AUDIT COMMITTEE INSTITUTE

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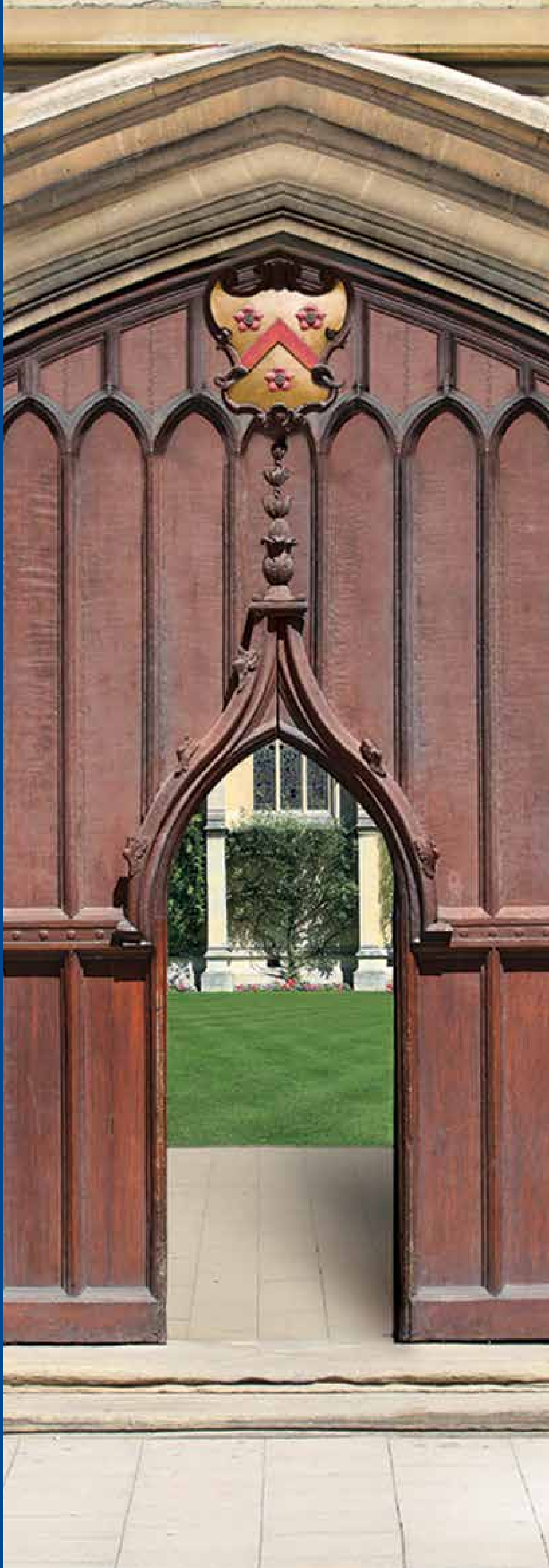


Background

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.

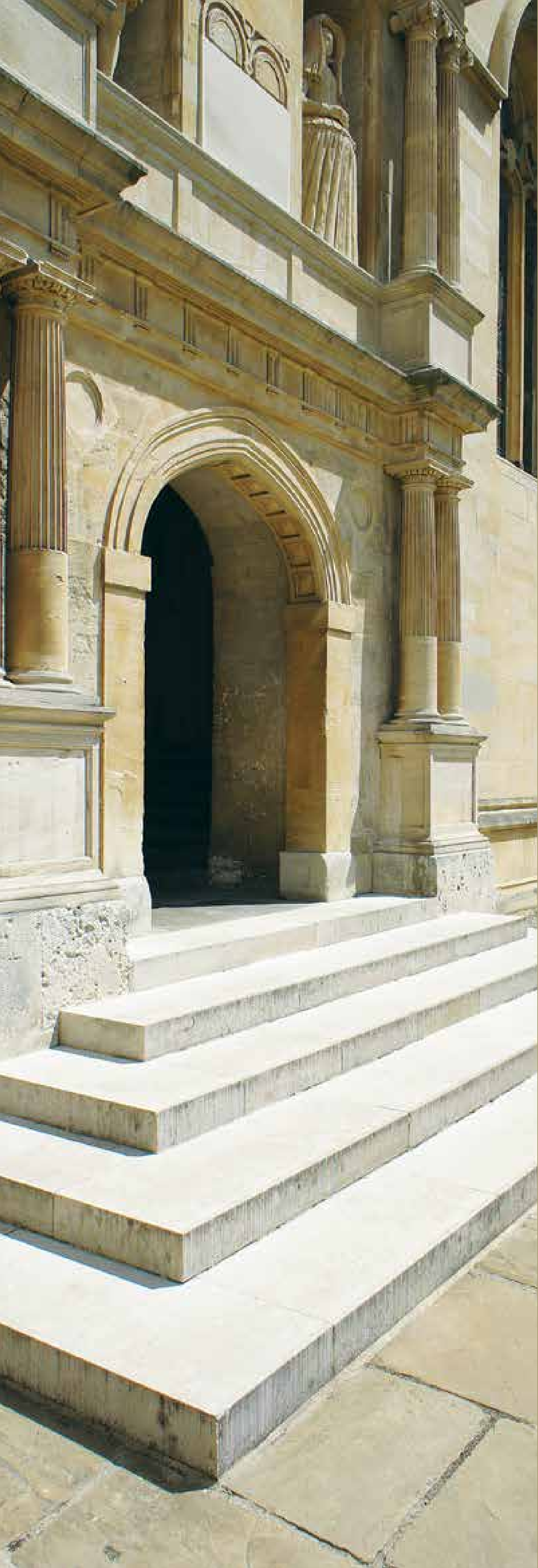
Historically, those charged with governance responsibilities have largely been left on their own to keep pace with rapidly changing information relating to governance, remuneration, audit issues, accounting and financial reporting. Supported by KPMG, the ACI provides knowledge to non-executive directors 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 1,100 members. For more information on the activities of the ACI, please visit our website at:
www.kpmg.ie/aci.



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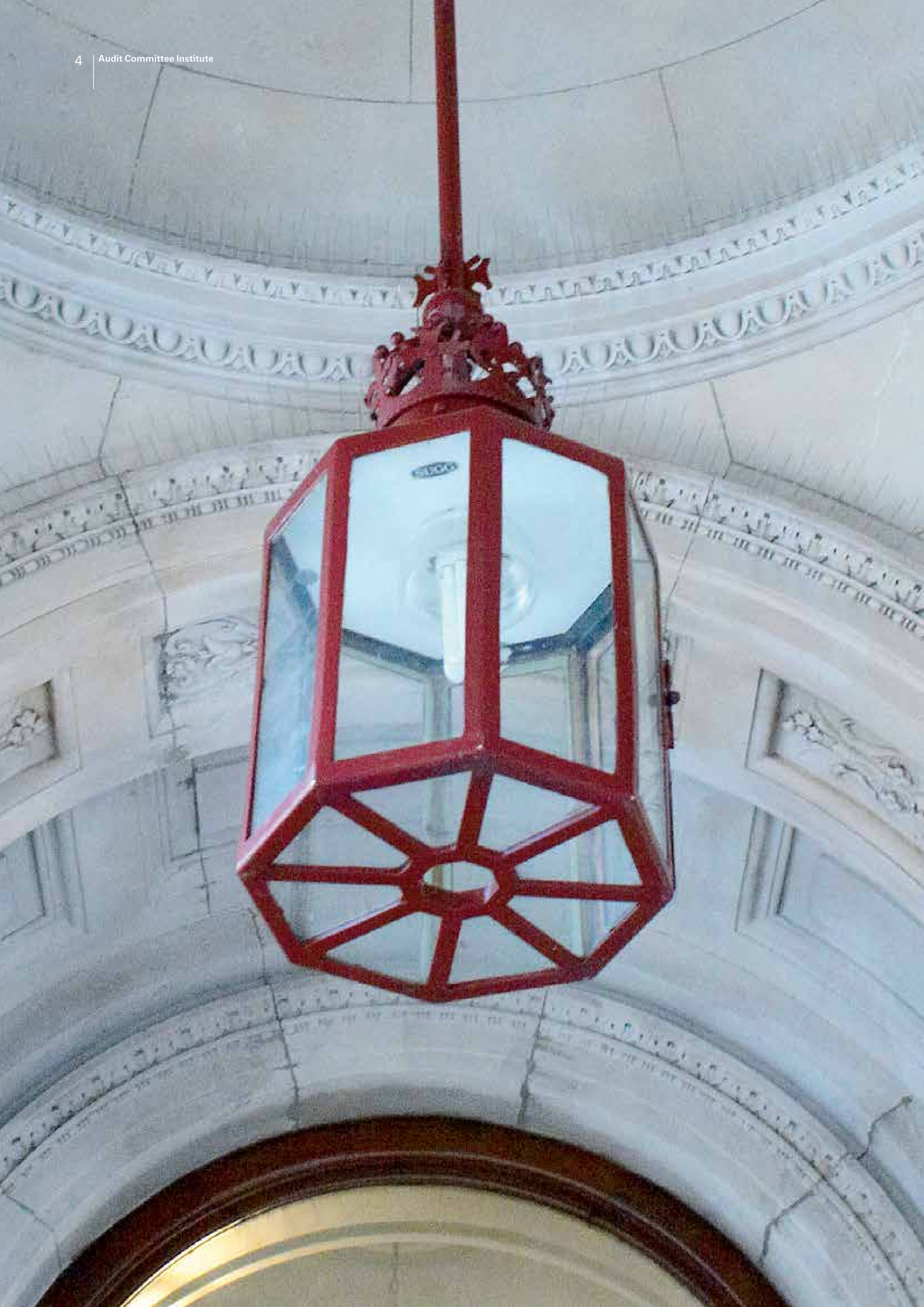


