KPMG

AUDIT COMMITTEE INSTITUTE

Quarterly 30

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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 1,300 members. For more information on the activities of the ACI, please visit our website at: www.kpmg.ie/aci.

Contents

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:

- Understanding cyber risk
- 'New GAAP' – a revolution in financial reporting
- Data & Analytics – hindsight to insight to foresight
- 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.

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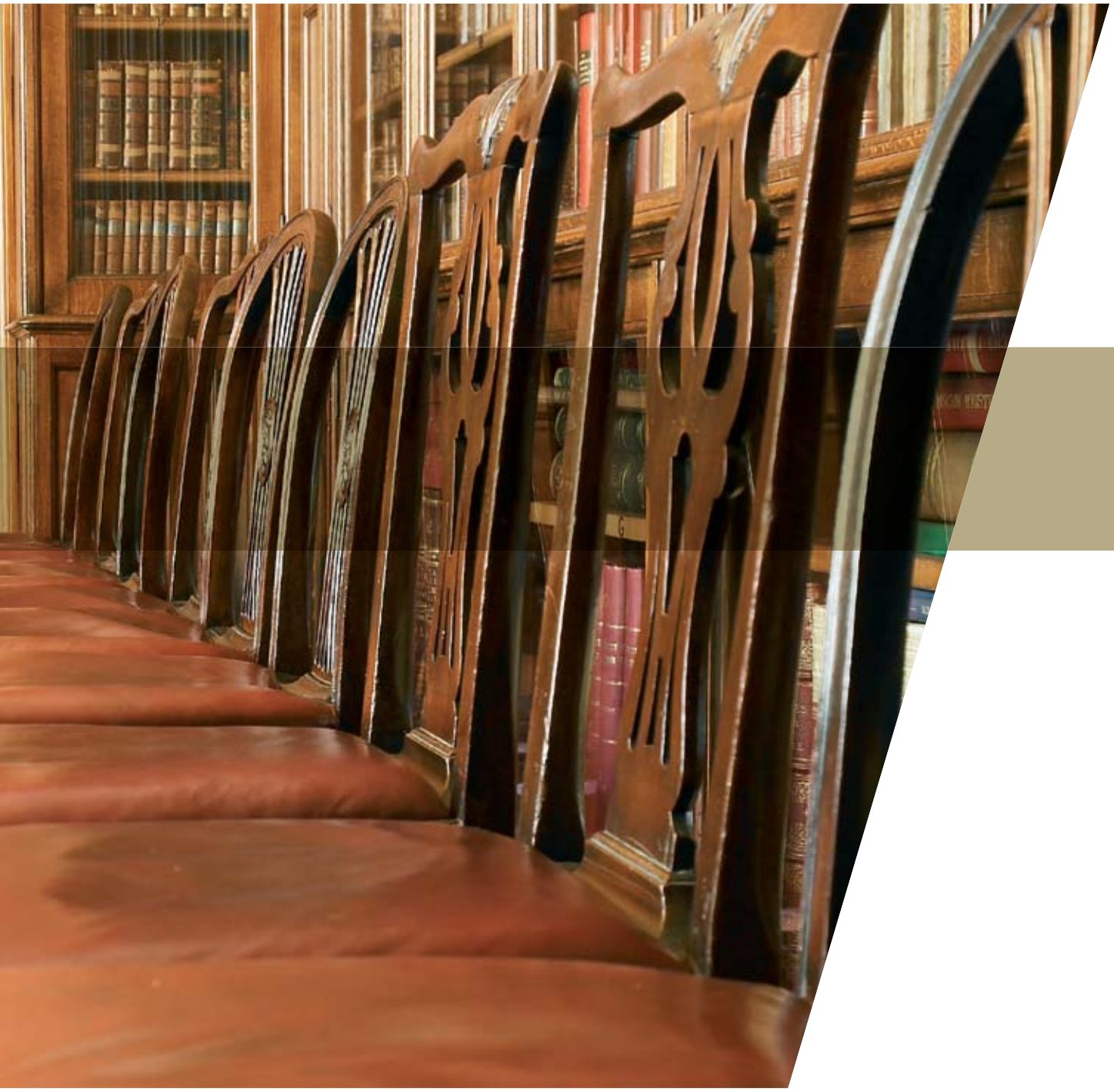
Understanding cyber risk

Ignoring or delegating cyber security is no longer an option for senior decision makers and directors. As recent events have shown, if you consider that cyber security is solely an IT problem, then you probably don't understand the risks. Cyber risk is a Boardroom issue requiring an insight-based, risk-focused and predictive management strategy.



It is often said that in a world where everything is interconnected, data is the new currency. The rapid pace of technological change has blurred the traditional boundaries of organisations and their information systems and success can only be achieved through working alongside multiple third parties. In light of some recent cases, the very clear risk to organisations is losing control of essential data and systems which are critical to safeguarding the company's business. As networks continue to expand, cybercrime has grown in scale and sophistication, and the stakes are higher than ever before.

Reputational risk

A recent survey by KPMG found that many organisations lack the proper insights, both in terms of external threats and what's at stake for their organisations. This represents not just a serious impediment to the proper management of risks but extends into areas such as loss of data or damage to systems as well as the potential loss of investor and consumer confidence. Such reputational damage could have far-reaching consequences for many organisations and is one of the reasons why the issue needs to be moved into the Boardroom.

Perhaps surprisingly, the KPMG survey found that 53 percent of executives believe their organisation is able to detect ongoing cyber-attacks. However, 53 percent state that the Board considers cyber security a technical issue and 59 percent are not convinced or do not know whether their service providers understand how to defend against cyber-attacks.

The threat to investment is real. A further KPMG survey of global institutional investors found that 79 percent of investors would be discouraged from investing in a business that has been hacked and that they believe less than half of

the Boards of the companies they currently invest in have adequate skills to manage cyber risk.

In addition, they believe that 43 percent of board members do not have the skills and knowledge to manage innovation and risk in the digital world.

Cutting through the jargon

Information processes about threats, risks and solutions tend to be dominated by technological buzz words. The combined effect of this contributes to a sense of mystery around what cyber security means for directors and can cause confusion. Many senior decision makers struggle to grasp what is really happening. Decoding the language of the security industry is essential in helping to understand what is at stake. To effectively deal with the issue of cyber-crime, we must place more focus on the potential pitfalls and technical specialists should not dominate the field.

Furthermore, companies appear to struggle when measuring the return on security investments, with 39 percent of respondents not monitoring the aggregate damage, direct and indirect, of a cyber-attack. Among large enterprises, this figure is even higher with 50 percent of respondents having no insights into the damage.

Preparing a strategy

A cyber security strategy should be a cost-effective control of the cyber environment and should address the tangible domains of people, processes and technology.

The best way to do so is to put the user experience – not the technology – at the centre of the approach. Cyber security is not about tools and technologies; it is about people using those tools and technologies in a user-friendly, natural way. Professionals working in the security domain have a responsibility here: they should not focus solely on the technology. The skills to communicate about the issue in a broader sense in terms of people, processes and technology are essential.

