term earnings to long-term shareholder value creation. In the image above we have outlined a journey towards developing your corporate reporting, culminating in one fully integrated report.

Ultimately, though, this is about business making its case for capital in a more effective way – bridging the gap between management's value creation story and investors' assessment of business value and stewardship. Whether or not Integrated Reporting becomes incorporated into the regulatory agenda, this evolution in reporting should at the very least be on your radar.

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# Rethinking Shareholder Engagement in the Age of Activism

Would an activist investor be interested in our company? It's an important question for every board to ask today as the spectrum of "activist investors"– led by activist hedge funds, but increasingly joined by institutional investors and pension funds – widens and becomes more mainstream. Few (if any) major investors today are passive.

"There's real value in thinking like an activist investor," noted one of the 1,200 directors and executives attending KPMG's US Spring Roundtable Series, *Rethinking Shareholder Engagement in the Age of Investor Activism*. "Looking at the company through an activist investor's lens not only helps you be prepared for when an activist knocks, it also gives you a deeper understanding of the company's strengths and weaknesses. It raises everybody's game."

Equipped with extensive research, expertise, and a laser focus on corporate performance, many activist investors are stepping up their engagement with companies – on strategy and leadership, operational efficiency, capital allocation, corporate governance, and more.

While views are mixed on whether investor activism is good or bad for shareholders, it's clear from the dialogue and survey findings from KPMG's Roundtable Series that companies are increasing their engagement with shareholders and the investor community to better understand their company's vulnerabilities and opportunities through an investor lens.

Across 22 American cities, most roundtable attendees said their company has increased its level of engagement with its largest shareholders. Yet, more than 60 percent said the company has not conducted an activist vulnerability assessment, and half said the company has not developed a game plan for responding to activists.

"Just because you haven't been contacted doesn't mean your stock isn't being evaluated," noted one director. While only one in three roundtable attendees said their company has "faced an activist campaign in recent years," experts suggest that activists have likely analysed most US public companies.

As highlighted here KPMG's roundtable discussions offered timely insights and questions for boards to consider as they guide their companies forward in today's activist environment:

### Do we understand the activists' agenda?

Activism has generally moved beyond demands for structural governance reforms – e.g., majority voting, de-classifying staggered boards, independent chairman – and today is often focused more on strategy, operations, and management of the company.

As John Madden of Shearman & Sterling has noted, activist hedge funds often bring "a sophisticated analytical approach to critically examining corporate strategy and capital management and…[have] been able to attract the support of mainstream institutional investors, industry analysts and other market participants."

While some argue that this new "strategic/operational" activism has been largely short-term focused – and often at odds with management's view – opinions (and research) vary widely. When asked whether shareholders have generally benefitted from recent activist campaigns, 30 percent of roundtable attendees said "yes," 22 percent said "no," and 48 percent said the "results have been mixed."

### How are companies preparing for activism?

As one governance observer suggested, the key is to "think like an activist." Are we a likely target? Only 18 percent of roundtable attendees said their company has conducted a vulnerability assessment to identify performance gaps and opportunities that activists might focus on. (A number of investment banks now offer vulnerability assessments and advise companies on how to thwart activists.)

A vulnerability assessment, noted one director, "is worthwhile not only to consider how an activist might see the company, but also as a way of maintaining an independent, objective mindset and information flow that the board needs to have."

Roundtable discussions also emphasised the importance of assembling an activist response team – which may include corporate officers, counsel, investor relations, investment banker, proxy advisory firm, and a director – to develop a plan to deal with activists. And while assembling a response team can be expensive, the absence of such a team – and the structured, disciplined process it brings – can lead to missteps, including underestimating the gravity of the investor's overture, overlooking the full range of options, or reacting too quickly/emotionally in the heat of the situation.

### Do we know and engage with our largest shareholders?

Some 62 percent of the roundtable attendees said that, as a result of the activist environment, their company has increased its level of engagement with its largest shareholders. Internally, posing the following questions can help the company prepare for those conversations

- Have we clearly communicated the company's strategy and value creation opportunities?
- Do we understand the investor's perspectives?
- Have we solicited their input?

The goal is to establish credibility and gain the investor's support before an activist arrives.

