



# TRANSPARENCY REPORT 2023

Grant Thornton Cambodia

29 JULY 2024



# About this report

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In this report, the terms “Firm”, “we”, “us” and “our” refer to Grant Thornton Cambodia. This report relates to Grant Thornton Cambodia’s System of Quality Management for the financial year from 1 January 2023 to 31 December 2023, unless stated otherwise.

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# Foreword

As we embark on another year of growth and evolution, we are proud to present our Transparency Report for 2023.

Transparency has always been at the heart of our operations at Grant Thornton Cambodia. It is not just a value we uphold but a commitment we live by every day. In today's rapidly changing business landscape, being transparent to the stakeholders is more crucial than ever as it builds trust between our stakeholders and our firm and supports Client confidence. Hence, this report serves as an important mechanism for us to communicate how we prioritise our audit quality, coupled with strong emphasis on innovation and digitalisation with our stakeholders and regulators.

Ronald C. Almera  
CEO & Managing Partner

## Focus areas



Our Firm's licenses and achievements



Our culture and our people



Moving towards digitalization



Our quality management

## Firm's licenses and achievements

We are one of the twelve audit firms accredited by the **National Bank of Cambodia** to audit banks and financial institutions in Cambodia.

We are one of the eleven audit firms licensed by the **Securities and Exchange Regulator of Cambodia** to audit listed entities in Cambodia.

We are one of the firms licensed to provide accounting and auditing services (issued by the **Accounting and Auditing Regulator of Cambodia**), audit insurance companies (licensed by the **Insurance Regulator of Cambodia**), audit trust companies (licensed by the **Trust Regulator of Cambodia**), and perform tax services (by virtue of our tax agent license from the **General Department of Taxation**).

We obtained a gold tax compliance certificate from the **General Department of Taxation** and certification that we maintain properly accounting records recognized by the **General Department of Taxation**.

We are one of the firms accredited by ACCA and CPA Australia as one of their approved employers and recognised employer partners, respectively.

# Our culture and our people

We follow our Go Beyond network strategy 2025, with the goal is to deliver sustainable growth by creating an adaptive, agile, collaborative and entrepreneurial network culture, and building diverse, safe and inclusive working environments. At Grant Thornton Cambodia, we foster a network culture of collaboration, innovation, trust and confidence. We also encourage a diverse workforce at every level with global focus on gender. This is evidenced by the number of women holding leadership roles in our firm, as well as from different ASEAN nations.

Nonetheless, maintaining high audit quality continues to be the top priority. We recognise that this is fundamental to build public trust and of course to achieve sustainability growth. In the current digital landscape, high audit quality will only be achieved by working efficiently and effectively, hence our firm invests heavily in our people and innovative audit tool for example the new GTIL audit software Leap (Leading Effective Audit Practice), a cloud-based global assurance technology platform that aims to empower higher-quality audit and better people experience. A series of tool and trainings coupled with the audit methodology trainings were provided to our people in order for them to well-acquainted with the tools and effectively apply them in their work. At the same time, we learn from our shortcomings including our inspection findings and consistently seek avenues for enhancing our performance and quality.

We also remain focused on strong and clear leadership by setting the tone from the top. We believe that as long as our leaders demonstrate their commitments to quality, our people will uphold these good examples of being ethical, independence and honest. Further, our people adhere to our firm's CLEARR values – Collaboration, Leadership, Excellence, Agility, Respect and Responsibility upon providing professional services to all our clients.

Our people are our greatest assets. This year, we are happy to see that the employee turnover ratio has dropped quite significantly compared to last year. This indicates that our retention strategies eg. more competitive remuneration package, fostering a positive, engaging, and open culture, as well as providing more structural and relevant physical/virtual training and growth opportunities, are effective.

Apart from that, we initiated a yearly townhall meeting to encourage two-way communication where our people are informed on the Firm's future direction, our future plans, reminder on practising professional skepticism and maintaining audit quality as it is essential to uphold the integrity and reliability of financial information, safeguarding the interests of stakeholders, and maintaining trust in the auditing profession and others. We also conducted People Voice Survey in 2022 and plan to do so again to further listen to the voice of our people.

## Moving towards digitalisation

In the middle of the year 2023, we have launched our audit documentation tool - Leap - and target to fully implement it by December 2024. We are glad to receive positive feedback on the use of the Leap tool from our people, specifically on the efficiency and quality of work, improved ability to focus on significant risk and areas of judgement. In connection with this, the quality management team has launched various trainings and Questions and Answers sessions to facilitate the migration of audit tool from Voyager (our current audit tool which will be sunsetted by end of December 2024) to Leap.

Audit Quality Sharepoint, a cloud-based webpage where technical resources are stored is launched during this year to demonstrate our commitment to move towards digitalisation.

Moving forward, we are looking at exploring and embracing audit innovations and new ways of doing things, including data analytics and automation of process and in turn increase our auditing efficiency.

# Our quality management

Our Firm is required under International Standard on Quality Control No. 1 to establish a system of quality control designed to provide reasonable assurance that the Firm and its personnel comply with professional standards and regulatory and legal requirement, and that reports issued by the division are appropriate in the circumstances. Starting from 15 December 2022, the Firm also adapted the new requirements of ISQM (International Standard on Quality Management) 1 and 2.

Grant Thornton Cambodia is committed to quality and recognizes that ethical standards are essential to our work. The Firm's leadership is committed to a quality control culture to ensure that our work complies with professional standards and regulatory and legal requirements. Hence, it has created a Risk Management Committee composed of the following members:



**Ronald C. Almera**  
CEO and Managing partner  
Grant Thornton Cambodia



**Ng Yee Zent**  
Audit partner, Head of  
Assurance  
Grant Thornton Cambodia



**Hooi Kok Mun**  
National Audit Practice  
Leader and Senior Partner  
Grant Thornton Malaysia



**Silvia Tan**  
Partner- Risk  
Grant Thornton Malaysia

# About Grant Thornton Cambodia

Grant Thornton Cambodia is a member firm within Grant Thornton International. Grant Thornton has been in Cambodia since 2004 and is a licensed accounting and auditing firm by the Kampuchea Institute of Certified Public Accountants and Auditors, the Accounting and Auditing Regulator (formerly the National Accounting Council), and by the Ministry of Economics and Finance. In addition, we are also a registered tax agent with the General Department of Taxation and we comply with all tax laws and regulations in Cambodia.

## Key figures and facts



13

years of establishment as Grant Thornton Cambodia



Office locations

• Phnom Penh



5

partners and directors



close to

150

team members in Cambodia



Our major clients

we serve 4 public listed companies and over 30 public interest entities (see Appendix 1)

## Our services



Audit and assurance



Tax



Advisory



Business Process Solutions

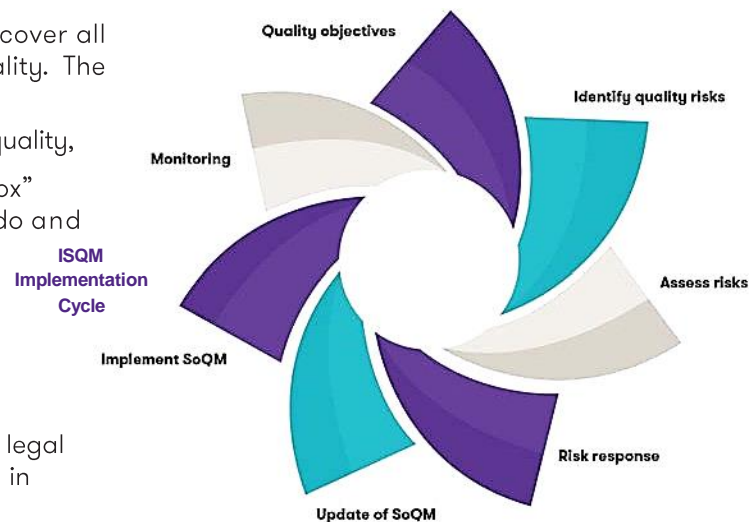
# System of quality management

Our system of quality management (“SoQM”) reflects our approach to quality management that ensures we deliver quality work and meet the requirements of various regulations including ISQM 1.

The risk management committee (“RMC”) designs and implements a risk assessment process in the SoQM to establish quality objectives, to identify and assess quality risks, and to design and implement responses to address the quality risks. All the internal policies and procedures to evidence compliance with ISQM 1 are then compiled and documented in our quality management manual (“QMM”).

The SoQM is designed around a series of components that cover all the areas of the business that we believe will impact quality. The objectives we have set for the SoQM, are:

- to deliver a risk-based approach to continually improving quality,
- for individuals to see quality is more than just basic “tick box” compliance. That quality is at the centre of everything we do and enables us to meet our stakeholder’s expectations,
- to design, implement and operate a system of quality management that provides the Firm with reasonable assurance that:
  - the Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements and
  - engagement reports issued by the Firm or engagement partners are appropriate in the circumstances,
- to establish and maintain a robust monitoring, reporting, root cause and remediation programme, and
- to ensure the Firm is resilient and can identify and respond to changes in the regulatory environment.





The RMC recognises the changing nature and circumstances of the Firm and its engagements, and the results of monitoring activities during the risk assessment process. On an annual basis, the RMC provides to the Firm's leadership an overview of "priority risks" or risks for which mitigation shall be considered in the current/next fiscal year and beyond.

As part of the implementation, the firm has developed an ongoing program to perform monitoring and remediation procedures to enable an annual evaluation that our SoQM provides reasonable assurance that the quality objectives of ISQM 1 have been met. This has involved developing a framework for performing the monitoring and remediation activities to identify and evaluate deficiencies and prepare remediation plans to enhance the existing quality control system.

Whilst the outcomes from the implementation and execution of the firm's framework have highlighted areas of focus for improvement, the monitoring and remediation process established is intended to mitigate the risk of these findings continuing into future reporting periods.



## Evaluation of operating effectiveness of SoQM

Ronald Almera, CEO & Managing Partner has the ultimate responsibility for our SoQM.

Our quality management policies and procedures are built with the intention for monitoring, managing and mitigating risk, both internally as a firm in respect of meeting our business objectives, and externally for our clients over the risk of material misstatement in financial statements.

As the policies are not intended to eliminate risk, they provide only reasonable, not absolute assurance against failure or material misstatement.

As a firm, we leverage the outcomes of our internal and external reviews to improve our policies and procedures and by continually enhancing our strategies within the changing risk landscape we develop more robust systems for risk assessment and response.

In the current period, based on the assessment of CEO & Managing Partner, we did not identify any significant failings or weaknesses. However, there were findings identified that can be actioned to help improve and strengthen existing policies and processes.

As part of our annual procedures and in compliance with the SoQM, to assess the effectiveness of the SoQM, the RMC's annual review considers:

- The design and operation of the quality management systems described in this report,
- The findings of the regulatory inspections and subsequent remedial actions,
- The complaints register and any new litigation,
- Reports from Grant Thornton International and various compliance programs operated by our firm on our quality control systems, and
- Assessment of our audit quality action plan and review of the root cause analysis.

# Our commitment to audit quality

Grant Thornton Cambodia is committed to delivering high-quality audit with exceptional client service. This is supported by our unwavering commitment to quality and service to the public users of the financial statement by delivering assurance work that complies with professional standards, regulatory and legal requirements, and maintains objectivity and professional skepticism. We have adopted the GTIL Global Quality Framework in our operations.

## GTIL global quality framework

Firms are required to meet the requirements as set in the GTIL global quality framework on: GTIL has established the Global Quality Framework, which is an overarching standard that applies to all the GTIL member firms. It sets common quality standards and is a permanent reference point setting the expectations of member firms to deliver services to agreed quality standards. Member



GTIL provides support and resources to help maintain quality, including:

- an audit methodology, with supporting software, that is used globally,
- policies and procedures contained in audit manuals that are benchmarked against international auditing, quality control, independence and ethics standards,
- protocols that enable member firms to consult with the global auditing standards team and, if necessary, with audit specialists in other member firms,
- protocols that enable member firms to consult with an International Financial Reporting Standards help desk, and
- a comprehensive intranet service that includes up-to-date information for member firms on auditing, financial reporting, ethics and independence standards, and guidance on applying them effectively.

