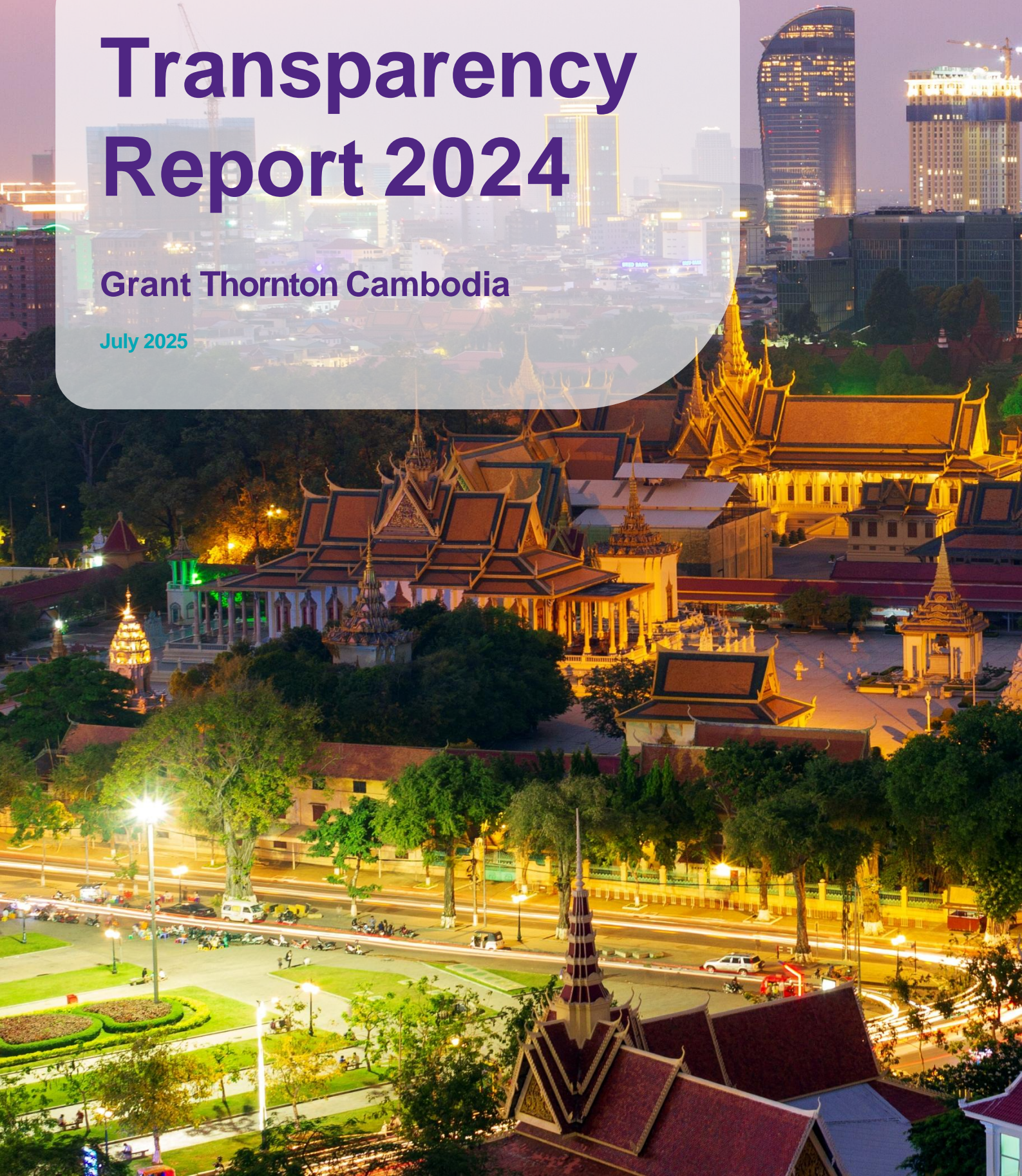


# Transparency Report 2024

Grant Thornton Cambodia

July 2025





A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are set against a twilight sky with soft pink and blue hues. The glass reflects the ambient light and the silhouettes of other buildings. A semi-transparent white rounded rectangle is overlaid on the upper half of the image, containing the report's title and introductory text. Thin white curved lines are visible in the corners of the image.

# About this report

Grant Thornton (Cambodia) Ltd. was incorporated as a limited liability company in the Kingdom of Cambodia under registration no. Co.1385E/2011 dated 16 June 2011 issued by the Ministry of Commerce. The Firm re-registered with the Ministry of Commerce on 23 August 2016 under new registration no. 00018411.

In this report, the terms “Firm”, “we”, “us” and “our” refer to Grant Thornton (Cambodia) Ltd. (“GTC”). This report covers GTC’s System of Quality Management for the financial year from 1 January to 31 December 2024, unless stated otherwise.





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# Foreword



## A Legacy of Excellence

As we embark on another year of growth and evolution, we are proud to present our Transparency Report for 2024.

This year 2024 marks a significant milestone for Grant Thornton Cambodia as we proudly have more experience working in both the banking and non-banking sectors in Cambodia. Over the past 13 years, we have built a strong reputation for excellence, integrity, and innovation. These bring us a testament to our ensuring commitment to delivering high-quality services and fostering trust among our clients, regulators and stakeholders. While we honour our past achievements, we remain focused on the future- continuously evolving to meet the changing needs of the business landscape.

## Commitment to Transparency and Quality

Transparency has always been fundamental to everything we do. As a leading professional services firm, we recognise our critical role in upholding financial integrity, reinforcing investor confidence, and contributing to a more resilient and sustainable business environment. Our unwavering commitment to these principles drives us to continually refine our processes, embrace best practices, and adopt innovative solutions that enhance trust in financial reporting and corporate governance.

In today's rapidly evolving regulatory and business landscape, stakeholders expect the highest standards of accountability and diligence. To meet these expectations, we have strengthened our quality management systems, ensuring that our services consistently adhere to the most rigorous professional and ethical standards. Our approach is guided by a deep-seated commitment to continuous improvement, fostering an environment where quality, objectivity, and independence remain non-negotiable.

In alignment with the International Standard on Quality Management (ISQM 1), we have proactively implemented advanced monitoring mechanisms designed to detect and address potential risks before they materialise. This proactive stance enables us to enhance the reliability of our work, maintain the confidence of those who rely on our expertise, and support businesses in navigating complex financial and regulatory challenges.

Furthermore, we have reinforced a culture of ethical decision-making, ensuring that our professionals not only comply with regulatory requirements but also uphold the highest levels of professional integrity in every engagement. Through ongoing training, leadership commitment, and robust internal controls, we instill a strong sense of accountability and responsibility across all levels of our organisation.

Grant Thornton Cambodia is proud to be one of the Firms is holding a gold tax compliance certificate and maintain proper accounting records certified by the **General Department of Taxation**, valid until end of 2025. We are one of the firms accredited by **ACCA** and **CPA Australia** as one of their approved employers and recognized employer partners.

We are one of the twelve audit firms accredited by the **National of Bank of Cambodia** to audit banks and financial institutions in Cambodia. We are also 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, auditing, liquidation services (issued by the **Accounting and Auditing Regulator of Cambodia**), audit insurance companies (licensed by **Insurance Regulator of Cambodia**), audit trust companies (license by the **Trust Regulator of Cambodia**), and perform tax services (by virtue of our tax agent license from the **General Department of Taxation**.)

By continuously evolving our risk management frameworks, embracing technology-driven quality assurance tools, maintaining an unwavering focus on ethical excellence, we reaffirm our dedication to transparency and quality. Our stakeholders can trust that we remain steadfast in our mission to provide reliable, independent, and insightful professional services that contribute to a more transparent, efficient, and trustworthy business ecosystem.

## Empowering Our People and Embracing Innovation

At the heart of our success is our people—the talented professionals who drive our mission forward. We are deeply committed to investing in talent development, mentorship, and digital transformation. Through ongoing training and upskilling, we equip our teams with the knowledge and expertise needed to navigate an increasingly complex regulatory and technological landscape. By embracing emerging technologies, such as artificial intelligence, we are enhancing audit quality, improving efficiency, and delivering greater value to our clients.

Aligned with our commitment to fostering a supportive and high-performing workplace, we launched the People Voice Survey this year. This initiative serves as a vital platform for our employees to share insights, experiences, and feedback on various aspects of their work environment, including leadership, career development, workplace culture, and overall job satisfaction.

By actively listening to our staff, we aim to gain a deeper understanding of their concerns, aspirations, and the challenges they face in their roles. The valuable input from this survey enables us to identify areas for improvement, implement meaningful changes, and tailor our policies to better support our teams.

Furthermore, we believe that an engaged and motivated workforce is key to driving innovation, enhancing collaboration, and achieving sustainable growth. Through the People Voice Survey, we reaffirm our dedication to open communication, continuous improvement, and employee well-being, ensuring that every voice is heard and valued within our organisation.

## Looking Ahead: A Future Built on Trust

This Transparency Report 2024 provides a comprehensive overview of our governance framework, quality assurance measures, and ethical principles. As we look to the future, we remain steadfast in our commitment to continuous improvement, adapting to emerging risks, and upholding our core values of integrity, collaboration, and excellence.

We extend our heartfelt gratitude to our clients, partners, regulators, and stakeholders for their trust and support. This milestone is not just a reflection of our past achievements—it is a stepping stone toward an even brighter future. Together, we will continue to shape a more transparent, resilient, and forward-thinking business environment.



