

*Building trust  
in a time of  
change*

Audit Quality and  
Transparency  
Report 2013

*“Our vision is to be the leading professional services firm in Ireland – distinctive, trusted, and authoritative – always front of mind*

*We aim to:*

- *Do the right thing for our clients, our people and our communities*
- *Lead in terms of sustainable growth, quality, talent and brand recognition*
- *Set the standards and drive the agenda for our profession”*

---

# Contents

## *Audit Quality Report*

<i>A message from our Senior Partner</i> .....	4
<i>Delivering quality audits</i> .....	6
<i>A message from the Chairman of our Public Interest Board</i> .....	9

---

## *Transparency Report*

<i>1. Legal structure and ownership of the Irish Firm</i> .....	10
<i>2. The PricewaterhouseCoopers Network</i> .....	10
<i>3. Governance structure of the Irish Firm</i> .....	13
<i>4. The Irish Audit Firm Governance Code</i> .....	15
<i>5. Internal quality control system</i> .....	17
<i>6. External inspections</i> .....	24
<i>7. Public interest entity audit clients</i> .....	24
<i>8. Independence procedures and practices</i> .....	25
<i>9. Continuing professional education of our people</i> .....	26
<i>10. Corporate Social Responsibility</i> .....	27
<i>11. Financial reporting</i> .....	28
<i>12. Partner remuneration</i> .....	30

*Appendix 1 Profiles of the Territory Leadership Team*

*Appendix 2 Profiles of the Committee of the Board*

*Appendix 3 Profiles of the Independent Non-Executive Members of  
the Public Interest Board*

*Appendix 4 Listing of Public Interest Entity Audit Clients*

# *A message from our Senior Partner*



*“This Audit Quality and Transparency Report is an important opportunity to share our values, build your trust in our Firm and explain how we set our strategy and manage our business to deliver consistently high quality.”*

As Senior Partner of the largest professional services firm in Ireland, I welcome this opportunity to share with you our values, build your trust in our Firm and explain how we set our strategy and manage our business to deliver consistently high quality.

For me, being the market-leading firm is not just about scale. It's about how we behave and how this behaviour translates into the way our Firm is perceived now and into the future. In other words, it's about our reputation and our legacy.

Our Firm's reputation is fundamental to our business. Reputations take decades to build but can be destroyed in a fraction of that time, so we take the management of our reputation extremely seriously.

It is also important to remember that being market leader brings its own responsibilities. In my view, these include an obligation to build a lasting legacy that is founded not on short-term revenue growth, but on wider long-term objectives – including continually improving the quality of our work, building ever-deeper client relationships and making a positive economic and social impact.

Growth is clearly important to maintaining a market-leading position; after all, if any organisation is to lead then it must first be sustainable and profitable. But if it takes actions with only a short-term agenda and objectives in mind, then these can often be at odds with its enduring values. How we train and develop our people is one example of how we focus on long-term results. We instil a sense of independence and professionalism that helps shape the leaders of tomorrow.

---

Our audit practice is a vital part of our business and a core part of our brand. Our focus on audit quality therefore remains unwavering as it goes to the very heart of our reputation.

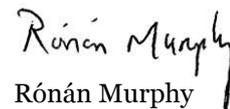
In June 2012, The Chartered Accountants Regulatory Board, our regulator, published the Irish Audit Firm Governance Code, which applies to the Firm for the first time this year. The principles of the code are aimed at improving the overall transparency and governance of audit firms. We fully support these principles, many of which had been in operation in our Firm for a number of years. We set out on page 15 details of how we have applied the principles of the code.

A principle of the code is that firms which audit public interest entities should appoint Independent Non-Executives. Through their involvement, they will collectively enhance shareholder confidence in the public interest aspects of the firm's decision making, stakeholder dialogue and management of reputational risks. We established our Public Interest Board in February 2013, under the chairmanship of Mr Kieran McGowan, whose first report in this role is set out on page 9. I would like to thank Kieran and the other members of our Public Interest Board, Dr Martin McAleese, Dr Hugh Brady, Julie O'Neill and John McDonnell for their contribution over the last year.

The audit profession has continued to be subject to significant scrutiny. The recently published European Union draft proposals on the auditing profession will no doubt present further challenges for our profession. Our position on audit reform remains simple; we support changes that will promote audit quality, competition and transparency and where the benefits of change clearly outweigh the costs. We believe that whatever reforms are introduced, we have the right people with the right skills to succeed.

I would like to thank my fellow partners and all of our people for their continued commitment to delivering exceptional quality and service to our clients. Our partnership culture encourages the pursuit of continuous improvement. Many of the best innovations and improvements in our auditing come through this process and we remain committed to building on this culture in the future.

I hope that you enjoy reading this report.

  
Rónán Murphy  
*Senior Partner*

# Delivering quality audits



*“Acting with integrity and demonstrating the values that we uphold as a Firm is critical to our reputation and sustained success”*

Our ability to deliver high-quality audits is, quite simply, fundamental to our reputation – not just the reputation of our audit practice, but of our entire firm.

As Head of Assurance, I have a personal responsibility to convey this message to our partners and staff, to our clients and, through this Audit Quality and Transparency Report and other channels, to our wider stakeholders.

## **Leadership responsibilities for quality within the Firm**

The Firm’s leadership is committed to quality work and has established a culture of upholding the values of integrity, independence, professional ethics and professional competence. We continually emphasise the fact that every partner and member of staff has a personal responsibility to do the right thing through the exercise of good judgement and to play their part in delivering high quality audits.

In addition, we have put in place processes to help deliver and regularly assess quality:

- An Assurance Quality Committee meets regularly to set policy in matters directly impacting audit quality, to consider the design and operating effectiveness of our Quality Management System and to monitor the implementation of agreed plans across our practice.
- All of our people attend mandatory training events each year. Our training programmes follow a PwC global curriculum adapted as necessary for Irish GAAP and company law considerations. Classroom training is supplemented with e-learning on areas warranting particular focus and with periodic briefing or email updates on ‘hot topics’.
- In 2013, we continued our Quality Key Performance Indicator (KPI) process, which reviews adherence to a series of key quality indicators on a sample of over 100 audit engagements annually. In 2013 the results of this programme showed a 5% improvement over 2012.
- Financial statements prepared under International Financial Reporting Standards) for all listed companies are subject to an independent review by a member of our accounting technical team.
- On an annual basis we are subject to review of audit quality by an independent team from the PwC global network.
- On a triennial basis our quality control system is subject to review by an independent team from the PwC global network.

Audit quality is critical to the success of our practice and we devote significant resources to support teams on the ground, day in and day out. Last year, the aggregate time spent on assurance risk and quality activities, including training, equated to about 3 partner/director and 7 staff full time equivalents. This time excludes the risk and quality activities embedded within the audit process itself, such as documentation and review of work performed.

We recognise our responsibilities as the leading firm of professional advisors in Ireland to play an active role in the professional bodies with which we are associated. In the year ended 31 December 2013, 33 of our people served on 50 professional committees in these bodies.

### **Investment and innovation**

We believe in developing a vision for the future of audit, and we invest time and money in bringing that vision into reality. We have a dedicated team of partners and staff who work to innovate and improve our audit approach. This is not just about making us more efficient – our objective is to optimise the value of our audits through increasing the insight that our audits can provide to audit committees and investors.

This year, we've taken a big step forward in the world of data-enabled auditing, using advanced data-auditing techniques on nearly 250 audits, with many more planned for next year. Our clients have given us great feedback on these new approaches – not only do they enhance audit quality, but they're increasing our ability to provide more insightful analysis on business models and financial results.

Investment and innovation will remain a key part of the PwC audit.

### **Our people**

We depend on our ability as a firm to recruit, train and motivate intelligent professionals who take personal responsibility to deliver high-quality work. We make a big effort to develop our people and help them advance their careers. In 2013, 241 graduates joined the Firm and we expect a further 250 to join us in 2014. In 2013 174 of our people passed the Final Admittance Examination ("FAE") of Chartered Accountants Ireland ("CAI") and 22 passed the final Associate of the Irish Taxation Institute ("ITI") examination.

We set out below an analysis of our people, who are professionally qualified or who are pursuing professional qualifications at 31 December 2013.

	Qualified	Trainees	Total
Accountants	597	600	1197
Tax Practitioners (Note 1)	194	140	334
Actuaries	22	13	35
Members of other professional bodies	94	-	94
	<b>907</b>	<b>753</b>	<b>1660</b>

*Note 1: Of which 95 are also qualified accountants*

In 2013 gradireland named PwC as Ireland's "Graduate Recruiter of the Year" and we also received the "The Best Innovation on Campus Award". This follows on from PwC being named as "Ireland's most popular Graduate Recruiter" as well as the most popular employer in the "Accountancy & Professional Service" category in each of 2008, 2009, 2010 and 2012.

Internally, the Firm participates in the "PwC Global People Survey" on an annual basis which, inter alia, measures people engagement with a view to maximising the success of the Firm. Our people engagement scores have improved in each of the last four years. We engage in a comprehensive programme of communication and feedback with our people in all business units each year following the Global People Survey results.

We continue to invest in equipping our people with the technical, coaching and management skills needed to deliver quality work and we also encourage regular, honest feedback to help in their development.

The Firm's internal training curriculum provides a broad range of technical solutions as well as business and personal skills programmes. The ethical values and behaviours needed to meet our public interest obligations are embedded in our skills' training. The overall aim of the training programmes is to give training specific to the needs of the individual, based on their experience, grade and role. Further details of our training programmes within Assurance can be found on page 26.

One measure of the effectiveness of our training programme is the success rate of our people in professional examinations as illustrated below:

	2013	2013	2012	2012
	PwC Pass Rate	National Pass Rate	PwC Pass Rate	National Pass Rate
CAI FAE Exam	76%	63%	72%	62%
ITI Final Exam-Spring	78%	51%	77%	54%
ITI Final Exam-Autumn	83%	49%	91%	41%

I would like to congratulate all our successful candidates in these examinations.

A key element of our training programme is the PwC Business Academy which is a mandatory 3 year modular programme for all newly promoted managers aimed at developing their commercial, management & leadership skills. Our approach ensures that there is an appropriate blend of classroom training, e-learning and peer group learning. Practical application of theory, robust dialogue and accountable follow-ups are key features of all training. The curriculum for this programme has been designed with the assistance of experts from the Smurfit School of Business in University College Dublin. The programme's materials, learning methodologies and evaluations have also been reviewed by the Smurfit School of Business.

In 2013 our people spent 87,000 hours on assurance training programmes, of which 15,000 were spent on e-learning courses.

Training is only one aspect of our people's development. We try to give an optimal mix of on-the-job experience, coaching and training programmes. This is supported by additional development opportunities such as secondments and international assignments.

### *The Market View of PwC*

PwC Ireland, as part of a global PwC initiative, commissioned a **Brand Health Index Survey** to assist us gauge our performance, relative to the market. It is an independent survey which measures underlying brand strength based on perceptions of buyers in the market. Interviews are conducted with a sample of senior managers at 100 organisations, all of whom are involved in the selection of professional advisors. These include both clients and non-clients of the Firm and the companies selected represented both local and international companies with different levels of turnover. The results of the latest survey in 2012 indicate that PwC is the leading firm in the Irish market.

### *Our culture and values*

As a professional services firm that thrives on the strength of its people, it's essential that everyone in the Firm understands PwC's values and feels part of a common culture.

We recognise that we all have a duty to act with integrity and to consider the public interest when undertaking our work. That's a heavy responsibility, but it's also a privilege to be part of a profession distinguished by this responsibility.

We recognise the personal responsibility that comes with our role, and with the trust placed in us. Our challenge is to repay this trust through the delivery of excellent audits. That will always be our highest priority.

I hope this Transparency Report demonstrates our unwavering commitment to audit quality and conveys the seriousness with which we approach our public interest responsibility and our willingness and desire to engage with those of you who are interested in audit quality. If you have a point of view, or would like to meet to discuss audit quality, please feel free to contact me.



Kevin Egan  
Assurance Leader

# A message from the Chairman of the Public Interest Board



Kieran McGowan

The Public Interest Board is a new departure not only for the Firm, but also for me and the other Independent Non-Executive members. We all have extensive experience on boards of public companies and/or public bodies, but PwC is a different type of organisation with very different governance needs. You can read the detailed disclosures about the Public Interest Board's terms of reference and membership on

pages 14 and 15, and I am pleased to share my thoughts as Chairman of the Public Interest Board on our first year.

It is worth emphasising that Independent Non-Executives on the Public Interest Board are not the same as non-executives on a public company board. On a public company board, all directors participate in, and are responsible for, decisions of the board. By contrast, the Public Interest Board gives advice for PwC's leadership to consider; we do not have powers to ask that this advice be followed. Although we have certain duties that come from the Audit Firm Governance Code ("the Code") on matters of public interest, I believe that the best way for us to 'add value' is in giving the Firm's leaders an external perspective.