# Leadership

## Business description

At Grant Thornton Cambodia, we offer more than just an accounting firm. In addition to providing audit and assurance service, we also provide other professional services. With personalised attention and local market knowledge from partners and managers, we offer understanding and provide insights that help businesses succeed. Clients can expect to receive a high-quality audits of their financial statements from the Firm which complies with the Cambodian International Standards of Auditing. Designing an audit programme customised for the business, we will combine the collective skill and experience of our audit professionals to deliver an audit that is efficient. We will also keep you informed of relevant changes in the accounting standards, not only with regular email updates and seminars but also with our personal approach to building relationships.

Our service lines are described below:

- **Audit and assurance service:** IFRS/CIFRS audit – Audit of local entities whose financial statements are prepared in accordance with Cambodian International Financial Reporting Standards for statutory filing or submission to local authorities. Audit of foreign owned entities whose financial statements are prepared in accordance with International Financial Reporting Standards either or overseas regulatory and/or filings with foreign stock exchanges, group reporting or management purposes and submission to banks and foreign investors. We also audit financial statements prepare under (Cambodian) IFRS or Small and Medium-sized Enterprises.
- **Tax and accounting service:** We provide a full accounting and tax outsourcing service covering: Data entry; preparation of monthly financial statements; payroll services; and preparation of monthly tax returns for submission to the local tax department.
- **Advisory service:** We assist our clients who are seeking to acquire or merge, divest or dispose, restructure or raise capital or equities, through wide range of consulting services including Lead Advisory, Transaction Support, Business Valuations, Project Finance, Feasibilities Studies, Equalization Consulting, Operational Improvement and Succession Planning.

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# Governance

**Within the year from 1 January 2023 to 31 December 2023, Grant Thornton Cambodia continued its course, fully applying the principles of corporate governance in compliance with high professional standards set by GTIL as below to ensure:**

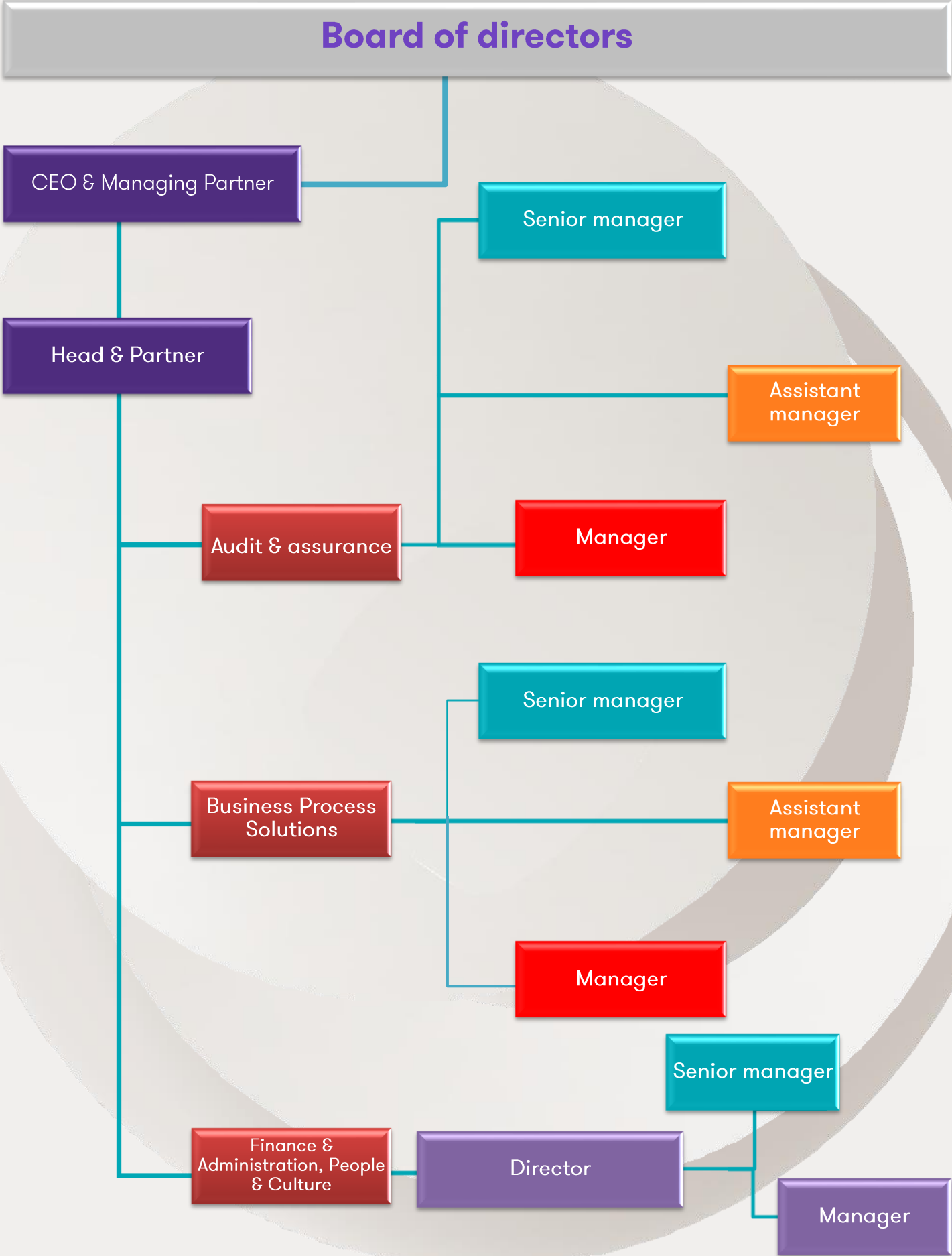
- profitable business without sacrificing quality,
- transparency of business operation,
- control over management, particularly control over managerial decision-making, and
- observance of the legislation and in particular, of the obligations foreseen by the legislation regarding professional accountancy firms.

The principles of corporate governance arrange the organisation structure of the Firm based on:

- the structure of departments of the Firm, their scope and operation procedures, authorities, duties of the employees as well as the relations between the departments and the leadership,
- procedures of recruiting the executives as well as the remaining employees of the Firm,
- ranks of the employees and procedures regulating promotion of the leadership teams of the Firm, and
- compliance with the Member firm Obligations as required by the GTIL.

Refer to the next page for our Firm's Organisation Structure.

# Executive organisation chart



## Tone at the top

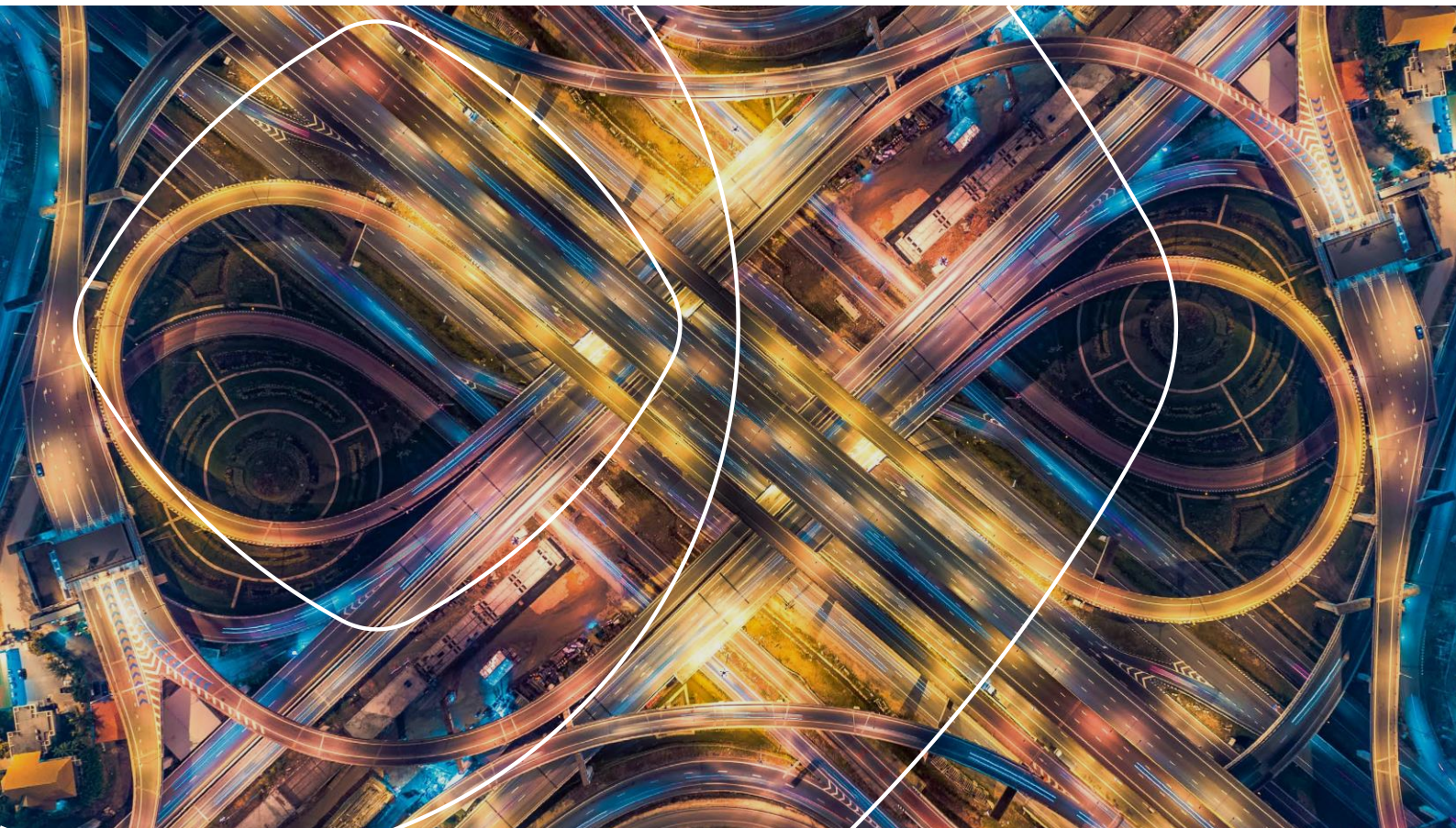
At Grant Thornton Cambodia, we strongly believe that clear leadership drives the quality of the Firm. Setting a clear tone at the top is ultimately important and our Firm cascades consistent and regular message on the importance of audit quality to all of our people. We expect our partners and staff exhibit proper behaviour-acting with integrity and commit to consistency throughout the audit in order for us to strike for even better-quality service.

Auditors are often involved in complicated situations where professional skepticism and professional judgement shall be demonstrated. Therefore, our Firm strives to provide a culture based on quality, ethics, openness, integrity and honesty because with the right culture, staff are more open to share and challenge issues without constraint. We also believe in conducting business and serving our clients with the highest ethical standards of conduct and behaviour. We strongly encourage our people to ask questions as they arise on ethical standards and to consult with the Ethics and Independence Partner and Leader on particular issues.

## Complaints and claims

We take all feedback, complaints and allegations seriously. If a client is not satisfied with any aspect of our work, they can discuss this with the engagement leader, head of the relevant service line, or our CEO & Managing Partner. We have internal processes to address both formal and informal matters and complaints. Our confidential whistle-blowing phone line is available to all, including employees, clients and the public. Whistleblowing message are easily accessible for our employees on our Firm's intranet. Our head of risk, quality management leader, ethics and independence partner and leader and quality monitoring leader have direct access to the CEO & Managing Partner whenever required and report matters regularly to the Partners in respect of ongoing and potential complaints, claims and regulatory action.

Apart from that, we are committed to continuously improve our work so we can deliver an exceptional client experience. We also conducted our Clients' satisfaction survey on 25th June 2024.



# Client acceptance and continuance

It is crucial for our firm to conduct thorough due diligence when considering providing services to a company or entering into a partnership. Customer due diligence measures allow us to examine the records, assets, and operations of a potential client in order to assess its suitability as a client. The goal of due diligence is to gather as much information as possible in order to allow the client to make an informed decision about whether or not to proceed with the business engagement. It is crucial to conduct thorough customer due diligence measures before entering into any service-providing agreement.