"In general, smart shareholders – who are interested in long-term value – will bring valid issues to the company's attention," noted one panelist. "When good questions are asked, investor relations should surface those questions to management, and the board if necessary."

"Reach out to major investors periodically," suggested one executive. "Are you happy with the way we are deploying cash? Some investors are shocked when you actually ask for their perspective. But investors can be a valuable source of information and insight. Tap into it."

"Our investor relations head keeps me in the loop on investor activity – trading, stock volume, issues that are bubbling up," said one audit committee chair. "What kinds of questions is the IR team getting from the investor community? Who has our company on their radar? It's helpful to get IR's read on what's happening out there."

**How should we respond to an activist?**

Only about 28 percent of roundtable attendees said that their company has developed a game plan for dealing with activists, but given the likelihood that an activist will at least evaluate the company, having a plan in place is key. In considering how to respond, understand what the activist wants: Do they have a point? What are their tactics? What are the views of the company's major investors and the proxy advisory firms? What is our communications and social media strategy?

"Act and react with good business sense. Engage quickly, listen, and don't get ego involved," said one director. "And remember, you also have to stay focused on the business. An activist in your stock can make thousands of people completely distracted."

Clearly communicating the company's position, internally and externally is vital: "You have to communicate to thousands of people, including employees who are now really nervous. Be transparent and make sure the company's case is sound."

**Determine when and how directors should engage with major shareholders and activists.**

Which directors should engage? What issues should be discussed? Who else should attend? A number of roundtable panelists urged caution here: "It's complicated and fraught with danger for directors to engage an activist investor," said one director. "If directors meet with any investors, it should be primarily in 'listen mode.'"

It's clear from our roundtable dialogue that dealing with activists is "often more art than science," but the questions and considerations above can help remove some of the guesswork, avoid unpleasant surprises, and potentially strengthen the company's long-term performance.

**Article taken from KPMG US "Spring 2014 Audit Committee Roundtable Report"**

# Local regulatory update

As we head towards the winter solstice, the Companies Bill is on its way back to the Dáil, the EU Audit Regulations have been approved by the Council of Ministers and Ireland has to choose its Member State options. The Financial Reporting Council has been busy publishing its Corporate Reporting Review: Annual Report 2014, a revised UK Corporate Governance Code and a True and Fair Statement. The Central Bank of Ireland has also been busy during the period and there have been several developments in relation to financial services regulation.

## Companies Bill

The Companies Bill 2012 (the "Bill") completed the report and final stages in Seanad Eireann on 30 September 2014. The Bill will be sent back to Dail Eireann and it is expected that all 164 proposed amendments by the Seanad will be approved. It is anticipated that the Bill will be enacted in early 2015 and have a commencement date of 1 June 2015.

In Ireland, most companies are private companies limited by shares. The Bill, in making the new model company a private company limited by shares (CLS), recognises the vital role a CLS plays in promoting business in Ireland. Parts 1-15 of the Bill set out the law governing the CLS. Parts 16-25 deal with other company types (including, public companies and guarantee companies).

A CLS will now have a single constitution and will have the same legal capacity as a natural person. This will allow it unlimited capacity to undertake any business or activity. If a company wishes to vary this, then an alternative company, called a Designated Activity Company, is needed.

## EU Audit Reform (refer to article earlier in this publication)

Following the publication of the Directive and Regulation in the Official Journal of the EU, the Department of Jobs, Enterprise and Innovation is seeking the views of interested parties on:

- the use of Member State options under Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC
- the use of Member State options under Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts
- cost/benefits of the options or any other provision of the Regulation/Directive
- difficulties of legal interpretation
- practical operability issues
- any other aspect of the Regulation/Directive that interested parties may wish to raise.

Some of the options that Audit Committees may be interested in commenting on are as follows:

### Regulation

- Should Ireland impose a cap of less than 70 percent of audit fees to non-audit fees?
- Should Ireland take the option to prohibit additional non-audit services over above what is required in article 5 of the regulation?
- Article 11 requires that auditors report separately to the audit committee on their audit work; should Ireland take the option to require the submission of this report to the administrative or supervisory body of the audited entity?