The Code states that the Independent Non-Executives should improve confidence in the public interest aspects of the Firm's decision-making, dealings with stakeholders and management of reputational risks. The Public Interest Board's membership and activities reflect those objectives and are designed to complement the Firm's already well-established governance structure. The Territory Leadership Team manages the Firm, day-to-day, while the Firm's Committee of the Board holds the executive to account on behalf of the wider partnership. What's more, the Firm is subject to independent oversight and regulation by the Chartered Accountants Regulatory Board ("CARB"), among others.

The Public Interest Board includes the Firm's Senior Partner, Ronán Murphy, and the Chairman of the Committee of the Board, John McDonnell, together with the Independent Non-Executives. The Independent Non-Executives are in the majority and I act as Chair. This arrangement allows the Independent Non-Executives to hear directly from those responsible for decision making in the Firm, and to ask questions of them.

## *How we have spent our time*

We had our induction meeting in April 2013 and three full meetings since then.

PwC

Aside from the necessary administrative tasks to get us established, we have included regular slots on our meeting agendas to discuss and review reports from the Senior Partner and the Risk and Quality Partner.

To help the Independent Non-Executives gain a better understanding of the Firm's activities and procedures, we have been given briefings on a number of topics. So far we have talked to the leaders of the Assurance and Tax lines of service and the People Partner. We also attended the meeting of all partners in the Firm, held in June 2013.

A regular feature of our meetings is to hear updates on the regulatory and public policy agenda – on how the Firm has responded to initiatives such as the EU Audit Proposals. This is a challenging agenda.

## *Our focus for the coming year*

We have been meeting for less than a year and the experience of these meetings has given us an excellent platform on which to build. We will continue to get to know the full range of the Firm's activities, relevant to the public interest. We have scheduled briefings from the leader of the Firm's Advisory practice and the Firm's Chief Operating Officer.

There are a number of areas where the Code is not precisely clear as to what the role of the Independent Non-Executives should be. I have met with my counterparts in other Big Four firms and, along with them, intend to seek a meeting with representatives of CARB to understand what they had in mind.

## *Talking to stakeholders*

To keep in touch with opinion, issues and concerns, the Firm needs to talk to its stakeholders about matters covered by the Governance Code. In line with the role set out in the Code, we, as the Independent Non-Executives, will play a role by meeting relevant stakeholders during the coming year. This will enable us to design our engagement programme for the coming year with a broader understanding of the views presented in these consultations.

I would like to thank my fellow Independent Non-Executives, Dr Martin McAleese, Dr Hugh Brady and Julie O'Neill for their commitment and input during the year. Unfortunately, for independence reasons, Julie resigned from the Public Interest Board on 31 December 2013.

Kieran McGowan  
*Chairman of the Public Interest Board*

# *PricewaterhouseCoopers Ireland - Transparency Report 2013*

## **1. Legal structure and ownership of the Irish Firm**

The Irish firm of PricewaterhouseCoopers (“the Firm”) consists of four Irish general partnerships formed under the Partnership Act 1890. They are wholly owned by the Partners in the Firm. Partners have equal voting rights in all matters relating to the partnerships. The Firm has 97 partners.

The Firm also operates and controls a number of corporate entities that are required for legal and operational purposes.

The Firm employs just short of 2,000 people. It operates from offices in Dublin, Cork, Limerick, Galway, Waterford, Kilkenny and Wexford.

## **2. The PricewaterhouseCoopers Network**

‘PricewaterhouseCoopers’, ‘PwC Network’ and ‘PwC’ refer to the network of member firms of PricewaterhouseCoopers International Limited (PwC International), each of which is a separate legal entity.

### **2.1 Introduction**

In our view, the key factors that differentiate PwC among the world’s leading professional services organisations are the talent of our people, the breadth of the PwC network and the standards with which PwC firms comply. These standards cover important areas such as service quality, governance arrangements, independence, risk management, people and culture, and brand and communications. PwC firms agree to follow network standards and their compliance with these standards is monitored regularly.

### **2.2 Legal structure of the network**

In most parts of the world, the right to practise audit and accountancy is granted only to national firms that are majority owned by locally qualified professionals. PwC is a global network of separate member firms, owned and operating locally in countries around the world. PwC firms are members of PwC International and have the right to use the PricewaterhouseCoopers name.

As members of the PwC Network, PwC firms share knowledge, skills and resources. This enables PwC firms to work together to provide high-quality services on a global scale to international and local clients, while still taking advantage of being local businesses, knowledgeable about local laws, regulations, standards and practices.

PwC International is a private company, limited by guarantee, incorporated in England and Wales in which PwC firms are members. PwC Ireland is a member firm of PwC International. PwC International does not practice accountancy, or provide services to clients. Instead, it acts as a coordinating entity for PwC firms. PwC International works to develop and implement policies and initiatives that create a common and coordinated approach for PwC firms. PwC International focuses on key areas such as strategy, brand, and risk and quality.

PwC firms can use the PwC name and draw on the resources and methodologies of the PwC Network. In return, member firms are required to comply with certain common policies and the standards of the PwC Network.

Each member firm of PwC International is a separate legal entity and does not act as an agent of PwC International, or any other PwC firm. PwC International is not responsible or liable for the acts or omissions of any of its member firms, nor can it control the exercise of their professional judgement or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm’s professional judgement or bind another member firm or PwC International in any way.

### **2.3 Size of the network**

Member firms of PwC International provide industry-focused assurance, tax and advisory services to enhance value for their clients. Over 184,000 people in 157 countries share their thinking, experience and solutions to develop fresh perspectives and practical advice.

For the year ended 30 June 2013, PwC International member firms generated aggregate revenues of US\$32.1 billion worldwide (2012: US\$31.5 billion).

The Global Annual Review can be found at [www.pwc.com](http://www.pwc.com) in the 'About us' tab, and contains further financial and other information about the PwC Network.

## **2.4 Governance structures of PwC International**

The governance structures of PwC International are as follows:

**Network Leadership Team (NLT)** – The NLT sets the overall strategy for the PwC Network and the standards to which PwC firms agree to adhere. The NLT is made up of the Chairman of the PwC Network; the Senior Partners of the US, the UK and China member firms; and a fifth member appointed by the Global Board, currently the Senior Partner of PwC Germany. The Chairman of the PwC Network and the fifth member may serve on the NLT for a maximum of two terms of four years in their respective capacities. The terms of the other NLT members are limited by the arrangements in their respective firms. The NLT typically meets monthly and on further occasions as required.

**Strategy Council** – The Strategy Council, which is made up of senior partners of the largest PwC firms and regions, agrees the strategic direction of the network and facilitates alignment for the execution of strategy. The Strategy Council meets on average four times a year.

**Network Executive Team (NET)** – This team is appointed by, and reports to, the NLT. Its members are responsible for strategy and coordination of key aspects of PwC's Assurance, Advisory and Tax offerings, and functional areas such as Risk and Legal, Human Capital, Operations and Clients and Markets across the PwC Network.

**Global Board (the 'Board')** – The Board, which consists of 18 elected members, is responsible for the governance of PwC International, oversight of the Network Leadership Team and approval of network standards. The Board does not have an external role. Board members are elected every four years by Partners from all PwC firms. The current Board, with members from 13 countries, took up office in April 2013. Board members may serve for a maximum of two terms of four years. The Board meets four times a year and on further occasions as required.

The names of the current members of each of the above bodies can be found at [www.pwc.com](http://www.pwc.com) in the 'About us' tab.

## **2.5 Key features of the network**

Every PwC firm is also responsible for its own risk and quality performance and, where necessary, for driving improvements. Every PwC firm is also exclusively responsible for the delivery of services to its clients.

To support transparency and consistency, each PwC firm's Territory Senior Partner signs an annual confirmation of compliance with certain standards. These cover a range of areas including independence, ethics and business conduct, Assurance, Advisory and Tax risk management, governance, anti-bribery and data protection and privacy.

These confirmations are reviewed by others who are independent from the PwC firm in question. Member firms are required to develop an action plan to address specific matters where they are not in compliance; such action plans are reviewed and execution of the plan is monitored.

There are some common principles and processes to guide PwC firms in applying the standards. Major elements include:

- the way we do business;
- sustainable culture;
- policies and processes; and
- quality reviews.

### **The way we do business**

PwC firms undertake their businesses within the framework of applicable professional standards, laws, regulations and internal policies. These are supplemented by a PwC Code of Ethics and Business Conduct for their partners and staff. The PwC Ireland Code of Conduct (the 'Code') is set out at <http://www.pwc.ie/code-of-conduct/index.jhtml>.

### **Sustainable culture**

To promote continuing business success, PwC firms nurture a culture that supports and encourages PwC people to behave appropriately and ethically, especially when they have to make tough decisions. PwC people have ready access to a wide array of support networks within their respective member firms, both formal and informal, and technical specialists to help them reach appropriate solutions. The foundation of PwC's culture is objectivity, professional scepticism, cooperation between PwC firms and consultation.

## Policies and processes

Each PwC firm has its own policies, based on the common standards and policies of the PwC Network. PwC firms also have access to common methodologies, technologies and supporting materials for many services. These methodologies, technologies and content are designed to help a member firm's partners and staff perform their work more consistently, and support their compliance with the way PwC does business.

## Quality reviews

Each PwC firm is responsible for monitoring the effectiveness of its own quality control systems. This includes performing a self-assessment of its systems and procedures, and carrying out, or arranging to be carried out on its behalf, an independent review. In addition, PwC International monitors member firms' compliance. This includes monitoring not only whether each PwC firm conducts objective quality control reviews of all of its services, but also includes consideration of a member firm's processes to identify and respond to significant risks.

In accordance with applicable regulatory requirements, each firm may also be reviewed periodically, in some cases annually, by national and international regulators or professional bodies.

For Assurance work, there is a specific quality review programme, based on relevant professional standards relating to quality controls including International Standards on Quality Control 1: 'Quality control for firms that perform audits and reviews of historical financial information, and other assurance and related services engagements' (ISQC 1) and where applicable, of the US Public Company Accounting Oversight Board (PCAOB) Quality Controls Standards.

The overriding objective of the assurance quality review programme is to assess for each PwC firm that:

- quality management systems are appropriately designed, are operating effectively and comply with applicable network standards and policies;
- engagements selected for review were performed in accordance with professional standards and PwC Audit requirements; and
- significant risks are identified and managed appropriately.

A member firm's assurance quality review programme is monitored, as is the status and effectiveness of any quality improvement plans a PwC firm puts in place.

## 2.6 Independence practices policy

Objectivity is the hallmark of our profession, at the heart of our culture and fundamental to everything we do. Independence underpins objectivity and has two elements: independence of mind and independence in appearance. PwC firms reinforce both of these elements through a combination of setting the right tone from the top; independent consultation on judgemental issues; detailed policy requirements including prescribed processes to safeguard independence; regular training; and careful observance of independence requirements.

## 2.7 Network profit-sharing arrangements

PwC Ireland has no profit-sharing arrangements with other member firms of PwC International. Member firms operate their own partner and staff remuneration arrangements, which are independent and separate from other member firms of PwC International. The profit-sharing arrangements of PwC Ireland are set out in Section 12.

## The PwC global network 30 June 2013



### 3. Governance structure of the Irish Firm

The governance structure of the Irish Firm is made up of four main elements; the Senior Partner, the Territory Leadership Team (“TLT”), the Committee of the Board (“CoB”) and the Public Interest Board (“PIB”).

#### 3.1 The Senior Partner

The Senior Partner is elected by the partners for a four-year term after which he or she may be re-elected for a further term of four years. Our current Senior Partner is **Rónán Murphy**, who has served in this role since 2007. He is responsible for the leadership and strategic direction of the Firm and its role in PwC’s global network.

#### 3.2 The Territory Leadership Team

The TLT is responsible for developing and implementing the policies and strategy of the Firm, and for its direction and management. The TLT also takes overall responsibility for the systems of internal control (which include controls relating to quality) and for reviewing and evaluating their effectiveness. During the year ended 31 December 2013 the TLT held meetings on a monthly basis, but also conducted formal business at additional meetings as necessary.

The members of the TLT are appointed by the Firm’s Senior Partner. The current members, whose profiles are included in Appendix 1, are:

**Kevin Egan** the Assurance practice leader. Kevin has been in this role since 2007.

**Feargal O’Rourke** the Tax practice leader. Feargal has been in this role since 2011.

**Paul Tuite** the Advisory practice leader. Paul has been in this role since 2007.

**Tony Weldon** the Risk and Quality partner. Tony has been in this role since 1 July 2013.

**Susan Kilty** the People partner. Susan has been in this role since 1 July 2013.

**Mike Sullivan** the Chief Operations Officer. Mike has been in this role since 2011.

**Damian Byrne** the Business Development & Marketing leader. Damian has been in this role since 2011.

**Chand Kohli** the Financial Services Market Group leader. Chand has been in this role since 2011.

**Denis O’Connor** the Domestic Indigenous Market Group leader. Denis has been in this role since 2011.

**Tom McCarthy** and **Carmel O’Connor** who were the Risk and Quality and People Partners respectively retired from the TLT on 30 June 2013, having served in these roles since 2007.

