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# BDO AUDIT - Luxembourg Transparency report 2022



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Appendix: list of all EU/EEA countries in which BDO Member Firms operate

## Introduction

BDO Audit is an approved audit firm („*cabinet de révision agréé*“) that carries out, among other engagements, statutory audits of public interest entities.

In accordance with the Article 13 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the „Regulation“), we have established and made public on our website this transparency report for the financial year ending on 30 September 2022.

## Legal structure and ownership

BDO Audit (“the Firm”) is a joint stock company under Luxembourg law (“S.A.”) and is registered with the Luxembourg Trade and Companies register under number B 147.570. The share capital amounts to € 1.000.000.

On the balance sheet date the majority of the shares with voting rights are held by shareholders (“Partners”) who are authorized statutory auditors (“*réviseur d’entreprises agréé*”) whereas the non-voting shares are held by the Luxembourg private limited company (“*société à responsabilité limitée*”) Compagnie Fiduciaire Group registered with the Luxembourg Trade and Companies register under number B 142.417.

## Network

BDO Audit is a Member Firm of BDO International Limited. It is the only Member Firm of BDO International which operates in Luxembourg as an approved audit firm.

### *Description of the network*

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

A list of all EU/EEA countries in which BDO Member Firms operate and their registered office is shown in an appendix to this report.

### *Legal and structural arrangements in the network (Governance)*

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

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

The Global Board, which is the Board of Directors of BDO International Limited, comprises the managing partners of at least the three largest firms of the EMEA region, the two largest firms of the Americas region and the two largest firms of the Asia Pacific region, whose appointment (each for a three-year term) is approved by the Council. The Global Board sets policies and priorities for the global organisation and oversees the work of the Executive. The Global Board meets at least four times a year.

The Council comprises one representative from each voting BDO Member Firm - generally the managing partner - and represents the members of BDO International Limited in general meeting. The Council approves BDO's global budget, appoints the Global Board and approves any changes to the Articles of Association and the Regulations of BDO International Limited.

The Executive comprises the Chief Executive Officer (CEO), who is appointed by the Global Board, and the members of the Global Leadership Team (GLT), who are appointed by the CEO. The CEO's powers and responsibilities are set out in the Regulations and as further determined by the Global Board.

The CEO is tasked with the day-to-day management of the affairs of BDO globally, as well as the development and implementation of the global strategy for the organisation. He recommends quality standards, policies and strategies to the Global Board. The CEO also acts as spokesperson for BDO at international forums and organisations and represents the global organisation in discussions with international regulatory bodies.

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

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

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

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

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

Within BDO there are a number of global committees, composed of professionals from our firms, who report to the respective member of the GLT and the CEO. These committees, which act in an advisory capacity for the benefit of our firms, are further supported by a number of sub-committees, task forces and working groups. The International Risk Management Committee and the Audit Steering Committee are key to our risk and quality management.

The Global Leadership Team is supported by the Global Office at Brussels Worldwide Services BV. Brussels Worldwide Services BV, a Belgian limited liability company, provides services to assist in the coordination of the BDO network.

BDO International Limited and Brussels Worldwide Services BV do not provide any professional services to clients. This is the sole preserve of the BDO Member Firms.

Each of BDO International Limited, Brussels Worldwide Services BV and the BDO Member Firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide services BV and/or the BDO Member Firms.

The global aggregated turnover for BDO member firms (including their exclusive Alliances) in 164 countries and territories for the year ended 30 September 2022 was in excess of € 11.8 billion. Partner and staff numbers at 30 September 2022 were 111,307 (+14.4% year on year). Combined turnover from statutory audits of the BDO EU/EEA audit firms amounts to € 559 million.

## Governance structure of BDO Audit

BDO Audit is governed by a Board of Directors having the overall responsibility for the business. The majority of the members of the Board are approved statutory auditors („réviseur d'entreprises agréé“).

The operational management of the firm lies with Partners of BDO Audit, all of them being approved statutory auditors. The Partners of BDO Audit meet weekly and more frequently if required. With regard to a more efficient governance the operational responsibilities are assigned to individual Partners.

The responsibility for the design and implementation of the risk management process lies with the Risk Management Committee.