### Directive

- Article 41.1 requires the establishment of an audit committee for each Public Interest Entity; should Ireland take the option to require the chairman of the audit committee to be elected annually by the shareholders?
- Article 41.6 allows member states to exempt certain Public Interest Entities from the obligation to have an audit committee; should Ireland take this option in any or all of the permitted instances?

The consultation document may be found here: **www.djei.ie/commerce/companylawlegislation/publications.htm**

## Financial Reporting Council (FRC) developments

*FRC's Corporate Reporting Review: Annual Report 2014 emphasises areas of reporting focus for boards*

The FRC's Corporate Reporting Review (CRR): Annual Report 2014, has found that corporate reporting by large public companies is generally of a high standard, particularly among FTSE 350 companies. However, the FRC continues to see a higher proportion of poorer quality accounts produced by smaller listed and AIM quoted companies. In April 2014, the FRC established a project to help improve the quality of reporting by smaller companies within the next three years.

The FRC's assessment is based on a review of 271 sets of reports and accounts in the year to 31 March 2014, of which 100 (37%) companies were approached for further information and explanation.

As well as summarising the FRC's findings, the report emphasises areas of reporting focus for Boards in the next reporting season. These include the need to:

- Assess the accounting effect of any changes in the structure of pension arrangements
- Analyse the effect of new accounting standards that will apply in the next few years, in important areas such as consolidation and revenue
- Take account of the FRC's press notice on 'Exceptional Items'
- Make a step change in the quality of disclosure of critical judgements and estimates around accounting policies
- Identify all the relevant intangible assets arising in recently acquired businesses.

The CRR report contributes to the FRC's Clear & Concise initiative by providing examples of where it has challenged companies on whether their reports contained immaterial or unnecessary disclosures. Read the CRR Report here:
**www.frc.org.uk/News-and-Events/FRC-Press/Press/2014/October/FRC's-Corporate-Reporting-Review-Annual-Report-emp.aspx**

*FRC updates UK Corporate Governance Code*
The FRC, on 17 September 2014, issued an update version of the UK Corporate Governance Code (the Code). The FRC has confirmed proposals for boards to include a 'viability statement' in the strategic report to investors. This will provide an improved and broader assessment of long-term solvency and liquidity. It is expected that this statement will cover a period significantly longer than 12 months. The Code has also been changed in relation to remuneration. Boards of listed companies will now need to ensure that executive remuneration is designed to promote the long-term success of the company and demonstrate more clearly to shareholders how this is being achieved. The revised Code will apply to accounting periods beginning on or after 1 October 2014.

The key changes to the Code include:

**Going concern, risk management and internal control**

- Companies should state whether they consider it appropriate to adopt the going concern basis of accounting and identify any material uncertainties to their ability to continue to do so
- Companies should robustly assess their principal risks and explain how they are being managed or mitigated
- Companies should state whether they believe they will be able to continue in operation and meet their liabilities taking account of their current position and principal risks, and specify the period covered by this statement and why they consider it appropriate. It is expected that the period assessed will be significantly longer than 12 months
- Companies should monitor their risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report
- Companies can choose where to put the risk and viability disclosures. If placed in the Strategic Report, directors will be covered by the "safe harbour" provisions in the Companies Act 2006.

**Remuneration**

- Greater emphasis is to be placed on ensuring that remuneration policies are designed with the long-term success of the company in mind, and that the lead responsibility for doing so rests with the remuneration committee
- Companies should put in place arrangements that will enable them to recover or withhold variable pay when appropriate to do so, and should consider appropriate vesting and holding periods for deferred remuneration.

**Shareholder engagement**

- Companies should explain when publishing general meeting results how they intend to engage with shareholders when a significant percentage of them have voted against any resolution.

Read the UK Corporate Governance Code September 2014 here: **www.frc.org.uk/News-and-Events/FRC-Press/Press/2014/September/FRC-updates-UK-Corporate-Governance-Code.aspx**

*FRC publishes 'True and Fair' Statement*

The FRC published, on 4 June 2014, a statement reconfirming that the presentation of a true and fair view remains a fundamental requirement of financial reporting. In October 2013, the Department for Business, Innovation & Skills (BIS) and the FRC confirmed that the current legal framework in the UK requires companies to present a true and fair view. Consistent with this, the FRC published an updated statement on the application of the true and fair requirement under International Financial Reporting Standards (IFRS) and UK GAAP. A previous statement was issued in 2011.