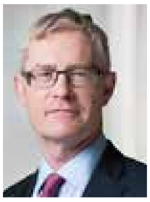
Welcome

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:

- The Cyber Security challenge
- Keeping pace with disruptive risk and digital transformation: 2019 Audit Committee Pulse Survey
- 10 Key Principles for Chairs of private companies
- Local regulatory update
- Financial reporting update

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
KPMG in Ireland

The Cyber Security challenge

A cyberattack on your organisation is inevitable, so be prepared

Given the increasingly sophisticated technology available to cyber criminals, most organisations will be breached by a cyberattack at some point.

"We not only have some very organised crime activities, we have some very sophisticated state actors operating across multiple countries. Such actors may consider targeting anything from telecoms infrastructure to financial services operations, to supply chain or retail organisations, all of which will have cross-border components" says KPMG's Head of Cyber Security in Ireland, Dani Michaux.

We're so dependent on phones, PCs, laptops, and so on, that it's not an IT problem anymore. Cybersecurity has to be on every agenda.

Be prepared – become resilient

So how can you prepare for a cybercrime attack? "Instead of focussing on defence, companies must become resilient." says Dani. "Organisations have to move away from the traditional view of cybersecurity as being about defence, to one where resilience of essential services is the primary concern. If an event happens, an organisation must be able to continue doing business," she says, pointing out the need for having a process in place should an attack happen.

"That's resilience. It's a question of understanding that an event will happen at some stage and the organisation must be able to continue with its core business and serve its customers when it does. If an organisation can do this, its resilience level is good."

"Financial regulators are now placing much greater emphasis on cyber resilience" she adds. "When an event happens, the banks and other financial services organisations have to be able to continue to do business. The challenge for big organisations is much greater. If you're a small shop, the damage will be limited. The bigger the organisation, the bigger the impact."

Cyber Security – now a priority

"Traditionally companies have been loathe to invest in bullet-proofing themselves against cyberattacks. But that attitude seems to be changing." says Dani. She refers to the results of the latest KPMG CEO Outlook 2019." Some 1,300 chief executives from around the world took part in the research for the report, which revealed that cyber is seen as the number one risk to organisational growth by Irish chief executives. The survey also found that 62 per cent of Irish chief executives believe a strong cyber strategy is critical to building trust with key stakeholders. This is up from just 22 per cent in 2018.

"But this is no cause for complacency." she adds. "Every board is hearing about it, but my biggest concern is the type of metrics being reported. Cybersecurity should be considered as part of broader business discussions – it's not just a compliance metric. What did you do after a breach? Did you change anything? Did you make any decisions? Did you change procurement policies? These are matters for the board." She believes more information about cyber threats should be provided to company executives. "Every board member should be able to answer questions about cyber risk."

New EU Act to protect consumers

A new EU cybersecurity Act aims to ensure Europe's citizens are protected from cybercrime across all digital devices. It introduces, for the first time, EU-wide rules for the cybersecurity certification of products, processes and services.

"The Act reflects an acceptance of the fact that, as cyber attacks cross borders, the EU must provide coordinated action across multiple countries. It's about how to enable multiple countries to respond in a coordinated, systematic and standardised way, particularly given that while one country might think something is an urgent issue, another may not", says Dani.

It's not just a cross national level that the Act will come into effect, however. It will help to ensure that within a country, different organisations and agencies react uniformly to threats. ENISA (The European Network and Information Security Agency) will ensure that all EU countries are on the same page when it comes to identifying and responding to such threats.

"It will provide standard tool kits and standardised ways of explaining things to everyone where there's a risk. This matters because some more mature countries are better off than others and not every country has the same amount of resources to invest in cybersecurity. A central body may provide guidance, perhaps expertise and possibly technical support to smaller countries."

This coordinated response to cyber risk comes in tandem with new certification of products. For Ireland, a country with a high number of multinational companies and vibrant R&D (research and development) and ICT (information, communications and technology) activity, certification will be of particular interest.

Safeguarding the vulnerable

The Act will safeguard vulnerable groups such as the young and the elderly. "Middle-aged people have grown up with 2G, 3G, 4G and now 5G. But young people are so excited by technology that they just want to use it or play it," explains Dani. "They don't have the same concerns with privacy that middle-aged people have. They're just excited to be using it, while older people may be unsure about all the functionality of a product."

Stay informed

Despite the Act, there is still an onus on individuals to be sensible. They still need to be informed about cyber risk and make the right decisions to protect themselves.

"It should be a balanced approach." says Dani. "The manufacturers should embed security and privacy features and not expect the consumer to have to do it. That's the push towards having a central agency for accountability. Currently, different certification schemes exist but not in a unified, centralised way. That's the big step change here."

"Having a common level of standards, and a coordinated response to attacks, means someone from opposite ends of the EU will all speak the same language when it comes to cybercrime. As we move further into the 'digital trust' economy, and the proliferation of smart devices that 5G will enable, that will become more critical."

But we as consumers still have to play our part. "It's disappointing that, 25 years after the world's first chief information officer was appointed in October 1994, so many ransomware attacks still start with the use of a default password," adds Dani.

Products must be secure by design

"There's a big push on now for accreditation and certification around a common European scheme, in particular ensuring products are secure by design, and have privacy by design," says Dani. "That means, if you're designing a smart home device, or a smart watch, you as a manufacturer would be accountable to make sure it has adequate security controls and is not collecting a huge amount of users' private data."

"Putting the onus on manufacturers makes sense." she says. "The manufacturers should embed security and privacy features in devices. We should not expect the consumer to have to understand the whole technological exposure of the product. Consumers should not be security administrators."

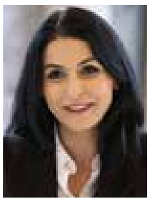
Defending against ever changing threats

Organisations face many challenges when it comes to protecting themselves against cyberattack. The top threats include ransomware and various types of traditional fraud using the internet as a vector. "Over the past year ransomware was one of the most publicised [threats]," says Dani. "We're also seeing increased supply chain risk and data breaches. It's about the ability to obtain intellectual property and they [the cyber criminals] are using the supply chain as entry points to organisations."

Increasingly under attack is cloud-based software. "Some organisations are not deploying security properly when they move from on-premises to cloud-based solutions," says Dani.

But it's not just organisations that are facing these threats. "When these things are happening, they're not only happening to you," says Dani, pointing out the need to share information as a collective.

"We should share information with others in our community. We should share our experiences of what happened and learn from each other about what works and what doesn't. We are better together than individually."



Article by:
Dani Michaux,
Head of Cyber Security,
KPMG Ireland

Keeping pace with disruptive risk and digital transformation: 2019 Audit Committee Pulse Survey[1]

Audit Committees continue to express confidence in their oversight of core responsibilities - financial reporting integrity and audit quality. Yet, it's clear from our survey of more than 1.300 audit committee members that technological innovation, digital disruption, and the complexity of business are exerting greater pressure and sharpening the focus on risk management and the internal control environment.

Indeed, mounting regulatory compliance risk and transformative technologies - data analytics, artificial intelligence (AI), automation, and blockchain - are increasing the demands on the finance organisation, internal audit teams, and enterprise risk management (ERM) systems.

As companies and their boards grapple with a fast-changing world - globally connected, data-driven, and often opaque - audit committees continue to play a pivotal role in assessing risk management processes and internal controls. Is the tone at the top clear? Does leadership walk the talk? What is the mood in the middle and the buzz at the bottom? Does the company's culture make it safe for employees to do the right thing?

Not surprisingly, our survey finds many audit committees still shouldering heavy risk agendas - financial risk, legal/regulatory compliance, cybersecurity, information technology, and third-party risks. Does the audit committee have the time and expertise to oversee these major risks?