Cyber security concerns all employees in an organisation and should not be delegated to a group of specialists. It is an attitude, not a department, and to drive and maintain awareness the right tone at the top is equally important. People often think of cyber-attacks as arising from outsiders hacking in. But it is a much broader issue than that. It can be internal or external – data is stored on many different portable media and devices and security can be compromised either accidentally or intentionally.

There are a number of steps that organisations can take to prepare for and mitigate these risks. The first relates to governance. A governance strategy around security and incident management is key – who is responsible for it and what are the reporting protocols? They also need to establish a firm-wide cyber risk management framework that has adequate scope for staffing and budget. After that the risks to be avoided, accept, mitigated, or transferred need to be identified and specific plans associated with each approach put in place. In summary, boards need to consider the following to be cyber secure:

1. This is not solely an IT problem. Board directors need to understand and approach cyber security as a business risk issue.
2. Directors need to understand the legal implications of cyber risks as they relate to their company's specific circumstances.
3. Boards should have sufficient cyber security expertise, and discussions about cyber risk management should be given regular and adequate time on the boardroom agenda.
4. Directors should set the expectation that management will establish a company-wide cyber risk management framework that has adequate scope for staffing and budget.
5. Discussions of cyber risk should include identification of which risks to avoid, accept, mitigate or transfer, as well as specific plans associated with each approach.

With the pace of technological change and the increasing range of devices creating new points of attack all the time, there is no guarantee that any strategy will be totally effective. However, if an organisation has the right processes in place, it will know when an attack has taken place and when data has been compromised, and will be able to respond accordingly. Ultimately, all organisations can do is have the right governance, strategies and processes in place to ensure that they keep pace with the changes and are able to respond to attacks and deal with security issues whenever they might arise. Boards also need to demonstrate to investors and customers that they are taking cyber security seriously and this means boards elevating cyber risks higher up the agenda and investing more time on it.

Article by

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‘New GAAP’ – a revolution in financial reporting

The introduction of the FRC’s New GAAP regime is the biggest financial reporting change for non-listed companies in a generation. New GAAP replaces the previous, long-standing UK accounting standards and includes a number of separate accounting frameworks. Much of their effect will be comfortable and familiar, but there is also much change. The introduction of the new regime will mean changes for most corporate and non-corporate entities which many will find daunting and will, in many respects, mirror the challenges that listed entities faced 10 years ago with their transitions to IFRS.

The Audit Committees of both listed and non-listed entities will need to keep a keen interest in management's plans for conversion, including understanding the framework choices available and the manner in which management has made its proposed selection; governance over the conversion process; and ensuring that the commercial implications of transition have been appropriately considered.

Highlights of the New GAAP Framework

- All existing UK and Irish GAAP standards – SSAPs, FRSs and UITFs – have been withdrawn
- FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland – a standard which is in many ways relatively similar to existing Irish and UK GAAP – will be the natural choice for the majority of entities
- Alternatively, FRS 101 Reduced Disclosure Framework – a standard that uses virtually all the same recognition and measurement rules as EU IFRS but which allows significantly reduced disclosures in a number of areas – is available for use in the single entity financial statements of qualifying subsidiaries where the Group prepares its consolidated financial statements under IFRS. This will allow Groups apply a single set of policies but with more manageable disclosure requirements
- The FRC has also introduced FRS 103, dealing with Insurance contracts, FRS 104, dealing with Interim Reporting, and FRS 105 for micro entities, each of which will be significant to a certain cohort of companies
- Small entities can initially apply an amended FRSSE which is very similar to the existing FRSSE with a small number of key amendments. However, this is a very short term option as the FRSSE will be replaced for periods beginning on or after 1 January 2016 by either FRS 102, with a different disclosure regime for small entities, or the micro-entities standard, FRS 105
- All entities will be entitled to voluntarily apply EU IFRS. It is worth noting that the changes being introduced will not broaden the scope of entities required to adopt EU IFRS
- Many entities will face increased complexity with regard to measurement – particularly as a result of increased use of fair value measurement for some items – with new assets or liabilities and new items of income and expense in their financial statements
- New disclosure requirements will also provide challenges
- The transition will present a number of key commercial considerations which need to be addressed and planned for, particularly in respect of multi-year commercial arrangements and tax planning considerations
- Transition is required for periods beginning on or after 1 January 2015 with restatement of comparative information
- Some key transition options and choices are available.

How does transition work?

The restatement of financial statements under one of the new frameworks involves a number of key steps:

1. Selecting the appropriate accounting framework: entities will need to evaluate the option available to them, examine the recognition, measurement and disclosure impacts associated with each and consider the consistency requirements of Company Law (see overleaf)
2. Determining the date of transition: For most, this will be the first date of the comparative period – for example it will typically be 1 January 2014 for a company which uses 31 December as its annual reporting date
3. Examining the transition date requirements which allow certain options and other

mandatory requirements at that date

4. Recognising all assets and liabilities whose recognition is required by the selected new framework
5. Derecognising all assets or liabilities whose recognition is not allowed
6. Reclassifying assets, liabilities, or components of equity as required
7. Applying the selected new framework in measuring all recognised assets and liabilities
8. Consider estimates and judgements appropriate to the new framework: Previous estimates made under the outgoing standards cannot be arbitrarily revisited. However, new policies will require some new judgements where an estimate was not required under old GAAP
9. Re-drafting accounting policies
10. Re-crafting financial statements in the format and with the disclosures required under the new framework adopted.

Understanding and evaluating the available options

The new framework builds neatly around four options and two frameworks. Many entities will have more than one choice available.

Entities that are already required to apply EU-IFRS by applicable law and regulation continue to do so. Other entities are able, subject to eligibility, to choose to prepare their financial statements in accordance with EU-IFRS, FRS 101, FRS 102 (including, when relevant, FRS 103), the FRSSE (replaced for periods beginning on or after 1 January 2016 by FRS 102 with a different disclosure regime for small entities), or the micro-entities standard (FRS 105). For subsidiaries of entities preparing EU-IFRS consolidated financial statements, the application of FRS 101 in particular allows the use of accounting policies that are more consistent with those of the group, without the perceived burden of applying the full disclosure requirements of EU-IFRS.

The "best-fit" depends on large part on the entity's circumstances and the nature of the audience for its financial statements.
A number of factors will need careful consideration:

- Stakeholder needs and expectations, including those of banking and other funding counterparties
- Peer Group comparison requirements
- Medium or long term listing or other financing considerations
- Appetite for disclosure
- Specific treatments applicable to particular assets, liabilities or key transactions which may differ between available framework choices.

The frequency of changes to the various frameworks is also a relevant factor in the decision: EU IFRS / FRS 101 is likely to have more frequent changes as new and amended standards modify requirements. With FRS 102, the FRC has guided that the standard is to be updated only every three years.