**Mary Cullen** acts as the Firm’s Secretary, a role she has held since 1993.

#### TLT members’ attendance at TLT meetings for the year ended 31 December 2013.

	Board meetings	
	A	B
Ronán Murphy	12	12
Kevin Egan	12	10
Feargal O’Rourke	12	11
Paul Tuite	10	10
Tony Weldon	6	6
Susan Kilty	6	6
Mike Sullivan	12	12
Damian Byrne	12	12
Chand Kohli	12	12
Denis O’Connor	12	12
Tom McCarthy	6	5
Carmel O’Connor	6	6

A = Maximum number of meetings could have attended

B = Number of meetings actually attended

#### 3.3 The Committee of the Board

The CoB, which is independent of the TLT, is elected by the partners for a four-year term. The CoB meets at least four times each year and meetings are attended by the Senior Partner, as an ex officio member. The CoB provides the Senior Partner with guidance on matters of actual or potential concern to the partners, including national, legal, regulatory and fiscal issues and requirements impacting or potentially impacting the Irish Firm and its business. It is also responsible for overseeing the process for nominating and electing the Senior Partner.

The members of the CoB, all of whom were elected by the partners with effect from 1 January 2012 are:

**John McDonnell (Chairman);**

**Alan Bigley;**

**Ken Johnson;**

**Ciarán Kelly;**

**Ronan MacNioclais;**

**Vincent MacMahon;**

**Paul O'Connor; and**

**Pat Wall.**

The Firm's Risk and Quality partner reports on risk and quality matters periodically to the CoB.

Profiles of the CoB are included in Appendix 2.

**CoB members' attendance at CoB meetings for the year ended 31 December 2013.**

	Board meetings	
	A	B
John McDonnell	6	6
Alan Bigley	6	6
Ken Johnson	6	3
Ciarán Kelly	6	6
Ronan MacNioclais	6	6
Vincent McMahon	6	5
Paul O'Connor	6	5
Pat Wall	6	3

A = Maximum number of meetings could have attended

B = Number of meetings actually attended

**3.4 The Public Interest Board**

On 12 February 2013 the Firm's partners, by unanimous vote, approved the establishment and constitution of a Public Interest Board on which a majority of Independent Non Executives ("INEs") sit, in accordance with the principles set out in the Irish Audit Firm Governance Code ("the Code"), issued by CARB in June 2012. The PIB's purpose is to enhance stakeholder confidence in the public interest aspects of the Firm's activities through the involvement of INEs.

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

In addition to those duties prescribed by the Code, the members of the PIB are also expected to provide input on other matters, including the public interest aspects of: the Firm's strategy; policies and procedures relating to operational risk management, internal control, quality and compliance with regulation; and external reporting.

The PIB at present comprises three INEs, the Territory Senior Partner and the Chairman of the Committee of the Board.

The independent non-executives are nominated by the TSP and approved by the TLT and the CoB. The Chairman of the PIB is elected by the INEs. Each INE has a service contract that sets out their rights and duties. The current INEs are:

**Kieran McGowan (Chairman);**

**Dr Martin McAleese;**

**Dr Hugh Brady.**

Biographies of the INE members of the PIB are set out in Appendix 3. Julie O'Neill resigned as an INE on 31 December 2013 prior to taking up an appointment with Alexion Pharmaceuticals as, in doing so, she would no longer be independent of the Firm.

The PIB is expected to meet at least four times yearly. A part of each meeting is set aside to allow the INEs to meet as a separate group to discuss matters relating to their remit.

**PIB members' attendance at PIB meetings for the year ended 31 December 2013.**

	Board meetings	
	A	B
Kieran McGowan (Chairman)	4	4
Dr Martin McAleese	4	4
Hugh Brady	1	1
Julie O'Neill	4	4
Ronan Murphy	4	4
John McDonnell	4	4

A = Maximum number of meetings could have attended

B = Number of meetings actually attended

The PIB also has time allotted in its programme of meetings during the year to:

- review and discuss people management policies and procedures with the Firm’s leadership; and
- review and discuss reports on issues raised under the Firm’s whistleblowing policies and procedures.

The PIB is given access to such information and such reports, minutes, notices and other documentation they require for the proper discharge of its duties

The Chairman of the PIB will present an annual report of the PIB to the partners at a partners’ meeting which the Chairman and the other INEs will also attend.

#### Independence of the non-executives

The INEs are subject to an independence policy that makes sure they remain independent of the Firm, its partners and staff, and its assurance clients. In developing this policy the Firm considered the International Ethical Standards Board for Accountants Code of Ethics for Professional Accountants and, where appropriate, the regulations of the U.S. Securities and Exchange Commission (“SEC”) and the PCAOB. In addition, the independence policy reflects the requirements of Irish professional bodies and regulations such as the Ethical Standards issued by the Auditing Practices Board, as well as considering what a reasonable third party would expect of an INE.

Under the policy, no INE should have a personal or business relationship with a partner or member of staff of the Firm, nor can they be a director of an assurance client of the Firm, nor hold a material financial interest in any assurance client.

The INEs must confirm compliance with this policy in respect of their financial, business and personal relationships before being appointed and every year thereafter. Each INE confirmed their compliance with this policy upon their appointment to the PIB.

#### Other matters

Appropriate indemnity insurance is in place in respect of any legal action against any INE and sufficient resources are provided by the Firm to enable each INE to perform their duties, which includes, where considered appropriate and necessary to discharge their duties, access to independent professional advice at the expense of the Firm.

A process has also been established to resolve disputes between the INEs and the governance structures and management of the Firm. Details of this process can be found at the website:

[www.pwc.ie/governance](http://www.pwc.ie/governance)

## 4. The Irish Audit Firm Governance Code

The Irish Audit Firm Governance Code (“the Governance Code”) was issued by the Chartered Accountants Regulatory Board (“CARB”) in June 2012.

The code applies to firms that audit public interest entities, defined as entities registered in the Republic of Ireland which are included within the scope of SI 277 of 2007: Transparency Directive 2004/109/EC) Regulations 2007, as amended.

The Governance Code consists of 19 principles and 29 provisions. These principles and provisions are organised into six areas being:

- leadership;
- values;
- independent non-executives;
- operations;
- reporting; and
- dialogue.

An overview of our compliance with the Governance Code is included below. Sections 3, 5, 7 and 11 provide further details of how we have applied the principles of the Governance Code.

#### Leadership

The governance bodies of PwC Ireland are explained in Section 3, which sets out the constitution, membership, duties, responsibilities and performance evaluation process of each of the governance bodies.

The TLT has responsibility and clear authority for the running of the Firm including the non-audit businesses, and is accountable to the partners. No individual has unfettered powers of decision. This is achieved through the governance bodies of the Firm, each of which has clear terms of reference.

Each body has matters specifically reserved for their decision. The CoB provides internal oversight of the TLT.

## Values

The Firm's leadership is committed to quality and has dedicated resources to establishing high standards in quality, independence, integrity, objectivity and professional ethics. Quality has been embedded throughout the Firm and detailed policies have been endorsed by the leadership team including ethical, human resources and engagement performance.

Our reputation is built on our independence and integrity. We recognise the public interest vested in our audit practice and we take an uncompromising approach to audit quality, based on our core values of excellence, teamwork and leadership. We believe that audit quality begins with the tone set by the leadership of the Firm.

Section 5 contains further details about our values and 'who we are', which have also been embodied within the PwC Ireland Code of Conduct.

Consultation is a key element of quality control. Although the Firm has policies setting out the circumstances under which consultation is mandatory, our consultative culture means that our engagement teams often consult with each other on an informal basis as well as with experts and regularly in situations where consultation is not formally required. We consider that this culture of openness and willingness to consult, share and discuss issues can only be of benefit and enhance the quality of what we do and how we do it.

### Independent non-executives

PIB comprises three independent non-executives, the Senior Partner and the Chairman of the CoB.

The PIB's purpose is to enhance stakeholder confidence in the public interest aspects of the Firm's activities, through the involvement of independent non-executives. Further details of the activities of the PIB can be found on page 7 and in Section 3.

### Operations

The Firm has systems and controls in place to follow professional standards and applicable legal and regulatory requirements.

Section 5 deals with our internal quality control system for Assurance and explains:

- our policies and procedures for following applicable legal and regulatory requirements, and international and national standards on auditing, quality control and ethics including auditor independence;

- policies and procedures for individuals signing group audit reports to follow applicable standards on auditing dealing with group audits including reliance on other auditors, whether from the same network or otherwise;
- how we manage potential and actual conflicts of interest; and
- how people can report concerns about the Firm's commitment to quality work and professional judgement and values.

Section 5 also sets out more information on the Firm's policies and procedures for managing people in support of our commitment to quality.

Section 6 sets out details of external inspections of the Firm and the results arising from them.

### Reporting

The governance bodies receive timely and appropriate information to enable them to discharge their duties.

This Audit Quality and Transparency Report provides the disclosures required to be made by the Governance Code. Section 11 includes:

- the financial information set out in Regulation 61(b)(ix) of SI 220 of 2010 European Communities (Statutory Audits) (Directive 2006/43/ec) Regulations 2010;
- a statement of the responsibilities of the TLT for preparing financial statements;
- a statement in respect of going concern;
- a management commentary covering principal risks and uncertainties, and how those risks are managed; and
- Our internal control review process.

### Talking with stakeholders

The report from Kieran McGowan, Chairman of the PIB, on page 9, discusses our activities in relation to talking with stakeholders.

### Statement of compliance with the Irish Audit Firm Governance Code

The Territory Leadership Team Board has reviewed the provisions of the Irish Audit Firm Governance Code together with details of how the Firm is complying with those provisions and has concluded that, as at 31 December 2013, PwC Ireland is in compliance with the provisions of the Irish Audit Firm Governance Code.

## 5. Internal quality control system

*“We are committed to delivering the highest quality professional services and audit quality remains of paramount importance to the Firm and our continued success in the marketplace. Quality comes from more than the systems and processes that are embedded in the way we work to achieve compliance with standards and regulation, important though these are. Ultimately, it depends on the culture of the Firm, which is based on the ‘tone at the top’ and our ability to recruit, train and motivate intelligent professionals who take personal responsibility to deliver high-quality work”.*

### 5.1 Introduction

All member firms of the PwC global network are obliged to abide by certain common risk and quality policies approved by PwCIL and to conduct risk and quality reviews. The PwC global network’s audit and quality control standards are set out in various policies. The Firm’s policies are based on these common policies, which are supplemented to address local professional standards and regulatory requirements. In addition, our client, regulatory and public interest responsibilities demand that we consistently deliver reliable and high quality work.

The Firm’s quality control systems for our Assurance practice are based on International Standard on Quality Control (UK and Ireland) 1 ‘Quality control for firms that perform audits and reviews of historical financial information and other assurance and related services engagements’ (“ISQC (UK&I) 1”), issued by the Auditing Practices Board (“APB”).

ISQC (UK&I) 1 applies to firms that perform audits of financial statements, report in connection with investment circulars and provide other assurance services where they relate to activities that are reported in the public domain and are therefore in the public interest. The objective of ISQC (UK&I) 1 is for the Firm to establish and maintain a system of quality control to provide it with reasonable assurance that:

- the Firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and
- reports issued by the Firm, or by engagement leaders are appropriate in the circumstances.

In addition, compliance with International Standards on Auditing UK and Ireland requires the

Firm to have a system of quality control over its auditing practice.

The policies and procedures that form our internal quality control system have been documented, and there is a monitoring regime to enable the TLT to review the extent to which the policies and procedures are operating effectively. The policies and procedures are embedded as part of the Firm’s day-to-day activities.

While compliance with ISQC (UK&I) 1 is a requirement for our Assurance practice, the Firm also applies the principles of ISQC (UK&I) 1 to its Tax and Advisory practices. As a result, many of our systems, policies and procedures operate firm-wide across all parts of our business. Consequently, the narrative below explains both our internal control system and our internal quality control system, and we have included those additional policies, procedures and practices which exist in respect of our Assurance practice.

### 5.2 Explanation of our systems of internal control including internal quality control systems

Our internal control systems are based on the six elements of quality control set out in ISQC (UK&I) 1, which are:

1. Leadership responsibilities for quality within the Firm;
2. Relevant ethical requirements;
3. Acceptance and continuance of client relationships and specific engagements;
4. Human resources;
5. Engagement performance; and
6. Monitoring.