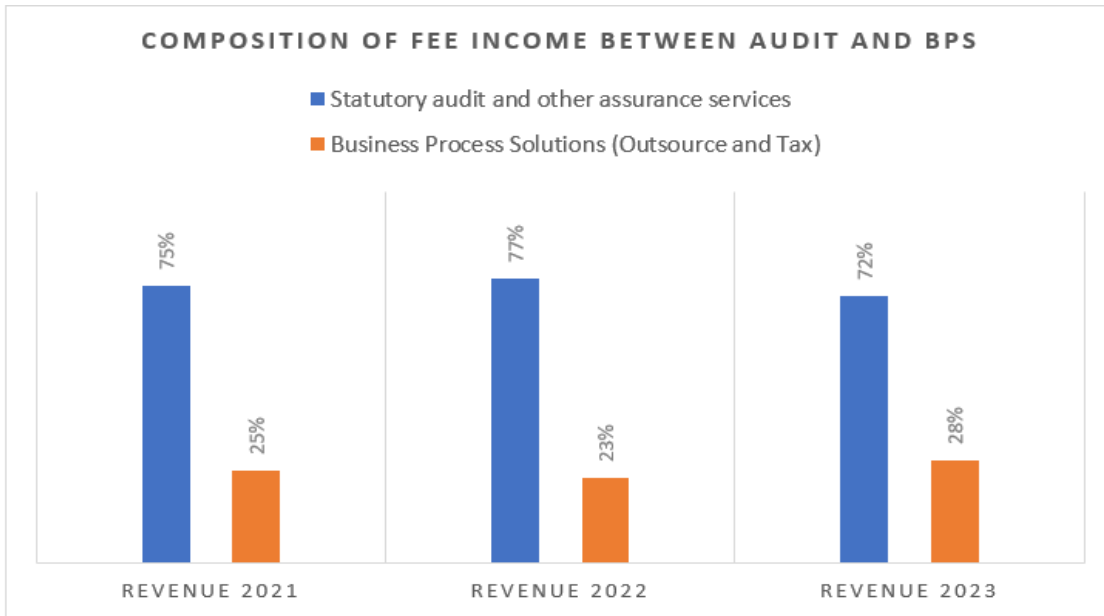
Over recent years, there have been some changes in the sanctions laws and regulations in relation to a number of countries. There are currently significant sanctions in place in relation to several countries around the world, which include, but are not limited to, Cuba, Iran, North Korea, Russia, Belarus, Syria, and Venezuela. It should be noted that sanctions are able to be imposed on countries as a whole, as well as specific sectors and named individuals.

In light of the above statement, our firm, Grant Thornton (Cambodia) Limited, has been conducting a thorough due diligence process, as we believe that firms that invest the time in this process will be better equipped to identify and assess the risks and opportunities involved in a proposed engagement or partnership, to ensure that we comply with the relevant sanctions laws and regulations before accepting an engagement with a client that may be subject to the local and international sanctions. Furthermore, we update our customer due diligence procedures regularly to ensure compliance with the most recent standards.

In accordance with our established customer due diligence procedures, we have implemented the necessary and appropriate measures, including conducting risk-based due diligence and screening of prospective clients (and existing clients), as well as establishing policies that ensure compliance with applicable laws, directives, and policy regarding sanctions laws and regulations required by Grant Thornton International.

Our customer due diligence procedures, which have been developed in accordance with the directives from the Cambodian Financial Intelligence Unit (CAFIU) and relevant policy from Grant Thornton International, including the additional research sites.

The engagement manager will consider whether to accept or reject the client's reacceptance after considering all the relevant information, with oversight from the engagement partner. The partner in charge will be informed of any withdrawal of an engagement to identify any legal or regulatory responsibilities. Please note that if the proposed work would contravene any applicable sanctions laws or regulations, then that work must be reconsidered.



Fee income from statutory audit services continues to be the major contributor to the overall fee generated by the Firm over the past three years. The decrease in revenue in 2023 was due to client rotation in audit services. The Firm ensures that provision of such service does not impair our independence with adequate safeguards in place.





# Engagement performance

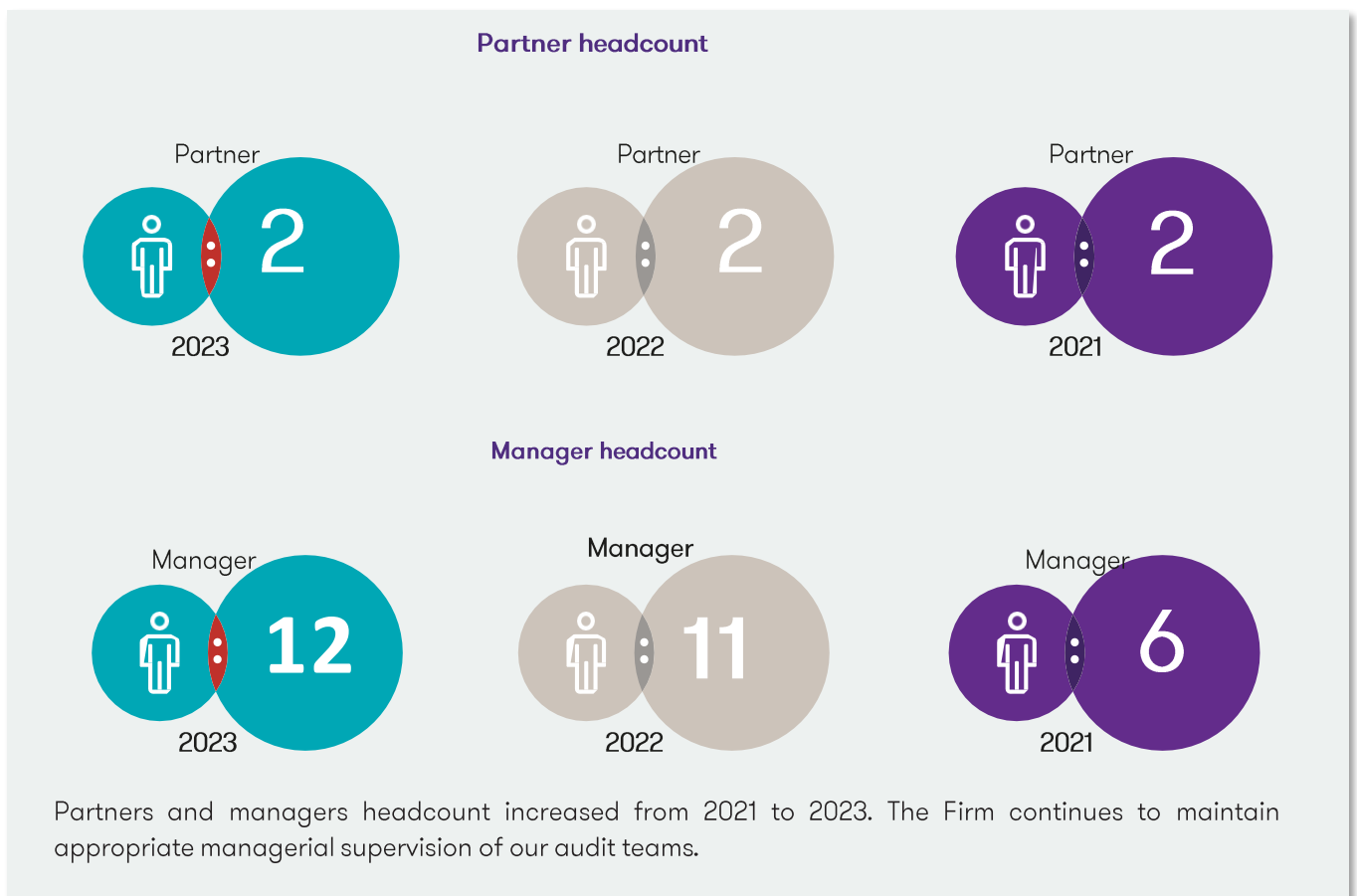
## Supervision and review by experts and specialists

Our audit partners and managers are equipped with proper knowledge and experiences to coach the junior auditors in the process of audit execution. Besides that, we make use of our extensive resources including:

- Engagement quality reviewer and quality monitoring team on the audit of public interest entities and other high risk engagements,
- Specialists including taxation, valuation and IT audit, and
- Industry specialist and many more.

This synergy of experience and technical ability, coupled with our culture of constructively challenging one another, ensure quality and rigour in all stages of the audit.

Technical excellence, audit quality and ethical behaviors are reinforced to all audit professionals during their induction and throughout subsequent learning programs. Included within these programs is a continual reminder that a foundational expectation on all audit engagements is to maintain an objective and skeptical mindset when conducting the audit. The application of technical expertise is a key competency assessed within the mandatory annual performance appraisal process. In addition, partners and staff involved in the audit of certain clients, such as listed companies, must first be appropriately accredited (for example, completion of mandatory training programs, sufficient public company audit experience, industry experience and other criteria).



## Audit methodology and technology

### Audit methodology

The Grant Thornton Audit Methodology is clearly linked with the ISA. It starts with a top-down risk assessment to enable a well-focused and effective audit. The risk assessment starts with obtaining an understanding of the entity and its environment, including internal control, discussion with the management and those charged with governance, discussion among the audit team and many more.

This understanding enables the auditor to undertake an appropriate top-down risk assessment focused at the account level and design a relevant response to the identified risk. Each response is tailored for the specific risks of each client. Furthermore, a series of trainings are provided to support the methodology, for instance, the ISA proficiency series and methodology support series.

### Audit technology

Engagement teams use a variety of automated and analytical capability tools in the audit execution. Audit evidences are documented within our audit software **Voyager and Leap**, journal entries review and audit sampling tool are applied in the planning and response to the assessed risks, while disclosure checklist tool is utilised to review the completeness of the disclosures in the client's financial statements. All audit documentation are accumulated and archived within 60 days following completion of the audit. Audit files are retained for ten years following the completion of the audit in order to support our opinion and facilitate internal and external inspections.

### Keeping quality at the centre of our global digital audit approach

Grant Thornton Cambodia is committed to keeping quality at the centre of everything we do. This includes modernising our global audit approach with **Leap**. **Leap** is the Grant Thornton global assurance technology platform. The proprietary, cloud-based tool was launched in Cambodia in October 2023 and delivers greater value to clients, people and member firms. Seamlessly operationalising our global audit methodology, the platform empowers higher-quality audits; enables flexibility to perform an efficient and effective audit; and enhances both the people and client experiences.

The core objectives of **Leap** are rooted in keeping quality at the centre of everything we do and supporting the execution of the Grant Thornton network strategy by taking advantage of new technologies and efficiencies. It achieves this by enabling consistent, seamless operation across borders; efficient delivery of all audits; and deeper insights into client businesses.

The **Leap** platform brings a more proactive and tailored approach to managing quality, with more rigorous oversight of systems of quality monitoring and effective remediation of deficiencies. It also enables monitoring of the implementation of our global audit methodology more effectively, allowing for a more seamless people and client journey across borders.

**Leap** showcases built-in project management features to help manage the lifecycle of an engagement, with an efficient review process that minimises administrative tasks. It also has the ability to scale and grow as member firm clients' businesses expand.

In line with the Grant Thornton network strategy to become a digitally driven business, **Leap** is 100% online which means that engagement teams can work in the same file from multiple locations. It offers real-time updates to files and the ability to review, edit and share data while collaborating across teams and geographies.

**Leap** leads the way in Grant Thornton Cambodia's digital journey and represents our Firm's continuing commitment to quality, consistency and the people and client experience.



## The vision of Leap

The Leap platform delivers on a three-part vision with a goal of driving efficiency, security, scalability and global consistency.

### Enhance quality

Leap facilitates consistent execution of our global audit methodology, allowing for timely updates to the methodology that can be implemented, as necessary, on engagements. It provides our network with increased visibility around quality by performing real-time and post-archive monitoring of engagements and facilitating continuous improvement for engagements.