Groups will also need to note that the Companies Act requires a parent to ensure that the individual financial statements of the parent and all Irish subsidiaries use the same framework unless there is "good reasons" for not doing so. However, there are three options within the Companies Act Accounts framework. So for example, some subsidiaries in a group could adopt FRS 101 whilst others adopt FRS 102 or FRSSE and not fall foul of the consistency rules since all are Companies Act accounts.

Potential options for different types of entities

	Companies Act Accounts			IFRS Accounts
	FRSSE**	FRS 101	FRS 102	EU IFRS
Listed group				✓
Consolidated financial statements for large/medium Irish/UK privately owned group			✓	✓
Irish/UK subsidiary of large/medium privately owned Irish/UK group (group financial statements prepared under FRS102)		✓	✓*	
Irish/UK subsidiary of large/medium privately owned Irish/UK group (group financial statements prepared under EU IFRS)		✓	✓*	✓
Irish/UK subsidiary of EU listed parent applying IFRS in consolidated financial statements (with group reporting under EU IFRS)		✓	✓*	✓
Irish/UK subsidiary of US listed parent applying US GAAP in consolidated financial statements		✓	✓*	✓
Small privately owned Irish/UK Group	✓		✓	✓

** Reduced Disclosures may be available where the criteria are met*
*** FRSSE will be replaced for periods beginning on or after 1 January 2016 by FRS 102 with a different disclosure regime for small entities or the micro-entities standard, FRS 105.*

Where will the big changes arise?

The extent of the issues individual entities will be required to address will vary greatly, depending on their individual facts and circumstances. However, the following example areas will have broad based impacts across a range of entities:

Area	Selected example impacts
Business combinations and consolidation	Changes to definition of a business and control model; More intangibles are likely to be separately recognised from goodwill and amortisation periods are likely to be shorter; Deferred tax on fair value adjustments and other differences.
Financial assets and liabilities	Increased use of fair value: all derivatives recognised on balance sheet at fair value with optional hedge accounting potentially available where criteria met; Equity investments generally at fair value; Intragroup loans – may need to adjust carrying values and recognise notional interest.
Leases	Potential for changes to lease classification; Lease incentives recognised over the lease term; Arrangements that do not take the form of leases may contain "Embedded leases" to which lease accounting may apply e.g. Outsourcing arrangements.
Foreign Currency	More specific rules associated with the determination of functional currency may drive changes for certain entities, particularly entities with a narrow focus; no longer permitted to record FX monetary assets and liabilities at contracted rates – this may in particular impact on reported revenue and costs for entities with international trade.
Employee Benefits	Liability for untaken holiday pay / sick pay which can be carried forward must be accrued; pension accounting changes.
Taxation	Generally, more deferred tax will be recognised in large part because fewer exemptions are available; R&D tax credit recognised "above the line".

In addition to recognition and measurement changes, New GAAP will bring new disclosures in all financial statements in a number of areas, with additional detail, judgement and sensitivities to be considered.

Governance over the conversion process

A well-structured conversion plan needs to involve a considered series of steps from setting about trying to understand how the changes in standards will affect each set of financial statements through to having a fully signed-off set of restated financial statements for the first reporting period. Transition should also result in putting the new reporting framework at the heart of the business's performance measurement and business reporting structures.

A multi-disciplinary approach with appropriate governance and reporting – incorporating tax, IT and technical training expertise – is required if the transition is to be effective. The Audit Committee should challenge management to ensure that all such aspects are addressed and that appropriate resources are put in place to complete the project effectively.

Retaining current management reporting policies and using workarounds and late 'top-side' adjustments to prepare financial statements will often be regarded as a preferred option of management. However, such practices create increased potential for unexpected issues and surprises and should be avoided where possible.

And finally … it's more than just accounting

Preparing financial statements in compliance with the new framework is only one part of the story. It's important to look at the conversion in a broader context and address all areas of impact as part of the transition project.

The potential effect on commercial arrangements, accounting systems, staff training, taxation and other arrangements such as loan covenants and the potential effect on distributable profits must also be addressed.

The Audit Committee should ensure management's plans appropriately consider the following:

1. Commercial considerations

- Cash tax impact – taxable profits may be increased (for example, as result of recognising fair value movements as part of reported earnings)
- Existing tax planning strategies may need to be reassessed
- Distributable profits and dividend policy may be affected
- Debt agreements or facilities may be impacted, particularly with respect to covenants
- Other agreements – leases, remuneration and bonus structures
- Internal management reporting and business measurement metrics may need to be realigned
- Acquisition strategies may be impacted.

2. People considerations

- Develop and execute training plans
- Knowledge transfer.

3. Systems, Processes and Controls

- Identify information gaps, particularly in respect of new required disclosures or key measurement changes
- Identify new system needs
- Consider need for new chart of accounts
- iXBRL tagging requirements for new accounts.

For many, there will be much to be done in the coming weeks and months.

Article by

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Data & Analytics hindsight to insight to foresight

Audits are changing significantly. The core goals remain, but audit tools, execution and results are being transformed and expanded by new capabilities in Data & Analytics (D&A). This is more than a trend. This is the way audits will be conducted by virtually all the major accounting firms, and it is critical that audit committees and auditors begin working together now so audit committees understand where the process is heading, what the broad benefits are and how to work effectively with management to enable a smooth and effective shift within their organisations.

What can a data-driven audit do?

Many organisations are keenly aware that they must make better use of the masses of data available to them. This is as true for the financial statement audit as it is in other organisational areas. While transformative change must always overcome a certain amount of inertia, companies are recognising the advantages offered by an analytics-based audit, from providing auditors with a more comprehensive understanding of the company's business, to providing the audit committee, the company and its shareholders with more granular and detailed information on which to base key decisions.

For example, auditors typically base their work on a relatively small data set, extrapolating conclusions across the full financial data. D&A tools will be able to incorporate the totality of an organisation's financial information, analysing millions of transactions to identify irregularities and key risk focus areas for auditors. The auditor still makes judgements and decisions about where to focus their efforts, but they will have a much broader set of data from which to select from.

Analytics audits will also be able to take external as well as internal data into account. They will be able to analyse and predict how weather, economic, industry and other factors might affect performance, providing enhanced perspective on risk management priorities.

Audits will also become 'smarter'. Over time, the audit database will expand, building on itself to recognise repeating patterns, enhance understanding of the company's financial character and risk profile. This makes it easier to identify both audit and business issues, and improve audit insight and quality year over year. Since these processes will occur at almost all companies, there will also be greater ability to benchmark an individual company's performance against broad, complete industry or geographical data sets, again giving auditors a far more valuable body of information that may be shared with key stakeholders.

Providing unique business insights

As well as benchmarking, auditors can look in depth at the data, discovering complex patterns, making sense of them, and identifying anomalies. Such information can be used to generate meaningful useable insights that give organisations invaluable information on which they can act to gain real advantage.

"This level of analysis means auditors can more easily identify trends and anomalies for further investigation. It allows them to give organisations greater insights into their past performance which in turn enables them to take stock of their processes and activities and adjust them to improve performance."