Audit committee members continue to tell us that a deeper understanding of the business and its risks and more "whitespace time" for open dialogue would most improve the committee's effectiveness. Clearly, that puts a premium on effective agenda management.

We hope you find these survey results helpful in sparking robust discussions with your audit committee, board, and management as you work to keep pace in a fast-changing environment - and on course for long-term performance.

1 Extracted from the Global ACI survey. The full text of which is available at www.kpmg.ie/aci.

Key takeaways | The global snapshot

Helping ensure that the finance organisation has the talent and skills to maintain quality financial reporting is one of the audit committee's greatest challenges. Nearly two-thirds of respondents reported that their committees are discussing how the finance organisation's talent, skills, and leadership must evolve to support the organisation's analytics and strategic capabilities. Some 32 percent said that they are discussing finance's plans to use data and analytics and artificial intelligence to develop sharper predictive insights, and 27 percent are discussing plans to leverage robotics and cloud technologies to automate manual activities in their finance organisation.

Regulatory compliance and focused internal audit and cybersecurity are the top concerns with gaps in cyber risk management nearly doubling for the top challenges versus 2018. Aside from "core" financial reporting issues, cybersecurity ranked highest in terms of other top priorities on audit committee agendas. Across Europe and the US/Canada, however, cybersecurity clearly ranked number one as a top priority. In these regions, culture, cyber being a siloed "IT" risk, and talent and expertise, were also cited as critical challenges. In Latin America, the Middle-East and ASPAC, regulatory/ compliance in these regions helped boost this priority to the global number one position. Gaps in managing cyber risk virtually doubled versus our 2018 Global Audit Committee Survey as it relates to organisational awareness and culture.

Few are confident that their company's current enterprise risk management processes capture "disruptive risks." Just over one-fifth of audit committee members are confident that their company's ERM processes are robust and capture disruptive risks such as digital and technology risks. Another 35 percent said that their company's ERM processes are generally robust but may not capture disruptive risks such as digital and technology risks. More than one-third reported that their company's ERM processes require substantial work or are in the developmental stages. Compared to our 2018 Global Audit Committee Survey, we do see a sharp upward trend in robustness of ERM systems, seemingly indicating that many companies have been investing heavily in ERM over the last two years. Based on our survey data, Europe and US/Canada clearly outperform ERM robustness compared to the other regions of the world.

Year over year, maximising the role of internal audit's value continues to be seen as a top priority by maintaining flexibility to adjust the audit plan in response to changing business and risk conditions. Of those companies that reported having an internal audit function, focusing the audit plan on key areas of risk beyond financial reporting risk such as cybersecurity, information technology, and other operational risks, and maintaining flexibility to adjust the audit plan in response to changing business and risk conditions ranked as the most important ways to maximise internal audit's value.

Almost one-third of respondents also suggested that internal audit add culture considerations to existing audits or undertake a stand-alone culture audit.

Almost half of audit committee members say that companies should not continue to provide semi-annually or quarterly earnings guidance. In fact, 16 percent said the practice of providing earnings guidance should be phased out, and 15 percent said guidance should be provided only annually.

Interestingly, however, only 31 percent of audit committee members view environmental, governance, and social (ESG) issues as important to long-term performance and value creation; and 42 percent view ESG as part of normal risk and regulatory compliance activities.

This is a global survey report. Significant differences between regions and/or are compared to prior surveys are clearly indicated throughout the text of the full survey which is available on www.kpmg.ie/aci

10 Key Principles for Chairs of private companies

Leadership considerations for good governance

Strong, successful private businesses are the bedrock of the Irish economy. They provide value for their shareholders, their workforces and for wider society. The conduct and governance of private companies has a significant impact on the interests of employees, suppliers and customers. Good corporate governance provides confidence to key stakeholders that a company is being well run.

Good corporate governance starts at the top. The chairperson leads the company and sets the tone for the entire organisation. An effective chairperson ensures that the private company operates with a clear sense of purpose and collective vision and that its core values and culture are lived on a daily basis.

We have set out the ten key principles which the chairperson of a private company should apply. These principles are informed by the leading thinking in the area of corporate governance and by our own experiences of working side by side with Irish private business every day.

Good business, done well, is a positive force in society. These principles equip the chairperson with some of the tools they need to make this goal a reality.

Key principles for chairpersons

1. **Lead by example:** The chairperson should act with integrity and lead by example, setting the tone from the top of the company. The chairperson should build positive relationships with all stakeholders through regular engagement, particularly the workforce. The chairperson should dedicate sufficient time to the role to ensure they can properly discharge their duties.

2. **Role of chairperson:** The role of the chairperson should be clearly established and set out in writing. The chairperson leads the board and is responsible for its overall effectiveness, promoting open debate and facilitating constructive discussion. The chairperson should ensure that all directors have appropriate information and sufficient time is made available for meaningful discussion and should set the agenda for board and shareholder meetings. The chairperson should ensure that the board as a whole has a clear understanding of the views of shareholders.

3. **Separation of roles of chairperson and CEO:** Consideration should be given to separating the roles of the chairperson of the board and the CEO. This will ensure a balance of power and promote effective decision making. From a governance perspective ideally the chairperson and the CEO should be independent of each other. The division of responsibilities between them should be clearly established.

4. **Maintaining objectivity:** The closely held nature of ownership within many private companies means that directors are often required to maintain objectivity in complex situations, in particular where there is an influential shareholder or where the chairperson has a relationship with the CEO.

5. **Professional development:** The chairperson should demonstrate a commitment to the ongoing professional development of the board.

6. **Board evaluation:** The chairperson should ensure that regular evaluation of board performance (including the role of the chairperson) is undertaken. The chairperson should act on the recommendations of such evaluations and ensure that board members undertake appropriate training to update continually update their skills. This may lead to board refreshment or succession planning.

7. **Accountability:** An effective board should establish and maintain corporate governance practices that provide clear lines of accountability and responsibility to support effective decision making. The chairperson and the company secretary should periodically review the governance processes to ensure that they remain fit for purpose and consider any initiatives which could strengthen the governance of the company.

8. **Conflicts of interest:** Conflicts of interest can arise and compromise objective decision making. In such cases the Board should agree and set out how such conflicts should be identified and managed. This is of particular relevance in circumstances where there is a familial relationship between the chairperson or other board members and the CEO or other members of senior management. In family businesses the chairperson needs to differentiate between family matters (continuity, valuation, liquidity, transmission, dividends etc.) and corporate matters (operation-related decisions).

9. **Tenure:** From a governance perspective ideally the chairperson should not remain in post beyond nine years from the date of his/her first appointment to the board.

10. **Board committees:** If the board establishes an audit committee, the chairperson should not be a member of it. If the board establishes a remuneration committee, the chairperson should not be a member of it unless he/she was independent of the company upon appointment, and the chairperson should not chair the remuneration committee.