### Improve delivery

Leap allows the largest and most complex audits to be performed efficiently and effectively via a stable, trusted cloud platform that can scale down for less complex engagements. It reduces administrative burdens and provides a user interface that is easy to navigate, use, and understand. Leap also allows for the ability to develop and integrate additional functionality and future innovations into the platform.

### Enrich people and client experience

Leap enables engagement teams to plan and execute the appropriate audit plan for each engagement, reducing time spent on non-value-added tasks and thus promoting a better user experience. It also delivers on the Grant Thornton Cambodia commitment to continuously enhance audit quality, demonstrating to clients that the network's firms operate seamlessly across borders, providing better insights.



# Environmental, social and governance (“ESG”)

We see an increasing number of our clients voluntarily reporting data, policies, strategy, commitments — key performance indicators (KPIs) — and outcomes for a variety of topics around ESG matters. As such, our focus on ESG in our role as auditor and adviser continues to expand. To facilitate our role as auditor, we provide our engagement teams with data and information on ESG matters relevant to the entity under audit to assist with identifying the financial reporting and internal control risks that may be present at the entity or within the entity’s industry sector. Recognising these risks allows us to focus the audit effort in areas where material errors or discrepancies may arise.

This focus on the audit risks around ESG allows our audit teams to have in-depth discussions with management, boards and audit committees on a variety of ESG subjects that are pertinent to the governance of the entity, including:

- ESG strategy and execution,
- Identification of material ESG subjects and KPIs,
- Industry and peer benchmarking of ESG topics and disclosures,
- Application of sustainability and ESG reporting frameworks and standards,
- Climate-related commitments such as net-zero and emission reduction targets,
- Greenhouse gas measurement,
- Diversity, equity and inclusion (DEI) programs and strategies,
- Supply chain governance,
- Data privacy and cybersecurity, and etc.

Our clients are increasingly seeking assurance over their ESG disclosures to garner additional trust in the information reported. Our audit methodology includes supplemental guidance and approaches to delivering sustainability assurance over a wide variety of ESG subjects, disclosures, and measurements. Consistent with our role in the financial statement audit and other assurance services, the assurance we provide over ESG reporting increases the credibility of this information and aligns with our role in the capital markets.



# People

People are the key to all that we do. We put people first in a culture that is collaborative, inclusive and agile. We believe that a culture of audit quality is key to supporting our people and delivering audit quality. Our culture continues to be underpinned by our CLEARR values.

Our strength lies with our people. We believe investing in our people, investing in our quality. As such, our Firm has been working on creating a safe, inclusive, and supportive environment for our people to work.

We aim to achieve a more open and non-judgemental consultative environment where our people are encouraged to speak out without fear and retaliation. We want our people to have confidence to discuss their well-being issues and career satisfaction to us. To make this happen, we have enhanced our policies, for example:

- more structured training is provided, including engaging international global training provider for accounting standard training,
- flexibility for our people to choose the dates they take their holidays,
- ACCA Sponsorship to our eligible staff with good performance.
- Exam leave is granted to all staff taking ACCA exam to support them in pursuing professional qualification.

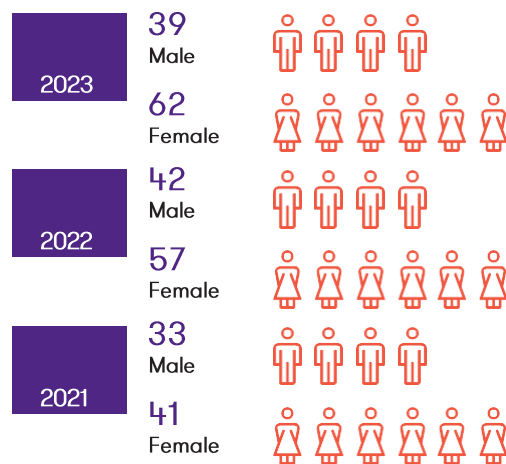
## Diversity, inclusion and psychological safety

Diversity of thought, background and experience is vital to us. It brings better decision-making, improves the quality of our delivery, and helps us meet the needs of our clients. Building an inclusive culture, where we value difference and respect our colleagues, is not only the right thing to do but also helps our people to perform at their best and grow to their full potential.

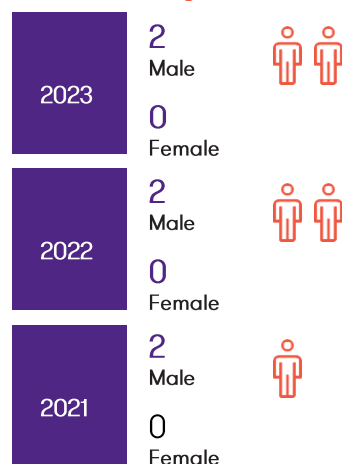
This inclusivity is also essential to meet global quality standards. Professional standards for audit define 'professional scepticism' as "an attitude that includes a questioning mind, being alert to conditions that may indicate possible misstatement due to fraud or error, and a critical assessment of audit evidence". It is critical to Grant Thornton's commitment to quality that our people feel empowered to speak up.

By incorporating a wider perspectives, Grant Thornton Cambodia can unleash the power diversity, retain great talent, and lay the foundations for delivering excellence to clients. Through everyday inclusion, we can embrace diversity and have made significant progress in several areas.

### Gender diversity in audit and assurance



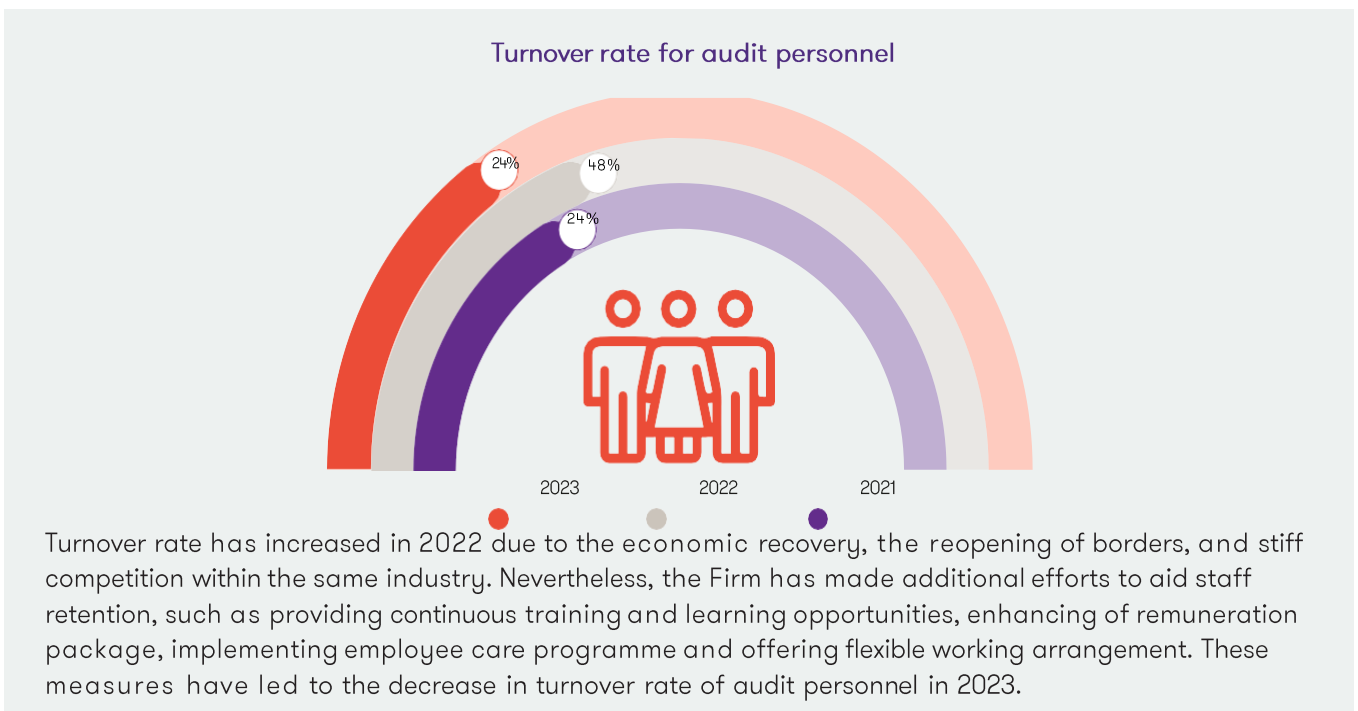
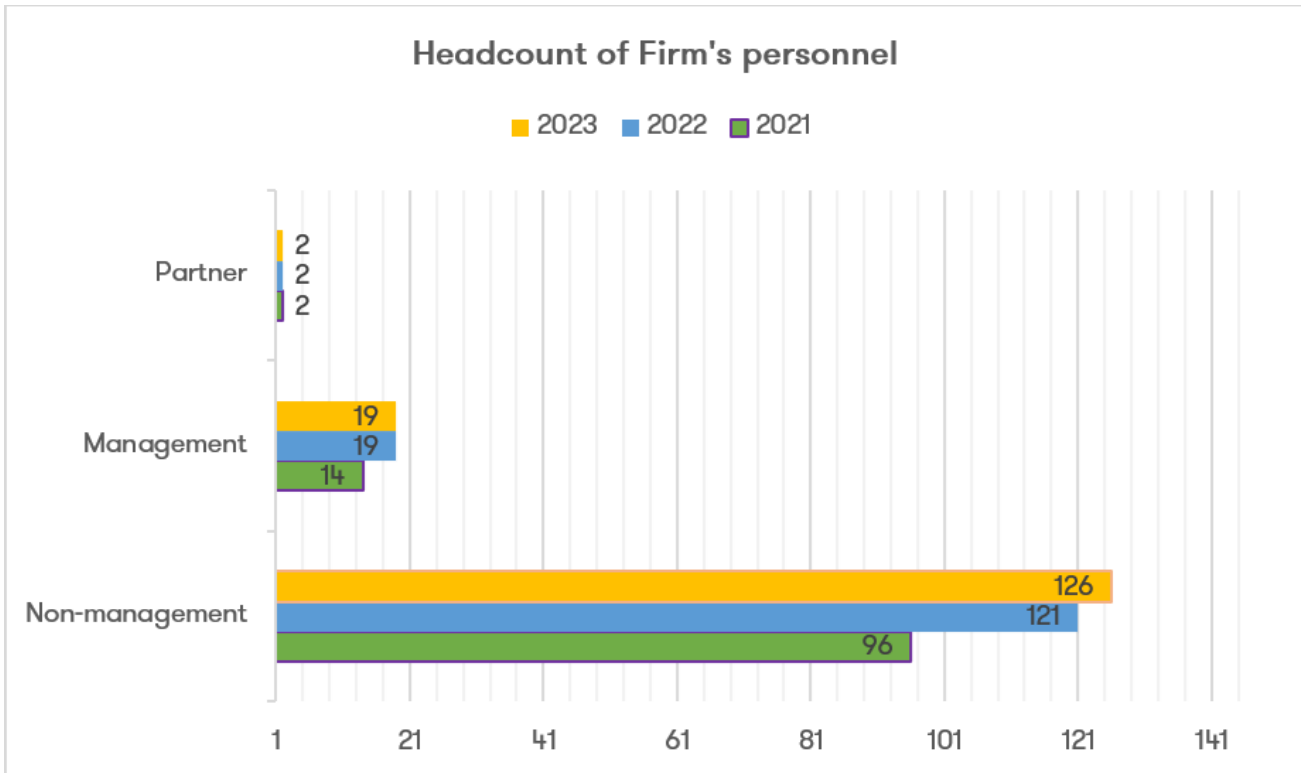
### Gender diversity in audit and assurance partners



## Recruitment and retention of talent

Talent retention continues to be an industry challenge due to the competitive environment and re-opening of borders post-pandemic. Our talent and culture team has been working to reconnect and re-establish relationship with our people as we recognised the challenges our people are facing during this challenging period.