An organisation was concerned that standard approval processes in purchasing and material management were being circumvented, resulting in production delays and costing the company time and money. D&A capabilities pinpointed the cause of the slowdown as the inconsistent use of Enterprise Resource Planning (ERP) approval processes vital to production efficiency, resulting in the frequent use of manual interventions.

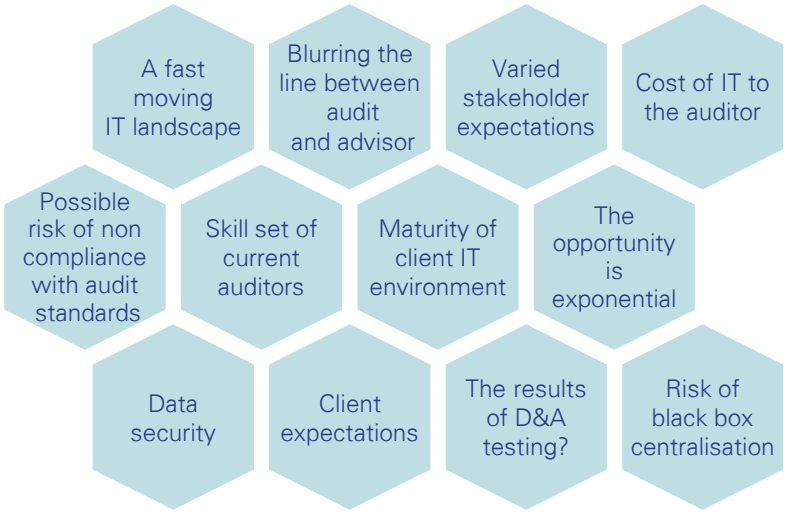
- The recording of deliveries outside the ERP process had a direct impact on inventory and production management.
- The high volume of manual price adjustments revealed an underlying issue with the accuracy of inventory costing.

D&A allowed insights to be provided into theorganisation's process that were not clearly seen before, allowing management to assess opportunities to drive efficiency and better leverage their investment in their ERP systems, which enabled them to address specific challenge areas and ultimately to streamline production.

Challenges and benefits

Audit firms are going through an unprecedented period of development as they get to grips with data-driven audits and this itself creates a risk in a world that is already complex and moving fast.

Audit committees and the companies they serve have natural concerns around issues such as independence, data security and transparency, and dialogue will be necessary between audit committees, auditors, regulators and management to address these concerns and assess the degree to which the potential benefits outweigh the risks. In order for auditors to effectively leverage their D&A capabilities, companies will need to be prepared to share information on a broader scale and in more detail than in the past.



The good news is that auditors have always been focused on confidentiality and the preservation of secure data, with numerous safeguards already in place and required by regulation. Ultimately, there is no real downside to the D&A audit. Auditors will simply get a much better view into the information they already use to arrive at their opinions. This can't help but enhance audit quality and increase the valueof an audit to all stakeholders.

Value	
Quality	• Deeper understanding of processes. • Identification of possible control gaps. • Analysis of 100% population to identify outliers/ exceptions. • Quantify value/volume of outliers/control failures. • Determine the root cause of exceptions. • Increased focus on key judgements. • Tailor approach to fraud risks. • Enhanced risk assessment.
Efficiency	• Use D&A at every stage of the audit life cycle and report more regularly to audit committee. • Less disruptive impact on the business as the audit is focussed on risk rather than random samples. • Audit effort can be spread more evenly across the year meaning any issues can be fixed earlier. • Potential efficiencies through centralisation of procedures across a group or through centralisation of work in low cost locations.
Insight	• Quantify manual intervention in financial processes. • Assess extent of application of policies. • Measure consistency of controls/ tolerances/ KPIs. Process improvements identified: - More automated controls/less manual controls. - Flex control tolerances to reduce manual intervention. • More meaningful benchmarking. • Advanced visualisation – interactive dashboards and transactional-level detail for management.

What do audit committees need to know?

This is an evolving process for everyone involved, so it is important for audit committees to stay on top of developments and satisfy themselves that the right questions are being asked and answered.

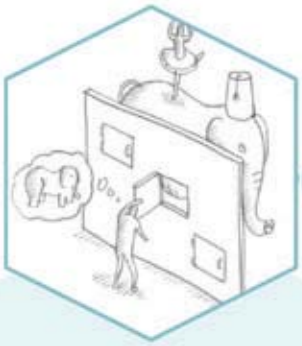
Key questions for audit committees to ask their auditor include:

- Where is your organisation on the analytics audit timeline?
- How do you expect to use D&A in the audit?
- What safeguards do you have in place to protect our data and preserve confidentiality?
- How will existing substantive procedures evolve through this automated approach?
- Where do you see your capabilities in three to five years?

The talent challenge for audit firms – hiring people with appropriate skillsets and training existing staff in data analytics – is matched by the challenge for organisations in ensuring their finance and internal audit functions are similarly skilled.

A new level of audit quality

The audit will be very different, very soon, in ways that deliver substantial advantages to investors, audit committees and the companies they serve. The most important thing is to remember that audit committees, investors, regulators, and companies are mutually involved and invested in this process; and all parties need to work together to enable the data-driven audit to realise the broadest range of benefits for all of audit's stakeholders.



Until now, the agreed way to audit has been to sample, make deductions... building bigger pictures through smaller glimpses... market by market, business by business.

But this is changing.

Technology allows all your data to be examined... making audit far more valuable.

The accounts are formed from distinct information flows or 'streams'.

They flow into the General Ledger, and are brought together to create the financial statements.

Think of each 'item' within those streams as a molecule.

As it flows through the system it passes through controls; it is tagged and ticked, showing that it conforms to each relevant control.

Molecules with all tags might be called the 'happy flow'.

The 'happy flow' is the norm, but there will be populations that deviate.

For example, where controls haven't been switched on, invoices input directly into the system or where parameters have been set differently.

These merit further analysis to confirm rock solid reporting and to identify commercial opportunity.

Also there are manual entries made to the General Ledger.

Which by definition are not subject to system controls.

This population can now be identified in its entirety.

Audit traditionally dips a bucket in, takes a sample, and analyses it.

This is extrapolated to form a view on the whole.

But it's not the entire stream. Imagine the picture that might be seen if auditors could look at everything?

Technology can put a giant filter in the streams that flow through the General Ledger.

This will identify, and capture the molecules that deviate from the happy flow.

That should be interesting.

All the items that don't entirely conform will be seen. What's their history?

There may be perfectly good explanations for some of the deviations.

And some others may uncover real opportunities to improve.

For the first time the whole picture will be visible.