In sections 4.2.1 to 4.2.6 below we set out how our internal control system and internal quality control system incorporate each of the above elements. Section 4.2.7 contains our statement on the effectiveness of the Firm’s internal quality control system.

Certain elements of the Firm’s internal quality control system are reviewed by the Firm’s regulators. They are also subject to review as part of the evaluation by PwC International of PwC Ireland’s compliance with the Network Risk Management Standards. Updates and changes to the Firm’s internal quality control system, as well as points needing reinforcement, are communicated to partners and staff via mandatory training and other technical communications.

### **5.2.1 Leadership responsibilities for quality within the Firm**

#### **Organisational structure**

The TLT, under Rónán Murphy's leadership, is responsible for the Firm's internal control system and internal quality control system. Day-to-day responsibility for implementing these systems and for monitoring risk and the effectiveness of control is delegated to the Lines of Service and Internal Firm Functions, where appropriate.

The Firm's leadership is committed to quality work and has established a culture of upholding the values of integrity, independence, professional ethics and professional competence. Dedicated resources working to establish high standards in quality, independence and professional ethics are in place. Quality has been embedded throughout the Firm and the detailed policies endorsed by the leadership team, including ethical, human resources and engagement performance, are discussed below.

Tony Weldon is the member of the TLT responsible for risk management and quality control. In addition, each Line of Service has a partner responsible for risk management and quality control relative to the Firm's client services.

#### **Culture and tone at the top**

We believe that audit quality begins with the tone set by the leadership of the Firm. We have developed an overview of the culture and behaviours we expect in our Firm, which we describe as 'who we are' (see inside front cover). We will achieve our vision of building the iconic professional services Firm by living and breathing a common set of behaviours.

### **5.2.2 Ethical requirements**

We take compliance with ethical requirements seriously and seek to embrace the spirit and not just the letter of those requirements.

All of our people undertake periodic mandatory training and assessments so that they understand the ethical requirements under which we operate. They are also required to confirm annually, that they are aware of relevant ethical and professional obligations.

#### **Professional conduct**

The reputation and success of the Firm depends on the professionalism and integrity of each and every partner and member of staff. Partners and staff uphold and comply with the standards developed by the PwC Network and PwC Ireland. The Firm monitors compliance with these obligations.

On joining the Firm, all staff and partners are provided with a copy of the PwC Ireland Code of Conduct and must confirm annually that they are familiar with it. The Code of Conduct sets out what we stand for and is underpinned by the following overarching principles:

- acting professionally;
- doing business with integrity;
- upholding our and our clients' reputations;
- treating people and the environment with respect;
- acting in a socially responsible manner;
- working together and thinking about the way we work; and
- considering the ethical dimensions of our actions.

#### **Independence**

The Firm has adopted the PwC Global policies and related rules regarding independence and compliance, complemented when necessary by more restrictive local professional and regulatory rules. These are explained more fully in section 8.4.

#### **Whistle-blowing**

The Firm has a whistle-blowing helpline. This is available to any partner or member of staff who observes bad business conduct or unethical behaviour that cannot be resolved locally, or where the normal consultation processes are not appropriate. In addition, third parties may also call the whistle-blowing helpline.

The Code of Conduct encourages partners and staff to report and express concerns in good faith, fairly, honestly and respectfully. We are committed to dealing responsibly, openly and professionally with any genuine concerns raised about possible malpractice. If a genuine concern is raised, the individual raising the concern will be protected from suffering any form of victimisation as a result. Provided that the individual acts in good faith, it does not matter if they are mistaken regarding the concerns that they raise.

#### **Confidentiality and information security**

Confidentiality and information security are key elements of our professional responsibilities. Misuse or loss of confidential client information or personal data may expose the Firm to legal proceedings, and it may also impact our reputation.

The Firm's Chief Operations Officer, Mike Sullivan, is the TLT member responsible for information security. He is assisted in relation to data protection matters by a dedicated Data Protection Officer. As part of the Firm's membership of the CAI, all of our people are required to comply with CAI's

fundamental principle of confidentiality. There are legal and regulatory obligations on our people regarding handling of confidential information and personal data, and contractual terms govern the use and disclosure of information. The Firm provides confidentiality and data protection training upon recruitment, together with regular awareness campaigns for all our people in respect of their information security obligations.

The Firm operates an Information Security Policy that is aligned with ISO/ IEC 27001:2005 for all client data that comes under its control or ownership. The Firm's information security policies and procedures aim to make sure that:

- information is protected from internal and external threats;
- confidentiality, availability and integrity of information is maintained;
- statutory, regulatory and contractual obligations are met; and
- access to information is granted only for justified business needs.

Our policies and procedures include:

- encryption of all the Firm's laptops, PCs and memory sticks;
- software restricting the use of removable media to approved and encrypted devices only;
- access to engagement files – both electronic and hard copy paper files – which is controlled by those with a 'need to know';
- clear-desk policy, both in our offices and at client sites;
- hard copy files not in use are secured;
- remote access to our network is via a secure virtual private network, or equivalent technology;
- policies are in place for the transmission of data by email outside of the organisation; and
- access to operational areas of PwC Ireland and our buildings is restricted.

The Firm's policies and standards are supported by ongoing compliance monitoring carried out by the Firm's IT Risk team, supplemented by checks by the PwC Network's global security organisation.

The Firm has incident reporting and response procedures that seek to minimise the impact of any data loss. These procedures include notifying clients when it is known that their data is at risk and, where appropriate and feasible, taking corrective actions.

#### **Anti-bribery**

We are opposed to bribery in any form. Our Code of Conduct makes it clear that it is unacceptable for

our people to solicit, accept, offer, promise, or pay bribes. Policies, training and procedures in respect of anti-bribery are in place to comply with the Code of Conduct.

### **5.2.3 Acceptance and continuance of client relationships and specific engagements**

#### **Acceptance and continuance**

The Firm has implemented a process to identify appropriate clients based on the PwC global network's proprietary decision support systems for client acceptance and retention (called Acceptance and Continuance ("A&C")). A&C facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are acceptable, and whether or not PwC should be associated with the particular client and its management.

#### **Withdrawal from an engagement**

Policies and procedures are in place for circumstances in which we determine that we should, or are required to, withdraw from an engagement. These policies include the need for appropriate consultations both within the Firm and with those charged with governance of our clients, ensuring compliance with legal and professional obligations. The policies and procedures also deal with circumstances where we become aware of information after accepting the engagement which, had we been aware of that information earlier, would have led us to declining the engagement.

#### **Conflicts of interest**

Potential conflicts of interest and the need for separation of engagement teams to ensure confidentiality are identified by a dedicated relationship checking team within our Independence function. This team works with risk management and the Independence and Ethics Director to ensure unacceptable conflicts are avoided and appropriate procedures are in place to protect confidential information between teams.

### **5.2.4 Human resources**

Perhaps the most critical components of quality are the skills and personal qualities of our people. As a professional services firm, many of these skills and qualities are relevant to all our Lines of Service. As a consequence, our strategy for recruitment, engagement, development, diversity and remuneration is consistent across the Firm.

#### **Quality People**

The quality of our work is determined largely by the quality of our people. Consequently, we aim to

recruit, train, develop and retain the best and brightest.

The Firm aims to recruit high-quality people, from all academic backgrounds, who share the Firm's strong sense of responsibility for auditing. There is a robust assessment of the quality of our recruits. The Firm's people are advised through our induction training and reminded regularly thereafter of the culture, values and core attributes of PwC – Excellence, Teamwork and Leadership.

### **Performance evaluation**

We continue to invest in equipping our partners and staff with the coaching and management skills needed to give honest feedback to continually improve performance. We expect feedback to be provided regularly by all staff and partners. This feedback then forms a key element of our annual appraisal process. All partners and staff assess their performance against their agreed objectives and against grade related Global Core Competencies.

The appraisal process covers technical competence and quality, and consideration is given not only to what an individual has achieved, but also how they achieved it. Based on this assessment, individuals are assigned a performance rating that is benchmarked across the Firm and which influences their salary, bonus and progression within the Firm. Unsatisfactory work results in reduced or no performance related remuneration and corrective action being taken, as appropriate.

### **Career development**

We develop our people through a combination of on-the-job experience, coaching and training programmes. These are supported by additional development opportunities, such as internal and external secondments, international assignments, membership of professional committees and working groups, community partnerships and voluntary programmes.

Each member of staff has a manager assigned to them, who is responsible for their performance management, coaching and well-being. This manager works with the individual to understand their strengths and development areas, and assess what opportunities are available to help them to acquire necessary skills.

### **Promotion**

Any promotion in the Firm is based on an individual's performance, their skills and the business case. In the case of promotion to director or admission to partnership, the process is particularly thorough and involves the Lines of

Service leadership teams. All potential admissions to partnership are put to the full partnership for consideration.

Within Assurance, the process for promotion to director and admission to partnership involves a formal assessment of the quality of the individual's work and their adherence to ethical requirements and professional standards. We take this process seriously and will not promote an individual to director or admit an individual to the partnership if we have any concerns about the quality of their work.

### **Assignment of engagement teams**

Partners and staff are assigned to engagement teams based on the individuals' experience, competencies and grade. In addition, for certain types of work we specify levels of experience and specific additional training to make sure that the individuals are competent to undertake that type of work. In some areas, formal accreditation is needed, for example only accredited individuals can lead or undertake certain types of work such as capital market transactions and due diligence work.

### **5.2.5 Engagement performance - assurance**

The quality, effectiveness and efficiency of our audit service are critical to maintaining our registration with The Chartered Accountants Regulatory Board ("CARB"). We therefore invest heavily in the effectiveness of our audits, in the skills of our people (as noted above) and in our underlying audit methodology, as well as in making the right amount of time and resources available. We pay close attention to what our audit clients require and to the findings of regulatory inspections on the quality of our work. Just as important are the internal indicators and processes that monitor the effectiveness of our risk and quality processes.

### **Audit methodology**

Member firms of PwC International use a common audit methodology and process ("PwC Audit"), supplemented by local regulatory requirements, for their audit engagements. This common methodology allows us to provide high quality and consistent audit services to multinational organisations and facilitates sharing of good practice and mobility of partners and staff across the PwC Network. The Firm's audit approach adheres to International Standards on Auditing (UK and Ireland) and laws and regulations in Ireland and we continuously seek to improve the model.

PwC Audit includes specific policies and procedures with regards to the audits of groups, including

multi-locational and cross-border groups. Those policies and procedures include the use of, and reliance on, other auditors, whether they are part of the PwC Network or not, and the signing of group audit reports.

We have recently rolled out our electronic audit documentation tool, Aura, as a replacement for its predecessor, MyClient. Aura supports teams in applying our methodology effectively by creating transparency of the linkage between audit risks and the work done to address those risks, as well as providing comprehensive project management capabilities. The objective is that the quality of our audits improves as teams are able to better focus their efforts on areas of risk.

### Comprehensive policies and procedures

The Firm has policies and procedures governing Irish accounting and auditing practice. These are regularly updated to reflect new professional developments, changes in our operating environment and emerging external issues, as well as the needs and concerns of the practice. These policies cover both professional and regulatory standards and also reflect the guidance that the Firm provides to its professionals on how best to implement them. They are available in electronic files and databases and are accessible to our people remotely.

### Consultation and support

Consultation is a key element of quality control. The Firm has policies setting out the circumstances under which consultation is mandatory.

The Firm's technical experts track new developments in relevant areas and provide updates to the appropriate professional people. Our consultative culture means that our engagement teams regularly consult with experts and others.

### Supervision and review

The engagement leader and audit team manager supervise the audit, review the work, coach the team and maintain audit quality. Our audit software, Aura, is designed to help audit team members track the progress of the engagement and therefore make sure that all work has been completed, that work is reviewed by the relevant individuals, including the engagement leader and, where relevant, the Quality Review Partner, and that all matters arising have been appropriately addressed.

The engagement leader is expected to:

- lead the performance of the audit and its documentation by being proactively and sufficiently involved throughout the audit, including being satisfied that audit risks have been assessed and responded to appropriately;
- drive a cultural mind-set that strives for continuous quality improvement, challenges engagement team members to think, be rigorous and apply the appropriate degree of professional scepticism;
- foster an integrated coaching culture and demonstrate a willingness to learn and to coach others;
- be responsible for the engagement team undertaking appropriate consultation on difficult or contentious matters, initiating those consultations where necessary;
- have an ongoing involvement in assessing the progress of the audit, and in making key judgements;
- be satisfied that the review, supervision and quality control procedures in place are adequate and effective; and
- have an overall responsibility for reviewing and assessing the quality of the work done, its proper and timely documentation and the conclusions reached.