The Risk Management Committee meets regularly and is made up of appointed individuals including the Head of Audit, Head of Risk Management, Head of Audit & Assurance Quality Management (HAAQM), Ethics and Independence Leader, Head of Compliance and the Managing Partner. The committee has particular responsibility to ensure that the quality, objectivity and independence of client service is maintained through well managed client acceptance and engagement procedures, that guidance is updated regularly and published on the conduct of all professional services, and that rigorous processes are in place to identify and resolve conflicts of interest.

## Internal quality control system

The firm's system of internal quality control is designed to provide reasonable assurance that the firm, its partners and staff comply with professional standards and regulatory and legal requirements, that work is performed to a consistently high standard and that reports issued by the firm are appropriate.

The firm's system of internal quality control can be split into the following elements:

1. leadership responsibilities for quality within the firm;
2. ethical requirements;
3. acceptance and continuance of client relationships and specific engagements;
4. human resources and development;
5. engagement performance;
6. monitoring and documentation of the system of quality control.

## **1. Leadership responsibilities for quality within the firm**

Quality control is dependent upon a sound organisational structure that clearly defines the responsibilities of the various levels of management.

The overall responsibility for the quality control system rests with the Audit partner committee (including the Managing partner). The operational responsibility for the quality control system rests with the Head of Audit & Assurance Quality Management. Any changes in the firm's audit procedures must be approved by the Partners.

The Partners are responsible for the following:

- developing assurance methodology and guidance to ensure compliance with auditing standards (based on the BDO International methodology);
- maintaining the firm's technical manuals and communicating developments to the firm's staff;
- helping maintain the quality of the firm's assurance practice at the highest standards prevailing in the profession, including the supervision of the Firm's auditing work;
- consulting with partners and other professionals seeking technical advice; and
- overseeing the firm's technical continuing professional education programmes.

The Quality & Risk Management Department, headed by the Risk Management Partner and including the HAAQM, is responsible for the following:

- monitoring of independence;
- monitoring the firm's auditing work; and
- evaluating the firm's quality controls policies and procedures.

## **2. Ethical requirements**

The firm adheres to the provisions of the Code of Ethics prepared by the International Ethics Standards Board of Accountants and adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). The Code is supplemented by Helpsheets and complemented by a comprehensive training programme designed to ensure compliance with both International and Luxembourg Ethical Standards. The Code of Ethics as well as further guidance are available to all staff on MyBDO (the firm's knowledge management tool).

Annual declarations are made by all partners and staff to ensure compliance with relevant ethical requirements.

### ***3. Acceptance and continuance of client relationships and specific engagements***

Robust client and engagement acceptance procedures play a pivotal role in the firm's ability to deliver a professional and quality service.

Prior to the acceptance of any new client and consideration of continuance with that client, certain procedures to assess the risks associated with that client must be carried out.

These will include:

- consideration of the client's business including its geographical spread and the industry it operates in; evaluation of information concerning the client, its management and its owners including obtaining evidence of the identity of the beneficial owners and officers of the business;
- compliance with anti-money laundering regulations;
- considering information regarding the character and reputation of the prospective client and key personnel;
- assessment of potential independence risks and potential conflicts of interest;
- if relevant, inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why the appointment should not be accepted;
- assessment of our ability to serve the prospective client; and
- reviewing filings of the company, including prior year financial statements.

The acceptance and continuation of all clients requires an approval process that is appropriate to the perceived risk. Acceptance and continuance of client relationships is confirmed by the acceptance committee (three audit partners, including the Risk Partner, and the Compliance Manager). "High risk" clients require an additional validation by the Firm's Risk Partner.

### ***4. Human resources and development***

Human resources are a critical factor in our ability to provide professional services. In order to ensure that the firm has sufficient personnel with the capabilities, competence, and ethical standards necessary to provide quality audits in accordance with professional and legal requirements we have established clear policies and procedures addressing the following areas:

- recruitment;
- performance evaluation;
- capabilities and competence;
- career development, promotion and compensation;
- forecasting of personnel requirements.

The Partners in their meetings regularly review these policies and procedures to ensure that they are appropriate and are operating effectively.