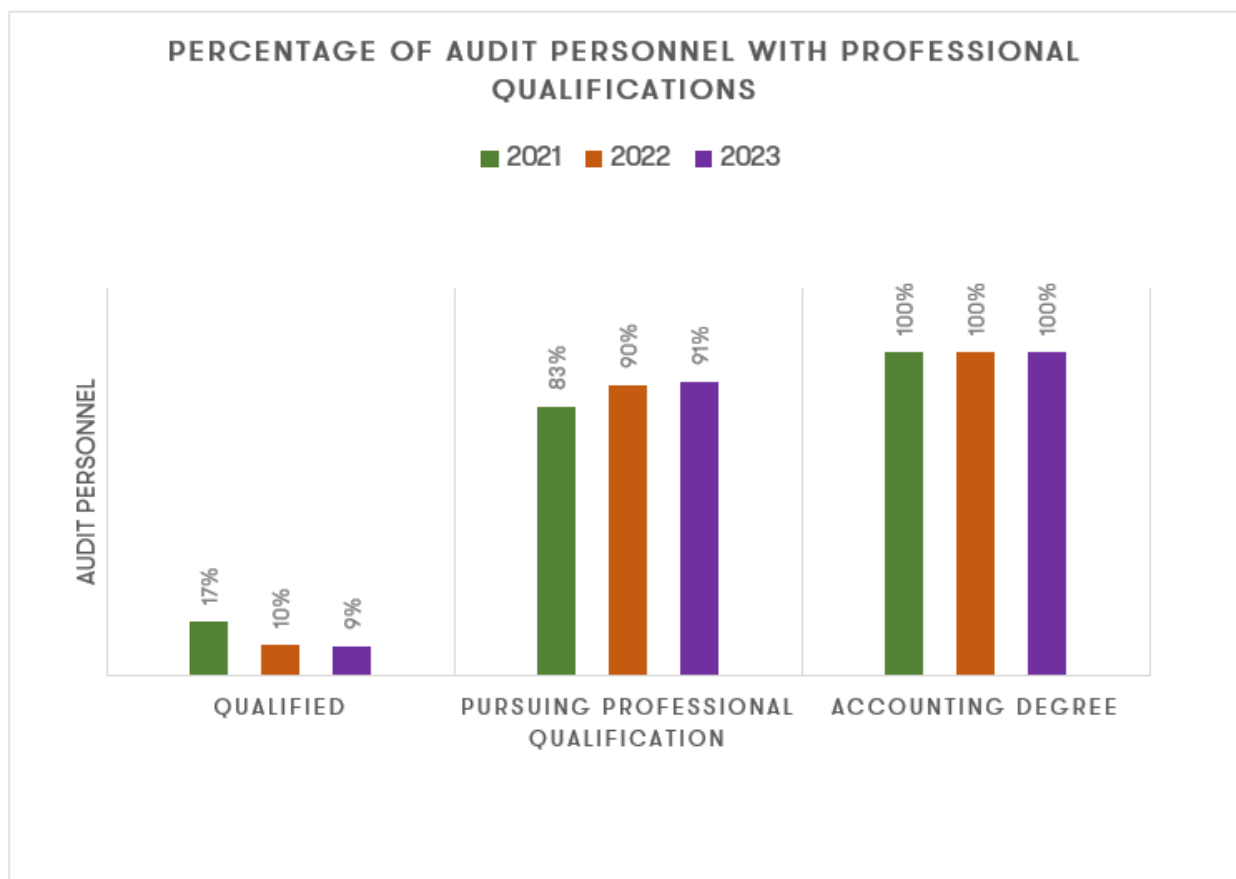
Further, we are focused on having the right people with the right skill set to maintain audit quality. Therefore, our Firm has a thorough interview process to ensure the new hires are 'fit and proper' in terms of skills, competency and independence. Additionally, we have established a rule to have at least one partner to participate in interviews for recruiting assistant managers and above.



## Audit staff with years of experience in the assigned roles

| Position          | Year of Experience     |
|-------------------|------------------------|
| Partner           | More than 10 years     |
| Senior Manager    | More than 7 years      |
| Manager           | More than 5 years      |
| Assistant manager | Between 4 to 5 years   |
| Senior associate  | More than 2 to 3 years |
| Associate         | Less than 2 years      |

We ensure that our employees have sufficient experience for their level by assigning audit staff with the appropriate years of experience to their responsibilities. To guarantee that our clients receive high-quality services, our Firm has an internal policy requiring an annual assessment of experience and expertise.



It is mandatory for our employees to hold an accounting degree before starting work at Grant Thornton Cambodia. We encourage enrollment in professional qualifications such as ACCA/CPA-Australia or any equivalent qualification after joining the Firm for one year. To support our people in becoming CPA candidates, our Firm also offers comprehensive support through professional qualification sponsorship.

## Learning and development

Learning and development of our people is vital to the success of our business. All our people receive adequate training and development which helps us maintain high-quality services across all service lines.

Our people are strictly adhering to the Firm requirement where all of our people shall achieve a minimum of 40 Continuous Professional Development (“CPD”) annually or a minimum of 120 hours of CPD over a three-years period. The audit practice established robust policies and processes around learning development and delivery in the following areas to ensure learning programs are relevant and effective:

- the number of hours and type of training needed by professional level,
- identifying and prioritising learning topics, by level,
- content development, technical reviews and delivery,
- monitoring enrolment and course completion, and
- continuing professional education compliance.

Our quality management team provides comprehensive internal training to ensure our staff are well-prepared and knowledgeable. The training offerings include:

- New joiner induction programs
- Ethics and independence
- Anti-Money Laundering (AML)
- Industry-specific training
- Soft skills development
- Latest updates on ISAs and IFRSs

These sessions are delivered through a blend of physical and virtual formats, hosted on our Learn Connect system.

In addition, GTIL offers a web learning management system, Learn Connect to its member firms. Included in Learn Connect are ISA proficiency series, Grant Thornton methodology series, International Financial Reporting Standards (IFRS) series and also professional development series for certain staff level. All these trainings programs ensure that our auditors obtain sufficient knowledge to carry out their audit work.

Furthermore, we have also collaborated with GTIL to engage international/regional global training provider for the provision of accounting and auditing standards to all of our management personnel. We believe our people will be able to build their technical capabilities and commercial acumen by continuing to invest in providing the necessary trainings to them.



### Mandatory training

New joiner induction training  
 Ethical Independence training  
 ISA Proficiency series training  
 Methodology Proficiency series training  
 Professional development series for new graduates  
 Anti-Money Laundering, Combating the Financial of Terrorism and Proliferation of Weapons of Mass Destruction training  
 Annual training  
 Quality Management Manual training

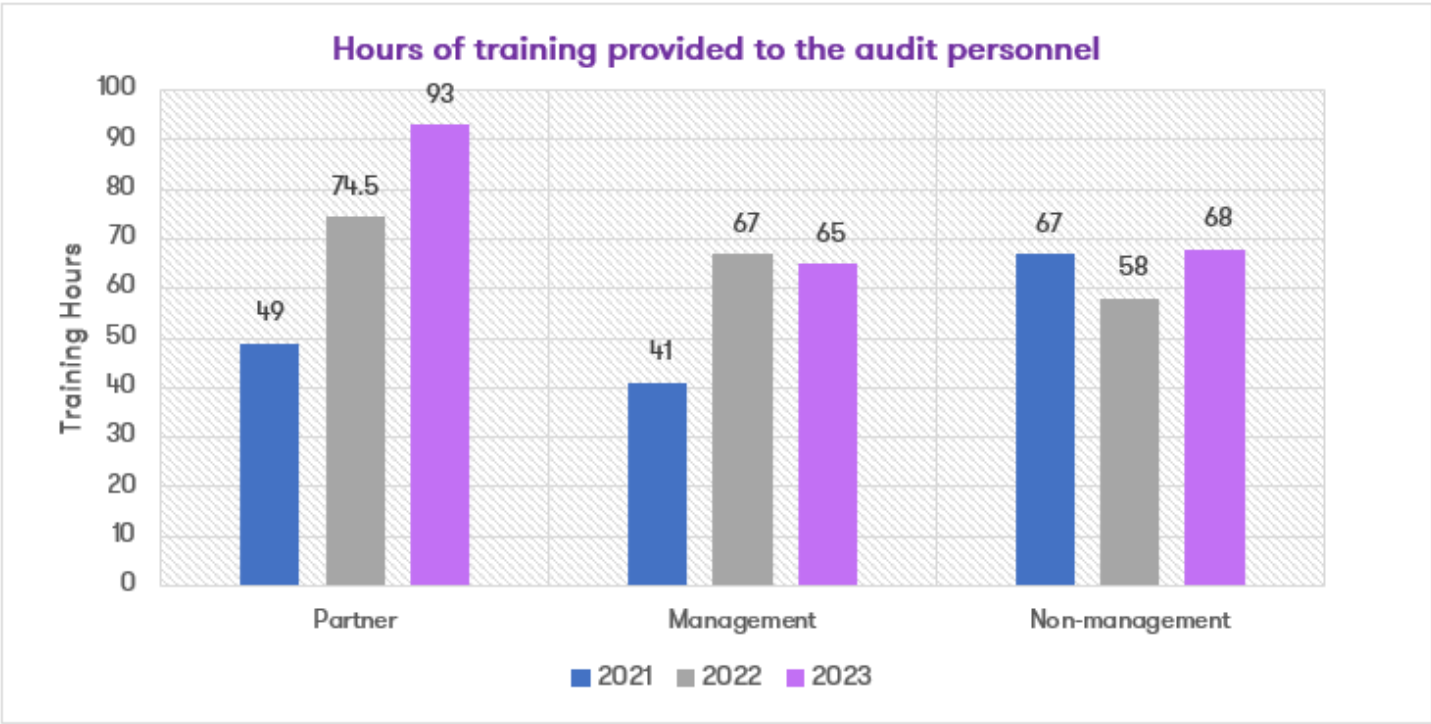
### Areas of focus

Leap- Audit Engagement Software  
 IFRS  
 Audit of Banks  
 Cambodia Tax , Tax on Income

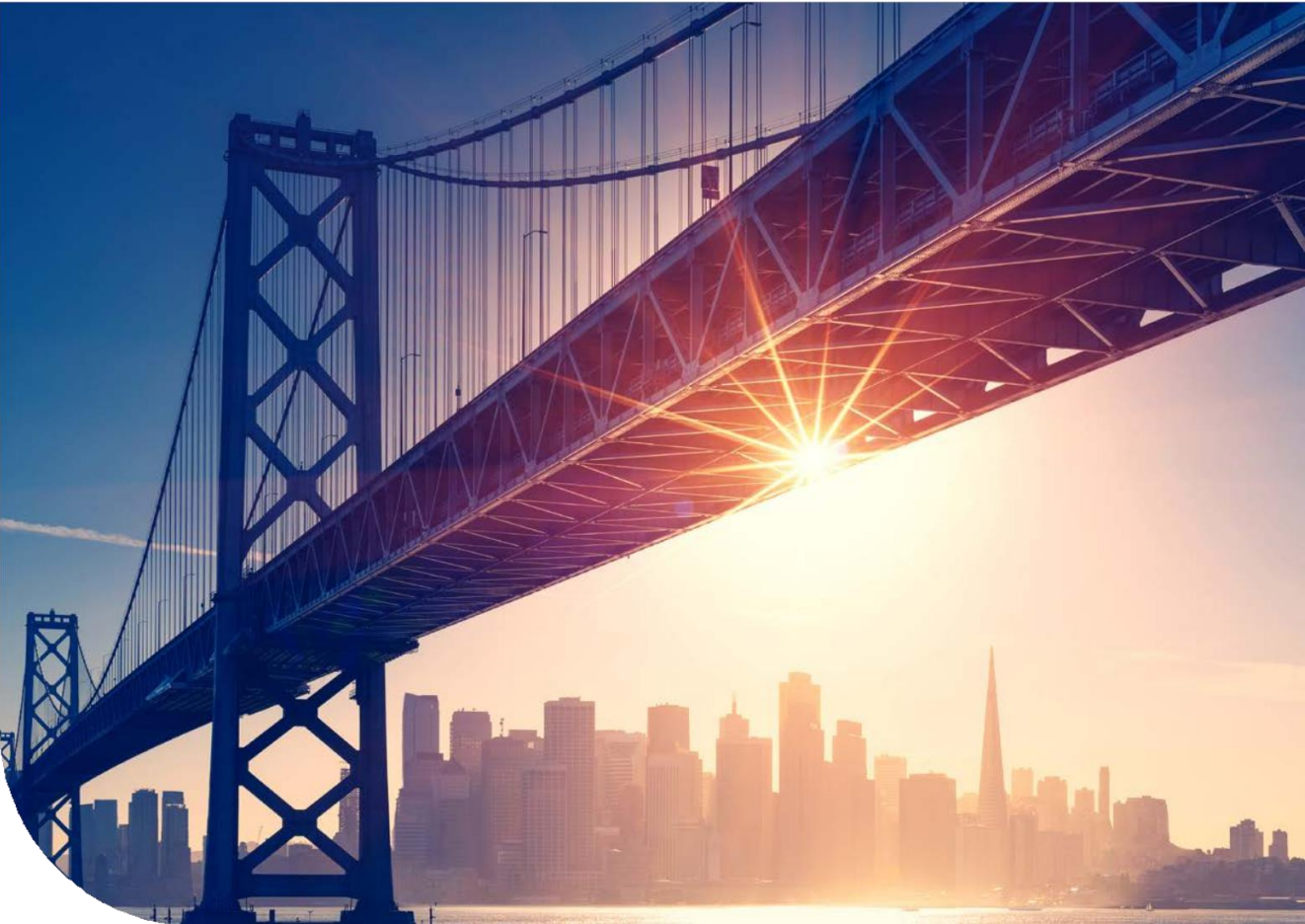
### Knowledge Test

Knowledge Test at the end or during the training for all the virtual training programs





