

# **GCS Malta** Transparency Report 2024



# Contents

Message from Leadership	4
The Network	7
Legal Structure & Ownership	14
Internal Quality Controls and Independence	17
Company Culture, Training, CPE	23
Financial Information	32
Public Interest	35

**GCS Malta**  
Transparency Report 2024  
For the year ending 31 December 2024


# Message from Leadership

At GCS Assurance Malta Ltd., leadership is more than guidance; it's about inspiration, trust, and collaboration. Our leadership team is committed to fostering a culture of excellence and accountability. Through transparent communication, regular updates, and strategic alignment, we ensure our vision translates into measurable success.



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Christian Gravina  
**CEO**



“At GCS Assurance Malta Ltd., our journey is driven by integrity, innovation, and an unwavering commitment to excellence. Together, we continue to grow, adapt, and deliver value to our clients, our team, and our community. Thank you for being part of our success story.”



# The Network

# Kudos International Transparency Report January 2025

## Introduction

This transparency report provides information about the operations, governance, and performance of Kudos International, an international network of audit firms. The report aims to promote transparency and accountability by providing stakeholders with a comprehensive overview of our policies, practices, and procedures.

As an audit network, we play a critical role in promoting confidence in financial reporting and enhancing the quality of audits worldwide. We provide auditing, assurance, and advisory services to a diverse range of clients, including public companies, private businesses, and not-for-profit organisations.

Our commitment to transparency and accountability is central to our mission, and we believe that our stakeholders have a right to know how we operate, the policies and procedures that govern our work, and the steps we take to ensure the quality of our services.

This transparency report is part of our ongoing efforts to promote greater transparency and accountability and to build trust with our stakeholders. We hope that this report provides a comprehensive overview of our operations and inspires confidence in our work.

## Explanation of the audit network's role and responsibilities

Kudos International Network is a partnership based in the United Kingdom. It is a worldwide network of independent audit and accounting firms which provide professional services to clients. Kudos International Network provides no services to the clients of its members.

Members of Kudos International Network are separate legal organisations and are only associated with each other by being members of Kudos International Network.

Some of the members of Kudos International Network use Kudos as part of their business name. Nothing in the arrangements or rules of Kudos International Network creates or implies an agency relationship or a partnership between Kudos International Network and the member firms of Kudos International Network.

Any claim arising from work by a Kudos International Network member can only be made against that member. Claims cannot be made against Kudos International Network, or personally against any other person or organisation involved in working for you.

The Kudos network leadership is responsible for the determination and implementation of the global strategy and the approval and admittance of new member firms.

The network leadership liaises regularly with the membership to ensure the strategy meets the requirements of the membership and addresses regional variations.

Each of the network leadership members have a track record of embedding quality within the accounting profession – this experience is critical to the culture of the Kudos network.

The network leadership is responsible for the implementation of the quality management regime of the network. This consists of annual assessments of compliance with the requirements of International Quality Management Standard 1 (ISQM 1). The purpose of this regime is to assess the quality of the procedures and work of the Network Firm, does not compromise the quality objectives of the Network as a whole, as well as complying with the requirements of ongoing membership of the Forum of Firms.

A full list of the firms that are member of Kudos International can be found at <https://www.kudos-international.com/find-a-firm>

The total income of the network members is \$139.9m(USD).

## Forum of Firms

Kudos International is a proud member of the Forum of Firms.

The Forum of Firms is an independent association of international networks of firms that perform transnational audits. The Forum's objective is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide—bringing together firms that perform transnational audits and involving them more closely with IFAC's activities in audit and other assurance-related areas. Forum members must demonstrate their commitment to adhere to and promote the consistent application of high-quality audit practices worldwide, as detailed in the Forum's Constitution, operating procedures, and governance arrangements.



## EGIAN

Kudos International Network has recently joined the EGIAN group.

The European Group of International Accountancy Networks and Associations is a European membership organisation based in Brussels. Its members are global accountancy networks and associations.

### Governance and Oversight

The Network is led by its Chairman Brett Kelly.

Brett joined as Chairman in October 2024 as a result of the acquisition of a controlling stake by Kelly Partners Group Holdings Limited.

Brett founded Kelly+Partners Chartered Accountants in 2006 and, over 18 years, has grown the business to become Australia's leading global accounting firm and the 21st largest firm in the country.

Brett has grown Kelly+Partners from two greenfield offices in Sydney to 38 operating businesses across 35 locations in Australia, the United States, Hong Kong, and India. The team now consists of more than 550 people, including 105 partners, serving over 23,000 SME clients.