**Dato' NK Jasani**  
Chairman



**Hooi Kok Mun**  
National Audit Practice Leader  
and Senior Partner



**Ronald C. Almera**  
CEO and Managing  
Partner



**Ng Yee Zent**  
Head of Assurance and  
Audit Partner



# About 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.

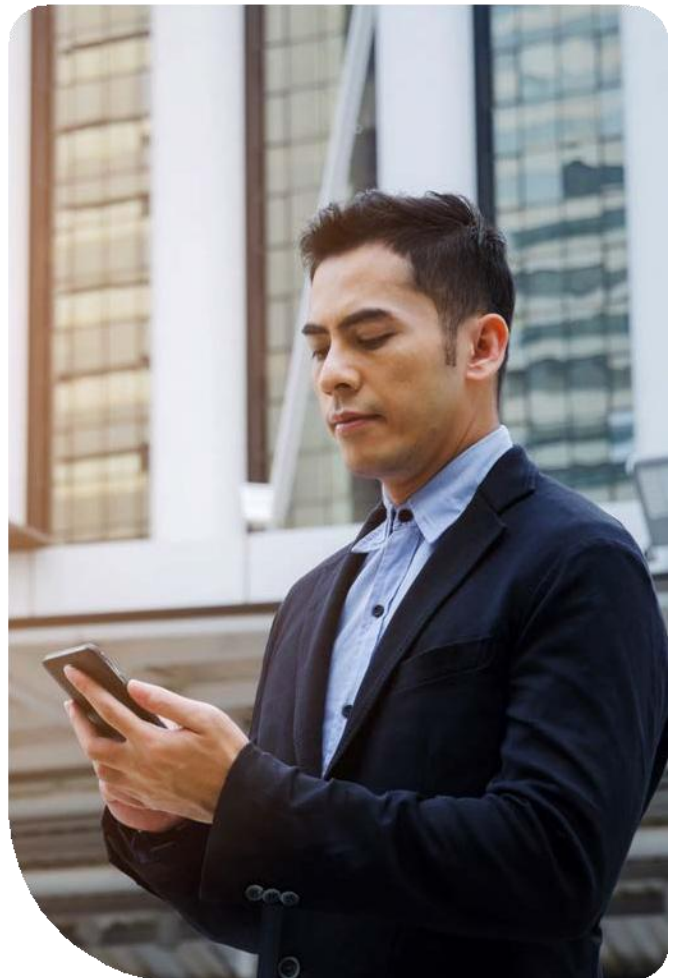
The board aims for a balance of diversity and representation from different geographical areas, including emerging markets. The board's responsibilities include the following:

- Approves and provides input into the global strategic direction and policies,
- Approves and oversees the implementation of the global strategy of the network,
- Oversees membership matters (including approving new member firms, suspending the rights of a member firm, or expelling a member firm),
- Appoints and sets the remuneration of the chair of the board,
- Appoints, evaluates performance, and sets the remuneration of the CEO,
- Approves the GTIL budget and member firm fees,
- Oversees the financial health of GTIL,
- Oversees enterprise risk management,
- Oversees the technology and innovation strategy, and
- Oversees 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.

### Technology and innovation committee

Governs and oversees Grant Thornton's global technology and innovation strategy to ensure and ensures that global technology and innovation projects are aligned with Grant Thornton's commercial objectives.

### Strategy committee

A joint committee of the Board of Governors and the global leadership team. It advises on the development, alignment and execution of the global strategy. The Board has overall oversight of delivery of the strategy.

### CEO compensation committee

Discharge 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.

### Enterprise risk management committee

Has oversight responsibility for ensuring an appropriate enterprise risk management framework is maintained for GTIL and its member firms and that risks are identified, monitored and managed. The Enterprise risk management committee ensures that the board receives periodic reports on risk exposure and subsequent actions.

### Member firm matters committee

Discharge 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.

### 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.

## 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:

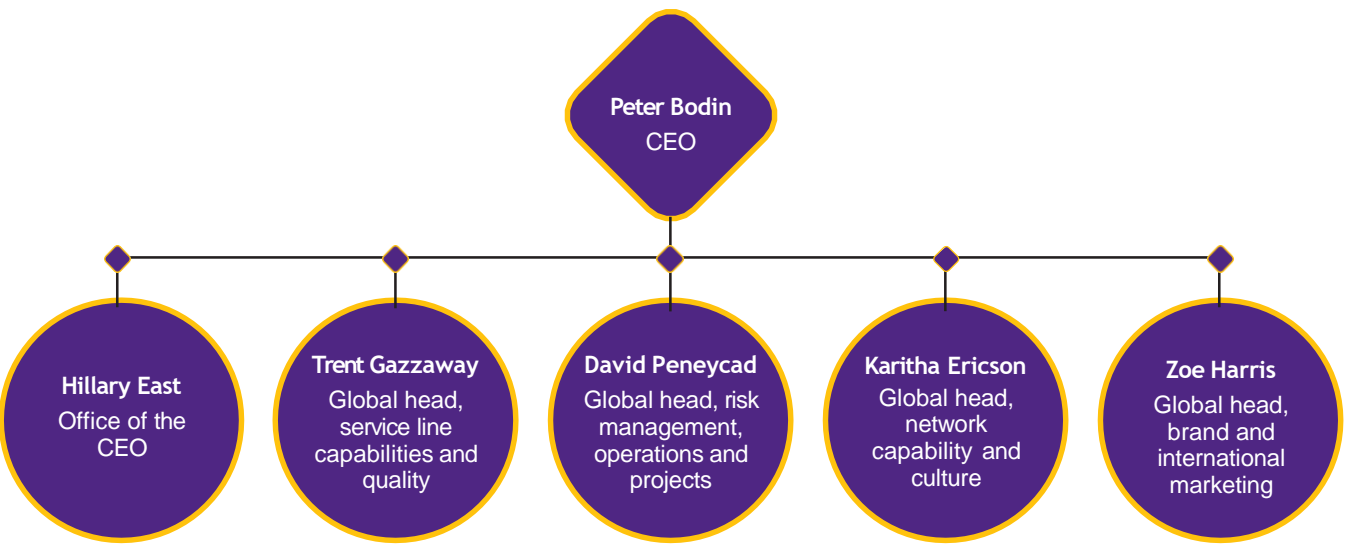
- leadership of GTIL,
- development and recommendation of strategy priorities for rectification by the Board, and
- appointment of the global leadership team whom he works closely with in the execution of the global strategy including monitoring global policies and procedures, for example, governing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

## Global Leadership Team (GLT)

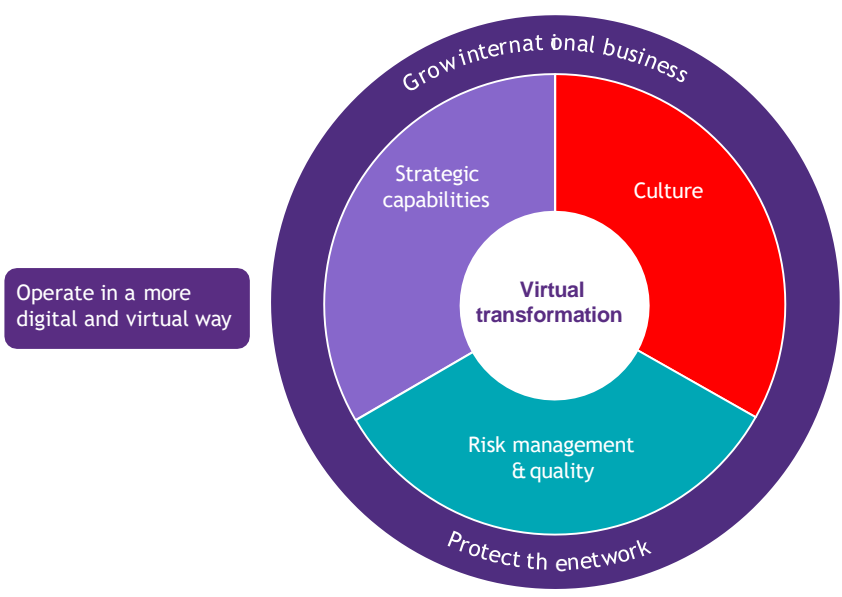
The GLT of Grant Thornton International Ltd, under the leadership of the CEO, develops and drives the execution of the global strategy. The GLT is chaired by the GTIL CEO. It is a full-time management group, dedicated to leading the network in the successful execution of the strategy. Collectively, GLT members 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'.

## Global leadership team structure



## Our Go Beyond network strategy 2025



Quality is the foundation of all we do. It is a core element of our Go Beyond network strategy 2025. The goal is to deliver sustainable growth through an increase in real and perceived quality and to mitigate network risk. GTIL's global quality framework sets common quality standards across all service lines for all member firms. This framework is a permanent reference point, setting expectations for member firms to deliver services to agreed quality standards.



## Global Quality Framework

The Grant Thornton global quality framework sets quality standards for all member firms across assurance, tax and advisory services. The global quality framework is designed to be simple and clear, and prioritises the most important quality standards.

- It helps deliver the Go Beyond 2025 network strategy by putting quality at the heart of everything we do,
- It clarifies member firms' obligations for quality and holds us to account for meeting these standards,
- It highlights the firm and its personnel's responsibilities to fulfill their duties in accordance with their professional operating environment, whether professional standards or legal and regulatory requirements, and ensures client deliverables are conducted in accordance with such standards and requirements,
- It creates the environment to ensure client deliverables issued by the firm or engagement partners are appropriate in the circumstances,
- It makes sure that there are common quality standards across service lines and that member firms can facilitate increased crossborder collaboration, and
- It provides a message to external stakeholders, such as investors, clients and regulators, that we are globally committed to providing high-quality services and promoting public trust in our profession, as public interest is served by the consistent provision of quality.

Member firms are required to meet the requirements as set in the GTIL Global Quality Framework on:



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.