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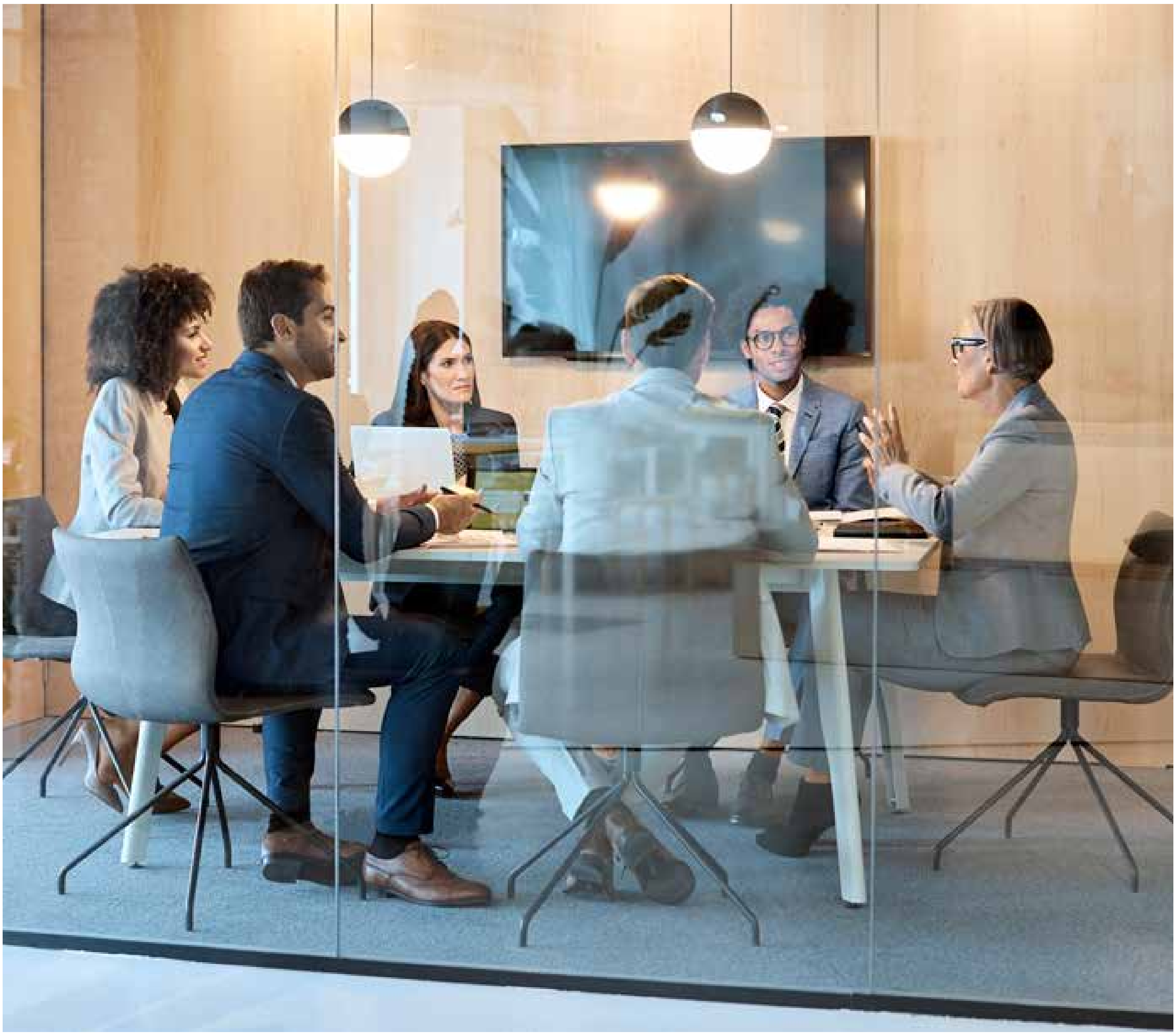


Local regulatory update

Local Regulatory Update

As we look back through the latter part of 2019, the Irish Auditing and Accounting Supervisory Board (IAASA) and the Financial Reporting Council (FRC) continue to focus on enhancing audit quality in Ireland and the UK respectively as both have released revised auditing standards in respect of Going Concern. Both the European Commission and the Central Bank of Ireland have also been busy during the period and there have been several guidance and proposals released in relation to financial services regulation.

IAASA developments

Revision to ISA(Ireland) 570 – Going Concern

Audit committees will be well aware of the focus on auditors work on the going concern basis of accounting following the high-profile corporate collapses recently in the UK. As a result, both the FRC and IAASA have released a new going concern standard - International Standards on Auditing ("IAS") (Ireland) 570 (Revised October 2019) Going Concern. The changes to the standard significantly increase the auditor's work effort when assessing the directors' assessment of the application of the going concern basis of accounting to the financial statements.

The directors' assessment of going concern basis of accounting will be subject to increased scrutiny by the auditor. In response to the new auditor obligations, directors and audit committees can expect to be requested to provide more robust documentation and be challenged rigorously in relation to:

- the method used to assess the entity's ability to continue as a going concern;
- the relevance and reliability of any data or assumptions used in the assessment;
- whether the assessment omits any relevant information; and
- the feasibility of future plans and actions underpinning the directors' assessment of going concern.

Audit committees of public entity entities and other listed entities will be interested in the auditors' new requirement to provide an explanation of how the auditor has evaluated the directors' assessment of going concern and any key observations arising with respect to their evaluation.

The effective date for the revised standard is for audits of financial statements for periods beginning on or after 15 December 2019.

Audit committees can find further information here: http://www.iaasa.ie/getmedia/ab036093-cc4b-46fd-838b-e523ab9ae572/ISA-Ireland-570-final.pdf

Guidance note on The Duty of Auditors to Report to the Director of Corporate Enforcement

The auditor has a statutory duty to make a report regarding the Company or an officer or an agent of the Company, to the Director of Corporate Enforcement ("ODCE") once the auditor has reasonable grounds to form an opinion that a Category 1 or 2 offence in accordance with either the Companies Act 2014 or the Irish Collective Asset-management Vehicles ("ICAV") Act 2015 (collectively "the Acts") may have been committed.

Audit committees are interested in the legal framework underpinning the auditors' statutory duty and the standard of certainty to be reached before a reportable obligation exist. IAASA has issued Guidance Note 01/2019 on the auditors' responsibility to report to ODCE regarding possible instances of non-compliance in accordance with either of the Acts which will assist audit committees in understanding the auditors' obligations.

Audit committees can find further information here: https://www.iaasa.ie/getmedia/6b4d724c-9c94-4773-a60d-165f2fa8de8c/ODCE-Guidance-Note_Final.pdf

Financial Reporting Council (FRC) developments

FRC publish revised ISA (UK) 570 Going Concern

As noted above in respect of IAASA's revised standard on Going Concern, the FRC have also issued a revised standard on going concern. The revisions are the same as those made by IAASA in the revised ISA (Ireland) 570 discussed above and the directors' assessment of the application of the going concern basis of accounting to the financial statements will also be significantly enhanced for UK entities.

Audit committees will be interested to note that the auditors' new requirement to provide an explanation of how the auditor has evaluated the directors' assessment of going concern and any key observations arising with respect to their evaluation is extended to UK unlisted entities subject to the governance requirements of The Companies (Miscellaneous Reporting) Regulation 2018.

The FRC standard has the same effective date as IAASA's.

Audit committees can find further information here: https://www.frc.org.uk/getattachment/13b19e6c-4d2c-425e-84f9-da8b6c1a19c9/ISA-UK-570-revised-September-2019-Full-Covers.pdf

FRC's year-end advice to Audit Committee Chairs and Finance Directors

On 30 October 2019, the FRC published its letter to Audit Committee Chairs and Finance Directors to consider the FRC's view on key matters as they prepare for the 2019/20 financial reporting season.

The letter sets out several areas which Audit Committees should be considering when preparing their 2019/2020 Annual Reports. These areas include:

- Strategic report: Boards should consider the adequacy of their reporting and ensure that they are providing quality communication to shareholders.
- Critical judgements and estimates: An understanding of critical judgements that impact the reporting and disclosure requirements should be disclosed.
- Alternative performance measures (APMs): Improvements have been noted in this area but the FRC continue to encourage entities to enhance their reporting around APMs.
- Impairment of assets: clearly identify and quantify the key assumptions used in cash flow projections.
- Reporting of cash and cash flows, including financing arrangements and
- Accounting standard disclosures, including IFRS 9, IFRS 15 and IFRS 16.

The letter to Audit Committee Chairs and Finance Directors is available here: https://www.frc.org.uk/getattachment/71345784-8f60-438b-a474-fc7c79ace9e3/Year-end-letter-(003).pdf

FRC published its Developments in Audit 2019

On 5 November 2019, the FRC published its Developments in Audit 2019 which report the FRC findings from its monitoring of audit firms during the year. Audit committees should note that the FRC want auditors to challenge management of the entity more robustly, especially in judgemental areas such as goodwill impairment, valuation of financial instruments or long-term contracts.

In addition to the challenge of management, other areas which the FRC noted that could be improved, and that audit committees should expect more scrutiny from the auditor, includes work performed over revenue and internal controls.

Audit committees can find further information here: https://www.frc.org.uk/getattachment/5d176788-3330-4b62-b18e-276c678d3d2c/Developments-in-Audit-FINAL-05-Nov-2019.pdf

General

European Single Electronic Format (ESEF) Regulation

The European Single Electronic Format (ESEF) Regulation, which came into force on 18 June 2019 will require issuers whose securities are admitted to trading on an EU regulated market to prepare their annual financial reports using digitalised business reporting systems (XHTML and iXBRL). The purpose of this new format is to improve accessibility and make the information more user-friendly.

The ESEF Regulation is effective for annual financial reports containing financial statements for financial years beginning on or after 1 January 2020. Audit committees should plan appropriate time for the annual financial reports to be prepared using digitalised business reporting systems.

The ESEF Regulation is available here: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02019R0815-20190529&from=EN%5d

Brexit

As with all things Brexit, significant uncertainty remains as the UK prepares for a general election on 12 December 2019. As at the 31 October 2019, the EU and the UK Government have agreed an updated Withdrawal Agreement. A so called 'flextension' has been granted by the EU until 31 Jan 2020 to allow further time for the ratification of the Withdrawal Agreement Bill (WAB). However, if or when the Agreement will ultimately be ratified will depend on how political events unfold over the next few months.