Brett is a Chartered Accountant and holds a bachelor's degree in business from the University of Technology Sydney and a master's degree in taxation from the University of New South Wales.

The network CEO is Alun Morgan, who maintains a significant minority equity stake in the network.

Alun is a member of the Institute of Chartered Accountants in England & Wales, and is a former council member of that body. He also holds the appropriate qualification for audit purposes in the United Kingdom.

In addition the network is staffed by its COO Alistair Bryant MBE, and Rebecca Williams who is the Operations Manager.

Diego Vallegiani is the co-ordinator for the Latin American regions. He is an audit partner in ILYG + in Buenos Aires, Argentina.

### Explanation of the audit network's code of conduct and ethical standards

All Kudos International firms undertake that they will comply with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards). Members are also bound by their national ethical guidelines, some of which may differ from, or exceed the requirements of the IESBA rules.

Members also have to abide by a code of conduct which is signed up to when joining which covers the following areas:

- Abide by the requirements of ISQM 1 and implement the Kudos ISQM 1 risk assessment matrix and subsequent System of Quality Management (SOQM)
- Implement agreed action plans arising from ISQM 1 monitoring activities
- Deal with any cross-border referrals on a timely and professional basis
- Take part in regular meetings of the membership as available
- Only undertake work that is within their professional capabilities
- Undertake to arrange indemnity insurance coverage in such amounts and with terms of coverage adequate to indemnify themselves in the event of a liability claim and to disclose such coverage annually to the Board. In areas where such coverage is not obtainable; the Board shall set aside this requirement
- Provide annual information to network leadership on the annual income and staffing levels within the firm
- Provide whatever information they reasonably can about accountancy, legal and business matters in his own country. It is anticipated that unless material work is involved, such information will be furnished at no cost but where the work is material, charges at the option of the Member for supplying information in this way will be agreed in advance.

### Quality Management and Assurance

The network undertakes an annual assessment on a remote basis, on the adherence of the member firm to the requirements of ISQM 1. This consists of a review of procedures and a review of audit and assurance files. The review of procedures will involve an element of verifying the procedures of the Member Firm.

The review of the audit assurance files may be quite limited, and reliance may be placed on existing reviews undertaken by those with greater knowledge of local regulations and Company Law. If the initial reviews suggest that there are issues surrounding quality of audit work then further reviews on a chargeable basis may be imposed on the member firm.

The audit and assurance files chosen for review will be decided upon by the network. The review will close with a debrief session which will outline any deficiencies as defined by ISQM 1 and their root cause. This will include an action plan for remedial procedures required.

Consistent breaches of standards and network expectations may lead to the expulsion of the firm from the network.



## Independence and Objectivity

Kudos International is required to implement a system which allows firms to know whether an independence threat is posed by services provided to the same client by another network firm.

To achieve this, Kudos International maintains a register of Public Interest Entity clients that network firms provide services.

A PIE is defined in the IESBA code of ethics as:

For the purposes of this Part, a firm shall treat an entity as a public interest entity when it falls within any of the following categories:

- (a) A publicly traded entity;*
- (b) An entity one of whose main functions is to take deposits from the public;*
- (c) An entity one of whose main functions is to provide insurance to the public; or*
- (d) An entity specified as such by law, regulation or professional standards to meet the purpose described in paragraph 400.10. (This largely covers very large private entities that will have considerable public interest)*

The procedures that Kudos firms should undertake is as follows:

1. Inform Kudos International's operations manager if they deal with ANY clients that fall into the above category for ANY work. The details should include the name of the client and the nature of the work undertaken.
2. When they are pitching or obtain any work on a PIE, they should review both the list of audit client PIE's and the non-audit client PIE's at the "Regulations" section of the Kudos International members only website. If there are any entries for the client they are making a proposal too, then you should email the other Kudos firms concerned to assess whether there is an independence issue. Further assistance can be provided by Kudos in such instances. We expect these to be very rare, but we should have procedures in place.
3. When they are no longer act for a PIE client they should email Kudos International's operations manager, detailing the client lost and the activities undertaken.

## Review of Quality Management Activities

The quality management activities in 2024 involved visiting firms on a cyclical basis to assess adherence to the standards set by the International Audit and Assurance Standards Board (IAASB).

As a result of the work done in 2023, it was decided that pan network virtual training on aspects of audit work would be desirable. This was provided towards the end of 2024 for members and was well received, and attended by in excess of 600 individuals.