The new statement reflects developments in UK GAAP, the now finalised European audit legislation, the legal advice obtained and published by the FRC in October 2013, and feedback from stakeholders seeking clarity as to the primary requirement to present a true and fair view.

In the vast majority of cases a true and fair view will be achieved by compliance with accounting standards and by additional disclosure to fully explain an issue. However, where compliance with an accounting standard would result in accounts being so misleading that they would conflict with the objectives of financial statements, the standard should be overridden. The FRC will continue to discharge its responsibilities in relation to the monitoring and enforcement of reporting on that basis. Read the True and Fair – June 2014 statement here:
**www.frc.org.uk/News-and-Events/FRC-Press/Press/2014/June/FRC-publishes-'True-and-Fair'-statement.aspx**

## Financial services

*Introduction of European Markets Infrastructure Regulations (EMIR) in Ireland*

The European Union (European Markets Infrastructure) Regulations 2014 (S.I. No. 443 of 2014) were issued on 10 October 2014. The Regulations govern how EMIR is going to be supervised and enforced in Ireland. The Central Bank of Ireland has been appointed as the national competent authority and it has advised how it intends to supervise compliance with EMIR.

Financial counterparties will be supervised as part of the PRISM framework and non-financial counterparties will have to submit a regulatory return attesting compliance with EMIR. The Regulations provide for an exemption from the requirement to submit the regulatory return for certain non-financial counterparties, subject to meeting certain criteria, and instead these counterparties will be subject to themed inspections of EMIR.

Under the Regulations certain powers have been conferred on the Central Bank of Ireland, which include;

- the power to appoint third party assessors to objectively assess whether the EMIR regulatory return has been compiled properly
- the power to appoint a reviewer to prepare an objective report on matters specified by the Central Bank of Ireland
- the power to appoint an assessor to investigate and decide on sanctions
- the power to issue directions in writing to all counterparties
- the power to issue contravention notices (only to non-financial counterparties).

For further information see the CBI website here:
**www.centralbank.ie/regulation/EMIR/Pages/EMIRRegulation.aspx**

*Loan Originating AIFs (Alternative Investment Funds)*

On 18 September 2014, the Central Bank, in a ground-breaking move, finalised the framework permitting QIAIFs (Qualifying Investor Alternative Investment Fund) to directly originate loans. This development results in Ireland being the first jurisdiction in Europe with a regulatory framework to allow funds to engage in corporate lending activity. It is felt that this initiative will provide small and medium sized enterprises with a valuable source of alternative funding and will attract funds to establish in Ireland, in order to provide this facility.

The Central Bank has indicated that it will accept applications for the authorisation of loan originating funds from 1 October 2014. Application forms will be made available in advance of this date. The additional requirements, which these funds are subject to, have been incorporated into the Chapter 2, Part II, Section 4 of the AIF Rulebook and a final version of the AIF Rulebook is available on the Central Bank's website.
**www.centralbank.ie/regulation/industry-sectors/funds/aifmd/Pages/default.aspx**

*Undertakings for collective investment in transferable securities (UCITS) V*

The UCITS V Directive was published in the European Union's Official Journal on 28 August 2014. It will affect the existing regulatory framework for UCITS in three main areas, namely: (i) the role of the depositary; (ii) remuneration; and (iii) sanctions. In particular, UCITS V clarifies and strengthens the depositary function, in addition to aligning the UCITS legislation with certain aspects of AIFMD.

Member states have until 18 March 2016 to transpose UCITS V into national law. UCITS V also requires ESMA (European Securities Market Authority) to draft guidelines clarifying the exact scope of the UCITS V remuneration requirements and their practical application. These guidelines will be preceded by a public consultation, which should take place over the coming months.

*Irish Collective Asset-management Vehicle (ICAV) Bill*

The Irish Collective Asset-management Vehicle (ICAV) Bill was published on 30 July 2014. The next step is the enactment of the legislation which is expected to happen before the end of 2014. The ICAV is a new corporate structure for Irish investment funds which can be used for both UCITs and AIFs. The ICAV enhances Ireland's attractiveness for the establishment of investment funds by providing two principal benefits

- a tailor made corporate structure which will disapply elements of company law not appropriate to an investment fund
- a regulated corporate fund structure which is more tax efficient for US investors.