Grant Thornton Cambodia ensures that all audit personnel receive sufficient training hours to meet the current CPD requirements of a minimum of 40 hours per year, including important and relevant industry topics. The amount of structured training provided to each audit personnel has been fairly consistent over these three years.



## Performance and remuneration

All audit partners and audit staff are appraised annually to review their strengths, weaknesses, development and maintenance of competencies and compatibilities, quality of work performed, commitment to ethical principles, training needs and career plans against the Firm's expectations. We have a clear promotion process for each staff level to ensure that the performance appraisals and compensation targets are aligned with the Firm's quality goals to drive recognition of the system of quality management and to reward high-quality work.

Our partner appraisal program includes a focus on Partners' audit quality. Their quality performance appraisal includes internal and external inspection results, effectiveness in handling clients' situations, compliance with risk management policies, compliance with the requirements of minimum training hours and more. Ratings from 1-5 are given to each criterion and remuneration will be affected should the ratings be low. Further consultation is provided by the CEO & Managing partner and top management.



## Monitoring and compliance

### Internal and external quality assurance review

As a member of the Grant Thornton International organisation we are required to implement internal quality reviews. Therefore, annually, the Firm performs an "Internal Quality Review" (IQR), which is performed across divisions. The procedures include:

- Partners/Directors performing a review of the quality system of another Partners/Directors
- Managers performing review of audit engagements carried out by other managers
- Results of the review are discussed with all relevant Partners, Managers and a brief report is discussed with all relevant personnel.

The Firm is also subject to quality control review at both the regional and international level by Grant Thornton. This review by Grant Thornton international is called "Grant Thornton Assurance Review" or "GTAR". This review is often done by a team of experienced Partners and Senior Managers from other GT member firms.

### Other committees

On 19 October 2022, Grant Thornton Cambodia's Board of Directors established and defined the role of the Risk management committee, which is to review and pre-approve client acceptance from 2022 based on certain criteria.

Grant Thornton Cambodia also has established its Technical Review Committee (TRC) for reviewing modified opinions. The members of TRC are the partners of Grant Thornton Cambodia and 2 partners from Grant Thornton Malaysia.

# Ethical requirements

## Ethics

### Code of conduct

Our code of conduct is an extension of Grant Thornton's global values, which provides the framework for the way in which we conduct business, serve our clients, and behave both within the Firm and externally. A dedication to our global values of Collaboration, Leadership, Excellence, Agility, Respect and Responsibility (CLEAR) is the personal responsibility of every employee of Grant Thornton. The Code of Conduct also includes policies that cover dealing with independence, conflicts, protecting confidential and proprietary information, records management, equal opportunity employment and diversity issues, complying with laws and regulations and many more.

Grant Thornton Cambodia adheres to the policies of quality control set by GTIL. Our QMM is based on the requirements set out in the International Standard of Quality Management ("ISQM 1") for Firms and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). Grant Thornton Cambodia also makes every effort to foster an environment in which people feel safe to report perceived unethical behaviour without the fear of retaliation or retribution. There are multiple channels available within the Firm to report violations, and people are encouraged to use them.

### Conflicts of interest and relationships

If a potential conflict is identified at any stage of our work with a client, we engage with all relevant parties to obtain informed consent and implement procedures to adequately safeguard confidential information. These procedures consider any actual or perceived conflicts. Where necessary the relevant head of service line, the Ethics and Independence Leader and other member firms are consulted. All GTIL member firms utilise international relationship checks to identify potential conflicts of interest or independence issues across the network.

If it is not possible to adequately safeguard against the actual or perceived conflict to an extent that an objective, reasonable and informed third party would query our approach, we will not undertake one or more of the services. The final decision as to which if any service is provided, is ultimately ours, but these decisions are made with the involvement of the entity(s) concerned.

We are also practicing the following restrictions and controls to avoid conflict in our operation:

- Our people are prohibited from holding direct or material indirect financial interest in an audit clients.
- We ensure that our suppliers and other business relations meet our independence requirements.

### Gifts, hospitality and favours

Grant Thornton Cambodia personnel are prohibited from receiving any gifts or hospitality or favours from the audit clients, suppliers or third parties unless the value is immaterial (which is below USD100) and is deemed not to improperly influence the decision or behaviour of the audit team member or the Firm. Consideration is given not only to the monetary amounts but also non-monetary considerations for example, the nature, frequency, context and parties involved in this assessment.

The Firm prohibits partners, directors and staff from giving or accepting a bribe, facilitation payment, kickback or other improper payment for any reason with clients and potential clients, consultants, contractors, suppliers, government officials and any other entity in which the partners and staff has dealings with. A facilitation payment is a payment demanded to secure or expedite routine action or delivery of services to which the individual or enterprise is entitled. A kickback is the giving or accepting of money, gifts, or anything of value that is provided in return for favorable treatment and includes improper political or charitable contributions and sponsorships that are made as a subterfuge for bribery.

Any gifts, favours, or hospitality that exceed the de minimis limits must be recorded in our systems, and prior approval shall be obtained from the Firm's Ethics and Independence Partner and Leader.

## Independence

Independence sets the foundation for us to exercise professional skepticism and make objective conclusions without being affected by influences that could compromise our professional judgment. Our independence policy is in compliance with the Code of Ethics for Professional Accountants of the IESBA and ISQM 1.

Our auditors are well aware that everyone has to be independent in mind and in appearance during their course of employment with Grant Thornton Cambodia, through the declaration of:

- New Joiner Confirmation upon joining the Firm.
- Annual Confirmation that declares that they are free from prohibited financial interest in, and financial relationship with Grant Thornton Cambodia’s audit and assurance clients.
- On the audit engagement level, full assessment of independence of all members of the engagement team at the planning stage.

## Global restricted list (GRL) and global conflict list (GCL)

All member firms including Grant Thornton Cambodia are required to update its GRL and GCL into a web system managed by GTIL monthly:

- Global Restricted List contains the names of publicly traded audit or review clients of GTIL member firms and/or the publicly traded related entities of such clients where independence is required.
- Global Conflict List identifies circumstances where it is not permitted, or advisable, to offer services to certain entities that are not eligible to be on the GRL, for example, a close business relationship with a vendor that is significant to the member firm and many more.

A GIS compliance officer will send out an email with the latest GRL monthly as a reminder to all Grant Thornton Cambodia staff on the prohibition of holding any financial interests in the companies that are included in the GRL.

## Global independence system (GIS)

Management personnel in Grant Thornton Cambodia are required to maintain records of their financial interest (including their spouses, spousal equivalents and dependants) through Global Independence System (GIS), an automated tracking system that identifies restricted entities (issuers of publicly traded securities in which financial interests are prohibited or restricted). This information is made available to all personnel in all member firms.

The GIS monitors compliance with the financial interest policies by comparing financial interests recorded in the system with a regularly updated list of restricted entities. Individuals and those responsible for compliance monitoring are notified by the system in the event a recorded financial interest is in a restricted entity. Should a prohibited financial interest be recorded in GIS system, the respective personnel is required to dispose of the respective financial interest immediately. Annual GIS Audit will be performed by the GIS Compliance Officer on rotation basis for our management personnel. Non-compliance will be consulted by the GIS Compliance Officer and our Head of Assurance and actions will be taken immediately to discharge the risk of independence.

Grant Thornton Cambodia has maintained up-to-date portfolios in the global independence system (GIS) and it is a part of the independence member firm obligation. Recently our Firm received GIS Compliance status as of July 2024 is **GREEN**.

Below is our Firm’s compliance status

| HR File Non-Compliance Days  | RIL File Non-Compliance Days   | Non User Accounts   | No Action Accounts   | Conflicts   | Monthly Status           |
|--|--|---|--|---|--------------------------|
| Past Due: 30 days<br>Non-Compliance with HR file or confirmed accuracy for over 30 days. | Past Due: 30 days<br>Non-Compliance with uploading any restricted entities or confirmed no changes for over 30 days. | Past Due: 30 Days<br>Member firms with staff that have never logged into their GIS accounts for over 30 days. | Past Due: 30 Days<br>Open GIS accounts, that have initial log in but not logged any data for over 30 days. | Past Due: 14 Days<br>Outstanding financial interest conflicts taken no action to resolve the conflict for over 14 days. | Monthly Reporting Status |
| 0  | 0  | 0   | 0  | 0   | Green                    |

## Partner rotation

Grant Thornton Cambodia complies with Accounting and Auditing law requirements issued by the Royal Government of Cambodia and other requirement set by internal QMM and external regulators. The requirements generally place limits on the number of consecutive years that partners in certain roles may provide services to a client, followed by a 'cooling off' period to reduce familiarity threats. We continually track and monitor centrally, the movements in our rotation requirements on our public interest entities, initial public offering clients and other high risk engagements requiring rotation through maintaining a list of key audit personnel.

## Independence training

Independence training is given to all the new joiners on the first day of joining the Firm and it will be deliberated annually during our annual internal training.

If in an unlikely event that any partners or employees are aware of any independence breach, they should report to the Ethics and Independence Partner and Leader immediately.

## Ethics hotline

At Grant Thornton Cambodia, we are committed to deliver our services with high standards of ethics, integrity, objectivity, professional competence and due care, confidentiality and professional behavior. As part of our commitment to ethics and compliance, complaints on our intranet site via email or call on a confidential basis is available to ensure that both our Firm professionals and our clients can seek clarification and help or to report a potential ethics and compliance violation.

## Compliance

Grant Thornton Cambodia considers compliance with applicable laws, industry regulations and codes to be an integral part of doing business. Rigorous policy statements, procedures, controls and our QMM foster compliance with all applicable regulatory requirements. Our partners and staff are dedicated to implementing, monitoring and maintaining an operationally effective control environment across all service lines.

## Anti-money laundering, combating the financing of terrorism and combating of financing of proliferation.

When indications of money laundering, combating financial terrorism and combating of financial proliferation exist, the Firm will not enter into any business relationship with the client, its principal owners, key decision makers, related parties and those charged with its governance.

The Firm requires audit partners and staff to immediately report transactions believed to be suspicious to the Anti-money laundering Committee.

## Confidentiality

Confidential information relates to any non-public or proprietary information about our clients or personnel, or any non-public information that we have acquired during the course of business. We employ a variety of system controls and policies to avoid any improper or unauthorised use or disclosure of such information. We require a nondisclosure agreement and client consent when we engage outside resources to assist us in an audit that requires us to furnish them with confidential information.