Local regulatory update

As we head towards the winter solstice, substantial progress has been made in the UK regarding implementation of the EU Audit Regulation and Directive. In addition, the Accounting Directive has been transposed into UK Law. The Financial Reporting Council has been busy publishing a number of consultations, the most significant being the proposed changes to the Ethical and Auditing Standards, the UK Corporate Governance Code and related Guidance on Audit Committees needed to implement the EU Audit Regulation and Directive. Meanwhile, in Ireland we anticipate a heads of bill regarding the transposition of the Accounting Directive into Irish law will be published shortly, and we await further developments regarding the EU Audit Regulation and Directive following the Department of Jobs Enterprise and Innovation consultation on Member State options in that EU legislation. 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 Act 2014

Since our last publication, there has been one significant statutory instrument (SI) published in relation to Companies Act 2014, SI 423 of 2015 European Union (Traded Companies – Corporate Governance Statements) Regulations 2015 which amends section 1373 of Companies Act 2014. The SI introduces very specific opinions from the statutory auditor of a traded company in relation to the content of the corporate governance statement and its consistency with the financial statements. The impact of these specific opinions in relation to the corporate governance statement is expected to enhance the quality of corporate governance statements. As such audit committees may be prompted to reassess the quality of corporate governance statements in light of this and other changes in relation to corporate governance.

The SI is available here: http://www.irishstatutebook.ie/eli/2015/si/423/made/en/pdf

IAASA observations on selected financial reporting issues

The Irish Auditing and Accounting Supervisory Authority (IAASA) has published its observations on selected financial reporting issues for years ending on or after 31 December 2015. The purpose of the publication is primarily to highlight the key topics which will need to be considered by those preparing, approving and auditing 2015 financial statements.

The matters which are raised by IAASA in the publication relate to the following range of topics:

- Business combinations and fair value accounting
- Value in use calculations of Cash Generating Units (IAS 36 Impairment of assets)
- The consolidation suite of standards (IFRS 10, IFRS 11 and IFRS 12)
- Deferred tax assets
- Alternative performance measures
- Fair value measurements and disclosure
- Judgements, assumptions and auditors' risks of material misstatements
- Avoiding the use of boilerplate and excessive disclosures in financial reports
- Cash flow statements
- Matters of particular relevance to financial institutions (i.e. deposit guarantee schemes, disclosing the impact of IFRS 9 Financial Instruments, impairment provisions)
- IFRSs issued but not yet effective: IFRS 9 and IFRS 15 Revenue from contracts with customers.

For all of the above matters, IAASA provides advice to the directors and audit committees of items that they should be scrutinising and evaluating in the financial statements to ensure appropriate compliance with IFRS requirements.

The publication of IAASA's observations is available here:

http://www.iaasa.ie/getmedia/e4944b73-04f8-4ed2-8b64-4d2e06b2c185/obsdoc2015.pdf

Financial Reporting Council (FRC) developments

FRC – Corporate Reporting Review Annual Report

The Financial Reporting Council (FRC) have published their annual report which assesses the quality of corporate reporting. Their assessment is based on a review of 252 sets of reports and accounts in the year to 31 March 2015.

During the 2015/ 2016 review cycle, the FRC is considering focusing on the following issues in their assessment of reports and accounts:

- The effect on asset valuations of volatility in commodity prices and in equity and bond markets
- Disclosures of tax risks, accounting policies, judgments and estimates following increased uncertainties due to challenges by global and European institutions and governments.

Read the Corporate Reporting Review Annual Report here: https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/October/FRC-publishes-Corporate-Reporting-Review-Annual-Re.aspx

FRC proposes new guidance in relation to reporting risk and the going concern basis of accounting

The FRC issued a consultation on proposed guidance regarding the assessment of and reporting on the going concern basis of accounting and solvency and liquidity risks. This aims to enhance the quality and depth of information investors receive about a business over the longer-term.

The proposed guidance is intended to assist directors in applying the relevant requirements in accounting standards and company law, incorporating recent regulatory developments such as the introduction of new UK and Ireland GAAP and the Strategic Report. This proposed guidance supplements the step taken by the FRC in updating the UK Corporate Governance Code and related guidance and is intended to be used by all companies.

Read the ED: Guidance on the going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk here: https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/October/FRC-proposes-new-guidance-to-enhance-reporting-on.aspx

FRC publishes consultation on implementation of the EU Audit Regulation and Directive

On 29 September 2015, the FRC published a consultation on proposed revisions to the Ethical and Auditing Standards, the UK Corporate Governance Code and related Guidance on Audit Committees. The FRC is consulting on proposals in relation to elements of the implementation of the EU Regulation and Directive on statutory audits in the UK.

In these proposals the FRC seeks to follow guiding principles and objectives:

- Constructing a clear and sustainable framework and clear lines of accountability – such that companies and audit firms know the exact role of all UK regulatory bodies. Maintaining market confidence that regulation is independent – such that investors and potential investors remain confident in the quality of financial statements

- Being proportionate and delivering implementation which can be defended and justified
- Serving the public interest.

Read the full consultation here: https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/September/FRC-s-work-to-enhance-justifiable-confidence-in-au.aspx

FRC published revised accounting standards following the implementation of the Accounting Directive into UK Law

The FRC issued a suite of changes that update and, simplify in many cases, UK and Ireland accounting standards. The key changes are new requirements for micro-entities and small entities, and the withdrawal of the Financial Reporting Standard for Smaller Entities (FRSSE).

The changes are generally in response to the implementation of the new EU Accounting Directive, and include:

- A new standard, FRS 105 The Financial Reporting Standard applicable to the Micro-entities Regime
- New Section 1A Small Entities of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland
- Other changes necessary for continued compliance with company law.

The main changes are effective for accounting periods beginning on or after 1 January 2016, with early application permitted for accounting periods beginning on or after 1 January 2015.

Please refer to the Financial Reporting Update in this publication for further detail on the changes. Read the new standards here: https://www.frc.org.uk/News-and-Events/FRC-Press/Press/2015/July/New-accounting-standards-offer-simplification-for.aspx

Financial Services

New UCITS Regulations from the Central Bank of Ireland

In January 2014, the Central Bank of Ireland (Central Bank) issued a consultation document (CP77) on the publication of a new UCITS Rulebook to replace the UCITS Notices and Guidance Notes. The final outcome of the consultation is the issuance of new regulations, rather than a UCITS Rulebook.

The new regulations - SI No. 420 of 2015 Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable) Regulations 2015 - consolidate into one location all of the requirements which the Central Bank imposes on UCITS, their management companies and depositaries. The publication of the new regulations marks a significant milestone for the Central Bank as it is the first time it has issued investment fund rules in the form of Central Bank regulations. The Central Bank believes that the new regulations will bring additional clarity and certainty to investment fund providers as to what is required of them.

The new regulations take effect from 1 November 2015, with some transitional provisions for existing funds. They are legally binding and include a number of important changes notably in relation to:

- The end of the requirement for a UCITS to have a promoter
- The Central Bank no longer publishing a list of permitted markets for a UCITS
- Additional financial report filing requirements to the Central Bank of Ireland
- Requirements on depositary
- Requirements on collateral
- Redemption gates
- Short position
- New organisational requirements.