Themes arising from visits in 2024 were as follows:

- Sampling- Members were not always using the sampling methodologies laid out in the audit systems that they use. In addition the sample selection method was often

unclear.

- Final Conclusions- In areas of the audit where key decisions needed to be made that would affect the audit report, the thought process behind the conclusions was sometimes not documented.
- Implementation of ISA 315- In some cases, implementation of ISA 315 (Revised) was not 100% achieved. Firms have been provided with training to assist them in applying the requirements, especially the need not to assess control risk if tests of operational effectiveness are not used, and the need to document controls over IT systems.

## Conclusion

The next two years will be challenging. Whilst there are no imminent changes to the ISAs expected until period beginning on or after 14 December 2026, regulator expectations are increasing and firms will need to consider implementation of new technologies to improve efficiencies and quality.

We will also need to keep up to date on upcoming changes in financial reporting for private companies in many countries of the world, and also prepare clients and auditors for the implementation standards issued by the International Sustainability Standards Board (ISSB).

# Legal Structure and Ownership

GCS Assurance Malta Limited operates as a limited liability company established under Maltese law, with registration number C79687, and is registered with the Accountancy Board as an Audit Firm under registration number AB/2/17/14. The firm operates from its offices situated at Agora Business Centre, Level 2, Valley Road, Msida.

The firm's audit practice is regulated by the Accountancy Profession Act, and is subject to regular monitoring by the Quality Assurance Board.

During the year under review, the shares of GCS Assurance Malta Limited were held as follows:

- Mr. Christian Gravina - 12,500 Shares (Class Ordinary A)
- Michael Kyprianou (MALTA) Ltd. – 12,500 Shares (Class Ordinary B)

Mr. Christian Gravina is the controlling party as the holder of the A ordinary shares, which in turn holds the equivalent of 60% of the voting powers of the board. The Directors of GCS Assurance Malta Limited are Mr. Christian Gravina and Ms. Ruth Mallia who, together with Mr. Stefan Micallef, sign audit reports on behalf of the Firm.

Services provided in-line with the Company Service Providers Act are undertaken by GCS Accounting Malta Limited, a separate legal entity fully owned by a Class C CSP authorisation as issued by the Malta Financial Services Authority.

The firm's compliance and risk officer is Ella Sultana Loporto who is responsible for risk management and regulatory compliance, including due diligence requirements.

The governing body of the firm are the directors and principals, who meet at regular intervals to discuss strategy and to monitor the firm's progress. Through management and leadership structures, management and supervisory levels are actively involved in the management of the firm, while certain personnel carry specific executive roles, reporting to the board of directors.



# Internal Quality Controls and Independence

GCS Assurance Malta Limited is committed to upholding the highest standards of quality in all its services. The firm adheres to the International Standard on Quality Management framework to ensure consistent performance of quality engagements.

## Leadership and Governance:

The firm's commitment to quality is driven by its governance and leadership structure. GCS Assurance Malta Limited has established quality objectives that address governance and leadership, with a strong emphasis on promoting a culture of quality throughout the organisation. The firm recognises the importance of professional ethics, values, and attitudes and reinforces these principles among all personnel. The leadership team is responsible and accountable for quality and demonstrates their commitment through their actions and behaviours.

The organisational structure of GCS Assurance Malta Limited is designed to facilitate effective decision-making and the smooth operation of the system of quality management. Roles, responsibilities, and authority, are clearly defined to ensure that quality objectives are met. Adequate financial and other resources are allocated to support the system of quality management and the performance of quality engagements.

## Risk Assessment Process:

GCS Assurance Malta Limited employs a comprehensive risk assessment process to identify and assess potential threats to achieving its quality objectives. The risk assessment process considers various factors, such as the complexity of the firm's operations, the types of

engagements undertaken, and available resources. A key element of the risk assessment process is the identification and evaluation of quality risks at both the firm level and the individual engagement level. Responses are designed to address these quality risks and ensure their continued appropriateness and effectiveness.

## Relevant Ethical Requirements:

GCS Assurance Malta Limited is committed to upholding the highest ethical standards in all its engagements. The firm complies with all relevant international and local ethical rules and regulations. It has established clear policies and procedures to guide personnel in complying with ethical requirements, centralised around the Fundamental Principles of Integrity, Objectivity, Professional Competence and Due Care, Confidentiality and Professional Behaviour.

These policies cover a wide range of topics, including:

### Independence:

The firm has policies and procedures to ensure that its personnel are independent of audit clients and that any threats to independence are identified, evaluated, and addressed appropriately.