The engagement manager supports the engagement leader by:

- setting an example in the performance of the audit and its documentation by being involved throughout the audit, including identifying the audit risks and being satisfied that they are responded to appropriately;
- striving for continuous quality improvement, challenging engagement team members and applying rigour to the audit process;
- fostering an integrated coaching culture and demonstrating a willingness to learn and coach others;
- together with the engagement leader, putting in place arrangements for timely reviews of audit work and documentation, and, taking into account the nature, extent and level of reviews already performed by other members of the team, satisfying himself or herself that the work performed and documentation is appropriate; and
- reviewing work done and the record of the audit, including considering the quality of the audit process and the results of the work and the documentation of conclusions.

### Engagement Quality Control Review

We appoint a quality review partner (“QRP”) to conduct engagement quality control reviews of the audits of listed clients, other public interest entities and clients identified as higher risk. QRPs are experienced partners who are independent of the core engagement team and are responsible for reviewing key aspects of the audit, including independence, significant risks and their responses, judgements, uncorrected misstatements, documentation of work done in the areas reviewed, the financial statements, communications with those charged with governance and the appropriateness of the audit report to be issued. When their review is completed any matters raised are resolved to their satisfaction in advance of the audit report date.

### Engagement documentation

At the end of an engagement, teams are required to assemble the hard copy paper file and then archive both this and the electronic file within set periods laid down by professional standards and law. In the case of the electronic audit file, automated processes exist to make sure that the file is archived on time and the act of archiving prevents any further amendments being made to the file.

The hard copy paper file is archived using an electronic system that logs the files.

The hard copy file is then retained in a secure access controlled filing system. All engagement files are destroyed after periods specified by law or professional standards. In the case of audit files, this is generally eight years after the balance sheet date.

### Audit reporting

We are acutely aware that the effectiveness of our work as auditors is directly linked to the effectiveness of our reporting, whether to audit committees or boards of directors or in the role we play in external reporting.

**Reporting to audit committees** - When reporting to audit committees and those charged with governance in organisations where no audit committee exists, we place particular emphasis on communicating the scope and audit approach together with our assessment of audit risk. During the course of the audit we communicate any threats to auditor objectivity, including independence, identify the significant risks and judgements that impact the reported financial performance and position, and the manner in which the information is presented in the annual report. In part, this presentation of significant judgements includes highlighting to the audit committee the judgements

that have been made by management in preparing the financial statements, which we believe are important to an understanding of the performance being presented. It is important as auditors that we recognise that the nature of accounting and the judgements that are applied mean that there is often not a precise answer.

It is also our role to inform those charged with governance whether we can conclude that the financial statements are both true and fair within established norms of materiality, including considering both qualitative and quantitative aspects of accounting and reporting.

The Firm has implemented a policy whereby financial statements prepared under International Financial Reporting Standards (“IFRS”) for all listed companies are subject to an independent review by a senior member of our accounting technical team.

**External reporting** - We are conscious that our audit reports should be clear and unambiguous. The form and content of our audit opinions are laid down by Irish legislation and the “APB” for Irish entities. Engagement leaders only conclude on the truth and fairness of the financial statements and sign an audit opinion following appropriate review of the work performed by the audit team, resolution of issues identified, clarification of any uncertainties and an assessment of uncorrected misstatements, both quantitative and qualitative, identified in respect of the financial statements. Consultation procedures are in place where a modified, or a qualified, opinion is considered. The consultation process assists in ensuring the audit opinion is appropriate to the particular circumstances. In addition to the audit opinion, in certain situations we also have reporting obligations to regulators and to other organisations specified by Irish law.

### Our reporting obligations under legislation

We are cognisant of our reporting obligations under legislation. In 2013 we made the following reports in accordance with these obligations:

---

Criminal Justice (Theft and Fraud Offences) Act, 2001 - An Garda Síochána	19 reports
Company Law Enforcement Act 2001 (section 194(5) of the Companies Act, 1990 as amended) – Director of Corporate Enforcement	1 reports
Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 section 42 - An Garda Síochána	19 reports

---

## Rotation Policy

In order to address the risk to independence arising from long association of the audit engagement leader with an audit client, the Firm has implemented a rotation policy that complies fully with the requirements of the Auditing Practices Board Ethical Statement No 3 (Revised) “Long Association with the Audit Engagement”. This policy stipulates the maximum period a partner can act in the role of audit engagement partner or, where applicable, quality review partner on audit engagements. Currently these periods are:

Category of Audit Client	Maximum period
Listed Clients	5 years
Other Public Interest Entities	7 years
Other Audit Clients	10 years

### 5.2.6 Monitoring

Monitoring of our internal quality control systems comprises internal and external monitoring. External monitoring is undertaken by the Firm’s regulators and is dealt with in section 6 below. Quality monitoring is an integral part of the Firm’s continuous improvement programme. The Firm constantly seeks to improve policies, procedures and the consistency of the quality of our work. Instances of failure to meet defined performance standards are treated seriously and the engagement leader responsible is counselled to improve performance.

Each Line of Service runs an annual quality review programme, in which independent teams of partners and staff review completed engagements to assess compliance with our quality standards and regulatory requirements. Details of the Assurance programme are set out below.

### Quality Management Review (“QMR”)

A full QMR is performed every three years with an update being performed in the intervening years. The updates monitor progress on remediation of any control issues raised in the last full review and assess the impact of any new developments on the internal quality control systems. The QMR is led and resourced from other PwC Network firms.

The aim of the QMR is to assess the effectiveness of a member firm’s internal quality control systems, including compliance with professional standards such as ISQC (UK&I) 1. Control issues identified during the QMR are specified as either ‘meriting attention’ or ‘requiring immediate action’.

PwC Ireland was subject to an update QMR in 2013, following a full review in 2011. No control issues meriting attention were identified.

### Engagement Compliance Reviews

Annual reviews of a sample of audit engagements are conducted by experienced, independent PwC people from the PwC global network to ensure engagements are carried out to acceptable quality standards.

Each engagement reviewed is assessed using the following categories:

‘Compliant with no comments’ – relevant auditing and accounting requirements and professional standards have been complied with in all material respects.

‘Compliant with review matters’ – there were some failures where relevant auditing and accounting requirements and professional standards have not been complied with but in all cases, sufficient audit work has been performed in all other respects and we are satisfied that the appropriate audit report has been issued.

‘Non-compliant’ – relevant auditing, accounting and professional standards or documentation requirements were not complied with in respect of a material matter.

The 2013 annual review resulted in 94% of engagements reviewed being classified as ‘Compliant with no comments’ and 6% were classified as ‘Compliant with review matters’. No engagements were classified as ‘Non-compliant’.

A number of recommendations for improvement were made which we are in the course of implementing.

### Quality Key Performance Indicators

In 2011 we introduced our internal continuous Quality Key Performance Indicator (KPI) review programme.

Each year a PwC Ireland team, independent of the engagement team, assesses a sample of at least 100 engagements against these KPIs.

KPIs are set each year to take account of matters arising from regulatory reviews and the ECR, in order to ensure that they focus on those aspects of our work where behavioural change and improvements in quality are considered necessary. Compliance with the quality KPIs therefore

represents an ongoing challenge as we strive to continually improve audit quality.

In the year to 31 December 2013, 16 audit quality KPIs were assessed, covering various aspects of the audit from planning to execution and completion.

While the overall KPI score has improved continuously since the introduction of the programme, we are not complacent about the quality of our work and recognise that continued focus is needed. Therefore, we have made changes to the 2014 audit quality KPIs to help deliver further improvements in key areas of the audit process.

The results of these assessments are reported to the engagement teams and are collated centrally to assess whether any action, such as additional training, technical updates or changes to policy or procedures is required.

#### **Annual review of firmwide procedures**

In accordance with ISQC (UK&I) 1 an internal review of firmwide procedures is undertaken annually, which includes testing of the effectiveness of the Assurance practice's quality controls in functional areas such as HR, training and independence.

Quality monitoring is an integral part of the Firm's continuous improvement programme. The Firm constantly evaluates inputs from formal programmes such as those described above and a variety of informal sources in an ongoing effort to improve policies, procedures and the consistency of the quality of work. Instances of failure to meet performance standards are treated seriously and the partner responsible is counselled to improve performance. Appropriate steps are taken to fully encourage improvement.

#### **5.2.7 Evaluation of effectiveness of quality control system**

The Territory Leadership Team has evaluated the operating effectiveness of the Firm's quality control system at 31 December 2013 and is satisfied it is functioning effectively.

## **6. External inspections**

### **6.1 Irish Regulators**

The Firm is eligible to undertake statutory audit work by virtue of its authorisation by CARB. CARB is a body established by the CAI to regulate Irish Chartered Accountants, in accordance with the provisions of the CAI's Bye-laws, independently, openly and in the public interest.

CAI is a recognised professional body under the relevant Companies Acts in the Republic of Ireland and the Investment Intermediaries Act, 1995 in the Republic of Ireland.

The Standards of Professional Conduct set by CARB and the manner in which CARB ensures compliance with the Standards is subject to independent oversight by the Irish Auditing and Accounting Supervisory Authority.

At least every three years, as part of the monitoring responsibilities of CARB, the Quality Assurance Department of CARB undertakes an inspection of the quality of the Firm's work as statutory auditors. The Quality Review visit can cover all the professional activities of the Firm including accounting, auditing, investment business advice, consultancy, taxation etc.

One of the most important objectives of the visit is to determine the extent of the Firm's compliance with the standards of professional conduct, to identify any weaknesses and agree with the Firm any remedial action to improve compliance within the Firm.

The last completed inspection of the Firm took place in 2013. No deficiencies in audit evidence were identified in the review. Four isolated findings, which were not material, have been addressed.

### **6.2 Overseas Regulators**

The Firm is registered in the United States of America in order to meet US requirements in relation to the audits of certain entities. As a requirement of this registration, the Firm is subject to monitoring by the Public Company Accounting Oversight Board (PCAOB). In 2011, the PCAOB issued its report on a review of the Firm undertaken in 2008. The recommendations arising from this review have been implemented.

We are also registered with Audit Regulators in Japan, The Netherlands and Jersey.

## **7. Public interest entity audit clients**

A list of the public interest entities, as defined in the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 (SI No. 220 of 2010), for which we carried out a statutory audit during the year ended 31 December 2013 can be found in Appendix 4.

## **8. Independence procedures and practices**

### **8.1 Organisation**

The Firm's Independence Leader, who reports to the Firm's Risk and Quality partner, is supported by a core team of independence specialists who ensure the Firm applies robust and consistent independence policies, procedures and tools.

### **8.2 Policies and guidance**

The PwC Network Independence Policy is based on the International Ethical Standards Board for Accountants ("IESBA") Code of Ethics for Professional Accountants and encompasses, where appropriate, the regulations of the U.S. Securities and Exchange Commission ("SEC") and the PCAOB. The PwC Network Independence Policy sets out the minimum standards that should be observed and processes that should be followed in order to maintain independence from clients where necessary. The Irish Firm supplements this policy as required by Irish professional bodies and regulations such as the Ethical Standards issued by the Auditing Practices Board ("APB"). The Firm's independence policy covers, among others, the following areas:

- personal and firm independence including policies and guidance on the holding of financial interests and other financial arrangements, e.g. bank accounts and loans by partners, staff, the Firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to assurance clients; and
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and purchasing goods and services acquired in the normal course of business.

### **8.3 Training and confirmations**

All new recruits and newly appointed managers receive computer based training on the Firm's independence policy and related topics. Periodically, all our people receive equivalent computer-based training. Additional face-to-face training is delivered to members of the practice on an as-needed basis by the Firm's independence specialists and risk and quality teams.

All our people are required to confirm on joining the Firm and at least annually, thereafter, their

compliance with all aspects of the Firm's independence policy including their own personal independence. In addition, all partners and directors with lead engagement responsibilities confirm that all non-audit services and business relationships for which they are responsible are in compliance with policy and that the Firm's processes have been followed in accepting these engagements and relationships. These confirmations serve two primary purposes: to identify any threats to independence that may have arisen; and as a periodic reminder of the Firm's independence policies and procedures.

Consideration of engagement team independence is a mandatory step on all audit engagements and written confirmation is required from all members of the engagement team for listed audit clients and related entities.

### **8.4 Independence systems**

The PwC network has a number of global systems to assist PwC Ireland in complying with the Firm's independence policies and procedures. These systems include:

- The Central Entity Service ("CES"), which contains information about corporate entities including the Firm's public interest audit clients and SEC restricted clients and their related securities. CES assists our people determine the independence status of clients or potential clients of the Firm before entering into a new non-audit engagement or business relationship;
- The Global Portfolio System, which facilitates the pre-clearance of publicly traded securities by all partners, directors and managers prior to acquisition and records their subsequent purchases and disposals. Where the Firm wins a new audit client, this system automatically informs those holding securities in this client of the requirement to sell the security; and
- Authorisation for Services ("AFS"), which is a global system that facilitates communication between a non-audit services engagement leader and the audit partner, documenting the potential independence threats of the service and proposed safeguards, and acting as a record of the audit partner's conclusion on the acceptability of the service.