The ICAV will retain investment fund characteristics but will not be subject to company law, so for example, it will not be required to include all the accounts of all sub-funds in the financial statements. Another noteworthy feature is that existing funds may convert or redomicile to the new structure. One of the key features of an ICAV is that it can elect to be classified as an "eligible entity" which can allow it be treated as a partnership for US tax purposes. This would mean that the vehicle would be attractive to US investors from a tax perspective.

*Alternative Investment Fund Managers Directive (AIFMD)*

The transition period for AIFMD expired on 22 July 2014. At that date the Central Bank had authorised 64 alternative investment fund managers and a further 35 managers had gone through the registration process.

The Central Bank has issued guidance on AIFMD reporting, both regulatory reporting (as set out in Annex IV of Commission Delegated Regulated 231/2013) and prudential reporting. The contents of this regulatory report are all-encompassing, covering both the AIFM and the AIFs, and including items such as investment strategies, mark to market values, exposures, portfolio concentration, total value of assets under management, principal markets and instruments in which investments are made, plus detailed information on the funds' risk profile, whereas prudential reporting covers capital reporting. Details of the guidance and accompanying templates are available on the Central Bank of Ireland's website. **www.centralbank.ie/regulation/marketsupdate/Pages/AIFMD.aspx**

**Summary of relevant CBI Guidance**

| Date | Title | Closing date | CP Number | Status |
|---|---|---|---|---|
| 7 Oct 2014 | **Macro-prudential policy for residential mortgage lending**<br><br>Proposals to introduce regulations placing ceilings on high loan-to-value and high loan-to-income mortgage lending. | 08/12/2014 | CP87 | Active |
| 7 Mar 2014 | **Consultation on Fund Management Company Effectiveness-Delegate Oversight**<br><br>The paper sets out a number of proposed initiatives which are designed to underpin the achievement of substantive control by fund management companies, acting on behalf of investment funds, over the activities of their delegates. | 12/12/2014 | CP86 | Active |

# Financial reporting update

This section provides an overview of the key developments in IFRS and UK/Irish GAAP since our last edition.

## Overview

The period since the last edition of the Quarterly has seen numerous developments in UK and Irish GAAP. The Financial Reporting Council (FRC) published an amended version of the Financial Reporting Standard for Smaller Entities (FRSSE) for use by micro entities (FRSME), updated SORPs were introduced for LLPs and Charities and a number of editorial amendments were made to FRS 102.

Meanwhile the IASB issued a number of standards and amendments during the period, some of which will be effective for the year ending 31 December 2014.

## New Irish and UK GAAP

*FRSME*

On 29 April 2014, the FRC published an amended version of the Financial Reporting Standard for Smaller Entities (FRSSE) for use by micro-entities (FRSME) in the UK in respect of financial years ending on or after 1 September 2013 (The UK has adopted the Small Companies (Micro-Entities' Accounts) Regulations 2013 into Company Law. However Ireland does not currently have a regime in Company Law for micro entities and has not yet adopted the regime into Company Law). Entities that meet the size criteria of the FRSME[1] will now be able to use the amended FRSSE and prepare simplified financial statements with fewer disclosures than previously required.

*FRSSE*

On 31 July 2014, the FRC published an amended version of the Financial Reporting Standard for Smaller Entities. The amended FRSSE[2] contains the amendments that had been previously published by FRS 100 Application of Financial Reporting Requirements. The amended FRSSE will supersede the FRSSE that had previously come into effect on 1 April 2008, and will have an effective date of 1 January 2015.

*Updated SORPs issued*

The introduction of the new GAAP regime under FRS 102 for accounting periods on or after 1 January 2015 means that updated versions of Statements of Recommended Practice (SORPs) need to be issued. As part of this process updated SORPs have been issued for LLPs and Charities. The LLP SORP is available on the CCAB's website at the following link: **www.ccab.org.uk/documents/LLPSORPFinal.pdf**. For charities, there are two SORPs, one based on FRS 102 and the other on the FRSSE (for eligible small charities) applicable for accounting periods beginning on or after 1 January 2015. The Charities SORPs are available on the Charity Commission's website at the follwoing link: **www.charitysorp.org/download-a-full-sorp**.