For further information see the CBI website here: http://www.central-bank.ie/regulation/industry-sectors/funds/ucits/Pages/default.aspx

Corporate Governance and Oversight

The theme of corporate governance within fund management companies (both UCITS and AIFs) and in particular their oversight of delegates is very topical in Ireland, with the Central Bank's issuance of a Consultation on Fund Management Company Effectiveness – Delegate Oversight (CP 86) in September 2014.

In June 2015 the Central Bank published the feedback it received from the consultation, which included proposed guidance on the oversight of delegates and the creation of a new role of organisational effectiveness. Fund management companies must have two directors resident in Ireland (defined as spending 110 working days per year in Ireland).

The Central Bank has also issued guidance that it would be considered a risk indicator for a director to have more the 20 directorships and aggregate professional time commitments in excess of 2,000 hours per year.

Corporate governance standards for fund management companies are now far more prescriptive than they were previously.

For further information see the CBI website here: http://www.central-bank.ie/REGULATION/POLDOCS/CONSULTATION-PAPERS/Pages/closed.aspx?CPNumber=CP86

Client Asset Requirements

On 30 March 2015, the Central Bank published two separate sets of regulations: the Client Asset Regulations; and the Investor Money Regulations.

The Client Asset Regulations took effect from 1 October 2015 and they update the client asset regime for investment firms. The principles are the same as before, albeit new governance requirements have been added. For example, a new Client Asset Management Plan for the investment firm and a new Client Asset Key Information Document for clients have been introduced. Investment firms must appoint a Head of Client Asset Oversight (a

PCF role) to oversee client assets within the firm.

The Investor Money Regulations will apply to fund service providers ("FSPs") for the first time, where the FSP is holding money in a "collection account". These regulations take effect from 1 April 2016.

The Central Bank is currently working with the Chartered Accountants Ireland in relation to agreeing how and in what form audit firms will report on client asset compliance.

Further information is available on the Central Bank's website: https://www.centralbank.ie/press-area/press-releases%5CPages%5CCentralBankpublishesfindingsofCyberSecurityOperationalRiskThematicInspection.aspx

Cyber Security

The Central Bank recently undertook a thematic review to assess the management of cyber security and related operational risks across investment firms, funds, fund service providers and stockbrokers. The objective of the review was to examine regulated entity control environments (including policies and procedures) designed to detect and prevent cyber security breaches as well as board oversight of cyber-security.

The Central Bank's findings highlight that poor management of cyber security is a significant threat to investor protection, market integrity and financial stability.

Investment firms, funds, fund service providers and stock-brokers need to put effective systems and procedures in place to protect against cyber risk and related operational risks. More specifically, the Central Bank expects firms (inter alia) to have appropriate processes in place to verify the legitimacy of all requests received via all methods of communication (including telephone and email) and firms should consider engaging the services of an external specialist to test their systems, to discover any vulnerabilities, at least on an annual basis.

Further information is available on the Central Bank's website: https://www.centralbank.ie/regulation/ClientAssetsandInvestorMoney/Pages/default.aspx

Banking Union – BRRD and SRM

On 9 July 2015, BRRD was transposed into Irish legislation - the European Union (Bank Recovery and Resolution) Regulations 2015, S.I. 289 of 2015. Under BRRD, banks have to prepare recovery plans for submission to the local regulator. They also have to submit detailed information set out in templates to enable the national resolution authority (in Ireland's case the Central Bank) to prepare a resolution plan for the bank, where losses and the costs of resolution are allocated to the institution's shareholders and creditors (bail-in). BRRD is supplemented by a Single Resolution Mechanism (SRM). The two main elements of the SRM are the establishment of a single resolution board and a single resolution fund. An Implementing Regulation detailing bank's obligations in calculating the contributions under the SRM Regulation and the methodology for the calculation of those contributions took effect in January 2015.

Further information is available on the Central Bank's website: https://www.centralbank.ie/press-area/press-releases%5CPages%5CCentralBankofIrelanddesignatedasIreland%E2%80%99sNationalResolutionAuthority.aspx

Active Central Bank consultations

There are currently no open consultation papers. Closed consultation papers can be accessed on the Central Bank's website: http://www.centralbank.ie/regulation/poldocs/consultation-papers?pages/closed.aspx

Financial reporting update

This section provides an overview of the key developments in UK and Irish GAAP and IFRS.

There have been numerous developments in UK and Irish GAAP since our last edition in April 2015. As a result of the transposition of the Accounting Directive into UK Law, in July 2015, the Financial Reporting Council (FRC) issued amendments to FRS 100 Application of Financial Reporting Requirements, FRS 101 Reduced Disclosure Framework and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The FRC issued revised editions of FRS 100, FRS 101 and FRS 102 in September 2015 incorporating the amendments. In addition the FRC finalised and issued a new financial reporting standard for micro entities (FRS 105) which was issued in July 2015 and is effective for accounting periods beginning on or after 1 January 2016.

In this period of relative calm, there have been no significant developments in IFRS since our last edition. Companies have an opportunity to prepare for the significant changes that IFRS 15, IFRS 9 and IFRS 18 will bring when they become effective on 1 January 2018. These standards are likely to have a significant impact on financial reporting and may have many business impacts which will take time to assess and respond to. The International Accounting Standards Board (IASB) did issue a number amendments during the period which are not yet effective and also issued a number of exposure drafts during the period which are available for public comment.

Irish and UK GAAP

Amendments to FRS 100 – Application of Financial Reporting Requirements

In July 2015, the FRC issued amendments to FRS 100 Application of Financial Reporting Requirements. The amendments to FRS 100 reflect the revised framework of accounting standards for smaller entities, in particular the withdrawal of the Financial Reporting Standard for Smaller Entities (effective January 2015) (FRSSE) and the introduction of a new accounting standard, FRS 105 The financial reporting standard applicable to the Micro-entities Regime which is effective for accounting periods beginning on or after 1 January 2016.

The amendments also update the application guidance regarding the interpretation of equivalence for intermediate parents availing of the exemption of preparing consolidated financial statements when consolidated financial statements of the larger group are prepared by an upper parent by including reference to the requirements of the Accounting Directive following transposition of the Accounting Directive in the UK (which is not yet applicable in the Republic of Ireland).

For further information, please access the following link on the FRC website:

https://www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/New-UK-GAAP.aspx

Amendments to FRS 101 – Reduced Disclosure Framework

In July 2015, the FRC issued amendments to FRS 101 Reduced Disclosure Framework (2014/ 2015 cycle and other minor amendments). These amendments arose as a result of the IASB issuing a number of amendments to IFRS during the period since the FRC had last performed their annual review of FRS 101. The amendments to FRS 101 comprised the following:

- Provision of an exemption against paragraph 18(a) of IAS 24 Related Party Disclosures which requires an entity that obtains key management personnel services from a management entity to disclose amounts incurred for the provision of those services;
- Provision of an exemption from the requirements of paragraphs 6 and 21 of IFRS 1 First-time Adoption of International Financial Reporting Standards to present an opening statement of financial position; and
- Amendments to FRS 101 as a result of the transposition of the Accounting Directive into UK law. These amendments are not yet applicable in ROI.