## GTIL Global Assurance Quality Steering Committee

GTIL has a Global Assurance Quality Steering Committee comprised 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), and
- 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.





# About Grant Thornton Cambodia



Key figures and facts

13

years of establishment



Partners

2 Partners based in Cambodia and 4 partners in Malaysia



over 100

team members in Cambodia



Office locations

20<sup>th</sup> Floor Canadia Tower, 315 Preah Ang Duong Street (Corner Monivong Boulevard, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.



Our major clients

we served approximately 33 public Interest entities, including public listed companies



Dynamic organisation client base

the firm serves around 160 of audit clients and around 100 entities under business process solution service.



Our services





# Our Commitment to Audit Quality



**Grant Thornton Cambodia is committed to delivering high quality audit with exceptional client service. The responsibility for implementing and executing our common audit strategy lies with the audit leadership.**

## System of quality management

Grant Thornton has a responsibility to both society and its clients to deliver high-quality audits. In this aspect, independence, professionalism, integrity, confidentiality, and good judgement are fundamental principles in our daily work.

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.

Ronald Almera, CEO & Managing Partner, has the ultimate responsibility for our SoQM. The Firm's Quality Risk Management Committee (QRMC) designs and implements robust risk assessment processes 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 established for the SoQM are as follows:

- 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 allows 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 QRMC 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 QRMC provides 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. Appendix II lists our priority risks as at 31 December 2024, and the corresponding objectives and the responses designed and implemented in our operation.

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.

## Documentation

The firm prepares comprehensive documentation of its system of quality management to ensure:

- support a consistent understanding of the system of quality management by personnel, including an understanding of their roles and responsibilities with respect to the system of quality management and the performance of engagements,
- support the consistent implementation and operation of the responses to the risks identified by the firm, and
- provide evidence of the design, implementation, and operation of the responses, to support the evaluation of the system of quality management by the individual assigned ultimate responsibility and accountability for the system of quality management.



## Audit Quality Indicators (AQIs)

Our Firm utilises AQIs to further monitor the quality of our Audit. It is a key tool in the continuous improvement of our system of quality management. The Quality Management Team monitors the AQIs on a regular basis. Our Audit Quality Indicators (AQIs) include:

Provision of non-audit services	<ul style="list-style-type: none"><li>• Composition of fee income between audit and business process solutions (pg 26)</li></ul>
Supervision level	<ul style="list-style-type: none"><li>• Partner to audit personnel ratio (pg 27)</li><li>• Manager to audit personnel ratio (pg 27)</li></ul>
Personnel ratio and Turnover of audit personnel	<ul style="list-style-type: none"><li>• Audit personnel ratio of the Firm (pg 32)</li><li>• Turnover rate for audit personnel (pg 33)</li></ul>
Years of experience of audit personnel	<ul style="list-style-type: none"><li>• Average years of experience of audit partners and audit personnel (pg 33)</li></ul>
Training hours per audit personnel	<ul style="list-style-type: none"><li>• Hours of training provided by the Firm to the audit personnel (pg 35)</li></ul>
Professional development	<ul style="list-style-type: none"><li>• Percentage of audit personnel with professional qualifications (pg 35)</li></ul>
Risk Management	<ul style="list-style-type: none"><li>• Headcount of risk management and quality functions (pg 37)</li></ul>





# 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.

## Partners

Audit division is led by its 2 partners based in Cambodia and 4 in Malaysia as at 31 December 2024, across Phnom Penh office. There are a number of strategic partnership groups with regular meetings to discuss particular aspects of the firm's strategic goals and governance. These group are supplemented by managers and directors with the requisite skills and expertise.

### Partners at 31 December 2024

#### Cambodia

- Ronald Almera
- Ng Yee Zent

#### Malaysia

- Dato' NK Jasani
- Hooi Kok Mun
- Kishan Jasani
- Desmond Tan

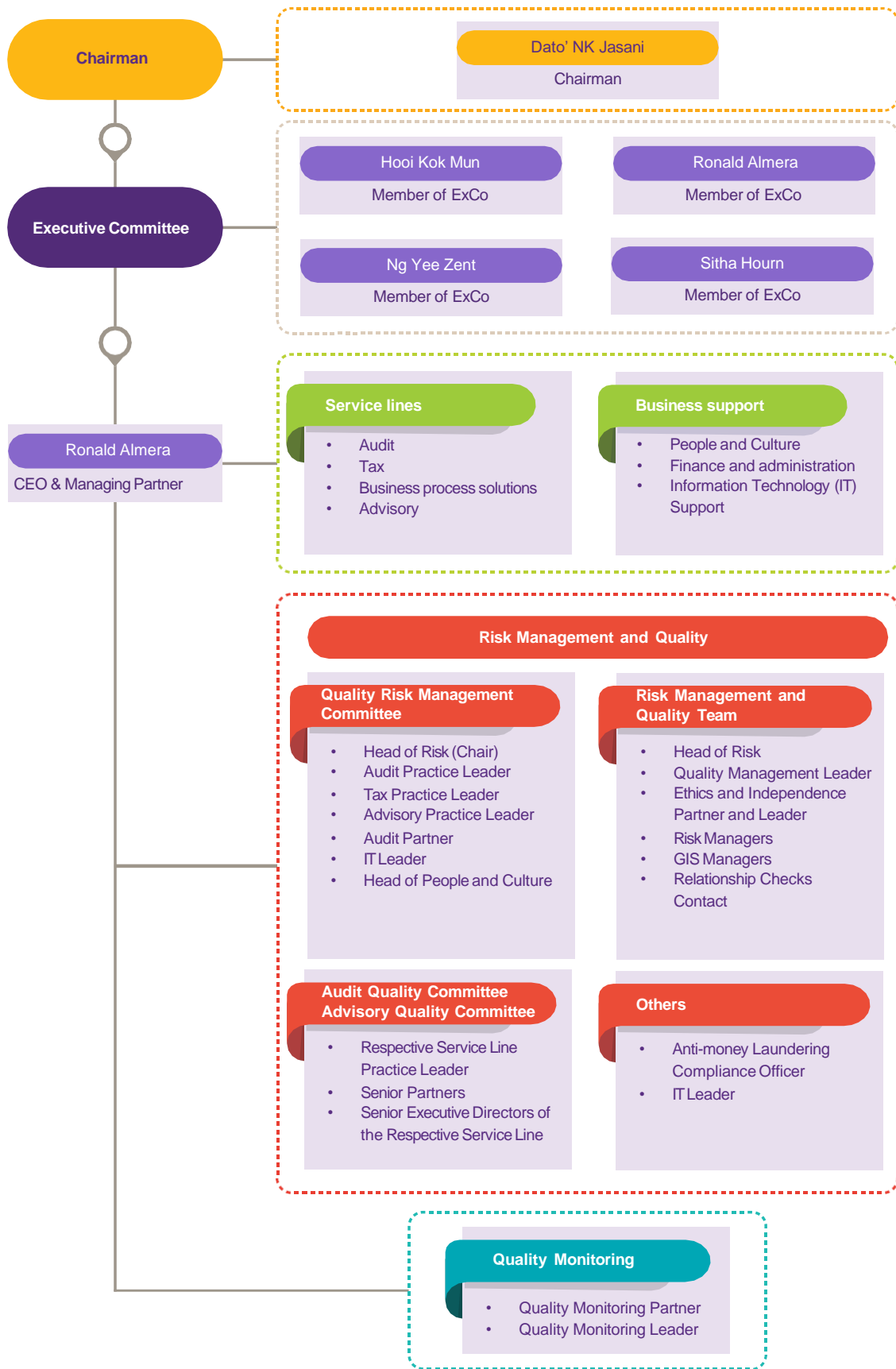
## Annual Partner Meeting

Partners hold at least one regular physical meeting per year. During the meeting, decisions are made regarding major changes in policies (if any) the financial performance, admissions and changes in partnership, and significant issues of the Firm are discussed. The meeting ensures consensus on the Firm's direction, values and goals. The partners have a shareholders' agreement that primarily includes agreements, rules, and conditions for the partnership.





# Organisation Structure of GTC



## Governance

For the year from 1 January to 31 December 2024, Grant Thornton Cambodia continued its practice, 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 as far as professional accountancy firms are concerned.

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

- 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.

We have established certain Governance and Leadership Key Performance Indicators (KPI) and these are summarised as below:

Area of the Governance and Leadership	KPI	KPI Completed in 2024
Leadership	The ExCo shall include at least one practicing audit partner.	<input checked="" type="checkbox"/>
	The ExCo members shall meet at least quarterly.	<input checked="" type="checkbox"/>
	All members of senior leadership team are subject to a formal annual appraisal.	<input checked="" type="checkbox"/>
Operations	The ExCo and the CEO & Managing Partner receive regular updates from the following during the year: <ul style="list-style-type: none"> <li>• National Audit Practice Leader</li> <li>• Head of Risk</li> </ul>	<input checked="" type="checkbox"/>
	At least annually, the CEO & Managing Partner evaluates and concludes the effectiveness of our SoQM.	<input checked="" type="checkbox"/>
	QRMC members shall include functional leaders and service line leaders.	<input checked="" type="checkbox"/>
Reporting	The ExCo reviews the financial statements regularly.	<input checked="" type="checkbox"/>
	The Equity Partners meet at least annually to decide on the approval of the annual financial statements and any other matters related to the partnership.	<input checked="" type="checkbox"/>
	The ExCo receives updates on complaints and whistle-blower matters during the year.	<input checked="" type="checkbox"/>
Dialogue	Members of our leadership team are actively involved in external dialogue with professional bodies.	<input checked="" type="checkbox"/>
	Transparency Report is approved by the CEO & Managing Partner, published on the GTC's website and to be submitted to Accounting and Auditing Regulator of Cambodia annually by July each year.	<input checked="" type="checkbox"/>



## 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 crucial, and our firm consistently communicates regular messages on the importance of audit quality to all of our people. We expect our partners and staff to exhibit proper behaviour-acting with integrity and commit to consistency throughout the audit in order for us to strive for even better-quality service.