The examples of our confidentiality, privacy and integrity controls include security and privacy policy, incident response procedures, access controls to secure areas, secure handling and disposal of hard-copy materials.

In terms of information technology controls, we practice laptop encryption, password requirements enforcement, two-factor authentication, patching processes, network intrusion detection systems, firewalls, secure email gateway, mobile device management, and malware and virus detection software.

## Cybersecurity

One of the most significant risks facing the profession is the risk of a cybersecurity breach. GTIL has implemented an ongoing global cybersecurity programme to mitigate the network's exposure to cybersecurity threats through an integrated legal, risk, and technology approach.

Minimum cybersecurity standards must be met by all member firms; annual compliance self-assessments are validated with periodic, risk-based third-party reviews.

The network's global monitoring programme also utilises a third-party security ratings service to identify real-time changes in public security vulnerabilities. Member firms are also required to share real-time information regarding cybersecurity incidents which affect more than one member firm, which helps to mitigate the risk of an attack on the wider network. Finally, incident response is key to preparedness and all Firms are required to have incident response plans in place and test their plans regularly. Grant Thornton Cambodia has secured cybersecurity insurance to obtain rapid support in the event of an incident that exceeds the capability of a Firm's existing resources. Our most recent GTIL Cybersecurity Control Compliance Review was initiated by GTIL in 2022 virtually, continued in 2023 for which we were awarded Compliant status [Remediated] in accordance with their compliance review policies. This review is done annually.

## Crisis management

Given today's age of connectivity and technology, situations can rapidly develop into crisis, with cross-border implications. As such, Grant Thornton Cambodia has adopted the crisis management policy imposed by GTIL to have a common approach for identifying such situations and responding to them. The crisis management policy imposes certain obligations on our Firm to support the mitigation of risk associated with dealing with a crisis.

Our crisis management team are made up of the EXCOM and IT members with significant experience in handling emergency situations. Included in our policy are examples of crisis situations and the implications for the Firm. Should any of the situations occur, the team will immediately convene to implement the action plans.



# Monitoring

At Grant Thornton Cambodia, audit quality means being consistent in the execution of requirements and professional standards. Our employees are required to deliver professional services that comply with the fundamental principles of professional ethics.

Our quality and standards are upheld by various monitoring methods such as internal inspections of assurance engagements and inspections of our system of quality control by various regulators.

## Internal monitoring

Monitoring activities takes place at three levels:

- Engagement level – Partner and engagement quality reviewers are assigned to monitor quality on a real-time basis. For public audit clients, quality support review will be performed based on the audit risk exposure.
- Firm level – As part of our internal quality reviews, the Firm reviews completed engagements on a schedule that ensures all partners are reviewed on a regular basis.
- Network level – The Firm is reviewed by the global quality team on a regular basis, typically once every three years.

## Quality support review (Hot review)

Our quality support review (QSR) was initiated in 2022 as part of our efforts to improve audit quality. This is a risk-based approach framework, whereby the quality monitoring team will assess and evaluate the audit risks of each PIE audit and selects the relevant audit documentation for review before the audit report is signed and issued. The review mainly involves evaluating the sufficiency and appropriateness of audit evidence obtained, judgements made in the audit procedures and conclusions given to reduce audit risk and to ensure that the auditor's opinion is appropriate. The Quality Monitoring Team reports directly to CEO & Managing Partner

## Internal quality review (Cold review)

The internal quality reviews (IQR) is an annual process to assess the quality of completed audit work and its compliance with the Firm's quality and risk management framework. Audit engagement partners are generally selected for a review on a three-year rotation basis.

The review teams comprise of experienced partners, principals and managers from our Quality Monitoring Team. The Firm's IQR program reviews individual engagements and assesses firm policies and procedures, whether professional standard and regulatory and legal requirements are adhered to and whether the quality control system has been appropriately designed and effectively implemented.

All findings are included in the root cause analysis to form part of the audit quality action plan. The review of the findings, together with improvement suggestions, will be communicated to the CEO & Managing Partner. The head of risk, assisted by the quality management team, communicates the findings to the entire audit team through our internal training.

Backdating working papers or signoffs in the audit tool to give a mis-leading impression of when the work was carried out, or a file was archived, is considered a serious breach of ethical standards and such finding is automatically rated as a material weakness.

After evaluating the findings, the quality monitoring team will rate the file overall as pass, improvement needed or fail accordingly.

## Grant Thornton assessment and review (GTAR)

The GTAR inspection is part of GTIL's overall quality assurance monitoring procedures, and under this programme our Firm will be reviewed once in every two to three years. GTARs are conducted in accordance with the procedures developed by GTIL and cover audit, tax, and advisory services.

The GTAR inspection ensures that our Firm meets the profession's evolving standards with the quality and ethical values that stakeholders expect from Grant Thornton. GTARs include a review of our policies and procedures applicable to our practice in effect as of the specified date; a review of selected engagements conducted during the specified period; and a series of interviews with partners and staff on various matters as of the date of their inspection.

The review performed is to ensure that our Firm's system of quality control provides reasonable assurance of:

- a) performing and reporting in conformity with applicable professional standards in all material respects and
- b) complying with GTIL's policies and procedures in all material respects.

At the end of the review, GTIL expresses an opinion on the design of the system of quality control as well as the Firm's compliance with its system of quality control and GTIL's policies and procedures, along with a description of any systematic significant deficiencies or material weaknesses that have been identified. A timely remediation plan shall be submitted by our Firm to ensure that the items that were identified during the review are rectified immediately.

Targeted reviews involve a review of specific cycles in an audit engagement file, carried out remotely, between the normal three-year cycle of GTARs, in order to track quality on a more real-time basis. Targeted reviews enable GTIL to cover more firms, more frequently, thereby raising the profile of quality issues in the network.

They also provide an opportunity to drive consistency and leverage good practices identified to inform any updates made to GTIL resources. Results of the reviews will be used to identify areas where quality findings are most likely to occur and why this happens, providing information to be used in the development of additional targeted training, enhancements to methodology, work paper templates and guidance to help teams improve quality in these areas and overall, on engagements. Targeted reviews will not result in the issuance of a GTAR report; however, the results of targeted reviews will be provided to the member firm.

## Result of the quality control review

The result is reported to Grant Thornton International Limited and discussed with the relevant member firm to ensure the required quality by GTI is met. This review is performed every 2 to 3 years for all firms on a cyclical basis. The last review took place in July 2022 with areas for improvement, which have already been addressed. Moving forward, based on GTAR's schedule, the next quality control review will take place in August 2024.

## External inspections

We maintain an open and constructive relationship with our reviewers and regulators. We believe the in-depth assessment on our Firm's quality control system and individual engagements provides us with opportunities to continue to improve our quality.

Our Firm was subjected to an audit quality review by the Accounting and Auditing Regulator of Cambodia from 06 to 08 September 2017 and again from 01 to 03 November 2021 with no major findings. Moving forward, based on the ACAR's schedule, they are planning to conduct their review again sometime in October 2024.



## Root cause analysis (“RCA”) and remediation actions

RCA is a process for identifying the causes of problems or events to prevent them from recurring in the future. It can be carried out when deficiencies have been identified to help direct remedial actions. It can also be carried out on positive events, such as a good quality file to determine what led to this event.

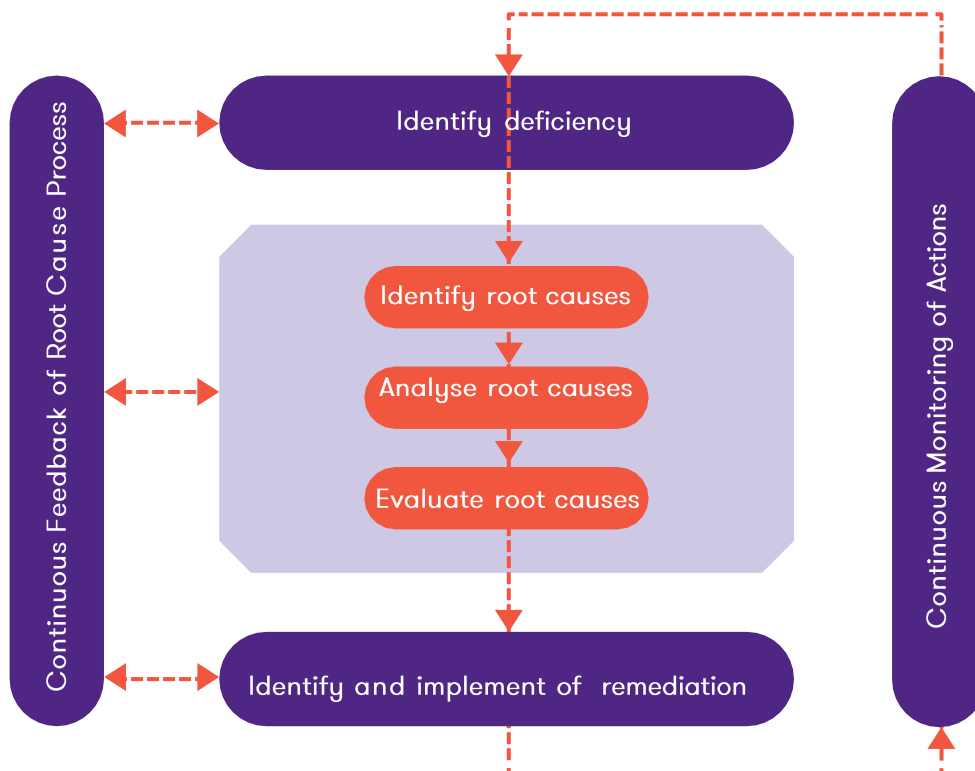
An integral part of the audit practice objective is to produce significant long term performance improvement through an effective RCA process. An RCA identifies the most probable causes of desired and undesired outcomes with the goal of formulating and implementing corrective actions to mitigate the undesired outcomes or promote the desired outcomes. This process must be performed on a continuous basis in order to maximise effectiveness.

An RCA should be carried out as soon as practically possible whenever a deficiency is identified in a completed assurance engagement or the wider quality control system. This should be applied during the following process:

- Internal quality control review (IQCR) or equivalent,
- Grant Thornton assessment and reviews (GTARs),
- external regulatory inspection of assurance engagements,
- restatements of client’s audited financial statements, and
- any other situation the Firm deems necessary.

The RCA process should always be documented and the document should be retained in line with the Firm’s document retention policy.

Root causes should be identified by inspection teams or quality monitoring team. They should be determined by someone independent of the engagement team to ensure the identification of root causes is objective and fair. The flowchart of the key steps in an RCA is as below.



# Remediation actions



Remediation Actions are designed based on the RCA, with the objectives of rectifying the inspection findings and eliminate recurring findings. The Firm will communicate at least annually the results of the quality monitoring procedures to all levels of auditors and during the audit management meeting. Information to be communicated includes the following:

- a description of the inspections performed,
- the conclusions drawn from the monitoring procedures, and
- remedial actions taken/to be taken to rectify the inspection findings.

For IQRs performed, a copy of the completed IQR report and the remediation action plan are uploaded to the IQR SharePoint site

# Grant Thornton network

## Grant Thornton International Limited ("GTIL")

GTIL is a private company limited by guarantee, incorporated in England and Wales. It is a non-practicing international umbrella entity that does not provide services to clients. Grant Thornton member firms around the world deliver services to clients. GTIL is amongst the Global 6 that forms the Global Public Policy Committee (GPPC).

## Board of Governors of GTIL

The Board of Governors (the Board) is the principal and overriding authority in GTIL. The Board exercises governance over GTIL and comprises the chair of the Board; the Chief Executive Officer of GTIL (CEO);

Managing Partners from the largest Grant Thornton member firms; Managing Partners elected or appointed from other Grant Thornton member firms that are not amongst the largest; and independent board members.