Until the expiry of the transition period under the Withdrawal Agreement, all passports and other relevant provisions will continue to operate and therefore firms will be able to continue to do business from the UK into the EU27 and vice versa. However, it is apparent though that any future arrangement will be unlikely to allow the current breadth of cross-border financial services activity between the UK and the EU27, and the operation and future of the equivalence framework is questioned.

Senior Executive Accountability Regime ("SEAR")

Audit committees of credit institutions, insurance undertakings and asset managers will be interested in the Central Bank (Amendment) Bill 2019 ("the Bill").

The Bill will introduce a Senior Executive Accountability Regime ("SEAR") in Ireland and will require credit institutions, insurance undertakings and certain asset managers to identify senior managers, allocate responsibilities to these senior managers, draw together responsibility maps for the firm, and ensure that senior managers (and in some cases a wider range of staff) are fit and proper for their roles and meet conduct rules established by the regulator.

The Bill is currently being drafted by the Department for Finance and Public Expenditure & Reform with engagement from the Attorney General's office.

Anti-Money Laundering

Audit committees will be interested in ensuring that the recent requirements and guidance in respect of money laundering and terrorist financing risk are implemented appropriately within the entity:

- Commission Delegated Regulation (EU) 2019/758 ("the Regulation"): The Regulation supplements the Fourth Money Laundering Directive ("4AMLD") with regulatory technical standards (RTS) specifying the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries. The Regulation will apply from 3 September 2019.

- The Central Bank of Ireland's Anti-Money Laundering and Countering the Financing of Terrorism Guidelines for the Financial Sector sets out the Central Bank's expectations on anti-money laundering and counter-terrorist financing compliance. Entities must adopt a risk-based approach to fulfilling their obligations and ensure that their controls, policies and procedures are fit for purpose, up-to-date, tested and kept under constant review and scrutiny.

Audit committees can find further information here:

The Commission Delegated Regulation (EU) 2019/758 is available here: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0758&from=EN

The Central Bank guidelines are available here: https://www.centralbank.ie/docs/default-source/regulation/how-we-regulate/anti-money-laundering-and-countering-the-financing-of-terrorism/guidance/anti-money-laundering-and-countering-the-financing-of-terrorism-guidelines-for-the-financial-sector.pdf?sfvrsn=4

Banking

European Banking Authority issued consultation on its Draft Guidelines on Loan Origination and Monitoring.

The European Banking Authority ("EBA") has issued a consultation on its Draft Guidelines on Loan Origination and Monitoring. The deadline for submission of comments on the consultation has passed. However, audit committees should note that the Guidelines, once effective, will have a major effect on credit origination and ongoing monitoring within Irish lenders.

The aim of the guidelines is to improve firms' practices and associated governance arrangements, processes and mechanisms relating to granting credit to ensure they have robust and prudent standards for credit risk taking, management and monitoring, and that newly originated loans are of high credit quality. The guidelines also aim to ensure that firms' practices are aligned with consumer protection rules.

Audit committees can find further information here: https://eba.europa.eu/sites/default/documents/files/documents/10180/2831176/3bc64e01-a4d1-4c7e-92d4-1dd84f4b234c/CP%20on%20GLs%20on%20loan%20origination%20and%20monitoring.pdf

Investment management

Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "CBI UCITS Regulations") was entered into Irish law. The CBI UCITS regulate Irish UCITS self-managed investment companies ("SMIC"), UCITS management companies ("ManCo") and depositaries of UCITS.

Audit committees should note that the new regulations replace, and for the main part restate the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "2015 UCITS Regulations"). In addition, the CBI UCITS Regulations consolidates amendments that had been made to the 2015 UCITS Regulations and incorporate guidance that was previously available on the Central Bank's website.

Audit committees can find further information here: http://www.irishstatutebook.ie/eli/2019/si/230/made/en/print

Insurance

Central Bank published its General Good Requirements for Insurance Undertakings

In September 2019, the Central Bank of Ireland published its "General Good Requirements for Insurance Undertakings". The document sets out in summary form, some of the main requirements that insurers and reinsurers operating in Ireland must to adhere to.

The document focusses on Consumer Protection Code, Motor Insurance, Health Insurance, the Minimum Competency Code, Non-Life Premium Levy and Funding Levy requirements.

The document is available here: https://www.centralbank.ie/docs/default-source/regulation/industry-market-sectors/insurance-reinsurance/solvency-ii/requirements-and-guidance/general-good-requirements-for-insurance-undertakings-2019.pdf

Active Central Bank consultations

There is currently one active Central Bank consultation.

Date	Title	Closing Date	CP Number	Status
09/09/2019	CP130 – Treatment, Correction and Redress of Errors in Investment Funds	09/12/2019	CP130	Active

The list of closed Central Bank consultations can be accessed here: https://www.centralbank.ie/publication/consultation-papers

Financial reporting update

This section provides an overview of the key developments in accounting standards since our last edition.

Overview

Since our last edition, there have been a small number of changes to local GAAP while there are a number of items to draw to your attention regarding IFRS.

In local GAAP, there were amendments published to FRS 102 to include explicit requirements for how an entity shall transition from defined contribution accounting to defined benefit pension accounting. In addition, there were amendments to FRS 101 to specifically exclude insurance entities from being able to apply FRS 101 if IFRS 17 becomes adopted as an EU IFRS.

From an IFRS perspective, IFRS 16: Leases is now effective for accounting periods beginning on or after 1 January 2019. Therefore the financial statements of entities with financial periods beginning on or after this date need to contain appropriate disclosure of the impact of the adoption of this standard. This is further reinforced by the European Securities and Markets Authority (ESMA) enforcement priorities document for 2019 annual reports and the Irish Auditing and Accounting Supervisory Authority (IAASA)'s "Observations on selected financial reporting issues – years ending on or after 31 December 2019". Both IAASA and ESMA have highlighted that they will be focussing in on the adoption of IFRS 16 in their reviews of 31 December 2019 annual reports. In addition, they are continuing to focus on the disclosures of IFRS 9 and 15 and other matters which we have outlined below.

To assist preparers, reviewers and Audit Committee members with determining the level of disclosures required in the financial statements for the year end 31 December 2019, KPMG has released annual financial statement disclosure guidance. In addition, we have also included a link to KPMG's web-tool which allows you to generate a customised list of newly effective and effective IFRS standards at any time for both IASB IFRS and EU IFRS depending on the accounting period data that is inserted. This will ensure that audit committee members are able to keep up to date with newly effective IFRS and upcoming IFRS.

FRC Accounting standards – FRS 100, FRS 101, FRS 102, FRS 103, FRS 104 & FRS 105

Amendments to FRS 102: *Multi employer defined benefit plans*

In May 2019, the FRC issued amendments to FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland: Multi-employer defined benefit plans.*

The amendments to FRS 102 set out new and explicit requirements in section 28 of FRS 102 for how an entity shall transition from defined contribution accounting to defined benefit accounting.

The effective date for the amendments is accounting periods beginning on or after 1 January 2020 with early application permitted.

A copy of the amendments to FRS 102 is available at the link below:

https://www.frc.org.uk/getattachment/f265b11d-ba22-47c5-8c38-db0ab1e0b6f3/Amendments-to-FRS-102-Web-Ready.pdf

Amendments to FRS 101 *Reduced Disclosure Framework – 2018/ 2019 cycle*

In July 2019, the FRC issued amendments to FRS 101 Reduced Disclosure Framework – 2018/ 2019 cycle.

The main change arising from the amendments was to amend the definition of a "qualifying entity" to exclude entities that are required to comply with the Insurance Undertakings Regulations 2015 (as amended)[2] and that have contracts in scope of IFRS 17 from FRS 101. Therefore insurer entities are not permitted to apply FRS 101 if IFRS 17 is part of EU adopted IFRS. These amendments are effective for accounting periods beginning on or after 1 January 2021.

2. The European Union (Insurance Undertakings: Financial Statements) Regulations 2015 (S.I. No. 262 of 2015), as amended by the European Union (Insurance Undertakings: Financial Statements) Regulations 2016 (S.I. No.213 of 2016) (Insurance Undertakings Regulations 2015 (as amended))

A copy of the amendments to FRS 101 is available at the link below:

https://www.frc.org.uk/getattachment/5601deae-29ac-48d3-903b-90dc26100a78/Amends-to-FRS-101-WEB-READY.pdf

Ongoing FRC Projects

The FRC has two ongoing projects in respect of local GAAP which is set out below.