Auditors are often involved in complicated situations where professional skepticism and professional judgement shall be demonstrated. Therefore, our Firm strive 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 ethic line in our Firm's website is available to all, including employees, clients and the public. 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 ExCo in respect of ongoing and potential complaints, claims and regulatory action.

## External dialogue

We hold meetings with our regulators as and when needed. Our Transparency Report is public in our Firm's website as we serve as independent auditors.

Our leaders are actively engaged with chartered accountant associations, regulators, standard setters to help shape and influence the drive for better reporting and regulatory change where it is necessary. Several of our partners and people participate in various boards, committees or working groups across a diverse range of bodies and subject relating to our profession and the wider market. They provide comments and feedback on our views of planned developments and issues.



## Participation in Professional Organisations as at 31 December 2024

Partners	Involvements
 <p><b>Dato' NK Jasani</b> Chairman of Grant Thornton Cambodia and Malaysia</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 Auditor</li> </ul>
 <p><b>Mr. Hooi Kok Mun</b> National Audit Practice Leader of Grant Thornton Malaysia, Director of Grant Thornton Cambodia</p>	<ul style="list-style-type: none"> <li>• Member of the Audit License Interview Panel representing the Malaysian Institute of Accountants (MIA)</li> <li>• Member of the Ethics Standards Board</li> <li>• Former member of Audit and Assurance Standards Board and Issue Committee of the Malaysian Accounting Standards Board</li> <li>• Active member of Kampuchea Institute of Certified Public Accountants and Auditor</li> </ul>
 <p><b>Mr. Desmond Tan</b> Senior Partner of Grant Thornton Malaysia, Director of Grant Thornton Cambodia</p>	<ul style="list-style-type: none"> <li>• Council Member of the Malaysian Institute of Certified Public Accountants (MICPA)</li> <li>• Alternate Chairman of the Malaysian Institute of Certified Public Accountants (MICPA)'s Membership Affairs Committee</li> <li>• Member of the Malaysian Institute of Certified Public Accountants (MICPA)'s Public Practice Committee</li> <li>• Member of the Malaysian Institute of Certified Public Accountants (MICPA)'s Financial Statements Review Committee</li> <li>• Member of the Malaysian Institute of Certified Public Accountants (MICPA)'s Examination Committee</li> <li>• Active member of Kampuchea Institute of Certified Public Accountants and Auditor</li> </ul>
 <p><b>Mr. Kishan Jasani</b> Country CEO of Grant Thornton Malaysia, Director of Grant Thornton Cambodia</p>	<ul style="list-style-type: none"> <li>• Chairman of the Institute of Chartered Accountants of England and Wales (ICAEW) Members Society Malaysia</li> </ul>
 <p><b>Mr. Ronald C. Almera</b> CEO &amp; Managing Partner, Director of Grant Thornton Cambodia</p>	<ul style="list-style-type: none"> <li>• Active member of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)</li> <li>• Member of Philippine Institute of Certified Public Accountants (PICPA)</li> <li>• Member of ASEAN Chartered Professional Accountants (ASEAN CPA)</li> </ul>
 <p><b>Mr. Ng Yee Zent</b> Audit Partner, Director of Grant Thornton Cambodia</p>	<ul style="list-style-type: none"> <li>• Member of Association of Chartered Certified Accountants (FCCA)</li> <li>• Member of Malaysian Institute of Accountants (MIA, CA)</li> <li>• Member of ASEAN Chartered Professional Accountants (ASEAN CPA)</li> <li>• Active Member of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA)</li> </ul>



# 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, 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.

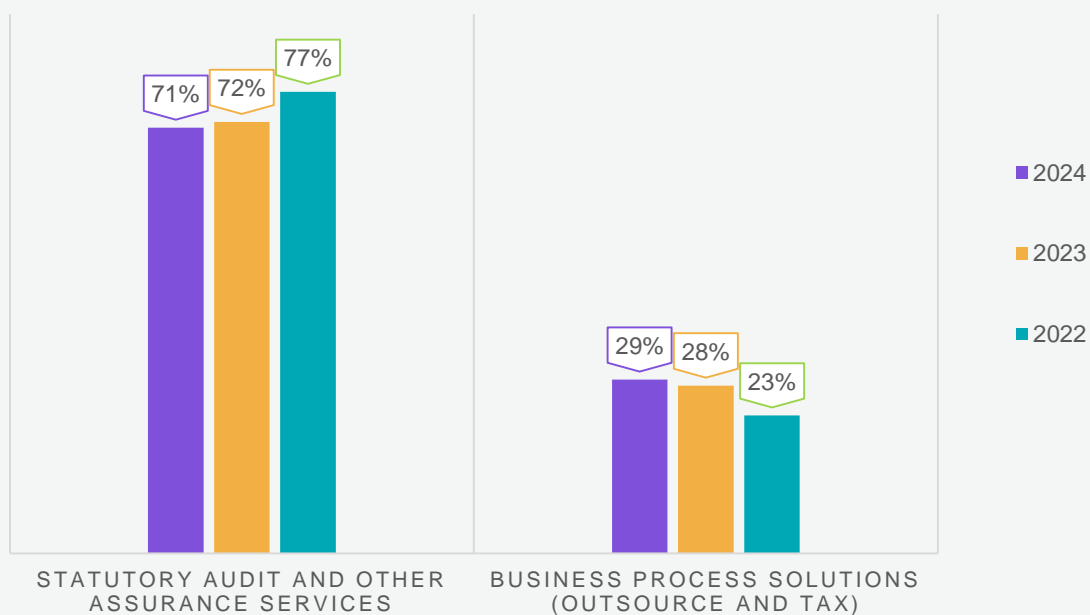
In accordance with our established customer due diligence procedures, we have implemented the necessary and appropriate measures, including conducting risk-based due diligence and screening of prospective clients (and existing clients), as well as establishing policies that ensure compliance with applicable 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.



## COMPOSITION OF FEE INCOME BETWEEN AUDIT AND BUSINESS PROCESS SOLUTIONS



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 and 2024 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, consultation and review

Our audit partners and managers are equipped with proper knowledge and experiences to coach the junior auditors in the process of audit execution. We have a strong culture of consultation, supervision, and support embedded throughout our audit methodology.

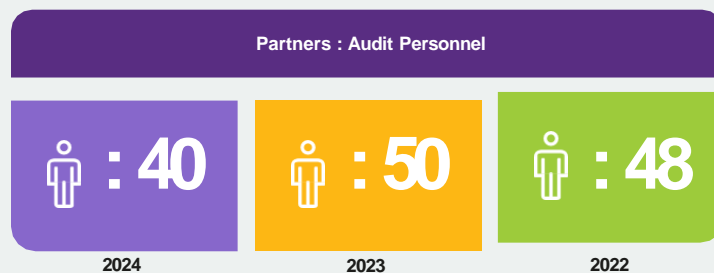
Besides that, we make use of our extensive resources including:

- 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 behaviours 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 sceptical 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 suitably accredited (for example, completion of mandatory training programs, sufficient public company audit experience, industry experience and other criteria).

### Partners to audit personnel ratio



### Audit managers to audit personnel ratio



## Audit Methodology and Technology

### Audit Methodology

The Grant Thornton Audit Methodology is clearly linked with the International Standards on Auditing (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 capabilities tools in the audit execution. Audit evidences are documented within our existing audit software Voyager and our piloting audit software Leap, journal entries review and audit sampling tool are applied in the planning and responding 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 seven 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 audit engagement 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 does so 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 scale and grow.

In line with the Grant Thornton network strategy to become a digitally driven business, Leap is fully 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.



## The Leap Acceptance Tool

Leap Acceptance is adopted in 2024 and it is used to evaluate prospective and reoccurring engagements before undertaking any services. It ensures adherence to standards, monitors regulatory compliance, and facilitates a structured approval workflow. This functionality enhances efficiency, reduces errors, and documents the acceptance process for a standardized and transparent audit engagement.

Acceptance is part of the Leap platform which means our users can work online anytime, anywhere, offering a seamless, collaborative, quick and easy user experience without the need to install separate software. The creation of acceptance and re-acceptance file type increases efficiency of client management and promotes use of Leap for documentation and approvals. This engagement type also adds transparency for team members as well as ease of use for approvers.





# 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 fostering a culture of audit quality is key to empowering our people in delivering high-quality audits. Our culture continues to be underpinned by our CLEARR values.**



### **Grant Thornton's Global Values**

Our strength lies with our people. We believe in investing in our people and 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 the fear of 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 provided including engaging international global training provider for accounting standard training,
- flexibility for our people to choose the dates they take their holidays, study leave or exam leave.
- created flexibility in work by introducing option to work from home, flexihour, and etc.

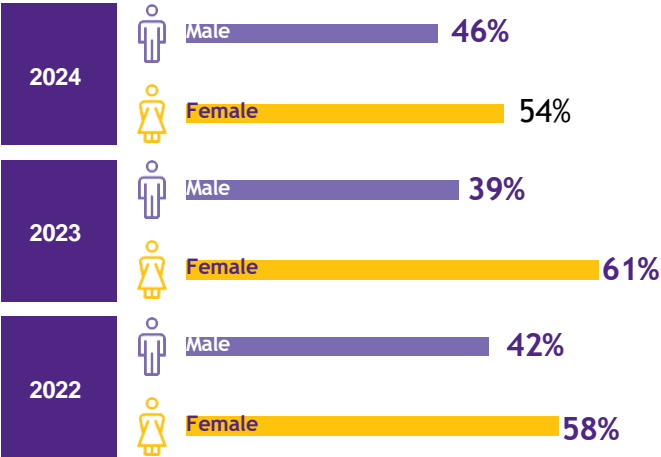
#### **Diversity, Inclusion and Psychological safety**

Diversity of thought, background and experience is vital to us. It brings better decision-making, improves the quality of our delivery and helps us to meet the needs of our clients. Building an inclusive culture, where we value difference and respect our colleagues, is the right thing to do, helps our people to perform at their best and grow to their full potential.