## Editorial amendments and clarification statements

Following the publication of FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland by the FRC, during the quarter it has issued the following editorial amendments (continued below) to that standard.

The FRC has published further detail on the below amendments on the FRC website which can be accessed at the following link: **www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/The-future-of-UK-GAAP.aspx** and by viewing the FRS 102–editorial amendments and clarification statements section.

**Editorial amendments and clarification statements**

| Date | Title | Closing date |
|---|---|---|
| 7 Aug 2014 | Section 11 *Basic Financial Instruments* | This editorial amendment has updated the previous amendment regarding presentation requirements for financial instruments when an entity chooses to apply the recognition and measurement provisions of IAS 39 or IFRS 9 and/or IAS 39 which was published on 19 March 2014. This editorial amendment has been incorporated into the August 2014 edition of FRS 102. |
| 7 Aug 2014 | Section 12 *Other Financial Instruments Issues* | This editorial amendment has updated the previous amendment regarding presentation requirements for financial instruments when an entity chooses to apply the recognition and measurement provisions of IAS 39 or IFRS 9 and/or IAS 39 which was published on 19 March 2014. This editorial amendment has been incorporated into the August 2014 edition of FRS 102. |
| 17 Sep 2014 | Section 12 *Other Financial Instruments Issues* | Editorial amendment to correct a numerical error in Appendix to Section 12: Examples of hedge accounting. |

1. A micro-entity is a company which meets any 2 of the following 3 criteria: (i) Revenue less than £632,000; (ii) Total assets less than £316,000; and (iii) average number of employees during the year less than 10
2. A small entity is a company which meets any 2 of the following 3 criteria: (i) Revenue less than £6.5 million (€8.8 million), (ii) Total assets less than £4.4 million (€3.25 million); and (iii) average number of employees during the year less than 50.

*Ongoing Projects*

The FRC has a number of ongoing projects in respect of new UK and Irish GAAP which are set out below.

Further detail on the ongoing projects being undertaken by the FRC can be accessed at the following address: **www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/The-future-of-UK-GAAP/On-going-Projects.aspx**

## IASB activity

*New IFRS standards*

The following new IFRS standards and amendments were published by the IASB since our last update.

KPMG publications summarising these standards are available at the addresses below:

- Accounting for acquisitions of interests in Joint Operations (KPMG In the Headlines publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Pages/ITH-2014-07.aspx**

- Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38) (KPMG In the Headlines publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Documents/ITH-2014-08.pdf**

- Agriculture: Bearer plants (amendments to IAS 16 and IAS 41) (KPMG In the Headlines publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Pages/ITH-2014-12.aspx**

- Equity method in separate financial statements (proposed amendments to IAS 27) (KPMG In the Headlines publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Documents/ITH-2014-14.pdf**

- Sale or contribution of assets between an investor and its associate or joint venture (proposed amendments to IFRS 10 and IAS 28) (KPMG In the Headlines publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Documents/ITH-2014-17.pdf**

- Annual Improvements 2012 to 2014 (KPMG Balancing Items newsletter)

  **www.kpmg.com/global/en/issuesandinsights/articlespublications/ifrs-newsletters/documents/bi-newsletter-2014-07.pdf**

- IFRS 15 Revenue from contracts with customers (KPMG First Impressions publication)

**Ongoing projects**

| Project | Status |
|---|---|
| *FRED 55: Draft amendments to FRS 102 – Pension obligations* | FRED 55 was issued on 20 August 2014 proposing to amend FRS 102 pension obligations to clarify that:<br>(i) UK and Irish GAAP does not include all the complexities of IFRS; no additional liabilities need be recognised in respect of a 'schedule of contributions' that has been agreed in order to address a deficit in the plan; and<br>(ii) Consistent with current practice, the effect of restricting the recognition of a surplus in a defined benefit plan, where the surplus is not recoverable is recognised in other comprehensive income, rather than profit or loss.<br>The comment period closes on 21 November 2014. |
| *Accounting standards for small entities – Implementation of the EU Accounting Directive* | On 1 September 2014, the FRC issued this consultation document to propose the introduction of a new accounting standard for micro-entities (FRSME). In addition, it proposes to withdraw the FRSSE and introduce a new section into FRS 102 setting out the requirements for small entities such that measurement and accounting will be in accordance with FRS 102 and presentation and disclosure requirements in accordance with company law.<br>The comment period closes on 30 November 2014. |