## Recruitment

Policies and procedures for recruitment are designed to provide reasonable assurance that those employed possess the appropriate characteristics to enable them to deliver a high quality service and perform their duties with professional competence.

We work actively to promote diversity within the firm's culture, not just in principle but in practice. Inclusivity within the organisation, whether it is based on age, gender, ethnicity or physical capabilities, strengthens the firm's values, makes the firm more representative and more capable of providing a quality professional service.

We seek smart people with maturity, integrity, motivation, aptitude and leadership qualities appropriate to the role for which they are being hired.

## Continuous performance appraisal and engagement surveys

All our staff members are subject to formal performance appraisal, review and counselling on a regular basis, in order to evaluate the level of competence, monitor development and to help them reach their full potential. Performance appraisals includes a review of each individual's contribution to the quality of service(s) provided by our firm.

Appraisals are completed at frequent intervals at all levels. The factors appraised (which may vary by level) include professional and technical competence (including analytical and judgement skills), personal and management skills, and client servicing skills.

## Capabilities and competence

Policies and procedures for assigning personnel to engagements are designed to provide a reasonable assurance that only those persons having adequate technical training, proficiency and competence will perform the work.

A current profile of staff's technical proficiency is mainly obtained by personal knowledge. This profile is used to assess the suitability of the staff member for specific subsequent assignments.

In staffing an engagement, consideration is given to ensure that partners and staff have the necessary technical knowledge and other skills appropriate to the size, complexity and nature of the planned work.

### Career development, promotion and compensation

Staff grades at BDO are those of an assistant, senior, assistant manager, manager, senior manager and director. Employees are promoted only when they are deemed to have acquired the necessary knowledge, skills and experience to be prepared for the increased responsibilities. The decision for promotion is based on the result of the annual appraisal process.

Compliance with the firm's policies and professional standards are key criteria in the appraisal. Lack of compliance is addressed through additional training, non-promotion or, in case of serious and/or repeated instances of non-compliance, through dismissal.

In order to be considered for admission to partnership, a candidate's integrity, honesty and character must be irreproachable. While attributes of individual applicants may differ because of technical specialisation and years of experience, there are three basic attributes that all candidates must possess:

- technical competence in a chosen field of expertise;
- self-esteem, and pride in the firm and the profession; and
- professional attitude.

### Development plan and training policy

Our learning and development strategy ensures the firm's ability to remain competitive and to motivate our staff. It includes both the technical expertise and skills to meet the needs of the higher demands of the market; that is business advisers, financial analysts, communicators, negotiators and managers. At the same time integrity, objectivity, professional scepticism and willingness to take a firm stand are essential attributes of professionals.

### Forecasting of personnel requirements

We recognise that ultimately it is the quality and commitment of the staff and partners that really makes a difference and enables us to deliver a quality audit. Given this, our ability to attract the right number of high quality people is of utmost importance. We predict personnel requirements so as to continue to service the firm's clients and provide sufficient capacity to enable its partners and staff to develop the business.

## 5. Engagement performance

### Common methodology

Our policies and procedures are designed to ensure that audits meet all applicable professional standards, regulatory requirements and that the firm issues reports that are appropriate in the circumstances. To achieve this and to promote consistency in the approach to auditing and related fundamental application of professional scepticism throughout the BDO network, BDO International has developed the common BDO Audit Methodology, related software tools and other standard forms of documentation. This methodology is fully compliant with International Auditing Standards.

APT, BDO International's in-house state of the art audit software, remains the single largest global project of its kind and its evolution continues with regular new releases and improvements.

By designing APT to take advantage of recent technological advances, we will be able to:

- safeguard the structural integrity of the tool for the future;
- provide us with a fully-integrated tool that reflects the latest interpretations of the auditing standards; and
- enable teams to work efficiently on both large and small engagements.

BDO Advantage is our data analytics audit tool. It works by combining smart technology with our knowledge and understanding of our clients' business to deliver information for in-depth interpretation. These include graphics that aid the exploration and understanding of data and make it easier to spot patterns and trends and crucially to identify anomalies. BDO Advantage will improve our awareness, provide valuable insights and deliver improvements to audit quality. Journal Analyser is the first step in the BDO Advantage journey. Audit journal adjustments are a key part of the audit and are often difficult to cover. Advantage makes it easier for the audit team to identify the journals that are large or unusual and support the process of auditing them.