PwC Ireland also has a number of local processes and systems, which include:

- A rotation tracking process that monitors compliance with the Firm's audit rotation policies for engagement leaders and key

partners involved in an audit for all public interest entity audit clients of the Firm;

- A consultations database that records independence queries received and the responses given. All consultations are subject to a second review;
- A database that records all approved business relationships entered into by the Firm. These relationships are reviewed periodically to ensure their ongoing permissibility; and
- A database that records external appointments held by our people. These appointments are reviewed on an annual basis to ensure their ongoing permissibility.

### **8.5 Monitoring**

The Firm has a comprehensive monitoring and testing programme, which includes:

- Quality control reviews of engagements for compliance with risk management processes, including independence;
- Central monitoring of independence key performance indicators including the operating effectiveness of AFS, and compliance with required engagement level independence procedures;
- Personal independence audits of a random selection of partners, directors and managers; and
- Annual self-assessment of the Firm's adherence with the PwC network's risk management standards for independence. This self-assessment is reviewed by an independence leader from another PwC firm.

The results of the Firm's monitoring are reported to the Firm's Risk and Quality partner and provide assurance that the Firm's policies and processes are being followed. The investigations of any identified violations of policies also serve to identify the need for improvements in the Firm's systems and processes, and for additional guidance and training.

## **9. Continuing professional education of our people**

Capabilities and technical competence are developed through learning, education, work experience and coaching.

### **9.1 Learning and education**

Training and development is an ongoing process. It starts when an individual joins the Firm and continues throughout his or her career. Our people participate in a variety of formal training courses and e-learning, and they are also trained through on-the-job coaching and supervision.

The Firm's internal training curriculum provides a broad range of technical training as well as business and personal skills programmes. Our industry groups also operate specialist training programmes relevant to their sectors. Industry expertise is a particular area of focus that enables our people to improve their understanding of our clients' businesses.

We continually review the skills, competency and experience of our staff and align them with the needs of clients. As part of our appraisal process, our people in conjunction with their counsellor/appraiser assess their ongoing personal development needs and identify any necessary development activities, including those relating to quality.

On joining the Firm, all recruits are required to complete induction training, which focuses on audit methodology and tools, skills training, professional development, compliance, independence and ethical rules, as well as our culture and values. For our existing people, there are a number of mandatory and optional training courses looking at auditing, accounting, risk management and ethical issues. The Firm runs an annual training programme, which is mandatory for all partners and professional audit staff who have completed their training contract. Staff in training contract complete core mandatory training, which equips them with the skills and knowledge to undertake the work assigned to them and develop their professional competencies. We supplement this training with a non-mandatory training programme and run additional training sessions as and when required. Staff responsible for audits in specialised industries, principally Financial Services, are trained in the particular risks and audit challenges specific to those industries.

Compliance with Continuing Professional Development requirements and the completion of mandatory training programmes ensure that our services are delivered by individuals who have the right experience for the job. This includes legislative and other qualifications and accreditation policies for certain types of work, such as, capital market transactions and due diligence work.

The Firm maintains online reference tools and materials that cover all aspects of policy, procedure and methodology, as well as a complete library of Irish and international accounting, auditing and ethical standards. To support and keep theoretical knowledge up to date, our people receive regular communications on technical and regulatory topics as they arise. The Firm's Risk & Quality group issues periodic guidance on emerging issues and the Assurance Risk and Quality function provides

support to our people on auditing, accounting and regulatory requirements.

### **9.2 Work experience and coaching**

Each engagement leader is responsible for staffing engagements with people who have the professional competence and experience required in the circumstances. Further, each engagement leader is ultimately responsible for determining the extent, direction, supervision and review of the work of more junior people to whom work is delegated. This process is consultative where appropriate and forms part of a culture that embraces coaching in all we do at all levels within the Firm.

## **10. Corporate Social Responsibility**

Corporate Responsibility (“CR”) is integral to what we do – an inherent part of our core business. The Firm is committed to playing a leading role in achieving a sustainable future; we take responsibility for our actions and promote responsible business practices; support the growth and development of our people and communities; and seek to minimise our impact on the environment so that we embed CR in our values and business processes, and create a distinctive business in a responsible way.

Through the CR Programme we leverage enormous talent, enthusiasm and generosity of our people across Ireland to make a significant and lasting contribution.

Here are just some examples of the activities and causes we support and the steps we are taking in relation to the community and the environment.

### **10.1 Community activities**

- Localise: - A number of volunteers from PwC work with the 6th class of a local school to identify and lead a "Care for the Community" project that will have a positive impact on the community;
- The Firm supports our people who take time out of their working day over a period of six to twelve weeks, to deliver Junior Achievement educational programmes targeted at inner city schools. These programmes focus on the delivery of a business related topic to students between the ages of 5 and 15 years;
- Our People Giving Scheme has raised over €400,000 to date for over 20 charities;
- Camara is a social enterprise dedicated to using technology to improve education and livelihood skills in disadvantaged communities around the world. PwC is delighted to support

Camara’s work in improving education through technology amongst disadvantaged communities in Ireland, Jamaica and Africa. PwC has donated over 2,500 used computers to Camara to date making it Camara’s largest donor. The computers have been refurbished and have resulted in an improved education for over 50,000 children in disadvantaged communities in Africa, the Caribbean and Ireland.

- In 2013, 49 of our people served on the boards of Charitable/ Not-for-Profit Bodies, sporting and community organisations.

### **10.2 Environment**

The environmental initiatives we have in place in our Spencer Dock offices have resulted in the following positive impacts on the environment:

- Waste Recovery / Recycling – in 2013 we recycled almost 59% of our waste. 36% of our waste was recovered as solid fuel or within waste to energy plant. As a result of these initiatives, only 5% (9.9 tonnes) of our waste was sent to landfill. This has reduced by 41% (113 tonnes) since 2008.
- With the introduction of water saving devices in 2012, we are saving millions of litres of water compared to previous usage. While 2013 saw a modest increase in water usage of 2.9%, our overall consumption is still 17% lower than 2009, the first year of record keeping for this metric.
- Our energy usage continues to fall following investment and upgrade to high efficiency lighting and other equipment in recent years. Our carbon footprint from energy use has again reduced in 2013 by 7.3% resulting in a further offset of 167 tonnes of CO<sub>2</sub>.

## 11. Financial reporting

### 11.1 Fee analysis

An analysis of the total turnover of the Firm, excluding Value Added Tax and out of pocket expenses for the financial year ending 31 December 2013 is shown below:

	2013			2012		
	Audit Clients	Non-audit Clients	All Clients	Audit Clients	Non-audit Clients	All Clients
	€m	€m	€m	€m	€m	€m
Assurance	100	7	107	103	9	112
Tax services	29	43	72	29	40	69
Advisory services	12	32	44	9	24	33
<b>Total turnover</b>	<b>141</b>	<b>82</b>	<b>223</b>	<b>141</b>	<b>73</b>	<b>214</b>

- (i) Revenue is presented in the above table in accordance with Statutory Instrument 220 of 2010. Assurance fees include fees for statutory audit, audit work for group reporting purposes and revenues derived from other assurance services. Tax includes business and personal tax, indirect tax, human capital and international tax services. Advisory includes business risk (including internal audit), information security, consulting, strategy and performance improvement services, M&A advisory, project finance, insolvency, restructuring, transaction support and integration, valuations and business modelling services.
- (ii) The above amounts represent fees earned by the Republic of Ireland firm of PricewaterhouseCoopers and do not include fees earned in Ireland by other firms established and regulated in territories outside the Republic of Ireland who also practice under the name of PricewaterhouseCoopers.

### 11.2 Responsibility for financial reporting

Responsibility for the preparation of financial information is vested in the Firm's Chief Operating Officer, Mike Sullivan. Financial performance is reviewed on a monthly basis by the TLT. Financial information is circulated to all partners on a monthly basis and is presented and discussed at quarterly partner meetings.

### 11.3 Going concern

The TLT has a reasonable expectation that the Firm has adequate financial resources to meet its operational needs for the foreseeable future and therefore considers that the Firm is a going concern.

### 11.4 Managing risk

The TLT takes overall responsibility for establishing systems of internal control and for reviewing and evaluating their effectiveness. The day-to-day responsibility for implementation of these systems and for ongoing monitoring of risk and the effectiveness of controls rests with the Firm's senior management.

The systems, which have been in place throughout the financial year, include the following:

- the Risk Committee, a TLT subcommittee, is responsible for making sure that the processes and controls are in place to identify, evaluate and manage risk;
- our lines of service and our internal firm services, which document risks and the responses to them, carry out risk assessments annually and report to the Risk Committee on how effectively they have managed risk during the year;
- periodic reviews of performance and quality are carried out independently by the PwC network; and
- our risk and quality functions oversee our professional services risk management systems and report to the TLT.

In addition, we have established an internal audit function to review the effectiveness of the financial and operational systems and controls throughout the Firm and to report to the TLT and the Risk Committee.

## Our principal risks

The key risks faced by our business, and our management response, are summarised below.

<b>Risk</b>	<b>Response</b>
<b>Quality:</b> Significant quality failure in the Firm or the PwC network, due to either engaging with an inappropriate client or inadequate delivery of services leading to a potential service failing, litigation and/or regulatory action.	<p>Our internal quality management systems, which are designed to maintain and enhance quality, include:</p> <ul style="list-style-type: none"><li>• Recruitment standards and staff development procedures.</li><li>• Client engagement and acceptance processes.</li><li>• Client engagement standards supported by methodologies and tools.</li><li>• Quality reviews of PwC network firms.</li><li>• Monitoring and review of key performance indicators by the TLT.</li></ul>
<b>Regulatory reviews of the audit market:</b> The outcome of the current regulatory scrutiny of the audit market adversely impacts on our ability to provide high-quality audit and relevant non-audit services.	<ul style="list-style-type: none"><li>• The Firm is actively engaged with regulators and wider stakeholders, with a senior partner responsible for Public Policy.</li><li>• Active review, evaluation and critique of all proposals for change to make sure discussions are evidence-based and potential consequences are appropriately evaluated.</li><li>• Active engagement with professional accountancy bodies.</li></ul>
<b>Public perception and reputation:</b> Failure to respond in a transparent manner to issues raised by the 'public interest' debates	<ul style="list-style-type: none"><li>• Embedding a culture of 'doing the right thing' for our people, our clients and our communities, as a matter of strategic intent.</li><li>• Open and active engagement in serious debate with relevant stakeholders on trust-related and public interest issues to inspire change; for example, the international tax system.</li><li>• Actively participating in, leading on and collaborating on initiatives to restore trust.</li></ul>
<b>People and talent:</b> Failure to engage fully with our people, impacting our ability to attract, develop and retain the best talent and provide quality services.	<ul style="list-style-type: none"><li>• Regular reviews of the market for student and experienced talent to understand the Firm's relative competitive position.</li><li>• Embedding the PwC Experience for our people.</li><li>• Use of various communication and discussion channels to engage with our people.</li><li>• Monitoring and review of KPIs by the TLT, including staff surveys, external Brand Health Index and regular client feedback.</li></ul>
<b>Independence and regulatory requirements:</b> Failure to comply with relevant independence, legal, ethical, regulatory or professional requirements.	<p>Established compliance and independence management systems including:</p> <ul style="list-style-type: none"><li>• Clear policies, procedures and guidance.</li><li>• Mandatory training for all partners and staff.</li><li>• Client and engagement acceptance procedures.</li><li>• Annual independence and compliance submissions for all partners and staff enforced by penalties for non-compliance.</li><li>• Regular monitoring and reporting to the TLT.</li></ul>
<b>Information security:</b> Failure to safeguard confidential information.	<ul style="list-style-type: none"><li>• The Firm's Chief Operations Officer is the TLT member responsible for Information Security.</li><li>• The Firm operates an information security management system, aligned to ISO/IEC 27001:2005 which includes:<ul style="list-style-type: none"><li>– Governance and policies for client data and other information.</li><li>– Physical, technical and human resource controls.</li><li>– Incident response capability.</li></ul></li><li>• Regular monitoring and independent review systems.</li></ul>
<b>Business continuity and IT systems resilience:</b> Failure to ensure business critical systems are available to the business.	<ul style="list-style-type: none"><li>• A business continuity management system which provides ongoing assurance that the key business priorities are known and the essential resources required to support them are available.</li><li>• IT systems, technical resilience and recovery capabilities are assessed and tested to ensure they meet business requirements.</li></ul>

---

### **11.5 Review of internal control**

The Irish Audit Firm Governance Code requires the Firm to conduct, at least annually, a review of the effectiveness of the Firm's internal control systems, covering material controls such as financial, operational and compliance controls, and risk management systems. In maintaining sound systems of internal control and risk management, and in reviewing its effectiveness, we have applied the principles of 'Internal Control: Guidance for Directors on the Combined Code' (the Turnbull guidance), issued in October 2005 by the FRC.