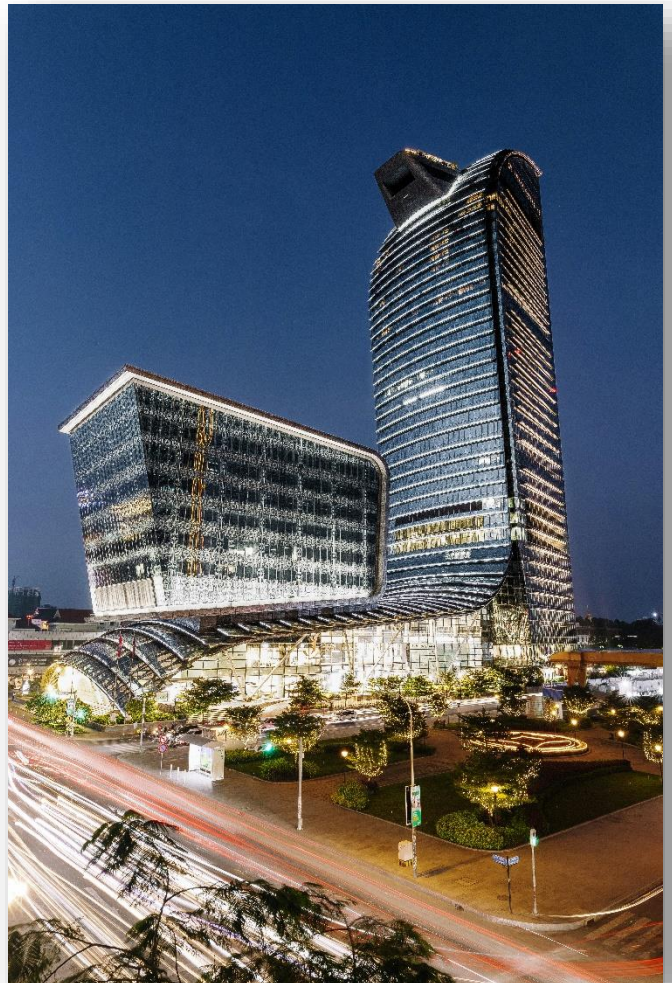
The board aims for a balance of diversity and representation from different geographical areas, including emerging markets. The board's responsibilities include the following:

- Approve and provide input into the global strategic direction and policies,
- Approve and oversee the implementation of the global strategy,
- Oversee membership matters (including approving new member firms, suspending the rights of a member firm, or expelling a member firm),
- Appoint and set the remuneration of the chair of the board,
- Appoint, evaluate performance, and set the remuneration of the CEO,
- Approve the GTIL budget and member firm fees,
- Oversee the financial health of GTIL,
- Oversee enterprise risk management,
- Oversee the technology and innovation strategy, and
- Oversee general governance matters, such as the composition and performance of the board.

## Legal relationship between GTIL and other member firms

Grant Thornton is the registered trademark of GTIL and is the name by which the member firms are known. The right of member firms to use the Grant Thornton name and logo are included in agreement with GTIL.

GTIL and the member firms are not a worldwide partnership. Member firms are generally locally owned and managed. GTIL and its member firms are not the agents of, and do not obligate one another and are not liable for one another's acts and omissions. Member firms carry the Grant Thornton name, either exclusively or as part of their national practice names.



## Board of governors structure

-  **Governance committee**  
Ensures efficient and effective operation and oversight of GTIL's leadership structures and performance.
-  **Strategy committee**  
Advises on the development, alignment and execution of the global strategy.
-  **Enterprise risk management committee**  
Has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms.
-  **Budget and audit committee**  
Oversees the GTIL budget and audit processes to ensure the successful execution of the global strategy and adherence to the fiduciary responsibilities of GTIL.

-  **Technology and innovation committee**  
Governs and oversees Grant Thornton's global technology and innovation strategy and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives.
-  **CEO compensation committee**  
Executes the Board's responsibilities relating to the annual performance evaluation and related compensation of the CEO, the adoption of policies that govern the CEO's compensation and performance, and the oversight of plans for CEO development objectives.
-  **Member firm matters committee**  
Considers and determines resolution of recommendations made by the global leadership team relating to member firm matters including member firm terminations, complaint handling and proposed changes to the rules and agreements that materially affect member firms.

## CEO

The CEO is appointed by the board for an initial five year term with a potential extension of up to three years. Peter Bodin was appointed CEO from 1 January 2018. The board reappointed Peter for the second term of three years, as of 1 January 2023. As CEO he is responsible for the:

- leadership of GTIL,
- development and recommendation of strategy priorities for rectification by the Board, and
- appointment of the global leadership team whom he works closely with in the execution of the global strategy including monitoring global policies and procedures, for example, governing international work for the assurance, tax and advisory service lines.

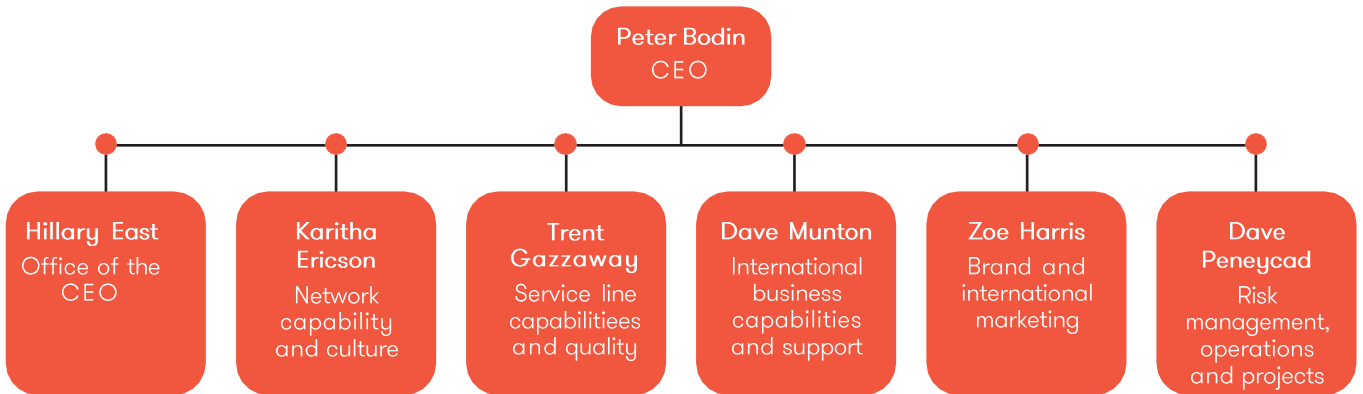
## Global leadership team (GLT)

The GLT is a full-time management group that is chaired by the CEO and develops and drives the implementation of the global strategy. The team have global development, service lines, functional and regional responsibilities.

A critical role of the GLT is to work with member firms to implement the global strategy. Grant Thornton's vision is 'to be the most valued network in the profession and this guides everything we do'.

As at 30 September 2023 the GTIL network had more than 73,000 people in 149 member firms across the globe with the latest reported revenue of USD7.5bn (2022: USD7.2bn).

## Global leadership team structure



## Our Go Beyond network strategy 2025



It sets out how Grant Thornton will achieve its vision and identifies the actions it will take, including a laser focus on growing and protecting international business. Everything we do will be aligned around this goal and making sure we have the core infrastructure to deliver it.

The implementation of the network strategy builds on strategic frameworks, prioritised investments and growth strategies that are appropriate for our chosen markets.

# GTIL global assurance quality steering committee

GTIL has a global assurance quality steering committee comprise of representatives from member firms, including the U.S., that drives quality initiatives throughout the network. Examples of projects include:

- preparing the network for implementation of ISQM 1,
- policy, guidance and tools for each member firm to perform root-cause analysis,
- international accreditation policy,
- Audit quality recognition framework, and
- whistleblowing policy.

In line with Grant Thornton's global strategy - Go Beyond, that envisions to be "the most valued network in the profession" by 2025, GTIL has been delivering on several quality related initiatives. Some of these initiatives include:

- Network quality monitoring: The Grant Thornton assessment and review (GTAR) is a network quality monitoring programme designed to assess the system of quality control in member firms, by conducting a review of engagements and Firm-wide procedures across audit, tax and advisory.
- Client acceptance controls: A network committee evaluates high-risk engagements to help safeguard the brand and reputation.
- Regulatory liaison: Leading engagement with global regulatory bodies, including the International Forum of Independent Audit Regulators (IFIAR) and the Committee of European Auditing Oversight Bodies (CEAOB).
- International standard on quality management (ISQM) 1: GTIL has appointed a global project leader to support ISQM 1 implementation and track progress across the network.

# Corporate social responsibilities (CSR)

Grant Thornton desires to unlock the potential for growth that extends beyond our clients, to include our people and our communities.

At Grant Thornton, we feel an abiding commitment to the community we serve and to which we are honored to belong. We incorporate the Grant Thornton values of CLEARR in all the activities we participate in: Collaboration, Leadership, Excellence, Agility, Respect and Responsibility.

**Our corporate social responsibility program includes:**

- participation in not for profit organisations
- promotion and engagement in a paperless office environment
- recycling policies of used paper in our office
- flexible and varied working arrangements for our employees

Our personnel and family members have a long tradition of voluntarily participating in the activities organized by our corporate social responsibility program. Different activities throughout the year are organized i.e., fundraisings, donations, entertainment activities and personal contributions to supplement the Firms efforts. We give something back to our communities to help them prosper and grow.

The collective time, skills and expertise are present within the goals of this program to make a difference to a diverse group of charitable and community organizations.

Every year, Grant Thornton Cambodia actively participates in CSR as a member firm of Grant Thornton International. This is how we give back to the society. In addition to planting trees and building homes for underprivileged families, our employees and Firm provide school supplies to underprivileged children in need.

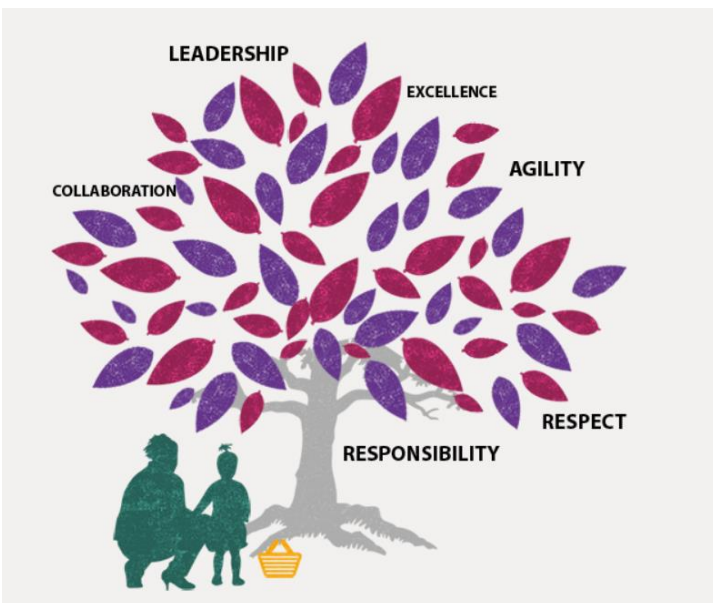
Below are some of CSR activities involving our people and the Firm.



Planting mangrove trees



Donation of school supplies



Donation of funds to NGO

# Additional information

## Appendix I

List of publicly listed clients as at 31 December 2023

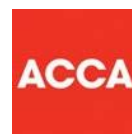
| No. | Entity Name                |
|-----|----------------------------|
| 1.  | Aceda Bank Plc             |
| 2.  | DBD Engineering Plc        |
| 3.  | JS Land Limited            |
| 4.  | Pestech (Cambodia) Limited |
|     |                            |
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## Participation in professional organisations as at 31 December 2023

| Partners  | Involvements   |
|---|--|
| <p><b>Dato' NK Jasani</b><br/>Chairman of Grant Thornton Malaysia and Grant Thornton Cambodia</p>         | <ul style="list-style-type: none"> <li>• Advisor and the Founding Chairman of the Institute of Chartered Accountants of England and Wales (ICAEW) Malaysia</li> <li>• Former Vice President and Council Member for 7 years of the Malaysian Institute of Accountants (MIA)</li> <li>• Member of the Insolvency Practice Committee of the Malaysian Institute of Accountants (MIA)</li> <li>• Trustee of the Tunku Jaafar Educational Trust</li> <li>• Active member of Kampuchea Institute of Certified Public Accountants and Auditors</li> </ul> |
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