## Supervision and review

We require all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority. The relevant partner must also ensure that professional work is carried out with appropriate professional scepticism and that it meets the firm's standards in all respects. Our review procedures are designed to ensure effective control of the audit as it progresses. These policies are designed to ensure that:

- the work is performed in accordance with applicable standards and regulations;
- significant matters have been raised for further consideration and appropriately addressed;
- appropriate consultations have taken place;
- the planned work has, where necessary, been reviewed and that the objective of all planned work has been achieved;
- the work performed and evidence obtained supports the conclusions reached; and
- the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedures undertaken, the results of those procedures and the evidence obtained.

An engagement quality control review is performed for audits of public interest entities, listed entities and other high risk engagements. The quality control reviewer will be familiar with the auditing and reporting practices used during the engagement, and be knowledgeable and familiar with the client's industry, but is not part of the audit engagement team. They will be an experienced audit partner and not likely to be unduly influenced by the views of a particular engagement partner. The quality control reviewer will not be actively involved in making ongoing decisions relating to the engagement and will not be involved in performing the engagement. Quality control reviewers are selected from a list of approved reviewers, as determined by the Head of Audit.

## Consultation

Our culture encourages consultation with experienced partners and other specialists where appropriate. The firm has a process in place for audit partners and teams to follow when consulting and seeking a 'firm' opinion, support on a client issue, judgement or risk.

## ***6. Monitoring and documentation of the system of quality control***

### Monitoring of the Audit

Our policies and procedures concerning monitoring activities are designed to give the firm reasonable assurance that the firm's internal quality control system is operating effectively and is being complied with in practice.

Our quality control system includes an annual review process of audit files to monitor compliance with the firm's policies, procedures and standards and to ensure that the audit work carried out in order to arrive at a proper opinion is properly documented and of high quality.

The review consists of reviewing, on a sample basis, the working papers and reports of selected assurance engagements and documentation of compliance with our quality control policies and procedures in other areas. The sample is selected to ensure that at least one audit carried out by each audit partner is selected on a cyclical basis every three years.

Each review team is headed by an experienced audit partner. Where necessary for a specialised industry, appropriate internal specialists are involved in the review.

To ensure independence "cross-reviews" for two partners are not allowed.

Instructions are issued to the reviewers in advance of the review setting out the objectives of the process, a checklist, appropriate guidance and reporting templates.

A conclusion is drawn on each audit reviewed as to whether the audit work was acceptable or required significant improvement.

At the conclusion of the annual programme the results are discussed with the Head of Audit and the audit partner committee.

The Head of Audit & Assurance Quality Management (HAAQM) is responsible for monitoring and documenting the implementation of, and compliance with, any corrective actions. The Head of Audit & Assurance Quality Management is also responsible for ensuring appropriate documentation of the operation of each element of the firm's quality control system.

### Complaints and allegations

The firm recognizes the authority of the Head of Audit or the Risk Management Partner to handle all matters concerning complaints and allegations that the work performed by the firm fails to comply with professional standards and applicable legal and regulatory requirements, and allegations of non-compliance with the firm's quality control system.

The firm maintains a defined policy with accompanying procedures that details the process to be followed in a complaint or allegation arises.

The investigation of such matters will be assigned to the Head of Audit or the Risk Management Partner.

The process provides that all partners and staff are free to raise concerns without fear of reprisal.

If the investigation reveals deficiencies in the design or operation of the firm's quality control policies and procedures or non-compliance with the firm's system of quality control by one or more individuals, the firm shall take appropriate action including one or more of the following:

- Take appropriate remedial action in relation to the individual engagement or member(s) of personnel;
- Communicate the findings to the Audit Partner Committee;
- Amend the quality control policies and procedures; and
- Take disciplinary action.