The TLT takes overall responsibility for PwC Ireland's internal control systems and for reviewing their effectiveness. It has reviewed the systems of internal control in operation throughout the year ended 31 December 2013, and up to the date of approval of this Transparency Report, using a process that involves, inter alia:

- reports and/or confirmations from relevant partners, committees and functions concerning the operation of those elements of the system for which they are responsible;
- reports of periodic reviews of the Firm's performance and quality, which have been carried out independently by the PwC network;
- independent testing of controls; and
- reports from the Firm's regulators

Our internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives or, in the case of financial controls, the risk of material misstatement in our financial statements. Accordingly, they provide only reasonable and not absolute assurance against such failure or material misstatement.

### **12. Partner remuneration**

Partners are remunerated solely out of the profits of the Firm. The final allocation and distribution of profit to individual partners is made by the Territory Leadership Team, after a partner's performance has been assessed, and is based on a partner's role, sustained performance and professional experience ("Partner Income System").

The key criteria applied to assess an individual partner's sustained performance include an assessment of their impact with clients and in the marketplace, their impact in the Firm and their engagement with our people. There is transparency among the partners in relation to the allocation of profits.

Assurance partners are not permitted to be, nor are they incentivised to be, evaluated or remunerated for the selling of non-audit services to their audit clients.

The operation of the Partner Income System is overseen by two independent partners approved by the partners ("Income Oversight Partners"). The Income Oversight Partners report to the partners on an annual basis as to whether or not, in their view, the Territory Leadership Team has operated fairly in applying the Partner Income System.

## Appendix 1: Profiles of our Territory Leadership Team



**Rónán Murphy**, the Firm's Senior Partner, is chairman of the Territory Leadership Team. Rónán has held the role of Senior Partner since 2007. He is responsible for the leadership and strategic direction of the Firm and its role in PwC's global network. Rónán joined the Firm in 1980 and became a partner in 1992. He is a fellow of the

Institute of Chartered Accountants in Ireland. Prior to his appointment as Senior Partner, Rónán led our Assurance practice and acted as the Firm's Finance partner.



**Paul Tuite** leads the Firm's Advisory practice. He joined the Firm in 1988 and became a partner in 2001. Paul is a Fellow of the Institute of Chartered Accountants in Ireland. Paul provides a range of business advisory services specialising in mergers, acquisitions and due

diligence. He has extensive experience in advising public and privately owned corporations, together with private equity organisations on a range of acquisition and disposal related matters. Paul was previously the Firm's Finance partner.



**Kevin Egan** leads the Firm's Assurance practice. He joined the Firm in 1987 and became a partner in 1998. He has over 20 years experience with a wide range of Irish and international companies as an auditor and business advisor. He worked with PwC in London between 1996 and

2003. Kevin is a Fellow of the Institute of Chartered Accountants in Ireland.



**Tony Weldon** is the Firm's Risk and Quality partner. He is also a partner in our Assurance practice. He joined the Firm in 1974 and became a partner in 1983. Tony has over 30 years experience as an auditor and business advisor to clients in the asset management,

banking and capital markets sectors. Tony is a Fellow of the Institute of Chartered Accountants in Ireland.



**Feargal O'Rourke** leads the Firm's Tax practice. He is also our Foreign Direct Investment Market Group Leader. Feargal joined the Firm in 1986 and became a partner in 1996. Feargal is a Fellow of the Institute of Chartered Accountants in Ireland and an Associate of

the Irish Taxation Institute. He has over 20 years experience of advising MNCs investing in Ireland on Irish issues and European and Global structures. Feargal also led the PwC Tax Technology Network in Europe, The Middle East and Africa ("EMEA"), which comprises partners in over 90 countries dealing with major European and Global clients from 2004 until 2010. Feargal was a member of the Government's Commission on Taxation which sat in 2008/09.



**Susan Kilty** is the Firm's People partner. She joined the Firm in XXX and became a partner in our Tax practice in 2007. Susan is the leader of the entertainment & media industry group and specialises in advising companies within the technology and E&M sectors

on Irish corporate tax, with a particular focus on US headquartered multinationals investing in Europe. Susan is an Associate of the Irish Taxation Institute.

## Appendix 1: Profiles of our Territory Leadership Team



**Mike Sullivan** is responsible for the management of the Irish firm's Information Technology, Finance and Infrastructure functions. He joined the Firm in 1997 having worked for four years in PwC in the United States of America and became a

partner in 2004. He is a partner in the Advisory practice and leads our Risk Assurance team. Mike specialises in the areas of internal and IT controls, governance, risk and internal audit. Mike is a Fellow of the Institute of Chartered Accountants in Ireland and a member of the Institute of Internal Auditors.



**Damian Byrne** is responsible for the Firm's Business Development & Marketing function. He joined the Firm in 1994 and became a partner in 2006. Damian is a partner in the Assurance practice and specialises in advising Software,

Telecommunications and Technology companies. He leads the audit engagement for a number of high profile MNC's with significant operations in Ireland as well as publicly quoted and venture-backed indigenous technology companies. Damian is a Fellow of the Institute of Chartered Accountants in Ireland. He joined the Territory Leadership Team on 1 July 2011.



**Chand Kohli** is our Financial Services Market Group Leader. Chand is a partner in the Assurance practice and leads the Financial Services practice in PwC Ireland. Chand specialises in advising companies in the banking and insurance sectors and, with

over 25 years experience, he has an in-depth knowledge of financial reporting, regulatory and other market issues relating to the financial services industry in Ireland. He joined the Firm in 1987 having worked for seven years in PwC in the United Kingdom and the United States of America. He became a partner in 1990. Chand is a member of the Institute of Chartered Accountants in England and Wales, a fellow of the Institute of Chartered Accountants in Ireland and an honorary fellow of the Society of Actuaries in Ireland.



**Denis O'Connor** is our Indigenous Domestic Market Group Leader. Denis is a partner in our Advisory practice and he has over 25 years experience of leading transactions covering every aspect of due diligence and Advisory Services across Ireland, the UK, Europe and

the US. His expertise includes financial due diligence, vendor due diligence, synergy / merger benefits reviews and IPOs. He has provided these services across a wide range of industries and deal sizes. He joined the Firm in 1982 and became a partner in 1995. Denis is a Fellow of the Institute of Chartered Accountants in Ireland.

**Mary Cullen** has been the Firm's Partnership Secretary since 1993 and works closely with the Territory Senior Partner on Firm related and Governance matters. Mary is a Fellow of the Institute of Chartered Accountants in Ireland.

## Appendix 2: Profiles of the Committee of the Board



**John McDonnell (Chairman)** John is a Partner in the Banking and Capital Markets group of our Assurance practice. John has worked extensively with key Irish and international banks and financial institutions operating in the retail banking, wholesale banking and capital markets sectors. John provides a full range of audit and advisory services to these clients including; audit and accounting advice, controls reviews, treasury reviews, Sarbanes Oxley advice, acquisition and reorganisation advice, corporate governance and risk reviews and financial investigations. John is a member of PwC's Global Accounting Consulting Services Team specialising in accounting for financial instruments and banking products and a member of PwC's IFRS Global Banking and Capital Markets Committee. John is also a member of the Urgent Issues Task Force (UITF). John joined the Firm in 1984 and became a partner in 2000. He is a Fellow of the Institute of Chartered Accountants in Ireland.



**Alan Bigley** is the Firm's pensions practice leader. Alan is the key relationship partner for a wide range of corporate clients and has overseen and managed clients through significant pension change, particularly over the past number of years. The pensions practice provides a full range of pension actuarial

and advisory services to corporate entities and individuals and specialises in devising innovative and tailored pension solutions for clients. Alan joined the Firm in 1986 and became a partner in 1997. Alan is a Fellow of the Institute of Chartered Accountants in Ireland and an Associate of the Institute of Chartered Secretaries and Administrators.



**Ken Johnson** is an Assurance partner and leads PwC's Mid West practice which covers Limerick and Galway. Ken specialises in advising companies operating in a wide range of sectors including Consumer, Industrial Products, Services, Technology, InfoComms and Entertainment & Media. Ken joined the Firm in 1987 and became a partner in 2000. Ken is a Fellow of the Institute of Chartered Accountants in Ireland.



**Ciarán Kelly** is a partner in our Advisory Line of Service and leads our Consulting practice. Ciarán is also the lead Financial Services Partner within our Advisory practice. Since joining PwC in 1999, Ciarán has advised clients on change, risk and technology related projects across a number of sectors, in particular Financial Services, Aviation, Technology and Public Sector. Ciarán became a partner in 2006.



**Ronan MacNioclais** is a partner in the Tax practice and specialises in Mergers and Acquisitions and private equity transactions. He also leads our Energy, Renewables and Utilities group for the tax practice. As tax adviser to some of Ireland's largest energy and renewable operations Ronan has an in-depth knowledge of industry issues including Carbon Tax and optimisation of capital allowance claims. Ronan joined the Firm in 1998 and became a partner in 2008. Ronan is a member of the Institute of Tax and a fellow of the Institute of Chartered Accountants.

## Appendix 2: Profiles of the Committee of the Board



**Vincent MacMahon** is a partner in the Assurance practice and specialises in Asset Management. He joined the Firm in 1991 and became a partner in 2004. Vincent spent two years working in PwC Boston. Vincent has provided audit and advisory services to a large cross section of Asset Management clients including asset managers, administrators, custodians and investment funds for the last 15 years. He is also the practice leader in Ireland for the provision of advisory and verification services to asset managers under the Global Investment Performance Standards. Vincent is a Fellow of the Institute of Chartered Accountants in Ireland.



**Paul O'Connor** is an Assurance partner with extensive experience working with companies operating in the Technology, InfoComms and Entertainment & Media sectors. Paul leads the audit of a number of high profile technology companies and advises on the key challenges

they face in the industry. Paul is a member of PwC's European Software Community of Practice network that draws together the expertise of lead professionals to better serve software clients. He joined the Firm in 1986 and became a partner in 1998. Paul is a fellow of the Institute of Chartered Accountants in Ireland as its President for 2010-11. He is a former member of the Council of the Institute of Chartered Accountants in Ireland, helping to determine the Institute's strategy and policy and deciding on the allocation of resources to its various programmes. Paul is also an Associate of the Irish Taxation Institute.



**Pat Wall** is a partner in the Tax practice and specialises in advising financial services companies. Pat has extensive experience advising Asset Management and insurance companies on international tax and regulatory issues. Pat joined the Firm in 1981, having served with the Irish

Revenue as an Inspector of Taxes and became a partner in 1986. Pat is former Chair of the Committee of the Board. He served on the Irish territory leadership team and also on the PwC Global Asset Management Board. He is a member of the EU Tax Business Advisory Group on withholding taxes and the OECD advisory group on tax reporting. He is a member of the Board of the UCD Commercial Law Centre and is a member of the IFSC Clearing House Group, and Chair of the Asset Management Working group.

## **Appendix 3: Profiles of the Independent Non-Executives of the Public Interest Board**

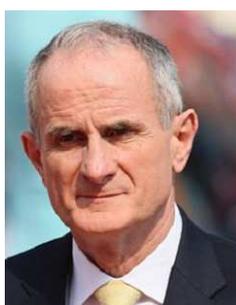


**Kieran McGowan – Chairman** Kieran McGowan served as Chairman of CRH plc from May 2007 to May 2012 having been a Non-Executive Director since 1998. He was a Non- Executive Director at Elan Corporation plc from December 1998 and its Lead Independent Director

from February 2006 until 2013. He is Chairman of Charles Schwab Worldwide Funds plc having been a Non-Executive Director since 1999.

His other Non-Executive Directorships have included United Drug plc, Irish Life and Permanent plc, Enterprise Ireland, An Post National Lottery Company and Drury Communications. He is currently Chairman of Business in the Community Ireland.

Kieran was Chief Executive of IDA Ireland from 1990 to 1998 and has served as President of the Irish Management Institute and as Chairman of the Governing Authority of University College Dublin.



**Dr Martin McAleese** Martin McAleese was nominated to the Seanad by An Taoiseach, Enda Kenny TD in May 2011, a position in which he served until his resignation in February 2013. During that time he was the independent chair of the Inter-departmental

Committee to establish the facts of state involvement with the Magdalen Laundries.

“Your Country, Your Call”, a highly successful, national competition launched in 2010 was his brain-child.

He was appointed Chancellor of Dublin City University in July 2011. and in October 2013 was appointed as independent Chair of the Oversight Committee to implement the agreed Framework for the resolution of the Priory Hall housing issue.