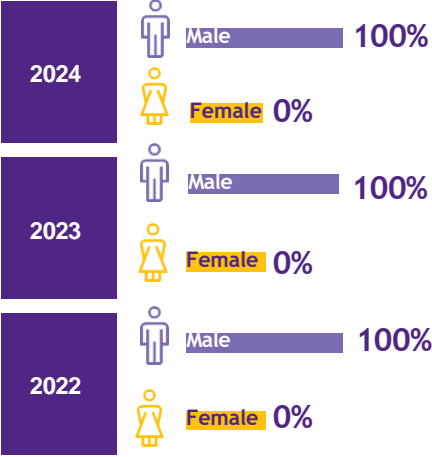
This is also essential to meet global quality standards. Professional standards for audit define 'professional scepticism' as "an attitude that includes a questioning mind, being alert to conditions that may indicate possible misstatement due to fraud or error, and a critical assessment of audit evidence".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

By including wider perspectives, Grant Thornton Cambodia can unleash the power of diversity, retain great talent, and lay the foundations for delivering excellence to clients. Through everyday inclusion, we can embrace diversity and in several areas, we have made good progress but there are remaining work to be done to meet our strategic aim.

Gender diversity in audit and assurance



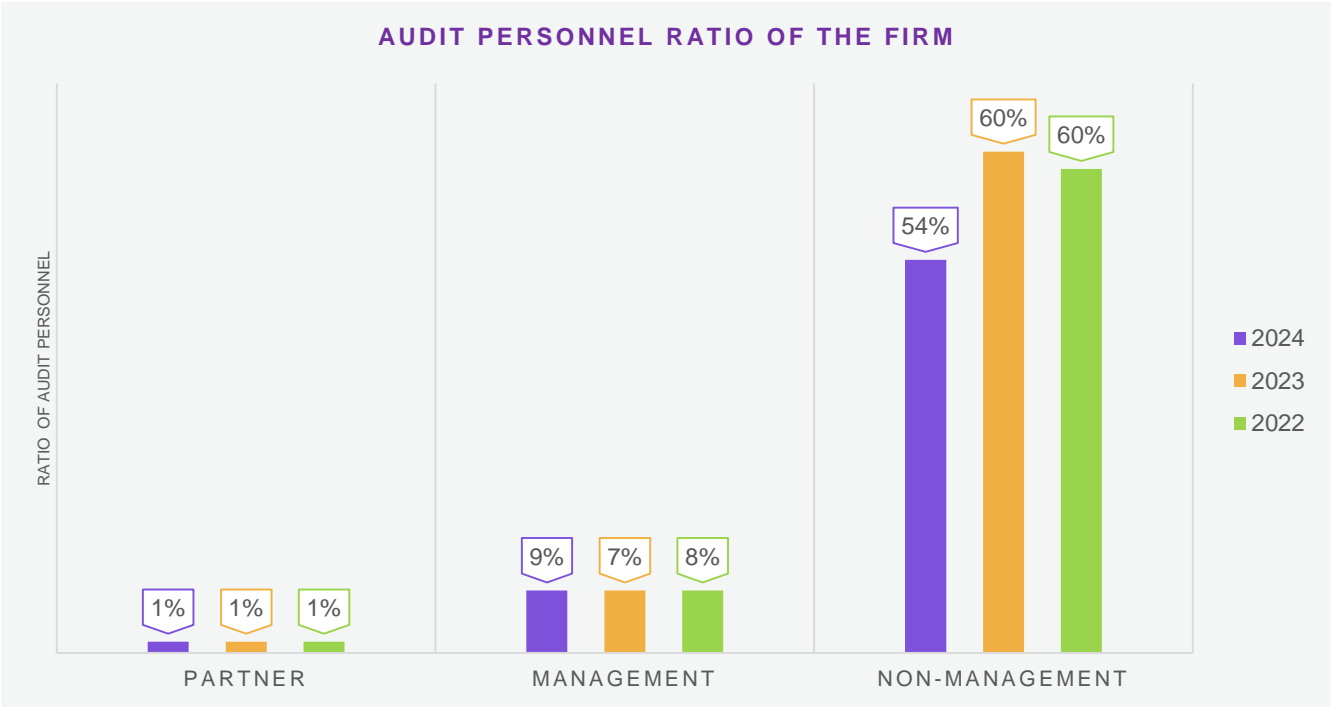
Gender diversity in audit and assurance partners



Recruitment and Retention of Talent

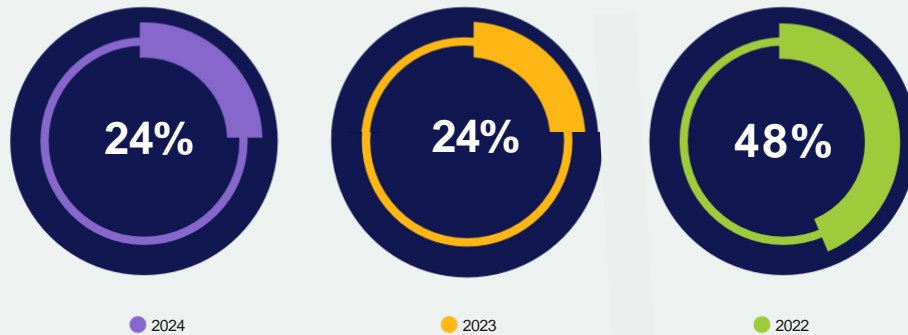
Talent retention is always an industry issue due to the current competitive environment and the post-pandemic borders reopening. Our Talent and Culture team has been working to reconnect and re-establish relationship with our people as we recognised the challenges our people are facing during this challenging period.

Further, we are focused on having the right people with the appropriate skillsets to maintain audit quality, hence our Firm has a thorough interview process to ensure that the new hires are ‘fit and proper’ in terms of skill, competency and independence.



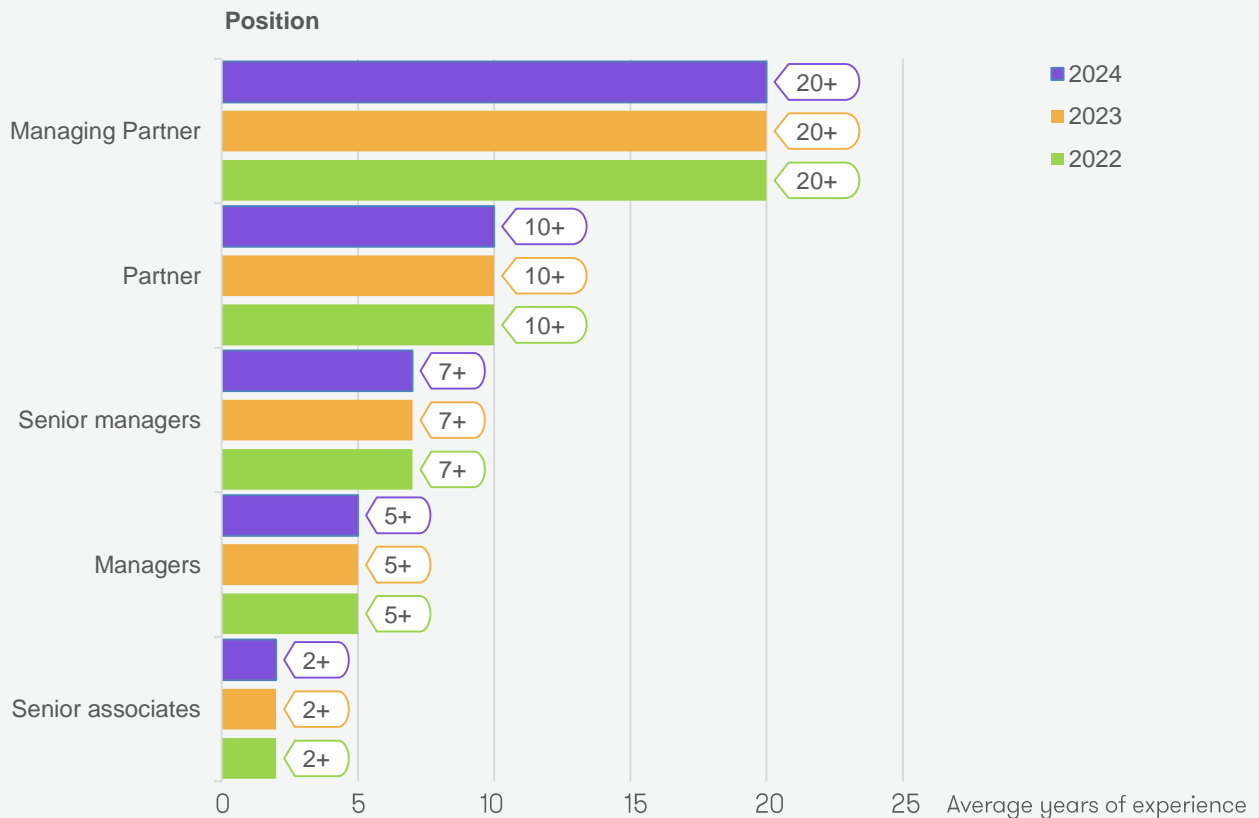


### Turnover rate for audit personnel



The turnover rate was high in 2022 due to economic and competition within the same industry. Nevertheless, the Firm has put in additional efforts to aid staff retention, such as providing continuous training and learning opportunities, enhancement of an additional provident fund in addition to pension program require by the Labour Law, employee caring programme and flexible working arrangement. This has resulted to the decreased in turnover rate of audit personnel in 2023 and 2024.