### Board of Directors' statement on effectiveness of functioning

These policies, procedures and monitoring activities have provided the audit partner committee with reasonable assurance that the firm, its partners and staff have materially complied with applicable professional, regulatory and legal requirements, that work has been performed to a consistently high standard and that appropriate reports have been issued. The firm's audit partner committee has inter alia considered the results of the last regulatory inspection by the CSSF (Q1/Q2 2022), the results of the last quality assurance review by BDO Global (December 2021) as well as the results of the last annual internal inspection program in reaching this opinion.

## Public interest entities

During the financial year ended on 30 September 2022 the following public interest entities as referred to in article 1 (20) of the Law on the Audit Profession of 23 July 2016 (hereafter “PIE”) were audited by the firm:

- Fotex Holding S.E.
- GTC Aurora Luxembourg S.A.
- IMC S.A.
- J.P. Morgan Bank Luxembourg S.A.
- Koromo S.A.
- Mitsubishi UFJ Investor Services and Banking (Luxembourg) S.A.
- Société Nationale de Crédit et d’Investissement (SNCI)
- The Shipowners’ Mutual Strike Insurance Association Europe
- Treva Equipment Finance S.A.

## Independence

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

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

We also maintain a database of all our firm’s restricted entities, including listed companies and other public interest entities. This is available on a BDO Global intranet (Member Firm Square) and its objective is to prevent the performance of prohibited non-assurance services or investment in these entities. The database is continuously updated.

Prior to accepting any new client or assurance engagement, our engagement teams must perform specific procedures to identify potential conflicts of interest and threats to our independence. Procedures include a custom-made web-based tool to facilitate international conflict of interest and independence checks throughout the BDO network.

There is also an independence declaration per audit engagement signed by all partners and staff members that have been involved in the performance of the audit engagement.

Furthermore an annual declaration is undertaken by all partners and staff.

## Continuing professional education

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

For audit partners and professional staff, the firm requires partners and staff members to participate in appropriate continuing professional development programmes and monitors the fulfilment of programme obligations.

The continuing education program (CPE) is comprised of training sessions organised by the firm specifically designed to meet its needs, by the firm as well as external training by relevant professional bodies or other training organisations. Certain courses are mandatory and others are optional. The CPE requirements for professional auditors in Luxembourg are also factored in to the programme.

Extensive training is given to all new recruits on the BDO audit methodologies, tools and processes. More experienced personnel and partners are encouraged to update and deepen their technical knowledge. Developing management and interpersonal skills are also very important for this group.

Continuing professional education is a factor taken into account for the yearly evaluation of audit staff and the assessment of their career potential within the firm. We are committed to developing and maintaining the highest possible standards of technical competence through our own development programmes. As part of an individual's performance appraisal, professional development needs are assessed and courses or other training opportunities are identified.

We have developed a curriculum providing technical training for our professionals throughout their careers. For all new audit professionals, there is an orientation programme covering the firm's audit approach and procedures and its organisational structure.

All audit staff, including managers and partners, attend regular technical update courses. These courses are complemented by on the job coaching which provides a significant aspect of their professional development.

All audit staff are personally responsible for keeping up to date with the requisite knowledge, skills and professional competence which they will need to successfully carry out the roles to which they are assigned.



## Partner remuneration

The partner remuneration package consists of a fixed income amount (salary) and a variable bonus. The variable bonus is defined in the Partnership agreement which include a firm component (result and development of the firm) and a personal component. The personal component includes consideration of the partner's role in the firm, and the quality of work, but is not directly related to the individual's financial performance.

Partners are not rewarded for selling non-audit services to audit clients.

## Policy concerning the rotation of audit partners and staff

### *Long Association of Senior Personnel (Including Partner Rotation) on Audit Engagements for Public Interest Entities in the meaning of the Regulation (EU) No 537/2014 ("EU PIE")*

When the audit client is an EU PIE, and an individual has been the engagement partner for a period of seven years, this individual shall not participate in the engagement until five years have elapsed.

If an individual has been a key audit partner (other than the engagement partner) or the QCR for a period of seven years, this individual shall not participate in the engagement until three years have elapsed.