**IASB activity**

| Standard or amendment | Date issued | Effective date |
|---|---|---|
| Accounting for acquisitions of interests in Joint Operations (amendments to IFRS 11) | May 2014 | 1 Jan 2016* |
| Clarification of acceptable methods of depreciation and amortisation (amendments to IAS 16 and IAS 38) | May 2014 | 1 Jan 2016* |
| Agriculture: Bearer plants (amendments to IAS 16 and IAS 41) | June 2014 | 1 Jan 2016* |
| Equity method in separate financial statements (proposed amendments to IAS 27) | August 2014 | 1 Jan 2016* |
| Sale or contribution of assets between an investor and its associate or joint venture (proposed amendments to IFRS 10 and IAS 28) | Sept 2014 | 1 Jan 2016* |
| Annual improvements 2012 to 2014 (amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34) | Sept 2014 | 1 Jan 2016* |
| IFRS 15 Revenue from contracts with customers | May 2014 | 1 Jan 2017* |
| IFRS 9 Financial Instruments | July 2014 | 1 Jan 2018* |

*Please note this standard has not yet been endorsed for use by IFRS as adopted by the EU.

**www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/first-impressions/Pages/first-impression-revenue-2014.aspx**

- IFRS 9 Financial Instruments (KPMG First impressions publication)

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/first-impressions/Documents/first-impressions-IFRS9.pdf**

In addition the following IFRSs and narrow scope amendments to IFRSs are expected to be issued by the IASB:

| IFRS - Narrow scope amendment or Interpretation | 2014 Q4 | 2015 Q3 |
|---|---|---|
| *Amendments to IAS 1 (disclosure initiative)* | ✓ | |
| *Investment entities: applying the consolidation exception (amendments to IAS 28 and IFRS 10)* | ✓ | |
| *Leases* | | ✓ |

## IASB exposure drafts and discussion papers

The following exposure draft was published by the IASB during the period since the last edition of ACQ:

- Exposure Draft: Investment entities – applying the consolidation exception (proposed amendments to IFRS 10 and IAS 28). The Exposure Draft proposes to provide clarification about the application of the requirement for investment entities to measure subsidiaries at fair value instead of consolidating them.

A KPMG publication summarising the amendments in respect of Investment entities is included below:

- In the Headlines: Applying the investment entities exception

  **www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Documents/ITH-2014-11.pdf**

Further exposure drafts expected are as follows:

| Exposure draft | 2014 Q4 | 2015 Q1 | 2015 Q2 |
|---|---|---|---|
| Elimination of gains or losses arising from transactions between an entity and its associate or joint venture (proposed amendments to IAS 28) | ✓ | | |
| Clarifications of classification and measurement of share based payment transactions (proposed amendments to IFRS 2) | ✓ | | |
| Reconciliation of liabilities from financing activities | ✓ | | |
| Classification of liabilities (Proposed amendment to IAS 1) | | ✓ | |
| Annual improvements cycle 2014 – 2016 (IFRS 1: Short term exemptions for first time adopters). | | | ✓ |

## Newly-effective IFRSs for 2014

Preparers and users will have a busy year ahead as the significant task of implementing the first wave of new standards that will become effective in the period 2014-2015 begins. The IFRS standards as adopted by the European Union that are effective for the first time for annual periods beginning 1 January 2014 are:

- IFRS 10: Consolidated financial statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosures of interests in other entities
- IAS 27: Separate financial statements (2011)
- IAS 28: Investments in Associates and Joint Ventures (2011)
- Amendments to IAS 32: Offsetting financial assets and financial liabilities
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment entities
- Amendments to IAS 36: Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39: Novation of derivatives and continuation of hedge accounting.
- IFRIC 21: Levies

(Note: all of the above amendments are also effective for IASB IFRS with the exception of the consolidation suite i.e. IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 which were effective for the year ending 31 December 2013)

A KPMG publication providing an overview of newly-effective IASB IFRSs is available at:

**www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/In-the-Headlines/Documents/ITH-2014-16.pdf**

# Events

Throughout the year the Audit Committee Institute hosts a number of informative seminars and training sessions.