### Average years of experience of audit partners and audit personnel



## 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 strictly adhere to the Firm's requirement of completing a minimum of 40 hours of Continuing Professional Development (CPD) annually, or at minimum of 120 hours of CPD over a three-year period.

The firm provides professionals with a wide variety of learning programs to enhance knowledge and skills in the following areas, among others:

- Accounting, auditing, financial reporting and regulatory matters,
- Applying audit standards, policies, methodology and tools,
- Fraud prevention and detection and professional skepticism,
- Independence and ethics,
- Industry — for example, financial services, benefit plans, not-for-profit,
- Leadership, communication, and interpersonal skills,
- Supervision of the audit.

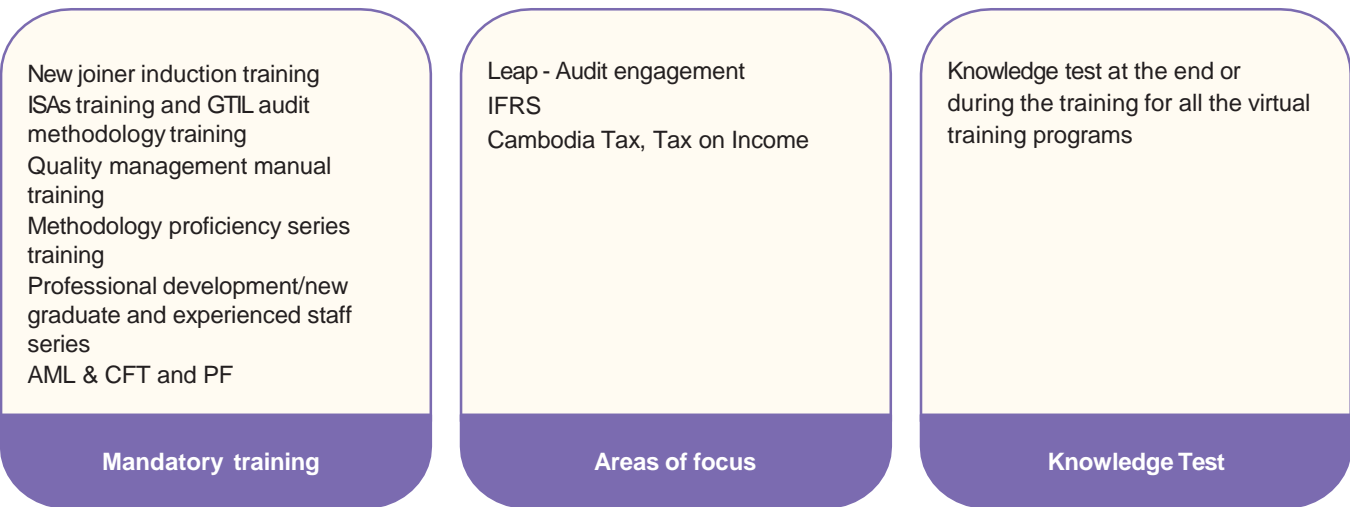
The audit practice established robust policies and processes around learning development and delivery in the following areas to ensure learning programs are relevant and effective:

- 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.

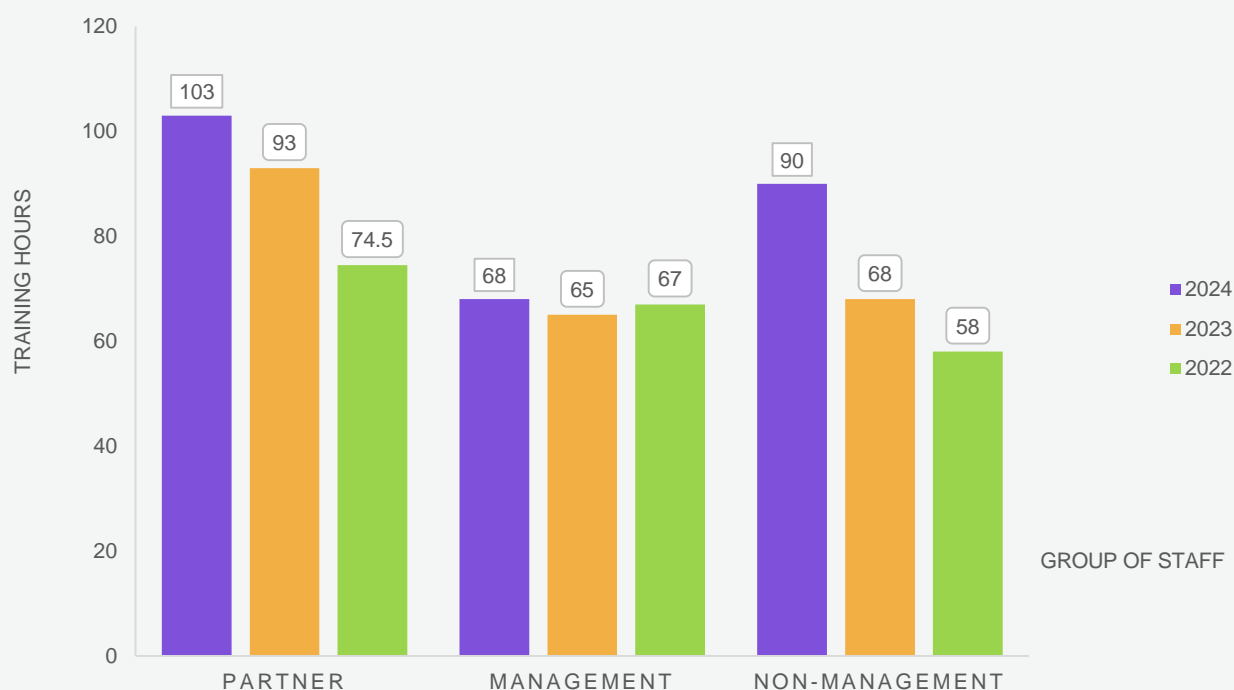
Internal training is provided by our Quality Management Team. The trainings provided include new joiner induction program, latest updates on ISAs and IFRS, communication on internal and external inspection findings, ethic and independence requirement in accordance with ISQM 1 and IESBA and also our QMM. Our internal training sessions consist of a combination of physical and virtual training.

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

Further to that, we have also collaborated with GTIL in engaging an international global training provider for the provision of accounting standards to all of our management personnel. We believe our people will be able to build their technical capabilities and commercial acumen by continuing investing in providing the necessary training to them.

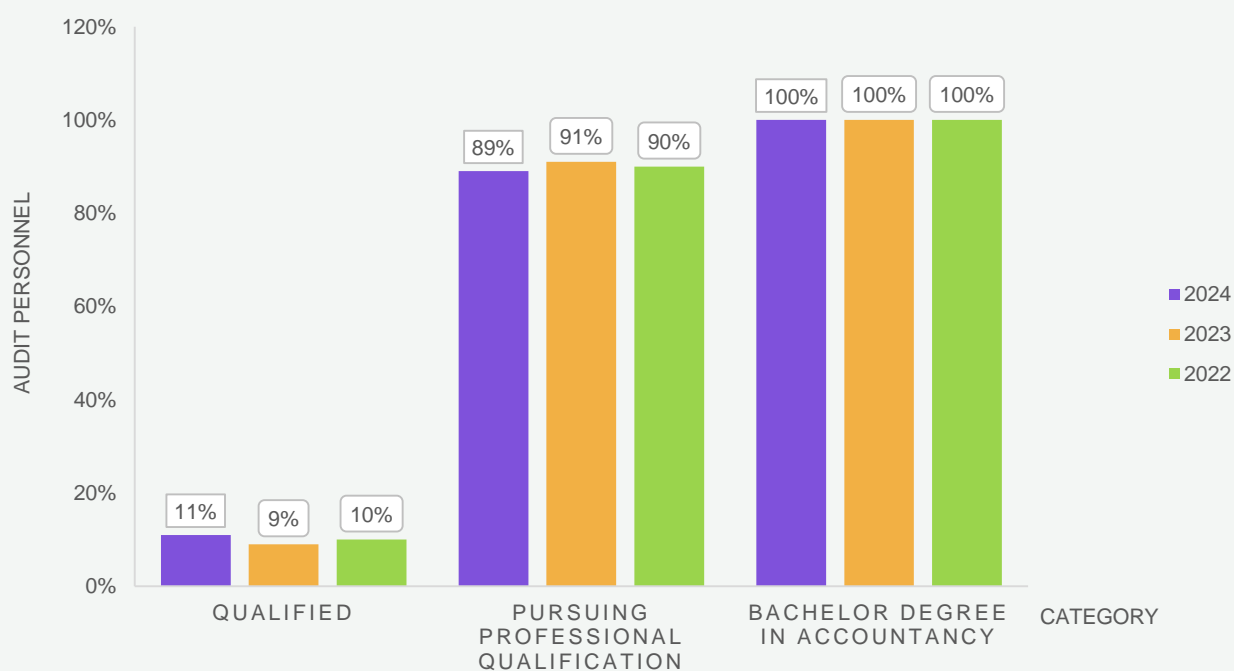


### HOURS OF TRAINING PROVIDED BY THE FIRM TO THE AUDIT PERSONNEL



The Firm ensures that respective groups of audit personnel receive sufficient training hours that fulfill the CPD requirements of a minimum of 40 hours per year, which includes important and relevant industry topics. The hours of structured training provided to each audit personnel has increased significantly in 2024 to ensure our that auditors are equipped with sufficient knowledge to cope with the increasing level of complexities in the audit engagements.