Assessing independence of the other members than Partner of the assurance team is an important part of client acceptance and continuance procedures. When the assessment concludes that rotation of any individual is necessary, the matter must be referred to the Ethics and Independence Leader. When a matter is referred to the Ethics and Independence Leader, it is presumed that rotation of some kind is required. After reviewing the circumstances and consulting other partners, the Ethics and Independence Leader will provide a decision in writing as soon as possible, on whether rotation is necessary. If rotation is deemed necessary, the Audit partners committee will assign the new party and specify the length of the stand-down period and any other relevant requirements.

***Long Association of Senior Personnel (Including Partner Rotation) on Audit Engagements for Public Interest Entities other than those referred to in the Regulation (EU) No 537/2014 (“non EU PIE”)***

The partners and staff must follow Parts 4A and 4B of the IESBA Code as adopted in Luxembourg by the CSSF, regarding mandatory rotation of engagement partners, quality control reviewer, and any other partners on the engagement team who make key decisions or judgments on significant matters with respect to all audit engagements for public interest entities (definition of PIE according IESBA code).

In accordance with the IESBA Code, when the audit client is a non EU PIE, and an individual has been the engagement partner for a period of seven years, this individual shall not participate in the engagement until five years have elapsed. If an individual has been a key audit partner other than the engagement partner respectively the QCR for a period of seven years, this individual shall not participate in the engagement until two respectively three years have elapsed. Some degree of flexibility may be permitted in rare cases due to unforeseen circumstances outside of the firm’s control and where the individual’s continuity on the audit engagement is especially as a key audit partner important to audit quality. In these cases, equivalent safeguards will be applied to reduce any threats to an acceptable level. Such safeguards, at a minimum, will include an additional review of the work performed by another partner or alternate QCR who has not been associated with the audit team. The circumstances under which rotation would not be recommended or required should be compelling. When a significant independence threat involving the engagement partner or QCR is recurring, rotation would be the primary safeguard necessary to reduce the threat to an acceptable level.

Assessing independence of the assurance team is an important part of client acceptance and continuance procedures. When the assessment concludes that rotation of any individual is necessary, the matter must be referred to the Ethics and Independence Leader.

When a matter is referred to the Ethics and Independence Leader, it is presumed that rotation of some kind is required.

After reviewing the circumstances and consulting other partners, the Ethics and Independence Leader will provide a decision in writing as soon as possible, on whether rotation is necessary. If rotation is deemed necessary, the Audit partners committee will assign the new party and specify the length of the stand-down period and any other relevant requirements.

### ***Rotation of Personnel on Audit Engagements for Non Public Interest Entities***

For other entities, if rotation is deemed necessary, the Ethics and Independence Leader will identify the replacement and specify the period for which the individual shall not participate in the audit of the entity and other safeguards necessary to comply with any other relevant requirements.

BDO Audit Policy defines the following:

- “Senior personnel” includes the engagement partner, the engagement quality control reviewer and the director, the senior manager or manager responsible for the engagement;
- A “long period of time” is defined as a minimum of 8 subsequent years;
- Hence a familiarity threat exists if the team of engagement partner/ quality control reviewer („QCR“)/director/senior manager/manager is working together on a file for more than 8 subsequent years.

In order to reduce this threat, the following procedures are applicable:

- In case the same senior personnel is working on an engagement since 8 years: consider changing the partner and/or engagement manager;
- If not possible or considered not appropriate, a second partner review has to be considered and decided in the Acceptance Committee for the file.

The Ethics and Independence leader of BDO Audit prepares once a year an inventory of all potential familiarity threats in order for the Audit partners committee to decide which safeguards are put in place (rotation of senior personnel, second partner review or other safeguard). The Audit partners committee will decide on the safeguards to implement before the start of the audit season.


## Financial Information

The financial statements of BDO Audit for the year ending 30 September 2022 are still in the process of being finalised. The unaudited turnover for the financial year going from 1 October 2021 until 30 September 2022 can be split as follows:

Audit Clients	Turnover for the period from 1 October 2021 until 30 September 2022 (in € million - unaudited)
Revenues from the statutory audit of annual and consolidated financial statements of PIE and entities belonging to a group of undertakings whose parent undertaking is a PIE	2,1
Revenues from the statutory audit of annual and consolidated financial statements of other entities	10,2
Revenues from permitted non-audit services to entities that are audited by BDO Audit	0,6
Revenues from non-audit services to other entities	4,4
<b>TOTAL</b>	<b>17,3</b>