Project	Status
FRED 72 Draft amendments to FRS 102 – Interest rate benchmark reform	On 11 July 2019, the FRC issued FRED 72 Draft amendments to FRS 102 – Interest rate benchmark reform. It proposes amendments to hedge accounting requirements to provide relief, that will avoid unnecessary discontinuation of hedge accounting during the period of uncertainty as interest rate benchmarks are being reformed. FRED 72 is based on similar proposals issued by the IASB, and has a proposed effective date of 1 January 2020, with early application permitted.
Implementation issues (ongoing)	As communicated in the last Audit Committee publication, the Corporate Reporting Council and its UK GAAP Technical Advisory Group are performing reviews of any issues arising relating to the implementation of FRS 102 as those issues arise. Decisions about the best way to address issues such as editorial points, areas where FRS 102 is silent, and areas where divergent accounting practice seems to be emerging in practice etc. are being taken on a case-by-case basis.

Further detail on the above ongoing projects being undertaken by the FRC can be accessed at:

https://www.frc.org.uk/accountants/accounting-and-reporting-policy/uk-accounting-standards/on-going-projects

IFRS activity

IFRS 16 effective from 1 January 2019

IFRS 16: Leases became effective for the first time for companies with reporting periods beginning on or after 1 January 2019. As noted below, the European Securities and Markets Authority (ESMA) and Ireland's accounting enforcer, IAASA, have highlighted that they will be reviewing the disclosures around the impacts of the adoption of the new standards on the financial statements. It is very important that entities disclose sufficient information to comply with the requirements of the new standard and the impact that transition to IFRS 16 has had on the financial statements.

KPMG release 2019 illustrative disclosure guide and supporting documents

KPMG has released the 2019 illustrative disclosures guide for annual financial statements which illustrates one possible way of meeting the disclosure objectives. It is recommended that Audit Committee members look at the illustrative disclosures to understand the level of detail that is expected to be provided in the annual report. KPMG have also released a disclosure checklist to support the illustrative disclosures guide and a specific IFRS 16 supplement to the annual illustrative disclosures guide. The KPMG 2019 illustrative disclosures publication and supporting documents are available at the link below:

https://home.kpmg/xx/en/home/services/audit/international-financial-reporting-standards/ifrs-illustrative-financial-statements.html

In addition, we would like to remind preparers, reviewers and audit committee members that KPMG has released a number of publications to assist companies in their adoption of IFRS 16 which are available at the link below:

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

IAASA observations document and ESMA 2019 enforcement priorities

Financial Reporting Regulators IAASA and ESMA released their 2019 observations document and 2019 enforcement publication setting out particular areas that will be looked at by them in their performance of reviews of 2019 annual reports. We have set out below a number of the specific areas highlighted by them so that audit committee members are aware of these items and have also provided links to the publications where further information can be found.

IAASA

In September 2019, IAASA released their "Observations on selected financial reporting issues – years ending on or after 31 December 2019" publication. This publication outlines matters that will be subject to detailed scrutiny by IAASA in their examination of 2019 financial statements and serves as a guide to assist in the preparation of high quality disclosures on selected financial reporting topics. Items covered in the 2019 Observations publication include:

- The continued application of IFRS 15 Revenue from Contracts with Customers including particular focus on the following:
  - Disaggregation of revenue and its interaction with IFRS 8 Operating segments;
  - The extent to which accounting policies for revenue related matters have been disclosed e.g. policy for warranties, policy for determining when delivery takes place etc.
  - Disclosures around variable consideration and the methodology applied by the issuer to estimate it.
  - The extent to which significant judgements have been determined such as identifying and satisfying performance obligations, point in time v overtime, principal v agent etc.
- The continued application of IFRS 9 Financial Instruments including particular focus on the expected credit loss model for both financial and non-financial institutions.
- The application of IFRS 16 Leases for the first time in the 2019 IFRS financial statements. In particular it is highlighted that issuers should have particular focus in their IFRS 16 disclosures on the following:
  - The judgements made in recognising and measuring right of use assets and liabilities;
  - The determination of the discount rate;
  - The judgements made in implementing IFRS 16 and transition disclosures
  - An understanding of how the lease term is determined.
  - The methodologies, inputs and assumptions used for carrying out impairment testing; and
  - Transition including whether retrospective or modified retrospective approach has been applied and what practical expedients have been availed of.
- Transparent and entity specific disclosure of accounting policies regarding the recognition, measurement, presentation and disclosure of uncertain tax positions under IFRIC 23.
- The disclosures analysing the possible impacts of the decision of the United Kingdom to leave the European Union.
- IFRS 7 maturity analysis disclosure for non-derivative financial liabilities.
- Disclosures supporting the recognition, measurement and remeasurement of deferred tax assets arising from unused tax losses under IAS 12 Income taxes.
- Judgements made in preparing impairment tests and the disclosure requirements of IAS 36.
- The disclosure of alternative performance measures in the financial statements using the ESMA Guidelines on Alternative Performance Measures.
- The related party disclosures required by IAS 24 Related party Disclosures.
- Where supply chain financing (e.g. non-recourse factoring or reverse factoring) is in place, there should be appropriate disclosure of the financial reporting treatment applied.
- Clear identification of the accounting matters considered to be significant accounting judgements and those considered to be sources of estimation uncertainty.

ESMA

On 22 October 2019, ESMA released their 2019 enforcement priorities for 2019 financial statements. These priorities reflect the changes that have been made to financial reporting standards and disclosures required in the financial statements. European enforcers will particularly consider these priorities when examining 2019 financial statements of listed companies.

The enforcement priorities of ESMA for 2019 annual reports are as follows:

- The application of IFRS 16 Leases for the first time in the 2019 IFRS financial statements. In particular it is highlighted that issuers should have particular focus in their IFRS 16 disclosures on the following:
  - The judgements made in determining lease term;
  - The discount rate;

- Qualitative and quantitative disclosures of the impact of IFRS 16 on the financial performance, cash flows and financial position;
- The methodologies, inputs and assumptions used for carrying out impairment testing; and
- Transition including whether retrospective or modified retrospective approach has been applied and what practical expedients have been availed of.

- The application of IFRS 15 Revenue from Contracts with Customers and the application of IFRS 9 Financial Instruments continues to be a focus point for ESMA with the key areas noted in their 2018 enforcement priorities document remaining valid. The enforcement priorities for 2019 place emphasis on the IFRS 9 expected credit loss model for credit institutions and the IFRS 15 disaggregation of revenue for corporate entities.

- Specific aspects of application of IAS 12 including disclosures around
  - Deferred tax assets arising from the carry-forward of unused tax losses;
  - Amendments to IAS 12 stemming from the 2015 to 2017 Annual improvements;
  - The application of IFRIC 23 and the assumptions and estimates made;

- Disclosures of non-financial information including how items have been determined to be material in the non-financial information and the completeness of disclosures. There is also continued focus on disclosures relating to environmental matters and climate change and key performance indicators relating to non-financial policies.

- The disclosure of alternative performance measures in the financial statements using the ESMA Guidelines on Alternative Performance Measures.

Audit Committee members are recommended to read IAASA's Observations publication and ESMA's enforcement priorities publication so that they have an understanding of the level of disclosure expected by the regulators in the 2019 annual reports.

The link to the ESMA common enforcement priorities is included below:
https://www.esma.europa.eu/file/49569/download?token=2RHXiEfy

The link to IAASA's "Observations on selected financial reporting issues – years ending on or after 31 December 2019" is included below:
http://iaasa.ie/getmedia/8b9ddb07-4ad4-45cc-8abb-010912e17753/Obs-doc-2019-final-16sep19.pdf?ext=.pdf

Newly-effective IFRSs

IFRSs as adopted by the EU for 31 December 2019 year-end financial statements

For those companies which are preparing their year-end financial statements for the year ended 31 December 2019 i.e. annual periods beginning on or after 1 January 2019 under IFRSs as adopted by the EU, the following will be mandatory for the first time in their year end financial statements:

- IFRS 16 Leases.
- IFRIC 23 Uncertainty over income tax treatments.
- Amendments to IFRS 9 Prepayment features with negative compensation.
- Amendments to IAS 28: Long-term interests in associates and joint ventures.
- Amendments to IAS 19: Plan amendment, curtailment or settlement.
- Annual improvements to IFRS 2015 to 2017 Cycle

The following IFRS standards await endorsement by the EU:

Standards available for early adoption (IASB IFRS)	Mandatory effective date
Amendments to references to the definition of material (amendments to IAS 1 and IAS 8)	Not yet endorsed
Amendments to References to Conceptual Framework in IFRS Standards	Not yet endorsed
Amendments to IFRS 3 Definition of a Business	Not yet endorsed
IFRS 17 Insurance Contracts	Not yet endorsed
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet endorsed
IFRS 14 Regulatory deferral accounts	Not yet endorsed

Please note the endorsement status of IFRS as adopted by the EU can be monitored on the European Financial Reporting Advisory Group's endorsement webpage which can be accessed at the link below:
http://www.efrag.org/Endorsement?AspxAutoDetectCookieSupport=1