For further information, please access the following link on the FRC website: https://www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/New-UK-GAAP.aspx

Amendments to FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland

As a result of the implementation of the EU Accounting Directive in the UK, amendments were made to FRS 102 to establish revised reporting requirements for financial reporting by small entities and to make limited other amendments for compliance with company law.

These amendments incorporate the proposals set out by FRED 59 for the presentation and disclosure requirements applicable to small entities based on the new small companies' regime within UK company law. The small company's regime is based on the application of recognition and measurement requirements of FRS 102 but with less stringent disclosure requirements. This has resulted in the insertion of a new section in FRS 102 – section 1A Small Entities and related appendices which contains reduced disclosure requirements for smaller entities. The amendments also include those based on the proposals in FRED 61 (as outlined in the last edition of Audit Committee Quarterly) regarding share based payment arrangements with cash alternatives.

For further information, please access the following link on the FRC website: https://www.frc.org.uk/Our-Work/Codes-Standards/Accounting-and-Reporting-Policy/New-UK-GAAP.aspx

Ongoing Projects

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

Project	Status
Implementation issues	The Accounting Council and its UK GAAP Technical Advisory Group will review any issues arising relating to the implementation of FRS 102 as they arise. It has been announced that the first review will take place in 2016/2017 with a view for the revised FRS 102 being effective in 2018. Decisions will be taken on a case-by-case basis about the best way to address issues such as editorial points, areas where FRS 102 is silent and areas where divergence in accounting practice seems to be emerging.

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

IASB activity

New IFRS standards and amendments

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

Standard or amendment	Issued date	Effective date
2015 amendments to the IFRS for SMEs	May 2015	1 January 2017*
IFRS 15 Revenue from contracts with customers -Effective date of IFRS 15	September 2015	1 January 2018

*Please note that these amendments have not yet been endorsed for use by IFRS as adopted by the EU.

The IASB issued a press release summarising the 2015 amendments to the IFRS for SMEs

http://www.ifrs.org/Alerts/PressRelease/Pages/IFRS-for-SMS-review-May-2015.aspx

The IASB issued a press release explaining that the effective date of IFRS 15 has been deferred by 1 year to 1 January 2018:

http://www.ifrs.org/Current-Projects/IASB-Projects/Revenue-Recognition/Documents/IFRS-15/Effective-Date-of-IFRS-15.pdf

New IFRSs and narrow scope amendments

The following IFRSs and narrow scope amendments to IFRSs are expected to be released as follows:

IFRSs and narrow scope amendments	2015 Q4	2016 Q1	2016 Q2
Leases	✓		
Disclosure initiative – amendments to IAS 7	✓		
Recognition of deferred tax assets for unrealised losses (amendments to IAS 12)		✓	
Fair value measurement – unit of account			✓
Insurance contracts			✓

For further information, please see the following publications:

- KPMG IFRS Leases newsletter – issue 18 provides an overview of the IASB's development of the leases standard which has now been announced as having an effective date of 1 January 2019.

https://home.kpmg.com/xx/en/home/insights/2015/10/ifrs-newsletter-leases-new-standard-ifrs16-2019-effective-date-sweep-issues.html

- IASB press release and related publications on the IASB's deliberations disclosure initiative and is available at the following link:

http://www.ifrs.org/Current-Projects/IASB-Projects/Recognition-of-Deferred-Tax-Assets-for-Unrealised-Losses/Pages/Project-summary.aspx

- IASB press release and related publications on the IASB's deliberations over the unit of account is available at the following link:

http://www.ifrs.org/Current-Projects/IASB-Projects/FVM-unit-of-account/Pages/FVM-unit-of-account.aspx

- KPMG IFRS Insurance site – provides an overview of the IASB's development of an insurance contracts standard which is expected to be issued in 2016 with a probable effective date of 1 January 2019:

https://home.kpmg.com/xx/en/home/services/audit/international-financial-reporting-standards/insurers.html

- IASB press release and related publications on the IASB's deliberations over the recognition of deferred tax assets for unrealised losses is available at the following link:

http://www.ifrs.org/Current-Projects/IASB-Projects/Recognition-of-Deferred-Tax-Assets-for-Unrealised-Losses/Pages/Project-summary.aspx

IASB exposure drafts

The following exposure drafts were published by the IASB during the period since our last edition:

- Exposure Draft: Conceptual framework for financial reporting. The proposed revised Conceptual Framework aims to improve financial reporting by providing a more complete, clearer and updated set of concepts that can be used by the IASB when it develops IFRS and by others to help them to understand and apply IFRS. The proposals address the following areas that are either not covered or not covered in sufficient detail in the existing Conceptual Framework:
- Measurement
- Financial performance (including the use of other comprehensive income)
- Presentation and disclosure
- De-recognition
- The reporting entity.

It also aims to clarify some aspects of the existing Conceptual Framework and update any parts that are out of date.

- Exposure Draft: Narrow scope amendments for pension accounting – Re-measurement on a Plan Amendment, Curtailment or Settlement/ Availability of a Refund from a Defined Benefit Plan (proposed amendments to IFRIC 14 and IAS 19). The proposed amendments are designed to improve the quality of information provided to investors and to encourage more consistent accounting in practice. The proposed amendments include clarification that when a defined benefit plan is amended, curtailed or settled during a reporting period, the entity needs to update the assumptions about its obligations and fair value of its plan assets to calculate the costs related to these charges and in doing so is required to use the updated information to determine current service cost and net interest for the period followed by these changes. The amendments also address how the powers of other parties such as the Trustees of the plan, affect an entity's right to a refund of a surplus from the plan.
- Exposure Draft: Clarifications to IFRS 15 Revenue from contracts with customers. The proposed amendments aim to clarify the following:
  - How to identify the performance obligations in a contract;
  - How to determine whether a party involved in a transaction is the principal (responsible for providing the goods or services) or the agent

(responsible for arranging for the goods or services to be provided to the customer); and

- How to determine whether a license provides the customer with a right to access or a right to use the entity's intellectual property.

The IASB expects to complete its discussions on these issues by the end of 2015, after which the final amendments to the Standard will be issued.