BDO Audit  
*Cabinet de révision agréé*  
represented by

  
Daniel Croisé  
Chairman of the Board of Directors

  
Joseph Hobscheid  
Head of Audit

Appendix: list of all EU/EEA countries in which BDO Member Firms operate

COUNTRY	TERRITORY	NAME OF THE AUDIT FIRMS IN YOUR TERRITORY
AUSTRIA	Austria	BDO Salzburg GmbH Wirtschaftsprüfungs - und Steuerberatungsgesellschaft
		BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
		BDO Steiermark GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
		BDO Oberösterreich GmbH Wirtschaftsprüfungs - und Steuerberatungsgesellschaft
	Austria	BDO Audit GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
BELGIUM	Belgium	BDO Bedrijfsrevisoren BV / Réviseurs d'Entreprises SRL
BULGARIA	Bulgaria	BDO Bulgaria OOD
CROATIA	Croatia	BDO Croatia D.O.O.
	Albania	BDO Albania Sh.P.K.
	Sarajevo	BDO BH d.o.o. Sarajevo
CYPRUS	Cyprus	BDO Limited
CZECH REPUBLIC	Czech Republic	BDO Audit s.r.o
		BDO Group s.r.o.
		BDO Czech Republic s.r.o.
DENMARK	Denmark	BDO Statsautoriseret revisionsaktieselskab
		BDO Holding VI, Statsautoriseret Revisionsaktieselskab
ESTONIA	Estonia	Aktsiaselts BDO Eesti
FINLAND	Finland	BDO Oy
		BDO Audiator Oy
FRANCE	France	BDO France
		BDO AUDIT DES ACTIVITES SOCIALES
		BDO PARIS ENTREPRISES
		BDO PARIS AUDIT PME
		BDO ATLANTIQUE
		BDO RENNES
		BDO LYON AUDIT
		BDO IDF
		BDO LES HERBIERS
		BDO FONTENAY LE COMTE
		BDO NANTES
		BDO LES ULIS
		BDO Paris Audit & Advisory
BDO Méditerranée		

GERMANY	Germany	BDO AG Wirtschaftsprüfungsgesellschaft
		BDO Oldenburg GmbH & Co KG Wirtschaftsprüfungsgesellschaft
		BDO DPI AG Wirtschaftsprüfungsgesellschaft
		BDO Dr. Daiber Audit GmbH
GIBRALTAR	Gibraltar	BDO Limited
GREECE	Greece	BDO CERTIFIED PUBLIC ACCOUNTANTS S.A.
		BDO Services SA
HUNGARY	Hungary	BDO Hungary Audit Ltd
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ITALY	Italy	BDO Italia S.p.A.
LATVIA	Latvia	BDO Assurance, LLC
LIECHTENSTEIN	Liechtenstein	BDO (Liechtenstein) AG
LITHUANIA	Lithuania	BDO Auditas ir Apskaita, UAB
LUXEMBOURG	Luxembourg	BDO Audit
MALTA	Malta	BDO Malta CPAs
NETHERLANDS	Netherlands	BDO Audit & Assurance B.V.
NORWAY	Norway	BDO AS
POLAND	Poland	BDO Spółka z ograniczoną odpowiedzialnością Sp. K.
	Poland	BDO Legal Latala is Wspólnicy Sp.K.
PORTUGAL	Portugal	BDO & Associados, SROC, Lda
ROMANIA	Romania	BDO Audit SRL
		BDO Auditors & Accountants SRL
		BDO Auditors and Business Advisors SRL
SLOVAK REPUBLIC	Slovak Republic	BDO Audit, spol. s r.o.
SLOVENIA	Slovenia	BDO Revizija d.o.o.
SPAIN	Spain	BDO Auditores, S.L.P.
		BDO Audiberia Abogados y Asesores Tributarios, S.L.P.
SWEDEN	Sweden	BDO AB
		BDO Göteborg AB
		BDO Göteborg Intressenter AB
		BDO Göteborg KB
		BDO Mälardalen AB
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		BDO Norr AB
		BDO Norr Intressenter AB
		BDO Stockholm AB
		BDO Sweden AB
		BDO Syd AB
		BDO Syd Intressenter AB
BDO Syd KB		