The firm has designed and implemented a robust system of quality management that includes policies and procedures to address quality risks, ethical requirements, and regulatory compliance including independence requirements related to the rotation of key audit principals.

Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

We adhere to the independence rules published by IESBA and the Malta Code of Ethics (which includes the transposition of the EU Audit Regulation).

### Conflicts of Interest:

The firm has a policy to identify and manage potential conflicts of interest. This policy involves disclosure of any conflicts by personnel and the implementation of safeguards to mitigate any threats to objectivity.

## **Confidentiality:**

The firm respects the confidentiality of information acquired during client engagements and has procedures to protect sensitive data.

## **Professional Conduct:**

The firm expects its personnel to maintain the highest standards of professional conduct in all their dealings with clients and other stakeholders.

To reinforce its commitment to ethical conduct, the Company provides ongoing training to its personnel on relevant ethical requirements. This training helps to ensure that personnel are aware of their ethical responsibilities and can apply ethical principles in their work.

## **Engagement Performance and Monitoring:**

We ensure that all audit engagements are conducted with consistency, following the firm's methodologies and audit standards, with the appropriate levels of review and oversight at each stage.

Continuous monitoring mechanisms are in place to assess the design and effectiveness of the quality control system. This includes reviews of engagement documentation, regular internal inspections (both preventive (hot reviews) and detective (cold reviews)), and feedback from the network and other external regulators.

In accordance with applicable regulatory requirements, the firm is reviewed periodically by national and international regulators and/or professional bodies. In this respect GCS Malta is subject to periodic review by the Quality Assurance Unit (QAU) of the Accountancy Board. The most recent QAU review of the firm was completed in 2023.

## **Remediation of Deficiencies:**

Where deficiencies in the system are identified, appropriate actions are taken to remediate these and prevent recurrence.

The management body of GCS Assurance Malta Limited takes full responsibility for the design, implementation, and operation of the internal quality control system. Based on ongoing monitoring and review processes, we are confident that our quality control system is operating effectively, providing reasonable assurance that our audit engagements comply with relevant professional standards and regulatory requirements.

We remain committed to continuous improvement and will implement any necessary actions to enhance the system further as part of our dedication to maintaining high-quality services for our clients.



# Company Culture, Training and CPE

Our company culture is built on a strong foundation of shared values that guide our everyday actions and decisions:



**Excellence:** We are committed to delivering exceptional services that exceed expectations.

**Empowerment:** We encourage our people to take initiative, grow professionally, and make impactful contributions.

**Trustworthiness:** Integrity and transparency are at the core of our relationships with clients, colleagues, and stakeholders.

**Teamwork:** Collaboration is key to our success, and we foster an environment where collective effort drives outstanding outcomes.

**Care:** We value our people, clients, and community, and approach every interaction with respect and consideration.

These values shape our workplace culture, enabling us to build trust, inspire loyalty, and maintain a reputation for professionalism and excellence.

Our culture is defined by our shared commitment to our core values and our dedication to fostering an inclusive and collaborative workplace. It is a culture where individuals are encouraged to grow, contribute, and succeed while being supported by a strong sense of purpose and mutual respect. At GCS Malta, culture is not merely an abstract concept - it is the backbone of our identity and a driving force behind our success.



## Measurement and Transparency

We believe in holding ourselves accountable to the highest standards by regularly assessing our cultural health and alignment with our values. This is achieved through employee feedback surveys, performance evaluations, and open communication channels. Transparency remains at the core of our cultural assessment, ensuring employees at all levels understand their role in upholding our values and contributing to our collective success.

## Leadership and Tone at the Top

Strong leadership is essential in setting the right tone and fostering a value-driven culture. Our leadership team demonstrates commitment to our values through consistent actions, decisions, and communications. This is reinforced through structured platforms such as Quarterly Updates and Townhall Meetings, where company performance, strategic direction, spotlights on our internal experts, and key initiatives are shared openly.

Additionally, Monthly Management Meetings ensure alignment across all levels of leadership, enabling timely decisions and reinforcing our core values across teams.





## Integrity, Ethics, Confidentiality, Professional Competence and Behaviour, and Objectivity

At GCS Malta, we are unwavering in our commitment to integrity and ethical behaviour. Every team member is expected to uphold the highest standards of confidentiality, professionalism, and objectivity in all their interactions and responsibilities. Our policies and procedures ensure that these principles are embedded in our daily operations, and we provide regular training and resources to reinforce these values. By maintaining transparency, ethical conduct, and professional excellence, we safeguard our reputation, and the trust placed in us by our clients, colleagues, and stakeholders.