- Exposure Draft: Effective date of amendments to IFRS 10 and IAS 28: The exposure draft postpones the effective date of the amendments issued in September 2014 IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

KPMG publications summarising the above exposure drafts are available by visiting the website links below:

- Exposure Draft: Conceptual framework for financial reporting

https://home.kpmg.com/xx/en/home/insights/2015/06/breaking-news-2015-158.html

- Exposure Draft: Narrow scope amendments for pension accounting – Re-measurement on a Plan Amendment, Curtailment or Settlement/ Availability of a Refund from a Defined Benefit Plan https://home.kpmg.com/xx/en/home/insights/2015/06/breaking-news-2015-160-ifrs-pensions-defined-benefit-plans-proposed-amendments-ias19-ifric14.html

- Exposure Draft: Clarifications to IFRS 15 Revenue from contracts with customers.

https://home.kpmg.com/xx/en/home/insights/2015/07/revenue-recognition-effective-date-ifrs15-220715.html

- Press release: Effective date of amendments to IFRS 10 and IAS 28

http://www.ifrs.org/Meetings/MeetingDocs/IASB/2015/June/AP13-Equity%20method.pdf

Further exposure drafts expected are as follows:

Exposure draft	2015 Q4	2016 Q2	2016 Q4
Annual improvements 2014 - 2016	✓		
Clarifications arising from the post implementation review (amendments to IFRS 8)	✓		
Different effective dates of IFRS 9 and the new insurance contract standard	✓		
Disclosure initiative – materiality practice statement	✓		
Transfers of investment property (proposed amendments to IAS 40)	✓		
Disclosure initiative – changes in accounting policies and estimates		✓	
Re-measurement of previously held interests – obtaining control or joint control in a joint operation that constitutes a business (proposed amendments to IFRS 3and IFRS 11)		✓	
Annual improvements 2015 - 2017			✓

Further information on these projects is available on the IASB website at:

http://www.ifrs.org/Pages/default.aspx

Newly-effective IFRSs

IFRSs as adopted by the EU for 31 December 2015 year ends

For those companies which have adopted IFRSs as adopted by the European Union with a 31 December 2015 year end, the following will apply for the first time in their annual financial statements:

- Annual Improvements to IFRSs 2011-2013 Cycle.

IFRSs as adopted by the EU for 31 March 2016 year ends

For those companies which have adopted IFRSs as adopted by the European Union with a 31 March 2016 year end, the following will apply for the first time in their annual financial statements:

- Annual Improvements to IFRSs 2011-2013 Cycle
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010–2012 Cycle – various standards.

IASB IFRSs

Newly effective IASB IFRSs for the year ended 31 December 2015 and 31 March 2016

For those companies which have adopted IASB IFRSs with a 31 December 2015 year end or a 31 March 2016 year end, the following will apply for the first time in their annual financial statements:

- Annual Improvements to IFRSs 2011-2013 Cycle – various standards
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
- Annual Improvements to IFRSs 2010–2012 Cycle – various standards.

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

https://home.kpmg.com/content/dam/kpmg/pdf/2015/08/ifrs-new-standards-sep-2015-ye-update-aug2015-isg.pdf

Events and publications

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

A Cyber Security breakfast seminar, took place on 25 June 2015 at the KPMG offices in the IFSC in Dublin. Gary Delaney, the Head of Cyber Security Transformation at AIB, analysed the general types of threats, and the safeguards that institutions should put in place to mitigate these. Michael Daughton, who leads KPMG's Risk Consulting team, provided an overview of key considerations for Boards and Management to reduce the risk of cyber incidents occurring.

A breakfast roundtable for Audit Committee members of Irish Plc's, hosted by the Audit Committee Institute, took place on 6 November 2015 at the KPMG offices, Stokes Place, St. Stephen's Green in Dublin. Presenting the auditor's perspective was Jimmy Daboo, Audit Partner in KPMG UK. Jimmy is widely perceived as having led the recent innovations in auditor reporting among FTSE 100 companies, and he discussed current trends in annual reports, FRC 'hot topics', Audit Committee reporting and auditor reports. Conall O'Halloran, Head of Audit in KPMG Ireland, provided an update on EU Audit Reform, specifically how the EU legislation is expected to be applied in Ireland.

A Non-Executive Director's Forum, facilitated by the KPMG Insurance team, took place on 6 October 2015 at The Merrion Hotel in Dublin. This roundtable provided excellent peer exchanges and discussion on the challenges facing Non-Executive Directors in the Insurance sector. The session was chaired by Brian Morrissey, Head of Actuarial Advisory Services at KPMG, and the focus was on how to get a handle on the reporting challenges of Solvency II, and getting the numbers 'right'. A KPMG publication providing an overview of the takeaways arising from the peer exchange and discussion is available at: www.kpmg.ie/aci/

Events and publications

Upcoming events

Check out the Audit Committee Institute events page at: http://www.kpmg.ie/aci/events.htm, and KPMG events page at: www.kpmg.ie/events to book onto relevant events.

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: http://kpmg.ie/aci/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.

ACI Publications since Quarterly 29

Insurance NED's Forum Key Takeaways – October 2015 at: http://www.kpmg.ie/aci/documents/insurance-non-executive-directors-forum.pdf

Global Boardroom Insights: Calibrating Risk Oversight – September 2015 at: http://kpmg.ie/aci/documents/global-boardroom-insights-7-calibrating-risk-oversight.pdf

BEPs, Transparency, and Country-by-Country Tax Reporting – July 2015 at: http://kpmg.ie/aci/documents/beps-board-perspectives.pdf

Data & Analytics – Hindsight to insight to foresight – September 2015 at: http://kpmg.ie/aci/documents/data-and-analytics-hindsight-to-insight-to-foresight.pdf

Enhancing Auditor Reporting – July 2015 at: http://www.kpmg.ie/aci/documents/providing-insight-and-transparency-report.pdf

A practical guide to viability reporting – July 2015 at: http://www.kpmg.com/UK/en/IssuesAndInsights/ArticlesPublications/Documents/PDF/Audit/a-practical-guide-to-viability-reporting.pdf

Corporate Governance in Fund Management Companies – July 2015 at: http://www.kpmg.com/IE/en/IssuesAndInsights/ArticlesPublications/Documents/fs-corporate-governance-fund-management-companies-july-2015.pdf

Audit Committee Reports – June 2015 at: http://kpmg.ie/aci/documents/audit-committee-reports-july-2015.pdf

Cyber Security for Non-Executive Directors – June 2015 at: http://www.kpmg.com/IE/en/IssuesAndInsights/ArticlesPublications/Documents/cyber-security-non-executive-directors.pdf

Through a cyber security lens: 2015 Global Audit Committee Survey – June 2015 at: http://kpmg.ie/aci/documents/through-a-cyber-security-lens-june-2015.pdf

Audit Quality: Guidance for audit committees – May 2015 at: https://frc.org.uk/News-and-Events/FRC-Press/Press/2015/May/FRC-provides-aid-to-Audit-Committees-in-evaluating.aspx

Longer-term viability statements – May 2015 at: http://kpmg.ie/aci/documents/longer-term-viability-statements-july-2015.pdf#

Let us know what you think

KPMG's Audit Committee Institute survey this year will consist of short **"pulse surveys"** focusing on a few timely topics. Pulse survey 2 is due to be launched in December. In 2016, we will return to our broader survey again, and will alternate this way each year going forward.

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 Audit Committee events, bookmark our website: **www.kpmg.ie/aci**

CPD 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 **http://kpmg.ie/aci/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 **http://www.kpmg.com/aci/**

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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