Martin formerly practised as an accountant and dentist.



**Dr Hugh Brady** is President Emeritus and Professor of Medicine and Healthcare Strategy at University College Dublin (UCD) where he served as President from 2004 to 2013. A medical graduate of the university, he worked as a physician and biomedical

research scientist in the US, where he served on the faculty of Harvard Medical School for almost a decade before returning to UCD as professor of medicine and therapeutics.

He has also served as chairman of the Irish Health Research Board and chairman of the Universitas 21 Network of global research universities.

Hugh has recently been appointed a non-executive director on the board of Kerry Group.

## Appendix 4: List of Public Interest Entity Audit Clients

**Please note – this list includes those audit clients, for whom PwC issued an audit opinion between 1 Jan 2013 and 31 December 2013 who are public interest entities as defined in the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 (SI No. 220 of 2010).**

Name	Name
AAI Pimco Fund plc	Kentz Corporation Limited
Accent Europe Insurance Company Limited	Kidde Reinsurance Limited
ACE Bermuda International Insurance (Ireland) Limited	Kildare Securities Limited
Achmea Reinsurance Ireland Limited	KPN Insurance Company Limited
Adagio II CLO plc	Laredo Umbrella Fund plc
Adagio III CLO plc	Lazard Global Active Funds plc
Aer Lingus Group plc	LBB Finance Ireland plc
AIG United Guarantee Re Limited	Legal & General International (Ireland) Limited
AIG-FP Matched Funding Ireland plc	Legal & General Protected Investments plc
Alectra Finance plc	Legg Mason - Western Asset Liquidity Fund plc
Alfa Bond Issuance plc	Legg Mason Global Funds plc
Alpha UK Real Estate Fund plc	Legg Mason Qualified Investor Funds plc
Alpro Growth Fund plc	LG China Fund plc
Alreford Limited	LGIM Liquidity Funds plc
Alternative Investment Managers Selection plc	LGIM UK Smaller Companies Alpha Fund plc
Aquarius and Investments plc	LGT Bank (Ireland) Limited
Aquarius Capital Investments plc	Lightpoint Pan-European CLO 2006 plc
Aquilae CLO II plc	Lloyd George Investment Company plc
Arca Vita Insurance	Loomis Reinsurance Limited
Arch Reinsurance Europe Underwriting Limited	LTR Finance No 6 plc
Argentum Fund (Ireland) plc	LTR Finance No 7 Limited
Aries Capital Limited	Lupus Alpha Emerging Strategies Fund plc
Ark Life Assurance Company Limited	Lyxor Access Funds plc
Athenee CDO plc	Marathon New Global Fund plc
Aviva Health Insurance Limited	Martinsurance Teoranta
Aviva Investors Liquidity Funds plc	Medical Insurance Company Limited
Aviva Life and Pensions Ireland Limited	Mellon Global Alternative Investments Fund plc
Aviva Life International Limited	Mercury Re Limited
AXA IM Strategies plc	Merrill Lynch International Bank Limited
AXA Insurance Limited	Metalloinvest Finance Limited
AXA Life Europe Limited	Miripro Insurance Company Limited
AXA Life Invest Reinsurance Limited	Motif Finance (Ireland) plc
AXA New Horizons Fund plc	Nara Cable Funding Ltd

## Appendix 4: List of Public Interest Entity Audit Clients

Name	Name
AXA Private Equity Early Fund of Funds (Ireland) plc	Nash Point CLO
Bacchus 2007-1 plc	Naspa Dublin
Bacchus 2008-1 plc	National Grid Insurance Company (Ireland) Limited
Bacchus 2008-2 plc	NATIXIS International Funds (Dublin) I plc
Bank of America Global Liquidity Funds plc	Navigator Mortgage Finance No 1 plc
Bank of Ireland Mortgage Bank	Navillus Insurance Company Limited
Barclays Assurance (Dublin) Limited	Nevsky Fund plc
Barclays Bank Ireland plc	New Capital Alternative Strategies plc
Barclays Insurance (Dublin) Limited	New Capital UCITS Fund plc
Barclays Multi Manager Fund plc	New Ireland Assurance Company plc
Barclays Portfolios plc	Newscape Funds plc
Barclays Reinsurance (Dublin) Limited	Newwater Insurance Limited
Baring Alpha Funds plc	NKNK Finance plc
Baring China A Share Fund plc	Noble Insurance Company Limited
Baring Global Opportunity Umbrella Fund plc	Nokatus Insurance Company Limited
Baring Investment Funds plc	Nuveen Global Investors Fund plc
Baring Multi Manager Funds plc	Omega Capital Europe plc
BDT Invest Funds plc	Omega Capital Investments plc
Berkeley Re Limited	Omega Capital Investments II plc
Bliksem Funding plc	ONO finance II plc
BNY Mellon Butterfield Funds plc	Opera Finance (CMH) plc
BNY Mellon Enhanced Coefficient Fund plc	Opera Germany (No. 2) plc
BNY Mellon Global Funds plc	Opera Germany (No. 3) Limited
BNY Mellon Liquidity Funds plc	Orange Stone Reinsurance
Bocage Mortgages No 1 Ltd	Organon BioSciences Reinsurance Limited
BSPB Finance plc	Origin Enterprises plc
Cairn High Grade ABS CDO I plc	Partholon CDO I plc
Cavendish Square Funding plc	Philip Morris International Insurance (Ireland) Limited
Cavendish Square Funding 2 Limited	PIMCO Fixed Income Source ETFs plc
Cazenove International Fund plc	PIMCO Global Investor Series plc
Cedar Rock Capital Fund plc	Pirus Securities Limited
Celsius Funds plc	Port Credit Harbour plc
Centre Reinsurance International Company	PowerShares Global funds Ireland plc.
Centrica Risk Limited	Probus Insurance Company Europe Limited
Chartis Excess Limited	Proventus European ABS CDO plc
Chronos Life Ireland Limited	Prysmian Re Company Limited
CIMB-Principal Islamic Asset Management (Ireland) plc	PULS CDO 2006-1 plc

## Appendix 4: List of Public Interest Entity Audit Clients

Name	Name
Citi Latin American Region Funds plc	PULS CDO 2007-1 Limited
CNP Europe Life Limited	Putnam New Flag Euro High Yield Fund plc
Coco Finance II-1 Limited	Pzena Value Funds plc
Cornerstone Titan 2005-1 plc	QBE Reinsurance (Europe) Limited
Cornerstone Titan 2005-2 plc	Quinn Life Direct Limited
Cornerstone Titan 2006-1 plc	Race Point III CLO
Cornerstone Titan 2007-1 plc	Renaissance Consumer Funding Limited
Cosmo Finance II-1 Limited	Rivoli Pan Europe 1 plc
Cosmo Finance II-2 Limited	Royal London Asset Management Bond Funds plc
CRC Capital Release Fund plc	RusHydro Finance Ltd
Crown Asia-Pacific Private Equity plc	SC Germany Auto 06 plc
Crown Asia-Pacific Private Equity II plc	SC Germany Auto 09-1 Limited
Crown Europe Middle Market II plc	SC Germany Consumer 10-1 Limited
Crown European Buyout Opportunities II plc	SC Germany Consumer 11-1 Ltd
Crown European Private Equity plc	Schenker Re Limited
Crown Global Secondaries II plc	Schroder Private Equity Fund plc
Crown Private Equity plc	Schroder Private Equity Fund of Funds II plc
CUNA Mutual Insurance (Europe) Limited	SEB Life (Ireland) Assurance Company Limited
CUNA Mutual Life Assurance (Europe) Limited	SEB Life International Assurance Company Limited
Daejeon Riverside Expressway plc	Securitas Group Reinsurance Limited
Datalex plc	SEI Global Assets Fund plc
DCC plc	SEI Global Investments Fund plc
Dekania Europe CDO I plc	SEI Global Master Fund plc
Dekania Europe CDO II plc	Shannon Capital plc
Deutsche Global Liquidity Series plc	Smurfit Kappa Group plc
Deutsche Post Insurance Limited	Source Markets plc
Dimensional Funds plc	SPDR Europe plc
Dodge and Cox World Wide Funds plc	Specialist Investment Funds (1) plc
Dryden XV Euro CLO 2006 plc	SSgA Cash Funds plc
DVA Reinsurance Limited.	SSgA Fixed Income Funds plc
EACM Mellon Multistrategy Funds plc	SSgA Liquidity plc
Eagle Star European Life Assurance Company Limited	SSgA SPDR ETF's EUROPE I plc
ECCU Assurance Company Limited	St James's Place International plc
EFG Hermes UCITS Umbrella Fund plc	Standard Life Global Liquidity Funds plc
eircom Holdings Ireland Limited	Standard Life International Limited
Epic Opera (Arlington) Limited	Standard Master Funds plc
Escher Group plc	Stanton MBS I plc
ESF 110 Parent Limited Company	Static Loan Funding 2007-I Limited

## Appendix 4: List of Public Interest Entity Audit Clients

Name	Name
ESG Reinsurance Ireland Limited	Steel Funding Limited
Euro Insurances Ireland Limited	SWIP Global Liquidity Fund
EuroChem Global Investments Ltd	Taberna Europe CDO I plc
Euroconnect Issuer SME 2007 Limited	Taberna Europe CDO II plc
Euroconnect SME 2008 Limited	TFB Finance Limited
Eurohome Mortgages 2007-1 plc	Thames River Traditional Multi-Funds plc
Europe Americas Select Private Equity (Ireland) II plc	The Governor and Company of the Bank of Ireland
European Insurance Risk Excess Limited	The Real Return Funds plc
European Property Capital 3 plc	Third Avenue Capital plc
FCE Reinsurance Company Limited	Thunderbird Investments plc
FCM Funds plc	Tiburon Funds plc
FDI Insurance Limited	Titan Europe 2006-1 plc
Fidelity Institutional Liquidity Fund plc	Titan Europe 2006-2 plc
Financial Credit Investment I Limited	Titan Europe 2006-3 plc
FinEx Funds plc	Titan Europe 2006-5 plc
FinEx Physically Backed Funds plc	Titan Europe 2007-1 (NHP) Limited
Franklin Floating Rate Fund plc	Titan Europe 2007-2 Limited
Franklin Templeton Emerging Market Debt Opportunities Fund plc	Titan Europe 2007-3 Limited
Friends First Life Assurance Company Limited	Tokio Marine Funds plc
GAM Star Fund plc	The Topiary Fund II plc
Glanbia plc	Traditional Funds plc
GD Insurance Company Limited	TransCapitalInvest Limited
Glastonbury Finance 2007-1 plc	UBS (Ireland) Funds plc
Goldman Sachs Fundamental Currency Fund plc	UBS ETF's (Irl) plc
Goldman Sachs Funds plc	UBS ETF's plc
Goldman Sachs Institutional Funds plc	UK General Insurance (Ireland) Limited
Goldman Sachs Institutional Funds II plc	Valiant Insurance Company Limited
Hansard Europe Limited.	Vanguard Funds plc
Heartland Funding plc	Vanguard Investment Series plc
Helaba Dublin Landesbank Hessen Thüringen International	Vega Container Vessel 2006-1 plc
Helaba International Finance	Veritas Funds plc
Herald Investment Fund plc	VIP Finance Ireland Limited
Hertz International Re Limited	Volkswagen Insurance Company Limited
Hexam Capital Funds plc	Vulcan Global Value Fund plc
HSBC ETF's plc	W.T.C.D. Insurance Corporation Limited
ICS Building Society	Wellington Management Portfolios (Dublin) plc
IFG Group plc	Westwind Finance plc

## **Appendix 4: List of Public Interest Entity Audit Clients**

<b>Name</b>	<b>Name</b>
Ignis Alternative Funds plc	White Horse Insurance Ireland Limited
Ignis International Funds plc	Windermere VII CMBS plc
Iliad Investments plc	Windermere X CMBS Limited
INEOS Insurance Limited	Wolfhound 2008 I Limited
Institutional Cash Series plc	Wolfhound Funding II Limited
ISEQ Exchange Traded Fund plc	World Equity Fund Portfolio (Ireland) plc
iShares plc	Xelo plc
iShares II plc	Xelo II plc
iShares III plc	Xelo III plc
iShares IV plc	Xelo IV plc
iShares Physical Metals plc	Xelo V plc
iShares V plc	XL Group plc
iShares VI plc	XL Re Europe Limited
J.P. Morgan Bank Dublin plc	Zoo ABS 4 plc
Janus Capital Funds plc	Zurich Insurance plc
Javelin Capital Strategies plc	Zurich Life Assurance plc
Jazz III CDO (Ireland) plc	

This content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.

© 2014 PricewaterhouseCoopers. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see [www.pwc.com/structure](http://www.pwc.com/structure) for further details.