## People Strategy

Our people are our greatest asset, and our People Strategy is designed to attract, develop, and retain top talent. We focus on creating an inclusive, dynamic, and growth-oriented environment where every team member feels valued and motivated. Through coaching of existing and future leaders, career development programmes, regular performance reviews, and opportunities for cross-functional collaboration, we empower our employees to reach their full potential. Furthermore, our open communication channels ensure transparency, while initiatives such as leadership coaching, mentorship programs, and employee engagement activities help cultivate a thriving workplace.

## Cyber Security Initiatives

At GCS Malta, safeguarding data and maintaining the highest levels of cyber security are non-negotiable priorities. We have implemented comprehensive security protocols, including multi-factor authentication, data encryption, and regular vulnerability assessments. Our

team undergoes cyber security awareness training to stay vigilant against evolving threats. Additionally, our IT infrastructure is monitored and updated regularly to ensure optimal security, confidentiality, and resilience against cyber risks.

## Inclusion & Diversity

At GCS Assurance Malta Ltd., we celebrate diversity and are committed to fostering an inclusive environment where everyone feels respected, valued, and empowered to contribute. We actively promote equal opportunities and ensure fair treatment in all aspects of employment, from recruitment to career development. Our policies and initiatives focus on eliminating barriers, encouraging collaboration across diverse teams, and creating a workplace where every voice is heard.

## Recruitment

Our recruitment process is designed to attract top talent who align with our values and vision. We adopt fair, transparent, and merit-based practices, ensuring that every candidate is given an equal opportunity.

Our approach focuses not only on technical expertise but also on cultural fit, collaboration skills, and long-term potential. By investing in strategic talent acquisition, we continue to build a workforce that drives success.





# Team Selection, Experience, and Supervision for Engagements

The success of our audit and accounting engagements relies heavily on selecting the right team with the appropriate mix of skills, experience, and expertise. We ensure every engagement team is carefully assembled, with clear roles and responsibilities defined from the outset. Senior team members provide supervision and mentorship, ensuring quality assurance, compliance with regulatory standards, and the delivery of value-added services. Continuous professional development and peer reviews further reinforce our commitment to excellence in every engagement.

## Quality

Quality is at the heart of everything we do at GCS Assurance Malta Ltd. Our robust quality management framework ensures adherence to international standards, regulatory requirements, and best practices. Through continuous monitoring, regular internal reviews, and external audits, we strive to maintain excellence in all our deliverables. Our teams are equipped with the tools, training, and resources needed to consistently meet and exceed client expectations.

## Developing Talent

We are deeply invested in nurturing the talent of today and tomorrow. Our commitment to professional development includes continuous learning opportunities, structured training programmes, and exposure to diverse projects. Employees benefit from access to internal and external workshops, coaching, and industry-specific certifications. Our approach emphasises both technical expertise and soft [success] skills, ensuring our team remains agile and ready to meet evolving industry demands. At GCS Assurance Malta Ltd., developing talent is not just an initiative - it's a core part of our strategy to ensure sustained excellence and innovation across our services.

## Feedback and Continuous Development

Feedback is a cornerstone of professional growth at GCS Assurance Malta Ltd. We maintain a culture of continuous feedback, where employees receive regular performance reviews, constructive insights, and actionable recommendations for improvement. Our development initiatives include buddy-mentorship programmes, skills workshops, and access to professional certifications, ensuring our team remains equipped to excel.

Our policy for annual minimum CPE requirements aligns with Directive 1 of the Accountancy Profession (Continued Professional Education). Warranted personnel are regularly monitored to ensure they maintain appropriate professional competence by participating in continued professional education activities. This includes meeting the minimum required









# Financial Information

- (i) Revenues from the statutory audit of annual and consolidated financial statements of public-interest entities and entities belonging to a group of undertakings whose parent undertaking is a public-interest entity: EUR 10,800
- (ii) revenues from the statutory audit of annual and consolidated financial statements of other entities: EUR 993,500
- (iii) revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm: EUR 250 and
- (iv) revenues from non-audit services to other entities EUR 236,700







# Public Interest Entities

GCS Assurance Malta Limited carried out the statutory audit of ClearflowPlus plc in 2024.

ClearFlowPlus plc, a wholly-owned subsidiary of Water Services Corporation, provides technical consultancy services related to water distribution, wastewater treatment, reverse osmosis, and related IT and laboratory services. The company prioritises sustainability but intends to transition into a finance company following the issuance of new bonds.