Newly effective IASB IFRSs for 31 December 2019 year-end financial statements

For those companies which are preparing their year-end financial statements for the year ended 31 December 2019 i.e. annual periods beginning on or after 1 January 2019 under IASB IFRS, the following will be mandatory for the first time in their year-end financial statements:

- IFRS 16 Leases.
- IFRIC 23 Uncertainty over income tax treatments.
- Amendments to IFRS 9 Prepayment features with negative compensation.
- Amendments to IAS 28: Long-term interests in associates and joint ventures.
- Amendments to IAS 19: Plan amendment, curtailment or settlement.
- Annual improvements to IFRS 2015 to 2017 Cycle

The following standards are not mandatorily effective but are available for early adoption at 31 December 2019 for IASB IFRS

Standards available for early adoption (IASB IFRS)	Mandatory effective date
Amendments to references to the definition of material (amendments to IAS 1 and IAS 8)	1 January 2020
Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 Definition of a Business	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
IFRS 17 Insurance Contracts	1 January 2021
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Optional

KPMG Tool for generating newly effective and upcoming IFRS

For further information on all of the above new and upcoming IFRS and amendments to IFRS, please refer to the KPMG webtool KPMG which allows you to generate a customised list of newly effective and forthcoming IFRS standards for both IASB IFRS and EU IFRS and which contains links to further guidance on each standard or amendment.

https://home.kpmg/xx/en/home/services/audit/international-financial-reporting-standards/ifrs-toolkit/ifrs-new-standards-effective-dates-tool.html

Forthcoming IFRSs, narrow scope amendments and IFRIC Interpretations

We have outlined below the listing of forthcoming IFRSs, narrow scope amendments and IFRIC interpretations and their expected publication dates. We have also provided a brief summary of each upcoming IFRS and amendment so that audit committee members are up to date on forthcoming changes to IFRS.

IFRSs and narrow scope amendments	Within 6 months	After 6 months
Classification of liabilities as current or not current (amendments to IAS 1)	✓	
Property, plant and equipment: proceeds before intended use (amendments to IAS 16)	✓	
Onerous contracts – costs of fulfilling a contract (amendments to IAS 37)		✓
Accounting policies and accounting estimates (amendments to IAS 8) *		
Availability of a refund (amendments to IFRIC 14) *		

** No indicative publication date provided*

For further information, please see the following publications:

- The amendments to IAS 1 include clarifications to the criteria included in IAS 1 for the classification of liabilities as current or non-current liabilities. The amendment will be effective for accounting periods beginning on or after 1 January 2022.

IASB press release and related publications on the amendments to IAS 1 are available at the following link: http://www.ifrs.org/projects/work-plan/classification-of-liabilities/

- The amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment (PPE) any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The amendment will be effective for accounting periods beginning on or after 1 January 2022.

IASB press release and related publications on the amendments to IAS 16 are available at the following link:
https://www.ifrs.org/projects/work-plan/property-plant-and-equipment-proceeds-before-intended-use/

- The amendments to IAS 37 were a narrow scope amendment to clarify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether that contract is onerous and to add examples to illustrate the amendment.

The IASB press release and related publications on the amendments to IAS 37 are available at the following link:
https://www.ifrs.org/projects/work-plan/onerous-contracts-cost-of-fulfilling-a-contract/

- The amendments to IAS 8 were primarily focused on revising the definition of "accounting estimates" and clarify that:
  (i) accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty;
  (ii) such monetary amounts are outputs of measurement techniques used in applying accounting policies; and
  (iii) an entity uses judgements and/or assumptions in developing an accounting estimate.

IASB press release and related publications on the amendments to IAS 8 are available at the following link:
https://www.ifrs.org/projects/work-plan/accounting-policies-and-accounting-estimates/

- The amendments to IFRIC 14 clarify how a company determines the economic benefits available in the form of a refund from a defined benefit plan when other parties (such as trustees) have rights to make particular decisions about the defined benefit plan.

IASB press release and related publications on the amendments to IFRIC 14 are available at the following link:
http://www.ifrs.org/projects/work-plan/availability-of-a-refund/

IASB exposure drafts

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

- Exposure Draft: *Fees in the 10 per cent test for de-recognition of financial liabilities (amendments to IFRS 9)*

This exposure draft was published as part of annual improvements to IFRS standards 2018 to 2020. The Board proposes to clarify the fees that an entity should include when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. The exposure draft proposes that the reference to fees in the 10 per cent test includes only fees paid or received between the borrower and the lender, including any fees paid or received by either the borrower or the lender on the other's behalf.

IASB press release and further guidance regarding the exposure draft is available at the following link:
https://www.ifrs.org/projects/work-plan/fees-in-the-10-per-cent-test-for-derecognition/#current-stage

- Exposure Draft: *IBOR Reform and its effects on financial reporting*

This exposure draft was published to address uncertainties arising from the financial reporting implications of the Interbank Offer Rates Reform (IBOR Reform).

IASB press release and further guidance regarding the exposure draft is available at the following link:
https://www.ifrs.org/projects/work-plan/ibor-reform-and-its-effects-on-financial-reporting-phase-2/#project-history

- Exposure Draft: *Lease incentives (amendment to illustrative example 13 accompanying IFRS 16)*

This exposure draft was published to address potential confusion for preparers in applying IFRS 16 Leases because of how illustrative example 13 accompanying IFRS 16 illustrates the requirements for lease incentives.

IASB press release and further guidance regarding the exposure draft is available at the following link:
https://www.ifrs.org/projects/work-plan/lease-incentives-ifrs-16/#current-stage

- Exposure Draft: *Subsidiary as a first time adopter (amendments to IFRS 1)*

This exposure draft was published as part of annual improvements to FRS standards 2018 to 2020. The Board proposes to require a subsidiary that elects to apply D16(a) of IFRS 1 First-time adoption of International Financing Reporting Standards to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRSs.

IASB press release and further guidance regarding the exposure draft is available at the following link: https://www.ifrs.org/projects/work-plan/subsidiary-as-a-first-time-adopter/

- Exposure Draft: *Taxation in fair value measurements (amendments to IAS 41)*

This exposure draft was published as part of annual improvements to FRS standards 2018 to 2020. The Board proposes to remove the requirement in paragraph 22 of IAS 41 Agriculture for entities to exclude cash flows for taxation when measuring fair value applying IAS 41.

IASB press release and further guidance regarding the exposure draft is available at the following link: https://www.ifrs.org/projects/work-plan/taxation-in-fair-value-measurements/

- Exposure Draft: *Updating a reference to the Conceptual Framework (amendments to IFRS 3)*

This exposure draft was published with three proposed amendments to IFRS 3 Business Combinations. The three proposed amendments are as follows:

1. Remove from IFRS 3 a reference to an old version of the Board's Conceptual Framework ("the Framework for the preparation and presentation of financial statements" issued in 1989) with a reference to the current version ("the Conceptual framework for financial reporting").

2. The addition to IFRS 3 of an exception to its recognition principle. For liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 if incurred separately, an acquirer should apply IAS 37 or IFRIC 21 respectively instead of the Conceptual Framework to identify the obligations it has assumed in a business combination.

3. Make the IFRS 3 requirements regarding contingent assets more explicit so that IFRS 3 will include an explicit statement that an acquirer should not recognise contingent assets acquired in a business combination.

IASB press release and further guidance regarding the exposure draft is available at the following link: https://www.ifrs.org/projects/work-plan/updating-a-reference-to-the-conceptual-framework-ifrs-3/

- Exposure Draft: *Deferred tax related to assets and liabilities arising from a single transaction*