### PERCENTAGE OF AUDIT PERSONNEL WITH PROFESSIONAL QUALIFICATIONS





## Performance and remuneration

All audit partners and audit staff are appraised annually to review their strengths, weaknesses, development and maintenance of competences 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 of the staff level to ensure that the performance appraisals and compensation targets is 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 Partner's audit quality. Their quality performance appraisal includes internal and external inspection results, effectiveness in handling clients' situations, compliance with risk management policies, compliance on the requirements of minimum training hours and many more. Ratings from 1-5 will be given to each criterion and remuneration will be affected should the ratings are low. Further consultation will be given by the CEO & Managing partner and ExCo members should there be independence, ethics or audit quality issues.

## Quality Management and Quality Monitoring

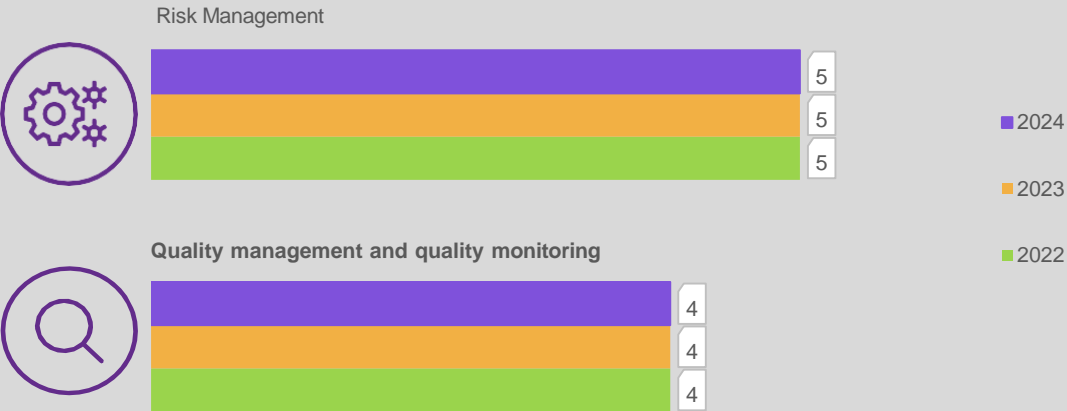
Within Audit, our Quality Management Team and Quality Monitoring Team (QMTs) support a range of quality processes. The QMTs are the centre of excellence for our specialists in audit and accounting. They are responsible for:

- Establishing and enforcing policies related to accounting and auditing services, including client acceptance and continuance and independence,
- Maintaining, updating and reviewing the firm's accounting, auditing, independence and ethics, regulatory and certain other audit services resources,
- Providing timely information and thought leadership concerning current developments in areas of accounting, auditing, ethics and independence, regulatory actions, and specialized industries,
- Administering various professional and firm quality control functions, including various monitoring activities, and
- Consulting on technical matters relating to accounting and auditing practices.

We continue to promote a culture of openness and encourage all members of the practice to consult with colleagues and QMTs. This sharing of knowledge and experience is key to the delivery of audit quality and is supported by specific requirements for auditors to consult with the QMTs on key judgmental and complex issues. Our policies, processes and guidance support teams to ensure our audits comply with relevant requirements.



Headcount of risk management and quality functions



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 (CLEARR) 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 exceeding 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, and
- On the audit engagement level, full assessment of independence of all members of the engagement team at the planning stage.

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 the 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 the GIS system, the respective personnel is required to dispose of the respective financial interest immediately. An annual GIS Audit will be performed by the GIS Compliance Officer on a rotational basis for 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.

Global Independence System (GIS)

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 16<sup>th</sup> July 2025 is **GREEN**.

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

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, and
- 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.

## 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 it to the Ethics and Independence Partner and Leader immediately.

## Ethics Hotline

We are committed to deliver our services with high standards of ethics, integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. As part of our commitment to ethics and compliance, clients or employees can file a complaint through the Ethic hotline on our Firm's website confidentially. This has been made available to ensure that both our Firm professionals and our clients can seek clarification and help or to report potential ethics and compliance violations.

## Anti-money laundering

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 officer.

## 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.

## 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 non-disclosure 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 example of our confidentiality, privacy and integrity controls are 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 which exceeds the capability of a Firm's existing resources. Our most recent GTIL Cybersecurity Control Compliance Review was conducted virtually by GTIL in 2023 with the status of "compliant". The review continued in 2024, identifying some areas for improvement, which have been promptly addressed. Currently, our firm is undergoing a 2025 compliance review of the Cybersecurity control, and the results have not yet been released as of the date we finalizing this transparency report.

## 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 in our home country.

Our crisis management team comprises ExCo with significant experience in handling emergency situations. Included in our policy are examples situation of crisis and the implications to the Firm. Should any of the situations occur, ExCo members will immediately convene to identify 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 complies 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 level:

- 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 ensure 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. In addition, we collaborate with the countries in ASEAN, namely Malaysia, Philippines, and Vietnam, in various quality strategies, including cross review, focusing on improving region wide audit quality and consistency.

## Quality Support Review (Hot Review)

Our Quality Support Review (QSR) begins in the year of 2022 as part of our efforts to improve the 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 select the relevant audit documentations 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 the Quality Monitoring Partner.

## Internal Quality Review (Cold Review)

The Internal Quality Reviews (IQR) is an annual process to assess the quality of completed audit works 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 review individual engagements and assesses firm policies and procedures, whether professional standard and regulatory and legal requirements are adhered to and quality control system has been appropriately designed and effectively implemented.

All findings will be 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 senior leaderships of the respective services lines. The Head of Risk assisted by the Quality Management Team communicate 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 this type of finding is automatically rated as a material weakness.

After evaluated the findings, the Quality Monitoring Team will rate the file in overall as Pass, Improvement needed or Fail accordingly.

During our current year review, we have identified common findings as below:



## 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 three years. GTARs are conducted in accordance with the procedures developed by GTIL and covers audit, tax, and advisory services.

The GTAR inspection ensures that our Firm is meeting 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 of partners and staff on various matters as of the date of their inspection.

The review performed is also 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. Timely remediation plan shall be submitted from our Firm to ensure that the items that were identified during the review is rectified immediately.

Targeted reviews involve a review of specific cycles in an audit engagement file, carried out remotely, in-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.

Our latest GTAR was concluded in August 2024, identifying some areas for improvement, which have been addressed.

## External Inspections

Accounting and Auditing  
Regulator of Cambodia

General Department of  
Taxation

Ministry of Labour Vocational  
and Training and General  
Department of Immigration

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 gives us opportunities to continue to improve our quality.

### Accounting and Auditing Regulator of Cambodia

Our Firm was subjected to an Audit Quality Review by Accounting and Auditing Regulator of Cambodia from 06 to 08 September 2017 and from 01 to 03 November 2021, with no major findings.

We remain committed to maintaining the highest standards of audit quality and professional ethics. To ensure this, we regularly enhance our integrity quality control systems, invest in continuous staff training, and comply strictly with applicable laws, regulations and International Standards on Auditing.



### General Department of Taxation

Our Firm was selected for a comprehensive tax audit covering the last three years from 2018 to 2020. The audit was fully completed in early 2024, with no tax reassessment issued.

Grant Thornton Cambodia is committed to maintaining full tax compliance and uploading the highest standards of transparency and integrity. As part of this commitment, we continuously review and strengthen our internal controls, ensure timely and accurate tax filings, and stay up to date with relevant tax regulations.

### Ministry of Labour Vocational and training and General Department of immigration

Our Firm was last inspected by Ministry of Labour Vocational and Training on 07 December 2022 and with General Department of immigration on 22 January 2025, Both inspections conducted with "Compliant" status.

These inspections were to ensure adherence to the Labour Law and related regulations, including compliance with requirements on work permits, foreign employee quotas, National Social Security Fund (NSSF) contributions and other legal obligations.

Since the beginning of our Firm's operations, Grant Thornton Cambodia has been fully committed to complying with all applicable Labour and immigration Laws. We continue to upload this commitment by maintaining transparent practices, regularly reviewing our compliance procedures, and ensuring that all obligations are met in timely and responsible manner.



## Evaluation of operating effectiveness of 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 off 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, the evaluation of SoQM covers governance and leadership, acceptance and continuance of client relationship and specific engagement, engagement performance and resources. Based on the assessment of the CEO & Managing Partner, we did not identify any failings or weaknesses deemed to be significant. 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 CEO & Managing Partner'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.

