

Exhibit 5 – Notes from audit committee call

The Group currently has three non-executive directors, who form the Group audit committee. Until January 20X5, there was a fourth non-executive director who was also the financial reporting expert of the Group audit committee.

The Group is looking to find a replacement, but is finding it difficult to recruit for this position, and has requested that a senior partner from Squire & Co become a member of the Group audit committee while a replacement is being sought.

In addition, the Group audit committee is looking to appoint a firm of professional accountants to perform corporate finance work in relation to the planned Group restructuring. The audit committee understands that Squire & Co cannot provide this non-audit service as it would create a significant threat to auditor objectivity. However, the audit committee has asked if our firm can recommend another firm to perform the work.

Following the call, the managing partner of Squire & Co has suggested that the firm recommend Ranger Associates, an unconnected firm, to carry out the work. If Ranger Associates is appointed, Squire & Co will charge Ranger Associates a referral fee equivalent to 10% of the fee for the corporate finance engagement.

In addition, the audit committee has asked Squire & Co to work with the Group internal audit team to design internal controls over the part of the accounting system which deals with revenue, and also evaluate the operating effectiveness of the internal controls.

Required

(d) Using the notes from the audit committee phone call in Exhibit 5, discuss any ethical issues relevant to the Group audit, and recommend appropriate actions to be taken by our firm.