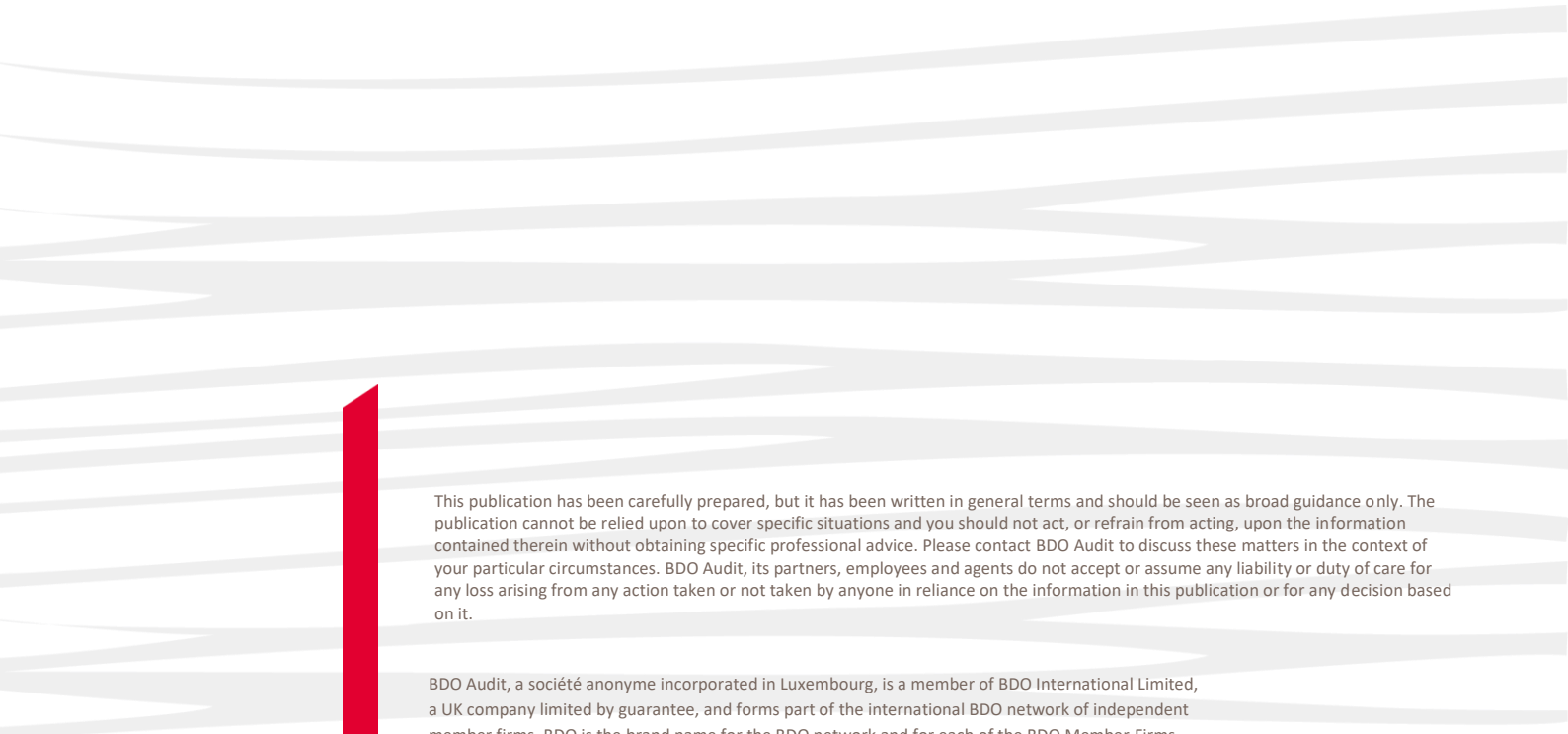


## BDO Audit

1, rue Jean Piret  
Boîte Postale 351  
L-2013 Luxembourg

Tel +352 45 123-1

[www.bdo.lu](http://www.bdo.lu)



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