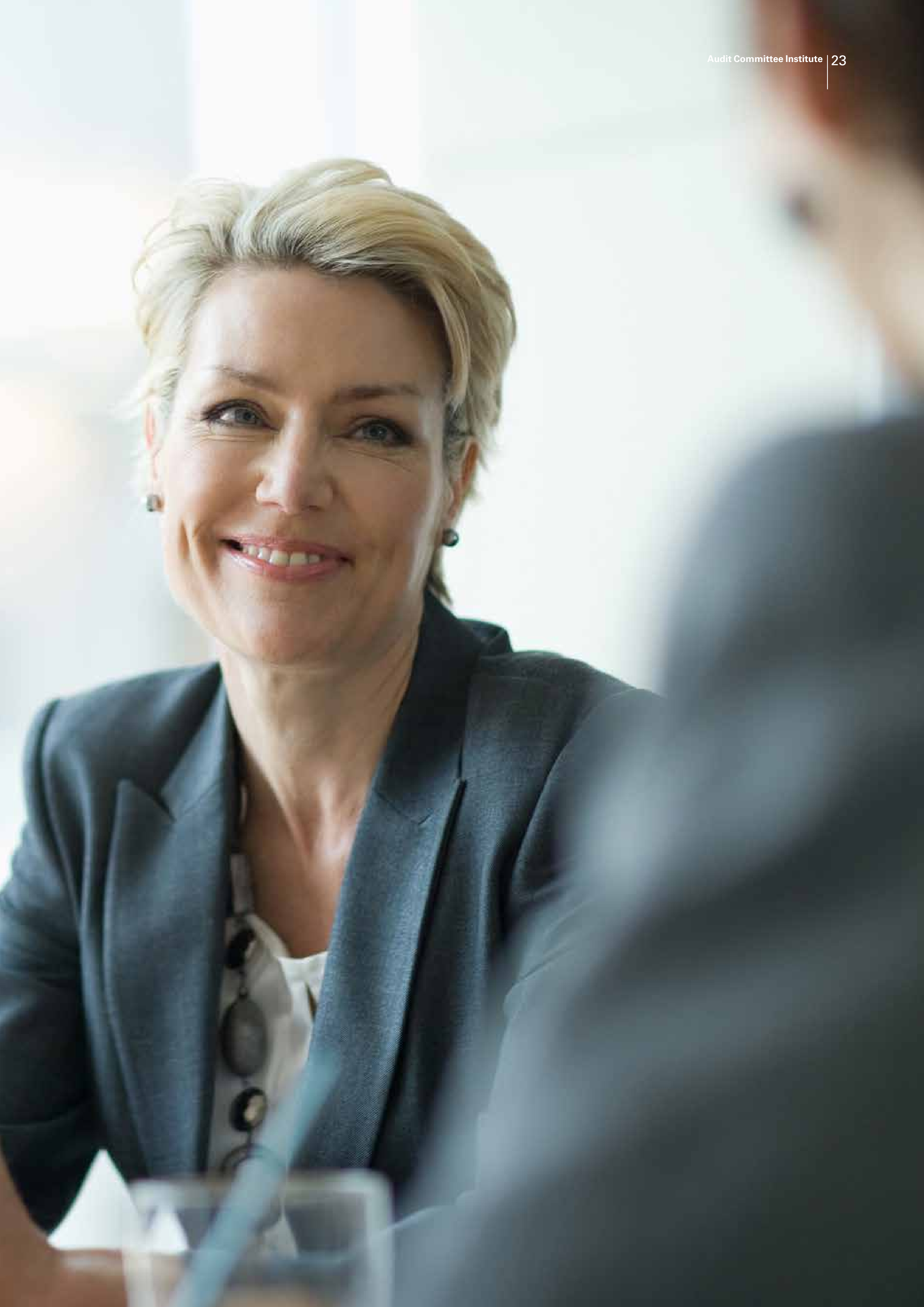
This exposure draft was published with a proposal to narrow the scope of the initial recognition exemption in IAS 12.15 and IAS 12.24. The exemption would not apply to the extent that on initial recognition of a transaction, an entity would recognise equal amounts of deferred tax assets and liabilities.

IASB press release and further guidance regarding the exposure draft is available at the following link: https://www.ifrs.org/projects/work-plan/deferred-tax-tax-base-of-assets-and-liabilities/

Exposure draft	2019 Q4	2020 H1	2020 H2
Amendments to IFRS 17 Insurance contracts	✓		
Primary Financial Statements	✓		
Disclosure initiative – targeted standards – level review of disclosures			✓
Rate regulated activities		✓	
IBOR reform and its effects on financial reporting – phase 2 *		✓	
Management commentary			✓

** No indicative publication date provided*

Further information on these projects is available on the IASB website at: http://www.ifrs.org/Current-Projects/IASB-Projects/Pages/IASB-Work-Plan.aspx



Audit Committee Handbook

The Audit Committee Institute launched an updated version of the Audit Committee Handbook in late 2017. 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.A selection of what the book can offer is as follows:

- ACI guiding principles for audit committees reflecting the committee's ever-increasing workload
- Step-by-step guide on how to approach an audit tender process
- Complete set of audit committee fundamentals, leading practices and ready-to-use tools
- Best practice guidance on audit committee member induction
- Extensive guidance to assist audit committee chairs in their important role
- Risk oversight essentials in the digitalised world

The guide is available for download at: https://home.kpmg.com/content/dam/kpmg/ie/pdf/2017/10/ie-aci-handbook-2017.pdf.

Word versions of the various questionnaires, and other appendices - which can be customised to a company's specific circumstances - are also included.

Upcoming event(s)

Check out the Audit Committee Institute page at https://home.kpmg/ie/en/home/services/audit/audit-committee-institute.html

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**.

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.

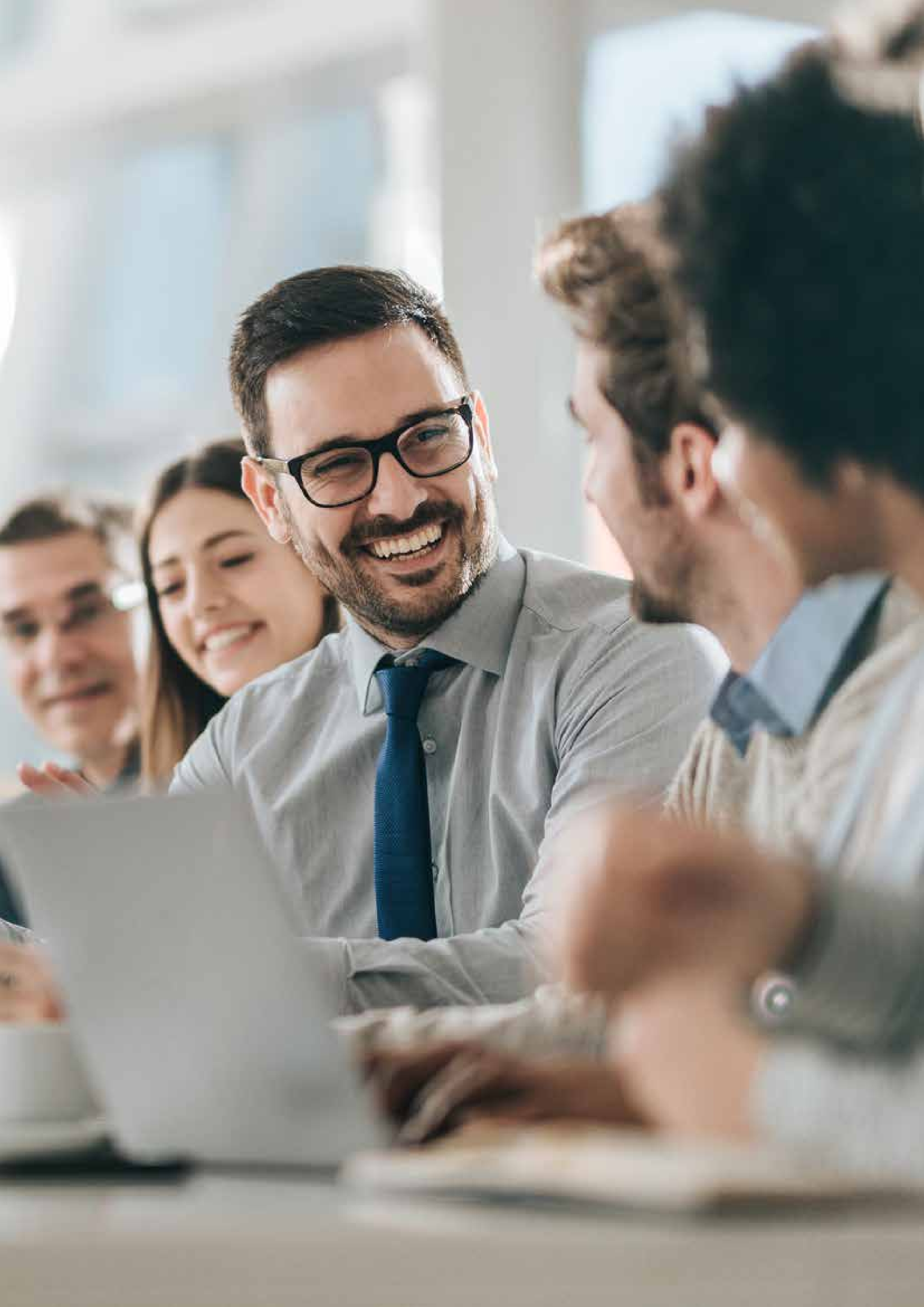
ACI International

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 **https://home.kpmg/ie/en/home/services/audit/audit-committee-institute/aci-international-sites.html**

Many members of ACI in Ireland are board members of international companies, or often spend 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-institutes.com/content/kpmg-event-management/registration.html**.

Notes



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