A lunch seminar, focused on Gender diversity, was hosted by the Audit Committee Institute, took place on 29 May 2014 at The Westin Hotel in Dublin. The keynote speaker was Vivienne Jupp, who is among other things, the Chairman at CIE Group, a Board member of the Irish Hospice Foundation, Founder of the Board Diversity Initiative (2010) and a member of the Emeritus Board of the Michael Smurfit School of Business at UCD. Prior to all of this, she worked with Accenture for 32 years, becoming the first female partner in Europe in 1988 and for 12 years was their Global Managing Director.

Over 70 guests enjoyed hearing her share her perspectives on how to address gender diversity in the workforce and encourage more females through the ranks to senior positions in Irish companies


Left to right: Darina Barrett, *Head of Financial Services Markets*, KPMG; Shaun Murphy, *Managing Partner*, KPMG; and quest speaker and Vivienne Jupp.

Pcitured at the recent Audit Committee Lunch, left to right: Pat Ryan, Suzanne Cody, and Robert Woods

## Upcoming event(s)

Regulatory Update -

New Investment Management Legislative Changes

**Chairperson:** Heleen Rietdijk

**Date:** Tuesday, 20 January 2015

## Audit Committee Handbook

The Audit Committee Institute launched an updated version of the Audit Committee Handbook in late 2013. This publication, written for both the Irish public and private sectors, highlights the Audit Committee's role and provides guidance to help Audit Committees gain a better understanding of the processes and practices that help create effective Audit Committees. The guide is designed to be an easy reference guide to a range of topics from the Irish regulatory landscape to the duties of audit committees and communications with shareholders. The guide is available for download at **www.auditcommitteeinstitute.ie/audit-committee-handbook.htm.**
Word versions of the various questionnaires, and other appendices, which can be customised to the companies specific circumstances are also included.

## Annual survey questionnaire

The questionnaire for the 2014 ACI Global Audit Committee Survey was launched in September 2014 and closed in late October 2014. We thank members for their strong participation in again this year. Results of the survey will be published on the KPMG website in early 2015.

For previous editions of the Global Audit Committee Survey findings please refer to the ACI International Publications page at **www.auditcommitteeinstitute.ie/publications-international.htm.**

## ACI Publications since Quarterly 27

- Audit Committee Reports – External Audit Effectiveness June 2014

  **www.kpmg.ie/aci/documents/external-audit-effectiveness.pdf**

- Global Boardroom Insights July 2014

  **www.kpmg.ie/aci/documents/aci-gbi-4-audit-committee-effectiveness.pdf**

- Audit Committee Reports – A survey of 2013 annual reports August 2014

  **www.kpmg.ie/aci/documents/aci-disclosures-survey.pdf**

- UK Corporate Governance Code October 2014

  **www.kpmg.ie/aci/documents/uk-corporate-governance-oct-2014.pdf**

## Let us know what you think

We are always grateful for feedback regarding topics for breakfast seminars, roundtables and Quarterly.

Let us know what you would like covered by phoning us at +353 (1) 410 1160 or e-mailing us at aci@kpmg.ie.

## Events

For details of future events go to **www.kpmg.ie/aci.**

## Training certificate

If you wish to receive a training certificate in relation to attendance at the ACI events, please e-mail us at aci@kpmg.ie or phone us at +353 (1) 410 1160.

## ACI International

The Audit Committee Institute, sponsored by KPMG, is an international initiative with thousands of members sharing resources across borders. A list of affiliated sites is available at

**www.auditcommitteeinstitute.ie/aci-international-sites.htm.**

Many members of ACI in Ireland are board members of international companies, or often spent a significant amount of time in other jurisdictions. Please feel free to follow the links of our affiliated members in order to register for publications from or events in their countries.

For ease of reference registration for ACI UK can be achieved by emailing auditcommittee@kpmg.co.uk. Registration for ACI US can be achieved by following the instructions at

**www.kpmginstitutes.com/aci/insights/2012/about-audit-committee-institute-aci.aspx.**

## Contact us

If you have feedback on this issue or would like to suggest a topic for a future edition, please contact:

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