## 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 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.

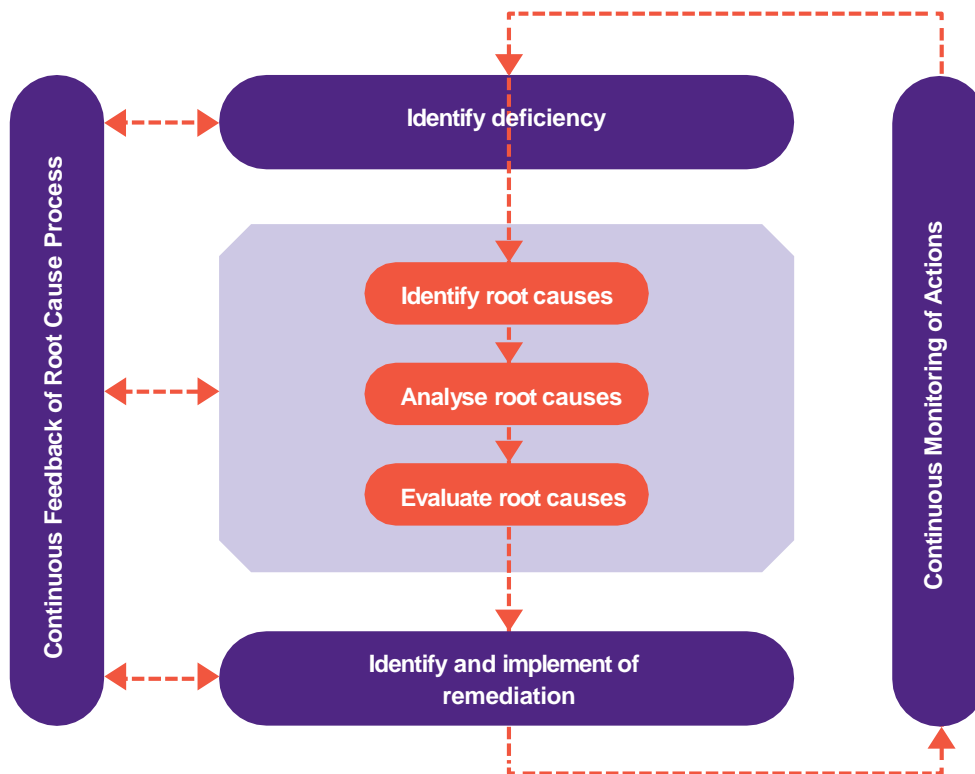
An integral part of audit practice is achieving significant long-term performance improvement through effective RCA processes. An RCA identifies the most probable causes of desired and undesired outcomes with the goal of formulating and implementing corrective actions to mitigate the undesired outcomes 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 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 this 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 are designed based on the RCA to rectify inspection findings and prevent recurrence. The Firm will communicate at least annually the results of the quality monitoring procedures to all levels of the auditors and during the audit management meeting. Information to be communicated include 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 IQR performed, a copy of the completed IQR report and remediation action plan will be uploaded to the GTIL IQR SharePoint site.

Grant Thornton Cambodia's Quality Monitoring Team have been analysing the root causes of 2024 monitoring findings and these are the opportunities for greatest improvement:

- increase focus on quality in the culture,
- better understanding of process for applying accounting and auditing standards,
- improved partner and manager oversight,
- leadership shall effectively communicate the importance of quality.

# 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.

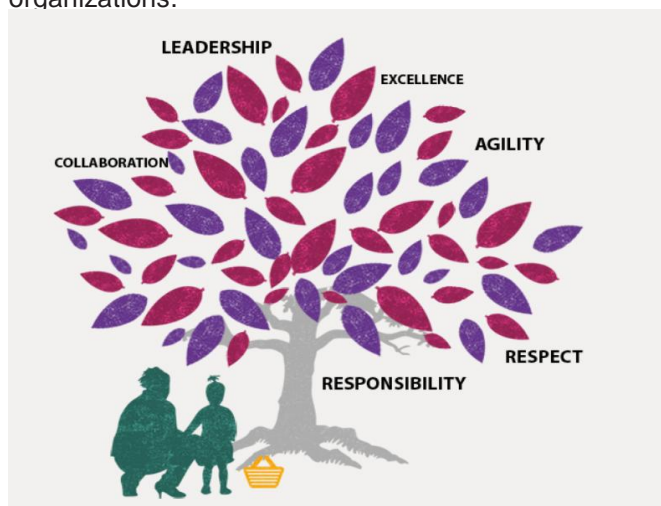
At Grant Thornton, we feel an abiding commitment to the community we serve and to which we are honored to belong. We incorporate the Grant Thornton values of CLEARR in all the activities we participate in: Collaboration, Leadership, Excellence, Agility, Respect and Responsibility.

## 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 Firm's 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, and in November 2024, Grant Thornton Cambodia and its employee raised funds and donated it to the Kantha Bopha Foundation as a part of our heartfelt commitment to support children in need for medical treatment in Cambodia.

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



Planting mangrove trees



Donation of funds to NGO



Donation of school supplies



Donation of funds to Kantha Bopha Hospital



# Additional Information



# Appendix

Quality Objectives	Quality Risk	Response
<b>Engagement Performance</b> <ul style="list-style-type: none"> <li>The nature, timing and extent of direction and supervision of engagement team and review of the work performed is appropriate based on the nature and circumstances of the engagements and the resources assigned/made available to the engagement teams, and the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced engagement team members.</li> <li>Engagement teams exercise appropriate professional judgment and, when applicable to the type of engagement, professional scepticism.</li> <li>Consultation on difficult or contentious matters is undertaken and the conclusions agreed are implemented.</li> <li>Engagement documentation is assembled on a timely basis after the date of engagement report, and is appropriately maintained and retained to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards.</li> </ul>	<ul style="list-style-type: none"> <li>Inconsistent or contradictory information/audit evidence is unresolved due to a lack of professional scepticism at the engagement level.</li> <li>Difficult or contentious engagement performance matter receives inadequate responses due to insufficient experience and knowledge of engagement team.</li> <li>Engagement documentation is not assembled and archived on a timely basis after the data of the engagement report or release of the service deliverable.</li> </ul>	<ul style="list-style-type: none"> <li>The engagement partner is responsible for clear, consistent and effective actions being taken that reflect the firm's commitment to quality.</li> <li>Promote open and robust communication within the engagement team to support the team members to raise issue without fear.</li> <li>Emphasize on the importance of exercising professional scepticism.</li> <li>Technical consultation shall be performed and only individuals having appropriate knowledge, seniority and experience shall provide the consultation.</li> <li>Consultation conclusion is monitored by the firm's quality management function.</li> <li>Archival dates are centrally monitored for compliance.</li> </ul>
<b>Monitoring and Remediation</b> <ul style="list-style-type: none"> <li>The firm shall establish a monitoring and remediation process to:               <ol style="list-style-type: none"> <li>provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management,</li> <li>take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis.</li> </ol> </li> <li>The firm shall design and perform monitoring activities to provide a basis for the identification of deficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>Monitoring process does not detect a deficiency including those identified by external inspections.</li> </ul>	<ul style="list-style-type: none"> <li>Utilise review tool kit issued by GTIL Global quality team and ensure latest version is used.</li> <li>Only personnel with appropriate skills and competency and sufficient time to fulfil the role. Training to be provided to new engagement quality reviewers.</li> </ul>



Quality Objectives	Quality Risk	Response
<b>Resources</b> <ul style="list-style-type: none"> <li>Personnel demonstrate a commitment to quality through their actions and behaviours and are held accountable or recognised through timely evaluations, compensation, promotion and other incentives.</li> <li>Appropriate technological resources are obtained or developed, implemented, maintained and used to enable the operation of the firm's system of quality management and the performance of engagements.</li> </ul>	<ul style="list-style-type: none"> <li>Staff and partners remuneration and promotion are not linked to performance evaluation to reflect a balance between quality and other elements of the business strategy.</li> <li>Users are not properly trained on the use of new/existing audit tools and other technological and intellectual resources.</li> </ul>	<ul style="list-style-type: none"> <li>Establish policies or procedures for receiving, investigating and resolving complains and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the firm's policies and procedure established in accordance with ISQM 1.</li> <li>Establish a requirement of appraisal for all partners and staff which include career progress, training needs workload and involvement level in engagements.</li> <li>Partner's appraisal form shall demonstrate a link between advancement and partner remuneration to quality and ethics.</li> <li>Exercising quality is set as a requirement for promotion to leadership.</li> <li>Ethic hotline is provided for reporting conduct that may be illegal, unethical, in violation of professional standards and GTIL global policies.</li> <li>The firm develops and delivers formal training on any changes to the audit practice, including updates of software. The firm designs a process to determine that changes are communicated, together with dates for implementation, to all professional staff and training is provided.</li> </ul>
<b>Information and Communication</b> <ul style="list-style-type: none"> <li>Appropriate technological resources are obtained or developed, implemented, maintained and used to enable the operation of the firm's system of quality management and the performance of engagements.</li> </ul>	<ul style="list-style-type: none"> <li>Inadequate protection on access to data may result in breaches in confidentiality of information contained in the data, destruction of data or improper changes to data.</li> </ul>	<ul style="list-style-type: none"> <li>Maintains a cybersecurity plan which is regularly discussed with the firm's leadership and provided to GTIL on annual basis so that GTIL is able to assess the cybersecurity risk within the GT network.</li> <li>Monitors compliance with other cybersecurity requirements and reports on its compliance with the minimum standards annually.</li> <li>Provide cybersecurity training for all employee annually.</li> <li>Use of password for the access of electronic documentation.</li> <li>Periodically reviews user logs in the IT environment to assess whether only authorised user access data.</li> <li>Investigate and report unusual logs to appropriate personnel.</li> </ul>



Quality Objectives	Quality Risk	Response
<b>Acceptance and continuance of client relationships and specific engagements</b> <ul style="list-style-type: none"> <li>Judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate based on the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Unauthorised work is performed prior to required client acceptance procedures being completed.</li> <li>Unauthorised work is performed on an existing client/engagement prior to engagement acceptance procedures being completed.</li> </ul>	<ul style="list-style-type: none"> <li>The firm requires client acceptance documentation, such as a client acceptance form, for all new clients and for new engagements performed for existing clients. Documentation should include evidence of relevant matters detailed in ISQM 1.</li> <li>The firm requires documented approval of the final client acceptance decision or engagement acceptance if it is a new engagement for an existing client. Client/engagement acceptance cannot be finalised as 'accepted' until all required approvers have signed off within the client/engagement acceptance documentation.</li> <li>The creation of engagement, time-recording and billing system codes is restricted until documented client acceptance approval is obtained.</li> <li>Roll forward of engagement files to future periods restricted until client continuation has been finalised.</li> </ul>

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